



Horizons Active Corporate Bond ETF
(HAB:TSX)



HORIZONS ETFs
by Mirae Asset

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A Message from the CEO

After the challenges of the last two years related to the COVID-19 pandemic, I am pleased a “return to normal” and a broader economic reopening have begun.

While global uncertainty and inflationary pressures have resulted in market volatility, Canada’s ETF industry continues to grow. As at May 31, 2022, Canada’s ETF industry has seen \$18 billion in year-to-date inflows.

At Horizons ETFs, our assets under management swelled from approximately \$17 billion at the end of 2020 to \$20.9 billion as at December 31, 2021. We continue to solidify our position as one of Canada’s top ETF providers, with approximately \$3 billion in ETF flows in the first half of this year. With several more innovative Horizons ETFs funds slated to launch this year, we are optimistic about further growth in the second half of 2022.

We are proud to continue our longstanding commitment to bringing innovative ETFs to market. This year alone we have launched two new, first-of-their-kind ETFs.

In February, Horizons ETFs launched the Horizons Carbon Credits ETF (“**CARB**”). CARB is Canada’s first ETF that provides exposure to investments in cap-and-trade carbon allowances: a nascent asset class, CARB, offers investors the potential to benefit from the growing global effort to regulate and restrict pollution.

In another Canadian first, in May, we launched the Horizons Copper Producers Index ETF (“**COPP**”), providing exposure to companies involved in copper ore mining, one of the most in-demand metals today. Copper is a critical component of electrical infrastructure, electric vehicles, and equipment and has an important role in helping achieve a global low-carbon energy future.

The addition of CARB and COPP to our product shelf strengthens our status as Canada’s leaders in commodity-focused funds. In addition to our longstanding funds that offer exposure to traditional commodities like crude oil and natural gas, last year, we introduced the first ETFs in Canada that offer exposure to three commodities that have the potential to fuel the future: uranium, lithium, and hydrogen. With market conditions in 2022 that have, so far, favoured energy and commodities, these ETFs can offer investors the potential to capture the current market’s momentum.

At Horizons ETFs, “Innovation is Our Capital,” has long been our motto, and we believe this has allowed us to be nimble enough to adapt while anticipating investor needs. No matter what is next on your investment horizon, we are confident that our suite of innovative ETFs will be able to help you reach your financial goals.

As always, we thank you for your continued support and hope you’re staying safe and healthy.

Sincerely,



Steven J. Hawkins
President & CEO of Horizons ETFs Management (Canada) Inc.

MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance for Horizons Active Corporate Bond ETF (“HAB” or the “ETF”) contains financial highlights and is included with the unaudited interim financial statements for the investment fund. You may request a copy of the ETF’s unaudited interim or audited annual financial statements, interim or annual management report of fund performance, current proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosures, at no cost, from the ETF’s manager, Horizons ETFs Management (Canada) Inc. (“Horizons Management” or the “Manager”), by calling toll free 1-866-641-5739, or locally (416) 933-5745, by writing to us at: 55 University Avenue, Suite 800, Toronto ON, M5J 2H7, or by visiting our website at www.horizonsetfs.com or SEDAR at www.sedar.com.

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance, or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements.

Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the ETF may invest and the risks detailed from time to time in the ETF’s prospectus. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors. We caution that the foregoing list of factors is not exhaustive, and that when relying on forward-looking statements to make decisions with respect to investing in the ETF, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Manager does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

Management Discussion of Fund Performance

Investment Objective and Strategies

The investment objective of HAB is to seek long-term capital growth and generate high income. HAB invests primarily in a portfolio of debt (including debt-like securities) of Canadian and U.S. companies, directly, or indirectly through investments in securities of other investment funds, including Listed Funds, as they are defined in the ETF’s prospectus.

The ETF’s sub-advisor, Fiera Capital Corporation (“Fiera” or the “Sub-Advisor”), uses fundamental credit research to select the securities of companies that, based on the Sub-Advisor’s view on the company’s industry and growth prospects, are believed to offer superior risk adjusted returns relative to passively managed corporate bond indexes. When the Sub-Advisor believes that interest rates will increase, the Sub-Advisor may choose securities with shorter terms and when the Sub-Advisor believes that interest rates will decrease, the Sub-Advisor may choose securities with longer terms.

The Sub-Advisor seeks diversification by industry sector and geographic region and relies on its: in-depth fundamental credit research, view of market trends, analysis of the company’s competitive position, and review of the return relative to the company’s risk and general market conditions, to select securities for the ETF.

Management Discussion of Fund Performance (continued)

In order to manage the liquidity of the portfolio, the Sub-Advisor may, from time to time, invest in debt securities or money market instruments issued or guaranteed by the Government of Canada or the Government of a jurisdiction in Canada, or issued or guaranteed by the U.S. Government.

HAB may rely on exemptions from the securities regulatory authorities allowing it to purchase securities of a related issuer of the Sub-Advisor if certain conditions are met. In particular, the investment must be consistent with, or necessary to meet, the investment objective of HAB. The investment must also be approved by the ETF's Independent Review Committee ("IRC") and is subject to certain other provisions of National Instrument 81-107 ("NI 81-107").

Please refer to the ETF's most recent prospectus for a complete description of HAB's investment restrictions.

Risk

The Manager performs a review of the ETF's risk rating at least annually, as well as when there is a material change in the ETF's investment objective or investment strategies. The current risk rating for the ETF is: low.

Risk ratings are determined based on the historical volatility of the ETF as measured by the standard deviation of its performance against its mean. The risk categorization of the ETF may change over time and historical volatility is not indicative of future volatility. Generally, a risk rating is assigned to the ETF based on a rolling 10-year standard deviation of its returns, the return of an underlying index, or of an applicable proxy. In cases where the Manager believes that this methodology produces a result that is not indicative of the ETF's future volatility, the risk rating may be determined by the ETF's category. Risk ratings are not intended for use as a substitute for undertaking a proper and complete suitability or financial assessment by an investment advisor.

The Manager, as a summary for existing investors, is providing the list below of the risks to which an investment in the ETF may be subject. **Prospective investors should read the ETF's most recent prospectus and consider the full description of the risks contained therein before purchasing units.**

The risks to which an investment in the ETF is subject are listed below and have not changed from the list of risks found in the ETF's most recent prospectus. A full description of each risk listed below may also be found in the most recent prospectus. The most recent prospectus is available at www.horizonsetfs.com or from www.sedar.com, or by contacting Horizons ETFs Management (Canada) Inc. directly via the contact information on the back page of this document.

- | | |
|--|---|
| <ul style="list-style-type: none">• Stock market risk• Specific issuer risk• Legal and regulatory risk• Market disruptions risk• Cyber security risk• Listed Funds risk• Reliance on historical data risk• Corresponding net asset value risk• Designated broker/dealer risk• Cease trading of securities risk• Exchange risk• Early closing risk | <ul style="list-style-type: none">• No assurance of meeting investment objective• Tax risk• Securities lending, repurchase and reverse repurchase transaction risk• Loss of limited liability• Reliance on key personnel• Distributions risk• Conflicts of interest• No ownership interest• Market for units• Redemption price• Net asset value fluctuation |
|--|---|

Management Discussion of Fund Performance (continued)

- Restrictions on certain unitholders
 - Highly volatile markets
 - No guaranteed return
 - Derivatives and counterparty risk
 - Interest rate risk
 - Foreign currency risk
- Credit risk
 - Foreign stock exchange risk
 - Call risk
 - Liquidity risk
 - Municipal bond risk

Results of Operations

For the period ended June 30, 2022, units of the ETF returned -11.08% when including distributions paid to unitholders. This compares to a return of -10.92% for the ICE Bank of America Merrill Lynch Canada Corporate Bond Index (the "Index") for the same period.

The Index tracks the performance of Canadian dollar-denominated, investment-grade corporate, securitized and collateralized debt publicly issued in the Canadian domestic market.

General Market Review

Risk assets were hit hard and bond yields continued their upward movement in the first half of 2022 as markets adjusted to very hawkish central banks, who now need to raise rates significantly to try to bring inflation back under control.

At the beginning of the year, interest rates were already under upward pressure as central banks realized that inflation was more persistent than first thought as a result of pent-up demand and ongoing supply chain issues brought on by the coronavirus.

Before the invasion of Ukraine, the market was expecting both the Federal Reserve and the Bank of Canada to increase rates six times to 1.75%, essentially reversing the emergency stimulus put in place at the beginning of COVID. However, as the situation in Ukraine evolved, commodity prices spiked higher, causing further supply chain disruptions and putting increased pressure on global inflation. The Federal Reserve set the tone by raising rates by 125 basis points ("bps") during the second quarter. The market is also anticipating another 160 bps of rate hikes before year-end. Higher rates, along with geopolitical risks and lockdowns in China, have fueled fears of a global recession which weighed on investor sentiment. So far, the selloff in equity and credit markets has been orderly in anticipation of very soft growth or a mild recession with no systematic issues. There is currently a tug-of-war underway between runaway inflation today, and slower economic growth down the road, driven by higher interest rates. For investors, of importance will be how sensitive inflation is to the upcoming slowdown. The federal funds rate is currently 1.75% and is expected to peak at 3.50% early next year before falling below 3.00% by the end of 2023.

The Bank of Canada increased its target for the overnight rate by 25 basis points in the first quarter and by 100 basis points in the second quarter to 1.50%. Inflation at 7.7% is significantly above the Bank's two percent target, largely caused by higher prices for food and energy. However, inflation continues to broaden with almost 70% of the categories that make up the CPI above 3%. The Canadian economy is expected to perform well in the second quarter when the data is published, led by strong consumer spending and exports. Job vacancies are high, labour shortages are prevalent and wage growth is on the rise across many sectors. The Bank will move rates materially higher throughout the year to keep inflation expectations anchored. The market has built an overnight rate of 3.40% by the end of the year or another 190 basis points of rate hikes.

Management Discussion of Fund Performance (continued)

These developments caused the 10-year Canada yield to increase by 180 bps to 3.22% during the first half of 2022. In this environment, provincial spreads, on average, increased 15 basis points to 76 bps and corporate spreads were up 52 basis points to 169 bps during the semester.

Portfolio Review

Duration added 11 bps of value as rates moved higher while positioning along the yield curve added 3 bps. Although yield carry helped performance, it was for the most part offset by the widening of the spread so far in 2022. From a sector perspective, selections in communications and financials proved more difficult during the first half, as well as an overweight positioning in the energy sector. However, a large underweight position in the infrastructure sector more than offset the losses from the aforementioned three sectors.

During the first half of the year, the ETF's allocation to AA and BBB rated bonds were reduced, and weight in A rated bonds were increased. In addition, weight in financials was increased at the expense of industrials and infrastructure. Moving into the second half of 2022, the ETF has a shorter absolute duration and a higher running yield. The ETF has an overweight position in real estate and financial bonds and underweight positions in industrial and infrastructure issues.

Outlook

Inflation will be the key determinant of the direction of bond yields throughout the balance of the year. The Bank of Canada and the Federal Reserve were very aggressive in hiking rates in the second quarter, and the expectation is for this to continue into the third quarter.

With inflation well above targets, the central banks will have no choice but to tighten monetary policy. The Bank indicated that a neutral level for its policy rate is between 2% and 3% and they need to be slightly above this rate to slow the economy to bring inflation back down towards their 2% target. With the market already pricing in an overnight rate between 3.25% and 3.50% by year-end, and a level which is necessary to rein in inflation, the duration of the ETF was increased above its benchmark in June. However, there is an expectation of elevated interest rate volatility this year which may present trading opportunities to go both long and short of the benchmark. Growth in other countries, especially in Europe, maybe hit harder than in North America. The ETF was actively buying corporate securities as spreads widened to reflect a significant slowdown in the economy. The Sub-Advisor will look for opportunities to increase the corporate exposure if spreads widen more to reflect a recession or reduce the exposure if spreads tighten to represent a robust growth environment.

