



Horizons US Large Cap Index ETF
(HULC, HULC.U:TSX)



HORIZONS ETFs
by Mirae Asset

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A Message from the CEO

As we mark an end to 2022, it's a time to reflect on the year that was for us, our industry and our investors.

While global uncertainty and inflationary pressures resulted in market volatility, Canada's ETF industry continued to grow. As at year-end on December 31, 2022, Canada's ETF industry saw more than \$35 billion in year-to-date inflows.

At Horizons ETFs, our assets under management swelled from approximately \$20.7 billion at the beginning of 2022 to nearly \$23 billion as at December 31, 2022. We continue to solidify our position as one of Canada's top ETF providers, with more than \$4 billion in ETF inflows this year.

We are proud to continue our longstanding commitment to bringing innovative ETFs to market and serving investors' needs. This year alone we have launched five new ETFs.

In February, Horizons ETFs launched the Horizons Carbon Credits ETF ("**CARB**"). CARB is Canada's first ETF that provides exposure solely to carbon credits through the ownership of carbon credit futures: a nascent asset class, CARB, offers investors the potential to benefit from the growing global effort to regulate and reduce carbon emissions.

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.

In August, we launched the Horizons Canadian Utility Services High Dividend ETF ("**UTIL**"). With UTIL, investors can gain exposure to three major segments of the utility services sector: utilities, pipelines and communications. These segments have historically functioned as defensive industries, offering investors relative stability and consistent dividends, even during periods of volatility and bear markets.

Finally, in September, we expanded our BetaPro ETF suite with the launch of the BetaPro Equal Weight Canadian Bank 2x Daily Bull ETF ("**HBKU**") and the BetaPro Equal Weight Canadian Bank -2x Daily Bear ETF ("**HBKD**"), which offer leveraged and inverse leverage exposure to Canada's "Big Six" banks.

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 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,



Jasmit Bhandal
Interim President & CEO of Horizons ETFs Management (Canada) Inc.

MANAGEMENT REPORT OF FUND PERFORMANCE

This annual management report of fund performance for Horizons US Large Cap Index ETF (“HULC” or the “ETF”), a corporate class of shares (a “Corporate Class”) of Horizons ETF Corp. (the “Company”), contains financial highlights and is included with the audited annual financial statements (“financial statements” or “annual financial statements”) for the investment fund. You may request a copy of the investment fund’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, by calling (toll free) 1-866-641-5739, or (416) 933-5745, by writing to Horizons ETFs Management (Canada) Inc. (“Horizons Management” or the “Manager”), 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.

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 simplified 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 Strategy

HULC seeks to replicate, to the extent possible, the performance of the Solactive US Large Cap Index (CA NTR) (the “Underlying Index”, Bloomberg ticker: SOLUSLCC), net of expenses. The Solactive US Large Cap Index (CA NTR) is designed to measure the performance of the large-cap market segment of the U.S. equity market.

In order to achieve its investment objective and obtain direct or indirect exposure to securities of the Underlying Index’s constituent issuers, the ETF may invest in and hold the securities of constituent issuers in substantially the same proportion as they are reflected in the Underlying Index, or may invest in and hold index participation units of exchange traded funds or other derivatives, including but not limited to swap agreements, futures contracts, options on futures contracts, forward contracts, options on securities and indices, reverse repurchase agreements or a combination of the foregoing, that are based on the Underlying Index, provided that the use of such derivative instruments is in compliance with National Instrument 81-102 (“NI 81-102”) and is consistent with the investment objective of the ETF. Accordingly, the ETF may enter into a Swap and/or obtain direct exposure to its Underlying Index’s constituent issuers at any time, or from time to time. The ETF will remain fully invested in, or exposed to, the markets at all times. The ETF may also invest in futures contracts and forward agreements in order to provide exposure for other cash held by the Index ETFs and may also hold money market instruments, securities of money market funds or cash to meet their current obligations.

Management Discussion of Fund Performance (continued)

The ETF may also employ a “stratified sampling” strategy. Under this stratified sampling strategy, the ETF may not hold all of the securities that are included in its Underlying Index, but instead will hold a portfolio of securities and/or derivatives that closely matches the aggregate investment characteristics of the securities included in the Underlying Index. The sampling process typically involves selecting a representative sample of securities in the Underlying Index, principally to enhance liquidity and reduce transaction costs while seeking to maintain a high correlation with, and similar aggregate characteristics (e.g., market capitalization and industry weightings) to, the Underlying Index.

About the Underlying Index

The Solactive US Large Cap Index (CA NTR) aims to track the price movements of the 500 largest companies in the United States stock market based on free float market capitalization. The Underlying Index is rebalanced semi-annually at the close of trading on the first Wednesday in May and November. The Underlying Index is a net total return index, thus dividend income is adjusted for withholding tax rates that are applicable to a Canadian investor. The Underlying Index is published in U.S. dollars and HULC does not hedge any U.S. dollar currency exposure.

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: medium.

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 its 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 shares.

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 calling Horizons ETFs Management (Canada) Inc. at (toll free) 1-866-641-5739, or at (416) 933-5745.

Management Discussion of Fund Performance (continued)

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|--|---|
| <ul style="list-style-type: none"> • Market disruptions risk • Derivative investments • Risk that ETF shares will trade at prices other than net asset value per ETF shares • Issuer concentration risk • Foreign exchange rate risk • Counterparty risk • Liquidity risk • Borrowing risk • Tax-related risks • Exchange risk • Inability to achieve investment objective • Cyber security risk • Reliance on key personnel • Distribution risk • Significant redemptions • Price limit risk • Conflicts of interest • Business and regulatory risks of alternative investment strategies • Political, economic and social risk • Securities lending risk | <ul style="list-style-type: none"> • No ownership interest • Restrictions on certain shareholders • Redemption price • Fund corporation and multi-class/series structure risk • Fluctuations in NAV and market price of the ETF shares risk • Absence of an active market for the ETF shares and lack of operating historical risk • No guaranteed return • General risks of investments • General risks of investing in an index fund and passive investment risk • Risks relating to index replication strategies • Calculation of index level and termination of an underlying index • Substantial sales of the U.S. dollar • Foreign exchange and market risk • Index adjustments • Cease trading of securities risk • General risks of equity investments • Voting of index securities risk • Income trust investments risks |
|--|---|

Results of Operations

For the year ended December 31, 2022, the US\$ Shares of the ETF returned -19.93%. By comparison, the Underlying Index returned -19.94% for the same period in U.S. dollar terms. Differences in performance between the ETF and the Underlying Index may arise due to expenses payable by the ETF, which include management fees plus applicable sales taxes; as well as the potential for tracking error arising from the physical index replication risk detailed in the ETF's prospectus.

For the period ended December 31, 2022, the top performers in the ETF's portfolio were Occidental Petroleum Corporation, Constellation Energy Corporation, Hess Corporation, returning 119.09%, 107.13%, and 94.07%, respectively. The worst performers in the Underlying Index for the year were Twilio Inc., Snap Inc., and Roblox Corporation, returning -81.41%, -80.97%, and -72.41%, respectively.

Horizons Management does not endeavour to predict market direction, changes that may occur in global fiscal and monetary policies, the effect of additional geopolitical concerns or other unforeseen crises. Horizons Management and the ETF are agnostic as to their impact on global equity, fixed income, currency, and commodity markets generally, and the broad U.S. equity market specifically. They are only of concern to the ETF in so much as there is some minimal risk that could affect its ability to meet its investment objective. Please refer to the risk factors section in the ETF's prospectus for more detailed information.

Management Discussion of Fund Performance (continued)

Other Operating Items and Changes in Net Assets Attributable to Holders of ETF Shares

For the year ended December 31, 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 (\$19,962,189). This compares to \$22,832,414 for the year ended December 31, 2021. The ETF incurred management, and transaction expenses of \$559,051 (2021 – \$276,780) of which \$9,885 (2021 – \$4,980) 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 did not make any distributions to shareholders during the years ended December 31, 2022 and 2021.

Recent Developments

Other than indicated below, there have been no recent market developments of particular note, aside from the normal fluctuations of the markets, that are expected to have an undue influence on the portfolio of the ETF when compared to its benchmark.

Share Split Transaction

The shares of the ETF were split on a two-for-one basis effective July 5, 2021. All relevant share and per share historical data prior to July 5, 2021, has been adjusted to reflect the split.

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 shares as reported under IFRS.

Related Party Transactions

There were no related party portfolio transactions during the current reporting period. Certain services have been provided to the ETF by related parties, and those relationships are described below.

Manager and Investment Manager

The manager and investment manager of the Company and 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.

