



## Canadian Advisors Take Bearish View on Stock Markets

**Toronto, Ontario, July 8, 2010** - You can count Canadian investment advisors among those concerned about a further pullback in stock prices over the next quarter, according to the Q3 2010 Advisor Sentiment Survey (the "**Q3 Survey**"), which is conducted by BetaPro Management Inc. ("**BetaPro**").

Nearly 200 Canadian advisors, who collectively oversee an estimated \$20 billion in client assets, took part in the Q3 Survey. The Q3 Survey asked advisors to give their outlook on 15 distinct asset classes. Advisors responded whether they were bullish, bearish or neutral on the anticipated returns for these asset classes in the next quarter.

Advisor outlook for broad-based equity indexes only continued to worsen as stock prices plummeted in the second quarter. Their dampening mood for stocks was offset by increasing bullishness for precious metals and energy, in particular gold-related asset classes and natural gas.

Advisors' bullish sentiment for the S&P/TSX 60™ Index dropped nearly 20% from 58% in Q2 to 39% in Q3, while their bearish sentiment on this index increased from 30% in Q2 to 45% for Q3.

The majority of Canadian advisors (52%) are bearish on U.S. large-cap stocks, represented by the S&P 500™ Index, which had a tough quarter, losing more than 11%. Similarly, bearish sentiment on the NASDAQ 100® Index jumped from 27% to 45%, as that index dropped 11.19% during the quarter.

The Q3 Survey did find a clear majority of advisors are bullish on gold stocks and gold bullion. Advisor bullish sentiment for the S&P/TSX Global Gold Index increased 8%, while sentiment for gold bullion increased 13 percentage points from 55% to 68%. Another precious metal, silver, also saw a 1 percentage point upswing in bullish sentiment, which now stands at 60%.

The asset class that experienced the biggest increase in advisor bullish sentiment was natural gas. In the Q2 2010 Advisor Sentiment Survey, only 31% of Canadian advisors were bullish on this commodity. A majority of advisors now have a bullish outlook on natural gas, with 59% believing it will continue to rise after a 12.70% return for the NYMEX™ Natural Gas Index last quarter.

*"Natural gas investors who took long positions last quarter have already been well rewarded. It certainly looks like advisors expect natural gas prices to continue to improve through the summer,"* said Howard Atkinson, President of BetaPro.

The returns on U.S. 30-Year bonds seem to have also reduced advisor bearish sentiment on an asset class that they considered to be vulnerable to interest rate increases.

*"That inflationary fear associated with U.S. Treasuries seems to have subsided",* Mr. Atkinson said. *"The 30-Year U.S. bond rose 9.80%, and advisors' corresponding bearish sentiment decreased from 55% to 28%. It should be noted that 45% of advisors are neutral on the direction of the 30-Year U.S. bond, suggesting their real uncertainty about the direction of U.S. government bond prices."*

The results of this survey mark a clear departure from previous Advisor Sentiment Surveys. Canadian advisors are historically quite accurate in predicting future trends, usually successfully predicting the direction of the majority of indices.

*"Advisors were incorrect on 12 of their 15 indices forecasts made in the Q2 2010 Advisor Sentiment Survey, although we did feel at the time that there seemed to be a lack of consensus in advisor sentiment,"* said Howard Atkinson. *"That disagreement seems to be gone now for many asset classes. Advisors appear much more uniform in where they see certain asset classes moving, particularly in their bullish outlook for precious metals and natural gas."*

The survey was conducted between June 11 and June 30, 2010.

#### **About the Sentiment Survey**

BetaPro conducts the only quarterly sentiment survey of Canadian investment advisors. The survey quantitatively measures advisors' quarterly outlook as it relates to 15 key benchmarks covering equities, bonds, currency and commodities. Full survey results are available at <http://www.HBPETFs.com/sentimentSurvey.asp>.

#### **About BetaPro Management Inc.**

Horizons BetaPro Exchange Traded Funds (the "**Horizons BetaPro ETFs**") are managed by BetaPro Management Inc., Canada's sole provider of investment tools allowing investors to profit when the market is rising or falling, or to reduce their risk by hedging their existing market exposure. The Horizons BetaPro ETFs offer four types of structures: Bull+/Bear+ leveraged ETFs, single ETFs, single inverse ETFs and spread ETFs with exposure to 16 key equity, bond, currency, and commodity benchmarks. Each Horizons BetaPro ETF is designed to provide daily investment results, before all fees, expenses and costs, that endeavour to correspond to either: (i) a multiple or inverse multiple (opposite) of the daily performance of a specified underlying index; (ii) the single inverse (opposite) of the daily performance a specified underlying index; (iii) the daily performance of a specified underlying index; or (iv) the sum of the daily performance of a specified underlying index and the single inverse (opposite) of a second specified underlying index.

BetaPro is the largest ETF provider by number (45 ETFs) in Canada and the Horizons BetaPro ETFs are the most frequently traded ETFs on the Toronto Stock Exchange by share volume. BetaPro assets grew by 539% in 2007, by over 225% in 2008 and 26% in 2009.

BetaPro is a subsidiary of Jovian Capital Corporation (JOV:TSX) and manages, as of June 30, 2010, approximately \$2.4 billion amongst 45 ETFs.

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