Other Operating Items and Changes in Net Assets Attributable to Holders of Redeemable Units

For the six-month period ended June 30, 2022, the ETF generated gross comprehensive income (loss) from investments and derivatives (which includes changes in the fair value of the ETF's portfolio) of (\$46,348,333). This compares to (\$12,048,437) for the six-month period ended June 30, 2021. The ETF incurred management, operating and transaction expenses of \$1,202,230 (2021 – \$1,503,266) of which \$30,248 (2021 – \$50,020) was either paid or absorbed by the Manager on behalf of the ETF. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.

The ETF distributed \$6,524,143 to unitholders during the period (2021 – \$6,856,394).

Management Discussion of Fund Performance (continued)

Presentation

The attached financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Any mention of total net assets, net assets, net asset value or increase (decrease) in net assets in the financial statements and/or management report of fund performance is referring to net assets or increase (decrease) in net assets attributable to holders of redeemable units as reported under IFRS.

Recent Developments

There are no recent industry, management or ETF related developments that are pertinent to the present and future of the ETF.

Related Party Transactions

Certain services have been provided to the ETF by related parties and those relationships are described below.

Manager, Trustee and Investment Manager

The manager, trustee and investment manager of the ETF is Horizons ETFs Management (Canada) Inc., 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7, a corporation incorporated under the laws of Ontario.

If the ETF invests in other Horizons Management ETFs, Horizons Management may receive management fees in respect of the ETF’s assets invested in such Horizons Management ETFs. In addition, any management fees paid to the Manager (described in detail on page 12) are related party transactions, as the Manager is considered to be a related party to the ETF. Fees paid to the Independent Review Committee are also considered to be related party transactions. Both the management fees and fees paid to the Independent Review Committee are disclosed in the statements of comprehensive income in the attached financial statements of the ETF. The management fees payable by the ETF as at June 30, 2022, and December 31, 2021, are disclosed in the statements of financial position.

Financial Highlights

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the current interim reporting period and for the past five fiscal years. This information is derived from the ETF's audited annual financial statements and the current unaudited interim financial statements. Please see the front page for information on how you may obtain the ETF's annual or interim financial statements.

The ETF's Net Assets per Unit

Period ⁽¹⁾	2022	2021	2020	2019	2018	2017
Net assets, beginning of period	\$ 11.03	11.50	10.96	10.47	10.74	10.70
Increase (decrease) from operations:						
Total revenue	0.19	0.38	0.38	0.39	0.40	0.41
Total expenses	(0.03)	(0.07)	(0.07)	(0.06)	(0.06)	(0.06)
Realized gains (losses) for the period	(0.04)	0.17	0.05	–	(0.05)	(0.01)
Unrealized gains (losses) for the period	(1.34)	(0.71)	0.51	0.48	(0.22)	0.02
Total increase (decrease) from operations ⁽²⁾	(1.22)	(0.23)	0.87	0.81	0.07	0.36
Distributions:						
From net investment income (excluding dividends)	(0.17)	(0.31)	(0.32)	(0.33)	(0.34)	(0.34)
From net realized capital gains	–	(0.01)	–	–	–	–
From return of capital	–	–	(0.02)	–	–	–
Total distributions ⁽³⁾	(0.17)	(0.32)	(0.34)	(0.33)	(0.34)	(0.34)
Net assets, end of period ⁽⁴⁾	\$ 9.64	11.03	11.50	10.96	10.47	10.74

1. This information is derived from the ETF's unaudited interim financial statements and audited annual financial statements.

2. Net assets per unit and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

3. Income, dividend and/or return of capital distributions, if any, are paid in cash, reinvested in additional units of the ETF, or both. Capital gains distributions, if any, may or may not be paid in cash. Non-cash capital gains distributions are reinvested in additional units of the ETF and subsequently consolidated. They are reported as taxable distributions and increase each unitholder's adjusted cost base for their units. Neither the number of units held by the unitholder, nor the net asset per unit of the ETF change as a result of any non-cash capital gains distributions. Distributions classified as return of capital, if any, decrease each unitholder's adjusted cost base for their units. The characteristics of distributions, if any, are determined subsequent to the end of the ETF's tax year. Until such time, distributions are classified as from net investment income (excluding dividends) for reporting purposes.

4. The Financial Highlights are not intended to act as a continuity of the opening and closing net assets per unit.

Financial Highlights (continued)

Ratios and Supplemental Data

Period ⁽¹⁾	2022	2021	2020	2019	2018	2017
Total net asset value (000's)	\$ 366,496	460,399	611,305	561,841	534,933	577,465
Number of units outstanding (000's)	38,004	41,751	53,144	51,284	51,100	53,788
Management expense ratio ⁽²⁾	0.60%	0.59%	0.59%	0.59%	0.59%	0.60%
Management expense ratio before waivers and absorptions ⁽³⁾	0.61%	0.61%	0.61%	0.60%	0.61%	0.61%
Trading expense ratio ⁽⁴⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁵⁾	20.48%	36.98%	27.58%	57.69%	29.60%	22.68%
Net asset value per unit, end of period	\$ 9.64	11.03	11.50	10.96	10.47	10.74
Closing market price	\$ 9.58	11.04	11.51	10.94	10.49	10.78

1. This information is provided as at June 30, 2022, and December 31 of the other years shown.
2. Management expense ratio is based on total expenses, including sales tax, (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Out of its management fees, and waivers and absorptions, as applicable, the Manager pays for such services to the ETF as investment manager compensation and marketing.
3. The Manager, at its discretion, may waive and/or absorb a portion of the fees and/or expenses otherwise payable by the ETF. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.
4. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Transaction costs related to the purchase and/or sale of fixed income securities are typically embedded in the price of those transactions and are therefore not included in the trading expense ratio.
5. The ETF's portfolio turnover rate indicates how actively its portfolio investments are traded. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. Generally, the higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

Financial Highlights (continued)

Management Fees

The Manager provides, or oversees the provision of, administrative services required by the ETF including, but not limited to: negotiating contracts with certain third-party service providers, such as portfolio managers, custodians, registrars, transfer agents, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the ETF; arranging for the maintenance of accounting records for the ETF; preparing reports to unitholders and to the applicable securities regulatory authorities; calculating the amount and determining the frequency of distributions by the ETF; preparing financial statements, income tax returns and financial and accounting information as required by the ETF; ensuring that unitholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the ETF complies with all other regulatory requirements, including the continuous disclosure obligations of the ETF under applicable securities laws; administering purchases, redemptions and other transactions in units of the ETF; and dealing and communicating with unitholders of the ETF. The Manager provides office facilities and personnel to carry out these services, if not otherwise furnished by any other service provider to the ETF. The Manager also monitors the investment strategies of the ETF to ensure that the ETF complies with its investment objectives, investment strategies and investment restrictions and practices.

In consideration for the provision of these services, the Manager receives a monthly management fee at the annual rate of 0.50%, plus applicable sales taxes, of the net asset value of the ETF's units, calculated and accrued daily and payable monthly in arrears.

The Sub-Advisor is compensated for its services out of the management fees without any further cost to the ETF. Any expenses of the ETF which are waived or absorbed by the Manager are paid out of the management fees received by the Manager.

The table below details, in percentage terms, the services received by the ETF from the Manager in consideration of the management fees paid during the period.

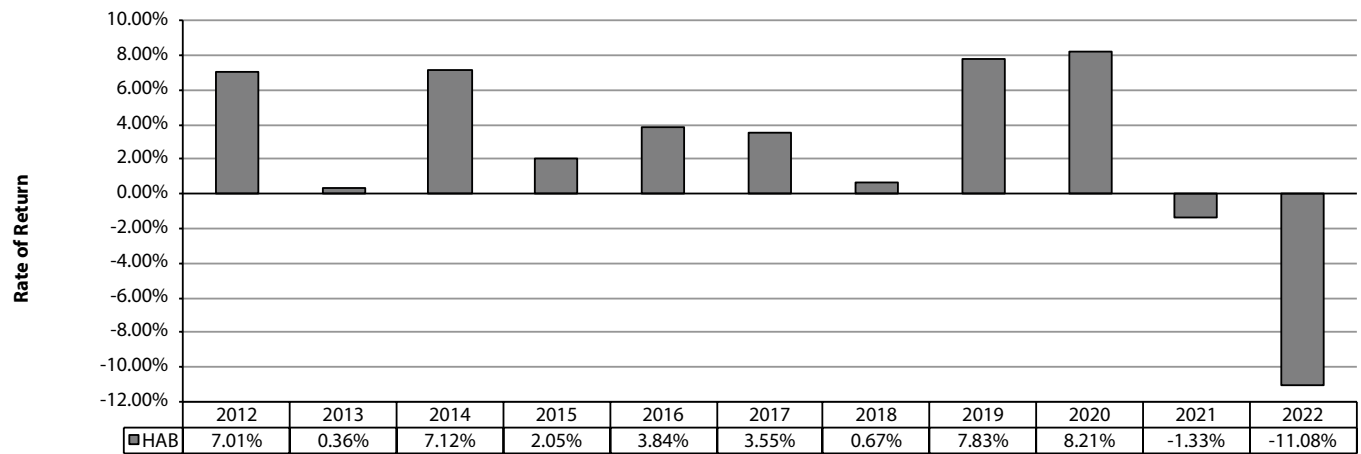
Marketing	Portfolio management fees, general administrative costs and profit	Waived/absorbed expenses of the ETF
6%	91%	3%

Past Performance

Commissions, management fees, expenses and applicable sales taxes all may be associated with an investment in the ETF. Please read the prospectus before investing. The indicated rates of return are the historical total returns including changes in unit value and reinvestment of all distributions, and do not take into account sales, redemptions, distributions or optional charges or income taxes payable by any investor that would have reduced returns. An investment in the ETF is not guaranteed. Its value changes frequently and past performance may not be repeated. The ETF's performance numbers assume that all distributions, if any, are reinvested in additional units of the ETF. If you hold this ETF outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units. The amount of the reinvested taxable distributions is added to the adjusted cost base of the units that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the ETF, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

Year-by-Year Returns

The following chart presents the ETF's performance for the periods shown, and illustrates how the performance has changed from period to period. In percentage terms, the chart shows how much an investment made on the first day of the financial period would have grown or decreased by the last day of the financial period.



The ETF effectively began operations on July 14, 2010.

Summary of Investment Portfolio

As at June 30, 2022

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
Canadian Fixed Income Securities	\$ 330,904,145	90.29%
U.S. Fixed Income Securities	31,510,531	8.60%
Global Fixed Income Securities	1,704,841	0.46%
Currency Forward Hedge*	(16,512)	0.00%
Cash and Cash Equivalents	708,060	0.19%
Margin Deposits	843	0.00%
Other Assets less Liabilities	1,683,880	0.46%
	\$ 366,495,788	100.00%

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Corporate Bonds	\$ 353,062,927	96.33%
Municipal Bonds	9,243,152	2.52%
Mortgage Backed Securities	1,222,215	0.34%
Provincial Bonds	591,223	0.16%
Currency Forward Hedge*	(16,512)	0.00%
Cash and Cash Equivalents	708,060	0.19%
Margin Deposits	843	0.00%
Other Assets less Liabilities	1,683,880	0.46%
	\$ 366,495,788	100.00%

*Positions in forward contracts are disclosed as the gain/(loss) that would be realized if the contracts were closed out on the date of this report.

