

Dear Securityholder:

As Chair of the independent review committee (“IRC”) for the funds referred to in this report (collectively, the “Funds” and individually, a “Fund”) that were managed by former members of the Jovian Group of Companies (the “Manager”), I am pleased to submit this report to Securityholders of the Funds required under National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”). This report covers the period beginning January 1, 2011 and ending November 14, 2011.

The IRC was established on November 1, 2007 under subsection 121.4(1) of the *Securities Act* (Ontario). The current members of the IRC have expertise in a number of relevant fields, including financial services, investment management, other investment businesses, law and securities regulation. The mandate of the members of the IRC is to provide advice to the Manager regarding any conflict of interest matter in mutual fund management that is referred to the IRC by the Manager and to give their approval or make a recommendation after considering the matter. A “conflict of interest matter” is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that may conflict with the Manager’s ability to act in good faith and in the best interests of the Fund’s unitholders.

The IRC’s function is to determine whether a proposed action that the Manager refers to it as a potential conflict of interest, as defined in NI 81-107, achieves a fair and reasonable result for the Fund. The IRC will, at least annually, review and assess the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters in respect of the Funds, and will also conduct a self-assessment of the IRC’s independence, compensation and effectiveness. Under OSC Rule 81-802 –*Implementation of NI 81-107 Independent Review Committee for Mutual Funds*, the IRC is designated as a “market participant” for purposes of the *Securities Act* (Ontario). Under subsection 4.5(1) of NI 81-107, the IRC is required to report directly to the investment fund’s principal regulator if its members become aware that the Manager has acted in a conflict of interest matter listed in subsection 5.2(1) contrary to a condition imposed by the IRC or by securities legislation. To date, no matter of this nature has come to the attention of the IRC.

The IRC has, for its term as IRC which ended on November 14, 2011, served the best interests of the Funds and has worked effectively with management of the Funds.

Julia Dublin,

“Julia Dublin”

Chair of the Independent Review Committee
of Investment Funds Managed by the Jovian Group of Companies
and its affiliated and related managers

December 21, 2011

THE JOVIAN GROUP INDEPENDENT REVIEW COMMITTEE

Karen Fisher

Julia Dublin (Chair)

Harvey Naglie

**Report of IRC to Unitholders
November 14, 2011**

Members of the IRC

As of November 14, 2011, the IRC consisted of the following members: Julia Dublin, Harvey Naglie and Karen Fisher. Julia Dublin and Harvey Naglie were appointed to the IRC on November 1, 2007 and Karen Fisher was appointed on September 19, 2008. As of November 14, 2011, Harvey Naglie was also a member of BluMont Capital's IRC and Karen Fisher was also Chair of the Excel Funds IRC, Chair of the BNP Paribas Fund IRC (formerly known as ABN Amro Global Equity Exposure Fund IRC and subsequently as the Fortis Fund IRC) and a member of PIMCO Canada Fund IRC.

Julia Dublin is the Chair of the IRC. Each of these members is independent from the Funds and the Manager within the meaning of National Instrument 81-107.

Holdings of Securities:

Funds

As at November 14, 2011, the percentage of units of each class of the Funds covered by this report beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 0.1 per cent for any Fund.

Manager

As at November 14, 2011, the percentage of each class or series of voting or equity securities of Jovian Capital Corporation or The Manager beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 0.1 per cent.

Service Providers

As at November 14, 2011, no member of the IRC beneficially owned, directly or indirectly, any class or series of voting or equity securities of a person or company that provides services to the Funds or the Manager of the Funds with respect to their respective fund businesses.

IRC Compensation and Indemnities

The aggregate compensation paid by the Funds to the IRC for the period from January 1, 2011 to November 14, 2011, was approximately \$85,948 including a fee of \$1,000.00 per meeting attended and including GST and HST where applicable. This amount was allocated among the Funds managed by the Manager in a manner that is considered by the Manager to be fair and reasonable to the Funds.

