



Horizons Launches Two New Corporate Bond ETFs

Toronto, February 15, 2011 - Horizons Exchange Traded Funds Inc. (“**Horizons ETFs**”) and its affiliate AlphaPro Management Inc. (the “**AlphaPro**”) are pleased to announce the launch of two new innovative corporate debt based ETFs, the Horizons High Yield Bond ETF (“**Horizons HYI**”) and the Horizons U.S. Floating Rate Bond ETF (“**Horizons HUF.U**”) (collectively, the “**ETFs**”). The ETFs’ portfolios will be actively-managed by Natcan Investment Management Inc (“**Natcan**”).

Both ETFs will begin trading on the Toronto Stock Exchange (“**TSX**”) under the below ticker symbols with both a Class E unit and an Advisor Class unit.

Name of ETF	TSX Ticker Symbol	
	Class E Units	Advisor Class Units
Horizons High Yield Bond ETF	HYI	HYLA
Horizons U.S. Floating Rate ETF	HUF.U	HUF.V

The investment objectives of Horizons HYI are to provide its unitholders with: (i) high total return income; and (ii) monthly distributions. Horizons HYI invests, directly or indirectly, primarily in high-yield debt securities of North American companies. Horizons HYI may also invest, directly or indirectly, in convertible debentures, preferred shares and mortgage-backed securities. Horizons HYI will, to the best of its ability, seek to hedge its non-Canadian dollar currency exposure to the Canadian dollar at all times.

The investment objective of Horizons HUF.U is 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. Horizons HUF.U invests primarily in a portfolio of U.S. corporate debt securities and will hedge the portfolio’s U.S. interest rate risk to generally maintain a portfolio duration of less than two years. Horizons HUF.U may also invest in U.S. government debt securities and debt securities of non-U.S. companies. Horizons HUF.U may also invest in debt securities directly, or through investments in securities of other investment funds, including exchange traded funds. Horizons HUF.U will use derivatives, including interest rate swaps, to deliver a floating rate of income. As Horizons HUF.U is denominated in U.S. dollars, Horizons HUF.U will generally seek to hedge its Canadian dollar currency exposure to the U.S. dollar.

Horizons HUF.U is the second floating rate bond ETF launched by Horizons ETFs. The structure of HUF.U is very similar to that of the already existing Horizons Floating Rate Bond ETF, except that Horizons HUF.U will invest primarily in U.S. corporate bonds and distribute in U.S. dollars.

To achieve the investment objectives of the ETFs, Natcan will use fundamental credit research to select companies that, based on their view on the company's industry and growth prospects, are believed to offer attractive risk adjusted returns.

“These two ETFs further enhance our partnership with Natcan’s fixed income team, which is one of the most capable bond management teams in Canada,” said Howard Atkinson, CEO of Horizons ETFs, *“Philosophically, our firm is of the belief that a low-cost actively-managed strategy can deliver better performance than a passive indexing strategy for certain asset classes, which include corporate bonds, high yield bonds and preferred securities. Natcan has done an excellent job in managing their existing ETF mandates and reinforcing our view that an active strategy can overcome many of the limitations found with index replication in these asset classes.”*

These two new ETFs will be the fifth and sixth income-focused mandates that Natcan sub-advises for Horizons ETFs. Natcan's fixed income team are also the sub-advisors of the Horizons Corporate Bond ETF (TSX:HAB), the Horizons Floating Rate Bond ETF (TSX:HFR), the Horizons Tactical Bond ETF (TSX:HAF) and the Horizons Preferred Share ETF (TSX:HPR).

Horizons HYI and Horizons HUF.U have closed the offering of their initial units and will begin trading today on the TSX when the market opens this morning.

About Natcan Investment Management (www.natcan.com)

Founded in 1990, Natcan Investment Management Inc. is a subsidiary of the National Bank of Canada. Since the firm's founding, Natcan has privileged shared ownership between the parent company and its key professionals. Recognized as a leading portfolio management firm in Canada, Natcan provides investment solutions to institutional clients, and acts as sub-advisor for mutual funds and private wealth portfolios. With approximately \$25 billion in assets under management as of January 31, 2012, the firm has about 45 investment professionals across its Montreal and Toronto offices.

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 more than \$3.3 billion in assets under management and 77 ETFs listed on the Toronto Stock Exchange, the Horizons ETFs family makes up the largest selection of ETFs in Canada. Horizons ETFs is a subsidiary of Horizons ETFs Management (Canada) Inc. and a member of the Mirae Asset Financial Group.

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