

HAC Update for June 26, 2017

	Gain % from June 19 to June 23
HAC	0.1
S&P 500	0.2
S&P/TSX 60™ Index	0.6

Portfolio Performance / Transactions/End of Week Holdings*

Ticker	Week % Gain**	% Buy/Sell***	% End of Week Holdings****
HFR	0.1		10
HUF.U	0.2		10
HTB	0.3		15
HBB	0.4		10
IBB	0.0		3
Cash			55

* 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® was nominally positive. No major economic reports were released. Investors continued to fret about the possibility that the U.S. stock market is in a bubble with high valuations and muted economic growth expectations. Although we are in the six month unfavourable period for the stock market, the time period around June month end and into the first eighteen calendar days of July have historically been strong for the U.S. stock market. At this time, investors generally anticipate that the July earnings season will help support the stock market. It is possible that we could see a rally in the stock market at this time.

Last week, the S&P/TSX 60™ Composite Index produced a gain of 0.6%. Generally, rising bank stocks and gold miners helped to boost the Canadian stock market, despite falling oil prices and weak performance from energy companies. Last week, HAC altered its foreign currency exposure to be neutral relative to the U.S. dollar.

Canadian Bonds (HBB)

Bonds tend to perform well from the beginning of May to the beginning of October. The sweet spot for the seasonal trade starts in late July into the end of September. It is possible that bonds may pause in its seasonal run until later in July, particularly if the stock market is performing well.

U.S. 7-10 yr. Government Bonds (HTB)

Bonds tend to perform well from the beginning of May to the beginning of October. In recent weeks, U.S. Government bonds have generally been positive. The sweet spot for the seasonal trade starts in late July into the end of September. It is possible that bonds may pause in its seasonal run until later in July, particularly if the stock market is performing well.

iShares Nasdaq Biotechnology ETF (IBB) – bought position last week

Last week, HAC entered into a position in the biotech sector. The biotech sector has historically performed well from June 23rd to September 13th. The month of July has been the sweet spot for the seasonal trade.

Please visit <http://www.horizonsetfs.com/HAC> for the complete historical performance of HAC.

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The indicated rate[s] of return on the website is [are] the historical annual compounded total return[s] including changes in [share or unit] value and reinvestment of all [dividends or distributions] and does [do] not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns.

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