

INVESTMENT OBJECTIVE

The fundamental investment objective of the Horizons AlphaPro Managed S&P/TSX 60 Exchange Traded Fund ("HAX") is to achieve long-term capital growth by investing primarily in equity securities that are constituents of the S&P/TSX 60.

ACTIVE MANAGEMENT

The HAX portfolio will be based on proprietary cycle, sentiment and technical indicators of the S&P/TSX 60 provided by Ron Meisels, President of Phases & Cycles Inc. ("Phases & Cycles"). The portfolio is expected to rebalance bi-weekly in order to emphasize constituents with the potential to outperform the index, while underweighting or shorting constituents that may underperform the index.

PHASES & CYCLES INC.

Ron Meisels has been an active analyst since 1971 and is the president and founder of Phases & Cycles Inc., one of North America's leading providers of independent investment research. Phases & Cycles offers actionable and profitable investment recommendations for both the Canadian and US equity markets. Mr. Meisels is the editor for all Phases & Cycles publications including its TOP 60® portfolio report; researching the best candidates amongst the S&P/TSX 60.

TOP HOLDINGS

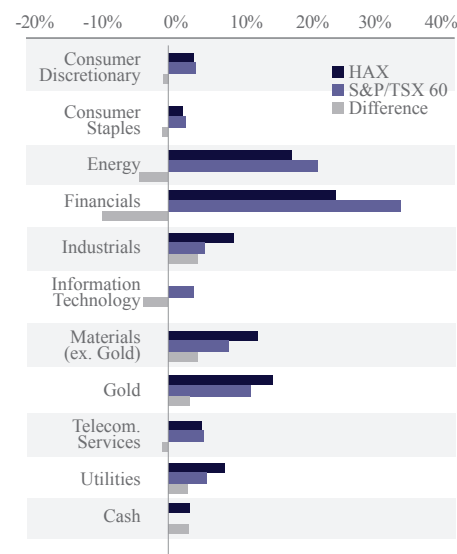
AS OF DECEMBER 31, 2009

	HAX	S&P/TSX 60	DIFFERENCE
Suncor Energy Inc	8.17%	5.72%	2.45%
Royal Bank of Canada	6.83%	7.89%	-1.06%
Barrick Gold Corp	5.91%	4.02%	1.89%
Goldcorp Inc	5.53%	2.99%	2.54%
Canadian National Railway Co	5.10%	2.66%	2.44%
Toronto-Dominion Bank	4.88%	5.59%	-0.71%
Potash Corp of Saskatchewan	4.77%	3.34%	1.43%
Bank of Nova Scotia	4.49%	4.97%	-0.48%
Canadian Natural Resources Ltd	3.20%	4.06%	-0.86%
TransCanada Corp	3.13%	2.44%	0.69%
Nexen Inc	2.84%	1.30%	1.54%
CASH	2.83%	0.00%	2.83%
Enbridge Inc	2.66%	1.80%	0.86%
CIBC	2.57%	2.58%	-0.01%
Bank of Montreal	2.55%	3.04%	-0.49%
Agrium Inc	2.46%	1.01%	1.45%
Cameco Corp	2.20%	1.31%	0.89%
SNC-Lavalin Group Inc	2.16%	0.80%	1.36%
BCE Inc	2.15%	2.19%	-0.04%
Shaw Communications Inc	2.09%	0.78%	1.31%
Penn West Energy Trust	1.96%	0.76%	1.20%
Eldorado Gold	1.66%	0.79%	0.87%
Fortis	1.63%	0.48%	1.15%
Teck Cominco Ltd	1.55%	1.75%	-0.20%
Rogers Communications Inc	1.52%	1.62%	-0.10%

TICKER	HAX
EXCHANGE	Toronto Stock Exchange
MANAGEMENT FEE	0.70% per annum
PERFORMANCE FEE	20% over benchmark with high water mark
REGISTERED ACCOUNT ELIGIBLE	Yes
DISTRIBUTION FREQUENCY	Annual, if any
INCEPTION DATE	January 7, 2009

SECTOR WEIGHTING

AS OF DECEMBER 31, 2009



HORIZONS ALPHAPRO MANAGED S&P/TSX 60

AS OF DECEMBER 31ST, 2009

GENERAL PERFORMANCE OF THE MARKET AND THE FUND FOR THE MONTH OF DECEMBER 2009

The S&P/TSX 60 Index started the month at \$680.26 and ended at \$693.23 for a 1.91% gain. The Info Tech, Utilities, Industrials, Consumer Discretionary and Energy sectors were the five best performing sectors, gaining respectively 10.98%, 7.52%, 7.41%, 5.34% and 4.06%. The two negatively performing sectors were Gold at -8.56% and Materials at -3.62%.

On December 1st, HAX was overweight by about 2.70% in the Utility Sector, by about 4.02% in the Industrial Sector, by about 3.06% in the Gold Sector, and by about 4.06% in the Material Sector. There was 2.86% cash in the portfolio.

The underweight position in the Info Tech sector as well as the overweight in Gold and Material was a hindrance for HAX in December, although the overweight position in Utilities and Industrials softened the underperformance.

TECHNICAL VIEW OF THE MARKET BY OUR RESEARCH PROVIDER

As forecast in the previous comment, the North American indices ended 2009 on a high note, postponing any major corrective action until early 2010.

Looking ahead, stocks should continue to advance through January, although February-March could bring minor corrections.

Our research suggests continued relative performance in Industrials, Energy, Gold and Material stocks. We plan to make recommendations accordingly.