

Press Release

Horizons ETFs Scores Hat Trick with the Release of Three Thematic ETFs Within Two Days - ETFs are Tracking Solactive Indices

24 June 2021

FRANKFURT AM MAIN – For many years, there has been a sharp increase in both the quantity of thematic ETFs and their accumulated assets under management. The appeal for thematic ETFs goes in hand with the general interest of investors placing their assets into this simplistic investment vehicle, as a survey conducted by PwC revealed that over half the survey sample is expecting global ETF AUM to rise to over \$12 trillion by 2024. An estimate by Bank of America also gives a positive outlook, estimating the ETF market to hit \$50 trillion by the end of the decade. Thematic investing focuses on trends that are anticipated to last for a long period, possibly altering the ways of our society. Horizons ETFs now released three thematic ETFs that incorporate companies, respectively, which are active in the Hydrogen, Lithium, and Semiconductors industries, all of which are shaping future mobility, energy, and technological appliances. The three ETFs are all tracking Solactive indices.

Valued in 2020 at a market size of USD 120.77 billion, the global hydrogen market from 2021 to 2028 is expected to expand at a compound annual growth rate (CAGR) of 5.7%¹. Driving this development is the exponential increase in demand for non-fossil-based fuels, as rising air pollution makes fossil-fuel combustion technology incompatible with global climate goals. The **Horizons Global Hydrogen Industry ETF (HYDR)** tracks the **Solactive Global Hydrogen Industry Index**. The index serves as a representation of companies that have business operations in the field of hydrogen. The index includes 25 stocks of companies, which are active in the production of hydrogen fuel-cells, and supply of fuel-cell components and fuel-cell equipment; manufacturing and development of hydrogen fueling stations and hydrogen-based infrastructure; and involved in the storage, generation, and distribution of hydrogen that can be used as an energy source.

A similarly positive outlook is forecasted for companies active in the lithium industry. The alkali metal, which is an integral part of almost every technical appliance requiring battery technology, enjoys great popularity

¹ <https://www.grandviewresearch.com/industry-analysis/hydrogen-generation-market>

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due to the electrification of car engines and the need for batteries that show a minimum of self-discharge. It is expected that, from 2020 to 2027, the lithium industry grows at a compound annual growth rate (CAGR) of 1.9%. The new **Horizons ETFs Global Lithium Producers ETF (HLIT)** tracks the **Solactive Global Lithium Producers Index**, which includes companies involved in the production and manufacturing of lithium compounds, the exploration and mining of lithium, and the development and processing of lithium related components.

Completing the hat trick is Horizons ETFs new **Global Semiconductor ETF (CHPS)**. The ETF tracks the **Solactive Capped Global Semiconductor Index** that includes companies active in the design and manufacturing of computer products and technologies such as graphics processors, chipsets, professional GPUs as well as computer peripherals; in the development and manufacturing of integrated circuits, system software, and data infrastructure solutions, and the design, development, and marketing of semiconductor products and components for applications to different industries (automotive, industrial, personal electronics, etc.). With continued demand in consumer, computing, 5G, and automotive semiconductors, forecasts estimate the semiconductor market to reach USD 522 billion in 2021, a 12.5% year-over-year growth rate. As the primary universe for the **Solactive Capped Global Semiconductor Index** serves Solactive's flagship index family, the **Solactive Global Benchmark Series**. Solactive employs a sector classification developed by a common financial data provider to obtain the final index composition.

To determine the respective index universe for both the **Horizons ETFs Global Lithium Producers ETF** and the **Horizons Global Hydrogen Industry ETF**, Solactive utilizes its proprietary natural language processing algorithm **ARTIS®**. **ARTIS®** is utilizing advanced algorithms to parse high volumes of public documents evaluating companies' exposure to various themes or topics. The sophisticated procedure not only detects potential index constituents considering a firm's exposure to a theme but also ranks its importance to the very subject or industry.

Timo Pfeiffer, Chief Markets Officer at Solactive, comments: *"Since Solactive's inception, we're working with our clients on crafting innovative thematic index strategies, which give investors the decisive factor for their portfolios. All of the newly listed ETFs by Horizons bear the potential to add enormous value to Canadian investor's portfolios, as all three business domains are anticipated to contribute to a technologized society continuously. We're happy that Horizons ETFs again has chosen us as their trusted partner to list three very significant releases."*

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"Our continued partnership with Solactive AG has enabled us to continue to bring future-forward index strategies to Canadian investors, including the launches of CHPS, HLIT, and HYDR: these first-in-Canada ETFs that offer exposure to three very topical themes: semiconductors, lithium, and hydrogen," said Steve Hawkins, President and CEO of Horizons ETFs. "We are proud of the relationship we have built with Solactive AG and to have collaborated with them on these exciting thematic indices that are fueling the future."

The Horizons ETFs Global Semiconductor ETF started trading on the Toronto Stock Exchange on June 22nd, 2021, and the Horizons ETFs Global Hydrogen Industry ETF and the Horizons ETFs Global Lithium Producers ETF were issued on the Toronto Stock Exchange on June 23rd, 2021.

For more information please visit: <http://www.solactive.com>

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 14,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at July 2021, Solactive served approximately 450 clients across the world, with approximately US\$250 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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