



FOR IMMEDIATE RELEASE

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**First Trust to Launch the First Trust Horizon Managed Volatility ETFs**  
*Actively managed, forward-looking strategies that seek to deliver a low volatility portfolio*

**WHEATON, IL** – (BUSINESS WIRE) – August 25, 2016 – [First Trust Advisors L.P.](#) (“First Trust”) announced today that they have launched two new exchange-traded funds (“ETFs”), the First Trust Horizon Managed Volatility Domestic ETF (NYSE Arca: HUSV) and the First Trust Horizon Managed Volatility Developed International ETF (NYSE Arca: HDMV) (the “funds”). The funds seek to provide capital appreciation while attempting to mitigate volatility using a proprietary quantitative and rules-based investment process. The funds invest primarily in common stocks that the funds’ sub-advisor, Horizon Investments, LLC (“Horizon”), believes exhibit low future expected volatility.

The conventional wisdom is that it pays to take chances. However, counterintuitively, history has shown that portfolios of low-beta and low-volatility stocks have produced higher risk-adjusted returns than portfolios of high-beta and high-volatility stocks, in most major markets studied. This phenomenon is known as the low-volatility anomaly. The low-volatility anomaly is often a product of consistent market mispricing due to the murky role of volatility as a stock characteristic. Mispricings present potential opportunity and as market conditions change, First Trust believes active portfolio management provides the ability to make the most of the opportunities the low-volatility market has to offer.

Robbie Cannon, President and Chief Executive Officer at Horizon, said, “In this low interest rate environment, we are seeing all kinds of investors participating more and more in equity markets, even those who traditionally looked to fixed income markets. This includes not only investors in the accumulation phase, but also those in the retirement phase who are looking for yield. And while they want equity exposure, they naturally are looking for lower risk and lower volatility products. The ETFs were designed with just that in mind, given our conviction that an actively managed portfolio of low volatility stocks can produce better risk-adjusted returns than portfolios of high volatility stocks, which translates to investors as a smoother ride in equity markets.”

The fund’s portfolio managers include Michael Dickson, PhD; Scott Ladner; and Steven Clark, PhD, of Horizon who share responsibilities for the day-to-day management of each fund’s investment portfolio.

For more information about First Trust, please contact Ryan Issakainen of First Trust at (630) 765-8689 or [RIssakainen@FTAdvisors.com](mailto:RIssakainen@FTAdvisors.com).

**About First Trust**

First Trust Advisors L.P., along with its affiliate First Trust Portfolios L.P., are privately held companies which provide a variety of investment services, including asset management and financial advisory services, with collective assets under management or supervision of approximately \$99 billion as of July 29, 2016 through unit investment trusts, exchange-traded

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funds, closed-end funds, mutual funds and separate managed accounts. First Trust is based in Wheaton, Illinois. For more information, visit <http://www.ftportfolios.com>.

## **About Horizon**

Horizon Investments is a registered investment adviser focused on modern goals-based investment management. Founded in 1995, the firm is based in Charlotte, NC, and works in partnership with financial advisors to deliver investment strategies that align clients' wealth with their life goals. Horizon implements its global and active investment strategies through model accounts, collective investment funds, mutual funds and ETFs. The firm was recognized in 2014 and 2016 for growth and innovation by Money Management Institute, and has received numerous industry commendations for its investment management expertise. For more information, visit <https://www.horizoninvestments.com/>.

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*You should consider each fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit [www.ftportfolios.com](http://www.ftportfolios.com) to obtain a prospectus or summary prospectus which contains this and other information about the funds. The prospectus or summary prospectus should be read carefully before investing.*

## **ETF Characteristics**

The funds list and principally trade their shares on the NYSE Arca, Inc.

Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Market prices may differ to some degree from the net asset value of the shares. Investors who sell fund shares may receive less than the share's net asset value. Shares may be sold throughout the day on the exchange through any brokerage account. However, unlike mutual funds, shares may only be redeemed directly from a fund by authorized participants, in very large creation/redemption units. If a fund's authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a discount to the fund's net asset value and possibly face delisting.

## **Risks**

A fund's shares will change in value and you could lose money by investing in a fund. The funds are subject to management risk because they are actively managed portfolios. In managing a fund's investment portfolio, the advisor will apply investment techniques and risk analyses that may not have the desired result. There can be no assurance that a fund's investment objectives will be achieved.

The funds are subject to market risk. Market risk is the risk that a particular security owned by a fund or shares of a fund in general may fall in value.

An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers. A fund may invest in depositary receipts which may be less liquid than the underlying shares in their primary trading market.

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If the funds have lower average daily trading volumes, they may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between a fund's net asset value and the price at which a fund's shares are trading on NYSE Arca which could result in a decrease in value of the fund's shares.

The fund invests in equity securities and the value of the shares will fluctuate with changes in the value of these equity securities. Equity securities prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market.

A fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

As the use of Internet technology has become more prevalent in the course of business, the funds have become more susceptible to potential operational risks through breaches in cyber security. Such events could cause the funds to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

A significant number of countries in Europe are member states in the European Union, and the member states no longer control their own monetary policies. In these member states, the authority to direct monetary policies, including money supply and official interest rates for the Euro, is exercised by the European Central Bank. Furthermore, the European sovereign debt crisis has had, and continues to have, a significant negative impact on the economies of certain European countries and their future economic outlooks.

Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of HDMV's investment and the value of its shares. Currency exchange rates can be very volatile and can change quickly and unpredictably.

High portfolio turnover may result in a fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause a fund's performance to be less than expected.

The funds currently have fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact a fund's market exposure for limited periods of time.

The funds are classified as "non-diversified" and may invest a relatively high percentage of their assets in a limited number of issuers. As a result, the funds may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, experience increased volatility and be highly concentrated in certain issuers.

First Trust Advisors L.P. is the adviser to the funds. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the funds' distributor.