

HORIZONS ETFs ANNOUNCES UNITHOLDER APPROVAL OF PROPOSED CORPORATE CLASS REORGANIZATION FOR HORIZONS GLOBAL RISK PARITY ETF INTO HORIZONS ReSOLVE ADAPTIVE ASSET ALLOCATION ETF

TORONTO – July 16, 2020 – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**” or the “**Manager**”) announced today that at a special meeting of the unitholders of the Horizons Global Risk Parity ETF (“**HRA**”) held on July 14, 2020, unitholders of HRA approved all matters relating to the proposed corporate class reorganization of HRA.

The approval of the corporate class reorganization follows a proposal announced by press release on June 12, 2020, and published by the Manager in a circular also dated June 12, 2020 (the “**Circular**”). Both are available at www.sedar.com and www.HorizonsETFs.com. The necessary regulatory and Independent Review Committee approvals were also received.

Under the corporate class reorganization, units of HRA will be exchanged for a corresponding number of shares of Horizons ReSolve Adaptive Asset Allocation ETF (“**HRAA**”), a new class of shares of Horizons ETF Corp. (“**Horizons MFC**”), a multi-class mutual fund corporation managed by the Manager, and as more particularly described in the Circular. HRAA will be an alternative mutual fund for purposes of applicable securities legislation, and accordingly, will be permitted to use leverage in seeking to achieve its investment objectives.

It is expected that the corporate class reorganization will take effect on or about July 29, 2020, or such other date as the Manager may determine at its sole discretion. HRA will continue to trade as normal up until the date of the corporate class reorganization, and will continue trading on the next trading day following corporate class reorganization as Horizons ReSolve Adaptive Asset Allocation ETF under the ticker symbol “**HRAA**”.

Horizons ReSolve Adaptive Asset Allocation ETF (HRAA)

The investment objective of HRAA will be to seek long-term capital appreciation by investing, directly or indirectly, in major global asset classes including but not limited to equity indexes, fixed income indexes, interest rates, commodities and currencies.

HRAA will be an alternative mutual fund within the meaning of NI 81-102, and will be permitted to use strategies generally prohibited by conventional mutual funds (such as HRA). In particular, HRAA may use leverage to seek to enhance returns. Leverage may be created through the use of cash borrowings, short sales and derivatives. The maximum amount of leverage used, directly or indirectly, by HRAA will not exceed 300% of its NAV.

HRAA will pay an annual management fee to the Manager equal to 0.85% of the NAV of the Continuing Corporate Class ETF, together with applicable sales tax, which is 0.20% higher than the annual management fee currently payable by HRA.



HRAA will also pay a performance fee to the Manager, if any, equal to 15% of the amount by which the performance of the HRAA, at any date on which the fee is payable, (i) exceeds the greater of: (a) the initial net asset value per share offered by HRAA; and (b) the highest net asset value per share previously utilized for the purposes of calculating a performance fee that was paid (the “**High Water Mark**”), and (ii) is greater than an annualized return of three percent (3%).

The corporate class reorganization is not expected to be a taxable event for unitholders of the HRA provided that, in the case of eligible Canadian resident unitholders who hold units of HRA in taxable accounts, such unitholders make a joint election with Horizons ETF Corp. under section 85 of the *Income Tax Act* (Canada) to have the exchange of their existing trust units for shares of a series of Horizons ETF Corp. take place at the unitholder’s tax cost, plus any reasonable costs of disposition.

About Horizons ETFs Management (Canada) Inc. (www.HorizonsETFs.com)

Horizons ETFs Management (Canada) Inc. is an innovative financial services company and offers one of the largest suites of exchange traded funds in Canada. The Horizons ETFs product family includes a broadly diversified range of solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Horizons ETFs has more than \$13.5 billion of assets under management and 92 ETFs listed on major Canadian stock exchanges.

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*Commissions, management fees and expenses all may be associated with an investment in exchange traded products (the "Horizons Exchange Traded Products") managed by Horizons ETFs Management (Canada) Inc. The Horizons Exchange Traded Products are not guaranteed, their values change frequently and past performance may not be repeated. The prospectus contains important detailed information about the Horizons Exchange Traded Products. **Please read the relevant prospectus before investing.***

Certain statements may constitute a forward-looking statement, including those identified by the expression “expect” and similar expressions (including grammatical variations thereof). The forward-looking statements are not historical facts but reflect the author’s current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking statements. These forward-looking statements are made as



HORIZONS ETFs
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of the date hereof and the authors do not undertake to update any forward-looking statement that is contained herein, whether as a result of new information, future events or otherwise, unless required by applicable law.

The ETF may have exposure to leveraged investment techniques that magnify gains and losses and which may result in greater volatility in value and could be subject to aggressive investment risk and price volatility risk. Such risks are described in the prospectus.