

Horizons Active Cdn Municipal Bond ETF (HMP)

ETF Snapshot

Name:

Horizons Active Cdn Municipal Bond ETF

Launch Date:

August 13, 2015

Ticker:

HMP

Management Fee:²

0.29%

Investment Manager:

Horizons ETFs Management (Canada) Inc.

Sub-Advisor:

Fiera Capital Corporation

Distribution Frequency:

Monthly

Eligibility:

All registered and non-registered investment accounts

Municipal Bonds: A Safe Haven for Income

Municipal bonds, sometimes referred to as “munis,” are debt securities generally issued by cities, municipalities or municipal finance authorities to finance local capital expenditures such as the construction of bridges, highways, airports or schools. The size of the market in Canada is approximately \$52 billion, with Quebec municipalities making up nearly half of the issues.¹

Municipal bonds offer an attractive risk/return profile with a low risk of default and higher yields than other Government of Canada bonds.

Canada's First Municipal Bond ETF

Horizons Active Cdn Municipal Bond ETF (“HMP”) is the first ETF in Canada to provide unitholders with exposure to a portfolio of Canadian municipal bonds (denominated in Canadian dollars). To achieve Horizons HMP’s investment objective, Fiera Capital Corporation (“Fiera Capital”) uses their own credit analysis to select issuers high in quality and yield, as well as allocation flexibility to tactically manage the non-rated risk of the portfolio.

Key Features:

- Generally higher yielding than federal and provincial bonds
- Lower-risk profile compared to investment grade corporate bonds
- Greater liquidity and diversification than owning an individual municipal bond directly
- **Get The Active Advantage™** in the municipal market with sub-advisor Fiera Capital
- Independent credit analysis on all holdings
- HMP accepts in-kind subscriptions of municipal bonds for ETF units³

¹Source: Fiera Capital as at October 3, 2018.

²Plus applicable sales tax.

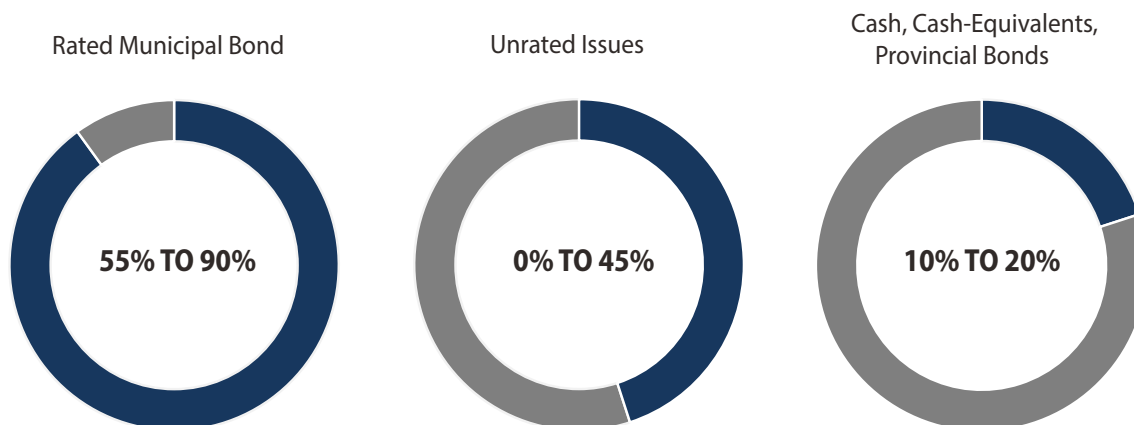
³Within certain parameters.



Horizons Active Cdn Municipal Bond ETF (HMP)

Flexible Asset Allocation

GENERAL HMP PORTFOLIO GUIDELINES



Horizons HMP primarily invests in a portfolio of Canadian municipal bonds denominated in Canadian dollars and will be substantially invested under normal conditions. Of HMP's total assets, generally up to 45% of the holdings can be invested in Canadian municipal bonds that are unrated — these are issues that have not been rated by a ratings agency. Fiera Capital, however, conducts its own extensive credit analysis to differentiate between the quality of issuance. In order to manage the liquidity of the portfolio, Horizons HMP will generally invest between 10% and 20% of its net assets in cash, cash equivalents, Canadian provincial government bonds and/or bonds issued by Canadian federal government agencies.

Fiera Capital Corporation

Fiera Capital Corporation ("Fiera Capital") is one of the largest fixed income managers in Canada. Publicly traded with offices across the U.S. and Canada, Fiera Capital has become a leader in the realm of non-traditional investment solutions. It has vast experience and expertise in Canadian fixed income, North American preferred shares, Canadian and foreign equities, asset

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



Commissions, trailing management fees and expenses all may be associated with an investment in Horizons Active Cdn Municipal Bond ETF (the "ETF") managed by Horizons ETFs Management (Canada) Inc. 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 before investing.**

The sub-advisor and investment manager have a direct interest in the management fees of the ETF, and may, at any given time, have a direct or indirect interest in the ETF or its holdings.