



HORIZONS EXCHANGE TRADED FUNDS

HORIZONS LAUNCHES ENHANCED INCOME ETF FOR FINANCIAL STOCKS

TORONTO, May 17, 2011 - Horizons Exchange Traded Funds Inc. (“**Horizons ETFs**”) and its affiliate AlphaPro Management Inc. (the “**Manager**”), are pleased to announce the launch of the Horizons AlphaPro Enhanced Income Financials ETF (“**HEF**”), which offers Canadian investors access to an innovative covered call strategy on Canada’s largest financial sector stocks. The ETF will begin trading today on the Toronto Stock Exchange (“**TSX**”) under the ticker symbol HEF.

The investment objective of HEF is to provide its unitholders with: (a) exposure to the performance of an equally weighted portfolio of Canadian banking, finance and financial services companies; and (b) monthly distributions of dividend and call option income.

HEF will invest primarily in a portfolio of equity and equity-related securities of Canadian companies that are primarily exposed to Canadian banking, finance and financial services sectors and are amongst the largest and most liquid issuers listed on the TSX in that sector.

To mitigate downside risk and generate income, HEF will generally write slightly out-of-the-money covered call options on 100% of the portfolio securities. The level of covered call option writing may vary based on market volatility and other factors.

“This is the latest addition to our family of enhanced income solutions, which use covered call strategies to generate income. We now offer four enhanced equity income ETFs, each of which offer investors the potential for an attractive tax-efficient monthly yield,” said Howard Atkinson, President of Horizons ETFs, *“For many investors, Canadian financial sector stocks represent a large weight in their portfolio. HEF is a compelling investment solution for those investors who want to enhance the income yield on those stocks.”*

JovInvestment Management Inc. (“**JovInvestment**”), an affiliate of the Manager, will act as investment advisor to HEF, with its investment team, including Eden Rahim, Vice-President and Portfolio Manager, providing the portfolio management services. Mr. Rahim has two decades of experience managing institutional option writing and hedging solutions. This will be the fifth covered-call writing mandate that JovInvestment manages for AlphaPro, and is in addition to the Horizons Gold Yield Fund (TSX: HGY.UN) and the Horizons AlphaPro Enhanced Income Equity ETF (TSX: HEX), Horizons AlphaPro Enhanced Income Energy ETF (TSX: HEE) and the Horizons AlphaPro Enhanced Income Gold Producers ETF (TSX: HEP), all of which utilize Mr. Rahim’s innovative call writing strategies.

“Historically, a covered call writing strategy on a portfolio of north American stocks has offered a much less volatile return profile than the underlying basket of stocks alone, and tends to outperform in bear markets or moderate return cycles but lags in bull markets,” Mr. Rahim said, *“With Canadian financial stocks, the potential for income from the covered-call writing in addition to their dividend yields should make HEF an attractive yield alternative while still allowing investors to participate in the modest upside growth potential of these stocks.”*

It is anticipated that HEF will make monthly distributions of its net dividend and call option income to its unitholders. Call option premium is anticipated to be treated as capital gains income, while the dividend income will be eligible for the Canadian dividend tax credit.

HEF has closed the initial offering of its units and will begin trading on the TSX when the market opens this morning.

Commissions, trailing commissions, management fees and expenses all may be associated with an investment in HEF. HEF is not guaranteed, its value will change frequently and past performance may not be repeated. **Please read the prospectus before investing.**

About Horizons Exchange Traded Funds Inc. (www.horizonsetfs.com)

Horizons ETFs is an innovative financial services company offering the Horizons ETFs family of exchange traded funds. The Horizons ETFs family includes a broadly diversified range of investment tools with solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. With approximately \$3 billion in assets under management and more than 70 listings on the Toronto Stock Exchange, the Horizons ETFs family makes up the largest selection of ETFs in Canada. Horizons ETFs is a member of the Jovian Capital Corporation (TSX: JOV) group of companies.

For further information:

Mark Noble, Communications and Public Relations, (416) 640-8254 or 1-866-641-5739.