

HAC Update for May 9, 2022

	Gain % from May 2 to May 6
HAC	-0.6
S&P 500	-0.2
S&P/TSX 60™ Index	-0.4

Please visit <https://www.horizonsetfs.com/etf/HAC?tab=performance> 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	-0.6		2
HXCN	-2.0	-24	8
HCRE	-7.8		5
XLRE	-3.8		2
HXE	4.6		4
HXS	0.0	-16	5
XLV	-0.4		3
FHH	-2.0		2
DLR	0.3	2	5
XLP	-0.7		10
IBB	-3.6	3	3
HUG	0.3	3	3
HTB	-0.3	5	5
Cash		27	43

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* 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 0.2%. The big news of the week was the Federal Reserve raising its federal funds rate by 50 bps. The Federal Reserve also announced that it would start its quantitative tightening program in June, buying government bonds and MBSs. After three months, the tightening program will be on pace to reduce Federal Reserve's balance sheet by \$95 billion a month (\$60 billion in bonds and \$35 billion in MBSs).

In the press conference after the Federal Reserve meeting, Powell mentioned that raising the federal funds rate by 75 bps was not on the table at the current time. After processing the information, investors pushed the stock market down sharply the next day. The S&P 500 closed lower on the week. It is important to note that although the Federal Reserve was generally more dovish than expected, investors pushed the stock market lower, which is usually a bearish signal.

This week, the big news will probably be the release of the CPI report that is expected to be released on Wednesday. It is expected that a rate of 8.1% inflation on a year-over-year basis will be reported.

Last week, the S&P/TSX 60 Index lost 0.4% and HAC lost 0.6%.

Canadian Stock Market – (HXCN) - Reduced Position

Last week, the Canadian stock market was negative and underperformed the S&P 500. Last week, HAC decreased its position in the Canadian stock market.

US Stock Market – (HXS) - Reduced Position

Last week, HAC decreased its position in the S&P 500.

Materials – (XLB)

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

Real Estate – (HCRE/XLRE)

The real estate sector has a strong seasonal period from March 8 to September 20. Last week the real estate sector was negative and underperformed the S&P 500.

Energy – (HXE)

The energy sector has a strong seasonal period from February 25 to May 9. The energy sector has been performing very well since the beginning of the year. Last week, the energy sector was positive and outperformed the Canadian stock market.



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Consumer Staples– (XLP)

The consumer staples sector tends to start its strong seasonal period in late April. Recently, the sector has been performing well. Last week, the consumer staples sector was negative and underperformed the S&P 500.

Health Care – (XLV/FHH)

The health care sector tends to start its strong seasonal period at the beginning of May. Last week, the health care sector was negative and underperformed the S&P 500.

US Dollar– (DLR) - Increased Position

The US dollar starts its strong seasonal period in early May. Recently, the US dollar has been showing strength relative to the Canadian dollar. Last week, the US dollar was positive relative to the Canadian dollar. Last week, HAC increased its position in the US dollar.

Biotech– (IBB) - Entered into Position

The biotech sector tends to start its strong seasonal period in mid-June. The biotech sector has broadly been underperforming the S&P 500 since mid 2020. Volatility in the biotech sector in May on a season basis can lead to a good entry opportunity. Last week, HAC entered into a position in the biotech sector.

US Government Bonds– (HTB) - Entered into Position

US government bonds tend to have a strong seasonal period from early May to early October. Recently, US government bonds have been performing poorly before the start of the sector's strong seasonal period, possibly setting up for a bounce at the start of the strong seasonal period. Last week, HAC entered into a position in US government bonds.

Gold– (HUG) - Entered into Position

Gold tends to start its strong seasonal period in early July. Volatility in May and June can provide a good early entry opportunity to take an initial position. Last week, HAC entered into a position in gold.

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ANNUALIZED PERFORMANCE TABLE OF HORIZONS SEASONAL ROTATION ETF (HAC), AS AT APRIL 30, 2022.¹

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons Seasonal Rotation ETF (HAC)	-5.68	-2.17	-1.36	-3.89	3.66	4.86	5.92	7.29	7.64

**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 APRIL 30, 2022.¹

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons S&P/TSX Capped Composite Index ETF (HXCN)	-4.97	-0.94	0.01	-1.35	11.50	--	--	--	10.73

**PERFORMANCE SINCE INCEPTION ON FEBRUARY 5, 2020. 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)	8.37	26.17	50.55	48.56	110.46	18.39	7.46	--	1.79

**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 REIT Index ETF (HCRE)	-4.91	-1.06	-2.00	-3.88	14.17	10.19	--	--	11.62

**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 S&P 500 Index ETF (HXS)	-6.23	-7.28	-6.40	-11.68	4.32	11.81	11.82	15.92	15.68

**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 US Dollar Currency ETF (DLR)	2.76	1.01	3.67	1.47	4.18	-1.33	-0.84	2.64	--

**PERFORMANCE SINCE INCEPTION ON APRIL 6, 2011. Source: Horizons ETFs.

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons US 7-10 Year Treasury Bond ETF (HTB)	-1.49	-7.32	-6.39	-9.05	-4.81	-1.22	-0.44	--	1.13

**PERFORMANCE SINCE INCEPTION ON APRIL 7, 2015 Source: Horizons ETFs.

	1 Mo	3 Mo	6 Mo	YTD	1 YR	3 YR	5YR	10 YR	SIR**
Horizons Gold ETF (HUG)	-2.19	6.12	6.35	4.02	6.45	11.29	5.86	-0.67	3.54

**PERFORMANCE SINCE INCEPTION ON JUNE 24, 2009. 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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