Summary of Investment Portfolio (continued)

As at June 30, 2022

Top 25 Holdings*	% of ETF's Net Asset Value
Bank of Montreal	4.31%
Royal Bank of Canada	4.10%
Bank of Nova Scotia (The)	4.08%
Canadian Imperial Bank of Commerce	4.02%
Toronto-Dominion Bank (The)	3.91%
Rogers Communications Inc.	2.97%
Enbridge Inc.	2.71%
Inter Pipeline Ltd.	2.28%
TransCanada PipeLines Ltd.	2.28%
Bank of America Corp.	2.24%
Federation des Caisses Desjardins du Québec	2.09%
Bell Canada	2.06%
Pembina Pipeline Corp.	2.02%
Choice Properties REIT	1.89%
Sun Life Financial Inc.	1.67%
Wells Fargo & Co.	1.58%
AltaGas Ltd.	1.54%
TELUS Corp.	1.50%
North West Redwater Partnership / NWR Financing Co. Ltd.	1.47%
SmartCentres REIT	1.45%
CU Inc.	1.40%
Manulife Financial Corp.	1.36%
Hydro One Inc.	1.32%
Laurentian Bank of Canada	1.29%
Goldman Sachs Group Inc. (The)	1.23%

* Note all of the Top 25 Holdings represent the aggregate debt instruments of that issuer in the ETF's portfolio.

The summary of investment portfolio may change due to the ongoing portfolio transactions of the ETF. The most recent financial statements are available at no cost by calling 1-866-641-5739, or (416) 933-5745, by writing to us at 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7, by visiting our website at www.horizonsetfs.com or through SEDAR at www.sedar.com.

MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Horizons Active Corporate Bond ETF (the "ETF") are the responsibility of the manager and trustee to the ETF, Horizons ETFs Management (Canada) Inc. (the "Manager"). They have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board using information available and include certain amounts that are based on the Manager's best estimates and judgements.

The Manager has developed and maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to produce relevant, reliable and timely financial information, including the accompanying financial statements.

These financial statements have been approved by the Board of Directors of the Manager.



Steven J. Hawkins
Director
Horizons ETFs Management (Canada) Inc.



Thomas Park
Director
Horizons ETFs Management (Canada) Inc.

NOTICE TO UNITHOLDERS

The Auditors of the ETF have not reviewed these Financial Statements.

Horizons ETFs Management (Canada) Inc., the Manager of the ETF, appoints an independent auditor to audit the ETF's annual financial statements.

The ETF's independent auditors have not performed a review of these interim financial statements in accordance with Canadian generally accepted auditing standards.

Statements of Financial Position (unaudited)

June 30, 2022, and December 31, 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 708,060	\$ 1,498,437
Investments	364,119,517	456,985,793
Margin deposits (note 11)	843	–
Amounts receivable relating to accrued income	2,970,485	3,253,567
Derivative assets (note 3)	–	5,330
Total assets	367,798,905	461,743,127
Liabilities		
Accrued management fees	167,831	220,168
Accrued operating expenses	9,130	11,727
Amounts payable relating to securities redeemed	1,816	–
Distribution payable	1,107,828	1,112,675
Derivative liabilities (note 3)	16,512	–
Total liabilities	1,303,117	1,344,570
Total net assets (note 2)	\$ 366,495,788	\$ 460,398,557
Number of redeemable units outstanding (note 8)	38,004,377	41,751,390
Total net assets per unit	\$ 9.64	\$ 11.03

(See accompanying notes to financial statements)

Approved on behalf of the Board of Directors of the Manager:



Steven J. Hawkins
Director



Thomas Park
Director

Statements of Comprehensive Income (unaudited)

For the Periods Ended June 30,

	2022	2021
Income		
Interest income for distribution purposes	\$ 7,359,498	\$ 8,222,413
Securities lending income (note 7)	9,831	5,362
Net realized gain (loss) on sale of investments and derivatives	(1,644,528)	7,508,050
Net realized gain (loss) on foreign exchange	53	(11,655)
Net change in unrealized depreciation of investments and derivatives	(52,074,005)	(27,773,093)
Net change in unrealized appreciation of foreign exchange	818	486
	(46,348,333)	(12,048,437)
Expenses (note 9)		
Management fees	1,111,768	1,380,042
Audit fees	6,239	6,975
Independent Review Committee fees	141	576
Custodial and fund valuation fees	43,866	67,174
Legal fees	6,590	8,122
Securityholder reporting costs	17,872	17,812
Administration fees	15,754	15,468
Transaction costs	–	7,097
	1,202,230	1,503,266
Amounts that were payable by the investment fund that were paid or absorbed by the Manager	(30,248)	(50,020)
	1,171,982	1,453,246
Decrease in net assets for the period	\$ (47,520,315)	\$ (13,501,683)
Decrease in net assets per unit	\$ (1.22)	\$ (0.31)

(See accompanying notes to financial statements)

Statements of Changes in Financial Position (unaudited)

For the Periods Ended June 30,

	2022		2021	
Total net assets at the beginning of the period	\$	460,398,557	\$	611,304,829
Decrease in net assets		(47,520,315)		(13,501,683)
Redeemable unit transactions				
Proceeds from the issuance of securities of the investment fund		23,666,185		47,157,011
Aggregate amounts paid on redemption of securities of the investment fund		(63,555,136)		(203,887,726)
Securities issued on reinvestment of distributions		30,640		54,669
Distributions:				
From net investment income		(6,524,143)		(6,856,394)
Total net assets at the end of the period	\$	366,495,788	\$	434,270,706

(See accompanying notes to financial statements)

Statements of Cash Flows (unaudited)

For the Periods Ended June 30,

	2022	2021
Cash flows from operating activities:		
Decrease in net assets for the period	\$ (47,520,315)	\$ (13,501,683)
Adjustments for:		
Net realized loss (gain) on sale of investments and derivatives	1,644,528	(7,508,050)
Net realized gain on currency forward contracts	3,624	69,415
Net change in unrealized depreciation of investments and derivatives	52,074,005	27,773,093
Net change in unrealized appreciation of foreign exchange	(808)	(459)
Purchase of investments	(81,605,571)	(99,792,622)
Proceeds from the sale of investments	91,176,904	78,082,647
Margin deposits	(843)	–
Amounts receivable relating to accrued income	283,082	1,222,608
Accrued expenses	(54,934)	(96,430)
Net cash from (used in) operating activities	15,999,672	(13,751,481)
Cash flows from financing activities:		
Amount received from the issuance of units	23,666,185	45,494,607
Amount paid on redemptions of units	(33,958,692)	(22,776,664)
Distributions paid to unitholders	(6,498,350)	(7,318,827)
Net cash from (used in) financing activities	(16,790,857)	15,399,116
Net increase (decrease) in cash and cash equivalents during the period	(791,185)	1,647,635
Effect of exchange rate fluctuations on cash and cash equivalents	808	459
Cash and cash equivalents at beginning of period	1,498,437	1,193,390
Cash and cash equivalents at end of period	\$ 708,060	\$ 2,841,484

Interest received, net of withholding taxes	\$ 7,642,580	\$ 9,445,021
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(See accompanying notes to financial statements)

Schedule of Investments (unaudited)

As at June 30, 2022

Security	Par Value/ Contracts		Average Cost		Fair Value
CANADIAN FIXED INCOME SECURITIES (90.29%)					
Corporate Bonds (87.27%)					
407 International Inc., Callable, 4.45%, 2041/11/15	3,597,000	\$	4,067,823	\$	3,402,404
407 International Inc., Callable, 3.83%, 2046/05/11	316,000		320,871		270,268
Algonquin Power & Utilities Corp., Callable, 5.25%, 2082/01/18	1,137,000		1,137,000		961,977
Allied Properties REIT, Series 'E', Callable, 3.11%, 2027/04/08	1,231,000		1,221,640		1,123,254
Allied Properties REIT, Series 'D', Callable, 3.39%, 2029/08/15	464,000		475,358		405,431
AltaGas Ltd., Callable, 3.84%, 2025/01/15	481,000		497,664		472,135
AltaGas Ltd., Callable, 2.16%, 2025/06/10	197,000		197,000		183,566
AltaGas Ltd., Callable, 4.12%, 2026/04/07	438,000		457,608		428,216
AltaGas Ltd., Callable, 3.98%, 2027/10/04	1,037,000		1,036,575		989,432
AltaGas Ltd., Callable, 2.48%, 2030/11/30	482,000		482,000		387,286
AltaGas Ltd., Callable, 5.16%, 2044/01/13	873,000		859,922		785,177
AltaGas Ltd., Callable, 4.50%, 2044/08/15	912,000		957,247		747,376
AltaGas Ltd., Variable Rate, Callable, 5.25%, 2082/01/11	1,927,000		1,927,000		1,636,776
AltaLink L.P., Callable, 3.99%, 2042/06/30	1,189,000		1,338,469		1,071,204
Bank of Montreal, Callable, 2.37%, 2025/01/17	7,665,000		7,453,648		7,287,475
Bank of Montreal, Callable, 3.65%, 2027/04/01	2,500,000		2,437,025		2,391,512
Bank of Montreal, Callable, 4.31%, 2027/06/01	4,068,000		4,026,187		3,999,827
Bank of Montreal, Variable Rate, Callable, 2.88%, 2029/09/17	2,219,000		2,218,800		2,131,065
Bank of Nova Scotia (The), 2.49%, 2024/09/23	5,198,000		5,231,221		4,996,643
Bank of Nova Scotia (The), 1.95%, 2025/01/10	1,100,000		1,099,527		1,036,161
Bank of Nova Scotia (The), 2.16%, 2025/02/03	901,000		902,951		851,598
Bank of Nova Scotia (The), 1.85%, 2026/11/02	2,652,000		2,651,337		2,367,242
Bank of Nova Scotia (The), 2.95%, 2027/03/08	213,000		212,715		197,573
Bank of Nova Scotia (The), Variable Rate, Callable, 3.89%, 2029/01/18	819,000		830,682		809,425
Bank of Nova Scotia (The), Variable Rate, Callable, 2.84%, 2029/07/03	1,548,000		1,547,836		1,492,076
Bank of Nova Scotia (The), Variable Rate, Callable, 3.93%, 2032/05/03	1,846,000		1,845,889		1,746,039
Bank of Nova Scotia (The), Variable Rate, Callable, 7.02%, 2082/07/27	1,458,000		1,458,000		1,466,264
Bell Canada, Callable, 3.35%, 2025/03/12	717,000		706,252		697,215
Bell Canada, Callable, 2.90%, 2026/08/12	213,000		224,144		199,642
Bell Canada, Series 'EZ', Callable, 7.00%, 2027/09/24	1,715,000		1,947,221		1,868,335
Bell Canada, Callable, 3.60%, 2027/09/29	48,000		47,591		45,508
Bell Canada, 2.50%, 2030/05/14	193,000		192,660		161,554
Bell Canada, Series 'M-17', Callable, 6.10%, 2035/03/16	1,315,000		1,586,811		1,372,066
Bell Canada, Callable, 4.75%, 2044/09/29	1,172,000		1,196,371		1,042,548
Bell Canada, Callable, 4.35%, 2045/12/18	2,215,000		2,446,799		1,850,729
Bell Canada, Callable, 4.45%, 2047/02/27	350,000		374,409		296,085
Bell Canada, Callable, 3.50%, 2050/09/30	103,000		71,099		72,539
Bridging North America G.P., Series 'B', Sinkable, 4.34%, 2053/08/31	552,000		571,458		460,186

Schedule of Investments (unaudited) (continued)

