



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



HORIZONS ETFs
by Mirae Asset

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Contents

MANAGEMENT REPORT OF FUND PERFORMANCE

Management Discussion of Fund Performance	5
Financial Highlights	9
Past Performance	12
Summary of Investment Portfolio	14

MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

Statements of Financial Position	20
Statements of Comprehensive Income	21
Statements of Changes in Financial Position	22
Statements of Cash Flows	23
Schedule of Investments	24
Notes to Financial Statements - ETF Specific Information	38
Notes to Financial Statements	42

A Message from the CEO

As we mark the end of 2023, I am proud to highlight the successes that Horizons ETFs has achieved this year, within our business and for our investors. Through 2024 and beyond, we remain committed to helping Canadians navigate and harness the emerging trends shaping markets while delivering exceptional investment solutions and client experiences.

While global uncertainty and economic pressures have resulted in market volatility, Canada's ETF industry continues to grow. As at December 31, 2023, Canada's ETF industry accumulated approximately \$40 billion of in-flows during the year.

At Horizons ETFs, our assets under management swelled from approximately \$22.9 billion at the end of 2022 to over \$30 billion at the end of 2023 – an increase of more than \$7.6 billion, the largest year-over-year growth in the firm's history. We continued to solidify our position as a leading Canadian ETF provider, with more than \$5.5 billion in ETF in-flows this year.

We are also committed to our longstanding commitment to bringing innovative ETFs to market. In April, we launched Canada's first ETFs that provide exclusive exposure to Canadian and U.S. 0-3-month Treasury Bills, respectively the Horizons 0-3 Month T-Bill ETF ("**CBIL**") and the Horizons 0-3 Month U.S. T-Bill ETF ("**UBIL.U**"). In July, we launched 6 ETFs as part of our Equity Essentials suite, including Canada's lowest-cost Canadian bank ETF, the Horizons Equal Weight Banks Index ETF ("**HBNK**"). In October, we launched our Premium Yield ETF suite, which provides exposure to actively-managed options programs on U.S. Treasury securities. We also expanded our suite of Asset Allocation ETFs to include first-in-Canada types of exposure in this class of ETFs.

These launches were a significant success: Horizons ETFs recorded more than \$1.8 billion in in-flows into these ETFs, making us one of the top providers in Canada for assets raised in new ETFs launched in 2023. In 2024, we intend to launch several new and innovative ETFs, offering investors more opportunities to gain and tailor their exposure to traditional and emerging asset classes. We look forward to sharing more news on these exciting products soon.

No matter what is next on the horizon, we are confident that our suite of innovative ETFs will be able to help you reach your financial goals.

At Horizons ETFs, we embrace innovation in everything that we do. From our roots as one of Canada's first ETF providers to our proud legacy of launching first-of-their-kind investment products, we are driven by boldness, vision, and a commitment to exceptional quality and client experience.

Thank you for your continued support as we work toward advancing the asset management industry toward a brighter horizon for all investors.

Sincerely,



Rohit Mehta
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.sedarplus.ca.

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, 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 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.sedarplus.ca, 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 • Foreign exchange and market risk • Income trust investments risks • Currency Price Fluctuations • 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 • Index adjustments • Cease trading of securities risk • General risks of equity investments • Voting of index securities risk |
|--|--|

Results of Operations

For the year ended December 31, 2023, the US\$ Shares of the ETF returned 26.82%. By comparison, the Underlying Index returned 27.05% 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 year ended December 31, 2023, the top performers in the Underlying Index were NVIDIA Corporation, Meta Platforms, Inc., and Palantir Technologies Inc., gaining 239.02%, 194.13% and 167.45%, respectively. The worst performers in the Underlying Index for the year were Enphase Energy Inc., Moderna Inc., and Dollar General Corporation, returning -50.13%, -44.63%, and -44.13%, 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, 2023, the ETF generated gross comprehensive income (loss) from investments and derivatives (which includes changes in the fair value of the ETF's portfolio) of \$77,549,775. This compares to (\$19,962,189) for the year ended December 31, 2022. The ETF incurred management, and transaction expenses of \$1,216,233 (2022 – \$559,051) of which \$- (2022 – \$9,885) 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, 2023 and 2022.

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.

