



**ALPHAPRO MANAGEMENT INC.**

**HORIZONS ALPHAPRO ETFS**

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

TORONTO, July 28 /CNW/ - AlphaPro Management Inc. ("AlphaPro"), the manager of the Horizons AlphaPro Exchange Traded Funds ("ETFs"), is pleased to announce the launch of the Horizons AlphaPro Balanced ETF (the "Balanced ETF"). The Balanced ETF will begin trading today on the Toronto Stock Exchange under the symbol HAA.

The sub-advisor to the Balanced ETF is Hillsdale Investment Management Inc. ("Hillsdale"), which has been managing private client and institutional money for more than 14 years using its innovative proprietary quantitative portfolio management process.

The investment objective of the AlphaPro Balanced ETF is to seek to provide a consistent rate of return balanced between current income and long-term capital growth. The Balanced ETF invests primarily in a balanced portfolio of publicly traded equity, income trust and debt securities located predominantly in Canada. In order to obtain direct or indirect exposure to these securities, the Balanced ETF may invest in exchange traded funds and exchange traded notes.

"Balanced mutual funds are easily one of the best selling mutual fund categories, because it's a simple default investment solution for retail investors. Investors who have embraced ETF investing have had few options in selecting a balanced mandate," said Ken McCord, President of AlphaPro. "The Horizons AlphaPro Balanced ETF is another step in the evolution of ETF investing; we're offering not only, in our view, one of the best actively-managed balanced mandates out there, but we're also offering it at one of the lowest management fees in the industry."

Mr. McCord points out that this ETF will allow retail investors to get access to the acclaimed investment process of Hillsdale, a leading provider of investment solutions for institutional and high net-worth investors.

"We are really excited to get Hillsdale as the manager of this mandate, which is custom-built for this ETF. Chris Guthrie and the team at Hillsdale are pioneers in portfolio analytics and have been managing institutional assets successfully for the better part of two decades," Mr. McCord said. "Their management process is only further enhanced by the low-cost, convenience and flexibility of the ETF structure."

Hillsdale will use a proprietary, dynamic, multi-factor ranking approach to the selection of equity, income trust and debt securities. Initially, between 60% and 80% of the portfolio of the Balanced ETF will be invested in equity and equity-related securities. Between 20% and 40% of the Balanced ETF's portfolio will be invested in corporate bonds, government debt and fixed income securities. Generally, no less than 70% of the Balanced ETF's portfolio will be invested in Canadian securities or Canadian dollar denominated debt.

"Hillsdale will not be running a traditional static 60/40 asset allocation, like many other balanced funds do. The team at Hillsdale will be actively using both asset allocation and their comprehensive security selection screening in an attempt to deliver superior risk-adjusted returns versus their category peers," Mr. McCord said.

The low management fee of the Balanced ETF should enhance its ability to deliver superior returns. Many of the popular balanced funds in Canada have a management fee in excess of 2%. This is a significant hurdle for even seasoned investment managers to overcome.

With a management fee of only 0.70%, the Balanced ETF will not have as severe a structural headwind affecting performance.

The Balanced ETF has closed the offering of its initial units and will begin trading under the symbol HAA on the Toronto Stock Exchange today when it opens this morning.

The Balanced ETF will, to the best of its ability, seek to hedge non-Canadian dollar currency exposure to the Canadian dollar at all times. Hillsdale may, from time to time, use derivatives instruments for hedging and non-hedging purposes.

Commissions, management fees and expenses all may be associated with an investment in the Horizons AlphaPro Balanced. The Balanced ETF is not guaranteed, its value changes frequently and past performance may not be

repeated. Please read the prospectus before investing.

#### About Hillsdale Investment Management Inc.

Hillsdale is one of Canada's premier independent investment boutiques, providing a full range of traditional equity, custom designed and alternative investment strategies to sophisticated institutional and individual investors. Founded in 1996 and majority owned by its employees, Hillsdale is known for its systematic multi-strategy investment approach which focuses on superior alpha generation within a real-time risk management process.

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 \$363 million as of July 23, 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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