

UTIL



HORIZONS ETFs
by Mirae Asset



Horizons Canadian Utility Services High Dividend Index ETF

ETF Snapshot

Gain Exposure to Dividends From Canadian Utility Companies

Horizons Canadian Utility Services High Dividend Index ETF ("UTIL") is a dividend-focused ETF that offers investors exposure to Canadian utility service companies listed on the Toronto Stock Exchange ("TSX").

With UTIL, investors can gain exposure to three major segments of the utility services sector: utilities, pipelines and telecommunications, which have historically functioned as defensive industries, offering investors relative stability and consistent dividends, even during periods of volatility and bear markets.

UTIL seeks to replicate, to the extent possible, the performance of an index that seeks to provide exposure to the performance of TSX-listed high dividend paying utility services companies. Currently, UTIL seeks to replicate the performance of the Solactive Canadian Utility Services High Dividend Index (the Underlying Index), net of expenses.



Name:

Horizons Canadian Utility Services High Dividend Index ETF

Launch Date:

August 10, 2022

Ticker:

UTIL

Management Fee:

0.50% (plus applicable Sales Tax)

Investment Manager:

Horizons ETFs Management (Canada) Inc.

Currency:

CAD

Underlying Index:

Solactive Canadian Utility Services High Dividend Index

Bloomberg Ticker:

SOLCUHDT

Currency Hedged:

N/A

Distributions:

Monthly

Eligibility:

All registered and non-registered investment accounts

Horizons Canadian Utility Services High Dividend Index ETF

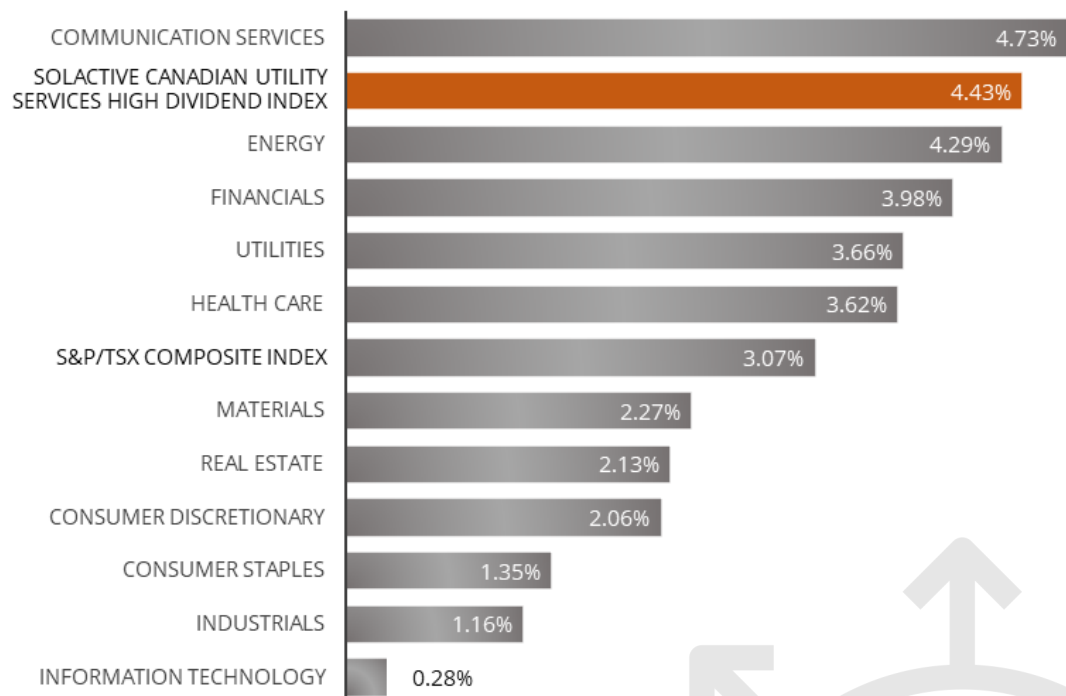
Dividends

Historically Higher Yields

One of the major appeals of Utility and Utility Services companies are their historically higher yields relative to sectors such as Information Technology and Consumer Goods. These companies tend to have one major cost which is the upkeep and expansion of critical infrastructure in areas such as electricity, heating and basic telecommunication services. Since very little of these companies' balance sheets are focused on research and development and marketing, they tend to pay out a much higher amount of their revenue as dividend income to investors.

Expensive utility infrastructure requires continual upgrades and maintenance generally requires relatively high debt loads on these companies, which makes them historically susceptible to rises in interest rates. However, unlike other sectors such as Information Technology and Consumer Goods, which can have boom and bust cycles, demand for utility services remains relatively constant. People need to use the critical infrastructure provided by utilities and utility services which can provide some protection during negative equity markets as revenue should not decline to the same extent as other sectors dependent on discretionary spending.

Historical Dividend Payout of Utility Services vs. S&P/TSX Composite Index and Selected Composite Sectors (Current Trailing 12-month Yield)



Source: Bloomberg as at July 31, 2022.

HYPOTHETICAL PERFORMANCE AND FOR ILLUSTRATIVE PURPOSES ONLY. RETURNS OF THE Solactive Canadian Utility Services High Dividend Index (the "Index") DO NOT REPRESENT THE ETF'S RETURNS. AS A RESULT OF THE RISKS AND LIMITATIONS INHERENT IN HYPOTHETICAL PERFORMANCE DATA, HYPOTHETICAL RESULTS MAY DIFFER FROM ACTUAL INDEX PERFORMANCE. The historical performance of the Index is hypothetical and for illustrative purposes only. It is not meant to forecast, imply or guarantee the future performance of any particular investment or Index, which will vary. The performance data for Index assumes no management fees, expenses or optional charges related to ownership of an investment fund replicating the Index, which would reduce returns. The historical performance of the Index shown above does include the reinvestment of all distributions and is rebalanced semi-annually. The performance shown for the Index is entirely hypothetical, back-tested data for the period July 31st 2021 to July 31st 2022. The Index is not directly investable. For additional Information regarding the Index, including the applicable Index methodology, [click here](#).

Horizons Canadian Utility Services High Dividend Index ETF

Key Features

Key Features:



- Targeted exposure to high dividend-paying Canadian utility service companies listed on the TSX



- Goes beyond traditional Utilities exposure to include Pipelines and Telecom companies



- Historically, the utility service sector has been considered a defensive investment because it can potentially provide consistent dividends and stability throughout all market cycle conditions



- The Index Provider will employ minimum yield requirements for companies to be eligible for inclusion within the Underlying Index

Solactive Canadian Utility Services High Dividend Index

The Underlying Index is designed to provide exposure to TSX- listed high dividend paying utility services companies. In order to be eligible for inclusion in the Underlying Index, a company will be classified as primarily operating in one of the following index categories: "Utilities," "Pipelines," or "Telecommunications" as each term is defined by the Index Provider in the index guideline of the Underlying Index.

- Constituent Issuers will be drawn from publicly listed companies headquartered in Canada
- Companies must meet a minimum market capitalization of CAN\$1 Billion at the time of selection
- Companies must meet a minimum yield* requirement - minimum 3% - to be eligible for inclusion
- Equally weighted on each rebalance date

*12-Month Forward Dividend Yield

To learn more, please visit www.HorizonsETFs.com/ETF/UTIL



Commissions, management fees and expenses all may be associated with an investment in the Horizons Canadian Utility Services High Dividend Index ETF ("UTIL" or 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.**

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