The initial annual compensation of IRC members and their initial terms of appointment were as follows:

Name	Annual Compensation	Initial Term	Additional Term
Julia Dublin	\$20,000.00	3 years	3 years
Harvey Naglie	\$15,000.00	2 years	2 years

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Karen Fisher

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Harvey Naglie

Karen Fisher	\$15,000.00	1 year	3 years
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Compensation for additional services by an IRC member may be charged from time to time with the approval of both the IRC and the Manager.

At least annually, the IRC will review the compensation of its members in a manner consistent with good governance practices, giving consideration to a number of factors, including:

- (a) The best interests of the Funds;
- (b) The number, nature and complexity of the Funds;
- (c) The nature and extent of the workload of each IRC member, including the commitment of time and energy that is expected from each member;
- (d) Industry best practices, including industry averages and surveys on IRC compensation; and
- (e) The IRC's most recent annual self-assessment, as well as, any recommendations about IRC compensation and expenses made by the Manager.

No amounts were paid to the IRC by the Funds pursuant to indemnities given by the Funds to the IRC during the period.

Conflict of Interest Matters

The IRC is not aware of any instance in which the Manager, when acting in a conflict of interest matter, did not meet a condition imposed by the IRC in its recommendation or approval. The Manager has an obligation to notify the IRC of any such instances.

When a conflict of interest matter arises, the Manager of the Funds must refer the matter, along with its proposed action, to the IRC for its review and decision. No conflict of interest matters were identified by the Manager for the IRC to consider during the period ended November 14, 2011.

The IRC is **not** aware of any instance in which the Manager acted in a conflict of interest matter referred to the IRC for which the IRC **did not** give a positive recommendation.

Policies and Standing Instructions

The Manager has policies and procedures in place to address potential conflicts of interest that may arise. The IRC has established standing instructions that allow the Manager to act in specific conflict of interest matters that arise in the normal course of business provided the Manager complies with the related policies and procedures and reports periodically, and at least quarterly,

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to the IRC.

The Manager relied on the following standing instructions in the financial year. In each case, the standing instructions required the Manager to comply with its related policy and procedures and to report quarterly to the IRC:

Standing Instruction No. 1: Allocation of Operating Expenses to the Funds

Standing Instruction No. 3: Investments in Debt Securities of Related Issuers (in effect from July 15, 2010)

Standing Instruction No. 4: Use of Related Dealer Underwritings

Standing Instruction No. 5: Transactions by Related Dealers

Standing Instruction No. 6: Transactions in Exchange Listed Securities of Related Issuers

Standing Instruction No. 7: Use of a Related Party and/or its Affiliates as Executing Broker and/or Derivatives Counterparty

Standing Instruction No. 8: Use of a Related Party and/or its Affiliates, as Derivatives Counterparty by Funds Managed by Related Party

Standing Instruction No. 9: Use of Related Issuers as Collateral (in effect from November 23, 2010)

Funds:

Funds covered by this report in the period beginning January 1, 2011 and ending November 14, 2011:

Funds managed by Horizons ETFs Management (Canada) Inc.