As at June 30, 2022

Security	Par Value/ Contracts	Average Cost	Fair Value
British Columbia Ferry Services Inc., Series '13-1', Callable, 4.70%, 2043/10/23	700,000	845,530	696,678
Brookfield Asset Management Inc., Callable, 4.82%, 2026/01/28	1,080,000	1,143,612	1,085,585
Brookfield Renewable Partners ULC, Callable, 3.63%, 2027/01/15	916,000	915,542	879,023
Brookfield Renewable Partners ULC, Callable, 3.33%, 2050/08/13	747,000	746,440	524,207
Canada Life Assurance Co., Series 'B', Callable, 6.40%, 2028/12/11	100,000	128,924	108,621
Canadian Imperial Bank of Commerce, 1.70%, 2026/07/15	1,025,000	1,024,262	916,394
Canadian Imperial Bank of Commerce, 2.25%, 2027/01/07	1,873,000	1,868,954	1,689,185
Canadian Imperial Bank of Commerce, Callable, 4.95%, 2027/06/29	1,662,000	1,659,457	1,673,868
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 2.95%, 2029/06/19	5,847,000	6,027,922	5,648,410
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 2.01%, 2030/07/21	1,726,000	1,725,344	1,584,557
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 1.96%, 2031/04/21	2,417,000	2,416,202	2,162,594
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.20%, 2032/04/07	658,000	658,000	629,455
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 7.15%, 2082/07/28	441,000	440,175	445,120
Canadian National Railway Co., Callable, 3.60%, 2047/08/01	1,084,000	1,076,911	879,984
Canadian Natural Resources Ltd., Callable, 3.42%, 2026/12/01	3,312,000	3,312,000	3,176,160
Canadian Pacific Railway Co., Callable, 2.54%, 2028/02/28	1,056,000	1,055,894	944,920
Canadian Western Bank, Callable, 1.93%, 2026/04/16	1,730,000	1,730,000	1,562,241
Capital City Link G.P., Series 'A', Sinkable, Callable, 4.39%, 2046/03/31	2,392,071	2,415,579	2,220,439
Cenovus Energy Inc., Callable, 3.60%, 2027/03/10	380,000	379,179	365,192
Cenovus Energy Inc., Callable, 3.50%, 2028/02/07	2,946,000	2,918,898	2,761,987
Central 1 Credit Union, 1.32%, 2026/01/29	1,361,000	1,361,000	1,215,364
CHIP Mortgage Trust, 1.74%, 2045/12/15	1,250,000	1,250,000	1,132,885
Choice Properties REIT, Series 'K', Callable, 3.56%, 2024/09/09	562,000	546,770	549,636
Choice Properties REIT, Series 'J', Callable, 3.55%, 2025/01/10	1,400,000	1,387,540	1,362,188
Choice Properties REIT, Series 'F', Callable, 4.06%, 2025/11/24	995,000	1,048,193	971,572
Choice Properties REIT, Series 'L', Callable, 4.18%, 2028/03/08	1,457,000	1,481,262	1,391,392
Choice Properties REIT, Series 'N', Callable, 2.98%, 2030/03/04	56,000	56,000	47,665
Choice Properties REIT, Series 'R', Callable, 6.00%, 2032/06/24	2,530,000	2,530,000	2,590,535
Clover L.P., Series '1A', Sinkable, 4.22%, 2034/03/31	1,990,297	1,990,297	1,933,160
Coast Capital Savings Federal Credit Union, Variable Rate, Callable, 5.00%, 2028/05/03	1,378,000	1,380,395	1,382,499
Coast Capital Savings Federal Credit Union, Variable Rate, Callable, 5.25%, 2030/10/29	480,000	480,000	478,532
Comber Wind L.P., Sinkable, Callable, 5.13%, 2030/11/15	3,710,121	3,740,347	3,734,411
Concentra Bank, 1.46%, 2024/05/17	742,000	742,000	701,115
Co-operators Financial Services Ltd., Callable, 3.33%, 2030/05/13	1,777,000	1,777,000	1,537,251
Crombie REIT, Series 'F', Callable, 3.68%, 2026/08/26	1,586,000	1,584,430	1,502,895

Schedule of Investments (unaudited) (continued)

As at June 30, 2022

Security	Par Value/ Contracts	Average Cost	Fair Value
Crombie REIT, Series 'G', Callable, 3.92%, 2027/06/21	1,279,000	1,269,947	1,207,778
Crombie REIT, Series 'H', Callable, 2.69%, 2028/03/31	377,000	377,000	328,136
CT REIT, Series 'F', Callable, 3.87%, 2027/12/07	1,245,000	1,244,950	1,173,719
CT REIT, Callable, 3.03%, 2029/02/05	970,000	970,000	851,859
CT REIT, Series 'G', Callable, 2.37%, 2031/01/06	647,000	647,000	508,762
CU Inc., 4.54%, 2041/10/24	4,710,000	5,332,035	4,503,379
CU Inc., Callable, 3.76%, 2046/11/19	739,000	768,087	622,228
Daimler Canada Finance Inc., 1.65%, 2025/09/22	1,120,000	1,118,286	1,024,748
Daimler Trucks Finance Canada Inc., 1.85%, 2023/12/15	758,000	757,879	730,638
Enbridge Gas Inc., Callable, 3.51%, 2047/11/29	1,050,000	1,050,000	833,933
Enbridge Gas Inc., Callable, 3.65%, 2050/04/01	316,000	305,793	254,647
Enbridge Inc., Callable, 3.95%, 2024/11/19	799,000	802,893	790,062
Enbridge Inc., Callable, 3.20%, 2027/06/08	3,022,000	3,129,424	2,808,406
Enbridge Inc., Callable, 2.99%, 2029/10/03	1,522,000	1,486,123	1,323,720
Enbridge Inc., Callable, 7.20%, 2032/06/18	1,750,000	2,236,623	1,892,549
Enbridge Inc., Callable, 3.10%, 2033/09/21	1,739,000	1,736,061	1,395,176
Enbridge Inc., Callable, 5.57%, 2035/11/14	129,000	149,711	124,436
Enbridge Inc., Callable, 4.57%, 2044/03/11	1,911,000	1,916,025	1,589,929
Enbridge Pipelines Inc., Callable, 4.33%, 2049/02/22	284,000	296,054	227,006
Enbridge Pipelines Inc., Callable, 4.20%, 2051/05/12	900,000	899,694	697,057
ENMAX Corp., Series '7', Callable, 3.88%, 2029/10/18	1,562,000	1,562,000	1,441,156
EPCOR Utilities Inc., Callable, 3.95%, 2048/11/26	627,000	650,632	544,840
Federation des Caisses Desjardins du Québec, 2.42%, 2024/10/04	1,390,000	1,390,000	1,332,121
Federation des Caisses Desjardins du Québec, 4.41%, 2027/05/19	2,497,000	2,492,715	2,462,044
Federation des Caisses Desjardins du Québec, Floating Rate, Callable, 2.86%, 2030/05/26	2,552,000	2,552,000	2,405,392
Federation des Caisses Desjardins du Québec, Variable Rate, Callable, 1.99%, 2031/05/28	1,654,000	1,654,000	1,473,928
First Capital REIT, Series 'Q', Callable, 3.90%, 2023/10/30	1,800,000	1,925,694	1,773,805
First Capital REIT, Series 'V', Callable, 3.46%, 2027/01/22	819,000	819,000	745,491
First Nations ETF L.P., Series '1A', Sinkable, 4.14%, 2041/12/31	1,786,919	1,786,919	1,631,670
Ford Auto Securitization Trust, Class 'A3', Series '20-A', Callable, 1.15%, 2025/11/15	1,301,000	1,301,000	1,240,756
Ford Credit Canada Co., 3.74%, 2023/05/08	3,103,000	3,102,995	3,062,614
Ford Credit Canada Co., 3.50%, 2023/11/30	422,000	424,110	410,342
Ford Credit Canada Co., 4.46%, 2024/11/13	179,000	189,651	173,611
FortisAlberta Inc., Callable, 4.11%, 2044/09/29	1,901,000	1,959,116	1,702,471
FortisBC Energy Inc., Callable, 3.38%, 2045/04/13	100,000	111,374	80,489
FortisBC Energy Inc., Callable, 3.67%, 2046/04/09	350,000	349,493	293,996
General Motors Financial of Canada Ltd., 5.95%, 2024/05/14	437,000	487,124	446,444
General Motors Financial of Canada Ltd., 1.70%, 2025/07/09	868,000	867,518	789,085
Genworth MI Canada Inc., Callable, 4.24%, 2024/04/01	2,100,000	2,100,000	2,085,857

Schedule of Investments (unaudited) (continued)

As at June 30, 2022

Security	Par Value/ Contracts	Average Cost	Fair Value
Gibson Energy Inc., Callable, 2.85%, 2027/07/14	807,000	806,798	729,834
Gibson Energy Inc., Callable, 3.60%, 2029/09/17	1,561,000	1,560,039	1,398,346
Grand Renewable Solar L.P., Series '1A', Sinkable, Callable, 3.93%, 2035/01/31	912,371	912,371	855,926
Granite REIT Holdings L.P., Series '3', Callable, 3.87%, 2023/11/30	25,000	26,685	24,833
Great-West Lifeco Inc., Callable, 6.67%, 2033/03/21	631,000	811,117	704,708
Great-West Lifeco Inc., 6.00%, 2039/11/16	784,000	1,046,530	851,741
Great-West Lifeco Inc., Callable, 2.98%, 2050/07/08	163,000	162,313	111,299
H&R REIT, Callable, 3.37%, 2024/01/30	3,259,000	3,282,091	3,189,030
H&R REIT, Series 'S', Callable, 2.63%, 2027/02/19	814,000	814,000	728,322
Health Montreal Collective L.P., Sinkable, 6.72%, 2049/09/30	3,145,045	4,137,136	3,521,782
Hospital Infrastructure Partners (NOH) Partnership, Series 'A', Sinkable, Callable, 5.44%, 2045/01/31	707,093	810,795	717,611
HSBC Bank Canada, 3.40%, 2025/03/24	1,177,000	1,173,852	1,145,475
HSBC Bank Canada, 1.78%, 2026/05/20	1,635,000	1,635,000	1,476,073
Hydro One Inc., Callable, 5.49%, 2040/07/16	208,000	281,533	224,064
Hydro One Inc., 4.39%, 2041/09/26	950,000	1,072,896	896,626
Hydro One Inc., Callable, 4.59%, 2043/10/09	1,504,000	1,931,001	1,454,520
Hydro One Inc., Callable, 4.17%, 2044/06/06	2,437,000	2,575,487	2,221,235
Hyundai Capital Canada Inc., Series 'A', Callable, 2.01%, 2026/05/12	658,000	658,000	590,887
iA Financial Corp. Inc., Variable Rate, Callable, 3.07%, 2031/09/24	1,361,000	1,361,000	1,268,735
iA Financial Corp. Inc., Series '22-1', Variable Rate, Callable, 6.61%, 2082/06/30	494,000	494,000	488,867
IGM Financial Inc., Callable, 3.44%, 2027/01/26	1,785,000	1,783,804	1,700,228
IGM Financial Inc., Callable, 7.45%, 2031/05/09	350,000	466,050	403,727
Independent Order of Foresters (The), Series '20-1', Variable Rate, Callable, 2.89%, 2035/10/15	1,636,000	1,636,000	1,359,340
Industrial Alliance Insurance and Financial Services Inc., Floating Rate, Callable, 3.30%, 2028/09/15	874,000	873,782	862,465
Integrated Team Solutions PCH Partnership, Sinkable, Callable, 4.88%, 2046/05/31	206,635	247,983	199,514
Integrated Team Solutions SJHC Partnership, Sinkable, 5.95%, 2042/11/30	217,051	289,318	229,155
Inter Pipeline Ltd., Callable, 2.61%, 2023/09/13	2,350,000	2,424,707	2,297,194
Inter Pipeline Ltd., Callable, 3.17%, 2025/03/24	1,130,000	1,130,000	1,079,660
Inter Pipeline Ltd., Callable, 4.23%, 2027/06/01	2,194,000	2,194,000	2,093,327
Inter Pipeline Ltd., Series '12', Callable, 3.98%, 2031/11/25	766,000	766,000	655,383
Inter Pipeline Ltd., Callable, 4.64%, 2044/05/30	953,000	974,147	738,834
Inter Pipeline Ltd., Series '13', Callable, 5.09%, 2051/11/27	501,000	501,000	405,354
Inter Pipeline Ltd., Series '19-A', Variable Rate, Callable, 6.88%, 2079/03/26	1,155,000	1,155,000	1,102,241
Keyera Corp., Floating Rate, Callable, 6.88%, 2079/06/13	1,136,000	1,136,000	1,096,783

