

## **Horizons ETFs Reduces Management Fee on the Horizons Cdn Select Universe Bond ETF**

**TORONTO – June 2, 2017** – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**”) is pleased to announce that it will reduce the management fee on the Horizons Cdn Select Universe Bond ETF (“**HBB**”) effective July 1, 2017. The fee will decrease from 0.15% to 0.09%.

HBB seeks to replicate, to the extent possible, the performance of the Solactive Canadian Select Universe Bond Index (Total Return), net of expenses. The Solactive Canadian Select Universe Bond Index (Total Return) is designed to measure the performance of the Canadian investment-grade fixed income market.

*“With this management fee reduction, HBB now has one of the lowest management fees among the investment-grade bond ETFs in Canada,”* said Steve Hawkins, President and Co-CEO of Horizons ETFs. *“Keeping costs low on fixed income ETFs has never been more important. With a combination of low yields and the always-looming prospect of rising interest rates, it’s essential for Canadian fixed income investors to reduce the cost of their bond exposure to ensure they preserve more of their returns.”*

HBB is the only Canadian fixed income ETF to use the innovative total return index (“**TRI**”) structure to provide tax-efficient exposure to the total returns of the broad Canadian investment-grade bond market.

TRI ETFs are low-cost, index-replicating ETFs that use a synthetic replication structure to receive the pre-tax total return of an index. Unlike physically-replicated ETFs, no distributions are expected to be paid by the ETF. Instead, the value of any dividend or interest income is directly reflected in the performance of the ETF. This leads to greater tax efficiency for investors who hold the ETF in taxable investment accounts.

*“Tax is a big consideration for fixed income investors, since the income generated from bonds is taxed at an investor’s marginal tax rate. For many Canadians, this means losing nearly half their annual yield to income taxes,”* said Mr. Hawkins. *“Instead of paying this tax immediately on income gains, HBB allows investors in non-registered accounts to have the full pre-tax value of those income distributions reflected in the value of the ETF. Investors can essentially defer paying that tax until they sell their units of the ETF.”*

While HBB has reduced its management fee to 0.09%, it will still continue to charge an additional swap fee of about 0.15%, in order to utilize the tax-advantaged TRI structure. This means the total cost of owning HBB is approximately 0.24% per year, plus applicable sales tax.

*In our view, even after the swap fee, the after-tax benefits of HBB’s return – deferring taxation on nearly half the yield – provide a net benefit for many investors,”* said Mr. Hawkins. *“It’s important to remember that management fees are only one aspect of the cost of owning an ETF; tax is another significant cost. From that perspective, we believe that HBB is the lowest-cost fixed income ETF in Canada, when held in a taxable account.”*

**About Horizons ETFs Management (Canada) Inc. ([www.HorizonsETFs.com](http://www.HorizonsETFs.com))**

Horizons ETFs Management (Canada) Inc. and its affiliate AlphaPro Management Inc. are innovative financial services companies offering the Horizons ETFs family of exchange traded funds. The Horizons ETFs family includes a broadly diversified range of investment tools with solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Horizons ETFs has \$7.7 billion of assets under management and with 77 ETFs listed on the Toronto Stock Exchange, the Horizons ETFs family makes up one of the largest families of ETFs in Canada. Horizons ETFs Management (Canada) Inc. and AlphaPro Management Inc. are members of the Mirae Asset Global Investments Group.

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