

HAC Update for March 20, 2023

	Gain % from March 13 to March 17
HAC	-2.3
S&P 500	1.4
S&P/TSX 60™ Index	-2.1

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****
XLB	-3.4	-4	5
XLI	-2.4		10
HXT	-2.0		30
EEM	-0.6		3
EWJ	-1.9		2
HEWB	-4.1	-3	3
HXE	-11.4	-6	5
HUN	-4.8		1
XLU	4.0	3	11
HXS	0.7		10
XLY	2.3		5
XLF	-2.8	-3	0
XRT	-3.7		2
XLP	-0.7	2	2
Cash		11	11

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 gained 1.4%. Last week, the big news was investors continued concern for the US banking system, in particular the regional banks. Treasury Secretary Yellen said that not all uninsured deposits will be protected from future bank failures (CNBC, March 18, 2023). At the Silicon Valley Bank, all deposits, including those above the \$250,000 Federal Deposit Insurance Corporation (FDIC) insured limit were guaranteed by the Federal Reserve. This caused a problem as investors shifted funds from smaller banks to large banks, due to the higher likelihood that the Federal Reserve would guarantee all deposits at large banks. Regional banks suffered as a result.

The banking situation overshadowed the positive news of a lower inflation rate than expected that was announced on Tuesday. The Consumer Price Index (CPI) showed that the inflation rate for February was 6% on a year-over-year basis, which was lower than the expected 6.4%.

The big news this week will probably be the Federal Reserve's interest rate decision at the Federal Open Market Committee (FOMC) meeting on Wednesday. It is expected that the Federal Reserve will raise its federal funds rate by 25 basis points (cmegroup.com March 17, 2023). Investors will also be watching what will happen to the US financial sector, monitoring to see if it gains any stability.

Last week, the S&P/TSX 60 Index lost 2.1% and HAC lost 2.3%.

Materials– (XLB)- Decreased Position

The materials sector has a strong seasonal period from January 23 to May 5. Last week, the materials sector performed poorly. Last week, the materials sector was negative and underperformed the S&P 500.

Industrials– (XLI)

The industrials sector has a strong seasonal period from January 23 to May 5. Last week, the industrials sector was negative and underperformed the S&P 500.

Canadian Stock Market– (HXT)

The Canadian stock market has a strong seasonal period from October 28 to May 5. Last week, the Canadian stock market was negative and underperformed the S&P 500. The Canadian stock market's relatively poor performance was largely the result of a weak energy sector and a weak banking sector.

Emerging Markets– (EEM)

The emerging markets sector has a strong seasonal period from mid-November to mid-April. Last week, the emerging markets sector was negative.



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Japan– (EWJ)

The Japanese stock market has a strong seasonal period from late November to mid-April. Last week, the Japanese stock market was negative but outperformed the S&P 500.

Canadian Banks – (HEWB)- Decreased Position

Canadian banks have a strong seasonal period from late January until mid-April. Last week, the Canadian banking sector performed poorly as the closure of Silicon Valley Bank put downward pressure on the banking sector in North America. Last week, the Canadian banks were negative and underperformed the Canadian stock market.

Canadian Energy – (HXE)- Decreased Position

The Canadian energy sector has a strong seasonal period from February 25 to May 9. The Canadian energy sector started its strong seasonal rally in January. Last week, the Canadian energy sector was negative and underperformed the Canadian stock market.

Natural Gas – (HUN)

Natural gas has a strong seasonal period from mid-March to mid-June. Last week, natural gas was negative.

Utilities– (XLU)- Increased Position

The utilities sector has a strong seasonal period in March. Last week, the utilities sector was positive and outperformed the S&P 500. The utilities sector performed well as interest rates declined and investors sought refuge in some of the defensive sectors as stock market volatility increased.

US Stock Market– (HXS)

The US stock market is in a strong seasonal period that lasts until early May. Last week, the US stock market was positive.

Consumer Discretionary– (XLY)

The consumer discretionary sector finishes its strong seasonal period in mid-April. The consumer discretionary sector tends to be one of the top-performing sectors in March over the long term. Last week, the consumer discretionary sector was positive and outperformed the S&P 500.

US Financials– (XLF)- Exited Position

The financial sector has a strong seasonal period from mid-December to mid-April. Last week, the financial sector was negatively affected by investors questioning the viability of some of the smaller banks in the US. Last week, HAC exited its position in the US financials sector.

Retail– (XRT)

The retail sector has a strong seasonal period from late January to mid-April. Over the long term, the retail sector tends to be one of the better-performing sectors in March. Last week, the retail sector was negative and underperformed the S&P 500.

Consumer Staples– (XLP) - Initiated Position

The consumer staples sector has a strong seasonal period that lasts from mid-April to late October. Over the last few weeks, the consumer staples sector has shown relative strength

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ANNUALIZED PERFORMANCE TABLE OF HORIZONS SEASONAL ROTATION ETF (HAC), AS AT FEBRUARY 28, 2023.¹

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons Seasonal Rotation ETF (HAC)	-3.65	-2.01	4.86	3.00	-0.81	6.83	5.79	6.77	7.29

**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 28, 2023.¹

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons S&P/TSX 60 Index ETF(HXT)	-2.59	-1.05	6.09	4.59	-1.67	11.21	9.30	8.39	7.61

**PERFORMANCE SINCE INCEPTION ON SEPTEMBER 14, 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)	-4.36	-6.42	2.52	-0.80	19.28	32.44	10.65	--	1.91

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

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons Equal Weight Canada Banks Index ETF(HEWB)	-1.07	1.28	8.47	7.96	-8.58	13.75	--	--	10.69

**PERFORMANCE SINCE INCEPTION ON JANUARY 22, 2019. Source: Horizons ETFs.

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons Natural Gas ETF(HUN)	-2.78	-31.27	-46.56	-16.72	2.59	27.20	17.95	1.11	-7.96

**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 500® Index ETF(HXS)	0.02	-0.98	4.99	4.42	-1.03	12.30	10.72	15.12	14.84

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

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HORIZONS ETFs
by Mirae Asset

¹The indicated rates of return are the historical annual compounded total returns, including changes in unit/share 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. 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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