Schedule of Investments (unaudited) (continued)

As at June 30, 2022

Security	Par Value/ Contracts	Average Cost	Fair Value
Kingston Solar L.P., Series '1A', Sinkable, 3.57%, 2035/07/31	931,418	931,418	848,790
Laurentian Bank of Canada, 1.15%, 2024/06/03	2,241,000	2,242,090	2,103,106
Laurentian Bank of Canada, 1.95%, 2025/03/17	1,121,000	1,119,576	1,042,524
Laurentian Bank of Canada, Variable Rate, Callable, 5.10%, 2032/06/15	1,691,000	1,691,135	1,619,623
Loblaw Cos. Ltd., Callable, 6.15%, 2035/01/29	1,934,000	2,398,646	2,041,494
Loblaw Cos. Ltd., Callable, 5.90%, 2036/01/18	208,000	264,793	214,954
Loblaw Cos. Ltd., Callable, 6.45%, 2039/03/01	538,000	740,815	589,966
Manulife Financial Corp., Variable Rate, Callable, 3.05%, 2029/08/20	2,230,000	2,250,869	2,160,719
Manulife Financial Corp., Variable Rate, Callable, 2.24%, 2030/05/12	1,990,000	1,990,000	1,861,256
Manulife Financial Corp., Variable Rate, Callable, 7.12%, 2082/06/19	953,000	953,000	962,649
MCAP Commercial L.P., 3.74%, 2025/08/25	716,000	716,000	684,190
MCAP Commercial L.P., Callable, 3.38%, 2027/11/26	1,403,000	1,403,000	1,258,405
Metro Inc., Callable, 3.39%, 2027/12/06	102,000	101,940	95,907
Metro Inc., Callable, 4.27%, 2047/12/04	936,000	968,502	786,587
Metro Inc., Callable, 3.41%, 2050/02/28	613,000	613,000	437,105
National Bank of Canada, 2.58%, 2025/02/03	103,000	100,435	98,330
National Bank of Canada, Variable Rate, Callable, 1.57%, 2026/08/18	2,019,000	2,018,980	1,845,314
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'H', Callable, 4.15%, 2033/06/01	2,720,000	2,757,473	2,503,959
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'K', Callable, 3.65%, 2035/06/01	1,010,000	1,009,323	864,256
North West Redwater Partnership / NWR Financing Co. Ltd., Callable, 4.05%, 2044/07/22	1,331,000	1,320,267	1,121,525
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'O', Callable, 3.75%, 2051/06/01	1,142,000	1,137,135	893,547
Northern Courier Pipeline L.P., Sinkable, 3.37%, 2042/06/30	2,003,806	2,003,806	1,761,029
Northwestern Hydro Acquisition Co. II L.P., Series '1', 3.88%, 2036/12/31	2,493,000	2,493,000	2,174,926
Nova Scotia Power Inc., Series 'F', 8.85%, 2025/05/19	435,000	554,064	484,047
Nova Scotia Power Inc., Callable, 4.15%, 2042/03/06	1,392,000	1,376,493	1,244,193
Original Wempi Inc., Series 'B1', Callable, 4.31%, 2024/02/13	287,000	285,637	279,799
Parkland Corp., Callable, 3.88%, 2026/06/16	575,000	575,000	511,750
Pembina Pipeline Corp., Callable, 3.71%, 2026/08/11	1,954,000	1,953,199	1,870,800
Pembina Pipeline Corp., Series '10', Callable, 4.02%, 2028/03/27	325,000	328,903	308,015
Pembina Pipeline Corp., Series '15', Callable, 3.31%, 2030/02/01	339,000	342,874	296,569
Pembina Pipeline Corp., Callable, 3.53%, 2031/12/10	362,000	361,938	307,691
Pembina Pipeline Corp., Series '4', Callable, 4.81%, 2044/03/25	3,533,000	3,551,573	2,962,700
Pembina Pipeline Corp., Series '11', Callable, 4.75%, 2048/03/26	358,000	393,152	293,202
Pembina Pipeline Corp., Callable, 4.54%, 2049/04/03	190,000	191,431	149,899
Pembina Pipeline Corp., Callable, 4.67%, 2050/05/28	686,000	696,325	551,943
Pembina Pipeline Corp., Variable Rate, Callable, 4.80%, 2081/01/25	845,000	845,000	706,456

Schedule of Investments (unaudited) (continued)

As at June 30, 2022

Security	Par Value/ Contracts	Average Cost	Fair Value
Plenary Properties LTAP L.P., Sinkable, Callable, 6.29%, 2044/01/31	171,582	230,796	189,644
Power Corp. of Canada, Callable, 4.81%, 2047/01/31	1,111,000	1,111,000	1,043,229
Power Financial Corp., 6.90%, 2033/03/11	384,000	521,971	433,238
Reliance L.P., Callable, 3.84%, 2025/03/15	129,000	132,826	125,791
Reliance L.P., Callable, 3.75%, 2026/03/15	921,000	918,016	883,894
Reliance L.P., Callable, 2.68%, 2027/12/01	570,000	569,897	503,480
Reliance L.P., Callable, 2.67%, 2028/08/01	890,000	889,315	770,374
RioCan REIT, Series 'AA', Callable, 3.21%, 2023/09/29	815,000	814,959	801,995
RioCan REIT, Series 'AE', Callable, 2.83%, 2028/11/08	582,000	582,000	501,067
Rogers Communications Inc., Callable, 3.65%, 2027/03/31	2,037,000	2,181,156	1,937,910
Rogers Communications Inc., Callable, 3.25%, 2029/05/01	330,000	334,264	296,108
Rogers Communications Inc., Restricted, Callable, 4.25%, 2032/04/15	2,287,000	2,288,253	2,103,179
Rogers Communications Inc., Callable, 6.68%, 2039/11/04	1,000,000	1,331,230	1,072,765
Rogers Communications Inc., 6.11%, 2040/08/25	2,065,000	2,516,295	2,088,848
Rogers Communications Inc., Callable, 6.56%, 2041/03/22	178,000	235,697	188,787
Rogers Communications Inc., Restricted, Callable, 5.25%, 2052/04/15	506,000	485,677	457,817
Rogers Communications Inc., Restricted, Variable Rate, Callable, 5.00%, 2081/12/17	3,016,000	3,016,000	2,744,396
Royal Bank of Canada, 2.61%, 2024/11/01	4,800,000	4,689,840	4,617,534
Royal Bank of Canada, 3.37%, 2025/03/24	1,700,000	1,687,777	1,644,678
Royal Bank of Canada, 1.59%, 2026/05/04	2,000,000	1,909,420	1,795,986
Royal Bank of Canada, 2.33%, 2027/01/28	303,000	308,776	274,450
Royal Bank of Canada, Variable Rate, Callable, 2.74%, 2029/07/25	1,906,000	1,887,870	1,831,923
Royal Bank of Canada, Variable Rate, Callable, 2.88%, 2029/12/23	1,980,000	1,981,673	1,891,389
Royal Bank of Canada, Variable Rate, Callable, 2.94%, 2032/05/03	1,209,000	1,208,734	1,096,459
Royal Bank of Canada, Variable Rate, Callable, 1.67%, 2033/01/28	2,197,000	2,197,000	1,824,238
Scotiabank Capital Trust, Series '06-1', Variable Rate, Callable, 5.65%, 2056/12/31	170,000	208,267	190,006
SEC L.P. and Arci Ltd., Sinkable, Callable, 5.19%, 2033/08/29	3,812,779	3,866,954	3,661,983
SGTP Highway Bypass L.P., Series 'A', Sinkable, Callable, 4.11%, 2045/01/31	2,259,675	2,259,675	2,029,439
Shaw Communications Inc., Callable, 4.35%, 2024/01/31	255,000	254,939	254,678
Shaw Communications Inc., Callable, 6.75%, 2039/11/09	1,360,000	1,792,135	1,453,801
Shaw Communications Inc., Callable, 4.25%, 2049/12/09	92,000	91,521	70,099
Sienna Senior Living Inc., Series 'A', Callable, 3.11%, 2024/11/04	1,351,000	1,351,000	1,299,178
Sienna Senior Living Inc., Series 'B', Callable, 3.45%, 2026/02/27	610,000	609,927	576,996
Sienna Senior Living Inc., Series 'C', Callable, 2.82%, 2027/03/31	504,000	503,768	454,703
SmartCentres REIT, Series 'X', Callable, 1.74%, 2025/12/16	1,838,000	1,838,000	1,652,651
SmartCentres REIT, Series 'P', Callable, 3.44%, 2026/08/28	1,912,000	1,914,581	1,797,296
SmartCentres REIT, Series 'V', Callable, 3.19%, 2027/06/11	635,000	623,325	580,947
SmartCentres REIT, Series 'S', Callable, 3.83%, 2027/12/21	1,127,000	1,106,295	1,051,845
SmartCentres REIT, Series 'U', Callable, 3.53%, 2029/12/20	268,000	268,000	234,956

Schedule of Investments (unaudited) (continued)