Any management fees paid to the Manager (described in detail on page 11) are related party transactions, as the Manager is considered to be a related party to the ETF. The management fees 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 December 31, 2022 and 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 since it effectively began operations on February 5, 2020. This information is derived from the ETF's audited annual financial statements and the current audited annual 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 Share

Year ⁽¹⁾	2022	2021	2020
Net assets, beginning of year	\$ 70.57	55.98	50.00
Increase (decrease) from operations:			
Total revenue	1.02	0.92	0.84
Total expenses	(0.20)	(0.18)	(0.16)
Realized gains (losses) for the year	(0.68)	2.15	(0.05)
Unrealized gains (losses) for the year	(7.50)	12.39	10.26
Total increase (decrease) from operations ⁽²⁾	(7.36)	15.28	10.89
Total annual distributions ⁽³⁾	–	–	–
Net assets, end of year (Cdn\$ Shares) ⁽⁴⁾	\$ 60.49	70.57	55.98
Net assets, end of year (US\$ Shares) ⁽⁴⁾	\$ 44.67	55.79	43.98

1. This information is derived from the ETF's audited annual financial statements.
2. Net assets per share and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial period.
3. Distributions, if any, were paid in cash, reinvested in additional shares of the ETF, or both.
4. The Financial Highlights are not intended to act as a continuity of the opening and closing net assets per share.

Financial Highlights (continued)

Ratios and Supplemental Data

Year ⁽¹⁾	2022	2021	2020
Total net asset value (000's)	\$ 203,098	143,461	55,981
Number of shares outstanding (000's)	3,358	2,033	1,000
Management expense ratio ⁽²⁾⁽⁴⁾	0.09%	0.09%	0.08%
Management expense ratio excluding proportion of expenses from underlying investment funds	0.08%	0.08%	0.08%
Management expense ratio before waivers and absorptions ⁽²⁾	0.09%	0.09%	0.09%
Trading expense ratio ⁽³⁾⁽⁴⁾	0.00%	0.00%	0.00%
Trading expense ratio excluding proportion of costs from underlying investment funds	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁵⁾	61.46%	113.96%	54.39%
Net asset value per share, end of year (Cdn\$ Shares)	\$ 60.49	70.57	55.98
Closing market price (Cdn\$ Shares)	\$ 60.74	70.64	55.67
Net asset value per share, end of year (US\$ Shares)	\$ 44.67	55.79	43.98
Closing market price (US\$ Shares)	\$ 44.90	55.83	44.00

- This information is provided as at December 31 of the years shown.
- 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 years. The constating documents of the ETF require that the Manager pay all the expenses of the ETF other than the management fee and any sales taxes on the management fee. 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.
- 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 years.
- The ETF's management expense ratio (MER) and trading expense ratio (TER) include and estimated proportion of the MER and TER for any underlying investment funds held in the ETF's portfolio during the years.
- The ETF's portfolio turnover rate indicates how actively the ETF trades its portfolio investments. 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 a year. The higher an ETF's portfolio turnover rate in a year, 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 an ETF.

Financial Highlights (continued)**Management Fees**

In consideration for management services and investment advice provided to the ETF, the Manager is entitled to a management fee. The management fee, inclusive of sales tax, is applied on a daily basis to the net asset value of the ETF. The management fees, exclusive of sales tax, are charged at the annual rate of 0.08%. Approximately 100% of management fees were used for management, investment management, operating costs of the ETF, other general administration and profit.

From the management fee, the Manager has paid substantially all of the costs and expenses relating to the operation of the business and affairs of the ETF including investment management, administration, legal, accounting, custody, audit, registrar and transfer agency fees, and taxes as well as expenses associated with advertising, marketing, sponsoring and promoting the sale of shares of the ETF.

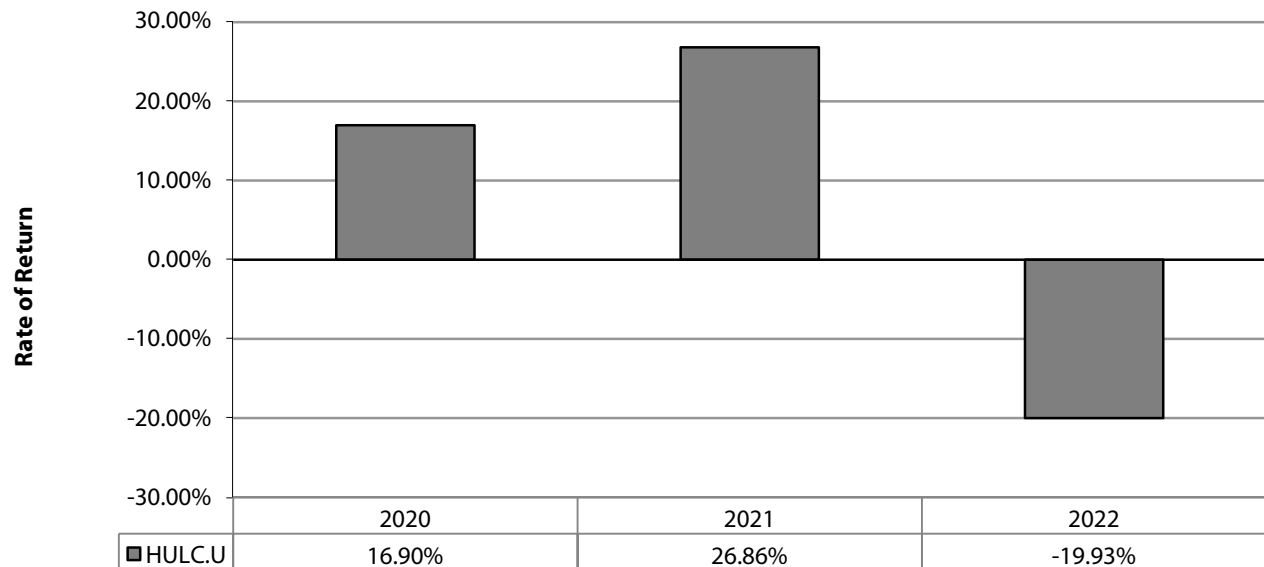
The constating documents of the ETF require that the Manager pay all the expenses of the ETF other than the management fee and any sales taxes on the management fee as may be applicable. As a result, the ETF does not have any other expenses.

Past Performance

Commissions, management fee, 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 share 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 shares 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 shares. The amount of the reinvested taxable distributions is added to the adjusted cost base of the shares 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 February 5, 2020. Only the performance of the US\$ Shares is displayed above, as the US\$ Shares seek to achieve the primary investment objective of the ETF. The returns to shareholders holding Cdn\$ Shares would have been substantially similar to those of the shareholders holding US\$ Shares when adjusted for the daily Canadian/U.S. dollar exchange rate.

Past Performance (continued)**Annual Compound Returns**

The following table presents the ETF's annual compound total return since inception and for the period shown ended December 31, 2022, along with the ETF's applicable benchmark. The table is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the ETF or future returns on investments in the ETF.

	1 Year	Since Inception
Horizons US Large Cap Index ETF	-19.93%	6.10%
Solactive US Large Cap Index (CA NTR)	-19.94%	6.04%

The ETF effectively began operations on February 5, 2020. Only the performance of the US\$ Shares is displayed above, as the US\$ Shares seek to achieve the primary investment objective of the ETF. The returns to shareholders holding Cdn\$ Shares would have been substantially similar to those of the shareholders holding US\$ Shares when adjusted for the daily Canadian/U.S. dollar exchange rate.

Summary of Investment Portfolio

As at December 31, 2022

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
U.S. Equities	\$ 196,528,535	96.77%
Global Equities	5,524,408	2.72%
Cash and Cash Equivalents	899,287	0.44%
Other Assets less Liabilities	145,636	0.07%
	\$ 203,097,866	100.00%

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Information Technology	\$ 53,141,707	26.16%
Health Care	31,728,424	15.63%
Financials	28,544,717	14.06%
Consumer Discretionary	18,962,760	9.33%
Industrials	17,104,691	8.42%
Communication Services	15,002,048	7.39%
Consumer Staples	14,620,515	7.20%
Energy	11,462,679	5.64%
Utilities	6,077,524	2.99%
Materials	5,407,878	2.67%
Cash and Cash Equivalents	899,287	0.44%
Other Assets less Liabilities	145,636	0.07%
	\$ 203,097,866	100.00%

Summary of Investment Portfolio (continued)

As at December 31, 2022

Top 25 Holdings	% of ETF's Net Asset Value
Apple Inc.	6.34%
Microsoft Corp.	5.33%
Alphabet Inc.	3.03%
Amazon.com Inc.	2.25%
Berkshire Hathaway Inc.	1.82%
UnitedHealth Group Inc.	1.49%
Johnson & Johnson	1.40%
Exxon Mobil Corp.	1.40%
JPMorgan Chase & Co.	1.18%
Procter & Gamble Co. (The)	1.10%
NVIDIA Corp.	1.06%
Chevron Corp.	1.04%
Visa Inc.	1.03%
Home Depot Inc. (The)	0.98%
Tesla Inc.	0.95%
Eli Lilly and Co.	0.93%
MasterCard Inc.	0.90%
Pfizer Inc.	0.87%
AbbVie Inc.	0.86%
Merck & Co. Inc.	0.84%
Meta Platforms Inc.	0.83%
PepsiCo Inc.	0.75%
Coca-Cola Co. (The)	0.75%
Bank of America Corp.	0.70%
Broadcom Inc.	0.65%

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

MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying audited annual financial statements ("financial statements") of Horizons US Large Cap Index ETF (the "ETF") are the responsibility of the manager 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 and by the Board of Directors of Horizons ETF Corp., and have been audited by KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants, on behalf of shareholders. The independent auditor's report outlines the scope of their audit and their opinion on the financial statements.



