

## **HORIZONS ETFs COMPLETES CORPORATE CLASS REORGANIZATION INTO HORIZONS RESOLVE ADAPTIVE ASSET ALLOCATION ETF**

**TORONTO – July, 30, 2020** – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**” or the “**Manager**”) is pleased to announce the successful corporate class reorganization of the Horizons Global Risk Parity ETF (“**HRA**”) into the 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. Shares of Horizons ReSolve Adaptive Asset Allocation ETF trade on the Toronto Stock Exchange (“**TSX**”) under the ticker HRAA.

At a special meeting of unitholders of HRA (the “**Meeting**”) held on July 14, 2020, unitholders approved all matters related to the merger (the “**Merger**”) of HRA into HRAA. Within the corporate class structure, although the value of any net interest income from the settlement of any derivatives will be reflected in the net asset value (“**NAV**”) of HRAA, investors in HRAA are not expected to receive any taxable distributions.

HRAA’s investment objective is 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 indices, interest rates, commodities and currencies. HRAA provides exposure to these major global asset classes through derivatives and securities, including futures contracts and forward agreements. For purposes of applicable securities legislation, HRAA is an alternative fund, and accordingly, is permitted to use up to 300% leverage in seeking to achieve its investment objectives. HRAA is sub-advised by ReSolve Asset Management Inc., the same sub-advisor that was employed by HRA prior to the Merger.

*“HRAA further expands our growing line-up of alternative ETFs and this reorganization enhances the ability of HRAA to take advantage of global opportunities while still holding risk parity as a cornerstone of its mandate,”* said Steve Hawkins, President and CEO of Horizons ETFs. *“I am confident that with the ReSolve team’s seasoned quantitative capabilities, and their use of advanced machine learning tools, HRAA will be well-positioned to navigate market volatility – particularly relevant given COVID-19’s recent impact on the global marketplace.”*

HRAA uses a portfolio allocation strategy commonly known as risk parity. This is an approach that seeks to ensure that each asset class in the portfolio contributes an equal amount of risk, thus creating optimal portfolio diversification. HRAA uses a quantitative process to dynamically measure the sensitivities of major asset classes to a set of common risk factors over changing market conditions. By considering asset allocation from the perspective of systematic risks, it aims to keep the portfolio’s target level of annualized volatility at or below 12% and reduce overall correlation to broader equity and fixed income markets.

*“HRAA represents the next evolution of the global asset allocation strategy that has been at the core of our investment thesis for more than a decade,”* said Adam Butler, Chief Investment



**HORIZONS** ETFs  
by Mirae Asset

**FOR IMMEDIATE RELEASE**

Officer of ReSolve Asset Management. *“Not only will HRAA be empowered to react dynamically to all market conditions with greater conviction, it will also be able to provide tax-efficiencies through Horizons ETFs’ corporate class structure.”*

HRAA will pay an annual management fee to the Manager equal to 0.85%. HRAA will also pay a performance fee to the Manager, if any, equal to 15% of the amount of out-performance of HRAA over its annualized benchmark threshold and high-water mark. Please read the prospectus for further details about HRAA.

**About Horizons ETFs Management (Canada) Inc. ([www.HorizonsETFs.com](http://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 \$14 billion of assets under management and 92 ETFs listed on major Canadian stock exchanges.

**For investor inquiries:**

Contact Horizons ETFs at 1-866-641-5739 (toll-free) or (416) 933-5745  
[info@horizonsetfs.com](mailto:info@horizonsetfs.com)

**For media inquiries:**

Contact Jonathan McGuire  
External Communications Manager  
Horizons ETFs Management (Canada) Inc.  
(416) 640-2956  
[jmcguire@horizonsetfs.com](mailto:jmcguire@horizonsetfs.com)

*Commissions, management fees (including performance fees) and expenses may all be associated with an investment in Horizons ReSolve Adaptive Asset Allocation ETF (“the ETF”) managed by Horizons ETFs Management (Canada) Inc. The ETF is an alternative mutual fund within the meaning of National Instrument 81-102 Investment Funds, and is permitted to use strategies generally prohibited by conventional mutual funds and ETFs, such as borrowing cash, selling securities short, and employing leverage of up to 300%, amongst others. The use of these strategies may accelerate the risk associated with the ETF. The ETF is not guaranteed, its values change frequently and past performance may not be repeated. **The prospectus contains important detailed information about the ETF. Please read the prospectus and its risk disclosure before investing.***