Horizons BetaPro S&P/TSX 60TM Bull Plus ETF
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Horizons BetaPro S&P/TSX Global Base MetalsTM Bull Plus ETF
Horizons BetaPro S&P/TSX Global Base MetalsTM Bear Plus ETF
Horizons BetaPro S&P/TSX Capped FinancialsTM Bull Plus ETF
Horizons BetaPro S&P/TSX Capped FinancialsTM Bear Plus ETF
Horizons BetaPro S&P/TSX Capped EnergyTM Bull Plus ETF
Horizons BetaPro S&P/TSX Capped EnergyTM Bear Plus ETF
Horizons BetaPro S&P/TSX Global GoldTM Bull Plus ETF
Horizons BetaPro S&P/TSX Global GoldTM Bear Plus ETF
Horizons BetaPro S&P 500[®] Bull Plus ETF
Horizons BetaPro S&P 500[®] Bear Plus ETF
Horizons BetaPro NASDAQ-100[®] Bull Plus ETF
Horizons BetaPro NASDAQ-100[®] Bear Plus ETF
Horizons BetaPro MSCI Emerging Markets Bull Plus ETF
Horizons BetaPro MSCI Emerging Markets Bear Plus ETF
Horizons BetaPro S&P/TSX 60TM Inverse ETF
Horizons BetaPro S&P/TSX Capped FinancialsTM Inverse ETF
Horizons BetaPro S&P/TSX Capped EnergyTM Inverse ETF
Horizons BetaPro S&P/TSX Global GoldTM Inverse ETF
Horizons BetaPro S&P 500[®] Inverse ETF
Horizons BetaPro COMEX[®] Gold Bullion Bull Plus ETF
Horizons BetaPro COMEX[®] Gold Bullion Bear Plus ETF
Horizons BetaPro NYMEX[®] Crude Oil Bull Plus ETF
Horizons BetaPro NYMEX[®] Crude Oil Bear Plus ETF
Horizons BetaPro NYMEX[®] Natural Gas Bull Plus ETF
Horizons BetaPro NYMEX[®] Natural Gas Bear Plus ETF
Horizons BetaPro US Dollar Bull Plus ETF
Horizons BetaPro US Dollar Bear Plus ETF
Horizons BetaPro US 30-year Bond Bull Plus ETF
Horizons BetaPro US 30-year Bond Bear Plus ETF
Horizons BetaPro COMEX[®] Silver Bull Plus ETF
Horizons BetaPro COMEX[®] Silver Bear Plus ETF
Horizons BetaPro COMEX[®] Copper Bull Plus ETF
Horizons BetaPro COMEX[®] Copper Bear Plus ETF
Horizons BetaPro COMEX[®] Gold Inverse ETF
Horizons BetaPro COMEX[®] Silver Inverse ETF

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Horizons BetaPro NYMEX® Natural Gas Inverse ETF
Horizons BetaPro NYMEX® Crude Oil Inverse ETF
Horizons BetaPro COMEX® Long Gold/Short Silver Spread ETF
Horizons BetaPro COMEX® Long Silver/Short Gold Spread ETF
Horizons BetaPro NYMEX® Long Natural Gas/Short Crude Oil Spread ETF
Horizons BetaPro NYMEX® Long Crude Oil/Short Natural Gas Spread ETF
Horizons COMEX® Copper ETF
Horizons COMEX® Gold ETF
Horizons COMEX® Silver ETF
Horizons Winter-Term NYMEX® Crude Oil ETF
Horizons Winter-Term NYMEX® Natural Gas ETF
Horizons U.S. Dollar Currency ETF
Horizons Australian Dollar Currency ETF
Horizons S&P/TSX 60™ Index ETF
Horizons S&P 500® Index (C\$ Hedged) ETF
Horizons GMP® Junior Oil and Gas Index™ ETF
Horizons BetaPro S&P 500 VIX Short-Term Futures™ ETF
Horizons BetaPro S&P 500 VIX Short-Term Futures™ Bull Plus ETF

Funds managed by AlphaPro Management Inc.

Horizons Enhanced Income Equity ETF
Horizons Enhanced Income Energy ETF
Horizons Enhanced Income Financials ETF
Horizons Enhanced Income Gold Producers ETF
Horizons Enhanced Income U.S. Equity (USD) ETF
Horizons Enhanced Income International Equity ETF
Horizons Tactical Bond ETF
Horizons Income Plus ETF
Horizons S&P/TSX 60 130/30™ Index ETF
Horizons Dividend ETF
Horizons Global Dividend ETF
Horizons North American Value ETF
Horizons North American Growth ETF
Horizons S&P/TSX 60 Equal Weight Index ETF
Horizons Balanced ETF
Horizons Corporate Bond ETF
Horizons Preferred Share ETF
Horizons Floating Rate Bond ETF
Horizons Gartman ETF
Horizons Seasonal Rotation ETF
Horizons Gold Yield Fund
Horizons Enhanced U.S. Equity Income Fund (closed-end fund)
Tactical Global Bond ETF Fund (underlying fund)

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Funds managed by Horizons Investment Management Inc.

Gold Yield Trust