Jasmit Bhandal
Director
Horizons ETFs Management (Canada) Inc.



Thomas Park
Director
Horizons ETFs Management (Canada) Inc.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Horizons US Large Cap Index ETF (the "ETF")

Opinion

We have audited the financial statements of the ETF, which comprise the statements of financial position as at December 31, 2022 and December 31, 2021, the statements of comprehensive income, changes in financial position and cash flows for the years then ended December 31, 2022 and December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ETF as at December 31, 2022 and December 31, 2021, and its financial performance and its cash flows for the years then ended December 31, 2022 and December 31, 2021, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the ETF in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ETF's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ETF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ETF's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ETF's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ETF to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Chartered Professional Accountants, Licensed Public Accountants
The engagement partner on the audit resulting in this auditor's report is Ziad Said.
Toronto, Canada
March 10, 2023

Statements of Financial Position

As at December 31,

	2022	2021
Assets		
Cash and cash equivalents	\$ 899,287	\$ 188,160
Investments	202,052,943	143,186,109
Amounts receivable relating to accrued income	160,164	96,964
Total assets	203,112,394	143,471,233
Liabilities		
Accrued management fees	14,528	10,054
Total liabilities	14,528	10,054
Total net assets	\$ 203,097,866	\$ 143,461,179
Number of redeemable shares outstanding (note 8)	3,357,800	2,032,800
Total net assets per share (Cdn\$ Shares)	\$ 60.49	\$ 70.57
Total net assets per share (US\$ Shares)	\$ 44.67	\$ 55.79

(See accompanying notes to financial statements)

Approved on behalf of the Board of Directors of Horizons ETF Corp.:



 Jasmit Bhandal
 Director



 Kevin S. Beatson
 Director

Statements of Comprehensive Income

For the Years Ended December 31,

	2022	2021
Income		
Dividend income	\$ 2,835,909	\$ 1,360,249
Securities lending income (note 7)	3,917	1,747
Net realized gain (loss) on sale of investments and derivatives	(1,922,725)	3,179,727
Net realized gain (loss) on foreign exchange	16,900	(1,619)
Net change in unrealized appreciation (depreciation) of investments and derivatives	(20,897,932)	18,293,008
Net change in unrealized appreciation (depreciation) of foreign exchange	1,742	(698)
	(19,962,189)	22,832,414
Expenses (note 9)		
Management fees	154,758	84,228
Transaction costs	1,686	569
Withholding taxes	402,606	191,983
Other expenses	1	-
	559,051	276,780
Amounts that were payable by the investment fund that were paid or absorbed by the Manager	(9,885)	(4,980)
	549,166	271,800
Increase (decrease) in net assets for the year	\$ (20,511,355)	\$ 22,560,614
Increase (decrease) in net assets per share	\$ (7.36)	\$ 15.28

(See accompanying notes to financial statements)

Statements of Changes in Financial Position

For the Years Ended December 31,

	2022		2021	
Total net assets at the beginning of the year	\$	143,461,179	\$	55,981,052
Increase (decrease) in net assets		(20,511,355)		22,560,614
Redeemable share transactions				
Proceeds from the issuance of securities of the investment fund		93,780,768		89,545,724
Aggregate amounts paid on redemption of securities of the investment fund		(13,632,726)		(24,626,211)
Total net assets at the end of the year	\$	203,097,866	\$	143,461,179

(See accompanying notes to financial statements)

Statements of Cash Flows

For the Years Ended December 31,

	2022	2021
Cash flows from operating activities:		
Increase (decrease) in net assets for the year	\$ (20,511,355)	\$ 22,560,614
Adjustments for:		
Net realized loss (gain) on sale of investments and derivatives	1,922,725	(3,179,727)
Net realized gain (loss) on currency forward contracts	–	617
Net change in unrealized depreciation (appreciation) of investments and derivatives	20,897,932	(18,293,008)
Net change in unrealized appreciation of foreign exchange	(429)	(359)
Purchase of investments	(102,978,026)	(85,938,471)
Proceeds from the sale of investments	93,016,605	83,214,865
Amounts receivable relating to accrued income	(63,200)	(65,258)
Accrued expenses	4,474	6,524
Net cash used in operating activities	(7,711,274)	(1,694,203)
Cash flows from financing activities:		
Amount received from the issuance of shares	8,964,096	2,810,447
Amount paid on redemptions of shares	(542,124)	(1,080,768)
Net cash from financing activities	8,421,972	1,729,679
Net increase in cash and cash equivalents during the year	710,698	35,476
Effect of exchange rate fluctuations on cash and cash equivalents	429	359
Cash and cash equivalents at beginning of year	188,160	152,325
Cash and cash equivalents at end of year	\$ 899,287	\$ 188,160
Dividends received, net of withholding taxes	\$ 2,370,103	\$ 1,103,008

(See accompanying notes to financial statements)

Schedule of Investments

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
U.S. Equities (96.77%)			
Information Technology (25.54%)			
Adobe Inc.	2,112	\$ 1,232,189	\$ 962,357
Advanced Micro Devices Inc.	7,301	824,781	640,287
Akamai Technologies Inc.	719	94,267	82,068
Amphenol Corp., Class 'A'	2,710	234,909	279,384
Analog Devices Inc.	2,343	451,864	520,372
ANSYS Inc.	389	153,563	127,247
Apple Inc.	73,204	12,866,502	12,878,430
Applied Materials Inc.	3,923	535,193	517,257
Arista Networks Inc.	1,086	136,277	178,438
Autodesk Inc.	990	297,368	250,492
Automatic Data Processing Inc.	1,887	487,671	610,287
Bill.com Holdings Inc.	437	124,423	64,471
Block Inc., Class 'A'	2,345	403,510	199,525
Booz Allen Hamilton Holding Corp.	588	87,278	83,214
Broadcom Inc.	1,755	1,071,037	1,328,644
Broadridge Financial Solutions Inc., ADR	531	101,978	96,436
Cadence Design Systems Inc.	1,243	224,225	270,361
CDW Corp.	621	129,566	150,156
Cisco Systems Inc.	17,132	1,064,270	1,105,092
CloudFlare Inc., Class 'A'	1,179	129,320	72,172
Cognizant Technology Solutions Corp., Class 'A'	2,380	221,231	184,296
Corning Inc.	3,566	163,584	154,218
CoStar Group Inc.	1,789	170,116	187,196
CrowdStrike Holdings Inc., Class 'A'	949	229,859	135,292
Datadog Inc., Class 'A'	1,193	171,915	118,726
Electronic Arts Inc.	1,268	209,999	209,767
Entergris Inc.	617	86,693	54,795
EPAM Systems Inc.	254	128,275	112,715
FactSet Research Systems Inc.	171	91,764	92,894
Fidelity National Information Services Inc.	2,792	420,257	256,498
FleetCor Technologies Inc.	344	107,104	85,554
Fortinet Inc.	3,112	194,584	206,005
Gartner Inc.	358	106,641	162,938
Hewlett Packard Enterprise Co.	5,913	106,258	127,779
HP Inc.	4,715	177,023	171,541
HubSpot Inc.	208	116,502	81,428
Intel Corp.	18,497	1,133,324	661,938
International Business Machines Corp.	4,063	699,929	775,078
Intuit Inc.	1,241	687,233	654,012

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
Jack Henry & Associates Inc.	327	85,175	77,731
Keysight Technologies Inc.	816	151,825	189,009
KLA Corp.	679	272,983	346,629
Lam Research Corp.	632	400,046	359,662
Leidos Holdings Inc.	618	77,765	88,020
Marvell Technology Inc.	3,861	254,595	193,638
MasterCard Inc., Class 'A'	3,868	1,687,704	1,821,157
Microchip Technology Inc.	2,482	214,080	236,084
Micron Technology Inc.	5,074	441,423	343,372
Microsoft Corp.	33,350	11,002,681	10,829,288
MongoDB Inc.	299	125,561	79,690
Monolithic Power Systems Inc.	197	100,306	94,321
Moody's Corp.	734	286,138	276,903
Motorola Solutions Inc.	761	205,147	265,543
MSCI Inc.	360	211,073	226,742
NetApp Inc.	1,007	90,925	81,891
NortonLifeLock Inc.	2,458	76,599	71,322
NVIDIA Corp.	10,862	2,389,141	2,149,303
ON Semiconductor Corp.	1,970	122,955	166,365
Oracle Corp.	6,844	643,513	757,466
Palantir Technologies Inc.	8,135	167,545	70,715
Palo Alto Networks Inc.	1,335	239,994	252,231
Paychex Inc.	1,468	205,814	229,695
Paycom Software Inc.	230	101,674	96,637
PayPal Holdings Inc.	5,215	1,080,234	502,892
PTC Inc.	478	75,880	77,691
QUALCOMM Inc.	5,061	865,188	753,374
Salesforce Inc.	4,363	1,178,740	783,276
ServiceNow Inc.	905	583,369	475,774
Skyworks Solutions Inc.	733	125,629	90,445
Snowflake Inc., Class 'A'	1,235	334,953	240,026
Splunk Inc.	729	121,054	84,977
SS&C Technologies Holdings Inc.	1,074	91,693	75,705
Synopsys Inc.	694	249,398	300,029
Take-Two Interactive Software Inc.	735	136,638	103,629
Teradyne Inc.	728	98,766	86,102
Texas Instruments Inc.	4,167	890,461	932,191
TransUnion	876	102,187	67,311
Twilio Inc.	778	214,319	51,575
Tyler Technologies Inc.	187	95,870	81,634
Verisk Analytics Inc.	714	168,299	170,555