As at June 30, 2022

Security	Par Value/ Contracts	Average Cost	Fair Value
SNC-Lavalin Innisfree McGill Finance Inc., Callable, 6.63%, 2044/06/30	2,813,474	3,647,781	3,171,608
SSL Finance Inc. / SSL Financement Inc., Series 'A', Sinkable, Callable, 4.10%, 2045/10/31	761,407	842,595	686,306
Summit Industrial Income REIT, Series 'A', Callable, 2.15%, 2025/09/17	677,000	676,743	623,427
Sun Life Financial Inc., Variable Rate, Callable, 2.58%, 2032/05/10	1,624,000	1,661,756	1,467,157
Sun Life Financial Inc., Variable Rate, Callable, 2.80%, 2033/11/21	4,587,000	4,614,861	4,037,060
Sun Life Financial Inc., Variable Rate, Callable, 5.40%, 2042/05/29	623,000	793,244	616,796
Suncor Energy Inc., Callable, 5.39%, 2037/03/26	1,049,000	1,119,321	1,027,005
Superior Plus L.P., Callable, 4.25%, 2028/05/18	1,447,000	1,447,000	1,267,934
TELUS Communications Inc., Callable, 8.80%, 2025/09/22	2,145,000	2,848,529	2,400,532
TELUS Corp., Series 'CY', Callable, 3.30%, 2029/05/02	156,000	166,374	141,240
TELUS Corp., Callable, 5.15%, 2043/11/26	3,169,000	3,374,350	2,934,142
TELUS Corp., Series 'CP', Callable, 4.85%, 2044/04/05	2,151,000	2,293,873	1,909,620
TELUS Corp., Callable, 4.40%, 2046/01/29	311,000	299,760	257,269
TELUS Corp., Series 'CW', Callable, 4.70%, 2048/03/06	230,000	251,795	197,993
TELUS Corp., Series 'CAE', Callable, 4.10%, 2051/04/05	89,000	88,528	68,702
Teranet Holdings L.P., Series '20', Callable, 3.54%, 2025/06/11	1,073,000	1,073,000	1,041,639
Teranet Holdings L.P., Callable, 6.10%, 2041/06/17	764,000	829,207	769,616
Toronto-Dominion Bank (The), 2.50%, 2024/12/02	3,952,000	3,847,952	3,784,928
Toronto-Dominion Bank (The), 1.94%, 2025/03/13	1,258,000	1,293,201	1,179,865
Toronto-Dominion Bank (The), 1.13%, 2025/12/09	2,655,000	2,649,928	2,375,044
Toronto-Dominion Bank (The), 4.21%, 2027/06/01	1,446,000	1,446,000	1,416,842
Toronto-Dominion Bank (The), Variable Rate, Callable, 3.59%, 2028/09/14	1,424,000	1,424,000	1,408,233
Toronto-Dominion Bank (The), Variable Rate, Callable, 3.22%, 2029/07/25	1,809,000	1,855,805	1,755,685
Toronto-Dominion Bank (The), Floating Rate, Callable, 3.06%, 2032/01/26	1,665,000	1,664,401	1,527,368
Toronto-Dominion Bank (The), 2.67%, 2033/04/06	918,000	897,217	869,870
TransCanada PipeLines Ltd., 5.65%, 2029/06/20	680,000	830,640	685,749
TransCanada PipeLines Ltd., Callable, 6.50%, 2030/12/09	653,000	848,097	674,492
TransCanada PipeLines Ltd., Callable, 5.33%, 2032/05/12	928,000	927,861	922,960
TransCanada PipeLines Ltd., Callable, 4.55%, 2041/11/15	3,796,000	3,915,734	3,212,484
TransCanada PipeLines Ltd., Callable, 4.35%, 2046/06/06	100,000	106,240	80,361
TransCanada PipeLines Ltd., Callable, 4.34%, 2049/10/15	3,285,000	3,251,863	2,601,327
TransCanada PipeLines Ltd., Callable, 5.92%, 2052/05/12	193,000	192,759	194,447
Union Gas Ltd., Callable, 4.88%, 2041/06/21	1,815,000	1,804,130	1,794,215
Ventas Canada Finance Ltd., Series 'H', Callable, 3.30%, 2031/12/01	1,545,000	1,539,654	1,290,441
Videotron Ltd., Callable, 3.63%, 2028/06/15	1,309,000	1,304,140	1,093,288
		352,678,190	319,847,555

Schedule of Investments (unaudited) (continued)

As at June 30, 2022

Security	Par Value/ Contracts	Average Cost	Fair Value
Municipal Bonds (2.52%)			
Access Justice Durham Ltd., Series 'A', 5.02%, 2039/08/31	1,477,062	1,750,630	1,500,030
Aéroports de Montréal, Callable, 6.95%, 2032/04/16	736,666	912,861	816,046
Aéroports de Montréal, Series 'I', Callable, 5.47%, 2040/04/16	2,027,000	2,335,477	2,171,779
Aéroports de Montréal, Series 'R', Callable, 3.03%, 2050/04/21	269,000	269,000	195,697
Aéroports de Montréal, Callable, 3.44%, 2051/04/26	309,000	309,000	242,405
Calgary Airport Authority, Series 'A', Callable, 3.20%, 2036/10/07	409,000	409,000	338,230
Calgary Airport Authority, Series 'B', Callable, 3.34%, 2038/10/07	1,202,000	1,202,000	991,119
Edmonton Regional Airport Authority, Callable, 7.21%, 2030/11/01	215,012	258,292	233,169
Greater Toronto Airports Authority, Series '19-2', Callable, 2.75%, 2039/10/17	2,194,000	2,190,972	1,669,179
Vancouver Airport Authority, Series 'G', Callable, 3.66%, 2048/11/23	900,000	949,905	754,037
Vancouver Airport Authority, Series 'J', Callable, 2.80%, 2050/09/21	223,000	223,000	156,685
Winnipeg Airports Authority Inc., Sinkable, Callable, 5.21%, 2040/09/28	177,527	215,656	174,776
		<u>11,025,793</u>	<u>9,243,152</u>
Mortgage Backed Securities (0.34%)			
Classic RMBS Trust, Class 'A', Series '21-2', Variable Rate, Callable, 1.53%, 2052/03/15	678,014	677,736	648,365
Real Estate Asset Liquidity Trust, Class 'A2', Series '17', Callable, 3.64%, 2052/11/12	591,545	591,536	573,850
		<u>1,269,272</u>	<u>1,222,215</u>
Provincial Bonds (0.16%)			
Province of Ontario, 2.55%, 2052/12/02	818,000	634,274	591,223
		<u>634,274</u>	<u>591,223</u>
TOTAL CANADIAN FIXED INCOME SECURITIES		<u>365,607,529</u>	<u>330,904,145</u>
U.S. FIXED INCOME SECURITIES (8.60%)			
Corporate Bonds (8.60%)			
AT&T Inc., Callable, 4.00%, 2025/11/25	2,300,000	2,325,783	2,264,555
Bank of America Corp., Variable Rate, Callable, 2.93%, 2025/04/25	1,146,000	1,146,000	1,115,577
Bank of America Corp., Variable Rate, Callable, 3.41%, 2025/09/20	2,309,000	2,349,248	2,253,173
Bank of America Corp., Variable Rate, Callable, 1.98%, 2027/09/15	940,000	939,962	837,021
Bank of America Corp., Variable Rate, Callable, 3.62%, 2028/03/16	2,353,000	2,353,000	2,220,387
Bank of America Corp., Variable Rate, Callable, 2.60%, 2029/04/04	2,075,000	2,075,000	1,817,246
Citigroup Inc., 4.09%, 2025/06/09	2,279,000	2,368,542	2,230,286
Goldman Sachs Group Inc. (The), Variable Rate, Callable, 3.31%, 2025/10/31	1,992,000	1,992,000	1,933,158
Goldman Sachs Group Inc. (The), Variable Rate, Callable, 2.60%, 2027/11/30	1,201,000	1,201,000	1,088,538
Goldman Sachs Group Inc. (The), Variable Rate, Callable, 2.01%, 2029/02/28	1,737,000	1,737,000	1,474,545

Schedule of Investments (unaudited) (continued)

As at June 30, 2022

Security	Par Value/ Contracts	Average Cost	Fair Value
ILFC E-Capital Trust I, Variable Rate, Callable, 4.85%, 2065/12/21	1,000,000	1,062,816	942,902
JPMorgan Chase & Co., Floating Rate, Callable, 1.90%, 2028/03/05	2,591,000	2,592,341	2,273,310
Manulife Finance Delaware L.P., Variable Rate, Callable, 5.06%, 2041/12/15	2,446,000	2,063,211	2,333,728
Morgan Stanley, 3.00%, 2024/02/07	1,991,000	1,990,622	1,948,279
Morgan Stanley, Variable Rate, Callable, 1.78%, 2027/08/04	1,109,000	1,109,000	983,915
Wells Fargo & Co., 3.87%, 2025/05/21	3,582,000	3,582,000	3,487,227
Wells Fargo & Co., Variable Rate, Callable, 4.17%, 2026/04/28	1,663,000	1,663,000	1,637,771
Wells Fargo & Co., Variable Rate, Callable, 2.57%, 2026/05/01	560,000	560,000	528,164
Wells Fargo & Co., 2.49%, 2027/02/18	156,000	156,000	140,749
		33,266,525	31,510,531
TOTAL U.S. FIXED INCOME SECURITIES		33,266,525	31,510,531
GLOBAL FIXED INCOME SECURITIES (0.46%)			
Corporate Bonds (0.46%)			
National Australia Bank Ltd., Variable Rate, Callable, 3.52%, 2030/06/12	1,792,000	1,870,794	1,704,841
		1,870,794	1,704,841
TOTAL GLOBAL FIXED INCOME SECURITIES		1,870,794	1,704,841
DERIVATIVES (0.00%)			
Currency Forwards (0.00%)			
Currency forward contract to buy C\$1,039,484 for US\$820,500 maturing September 21, 2022		–	(16,512)
TOTAL DERIVATIVES		–	(16,512)
TOTAL INVESTMENT PORTFOLIO (99.35%)		\$ 400,744,848	\$ 364,103,005
Cash and cash equivalents (0.19%)			708,060
Margin deposits (0.00%)			843
Other assets less liabilities (0.46%)			1,683,880
TOTAL NET ASSETS (100.00%)			\$ 366,495,788

(See accompanying notes to financial statements)

Notes to Financial Statements (unaudited)

June 30, 2022

1. REPORTING ENTITY

Horizons Active Corporate Bond ETF (“HAB” or the “ETF”) is an investment trust established under the laws of the Province of Ontario by Declaration of Trust and effectively began operations on July 14, 2010. The address of the ETF’s registered office is: c/o Horizons ETFs Management (Canada) Inc., 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7.

The ETF is offered for sale on a continuous basis by its prospectus in Class E units (“Class E”) which trade on the Toronto Stock Exchange (“TSX”) under the symbol HAB. An investor may buy or sell units of the ETF on the TSX only through a registered broker or dealer in the province or territory where the investor resides. Investors are able to trade units of the ETF in the same way as other securities traded on the TSX, including by using market orders and limit orders and may incur customary brokerage commissions when buying or selling units.

The investment objective of HAB is to seek long-term capital growth and generate high income. HAB invests primarily in a portfolio of debt (including debt-like securities) of Canadian and U.S. companies, directly, or indirectly through investments in securities of other investment funds, including Listed Funds, as they are defined in the ETF’s prospectus.

Horizons ETFs Management (Canada) Inc. is the manager, trustee and investment manager of the ETF (“Horizons Management”, the “Manager” or the “Investment Manager”). The Investment Manager is responsible for implementing the ETF’s investment strategies and for engaging the services of Fiera Capital Corporation (“Fiera” or the “Sub-Advisor”), to act as the sub-advisor to the ETF.

2. BASIS OF PREPARATION

(i) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Any mention of total net assets, net assets, net asset value or increase (decrease) in net assets is referring to net assets or increase (decrease) in net assets attributable to holders of redeemable units as reported under IFRS.

These financial statements were authorized for issue on August 12, 2022, by the Board of Directors of the Manager.

(ii) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value though profit or loss, which are measured at fair value.

(iii) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the ETF’s functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

(a) Financial instruments**(i) Recognition, initial measurement and classification**

The ETF is subject to IFRS 9, Financial Instruments (“IFRS 9”) for the classification and measurement requirements for financial instruments, including impairment of financial assets and hedge accounting.

IFRS 9 requires financial assets to be classified based on the ETF’s business model for managing the financial assets and contractual cash flow characteristics of the financial assets. The standard includes three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss (“FVTPL”). IFRS 9 requires classification of debt instruments, if any, based solely on payments of principal and interests, and business model tests.

The ETF’s financial assets and financial liabilities are managed and its performance is evaluated on a fair value basis. The contractual cash flows of the ETF’s debt securities, if any, consist solely of principal and interest, however, these securities are neither held in held-to-collect, or held-to-collect-and-sell business models in IFRS 9.

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, at fair value (see below), with transaction costs recognized in the statements of comprehensive income. Other financial assets and financial liabilities are recognized on the date on which they are originated at fair value.

The ETF classifies financial assets and financial liabilities into the following categories:

- Financial assets mandatorily classified at FVTPL: debt securities, equity investments and derivative financial instruments
- Financial assets at amortized cost: all other financial assets
- Financial liabilities classified at FVTPL: derivative financial instruments and securities sold short, if any
- Financial liabilities at amortized cost: all other financial liabilities

(ii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the ETF has access at that date. The fair value of a liability reflects its non-performance risk.

