

HORIZONS ETFs ANNOUNCES UNITHOLDER APPROVAL FOR PROPOSED CHANGES TO HFP

ETF changes include flexibility to buy Hybrid Bonds and LRCNs, as well as a new name and ticker

TORONTO – March 3, 2021 – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**” or the “**Manager**”) held a special meeting of the unitholders of the Horizons Active Floating Rate Preferred Share ETF (“**HFP**” or the “**ETF**”), on March 2, 2021, during which unitholders of the ETF approved all matters relating to proposed changes to the investment objective of the ETF previously announced by the Manager on January 29, 2021, and further described in an information circular dated January 22, 2021, that was made available to unitholders.

The new investment objective, which will be effective as of the close of business on March 3, 2021, will allow the ETF to seek to provide unitholders with a high level of income by investing in a portfolio of debt and other debt-like securities, including but not limited to hybrid corporate debt (“**Hybrids**”), Alternative Tier 1 Capital (“**AT1**”) (such as Limited Resource Capital Notes (“**LRCNs**”)), and income generating equities, including but not limited to preferred securities (fixed-rate perpetual, fixed floating rate, retractable and floating rate), of Canadian and U.S. companies.

Horizons ETFs will also be changing the name of the ETF to the Horizons Active Hybrid Bond and Preferred Share ETF and the TSX ticker symbol of the ETF to “**HYBR**” as soon as practicable to reflect the ETF’s new investment objective. The ETF will continue to be sub-advised by Fiera Capital Corporation (“**Fiera Capital**” or the “**Sub-Advisor**”), one of Canada’s largest fixed income managers.

“The Canadian fixed income landscape has changed considerably in the past 12 months, not just in terms of interest rates but with the emergence of new debt vehicles, like LRCNs,” said Nicolas Normandeau, Vice President and Portfolio Manager, Fiera Capital. *“To date, LRCNs have had a significant impact on the Canadian fixed income market, particularly as they increasingly replace preferred shares as the instrument of choice for traditional issuers in the Canadian preferred share market. The growing LRCN and hybrid bond markets offer an opportunity for Canadian investors to continue to generate a high level of income while preserving a similar claim in the capital structure and maintaining an appreciable level of portfolio diversification.”*

In addition to the expansion of investable debt and debt-like securities within the ETF’s mandate, the ETF is no longer required to be comprised of primarily Canadian issuers. The ETF is also now permitted to, at the discretion of the Sub-Advisor, be able to have a portfolio duration of either longer or shorter than 2 years, as well as hedge some or all of its non-Canadian dollar currency exposure.

“We felt it was important to make these changes to HFP to enable us to continue to deliver value for its unitholders amid the evolving fixed income marketplace,” said Steve Hawkins, President and CEO of Horizons ETFs. *“The expansion of the ETF’s mandate to include new fixed income*



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products, alongside preferred shares, will give the Fiera Capital team the flexibility they need to effectively navigate and invest in today's debt markets and ultimately, seek greater yield for unitholders. The fact that all three types of securities generally benefit from rising interest rates provides investors with an ETF that offers potentially attractive income and capital preservation, if interest rates continue to rise from their current low-levels."

There is no change to the management fee of the ETF. Further details regarding the changes can be found at www.sedar.com and www.HorizonsETFs.com.

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 more than \$17.5 billion of assets under management and 94 ETFs listed on major Canadian stock exchanges.

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