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
Visa Inc., Class 'A'	7,404	1,986,724	2,082,797
VMware Inc., Class 'A'	1,024	155,954	170,206
Western Digital Corp.	1,406	94,498	60,062
Wolfspeed Inc.	556	54,054	51,975
Workday Inc., Class 'A'	897	236,262	203,229
Zebra Technologies Corp., Class 'A'	239	119,262	82,976
Zoom Video Communications Inc.	980	273,483	89,886
ZoomInfo Technologies Inc., Class 'A'	1,232	83,383	50,227
Zscaler Inc.	376	93,711	56,969
		54,937,153	51,878,287
Health Care (15.14%)			
Abbott Laboratories	7,865	1,128,265	1,169,177
AbbVie Inc.	7,988	1,288,976	1,747,934
Align Technology Inc.	333	178,065	95,091
Alnylam Pharmaceuticals Inc.	549	111,373	176,656
AmerisourceBergen Corp.	719	123,772	161,323
Amgen Inc.	2,412	728,282	857,742
Avantor Inc.	2,790	110,096	79,671
Baxter International Inc.	2,293	222,105	158,248
Becton, Dickinson and Co.	1,287	404,846	443,143
Biogen Inc.	665	223,303	249,342
BioMarin Pharmaceutical Inc.	839	91,605	117,565
Bio-Techne Corp.	715	89,981	80,237
Boston Scientific Corp.	6,572	338,732	411,733
Bristol-Myers Squibb Co.	9,625	837,228	937,670
Cardinal Health Inc.	1,238	88,460	128,854
Catalent Inc.	734	99,497	44,733
Centene Corp.	2,642	251,268	293,372
Charles River Laboratories International Inc.	230	82,522	67,858
Cigna Corp.	1,430	433,608	641,547
Cooper Cos. Inc. (The)	225	102,631	100,739
CVS Health Corp.	5,916	655,412	746,477
Danaher Corp.	2,993	968,101	1,075,620
Dexcom Inc.	1,781	221,747	273,075
Edwards Lifesciences Corp.	2,841	347,183	287,003
Elevance Health Inc.	1,088	564,126	755,683
Eli Lilly and Co.	3,819	1,233,621	1,891,732
Gilead Sciences Inc.	5,672	481,880	659,318
HCA Healthcare Inc.	1,020	255,933	331,404
Hologic Inc.	1,125	98,670	113,954
Humana Inc.	565	314,454	391,830

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
IDEXX Laboratories Inc.	383	223,371	211,561
Illumina Inc.	716	287,160	196,026
Incyte Corp.	827	87,518	89,939
Insulet Corp.	301	96,964	119,980
Intuitive Surgical Inc.	1,616	524,797	580,603
IQVIA Holdings Inc.	848	228,307	235,253
Johnson & Johnson	11,894	2,539,650	2,844,856
Laboratory Corp. of America Holdings	429	133,333	136,782
McKesson Corp.	647	198,680	328,619
Merck & Co. Inc.	11,389	1,212,766	1,710,927
Mettler-Toledo International Inc.	103	160,731	201,585
Moderna Inc.	1,587	342,241	385,967
Molina Healthcare Inc.	266	90,435	118,933
PerkinElmer Inc.	575	106,183	109,168
Pfizer Inc.	25,374	1,469,048	1,760,422
Quest Diagnostics Inc.	532	90,377	112,688
Regeneron Pharmaceuticals Inc.	473	351,215	462,073
ResMed Inc.	663	183,824	186,839
Seagen Inc.	624	122,696	108,578
Stryker Corp.	1,503	445,882	497,552
Thermo Fisher Scientific Inc.	1,769	1,159,883	1,319,027
UnitedHealth Group Inc.	4,225	2,338,881	3,032,974
Veeva Systems Inc., Class 'A'	641	195,996	140,064
Vertex Pharmaceuticals Inc.	1,153	360,083	450,832
Viatis Inc.	5,519	94,313	83,171
Waters Corp.	273	105,375	126,632
West Pharmaceutical Services Inc.	339	137,229	108,027
Zimmer Biomet Holdings Inc.	966	160,973	166,765
Zoetis Inc.	2,125	473,110	421,661
		25,996,763	30,736,235
Financials (13.46%)			
Aflac Inc.	2,655	181,701	258,615
Alexandria Real Estate Equities Inc.	744	161,903	146,744
Allstate Corp. (The)	1,231	189,746	226,015
American Express Co.	2,501	480,722	500,334
American International Group Inc.	3,609	228,499	309,028
American Tower Corp.	2,102	674,438	602,976
Ameriprise Financial Inc.	500	155,275	210,797
Apollo Global Management Inc.	1,985	160,464	171,448
Arthur J. Gallagher & Co.	947	178,344	241,753
AvalonBay Communities Inc.	626	160,462	136,905

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
Bank of America Corp.	31,760	1,459,866	1,424,261
Bank of New York Mellon Corp. (The)	3,405	202,392	209,864
Berkshire Hathaway Inc., Class 'A'	2	1,202,345	1,269,269
Berkshire Hathaway Inc., Class 'B'	5,792	2,004,570	2,422,507
BlackRock Inc.	641	589,858	615,030
Blackstone Group Inc. (The), Class 'A'	3,135	374,183	314,921
Boston Properties Inc.	660	88,153	60,392
Brown & Brown Inc.	1,052	81,852	81,148
Camden Property Trust	482	92,596	73,016
Capital One Financial Corp.	1,770	270,318	222,786
Cboe Global Markets Inc.	478	82,568	81,206
CBRE Group Inc., Class 'A'	1,435	142,516	149,532
Charles Schwab Corp. (The)	6,873	587,644	774,821
Cincinnati Financial Corp.	710	98,850	98,432
Citigroup Inc.	8,770	659,799	537,087
Citizens Financial Group Inc.	2,248	115,886	119,834
CME Group Inc.	1,616	420,529	367,945
Crown Castle International Corp.	1,987	435,036	364,926
Digital Realty Trust Inc.	1,299	234,513	176,359
Discover Financial Services	1,269	159,852	168,094
Equity Residential	1,664	157,285	132,930
Essex Property Trust Inc.	296	106,311	84,934
Extra Space Storage Inc.	605	122,578	120,565
Fifth Third Bancorp	3,142	141,966	139,583
First Horizon Corp.	2,378	79,344	78,885
First Republic Bank	816	165,867	134,672
Fiserv Inc.	2,747	364,600	375,924
Global Payments Inc.	1,274	250,677	171,327
Goldman Sachs Group Inc. (The)	1,547	624,988	719,257
Hartford Financial Services Group Inc. (The)	1,495	118,305	153,497
Healthpeak Properties Inc.	2,458	94,354	83,436
Host Hotels & Resorts Inc.	3,197	78,513	69,476
Huntington Bancshares Inc.	6,463	113,853	123,388
Intercontinental Exchange Inc.	2,548	356,440	353,935
Invitation Homes Inc.	2,805	125,384	112,572
Iron Mountain Inc.	1,316	89,095	88,826
JPMorgan Chase & Co.	13,164	2,246,822	2,390,206
KeyCorp	4,241	103,108	100,031
Kimco Realty Corp.	2,760	83,693	79,150
KKR & Co. Inc.	3,747	248,576	235,509
LPL Financial Holdings Inc.	354	89,248	103,614

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
M&T Bank Corp.	810	164,606	159,093
Markel Corp.	59	91,331	105,249
Marsh & McLennan Cos. Inc.	2,268	418,150	508,168
MetLife Inc.	2,799	216,224	274,271
Mid-America Apartment Communities Inc.	524	110,883	111,384
Morgan Stanley	6,137	633,488	706,474
Nasdaq Inc.	1,577	108,720	130,998
Northern Trust Corp.	913	119,989	109,392
PNC Financial Services Group Inc.	1,859	400,606	397,549
Principal Financial Group Inc.	1,148	93,739	130,445
Progressive Corp. (The)	2,638	349,550	463,305
Prologis Inc.	4,160	624,255	634,967
Prudential Financial Inc.	1,710	207,721	230,284
Public Storage Inc.	692	262,607	262,529
Raymond James Financial Inc.	905	101,629	130,931
Realty Income Corp.	2,744	238,477	235,666
Regions Financial Corp.	4,244	106,227	123,892
S&P Global Inc.	1,535	709,151	696,136
SBA Communications Corp.	487	193,656	184,836
Simon Property Group Inc.	1,491	216,306	237,170
State Street Corp.	1,590	157,298	166,997
Sun Communities Inc.	551	116,125	106,686
SVB Financial Group	267	156,690	83,200
Synchrony Financial	2,277	105,938	101,309
T. Rowe Price Group Inc.	1,017	196,319	150,178
Travelers Cos. Inc. (The)	1,103	218,384	280,009
Truist Financial Corp.	6,099	407,140	355,344
U.S. Bancorp	6,144	399,458	362,791
UDR Inc.	1,446	86,800	75,829
Ventas Inc.	1,816	117,722	110,772
VICI Properties Inc.	4,391	171,532	192,631
W.R. Berkley Corp.	904	91,977	88,827
Wells Fargo & Co.	17,127	914,259	957,513
Welltower Inc.	2,071	203,630	183,811
WP Carey Inc.	867	86,388	91,742
		26,432,862	27,328,140
Consumer Discretionary (9.19%)			
Advance Auto Parts Inc.	274	64,146	54,547
Amazon.com Inc.	40,122	7,088,242	4,563,316
AutoZone Inc.	87	188,869	290,511
Best Buy Co. Inc.	950	116,042	103,174

