A Bond ETF That Can Tactically Change with the Market
The drivers of returns in the fixed income market can change quickly. Having an active fixed income strategy that has the flexibility to “go anywhere” to find investment opportunities might be more important than ever before.

The Horizons Tactical Absolute Return Bond ETF (“HARB” or the “ETF”) seeks to provide positive absolute returns with low volatility over a market cycle regardless of market conditions or general market direction. The ETF will tactically take long and short positions in North American and global debt instruments and derivatives across the credit spectrum.

Key Features:
• A “Go Anywhere” Fixed Income Mandate ETF: HARB will seek to generate capital appreciation from decreasing spreads, falling yields and changes to credit quality, as well as protect capital and reduce drawdowns during periods of rising yields and widening spreads
• Diversification: HARB will have the full flexibility to tactically change the duration, credit and FX exposures to seek to generate positive risk-adjusted returns with reduced volatility and negative correlation to other asset classes
• An Experienced Sub-Advisor: Over 40 years of experience in running investment mandates covering the full spectrum of the fixed income universe
• Tax-Efficiency: The Total Return Series Shares are not expected to make taxable distributions, making them advantageous for taxable accounts where interest income is taxed at the full marginal income tax rate. The Dividend Series Shares is expected to pay out monthly distributions consisting of dividends and return of capital

Seeking Positive Risk-Adjusted Returns Throughout the Economic Cycle
The HARB sub-advisor will adjust the positioning of the ETF portfolio to various fixed income strategies it believes offer the highest absolute risk-adjusted return profile over the course of the investment cycle.

HARB will employ a combination of top-down macroeconomic analysis involving the assessment of economic, political and market trends, and a bottom-up company and security level analysis of the underlying bonds in the portfolio. The ETF will take long or short positions – using up to a maximum leverage of three-times (300%) of its net asset value (“NAV”) – in North American and global debt instruments across the credit spectrum including, but not limited to: cash and cash equivalents, government debt, convertible bonds, government agency securities, inflation-linked bonds, investment-grade corporate debt, high-yield corporate debt, preferred shares, limited recourse capital notes, fixed income derivatives, private debt and other income-producing instruments.

Some of the strategies include, but are not limited to: long/short high-yield bond strategies to hedge default risk and hedge interest rate risk, long positions in investment-grade bonds/short positions in government bonds to hedge interest rate risk, long positions in short-duration high-yield bonds and investment-grade bonds/short positions in government bonds.
Commissions, management fees and expenses all may be associated with an investment in Horizons Tactical Absolute Return Bond ETF ("the ETF") managed by Horizons ETFs Management (Canada) Inc. The ETF is an alternative mutual fund within the meaning of National instrument 81-102, Investment Funds, and is permitted to use strategies generally prohibited by conventional mutual funds and ETFs, such as borrowing cash, selling securities short, and employing leverage of up to 300%, amongst others. The use of these strategies may accelerate the risk associated with the ETF. The ETF is not guaranteed, its values change frequently and past performance may not be repeated. The prospectus contains important detailed information about the ETF. Please read the prospectus and its risk disclosure before investing.

Horizons Tactical Absolute Return Bond ETF (HARB; HARB.J; HARB.U)

The Business Cycle

Corporate Class
The ETF will consist of three series of shares: (i) a total return series of shares (the "Total Return Series Shares"); (ii) a U.S. dollar-denominated series shares (the "U.S. Dollar-Denominated Series Shares"); and (iii) a dividend series of shares (the "Dividend Series Shares", and together with the Total Return Series Shares, the "ETF Shares"). With respect to the Dividend Series Shares, the ETF will also seek to provide consistent income.

The ETF was constructed within the Horizons ETF Corp., a corporate class mutual fund structure that will allow the ETF to deliver its returns in a tax-efficient manner. The ETF will be available in three different series of shares that will trade on the Toronto Stock Exchange under the tickers HARB:TSX, HARB.U:TSX and HARB.J:TSX as described below. HARB:TSX and HARB.U:TSX are not expected to make regular distributions while HARB.J:TSX is expected to make regular distributions.

The Total Return Series Shares (HARB:TSX): HARB is a total return series of shares within a corporate class ETF that allows the ETF to deliver its returns in a tax-efficient manner. Investors in HARB will receive the total return of the underlying portfolio securities, which is reflected in the ETF's NAV. With HARB, investors are not expected to receive any taxable distributions directly. This makes the ETF particularly advantageous if it's held in a taxable account, where tax on bond income distributions could potentially be in excess of 50%, depending on the marginal rate tax of the investor. With this ETF structure, investors can potentially defer incurring a tax liability until they sell the ETF, at which point any capital gain realized from such sale may result in a tax liability.

Dividend Series Shares (HARB.J:TSX): The Dividend Series Shares trade under the ticker HARB.J. These series of shares of the ETF will seek to provide consistent income. The NAV of HARB.J will reflect the payment of distributions to clients, which could be a combination of capital gains, dividends, or even return on capital, depending on market conditions.

U.S. Dollar-Denominated Series Shares (HARB.U:TSX): The U.S. dollar-denominated series shares are also a Total Return Series, similar to HARB, and will provide unhedged USD exposure to the ETF and are not expected to make any distributions.

About DMAT Capital Management
DMAT is a boutique portfolio management firm founded by renowned Canadian fixed income manager, Barry Allan, who has nearly 40 years of industry experience running investment mandates involved in the full spectrum of the fixed income world, from government bonds, investment-grade bonds, high-yield bonds and distressed bonds. DMAT currently has a team of four investment professionals, led by Mr. Allan, that specialize in creating specialized and non-traditional fixed income strategies designed to meet the needs of Canadian financial advisors and their high-net-worth clientele.

To learn more, please visit www.HorizonsETFs.com/HARB