Name Change

On March 6, 2024, Horizons ETFs Management (Canada) Inc., the investment manager of the ETF, announced that it will rebrand as Global X Investment Canada Inc., in May 2024. The name change is not expected to change any of the day-to-day operations of the ETF. The operations, personnel and responsibilities of the Investment Manager remain unchanged.

Presentation

The attached financial statements have been prepared in accordance with IFRS Accounting 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, 2023 and 2022, 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. 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⁾		2023	2022	2021	2020
Net assets, beginning of year	\$	60.49	70.57	55.98	50.00
Increase (decrease) from operations:					
Total revenue		1.12	1.02	0.92	0.84
Total expenses		(0.23)	(0.20)	(0.18)	(0.16)
Realized gains (losses) for the year		3.33	(0.68)	2.15	(0.05)
Unrealized gains (losses) for the year		10.29	(7.50)	12.39	10.26
Total increase (decrease) from operations ⁽²⁾		14.51	(7.36)	15.28	10.89
Total distributions ⁽³⁾		–	–	–	–
Net assets, end of year (Cdn\$ shares) ⁽¹⁾⁽⁴⁾	\$	75.07	60.49	70.57	55.98
Net assets, end of year (US\$ shares) ⁽⁴⁾	\$	56.65	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⁾	2023	2022	2021	2020
Total net asset value (000's)	\$ 402,192	203,098	143,461	55,981
Number of shares outstanding (000's)	5,358	3,358	2,033	1,000
Management expense ratio ⁽²⁾⁽⁴⁾	0.09%	0.09%	0.09%	0.08%
Management expense ratio excluding proportion of expenses from underlying investment funds	0.09%	0.08%	0.08%	0.08%
Management expense ratio before waivers and absorptions ⁽²⁾	0.09%	0.09%	0.09%	0.09%
Trading expense ratio ⁽³⁾⁽⁴⁾	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁵⁾	68.29%	61.46%	113.96%	54.39%
Net asset value per share, end of year (Cdn\$ shares)	\$ 75.07	60.49	70.57	55.98
Closing market price (Cdn\$ shares)	\$ 74.93	60.74	70.64	55.67
Net asset value per share, end of year (US\$ shares)	\$ 56.65	44.67	55.79	43.98
Closing market price (US\$ shares)	\$ 56.63	44.90	55.83	44.00

1. This information is provided as at December 31 of the year/period shown.
2. Management expense ratio is based on total expenses, including sales tax, (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the year/period. 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.
3. 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 year/period.
4. 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 year/period.
5. 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.

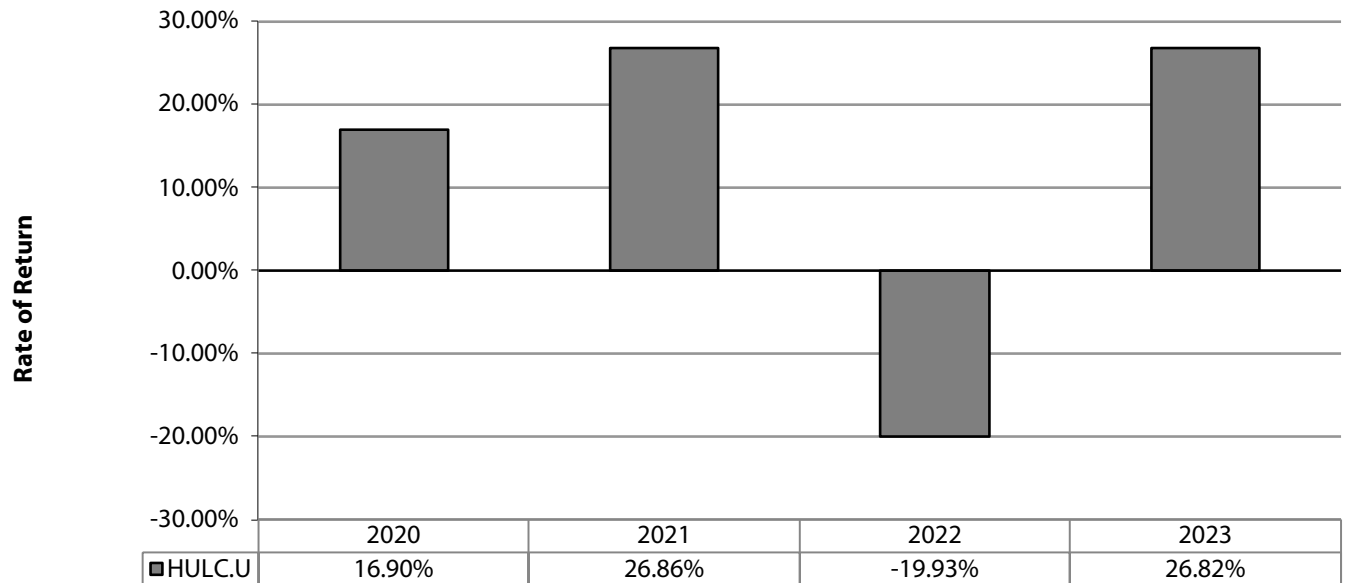
The constating documents of the ETF require that the Manager pay all the expenses of the ETF other than the management fee, any sales taxes on the management fee, and any brokerage and commissions expenses as may be applicable. As a result, the ETF does not have any other expenses.