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
Chipotle Mexican Grill Inc.	121	214,438	227,318
Copart Inc.	2,006	152,581	165,385
D.R. Horton Inc.	1,495	149,235	180,440
Darden Restaurants Inc.	566	91,857	106,011
Dollar Tree Inc.	970	152,914	185,764
Domino's Pizza Inc.	164	84,276	76,920
eBay Inc.	2,549	174,459	143,127
Etsy Inc.	577	111,244	93,579
Expedia Group Inc.	688	115,986	81,604
Ford Motor Co.	18,010	296,204	283,604
General Motors Co.	6,127	344,134	279,076
Genuine Parts Co.	633	101,154	148,712
Hilton Worldwide Holdings Inc.	1,248	193,422	213,522
Home Depot Inc. (The)	4,647	1,789,638	1,987,403
Las Vegas Sands Corp.	1,471	78,408	95,743
Lennar Corp., Class 'A'	1,143	123,364	140,060
Live Nation Entertainment Inc.	685	83,140	64,683
LKQ Corp.	1,112	79,483	80,417
Lowe's Cos. Inc.	2,878	684,764	776,401
Marriott International Inc., Class 'A'	1,314	244,075	264,898
Masco Corp.	1,072	75,301	67,741
McDonald's Corp.	3,345	1,017,753	1,193,562
MGM Resorts International	1,580	77,260	71,731
Netflix Inc.	1,980	1,018,623	790,550
Nike Inc., Class 'B'	5,671	925,853	898,465
NVR Inc.	14	79,397	87,436
O'Reilly Automotive Inc.	299	223,742	341,702
Pool Corp.	180	91,198	73,684
Rivian Automotive Inc., Class 'A'	2,207	93,823	55,074
Ross Stores Inc.	1,568	201,881	246,425
Royal Caribbean Cruises Ltd.	1,051	90,208	70,342
Starbucks Corp.	5,081	614,227	682,464
Target Corp.	2,091	482,187	421,964
Tesla Inc.	11,625	3,588,412	1,938,884
TJX Cos. Inc. (The)	4,944	406,972	532,856
Tractor Supply Co.	510	119,411	155,351
Ulta Beauty Inc.	232	103,282	147,348
V.F. Corp.	1,640	135,837	61,310
Yum! Brands Inc.	1,301	190,637	225,620
		22,258,079	18,668,724

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
Industrials (8.11%)			
3M Co.	2,572	527,591	417,620
Agilent Technologies Inc.	1,361	220,457	275,774
Ametek Inc.	1,049	162,197	198,451
Boeing Co. (The)	2,673	659,739	689,429
C.H. Robinson Worldwide Inc.	564	68,226	69,920
Carlisle Cos. Inc.	231	73,678	73,705
Carrier Global Corp.	3,859	197,384	215,535
Caterpillar Inc.	2,408	592,788	781,069
Cintas Corp.	396	188,290	242,151
CSX Corp.	9,813	384,345	411,625
Cummins Inc.	643	178,052	210,943
Deere & Co.	1,261	520,248	732,062
Delta Air Lines Inc.	2,919	140,135	129,873
Dover Corp.	656	114,441	120,274
Emerson Electric Co.	2,718	296,756	353,517
Equifax Inc.	561	146,375	147,635
Expeditors International of Washington Inc.	762	100,454	107,219
Fastenal Co.	2,618	168,752	167,739
FedEx Corp.	1,093	333,390	256,323
Fortive Corp.	1,609	136,034	139,974
General Dynamics Corp.	1,120	288,145	376,254
General Electric Co.	4,930	534,147	559,317
Honeywell International Inc.	3,072	764,837	891,378
Howmet Aerospace Inc.	1,690	82,100	90,180
Hubbell Inc.	240	77,387	76,262
Ilex Corp.	347	88,819	107,278
Illinois Tool Works Inc.	1,258	332,655	375,244
Ingersoll Rand Inc.	1,849	110,422	130,810
J.B. Hunt Transport Services Inc.	375	78,609	88,531
Jacobs Solutions Inc.	581	90,777	94,456
Johnson Controls International PLC	3,166	227,806	274,353
L3Harris Technologies Inc.	878	244,192	247,523
Lockheed Martin Corp.	1,203	614,713	792,425
Norfolk Southern Corp.	1,095	342,242	365,350
Northrop Grumman Corp.	632	321,572	466,894
Old Dominion Freight Line Inc.	455	147,038	174,828
Otis Worldwide Corp.	1,930	182,661	204,641
PACCAR Inc.	1,465	162,325	196,318
Parker Hannifin Corp.	584	201,487	230,104
Plug Power Inc.	2,534	99,958	42,442

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
Quanta Services Inc.	648	98,595	125,028
Raytheon Technologies Corp.	6,724	740,215	918,806
Republic Services Inc.	939	145,908	163,999
Rockwell Automation Inc.	534	171,184	186,232
Roper Technologies Inc.	482	260,587	281,994
Southwest Airlines Co.	2,722	154,784	124,094
Stanley Black & Decker Inc.	687	132,221	69,877
Teledyne Technologies Inc.	212	107,800	114,793
Textron Inc.	977	88,303	93,658
TransDigm Group Inc.	236	174,739	201,201
Trimble Inc.	1,136	95,771	77,769
Union Pacific Corp.	2,833	776,996	794,296
United Airlines Holdings Inc.	1,486	85,229	75,854
United Parcel Service Inc., Class 'B'	3,321	766,764	781,695
United Rentals Inc.	326	115,388	156,884
W.W. Grainger Inc.	206	116,593	155,152
Wabtec Corp.	780	82,084	105,411
Waste Management Inc.	1,876	341,163	398,492
Xylem Inc.	820	103,160	122,764
		14,758,708	16,473,425
Communication Services (7.39%)			
Activision Blizzard Inc.	3,216	325,878	333,334
Airbnb Inc., Class 'A'	1,595	295,930	184,648
Alphabet Inc., Class 'A'	27,156	3,855,663	3,244,149
Alphabet Inc., Class 'C'	24,262	3,470,884	2,914,847
AT&T Inc.	32,251	860,787	803,925
Booking Holdings Inc.	183	487,283	499,350
Charter Communications Inc., Class 'A'	457	311,726	209,828
Comcast Corp., Class 'A'	20,099	1,191,953	951,675
DoorDash Inc., Class 'A'	1,068	170,155	70,597
Equinix Inc.	419	380,180	371,616
GoDaddy Inc., Class 'A'	728	73,450	73,751
Liberty Broadband Corp., Class 'C'	601	107,458	62,065
Match Group Inc.	1,300	178,004	73,031
Meta Platforms Inc., Class 'A'	10,324	3,180,329	1,682,196
Omnicom Group Inc.	928	83,561	102,494
Paramount Global, Class 'B'	2,565	108,479	58,624
Pinterest Inc., Class 'A'	2,579	82,913	84,785
Roblox Corp., Class 'A'	1,344	77,812	51,791
Snap Inc., Class 'A'	4,549	209,895	55,126
T-Mobile US Inc.	2,848	474,077	539,867

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
Trade Desk Inc. (The)	1,996	158,822	121,157
Uber Technologies Inc.	8,357	371,611	279,829
VeriSign Inc.	431	110,447	119,889
Verizon Communications Inc.	18,998	1,275,577	1,013,498
Walt Disney Co. (The)	8,235	1,437,710	968,729
Warner Bros. Discovery Inc.	10,225	285,987	131,247
		19,566,571	15,002,048
Consumer Staples (7.20%)			
Altria Group Inc.	8,180	475,995	506,271
Archer-Daniels-Midland Co.	2,579	221,676	324,229
Brown-Forman Corp., Class 'B'	1,377	125,876	122,458
Bunge Ltd.	668	93,749	90,239
Church & Dwight Co. Inc.	1,107	124,284	120,825
Clorox Co. (The)	558	119,854	106,024
Coca-Cola Co. (The)	17,580	1,300,397	1,514,129
Colgate-Palmolive Co.	3,856	390,557	411,364
Conagra Brands Inc.	2,180	97,543	114,232
Constellation Brands Inc., Class 'A'	661	190,117	207,415
Costco Wholesale Corp.	1,998	1,125,710	1,234,966
Darling Ingredients Inc.	723	76,419	61,272
Dollar General Corp.	1,043	292,377	347,760
Estée Lauder Cos. Inc. (The), Class 'A'	982	342,688	329,894
General Mills Inc.	2,719	228,917	308,696
Hershey Co. (The)	662	158,552	207,567
Hormel Foods Corp.	1,268	82,495	78,203
J.M. Smucker Co. (The)	458	80,486	98,266
Kellogg Co.	1,181	101,575	113,918
Keurig Dr Pepper Inc.	3,914	178,382	188,982
Kimberly-Clark Corp.	1,536	266,832	282,325
Kraft Heinz Co. (The)	3,551	177,686	195,736
Kroger Co. (The)	3,051	162,174	184,162
Lamb Weston Holdings Inc.	648	76,580	78,404
McCormick & Co. Inc.	1,132	127,801	127,048
Mondelez International Inc., Class 'A'	6,234	487,809	562,582
Monster Beverage Corp.	1,729	195,397	237,688
PepsiCo Inc.	6,246	1,259,161	1,527,857
Philip Morris International Inc.	6,998	843,436	958,994
Procter & Gamble Co. (The)	10,845	1,960,709	2,225,527
Sysco Corp.	2,302	230,673	238,288
Tyson Foods Inc., Class 'A'	1,310	129,370	110,415
Walgreens Boots Alliance Inc.	3,257	188,916	164,757