Investments are valued at fair value as of the close of business on each day upon which a session of the TSX is held (“Valuation Date”) and based on external pricing sources to the extent possible. Investments held that are traded in an active market through recognized public stock exchanges, over-the-counter markets, or through recognized investment dealers, are valued at their closing sale price. However, such prices may be adjusted if a more accurate value can be obtained from recent trading activity or by incorporating other relevant information that may not have been reflected in pricing obtained from external sources. Short-term investments, including notes and money market instruments, are valued at amortized cost which approximates fair value.

Investments held that are not traded in an active market, including some derivative financial instruments, are valued using observable market inputs where possible, on such basis and in such manner as established by the Manager. Derivative financial instruments are recorded in the statements of financial position according to the gain or loss that would be realized if the contracts were closed out on the Valuation Date. Margin deposits, if any, are included in the schedule of investments as margin deposits. See also, the summary of fair value measurements in note 6.

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

Fair value policies used for financial reporting purposes are the same as those used to measure the net asset value (“NAV”) for transactions with unitholders.

The fair value of other financial assets and liabilities approximates their carrying values due to the short-term nature of these instruments.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

(iv) Specific instruments

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term, interest bearing notes with a term to maturity of less than three months from the date of purchase.

Forward foreign exchange contracts

Forward foreign exchange contracts, if any, are valued at the current market value thereof on the Valuation Date. The value of these forward contracts is the gain or loss that would be realized if, on the Valuation Date, the positions were to be closed out and recorded as derivative assets and/or liabilities in the statements of financial position and as a net change in unrealized appreciation (depreciation) of investments and derivatives in the statements of comprehensive income. When the forward contracts are closed out or mature, realized gains or losses on forward contracts are recognized and are included in the statements of comprehensive income in net realized gain (loss) on sale of investments and derivatives. The Canadian dollar value of forward foreign exchange contracts is determined using forward currency exchange rates supplied by an independent service provider.

Redeemable units

The redeemable units are measured at the present value of the redemption amounts and are considered a residual amount of the net assets attributable to holders of redeemable units. They are classified as financial liabilities as a result of the ETF’s requirement to distribute net income and capital gains to unitholders.

(b) Investment income

Investment transactions are accounted for as of the trade date. Realized gains and losses from investment transactions are calculated on a weighted average cost basis. The difference between fair value and average cost, as recorded in the financial statements, is included in the statements of comprehensive income as part of the net change in unrealized appreciation (depreciation) of investments and derivatives. Interest income for distribution purposes from investments in bonds and short-term investments represents the coupon interest received by the ETF accounted for on an accrual basis.

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

Dividend income is recognized on the ex-dividend date. Distribution income from investments in other funds or ETFs is recognized when earned.

Income from derivatives is shown in the statements of comprehensive income as net realized gain (loss) on sale of investments and derivatives; net change in unrealized appreciation (depreciation) of investments and derivatives; and, interest income for distribution purposes, in accordance with its nature.

Income from securities lending, if any, is included in "Securities lending income" on the statements of comprehensive income and is recognized when earned. Any securities on loan continue to be displayed in the schedule of investments and the market value of the securities loaned and collateral held is determined daily (see note 7).

If the ETF incurs withholding taxes imposed by certain countries on investment income and capital gains, such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statements of comprehensive income.

(c) Foreign currency

Transactions in foreign currencies are translated into the ETF's reporting currency using the exchange rate prevailing on the trade date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the period-end exchange rate. Foreign exchange gains and losses are presented as "Net realized gain (loss) on foreign exchange", except for those arising from financial instruments at fair value through profit or loss, which are recognized as a component within "Net realized gain (loss) on sale of investments and derivatives" and "Net change in unrealized appreciation (depreciation) of investments and derivatives" in the statements of comprehensive income.

(d) Cost basis

The cost of portfolio investments is determined on an average cost basis.

(e) Increase (decrease) in net assets attributable to holders of redeemable units per unit

The increase (decrease) in net assets per unit in the statements of comprehensive income represents the change in net assets attributable to holders of redeemable units from operations divided by the weighted average number of units of the ETF outstanding during the reporting period.

(f) Unitholder transactions

The value at which units are issued or redeemed is determined by dividing the net asset value of the ETF by the total number of units outstanding of the ETF on the applicable Valuation Date. Amounts received on the issuance of units and amounts paid on the redemption of units are included in the statements of changes in financial position. Orders for subscriptions or redemptions are only permissible on valid trading days, as defined in the ETF's prospectus.

(g) Amounts receivable (payable) relating to portfolio assets sold (purchased)

In accordance with the ETF's policy of trade date accounting for sale and purchase transactions, sales/purchase transactions awaiting settlement represent amounts receivable/payable for securities sold/purchased, but not yet settled as at the reporting date.

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

(h) Net assets attributable to holders of redeemable units per unit

Net assets attributable to holders of redeemable units per unit is calculated by dividing the ETF's net assets attributable to holders of redeemable units by the number of units of the ETF outstanding on the Valuation Date.

(i) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and any applicable transfer taxes and duties. Transaction costs are expensed and are included in "Transaction costs" in the statements of comprehensive income.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, the Manager has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The ETF may hold financial instruments that are not quoted in active markets, including derivatives. The determination of the fair value of these instruments is the area with the most significant accounting judgements and estimates that the ETF has made in preparing the financial statements. See note 6 for more information on the fair value measurement of the ETF's financial instruments.

5. FINANCIAL INSTRUMENTS RISK

In the normal course of business, the ETF's investment activities expose it to a variety of financial risks. The Manager seeks to minimize potential adverse effects of these risks for the ETF's performance by employing professional, experienced portfolio advisors, by daily monitoring of the ETF's positions and market events, and periodically may use derivatives to hedge certain risk exposures. To assist in managing risks, the Manager maintains a governance structure that oversees the ETF's investment activities and monitors compliance with the ETF's stated investment strategies, internal guidelines and securities regulations.

Please refer to the most recent prospectus for a complete discussion of the risks attributed to an investment in the units of the ETF. Significant financial instrument risks that are relevant to the ETF, and analysis thereof, are presented below.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the ETF's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

(i) Currency risk

Currency risk is the risk that financial instruments which are denominated in currencies other than the ETF's reporting currency, the Canadian dollar, will fluctuate due to changes in exchange rates and adversely impact the ETF's income, cash flows or fair values of its investment holdings. The ETF may reduce its foreign currency exposure through the use of derivative arrangements such as foreign exchange forward contracts or futures contracts. As at June 30, 2022, and December 31, 2021, the ETF did not have any material net exposure to foreign currencies due to the ETF's hedging strategies.

(ii) Interest rate risk

The ETF may be exposed to the risk that the fair value of future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. In general, the value of interest-bearing financial instruments will rise if interest rates fall, and conversely, will generally fall if interest rates rise. There is minimal sensitivity to interest rate fluctuation on cash and cash equivalents invested at short-term market rates since those securities are usually held to maturity and are short term in nature.

The following table summarizes the ETF's exposure to interest rate risk, including the ETF's assets categorized by the remaining term to maturity:

Investments	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Non-interest bearing	Total
As at	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
June 30, 2022	3,754	59,946	76,676	227,390	–	367,765
December 31, 2021	5,271	74,062	70,400	310,508	–	460,241

The percentage of the ETF's net assets exposed to interest rate risk as at June 30, 2022, was 100.4% (December 31, 2021 – 100.0%). The amount by which the net assets of the ETF would have increased or decreased, as at June 30, 2022, had the prevailing interest rates been lowered or raised by 1%, assuming a parallel shift in the yield curve, with all other variables remaining constant, was \$21,493,673 (December 31, 2021 – \$30,874,336). The ETF's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis.

(iii) Other market risk

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. The Manager has implemented internal risk management controls on the ETF which are intended to limit the loss on its trading activities.

The table below shows the estimated impact on the ETF of a 1% increase or decrease in a broad-based market index, based on historical correlation, with all other factors remaining constant, as at the dates shown. In practice, actual results may differ from this sensitivity analysis and the difference could be material. The historical correlation may not be representative of future correlation.

Comparative Index	June 30, 2022	December 31, 2021
ICE BofA Merrill Lynch Canada Corporate Bond Index	\$3,172,335	\$3,981,272

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

(b) Credit risk

Credit risk on financial instruments is the risk of a financial loss occurring as a result of the default of a counterparty on its obligation to the ETF. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, and other receivables. The ETF's maximum credit risk exposure as at the reporting date is represented by the respective carrying amounts of the financial assets in the statements of financial position. The ETF's credit risk policy is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards set out in the ETF's prospectus and, when necessary, receiving acceptable collateral.

Analysis of credit quality

The ETF's credit risk exposure by designated rating of the invested portfolio as at June 30, 2022, and December 31, 2021, is listed as follows:

Debt or Derivative Securities by Credit Rating	Percentage of Net Asset Value (%)	
	June 30, 2022	December 31, 2021
AAA	1.2%	1.4%
AA	0.9%	0.6%
A	40.8%	38.1%
BBB	53.5%	55.8%
BB	4.0%	4.1%
Total	100.4%	100.0%

Designated ratings are obtained by Standard & Poor's, Moody's and/or Dominion Bond Rating Services. Where more than one rating is obtained for a security, the lowest rating has been used. Credit risk is managed by dealing with counterparties the ETF believes to be creditworthy and by regular monitoring of credit exposures. The maximum exposure to any one debt issuer as of June 30, 2022, was 4.3% (December 31, 2021 – 3.3%) of the net assets of the ETF.

(c) Liquidity risk

Liquidity risk is the risk that the ETF will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The ETF's policy and the Investment Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the ETF's reputation. Generally, liabilities of the ETF are due within 90 days. Liquidity risk is managed by investing the majority of the ETF's assets in investments that are traded in an active market and can be readily disposed. The ETF aims to retain sufficient cash and cash equivalent positions to maintain liquidity; therefore, the liquidity risk for the ETF is considered minimal.

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

6. FAIR VALUE MEASUREMENT

Below is a classification of fair value measurements of the ETF's investments based on a three level fair value hierarchy and a reconciliation of transactions and transfers within that hierarchy. The hierarchy of fair valuation inputs is summarized as follows:

- Level 1: securities that are valued based on quoted prices in active markets.
- Level 2: securities that are valued based on inputs other than quoted prices that are observable, either directly as prices, or indirectly as derived from prices.
- Level 3: securities that are valued with significant unobservable market data.

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The following is a summary of the inputs used as at June 30, 2022, and December 31, 2021, in valuing the ETF's investments and derivatives carried at fair values:

	June 30, 2022			December 31, 2021		
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Financial Assets						
Bonds	–	362,897,302	–	–	454,438,463	–
Mortgage Backed Securities	–	1,222,215	–	–	2,547,330	–
Currency Forward Contracts	–	–	–	–	5,330	–
Total Financial Assets	–	364,119,517	–	–	456,991,123	–
Financial Liabilities						
Currency Forward Contracts	–	(16,512)	–	–	–	–
Total Financial Liabilities	–	(16,512)	–	–	–	–
Net Financial Assets and Liabilities	–	364,103,005	–	–	456,991,123	–

There were no significant transfers made between Levels 1 and 2 as a result of changes in the availability of quoted market prices or observable market inputs during the period or year shown. In addition, there were no investments or transactions classified in Level 3 for the period ended June 30, 2022, and for the year ended December 31, 2021.

