

Horizons Active High Yield Bond ETF (HYI)

ETF Snapshot

Name:

Horizons Active High Yield Bond ETF

Launch Date:

February 15, 2012

Ticker:

HYI

Management Fee:¹

0.60%

Investment Manager:

Horizons ETFs Management
(Canada) Inc.

Sub-Advisor:^{*}

DMAT Capital Management

Distribution Frequency:

Monthly

Currency Hedged:

Yes

Eligibility:

All registered and non-registered
investment accounts

¹Plus applicable sales tax.

^{*}The ETF's portfolio sub-advisor changed effective
November 5, 2020.

A High Yield ETF Ahead of the Curve

The Horizons Active High Yield Bond ETF ("HYI") seeks to provide investors with high total return income and monthly distributions by primarily investing, directly or indirectly, in high-yield debt securities of North American companies. HYI may also invest, directly or indirectly, in convertible debentures, preferred shares and mortgage-backed securities. To the best of its ability, HYI seeks to hedge its non-Canadian dollar currency exposure to the Canadian dollar at all times.

Key Features:

- **Actively Managed:** Sub-advised by DMAT Capital Management, whose lead portfolio manager, Barry Allan, has nearly 40 years of experience in managing fixed income for major Canadian asset managers.
- **Emphasis on Risk Management:** DMAT puts a strong focus on reducing portfolio risk in the high-yield sector. Portfolio will primarily be comprised of BB or B-rated bonds that have historically lower risk profiles than CCC or non-rated debt.
- **Independent Security Analysis:** DMAT will undertake independent credit and risk analysis of each issuer in HYI's universe to determine selection for the portfolio rather than relying on agency credit ratings the way index strategies do.

Get the Active Advantage™

HYI has the flexibility to adjust its duration and credit rating structure dynamically, unlike passive high-yield bond indexing strategies, which are constrained by the methodology of the index they track. This is critical in prudent high-yield investing, as changing interest rates, credit and default risks can strongly influence performance.

For example, if DMAT believes there is greater value in more defensive bonds, it can allocate a much larger proportion of the portfolio to corporate or government bonds rated BB and B, or above. Conversely, DMAT has the flexibility to allocate up to 20% of the portfolio to CCC-rated bonds in lower-risk environments, although typically the portfolio will seek to have a lower standard deviation than the broader non-investment-grade universe and will likely have an underweight to these issuers.

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DMAT's Investment Process

1.	Macroeconomic Outlook:	DMAT has a broad, global macroeconomic view that influences all decision-making in the portfolio. This outlook can change with market developments and therefore result in top-down portfolio changes.
2.	Sector and Risk Allocation:	DMAT puts a heavy emphasis on proper allocation of securities, particularly ensuring that the yield on the portfolio will be sustainable from a risk management perspective.
3.	Duration Positioning:	DMAT can shift the duration of the portfolio to take advantage of changes in interest rate outlooks.
4.	Independent Security Analysis:	All securities considered for the portfolio go through independent credit and risk analysis.
5.	Portfolio Construction	DMAT's process focuses on evaluation of securities related to their potential for high total return income.

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/HYI



Commissions, management fees and expenses all may be associated with an investment in Horizons Active High Yield 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.