

HAC Update for March 18, 2024

	Performance % from March 11 to March 15
HAC	0.8
S&P 500	-0.1
S&P/TSX 60™ Index	0.4

Please visit <https://horizonsetfs.com/ETF/hac/#performance-distributions> for the complete historical performance of HAC. Source data: Bloomberg

Portfolio Performance / Transactions/End of Week Holdings*¹

Ticker	Week % Gain**	% Buy/Sell***	% End of Week Holdings****
HBK	0.2		10
HXT	0.5		44
HXS	-0.7		5
XLB	1.6		12
XLI	-0.2		9
HXE	3.7		12
XRT	0.0		2
HUN	0.0		1
XLU	-0.5		5
Cash			0

Please visit <https://www.horizonsetfs.com/etf/HAC?tab=performance> for the complete historical performance of HAC. Source data: Bloomberg

* Transactions and End of Week Holdings are % of portfolio

** Based on price from a sell/buy during the week where applicable

*** Buy/Sell may not be equal due to use of cash

**** Includes trades on last day of week

Market/Portfolio Comments

Last week, the S&P 500 lost 0.1%. The big news of the week was the release of the February U.S. Consumer Price Index (CPI) on Tuesday. It showed that inflation on a year-over-year basis was 3.2% versus an expected 3.1% (tradingeconomics.com). The CPI Core interest rate was 3.8% on a year-over-year basis versus 3.7% (tradingeconomics.com).

Last week, the S&P/TSX 60 Index gained 0.4% and HAC gained 0.8%.

The big news of the week in the U.S. will probably be the release of the Federal Reserve's federal funds rate decision on Wednesday. It is expected that the Federal Reserve will keep its key interest rate at 5.5% (tradingeconomics.com). Expectations that the Federal Reserve will cut its interest rate on March 20 have been decreasing. According to the CME Group, currently, there is a 99% probability that the Federal Reserve will leave its key interest rate at 5.5% (tradingeconomics.com). This compares to 90% one month ago (tradingeconomics.com).

The big news of the week in Canada will probably be the release of the February year-over-year CPI on Tuesday. It is expected that inflation will increase from 2.9% in January to 3.1% in February (tradingeconomics.com).

Canadian Banks– (HBK)

The Canadian banking sector has a strong seasonal period from October 28 to December 31 and then from January 23 to May 5.

Canadian Stock Market– (HXT)

The Canadian stock market has a strong seasonal period from October 31 to May 5.

U.S. Stock Market– (HXS)

The U.S. stock market has a strong seasonal period from October 31 to May 5.

Industrials– (XLI)

The industrials sector has a strong seasonal period from January 23 to May 5.

Materials– (XLB)

The materials sector has a strong seasonal period from January 23 to May 5. Recently, the materials sector has been showing strength relative to the S&P 500.

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Energy– (HXE)

The energy sector has a strong seasonal period from February 25 to May 9. Recently, the energy sector has been performing well. It should be noted that on a seasonal basis, the energy sector tends to perform particularly well in April.

Retail– (XRT)

The retail sector has a strong seasonal period from January 23 to mid-April.

Natural Gas– (HUN)

Natural Gas has a strong seasonal period from mid-March to mid-June. Recently, natural gas has traded down to a low level not seen in over thirty years (Bloomberg). It is possible that natural gas could be starting its strong seasonal rally early this year.

Utilities– (XLU)

The utilities sector on average is one of the best-performing sectors in March. Recently, the utilities sector has been starting to show strength.

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ANNUALIZED PERFORMANCE TABLE OF HORIZONS SEASONAL ROTATION ETF (HAC), AS AT FEBRUARY 29, 2024.¹

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons Seasonal Rotation ETF (HAC)	2.71	7.09	15.84	2.62	15.94	10.27	7.04	7.43	7.88

**PERFORMANCE SINCE INCEPTION ON NOVEMBER 19, 2009. Source: Horizons ETFs.

ANNUALIZED PERFORMANCE TABLES OF HORIZONS ETFS FUNDS HELD BY HORIZONS SEASONAL ROTATION ETF (HAC), AS AT FEBRUARY 29, 2024.¹

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons Natural Gas ETF (HUN)	-0.84	-10.17	-28.41	-0.28	-34.31	5.01	-0.16	-3.70	-10.05

**PERFORMANCE SINCE INCEPTION ON JUNE 24 2009. Source: Horizons ETFs.

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons S&P/TSX 60™ Index ETF (HXT)	1.95	6.63	7.87	2.48	9.71	9.71	9.69	8.01	7.76

**PERFORMANCE SINCE INCEPTION ON SEPTEMBER 10 2010. Source: Horizons ETFs.

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons S&P 500® Index ETF (HXS.U) (In US dollars)	5.30	11.84	13.68	7.02	29.90	11.45	14.29	12.22	13.02

**PERFORMANCE SINCE INCEPTION ON November 30, 2010. Source: Horizons ETFs.

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons S&P/TSX Capped Energy Index ETF (HXE)	7.93	3.20	1.56	8.71	13.82	38.22	14.86	2.33	2.99

**PERFORMANCE SINCE INCEPTION ON SEPTEMBER 16, 2013. Source: Horizons ETFs.

¹The indicated rates of return are the historical annual compounded total returns, including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Additionally, index returns do not take into account management, operating or trading expenses that may be incurred in replicating the index. The rates of return above are not indicative of future returns. The ETFs are not guaranteed, their values change frequently, and past performance may not be repeated. The indices are not directly investible. Only the returns for periods of one year or greater are annualized returns.

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HORIZONS ETFs
by Mirae Asset

Commissions, management fees and expenses all may be associated with an investment in the Horizons Seasonal Rotation ETF ("HAC" or the "ETF") managed by Horizons ETFs Management (Canada) Inc. The ETF is not guaranteed, its value changes frequently and past performance may not be repeated. The ETF may have exposure to leveraged investment techniques that magnify gains and losses and which may result in greater volatility in value and could be subject to aggressive investment risk and price volatility risk. Such risks are described in the prospectus. The prospectus contains important detailed information about the ETF. **Please read the prospectus before investing.**

The ETF 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 their net asset value in securities of a single issuer or the ability to borrow cash. While these strategies will only be used in accordance with the ETF's investment objectives and strategies, during certain market conditions they may accelerate the risk that an investment in the ETF Shares decreases in value. The ETF will comply with all requirements of NI 81-102, as such requirements may be modified by exemptive relief obtained on behalf of the ETF.

Horizons Total Return Index ETFs ("Horizons TRI ETFs") are generally index-tracking ETFs that use an innovative investment structure known as a Total Return Swap to deliver index returns in a low-cost and tax-efficient manner. Unlike a physical replication ETF that typically purchases the securities found in the relevant index in the same proportions as the index, most Horizons TRI ETFs use a synthetic structure that never buys the securities of an index directly. Instead, the ETF receives the total return of the index through entering into a Total Return Swap agreement with one or more counterparties, typically large financial institutions, which will provide the ETF with the total return of the index in exchange for the interest earned on the cash held by the ETF. Any distributions which are paid by the index constituents are reflected automatically in the net asset value (NAV) of the ETF. As a result, the Horizons TRI ETF receives the total return of the index (before fees), which is reflected in the ETF's share price, and investors are not expected to receive any taxable distributions. Certain Horizons TRI ETFs (Horizons Nasdaq-100[®] Index ETF and Horizons US Large Cap Index ETF) use physical replication instead of a total return swap. The Horizons Cash Maximizer ETF and Horizons USD Cash Maximizer ETF use cash accounts and do not track an index but rather receive interest paid on cash deposits that can change over time.

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