

Horizons ETFs Announces Unitholder Meetings for Proposed Corporate Class Reorganization of HHF and HARC

TORONTO – May 22, 2020 – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**” or the “**Manager**”) is announcing special meetings of unitholders (the “**Meetings**”) of the Horizons Morningstar Hedge Fund Index ETF (“**HHF**”) and the Horizons Absolute Return Global Currency ETF (“**HARC**” and together, the “**ETFs**”) at which unitholders of the ETFs will be asked to approve a proposed corporate class reorganization of the ETFs. The corporate class structure is intended to preserve all of the benefits offered by these ETFs under their current investment objectives and investment strategies.

The meetings for unitholders of HHF and HARC will be held at 2:00 p.m. (Toronto time) and 2:30 p.m. (Toronto time) on Tuesday, June 23, 2020, respectively, in a virtual-only format where unitholders may attend and participate via live audio webcast. Unitholders of record of each ETF at the close of business on May 14, 2020, the record date for the meetings, will be entitled to receive notice of, and vote at, the applicable meeting.

Following an extensive review by the Manager of the activities and current tax positions of the ETFs, along with the proposed changes to the *Income Tax Act* (Canada) (the “**Act**”), and efficiencies expected to be gained through the mergers, the Manager has determined that it would be in the best interests of the unitholders of the ETFs, which are currently structured as mutual fund trusts, to merge into Horizons ETF Corp., a multi-class mutual fund corporation managed by the Manager. Under the proposed corporate class reorganization, units of each of the ETFs would be exchanged for a corresponding number of shares, of a corresponding class of shares, of Horizons ETF Corp.

It is currently expected that the investment objectives, investment strategies and fee structure of the ETFs will not change. The proposed reorganization is not expected to be a taxable event for unitholders of the ETFs provided that, in the case of eligible Canadian resident unitholders who hold units of the ETFs in taxable accounts, such unitholders make a joint election with Horizons ETF Corp. under section 85 of the Act 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.

Additional details regarding the merger of the ETFs into Horizons ETF Corp. will be announced in the following weeks, and further details (including information in respect of the above noted tax deferral election) will also be provided in an information circular that will be made available for unitholders of each ETF at the close of business on May 14, 2020, to vote on the proposed corporate class reorganization of the ETFs. Subject to the receipt of all necessary regulatory, unitholder and other third party approvals, as well as obtaining any necessary exemptive relief under applicable securities laws in order to effect the corporate class reorganization, and the receipt of a final prospectus for the corporate class exchange traded funds, it is expected that the corporate class reorganization would take effect by the end of the second quarter of 2020.



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 \$12.5 billion of assets under management and 91 ETFs listed on major Canadian stock exchanges.

For all inquiries:

Please contact Horizons ETFs at 1-866-641-5739 (toll-free) or (416) 933-5745
info@horizonsetfs.com

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 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.

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.