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
Walmart Inc.	6,459	1,157,450	1,240,022
		13,071,643	14,620,515
Energy (5.64%)			
APA Corp.	1,540	84,630	97,335
Baker Hughes Co.	4,515	157,975	180,526
Cheniere Energy Inc.	1,034	133,708	209,949
Chesapeake Energy Corp.	576	81,597	73,599
Chevron Corp.	8,720	1,368,036	2,119,217
ConocoPhillips	5,848	545,792	934,347
Coterra Energy Inc.	3,566	106,855	118,633
Devon Energy Corp.	3,019	188,036	251,436
Diamondback Energy Inc.	806	120,849	149,271
Enphase Energy Inc.	604	138,096	216,688
EOG Resources Inc.	2,643	303,314	463,503
EQT Corp.	1,588	83,922	72,740
Exxon Mobil Corp.	19,012	1,699,528	2,839,370
First Solar Inc.	430	88,367	87,211
Halliburton Co.	3,795	130,170	202,197
Hess Corp.	1,271	137,905	244,063
Kinder Morgan Inc.	9,065	196,576	221,914
Marathon Oil Corp.	3,222	108,765	118,095
Marathon Petroleum Corp.	2,439	211,629	384,367
Occidental Petroleum Corp.	4,230	218,897	360,770
ONEOK Inc.	2,024	140,365	180,051
Ovintiv Inc.	1,164	79,476	79,922
Phillips 66	2,212	232,591	311,725
Pioneer Natural Resources Co.	1,058	251,899	327,176
Schlumberger Ltd.	6,384	265,632	462,105
Targa Resources Corp.	1,021	95,579	101,609
Texas Pacific Land Corp.	27	86,173	85,700
Valero Energy Corp.	1,876	207,002	322,238
Williams Cos. Inc. (The)	5,543	191,980	246,922
		7,655,344	11,462,679
Utilities (2.99%)			
AES Corp. (The)	2,988	87,015	116,356
Alliant Energy Corp.	1,143	82,541	85,444
Ameren Corp.	1,172	127,178	141,106
American Electric Power Co. Inc.	2,344	271,255	301,350
American Water Works Co. Inc.	827	162,537	170,673
Atmos Energy Corp.	617	90,623	93,625
CenterPoint Energy Inc.	2,865	96,230	116,337

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
CMS Energy Corp.	1,321	107,407	113,274
Consolidated Edison Inc.	1,616	175,309	208,544
Constellation Energy Corp.	1,491	93,126	174,042
Dominion Energy Inc.	3,729	370,245	309,609
DTE Energy Co.	879	129,943	139,880
Duke Energy Corp.	3,479	446,418	485,141
Edison International	1,739	138,802	149,800
Entergy Corp.	934	129,566	142,272
Eversource Energy	1,034	83,165	88,104
Exelon Corp.	1,559	170,575	176,977
Exelon Corp.	4,425	208,758	259,010
FirstEnergy Corp.	2,474	121,154	140,490
NextEra Energy Inc.	8,864	877,289	1,003,355
PG&E Corp.	7,403	110,996	162,985
PPL Corp.	3,300	120,699	130,561
Public Service Enterprise Group Inc.	2,276	177,728	188,816
Sempra Energy	1,435	258,141	300,270
Southern Co. (The)	4,769	403,845	461,111
WEC Energy Group Inc.	1,439	176,284	182,683
Xcel Energy Inc.	2,483	216,699	235,709
		5,433,528	6,077,524
Materials (2.11%)			
Air Products and Chemicals Inc.	1,000	340,873	417,384
Albemarle Corp.	533	137,004	156,504
Avery Dennison Corp.	371	83,796	90,923
Ball Corp.	1,450	147,846	100,403
CF Industries Holdings Inc.	947	119,251	109,247
Corteva Inc.	3,283	195,559	261,288
Crown Holdings Inc.	551	70,561	61,333
Dow Inc.	3,320	233,710	226,517
DuPont de Nemours Inc.	2,143	180,221	199,138
Ecolab Inc.	1,159	280,711	228,425
FMC Corp.	572	87,123	96,656
Freeport-McMoRan Inc., Class 'B'	6,582	264,249	338,657
International Flavors & Fragrances Inc.	1,164	194,602	165,234
International Paper Co.	1,686	100,831	79,055
Martin Marietta Materials Inc.	283	118,519	129,504
Mosaic Co. (The)	1,648	128,603	97,891
Newmont Corp.	3,617	272,158	231,158
Nucor Corp.	1,206	144,972	215,236
Packaging Corp. of America	422	84,131	73,086

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
PPG Industries Inc.	1,076	190,098	183,191
RPM International Inc.	578	73,208	76,266
Sherwin-Williams Co. (The)	1,099	352,399	353,158
Steel Dynamics Inc.	806	87,600	106,622
Vulcan Materials Co.	592	122,330	140,363
Weyerhaeuser Co.	3,424	148,301	143,719
		4,158,656	4,280,958
TOTAL U.S. EQUITIES		194,269,307	196,528,535
Global Equities (2.72%)			
Information Technology (0.62%)			
Accenture PLC, Class 'A'	3,005	1,110,049	1,085,710
Atlassian Corp.	643	150,354	112,032
Seagate Technology Holdings PLC	922	89,825	65,678
		1,350,228	1,263,420
Financials (0.60%)			
Aon PLC	924	298,691	375,504
Arch Capital Group Ltd.	1,658	88,416	140,937
Chubb Ltd.	1,783	410,012	532,568
Willis Towers Watson PLC	506	143,531	167,568
		940,650	1,216,577
Materials (0.56%)			
Linde PLC	2,251	911,405	994,149
LyondellBasell Industries NV, Class 'A'	1,181	142,156	132,771
		1,053,561	1,126,920
Health Care (0.49%)			
Horizon Therapeutics PLC	1,041	118,476	160,403
Medtronic PLC	6,005	811,146	631,924
Royalty Pharma PLC, Class 'A'	1,604	88,323	85,830
STERIS PLC	456	116,611	114,032
		1,134,556	992,189
Industrials (0.31%)			
Eaton Corp. PLC	1,831	320,718	389,106
Trane Technologies PLC	1,064	207,180	242,160
		527,898	631,266
Consumer Discretionary (0.14%)			
Garmin Ltd.	689	102,197	86,098
Stellantis NV	10,815	218,795	207,938
		320,992	294,036

Schedule of Investments (continued)

As at December 31, 2022

Security	Shares	Average Cost	Fair Value
TOTAL GLOBAL EQUITIES		5,327,885	5,524,408
TOTAL INVESTMENT PORTFOLIO (99.49%)		\$ 199,597,192	\$ 202,052,943
Cash and cash equivalents (0.44%)			899,287
Other assets less liabilities (0.07%)			145,636
TOTAL NET ASSETS (100.00%)			\$ 203,097,866

(See accompanying notes to financial statements)

Notes to Financial Statements - ETF Specific Information

For the Years Ended December 31, 2022 and 2021

A. ETF INFORMATION (NOTE 1)

The following table lists specific information about the ETF, the tickers under which the Cdn\$ Shares and US\$ Shares (if applicable), as described in note 1, trade on the Toronto Stock Exchange (the "TSX"), the functional and presentation currency of the ETF in either Canadian ("CAD") or U.S. ("USD") dollars, and the effective start of operations of the ETF.

ETF Name	TSX Ticker(s)	Reporting Currency	Effective Start of Operations
Horizons US Large Cap Index ETF	HULC, HULC.U	CAD	February 5, 2020

Investment Objective

HULC seeks to replicate, to the extent possible, the performance of the Solactive US Large Cap Index (CA NTR) (the "Underlying Index", Bloomberg ticker: SOLUSLCC), net of expenses. The Solactive US Large Cap Index (CA NTR) is designed to measure the performance of the large-cap market segment of the U.S. equity market.

Share Split Transaction

The shares of the ETF were split on a two-for-one basis effective July 5, 2021. All relevant share and per share historical data prior to July 5, 2021, has been adjusted to reflect the split.