7. SECURITIES LENDING

In order to generate additional returns, the ETF is authorized to enter into securities lending agreements with borrowers deemed acceptable in accordance with National Instrument 81-102 – *Investment Funds* ("NI 81-102"). Under a securities lending agreement, the borrower must pay the ETF a negotiated securities lending fee, provide compensation to the ETF equal to any distributions received by the borrower on the securities borrowed, and the ETF must receive an acceptable form of collateral in excess of the value of the securities loaned. Although such collateral is marked to market, the ETF may be exposed to the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities. Revenue, if any, earned on securities lending transactions during the period is disclosed in the ETF's statements of comprehensive income.

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

The aggregate closing market value of securities loaned and collateral received as at June 30, 2022, and December 31, 2021, was as follows:

As at	Securities Loaned	Collateral Received
June 30, 2022	\$19,156,015	\$20,158,842
December 31, 2021	\$31,209,452	\$32,787,718

Collateral may comprise, but is not limited to, cash and obligations of or guaranteed by the Government of Canada or a province thereof; by the United States government or its agencies; by some sovereign states; by permitted supranational agencies; and short-term debt of Canadian financial institutions, if, in each case, the evidence of indebtedness has a designated rating as defined by NI 81-102.

The table below presents a reconciliation of the securities lending income as presented in the statements of comprehensive income for the periods ended June 30, 2022 and 2021. It shows the gross amount of securities lending revenues generated from the securities lending transactions of the ETF, less any taxes withheld and amounts earned by parties entitled to receive payments out of the gross amount as part of any securities lending agreements.

For the periods ended	June 30, 2022	% of Gross Income	June 30, 2021	% of Gross Income
Gross securities lending income	\$16,393		\$8,932	
Withholding taxes	(15)	0.09%	–	–
Lending Agents' fees:				
Canadian Imperial Bank of Commerce	(6,547)	39.94%	(3,570)	39.97%
Net securities lending income paid to the ETF	\$9,831	59.97%	\$5,362	60.03%

8. REDEEMABLE UNITS

The ETF is authorized to issue an unlimited number of redeemable, transferable Class E units each of which represents an equal, undivided interest in the net assets of the ETF. Each unit entitles the owner to one vote at meetings of unitholders. Each unit is entitled to participate equally with all other units with respect to all payments made to unitholders, other than management fee distributions, whether by way of income or capital distributions and, on liquidation, to participate equally in the net assets of the ETF remaining after satisfaction of any outstanding liabilities that are attributable to units of that class of the ETF. All units will be fully paid and non-assessable, with no liability for future assessments, when issued and will not be transferable except by operation of law.

The redeemable units issued by the ETF provide an investor with the right to require redemption for cash at a value proportionate to the investor's share in the ETF's net assets at each redemption date. They are classified as liabilities as a result of the ETF's requirement to distribute net income and capital gains to unitholders. The ETF's objectives in managing the redeemable units are to meet the ETF's investment objective, and to manage liquidity risk arising from redemptions. The ETF's management of liquidity risk arising from redeemable units is discussed in note 5.

On any valid trading day, as defined in the ETF's prospectus, unitholders of the ETF may (i) redeem units of the ETF for cash at a redemption price per unit equal to 95% of the closing price for units of the ETF on the TSX on the effective day of the redemption, where the units being redeemed are not equal to a prescribed number of units ("PNU") or a multiple PNU; or (ii) redeem, less any applicable redemption charge as determined by the Manager in its sole discretion from time to time, a PNU or a multiple PNU of the ETF for cash equal to the net asset value of that number of units.

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

Units of the ETF are issued or redeemed on a daily basis at the net asset value per security that is determined as at 4:00 p.m. (Eastern Time) each business day. Purchase and redemption orders are subject to a 9:30 a.m. (Eastern Time) cut-off time.

The ETF is required to distribute any net income and capital gains that it has earned in the period. Income earned by the ETF is distributed to unitholders at least once per year, if necessary, and these distributions are either paid in cash or reinvested by unitholders into additional units of the ETF. Net realized capital gains, if any, are typically distributed in December of each year to unitholders. The annual capital gains distributions are not paid in cash but rather, are reinvested and reported as taxable distributions and used to increase each unitholder's adjusted cost base for the ETF. Distributions paid to holders of redeemable units are recognized in the statements of changes in financial position.

Please consult the ETF's most recent prospectus for a full description of the subscription and redemption features of the ETF's units.

For the periods ended June 30, 2022 and 2021, the number of units issued by subscription and/or distribution reinvestment, the number of units redeemed, the total and average number of units outstanding was as follows:

Period	Beginning Units Outstanding	Units Issued	Units Redeemed	Ending Units Outstanding	Average Units Outstanding
2022	41,751,390	2,352,987	(6,100,000)	38,004,377	38,846,355
2021	53,143,762	4,254,850	(18,275,000)	39,123,612	43,751,698

9. EXPENSES

Management fees

The Manager provides, or oversees the provision of, administrative services required by the ETF including, but not limited to: negotiating contracts with certain third-party service providers, such as portfolio managers, custodians, registrars, transfer agents, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the ETF; arranging for the maintenance of accounting records for the ETF; preparing reports to unitholders and to the applicable securities regulatory authorities; calculating the amount and determining the frequency of distributions by the ETF; preparing financial statements, income tax returns and financial and accounting information as required by the ETF; ensuring that unitholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the ETF complies with all other regulatory requirements, including the continuous disclosure obligations of the ETF under applicable securities laws; administering purchases, redemptions and other transactions in units of the ETF; and dealing and communicating with unitholders of the ETF. The Manager provides office facilities and personnel to carry out these services, if not otherwise furnished by any other service provider to the ETF. The Manager also monitors the investment strategies of the ETF to ensure that the ETF complies with its investment objectives, investment strategies and investment restrictions and practices.

In consideration for the provision of these services, the Manager receives a monthly management fee at the annual rate of 0.50%, plus applicable sales taxes, of the net asset value of the ETF's units, calculated and accrued daily and payable monthly in arrears. The Sub-Advisor is compensated for its services out of the management fees without any further cost to the ETF. Any expenses of the ETF which are waived or absorbed by the Manager are paid out of the management fees received by the Manager.

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

Other expenses

Unless otherwise waived or reimbursed by the Manager, the ETF pays all of its operating expenses, including but not limited to: audit fees; trustee and custodial expenses; valuation, accounting and record keeping costs; legal expenses; permitted prospectus preparation and filing expenses; costs associated with delivering documents to unitholders; listing and annual stock exchange fees; index licensing fees, if applicable; fees payable to CDS Clearing and Depository Services Inc.; bank related fees and interest charges; extraordinary expenses; unitholder reports and servicing costs; registrar and transfer agent fees; costs associated with the Independent Review Committee; income taxes; sales taxes; brokerage expenses and commissions; withholding taxes; and fees payable to service providers in connection with regulatory compliance and tax matters in foreign jurisdictions.

The Manager, at its discretion, may waive and/or absorb a portion of the fees and/or expenses otherwise payable by the ETF. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.

10. BROKER COMMISSIONS, SOFT DOLLARS AND RELATED PARTY TRANSACTIONS

Brokerage commissions paid on securities transactions may include amounts paid to related parties of the Manager for brokerage services provided to the ETF.

Research and system usage related services received in return for commissions generated with specific dealers are generally referred to as soft dollars.

Brokerage commissions paid to dealers in connection with investment portfolio transactions, soft dollar transactions incurred and amounts paid to related parties of the Manager, if any, for the periods ended June 30, 2022 and 2021, were as follow:

Period Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
June 30, 2022	\$1,001	\$nil	\$nil
June 30, 2021	\$7	\$nil	\$nil

In addition to the information contained in the table above, the management fees paid to the Manager described in note 9 are related party transactions, as the Manager is considered to be a related party to the ETF. Fees paid to the Independent Review Committee are also considered to be related party transactions. Both the management fees and fees paid to the Independent Review Committee are disclosed in the statements of comprehensive income. The management fees payable by the ETF as at June 30, 2022, and December 31, 2021, are disclosed in the statements of financial position.

The ETF may invest in other ETFs managed by the Manager or its affiliates, in accordance with the ETF's investment objectives and strategies. Such investments, if any, are disclosed in the schedule of investments.

11. COLLATERAL WITH FUTURES COMMISSION MERCHANTS

The ETF may maintain accounts with Futures Commission Merchants ("FCMs") to conduct futures trading activities. The futures trading activities, where applicable, are typically, but not limited to, fixed income and currency futures for the purposes of hedging. The FCMs require the maintenance of minimum margin deposits. These requirements are met by

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

the collateral from the ETF held at the FCMs. Collateral held with FCMs is included as part of “Margin deposits” in the statements of financial position. The collateral held with FCMs as at June 30, 2022 and December 31, 2021, is as follows:

As at	Collateral Held With FCMs
June 30, 2022	\$843
December 31, 2021	-

12. INCOME TAX

The ETF has qualified as a mutual fund trust under the *Income Tax Act* (Canada) (the “Tax Act”) and accordingly, is not taxed on the portion of taxable income that is paid or allocated to unitholders. As well, tax refunds (based on redemptions and realized and unrealized gains during the year) may be available that would make it possible to retain some net capital gains in the ETF without incurring any income taxes.

13. TAX LOSSES CARRIED FORWARD

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Non-capital losses carried forward may be applied against future years’ taxable income. Non-capital losses that are realized in the current taxation year may be carried forward for 20 years. As at December 31, 2021, the ETF had net capital losses and/or non-capital losses, with the year of expiry of the non-capital losses as follows:

Net Capital Losses	Non-Capital Losses	Year of Expiry of the Non-Capital Losses
\$1,540,165	-	-

14. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the ETF may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The following table shows financial instruments that may be eligible for offset, if such conditions were to arise, as at June 30, 2022, and December 31, 2021. The “Net” column displays what the net impact would be on the ETF’s statements of financial position if all amounts were set-off.

	Amounts Offset (\$)			Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Financial Assets and Liabilities as at June 30, 2022						
Derivative assets	-	-	-	-	-	-
Derivative liabilities	(16,512)	-	(16,512)	-	-	(16,512)

Notes to Financial Statements (unaudited) (continued)

June 30, 2022

Financial Assets and Liabilities as at December 31, 2021	Amounts Offset (\$)			Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Derivative assets	5,330	–	5,330	–	–	5,330
Derivative liabilities	–	–	–	–	–	–

15. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND UNCONSOLIDATED STRUCTURED ENTITIES

The ETF may invest in units of other ETFs as part of its investment strategies (“Investee ETF(s)”). The nature and purpose of these Investee ETFs generally, is to manage assets on behalf of third party investors in accordance with their investment objectives, and are financed through the issue of units to investors.

In determining whether the ETF has control or significant influence over an Investee ETF, the ETF assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns. In instances where the ETF has control over an Investee ETF, the ETF qualifies as an investment entity under IFRS 10 - *Consolidated Financial Statements*, and therefore accounts for investments it controls at fair value through profit and loss. The ETF’s primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in the ETF’s prospectus to meet those objectives. The ETF also measures and evaluates the performance of any Investee ETFs on a fair value basis.

Investee ETFs over which the ETF has control or significant influence are categorized as subsidiaries and associates, respectively. All other Investee ETFs are categorized as unconsolidated structured entities. Investee ETFs may be managed by the Manager, its affiliates, or by third-party managers.

Investments in Investee ETFs are susceptible to market price risk arising from uncertainty about future values of those Investee ETFs. The maximum exposure to loss from interests in Investee ETFs is equal to the total fair value of the investment in those respective Investee ETFs at any given point in time. The fair value of Investee ETFs, if any, are disclosed in investments in the statements of financial position and listed in the schedule of investments. As at June 30, 2022, and December 31, 2021, the ETF had no exposure to subsidiaries, associates or unconsolidated structured entities.

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