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 periods shown ended December 31, 2023, 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	3 Year	Since Inception
Horizons US Large Cap Index ETF	26.82%	8.81%	11.06%
Solactive US Large Cap Index (CA NTR)	27.05%	8.91%	11.07%

The ETF effectively began operations on February 5, 2020.

Summary of Investment Portfolio

As at December 31, 2023

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
U.S. Equities	\$ 389,549,624	96.86%
Global Equities	10,781,032	2.68%
Cash and Cash Equivalents	1,639,375	0.41%
Other Assets less Liabilities	222,022	0.05%
	\$ 402,192,053	100.00%

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Information Technology	\$ 130,745,049	32.50%
Health Care	50,146,567	12.47%
Financials	49,251,377	12.24%
Consumer Discretionary	43,527,843	10.82%
Communication Services	35,922,915	8.93%
Industrials	32,079,440	7.98%
Consumer Staples	22,906,623	5.70%
Energy	16,410,393	4.08%
Materials	10,284,909	2.57%
Utilities	9,055,540	2.25%
Cash and Cash Equivalents	1,639,375	0.41%
Other Assets less Liabilities	222,022	0.05%
	\$ 402,192,053	100.00%

Summary of Investment Portfolio (continued)

As at December 31, 2023

Top 25 Holdings	% of ETF's Net Asset Value
Apple Inc.	6.99%
Microsoft Corp.	6.77%
Alphabet Inc.	3.79%
Amazon.com Inc.	3.36%
NVIDIA Corp.	2.89%
Meta Platforms Inc.	1.93%
Tesla Inc.	1.68%
Eli Lilly and Co.	1.22%
JPMorgan Chase & Co.	1.21%
UnitedHealth Group Inc.	1.20%
Berkshire Hathaway Inc.	1.14%
Broadcom Inc.	1.11%
Visa Inc.	1.03%
Exxon Mobil Corp.	0.97%
Johnson & Johnson	0.93%
MasterCard Inc.	0.88%
Home Depot Inc. (The)	0.85%
Procter & Gamble Co. (The)	0.85%
Costco Wholesale Corp.	0.72%
Merck & Co. Inc.	0.68%
AbbVie Inc.	0.67%
Adobe Inc.	0.67%
Chevron Corp.	0.64%
Salesforce Inc.	0.61%
Advanced Micro Devices Inc.	0.58%

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.sedarplus.ca.

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 IFRS Accounting Standards ("IFRS") 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.



Rohit Mehta
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, 2023, and December 31, 2022, the statements of comprehensive income, changes in financial position and cash flows for the years then ended and notes to the financial statements, including a summary of material accounting policy information (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, 2023, and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting 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 IFRS Accounting 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 Paula M. Foster.
Toronto, Canada
March 13, 2024

Statements of Financial Position

As at December 31,

	2023	2022
Assets		
Cash and cash equivalents	\$ 1,639,375	\$ 899,287
Investments (note 6)	400,330,656	202,052,943
Amounts receivable relating to accrued income	343,390	160,164
Amounts receivable relating to portfolio assets sold	764,381	–
Total assets	403,077,802	203,112,394
Liabilities		
Accrued management fees (note 9)	32,238	14,528
Amounts payable relating to securities redeemed	750,670	–
Amounts payable for portfolio assets purchased	102,841	–
Total liabilities	885,749	14,528
Total net assets	\$ 402,192,053	\$ 203,097,866
Number of redeemable shares outstanding (note 8)	5,357,800	3,357,800
Total net assets per share (Cdn\$ shares)	75.07	60.49
Total net assets per share (US\$ shares)	\$ 56.65	\$ 44.67