B. FINANCIAL INSTRUMENTS RISK (NOTE 5)

(a) Market risks

(i) *Currency risk*

The following table indicates the foreign currencies to which the ETF had significant exposure. As at December 31, 2022, and 2021, in Canadian dollar terms and the potential impact on the ETF's net assets (including the underlying principal amount of future or forward currency contracts, if any), as a result of a 1% change in these currencies relative to the Canadian dollar:

December 31, 2022	Financial Instruments	Currency Forward and/ or Futures Contracts	Total	Impact on Net Asset Value
Currency	(\$000's)	(\$000's)	(\$000's)	(\$000's)
U.S. Dollar	203,030	–	203,030	2,030
Total	203,030	–	203,030	2,030
As % of Net Asset Value	100.0%	–	100.0%	1.0%

Notes to Financial Statements - ETF Specific Information (continued)

For the Years Ended December 31, 2022 and 2021

December 31, 2021	Financial Instruments	Currency Forward and/ or Futures Contracts	Total	Impact on Net Asset Value
Currency	(\$000's)	(\$000's)	(\$000's)	(\$000's)
U.S. Dollar	143,346	–	143,346	1,433
Total	143,346	–	143,346	1,433
As % of Net Asset Value	99.9%	–	99.9%	1.0%

(ii) Interest rate risk

As at December 31, 2022, and 2021, the ETF did not hold any long-term debt instruments and did not have any exposure to interest rate risk.

(iii) Market price risk

For the period ended December 31, 2022, the US\$ Shares of the ETF returned -19.93%. This compares to a return of -19.94% for the Underlying Index for the same period. The above figures are adjusted for distributions, if any.

Generally, the difference in performance between the ETF and the Underlying Index is due to expenses payable by the ETF, which include management fees plus applicable sales taxes. The net asset value of the ETF's Cdn\$ Shares are impacted by the daily Canadian/U.S. dollar exchange rate. Since the securities in the Underlying Index are traded in U.S. dollars and are unhedged, the Cdn\$ Shares of the ETF will be positively or negatively affected by an appreciation or depreciation of the U.S. dollar versus the Canadian dollar.

The table below shows the estimated impact on the ETF of a 1% increase or decrease in the Underlying 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.

Underlying Index	December 31, 2022	December 31, 2021
Solactive US Large Cap Index (CA NTR)	\$1,936,165	\$1,234,498

(b) Credit risk

As at December 31, 2022, and 2021, due to the nature of its portfolio investments, the ETF did not have any material credit risk exposure.

Notes to Financial Statements - ETF Specific Information (continued)

For the Years Ended December 31, 2022 and 2021

C. FAIR VALUE MEASUREMENT (NOTE 6)

The following is a summary of the inputs used as at December 31, 2022 and 2021, in valuing the ETF's investments and derivatives carried at fair values:

	December 31, 2022			December 31, 2021		
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Financial Assets						
Equities	202,052,943	–	–	143,186,109	–	–
Total Financial Assets	202,052,943	–	–	143,186,109	–	–
Total Financial Liabilities	–	–	–	–	–	–
Net Financial Assets and Liabilities	202,052,943	–	–	143,186,109	–	–

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 years shown. In addition, there were no investments or transactions classified in Level 3 for the years ended December 31, 2022 and 2021.

D. SECURITIES LENDING (NOTE 7)

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

As at	Securities Loaned	Collateral Received
December 31, 2022	\$2,945,961	\$3,104,815
December 31, 2021	\$2,633,405	\$2,816,858

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 years ended December 31, 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 years ended	December 31, 2022	% of Gross Income	December 31, 2021	% of Gross Income
Gross securities lending income	\$6,863		\$3,031	
Withholding taxes	(341)	4.97%	(124)	4.09%
Lending Agents' fees:				
Canadian Imperial Bank of Commerce	(2,605)	37.96%	(1,160)	38.27%
Net securities lending income paid to the ETF	\$3,917	57.07%	\$1,747	57.64%

Notes to Financial Statements - ETF Specific Information (continued)

For the Years Ended December 31, 2022 and 2021

E. REDEEMABLE SHARES (NOTE 8)

For the years ended December 31, 2022 and 2021, the number of ETF Shares issued by subscription, the number of ETF Shares redeemed, the total and average number of ETF Shares outstanding was as follows:

Year	Beginning Shares Outstanding	Shares Issued	Shares Redeemed	Ending Shares Outstanding	Average Shares Outstanding
2022	2,032,800	1,550,000	(225,000)	3,357,800	2,786,773
2021	1,000,000	1,432,800	(400,000)	2,032,800	1,476,702

F. BROKER COMMISSIONS, SOFT DOLLARS AND RELATED PARTY TRANSACTIONS (NOTE 10)

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 years ended December 31, 2022 and 2021, were as follow:

Year Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
December 31, 2022	\$1,686	\$nil	\$nil
December 31, 2021	\$569	\$nil	\$nil

G. OFFSETTING OF FINANCIAL INSTRUMENTS (NOTE 13)

As at December 31, 2022 and 2021, the ETF did not have any financial instruments eligible for offsetting.

H. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND UNCONSOLIDATED STRUCTURED ENTITIES (NOTE 14)

As at December 31, 2022 and 2021, the ETF had no exposure to subsidiaries, associates or unconsolidated structured entities.

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

1. REPORTING ENTITY

Horizons ETF Corp. (the “Company”) is a mutual fund corporation established on October 10, 2019, under the federal laws of Canada. The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares (each, a “Corporate Class” or “ETF”), issuable in an unlimited number of series, and one class of voting shares designated as “Class J Shares”. Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. These financial statements (the “financial statements”) as at and for the years ended December 31, 2022 and 2021, comprise the Company and its wholly-owned entities and are presented on the basis outlined below. ETF-specific information and the investment objectives for each ETF in the Company are disclosed in the ETF-specific notes information to the financial statements of each ETF. Each ETF is a separate Corporate Class and currently consists of a single series of exchange traded fund shares (“ETF Shares”) of the applicable Corporate Class of the Company.

Each ETF is offered for sale on a continuous basis by the Company’s prospectus in ETF Shares which trade on the Toronto Stock Exchange (“TSX”) in Canadian dollars (“Cdn\$ Shares”) and, where applicable, in U.S. dollars (“US\$ Shares”). Subscriptions for US\$ Shares can be made in either U.S. or Canadian dollars. An investor may buy or sell shares of the ETF on the TSX through a registered broker or dealer in the province or territory where the investor resides. Investors are able to trade shares 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 shares.

Horizons ETFs Management (Canada) Inc. (“Horizons Management” or the “Manager” or the “Investment Manager”) is the manager and investment manager of the Company and of each Corporate Class. The Investment Manager is responsible for implementing each ETF’s investment strategies. The address of the Company’s registered office is: c/o Horizons ETFs Management (Canada) Inc., 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7.

Investment Objective

The purpose of each ETF is to invest the net assets attributable to that ETF in accordance with its investment objectives, as defined in the Company’s prospectus. The investment objective for each ETF is set out in note A in the ETF-specific notes information.

2. BASIS OF PREPARATION

(i) Statement of compliance

The ETF’s 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 shares as reported under IFRS.

These financial statements were authorized for issue on March 10, 2023, by the Board of Directors of the Company.

(ii) Basis of measurement

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

3. SIGNIFICANT ACCOUNTING POLICIES

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

(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 payment of principal and interest, 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 valuation date, as defined in the ETF’s prospectus (“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.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

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.

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

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

Cash consists of cash on deposit.

Redeemable shares

The Company has made significant judgments when determining the classification of each ETF’s redeemable securities as financial liabilities in accordance with IAS 32 – Financial Instruments – Presentation (“IAS 32”).

Each ETF’s redeemable shares are classes in the Company. The classes will not participate pro rata in the residual net assets of the Company in the event of the Company’s liquidation and they do not have identical features. Consequently, each ETF’s outstanding redeemable shares are classified as financial liabilities in accordance with the requirements of IAS 32.

Derivative agreements

In order to achieve its investment objective, the ETF may enter into derivative agreements (the “Derivative Agreements”) with one or more bank counterparties (each a “Counterparty”). The value of these derivative agreements is the gain or loss that would be realized if, on the Valuation Date, the agreements were to be closed out. That value is recorded as a derivative asset and/or derivative liability in the statements of financial position and included in the net change in unrealized appreciation (depreciation) of investments and derivatives in the statements of comprehensive income.

When these derivative contracts are closed out or mature, realized gains or losses on the derivative agreements are recognized and are included in the statements of comprehensive income in net realized gain (loss) on sale of investments and derivatives.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

(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, if any, represents the coupon interest received by the ETF accounted for on an accrual basis. Dividend income, if any, is recognized on the ex-dividend date. Distribution income from investments in other funds or ETFs, if any, 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, if any, 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 year-end exchange rate. Foreign exchange gains and losses, if any, 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 shares per share

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

(f) Shareholder transactions

The value at which shares of the ETF are issued or redeemed is determined by dividing the net asset value of the ETF by the total number of shares outstanding of the ETF on the applicable Valuation Date. Amounts received on the issuance of shares and amounts paid on the redemption of shares 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.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

(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.

