



HORIZONS

ENHANCED U.S. EQUITY INCOME FUND

HORIZONS ETFs LAUNCHES UNIQUE U.S. EQUITY INCOME FUND

Toronto – June 16, 2011 - Horizons Exchange Traded Funds Inc. (“**Horizons ETFs**”) and AlphaPro Management Inc. (“**AlphaPro**”) are pleased to announce the filing of a final prospectus in respect of the initial public offering of Class A units (the “**Units**”) of the Horizons Enhanced U.S. Equity Income Fund (the “**Fund**”) priced at \$10.00 per Unit for a maximum offering size of \$100 Million. The offering is expected to close on or about June 29, 2011. The Toronto Stock Exchange (“**TSX**”) has conditionally approved the listing of the Units under the symbol (HES.UN), subject to fulfillment of the standard listing requirements of the TSX. AlphaPro is the manager and trustee of the Fund.

The Fund’s investment objectives are to provide holders of Units with: (a) the performance of an equal weighted portfolio of equity securities of large capitalization U.S. companies; (b) the opportunity for capital appreciation; (c) monthly distributions; and (d) lower overall volatility of portfolio returns than would be experienced by owning the Portfolio Securities (as defined below) without employing a covered call option strategy. To mitigate the downside risks associated with holding the Portfolio Securities, generate cashflow and allow for potential capital appreciation, the Fund will generally write short-term, “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. The Fund will generally seek to hedge substantially all of its exposure to the U.S. dollar back to the Canadian dollar.

The Fund will invest, on an approximately equally weighted basis, in a portfolio (the “**Portfolio**”) of securities of the 50 largest and most liquid U.S. companies, as measured by market capitalization, listed on the New York Stock Exchange or the NASDAQ Stock Market (the “**Portfolio Securities**”). The Portfolio will be rebalanced semi-annually on an equally weighted basis. The call options will be written with strike prices that are generally 5% above the current market price of the Portfolio Securities, with terms of one to two months depending on the prevailing levels of volatility.

The Fund’s strategy does not involve managing the Portfolio to achieve a specific distribution target therefore the Fund will not have a fixed distribution. The Fund intends to pay monthly distributions based on, among other things, the actual dividends received on the Portfolio Securities, actual net premiums from call options received in respect of the month the distribution is paid and the Fund’s estimated liabilities and expenses, including estimates of near term obligations relating to closing out option positions that are in-the-money.

In addition, to enhance overall liquidity, the Fund is expected to automatically convert into an exchange traded fund (“**ETF**”) by no later than November 30, 2012.

The syndicate of agents for the offering is being co-led by CIBC and BMO Capital Markets, and includes National Bank Financial Inc., TD Securities Inc., GMP Securities L.P., HSBC Securities (Canada) Inc., Canaccord Genuity Corp., Desjardins Securities Inc., Macquarie Private Wealth Inc., Raymond James Ltd., Dundee Securities Ltd., Industrial Alliance Securities Inc., Mackie Research Capital Corporation, MGI Securities Inc., Rothenberg Capital Management Inc. and Wellington West Capital Markets Inc.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Units offered have not been registered under the *U.S. Securities Act of 1933*, as amended (the “**1933 Act**”), or any state securities laws and may not be offered or sold in the United States or to a U.S. person absent registration under the 1933 Act or an applicable exemption from the registration requirements of the 1933 Act and applicable state securities laws.

This offering is only made by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be obtained from one of the agents above or on www.sedar.com. **Investors should read the prospectus before making an investment decision.**

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

Horizons ETFs is an innovative financial services company offering the Horizons ETFs family of ETFs. 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 TSX, 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, please visit www.horizonsetfs.com or contact:
Ken McCord, President, AlphaPro Management Inc., (416) 933-5746 or 1-866-641-5739,
kmccord@horizonsetfs.com.