

# Horizons Active Floating Rate Senior Loan ETF (HSL)

## ETF Snapshot

**Name:**

Horizons Active Floating Rate Senior Loan ETF

**Launch Date:**

October 15, 2014

**Ticker:**

HSL

**Management Fee:<sup>1</sup>**

0.75%

**Investment Manager:**

Horizons ETFs Management (Canada) Inc.

**Sub-Advisor:**

DMAT Capital Management

**Distribution Frequency:**

Monthly

**Currency Hedged:**

Yes

**PACC/SWP/DRIP Eligible:**

Yes

**Eligibility:**

All registered and non-registered investment accounts

<sup>1</sup>Plus applicable sales tax.

### A Short-Duration/High Yield Alternative

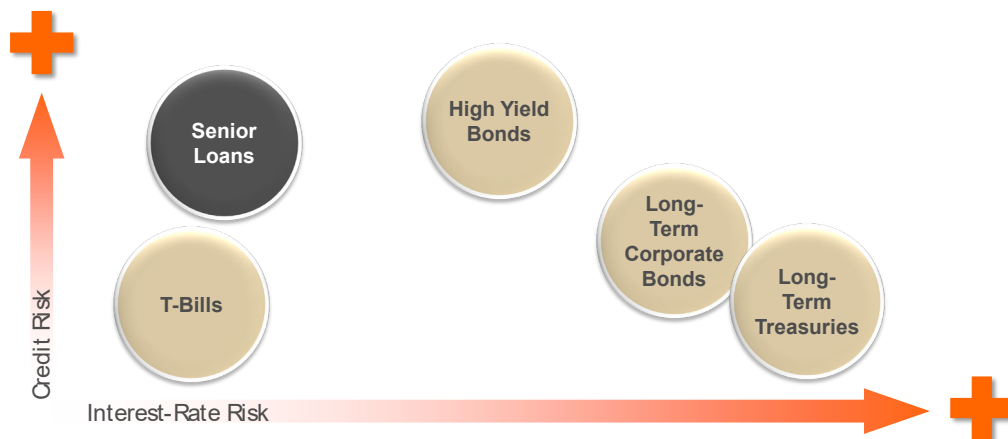
The Horizons Active Floating Rate Senior Loan ETF ("HSL") seeks to provide unitholders with a high level of current income by investing primarily in a diversified portfolio of U.S. senior secured floating rate loans, generally rated below investment grade and debt securities, with capital appreciation as a secondary objective.

### What Are Senior Loans?

Senior loans are a secured form of debt typically issued by non-investment grade issuers, where a loan is protected by a legal claim to the borrower's assets above all other non-secured debt obligations. Issues typically have a three-month or six-month floating rate coupon. Senior loans are also commonly known as secured loans, senior secured loans, leveraged loans, floating rate loans and bank loans.

Within a firm's capital structure, senior loans rank higher than high-yield bonds, preferred shares and common equities. In the event of default, they offer a much higher recovery rate because of the added protection from their secured nature.

Senior loans are not a cash alternative. They are a non-investment grade fixed income investment and should be part of a balanced fixed income portfolio, not an alternative to it.



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by Mirae Asset

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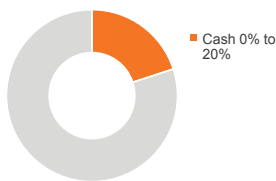
## Key Features:

- Monthly yield
- Low interest rate sensitivity
- Sub-advisory team has extensive experience in non-investment grade credit
- Strong focus on risk management, strategy should maintain higher than average credit rating versus broader senior loan market

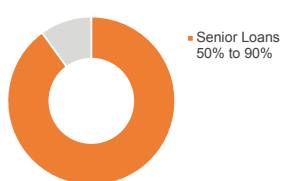
## HSL's Flexible Asset Allocation

- Flexible asset allocation strategy designed to mitigate concentration risk
- Maintains a minimum of 10% in cash and/or other T+2 securities, with the ability to hold up to 20% in cash, to mitigate liquidity risk
- HSL has some flexibility to hold traditional high-yield credit or other non-investment grade credit that is evaluated by the sub-advisor

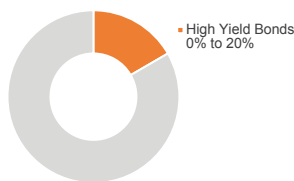
### Cash Exposure



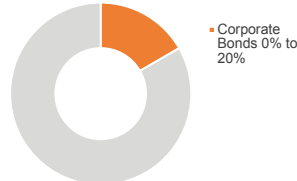
### Senior Loans



### High Yield Bonds



### Investment Grade Corporate Bonds



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## 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, including 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/HSL](http://www.HorizonsETFs.com/HSL)



Commissions, management fees and expenses all may be associated with an investment in Horizons Active Floating Rate Senior Loan 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.