(h) Net assets attributable to holders of redeemable shares per share

Net assets attributable to holders of redeemable shares per share is calculated by dividing the ETF's net assets attributable to holders of redeemable shares by the number of shares 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, fees incurred in conjunction with the ETF's derivative agreements, 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 Company's most recent prospectus for a complete discussion of the risks attributed to an investment in the shares of the ETF. Significant financial instrument risks that are relevant to the ETF are discussed below and an analysis thereof is included in note B of the ETF-specific notes information.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

(a) Market risks

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.

(i) *Currency risk*

Currency risk is the risk that financial instruments which are denominated in currencies other than the ETF's reporting currency will fluctuate due to changes in exchange rates and adversely impact the ETF's income, cash flows or fair values of its investment holdings.

(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.

(iii) *Market price risk*

Other market price 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 ETF is subject to other market risks that will affect the value of its investments, including general economic and market conditions, as well as developments that impact specific economic sectors, industries or companies. The ETF will normally lose value on days when the securities comprising the Underlying Index declines. The ETF intends to remain fully invested regardless of market conditions.

(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, including any positive mark-to-market of the ETF's Derivative Agreement(s). This amount is included in "Derivative assets" (if any) in the statements of financial position. The credit risk related to any one Derivative Agreement is concentrated in the Counterparty to that particular Derivative Agreement.

Credit risk is managed by dealing with counterparties the Manager believes to be creditworthy and which meet the designated rating requirements of National Instrument 81-102 ("NI 81-102").

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

(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.

6. FAIR VALUE MEASUREMENT

IFRS 13, Fair Value Measurement ("IFRS 13") requires 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 fair value hierarchy classification of the ETF's assets and liabilities and additional disclosures relating to transfers between levels is included in note C in the ETF-specific notes information.

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 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.

The aggregate closing market value of securities loaned and collateral received, if any, as at December 31, 2022 and 2021, and a reconciliation of the securities lending income for the years then ended, if any, as presented in the statements of comprehensive income are presented in note D of the ETF-specific notes information.

8. REDEEMABLE SHARES

The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting Corporate Classes, issuable in an unlimited number of series, including the ETF Shares, and one class of voting shares designated as "Class J Shares". Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. Each ETF of the Company is a separate Corporate Class.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

Each ETF Share entitles the owner to one vote at meetings of shareholders of the applicable Corporate Class to which they are entitled to vote. Each shareholder is entitled to participate equally with all other shares of the same Corporate Class or series of Corporate Class with respect to all payments made to shareholders, other than management fee rebates, including dividends and distributions and, on liquidation, to participate equally in the net assets of the applicable Corporate Class remaining after satisfaction of any outstanding liabilities that are attributable to ETF Shares of the Corporate Class.

The redeemable shares 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. The ETF's objectives in managing the redeemable shares are to meet the ETF's investment objective, and to manage liquidity risk arising from redemptions. The ETF's liquidity risk arising from redeemable shares is discussed in note 5.

On any valid trading day, as defined in the ETF's prospectus, shareholders of the ETF may redeem: (i) ETF Shares for cash at a redemption price per ETF Share equal to 95% of the closing price for the ETF Shares in the applicable currency on the TSX on the effective day of the redemption, subject to a maximum redemption price per ETF Share equal to the net asset value per ETF Share on the effective day of redemption; or (ii) at the sole discretion of the Manager, a prescribed number of shares ("PNS") or a whole multiple PNS for cash in the applicable currency equal to the net asset value of that number of ETF Shares in such currency next determined following the receipt of the redemption request, less any applicable redemption charge as determined by the Manager in its sole discretion; or (iii) at the sole discretion of the Manager, a PNS or a whole multiple PNS in exchange for securities and cash in the applicable currency equal to the net asset value of that number of ETF Shares in such currency following the receipt of the redemption request, provided that a securities redemption may be subject to redemption charges at the sole discretion of the Manager.

Shares of the ETF are issued or redeemed on a daily basis at the net asset value per share that is determined as at 4:00 p.m. (Eastern Time) each business day.

If, in any taxation year, the Company would otherwise be liable for tax on net realized capital gains, the Company intends to pay, to the extent possible, by the last day of that year, a special capital gains dividend to ensure that the Company will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). Such distributions may be paid in the form of ETF Shares of the relevant ETF and/or cash which is automatically reinvested in ETF Shares of the relevant ETF. Any such distributions payable in ETF Shares or reinvested in ETF Shares of the relevant ETF will increase the aggregate adjusted cost base of a shareholder's ETF Shares of that ETF. Immediately following payment of such a special distribution in ETF Shares or reinvestment in ETF Shares, the number of ETF Shares of that ETF outstanding will be automatically consolidated such that the number of ETF Shares of that ETF outstanding after such distribution will be equal to the number of ETF Shares of that ETF outstanding immediately prior to such distribution, except where there are non-resident shareholders to the extent tax is required to be withheld in respect of the distribution.

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

A summary table of the number of shares issued by subscription, the number of shares redeemed, the total and average number of shares outstanding during the relevant reporting periods is disclosed in note E of the ETF-specific notes information.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

9. EXPENSES AND OTHER RELATED PARTY TRANSACTIONS**Management fees**

In consideration for management services and investment advice provided to the ETF, the Manager is entitled to a management fee. The management fee, inclusive of sales tax, is applied on a daily basis to the net asset value of the ETF. The management fees, exclusive of sales tax, are charged at the annual rate of 0.08%. Approximately 100% of management fees were used for management, investment management, operating costs of the ETF, other general administration and profit.

From the management fee, the Manager has paid substantially all of the costs and expenses relating to the operation of the business and affairs of the ETF including investment management, administration, legal, accounting, custody, audit, registrar and transfer agency fees, and applicable sales taxes as well as expenses associated with advertising, marketing, sponsoring and promoting the sale of securities of the ETF.

The ETF's constating documents require that the Manager pay all the expenses of the ETF other than the management fees and sales tax on the management fee as may be applicable. As a result, the ETF does not have any other expenses.

The management fees paid to the Manager are considered related party transactions, as the Manager is a related party to the ETF. The management fees paid to the Manager are disclosed in the statements of comprehensive income. The management fees payable by the ETF as at December 31, 2022 and 2021, are disclosed in the statements of financial position.

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.

In addition to the information contained in note F of the ETF-specific notes information, 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. The management fees payable by the ETF as at December 31, 2022 and 2021, are disclosed in the statements of financial position.

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 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.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

11. INCOME TAX

The Company qualifies and intends at all relevant times to qualify as a “mutual fund corporation” as defined in the Tax Act. Although the Company may issue any number of classes, in any number of series, it will be required (like any other mutual fund corporation with a multi-class structure) to compute its income and net capital gains for tax purposes as a single entity. All of the Company’s revenues, deductible expenses, non-capital losses, capital gains and capital losses in connection with all of its investment portfolios, and other items relevant to its tax position (including the tax attributes of all of its assets), will be taken into account in determining the income (and taxable income) or loss of the Company and applicable taxes payable by the Company as a whole.

As a mutual fund corporation, the Company is entitled, in certain circumstances, to a refund of tax paid by it in respect of its net realized capital gains determined on a formula basis that is based in part on the redemption of the ETF Shares. Also, as a mutual fund corporation, the Company will be entitled to maintain a capital gains dividend account in respect of its net realized capital gains and from which it may elect to pay dividends which are treated as capital gains dividends in the hands of shareholders.

To the extent that the Company earns net income (other than dividends from taxable Canadian corporations and certain taxable capital gains and after available deductions), including in respect of derivative transactions, interest and income paid or made payable to it by a trust resident in Canada, the Company will be subject to income tax on such net income and no refund will be available in respect thereof.

The Company may, at its option, pay special year-end dividends to shareholders in the form of a capital gains dividend where the Company has net taxable capital gains upon which it would otherwise be subject to tax, or in order to recover refundable tax not otherwise recoverable upon payment of regular cash distributions.

The Company will establish a policy to determine how it will allocate income and capital gains in a tax-efficient manner among its Corporate Classes in a way that it believes is fair, consistent and reasonable for all shareholders. The amount of dividends, if any, paid to shareholders will be based on this tax allocation policy, which will be approved by the Company’s board of directors.

12. TAX LOSSES CARRIED FORWARD

Where the Company has realized a net capital loss in a taxation year, such capital loss cannot be allocated to shareholders but the Company may carry such capital loss back three years or forward indefinitely to offset capital gains realized by the Company. Non-capital losses incurred by the Company in a taxation year cannot be allocated to shareholders of the Company, but may be carried back three years or carried forward twenty years to offset income (including taxable capital gains).

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

As at December 31, 2022, the Company and its wholly-owned entities 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
\$1,326,394,679	\$126,121	2028
	\$1,961,149	2029
	\$5,668,871	2030
	\$3,237,571	2031
	\$3,138,653	2032
	\$153,021,428	2033
	\$230,454,838	2034
	\$447,405,094	2035
	\$74,326,117	2036
	\$266,066,173	2037
	\$118,767,474	2038
	\$191,271,535	2039
	\$1,379,820,461	2040

13. 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. Amounts eligible for offset, if any, are disclosed in note G of the ETF-specific notes information.

14. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND UNCONSOLIDATED STRUCTURED ENTITIES

The ETF may invest in shares or 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 share or 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.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2022 and 2021

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, listed in the schedule of investments, and further detailed in note H of the ETF-specific notes information.

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