

SEASONAL INVESTING APPLICABLE IN MANY MARKETS

- Stocks – Broad based indexes such as S&P 500® and S&P/TSX Composite Index™
- Stocks – Sectors of the market such as Technology, Financials, Gold stocks etc...
- Commodities – Gold, Silver, Platinum, Oil, Natural Gas etc..
- Bonds – Government, Corporate and High Yield Bonds
- Currencies – USD, CAD etc.

SUMMER

Utilities
Health Care
Energy
Bonds
Consumer Staples
Gold
Natural Gas
Agriculture

FALL

S&P 500®
S&P/TSX Composite
Information Technology
Materials
Consumer Discretionary
Retail
Transportation
Large Cap growth

WINTER

S&P 500®
S&P/TSX Composite
Russell 2000
Materials
Consumer Discretionary
Financials
Metals & Mining

SPRING

S&P 500®
S&P/TSX Composite
Energy
Bonds
Consumer Staples
Oil E&S



Favourable Season



Seasonal Process- Flip the Stack

Seasonal – 1st

Seasonal Trends – 1st filter and primary driving force for investments

Technical

Technicals – help “massage” entry and exit dates and amount of allocation

Fundamental

Fundamentals – help determine allocation amount

Seasonal Guidelines for Markets



- Reallocate from the core position to various sector opportunities when appropriate
- When sector opportunities are sold, proceeds are reinvested in core position

HAC Correlation Matrix

Name	Ticker	1-Month (%)	3-Month (%)	6-Month (%)	YTD (%)	1 Year (%)	3 Year (%)	Since Inception (%)	Inception Date
Horizons Seasonal Rotation ETF	HAC	1.98%	5.83%	6.40%	5.83%	7.40%	8.43%	9.31%	19/11/2009
S&P/TSX 60™ Total Return Index	TX60AR	-0.61%	3.26%	5.67%	3.26%	6.73%	4.04%	4.62%	N/A
S&P 500® Total Return Index	SPXT	3.75%	10.61%	10.19%	10.61%	13.96%	12.67%	13.70%	N/A

Indicated rates of return are the historical annual compounded total returns including changes in per unit values and reinvestment of all dividends and distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns.

Correlation Matrix	Horizons Seasonal Rotation ETF	S&P/TSX 60™ Index	S&P 500® Index
Horizons Seasonal Rotation ETF	1.0000	0.3801	0.4148
S&P/TSX 60™ Index	0.3801	1.0000	0.7890
S&P 500® Index	0.4148	0.7890	1.0000

Since Inception performance is as of the ETFs inception date
 Daily correlation, between November 19, 2009 and March 31, 2013
 Source: Bloomberg, between November 19, 2009 and March 31, 2013