Keep Ahead of U.S. Interest Rates

The Horizons Active Ultra-Short Term US Investment Grade Bond ETF ("HUF.U") is a U.S. dollar-denominated corporate bond ETF designed to generate income that is consistent with prevailing U.S. short-term corporate bond yields, while stabilizing the market value of the ETF from the effects of U.S. interest rate fluctuations. HUF.U seeks to hedge the portfolio’s U.S. interest rate risk and uses derivatives, including interest rate swaps, to deliver a floating rate of income that is expected to reflect any changes to key short-term lending rates, so that when interest rates change, the yield on HUF.U is also expected to change.

HUF.U aims to offer investors the higher yields associated with U.S. corporate bond investing and some downside price protection from rising interest rates.

Key Features:
- Sub-advised by Fiera Capital Corporation ("Fiera Capital"), an experienced corporate fixed income manager
- Is generally expected to deliver a higher yield on U.S. cash holdings than GICs and U.S. Money Market funds
- Seeks to mitigate the negative impact of interest rate increases on a bond portfolio
- Holds a basket consisting primarily of high-quality, investment-grade U.S. corporate bonds

Understanding HUF.U’s Yield

HUF.U invests primarily in a portfolio of U.S. corporate bonds and will hedge the portfolio’s interest-rate risk to generally maintain a portfolio duration of less than one year. HUF.U uses an interest rate swap overlay to deliver a floating rate of income which is estimated to be equivalent to the London InterBank Offering Rate ("LIBOR") plus the current corporate bond spread.

This Illustrative example below uses the following assumptions:
- The 5-year swap fixed rate is 2.00%, LIBOR is 1.80%
- The portfolio holds corporate bonds with an average yield-to-maturity of 3.20% and average duration of 5.0 years

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Horizons Active Ultra-Short Term US Investment Grade Bond ETF (HUF.U; HUF)

Real Rate of Return
Inflation can erode returns. Investors may lose purchasing power – that is, experience a negative real return – during periods when the fixed interest rates they earn on their income investments are not able to keep pace with a rising inflation rate. By offering a floating interest rate, HUF.U should deliver a yield that reflects prevailing short-term corporate bond yields, which tend to be correlated to inflation. As short-term interest rates rise or fall, so should the yield on HUF.U. For investors willing to take on a modest amount of market risk, HUF.U is expected to be a superior alternative to a high-interest savings account or money market funds.

Fiera Capital Corporation
Fiera Capital Corporation ("Fiera Capital") is one of the largest fixed income managers in Canada. Publically traded with office 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 allocation and alternative strategies.

To learn more, please visit www.HorizonsETFs.com/HUF.U

Commissions, management fees and expenses all may be associated with an investment in the Horizons Active Ultra-Short Term US Investment Grade 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.