

HORIZONS ETFs ANNOUNCES MANAGEMENT FEE REBATE ON HXT FOR 2021

TORONTO – December 30, 2020 – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**” or the “**Manager**”) is pleased to announce a three basis point (0.03%) rebate on the annual management fee of the Horizons S&P/TSX 60™ Index ETF (“**HXT**”) that will remain in effect until at least December 31, 2021. This means that the effective annual management fee on HXT for the 2021 calendar year will be four basis points (0.04%), plus applicable sales taxes.

As a result of the rebate, HXT is expected to remain amongst the lowest-cost ETFs listed in Canada, with a projected 2021 management expense ratio (“**MER**”) of four basis points (0.04%) which the Manager expects to be the lowest MER, or equal to the lowest MER, for all currently listed ETFs in Canada⁺.

HXT seeks to replicate, to the extent possible, the performance of the S&P/TSX 60™ Index (Total Return), net of expenses. The S&P/TSX 60™ Index (Total Return) is designed to measure the performance of the large-cap market segment of the Canadian equity market. Launched in September 2010, HXT is the oldest and largest ETF within Horizons ETFs’ family of tax-efficient Total Return Index (TRI) ETFs.

“With more than \$2 billion in assets under management, HXT is our largest ETF and with this rebate, will continue to be amongst the lowest-cost Canadian equity ETFs in the world,” said Steve Hawkins, President and CEO of Horizons ETFs. *“In September, HXT celebrated its ten year anniversary, and for this decade, HXT has been the lowest cost option for ETF investors to gain access to Canadian equities. We are very proud of HXT and the fact it has saved Canadian investors, in aggregate, millions of dollars in management fees compared to the other large cap Canadian equity mutual funds and ETFs and can be expected to continue to do so in the future.”*

On December 2, 2019, Horizons ETFs announced the completion of the reorganization (the “**Reorganization**”) of 15 TRI ETFs, including HXT, into Horizons ETF Corp., a multi-class corporate fund structure managed by Horizons ETFs. HXT’s targeted MER for 2021 is expected to be slightly higher than HXT’s published MER of three basis points (0.03% for 2016, 2017, 2018, 2019 and expected MER for 2020). The different targeted MER for 2021 is a result of increases in certain operational costs specific to managing HXT after the Reorganization. Unlike a traditional physical replication ETF that typically purchases the securities found in the relevant index in the same proportions as the index, most Horizons TRI ETFs use a synthetic structure that never buys the securities of an index directly. Instead, the Horizons TRI ETFs receive the total return of the applicable index by entering into Total Return Swap agreements with one or more of the Canadian banks, which provide the ETFs with the total return of the relevant index.

The three basis point (0.03%) rebate will go into effect on January 1, 2021. For more information on HXT or any of Horizons ETFs family of Total Return Index ETFs, investors can visit www.horizonsetfs.com/TRI.

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 currently has over \$16.3 billion of assets under management and 93 ETFs listed on major Canadian stock exchanges.



FOR IMMEDIATE RELEASE

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+ based on all publicly available information as at the time of this press release

*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”, “project” 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.

Horizons Total Return Index ETFs (“Horizons TRI ETFs”) are generally index-tracking ETFs that use an innovative investment structure known as a Total Return Swap to deliver index returns in a low-cost and tax-efficient manner. Unlike a physical replication ETF that typically purchases the securities found in the relevant index in the same proportions as the index, most Horizons TRI ETFs use a synthetic structure that never buys the securities of an index directly. Instead, the ETF receives the total return of the index through entering into a Total Return Swap agreement with one or more counterparties, typically large financial institutions, which will provide the ETF with the total return of the index in exchange for the interest earned on the cash held by the ETF. Any distributions which are paid by the index constituents are reflected automatically in the net asset value (NAV) of the ETF. As a result, the Horizons TRI ETF receives the total return of the index (before fees), which is reflected in the ETF’s share price, and investors are not expected to receive any taxable distributions. Certain Horizons TRI ETFs (Horizons Nasdaq-100® Index ETF and Horizons US Large Cap Index ETF) use physical replication instead of a total return swap. The Horizons Cash Maximizer ETF and Horizons USD Cash Maximizer ETF use cash accounts and do not track an index but rather a compounding rate of interest paid on the cash deposits that can change over time.