

BARRY'S BULLETS

MACRO-REVIEW

- Manufacturing and Services Purchasing Managers' Index (PMI) were both above expectations for December
- Unemployment claims remained extremely strong the week of January 23rd at 186k, marking the second straight week below 200k
- Durable Goods and New Home sales were also above expectations.
- Inflation continues to fall with the Federal Reserve's (Fed) preferred indicator, the Core Personal Consumption Expenditure Deflator, moving down from 4.7% to 4.4%.

Weekly Commentary for
Horizons Tactical Absolute Return Bond ETF (HARB)
from DMAT Capital

MARKET OUTLOOK

- HARB remained in neutral duration territory for most of the week
- We see the short-term range on U.S. 10-year bonds between 3.40 and 3.55
- As yields backed up to 3.55%, HARB started to extend the duration to ~7 years
- We will likely continue to move HARB's duration to between 9 and 10 years.
- Overall, it is not expected that this range will break in the near-term, unless the Fed meeting on February 1, 2023, brings a surprise

HARB Key Metrics For The Week of January 30, 2023

Weighted Average Duration	4.87 yrs.
Average Credit Quality	AA
Weighted Average Coupon	3.85%
Weighted Average Yield to Maturity	4.09%

Source: DMAT Capital as at January 27, 2023.

WHO IS BARRY ALLAN?

Barry Allan is the founder and CEO of DMAT Capital, a firm that specializes in fixed-income based investing and a sub-advisor to Horizons ETFs. Prior to founding DMAT, Barry Allan was the founder and CEO of Marret Asset Management and was responsible for Marret's overall strategic asset allocation. Marret was purchased by CI Financial in 2013.

Barry has over 40 years of experience in all areas of fixed income and extensive experience in derivatives, including many years with Nesbitt Thomson and the Bank of Montreal. Barry worked for six years at Altamira, where he led Altamira High Yield Fund and had secondary responsibilities on equity and balanced fund mandates. Barry has an MBA from the University of Arizona. Barry is a regular commentator in the media and speaks at conferences on economic and credit issues.

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HARB is an alternative mutual fund within the meaning of National Instrument 81-102 Investment Funds ("NI 81-102") and is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to employ leverage of up to 300% of net asset value. The strategies will only be used in accordance with the investment objectives and strategies of HARB.

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