### Market Outlook

Data continues to be right at stall speed levels; no expansion but no recession either. Leading Indicators have been negative for 20 months consecutively.

### Macro Review

- Conference Board Leading Economic Index reported at -0.8, versus the expected -0.7.
- Chicago Fed National Activity Index came in at -0.49 against expectations of 0.0.
- Philadelphia Fed Nonmanufacturing Survey was reported -11.0 versus -20.3 prior.
- Existing Homes Sales came in at -4.1 versus an expected -1.5.
- Jobless Claims were 209K, lower than the expected 227K.
- Continuing Claims were 1,840K versus an expected 1,875K.
- University of Michigan’s Sentiment Index was reported at 61.3 versus an expected 61.0.
- University of Michigan’s Current Economic Conditions Index stood at 68.3 versus an expected 65.7.
- University of Michigan’s Consumer Expectations Index was reported at 56.8 versus an expectation of 56.9.
- University of Michigan’s 1-year Inflation Outlook came in at 4.5 versus the expected 4.4.
- University of Michigan’s 5 to 10-year Inflation Outlook was reported at 3.2, higher than the expected 3.1.
- S&P US Manufacturing Purchasing Managers’ Index (PMI) was 49.4, lower than the expected 49.9.
- S&P US Services PMI came in at 50.8, against an expected 50.3.
- S&P US Composite PMI was higher than the expected 50.4, coming in at 50.7.

### Positioning

- We reduced the duration slightly this week as the market is consolidating its gains over the last couple of weeks but are still maintaining an above neutral duration of approximately 10 years.
- We believe that now is the time to extend the duration in fixed income portfolios. The money supply is collapsing, regional bank deposits levels continue to fall and labour markets are trending weaker. We are in that area where stocks and credit are rallying based on rates peaking without thinking too much about what happens next from an economic slowdown.
- We are watching the yield curve for evidence that the 2-year yield will fall below 10-year yields - which is a big signal to go to max on duration.

### HARB Key Metrics for the Week of November 27, 2023

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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<tbody>
<tr>
<td>Weighted Average Duration</td>
<td>10.25yrs.</td>
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<tr>
<td>Average Credit Quality</td>
<td>AA</td>
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<tr>
<td>Weighted Average Coupon</td>
<td>4.72</td>
</tr>
<tr>
<td>Weighted Average Yield to Maturity</td>
<td>5.91%</td>
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</tbody>
</table>

Source: DMAT Capital as at November 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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