

## **HORIZONS ETFS ANNOUNCES UNITHOLDER MEETING FOR PROPOSED CHANGES TO HFP**

**TORONTO – January 29, 2021** – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**” or the “**Manager**”) is announcing a special meeting of unitholders (the “**Meeting**”) of Horizons Active Floating Rate Preferred Share ETF (“**HFP**” or the “**ETF**”) at which unitholders of the ETF will be asked to consider and vote upon a proposal to approve a change to the investment objective of the ETF (the “**Proposed Change**”).

The Meeting will be held at 10:00 a.m. (EST) on March 2, 2021, in a virtual-only format where unitholders may attend and participate via live audio webcast. HFP unitholders at the close of business on January 21, 2021, the record date for the Meeting, will be entitled to receive notice of, and vote at, the Meeting.

The decision to propose the change in investment objective follows an extensive review by the Manager and the Sub-Advisor of the activities of the ETF. The Manager believes that it is in the best interests of the ETF and its unitholders to change the investment objective, including the currency hedging strategy, of the ETF as follows:

<b>Current Investment Objective</b>	<b>Proposed Investment Objective</b>
<p>The investment objective of the ETF is to generate income consistent with prevailing short-term preferred share yields while stabilizing the market value of the ETF from the effects of interest rate fluctuations. The ETF invests primarily in preferred shares of Canadian companies and may also invest in preferred shares of companies located in the United States, fixed-income securities of Canadian and U.S. issuers, including other income generating securities and Listed Funds. The ETF will generally maintain a portfolio duration of less than 2 years. The ETF may use derivatives, including interest rate swaps and futures contracts, to contribute to the ability of the ETF to seek to deliver a floating rate of income.</p> <p>The ETF, to the best of its ability, seeks to hedge its non-Canadian dollar currency exposure to the Canadian dollar at all times.</p>	<p>The investment objective of the ETF is 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 (“<b>Hybrids</b>”), Alternative Tier 1 Capital (“<b>AT1</b>”) (such as Limited Resource Capital Notes (“<b>LRCNs</b>”), 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.</p> <p>The ETF may hedge some or all of its non-Canadian dollar currency exposure at the discretion of Fiera Capital Corporation, the Sub-Advisor (“<b>Sub-Advisor</b>”).</p>



If the Proposed Change is approved and implemented, the portfolio weightings of debt, subordinated debt and other debt-like securities, Hybrids, AT1s, LRCNs and Non-Viability contingent capital, as well as the number of securities in the portfolio of the ETF, may increase, and the ETF's portfolio may no longer be comprised primarily of Canadian issuers. Currently, the ETF seeks to maintain a portfolio duration of less than 2 years. If the Proposed Change is approved, the portfolio duration of the ETF may be either longer or shorter than 2 years, at the Sub-Advisor's discretion.

The ETF currently seeks to hedge its non-Canadian dollar currency exposure to the Canadian dollar to the best of its ability, at all times. If the Proposed Change is approved, the ETF will be permitted to, at the discretion of the Sub-Advisor, hedge some or all of its non-Canadian dollar currency exposure. There is no change to the Sub-Advisor or the management fee of the ETF resulting from the Proposed Change.

If unitholders of the ETF approve the applicable Proposed Change, the Manager currently anticipates implementing the Proposed Change as soon as reasonably practicable following the Meeting, subject to obtaining all required regulatory and other approvals, including securities regulatory approval.

If the Proposed Change is approved and implemented, the Manager intends to change the name of the ETF to "Horizons Active Hybrid Bond and Preferred Share ETF", or such other name as the Manager deems appropriate at that time.

Registered unitholders and duly appointed proxyholders will be able to participate in and vote online in real-time at the Meeting at [www.virtualshareholdermeeting.com/HFP2021](http://www.virtualshareholdermeeting.com/HFP2021).

Further details regarding the Meeting are described in the management information circular dated January 22, 2021, which will be available to unitholders of HFP on or about January 29, 2021, at [www.sedar.com](http://www.sedar.com) and [www.HorizonsETFs.com](http://www.HorizonsETFs.com).

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

**For investor inquiries:**

Contact Horizons ETFs at 1-866-641-5739 (toll-free) or (416) 933-5745  
[info@horizonsetfs.com](mailto:info@horizonsetfs.com)

**For media inquiries:**

Contact Jonathan McGuire  
Corporate Communications Manager



**HORIZONS** ETFs  
by Mirae Asset

**FOR IMMEDIATE RELEASE**

Horizons ETFs Management (Canada) Inc.  
(416) 640-2956  
[jmcguire@horizonsetfs.com](mailto:jmcguire@horizonsetfs.com)

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