FOR IMMEDIATE RELEASE

HORIZONS ETFs LAUNCHES CORPORATE CLASS EMERGING MARKETS ETF

HXEM offers investors tax-efficient, indirect exposure to the MSCI Emerging Markets Index

TORONTO – August, 5, 2020 – Horizons ETFs Management (Canada) Inc. ("**Horizons ETFs**" or the "**Manager**") is pleased to announce the launch of its newest Total Return Index ETF ("**TRI ETF**"), the Horizons Emerging Markets Equity Index ETF ("**HXEM**"). Shares of the ETF will begin trading today on the Toronto Stock Exchange ("TSX") under the ticker HXEM.

HXEM seeks to replicate, to the extent possible, the performance of the Horizons Emerging Markets Futures Roll Index (Total Return) (the "**Index**"), net of expenses. The Index is designed to measure the performance of large- and mid-cap securities across 26 emerging markets ("**EM**") countries. The Index reflects the returns generated over time through long notional investments in a series of MSCI Emerging Markets Index Futures that are, in turn, based on the performance of the MSCI Emerging Markets Index.

The MSCI Emerging Markets Index captures large- and mid-cap representation across 26 EM countries. Currently with 1,404 constituents, this MSCI Index covers approximately 85% of the free float-adjusted market capitalization in each country. For investors globally, this is considered to be the most widely followed benchmark for EM equities in the world. The use of futures contracts improves the daily liquidity of index replication while the constituents of the Index are not traded.

"*In emerging markets across the world, the effects of rapid economic development and globalization have resulted in a number of companies in developing regions becoming globally significant companies, such as Tencent Holdings, Taiwan Semi-Conductor and Samsung Electronics, to name a few,"* said Steve Hawkins, President and CEO of Horizons ETFs. *"In our view, investors that ignore developing markets, ignore key companies that are likely going to play a more significant role in the global economy."*

HXEM is a class of shares in a corporate class structure that allows the ETF to deliver its returns in a tax-efficient manner. Investors are only expected to receive the total return of the Index, which is reflected in the ETF share's net asset value ("**NAV**"). Investors are not expected to receive any taxable distributions from HXEM. Dividends paid by foreign companies are not eligible for the Canadian dividend tax credit and are taxed in the hands of taxable Canadian resident investors as regular income at the marginal tax rate of the investor. This structure makes the ETF particularly advantageous if it's held in a taxable account, where tax on foreign dividend distributions could potentially be in excess of 50%, HXEM would also not be subject directly to foreign withholding tax since it does not actually receive physical dividends. These attributes are key differentiating features of HXEM versus other EM ETFs.

"*Our family of TRI ETFs has been the fastest growing product suite in our business with some of the best-selling ETFs in Canada in 2020. One area where we had an index coverage gap, was emerging market equity,"* said Mr. Hawkins. *"Many of the constituents in the MSCI Emerging*

Markets Index pay dividends, which are taxed at the marginal tax rate of taxable Canadian resident investors and subject to foreign withholding tax. The tax-efficiency of our corporate class structure offers investors an opportunity to participate in the rise of emerging markets without being subject to taxes on dividends and foreign withholding tax, which can erode total return and require investors to navigate and assess complex tax scenarios."

HXEM has closed its initial offering of shares and will begin trading today on the TSX when the market opens this morning.

About Horizons ETFs Management (Canada) Inc. (www.HorizonsETFs.com)

Horizons ETFs Management (Canada) Inc. is an innovative financial services company and offers one of the largest suites of exchange traded funds in Canada. The Horizons ETFs product family includes a broadly diversified range of solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Horizons ETFs has over $14 billion of assets under management and 93 ETFs listed on major Canadian stock exchanges.

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Commissions, management fees and expenses all may be associated with an investment in exchange traded products (the "Horizons Exchange Traded Products") managed by Horizons ETFs Management (Canada) Inc. The Horizons Exchange Traded Products are not guaranteed, their values change frequently and past performance may not be repeated. The prospectus contains important detailed information about the Horizons Exchange Traded Products. ***Please read the relevant prospectus before investing.***

Horizons Total Return Index ETFs ("Horizons TRI ETFs") are generally index-tracking ETFs that use an innovative investment structure known as a Total Return Swap to deliver index returns in a low-cost and tax-efficient manner. Unlike a physical replication ETF that typically purchases the securities found in the relevant index in the same proportions as the index, most Horizons TRI ETFs use a synthetic structure that never buys the securities of an index directly. Instead, the ETF receives the total return of the index through entering into a Total Return Swap agreement with one or more counterparties, typically large financial institutions, which will provide the ETF with the total return of the index in exchange for the interest earned on the cash held by the ETF. Any distributions which are paid by the index constituents are reflected automatically in the net asset value (NAV) of the ETF. As a result, the Horizons TRI ETF receives the total return of the index (before fees), which is reflected in the ETF's share price, and investors are not expected to receive any taxable distributions. Certain Horizons TRI ETFs (Horizons Nasdaq-100 ® Index ETF and Horizons US Large Cap Index ETF) use physical replication instead of a total return swap. The Horizons Cash Maximizer ETF and Horizons USD Cash Maximizer ETF use cash accounts and do not track an index but rather a compounding rate of interest paid on the cash deposits that can change over time.