

# Horizons US Dollar Currency ETF (DLR; DLR.U)

## ETF Snapshot

**Name:**

Horizons US Dollar Currency ETF

**Launch Date:**

April 6, 2011

**Ticker:**

DLR; DLR.U (U.S. dollar  
denominated units)

**Bloomberg Index Ticker:**

USDCAD

**Management Fee:<sup>1</sup>**

0.45%

**Investment Manager:**

Horizons ETFs Management  
(Canada) Inc.

**Distribution Frequency:**

Monthly

**Eligibility:**

All registered and non-registered  
investment accounts

### The Only U.S. Dollar Currency ETF in Canada

The Horizons US Dollar Currency ETF ("DLR") seeks to reflect the price, in Canadian dollars, of the U.S. dollar, net of expenses, by investing primarily in U.S. cash and cash equivalents. The U.S. dollar denominated version of this ETF, ("DLR.U") has the same investment objective but is priced and transacted in U.S. dollars.

### Invest in the Direction of the U.S. Dollar

The relative value of the U.S. dollar to the Canadian dollar is an important consideration for Canadian investors. Many goods and services that Canadians use are in fact sourced in U.S. dollars. Therefore, when the value of the Canadian dollar declines it usually means the real purchasing power of a Canadian dollar denominated portfolio declines.

DLR offers a unique opportunity for investors to capture the positive performance of the U.S. dollar versus the Canadian dollar.

When the U.S. dollar appreciates relative to the Canadian dollar (i.e. the U.S. dollar/Canadian dollar exchange rate increases), the value of DLR is expected to increase proportionately. Conversely, when the U.S. dollar depreciates against the Canadian dollar (i.e. the U.S. dollar/Canadian dollar exchange rate decreases), the value of DLR is expected to decrease proportionately.

### Key Features of DLR:

- **The only U.S. dollar currency ETF in Canada.** DLR allows investors to get exposure to the direction of the U.S. dollar versus the Canadian dollar
- **Low-cost.** DLR is a low cost way to invest in currencies, with no additional fees or margin requirements associated with trading currencies directly
- **Institutional foreign exchange rate.** Ability to transfer DLR units into DLR.U and therefore transact in U.S. dollars, essentially enabling a low cost conversion from U.S. dollars to Canadian dollars
- **Liquidity.** Trades intra-day on the Toronto Stock Exchange
- **RRSP and TFSA eligible**

<sup>1</sup>Plus Sales Taxes.



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## Low Cost Currency Exposure

The management fee of DLR includes any associated currency conversion costs. Therefore using a combination of DLR and DLR.U can be a low cost alternative to convert Canadian dollars to U.S. dollars.

### CAD to USD Conversion Process



### USD to CAD Conversion Process



In the past, enterprising Canadian investors have tried to take advantage of what are perceived to be attractive currency exchange rates, buying Canadian listed stocks in Canadian dollars and selling the same stock listed in U.S. dollars to take advantage of a lower currency conversion fee.

With DLR/DLR.U, the investor only takes on the foreign exchange risk that always exists when you exchange one currency for another. Investors will be required to have a USD account with their broker in order to deposit the proceeds from the sale of DLR.U units.

## Cost Comparison: Hypothetical Currency Conversion of \$10,000 using DLR/DLR.U

	Horizons U.S. Dollar Currency ETF (DLR)		Foreign Currency Bank Account	
	Assumptions <sup>1</sup>	Cost	Assumptions <sup>1</sup>	Cost
Transaction Costs	\$9.95 per trade (one buy, one sell) \$0.02 per unit (1,000 units)	\$19.90	\$9.95 per trade (one buy, one sell) \$2.0 per unit (1,000 units)	\$0.00
Spread (Buy & Sell)	Buy    Sell \$10.01   \$9.99	\$20.00	Buy    Sell \$10.10   \$9.90	\$200.00
Management Fees <sup>2</sup>	0.45% Annualized	\$0.37		\$0.00
<b>Total Costs (\$)</b>		<b>\$40.27</b>		<b>\$200.00</b>
<b>Total Costs (%)</b>		<b>0.40%</b>		<b>2.00%</b>

For illustrative purposes only.

<sup>1</sup>Three - day holding period with 2 trades (1 buying and 1 selling)

<sup>2</sup>Plus applicable taxes and operating expenses for the three - day period

A SAVINGS OF APPROXIMATELY \$160.00 OR 1.60%

To learn more, please visit [www.HorizonsETFs.com/DLR](http://www.HorizonsETFs.com/DLR)



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