



## **Horizons AlphaPro Launches Canada's First Actively Managed Corporate Bond ETF**

**Toronto, Ontario – July 15, 2010** – AlphaPro Management Inc. (“**AlphaPro**”), the manager of the Horizons AlphaPro exchange traded funds (“**ETFs**”), is pleased to announce the launch of Canada’s first actively managed corporate bond ETF, the Horizons AlphaPro Corporate Bond ETF (the “**Corporate Bond ETF**”). The Corporate Bond ETF will begin trading today on the Toronto Stock Exchange under the symbol HAB.

The investment objective of the Corporate Bond ETF is to seek long-term moderate capital growth and generate high income. The Corporate Bond ETF will invest primarily in a portfolio of debt securities of Canadian and U.S. companies, directly or through investments in securities of other investment funds, including exchange trade funds.

*“Corporate bonds are an often overlooked asset class by many income oriented investors. It’s an asset class that has low correlation to equities and other types of bonds, offering greater diversification for an investor’s portfolio and higher yield than government bonds, GICs and high interest savings accounts,”* said Ken McCord, President of AlphaPro.

The sub-advisor of the Corporate Bond ETF, Natcan Investment Management Inc. (“**Natcan**”), expects that the initial portfolio will be comprised of approximately 100 to 150 corporate bond issuers. Natcan’s fixed income team, with more than \$2 billion in corporate bond assets under management, will employ an active investment strategy which they expect will deliver better risk-adjusted returns than passively managed corporate bond ETFs. Natcan’s active strategy involves the use of macro-economic, fundamental and technical credit research to select the portfolio companies, together with analysis of the company’s industry and growth prospects.

When Natcan believes that interest rates will increase, they may choose securities with shorter terms, and when they believe that interest rates will decrease, they may choose securities with longer terms.

*“We believe that Natcan’s style of active management of the portfolio will enhance the ETF’s ability to outperform its benchmark,”* said Ken McCord. *Generally, when investing in corporate bonds, a passive or indexed approach does not consider credit quality, duration or relative price valuations when selecting issuers.”*

*“It’s extremely difficult for a passively managed corporate bond ETF to replicate the returns of a corporate bond index, given the size and liquidity constraints of the corporate bond universe,” Mr. McCord said. “Having a management team of the calibre of Natcan in the low-cost and flexible ETF platform creates a compelling alternative for both investors in high-fee fixed-income mutual funds as well as investors in corporate bond index ETFs, especially if those funds have historically failed to deliver benchmark returns.”*

The Corporate Bond ETF can invest in U.S. dollar denominated securities, but at all times it will, to the best of its ability, seek to hedge its non-Canadian dollar currency exposure to the Canadian dollar.

The Corporate Bond ETF has closed the offering of its initial units and will begin trading on the Toronto Stock Exchange when it opens this morning.

Commissions, management fees and expenses all may be associated with an investment in the Corporate Bond ETF. The Corporate Bond ETF is not guaranteed, its value changes frequently and past performance may not be repeated. Please read the prospectus before investing.

#### **About Natcan**

Founded in 1990, Natcan Investment Management is a National Bank Financial Group subsidiary that is 14% held by its senior management team. 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 \$25 billion in assets under management, the firm has more than 100 employees including, 45 investment professionals across its Montreal and Toronto offices.

#### **About AlphaPro Management Inc.** ([www.HAPETFs.com](http://www.HAPETFs.com))

AlphaPro is an innovative financial services company specializing in actively managed exchange traded funds with assets under management of approximately \$153 million as of June 30, 2010. AlphaPro is a subsidiary of BetaPro Management Inc. ("**BetaPro**"). BetaPro is Canada's largest provider of leveraged, inverse leveraged and inverse ETFs. BetaPro manages approximately \$2.4 billion in assets as of June 30, 2010. BetaPro is a subsidiary of Jovian Capital Corporation (JOV:TSX).

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