(See accompanying notes to financial statements)

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



Rohit Mehta
Director



Jasmit Bhandal
Director

Statements of Comprehensive Income

For the Years Ended December 31,

	2023	2022
Income		
Dividend income	\$ 5,873,627	\$ 2,835,909
Securities lending income (note 7)	18,895	3,917
Net realized gain (loss) on sale of investments and derivatives	17,496,352	(1,922,725)
Net realized gain (loss) on foreign exchange	31,184	16,900
Net change in unrealized appreciation (depreciation) of investments and derivatives	54,138,429	(20,897,932)
Net change in unrealized appreciation (depreciation) of foreign exchange	(8,712)	1,742
	77,549,775	(19,962,189)
Expenses (note 9)		
Management fees	319,941	154,758
Transaction costs	14,725	1,686
Withholding taxes	881,206	402,606
Other expenses	361	1
	1,216,233	559,051
Amounts that were payable by the investment fund that were paid or absorbed by the Manager	–	(9,885)
	1,216,233	549,166
Increase (decrease) in net assets for the year	\$ 76,333,542	\$ (20,511,355)
Increase (decrease) in net assets per share	\$ 14.51	\$ (7.36)

(See accompanying notes to financial statements)

Statements of Changes in Financial Position

For the Years Ended December 31,

	2023		2022	
Total net assets at the beginning of the year	\$	203,097,866	\$	143,461,179
Increase (decrease) in net assets		76,333,542		(20,511,355)
Redeemable share transactions				
Proceeds from the issuance of securities of the investment fund		262,807,261		93,780,768
Aggregate amounts paid on redemption of securities of the investment fund		(140,046,616)		(13,632,726)
Total net assets at the end of the year	\$	402,192,053	\$	203,097,866

(See accompanying notes to financial statements)

Statements of Cash Flows

For the Years Ended December 31,

	2023	2022
Cash flows from operating activities:		
Increase (decrease) in net assets for the year	\$ 76,333,542	\$ (20,511,355)
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	(17,496,352)	1,922,725
Net change in unrealized (appreciation) depreciation of investments and derivatives	(54,138,429)	20,897,932
Net change in unrealized (appreciation) depreciation of foreign exchange	6,019	(429)
Purchase of investments	(147,587,264)	(102,978,026)
Proceeds from the sale of investments	115,581,463	93,016,605
Amounts receivable relating to accrued income	(183,226)	(63,200)
Accrued expenses	17,710	4,474
Net cash from (used in) operating activities	(27,466,537)	(7,711,274)
Cash flows from financing activities:		
Amount received from the issuance of shares	41,089,468	8,964,096
Amount paid on redemptions of shares	(12,876,824)	(542,124)
Net cash from (used in) financing activities	28,212,644	8,421,972
Net increase (decrease) in cash and cash equivalents during the year	746,107	710,698
Effect of exchange rate fluctuations on cash and cash equivalents	(6,019)	429
Cash and cash equivalents at beginning of year	899,287	188,160
Cash and cash equivalents at end of year	\$ 1,639,375	\$ 899,287

Dividends received, net of withholding taxes	\$ 4,809,195	\$ 2,370,103
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(See accompanying notes to financial statements)

Schedule of Investments

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
U.S. EQUITIES (96.86%)			
Information Technology (31.80%)			
Adobe Inc.	3,397	\$ 2,032,118	\$ 2,685,413
Advanced Micro Devices Inc.	11,974	1,524,649	2,338,829
Akamai Technologies Inc.	1,114	140,734	174,697
Amphenol Corp., Class 'A'	4,449	449,590	584,386
Analog Devices Inc.	3,693	831,667	971,635
ANSYS Inc.	660	270,438	317,351
Apple Inc.	110,201	22,707,247	28,113,584
Applied Materials Inc.	6,241	985,199	1,340,260
Arista Networks Inc.	1,778	330,931	554,847
Autodesk Inc.	1,583	457,266	510,713
Automatic Data Processing Inc.	3,091	882,779	954,182
Block Inc., Class 'A'	4,135	516,435	423,807
Booz Allen Hamilton Holding Corp.	980	142,879	166,097
Broadcom Inc.	3,027	2,528,415	4,477,197
Broadridge Financial Solutions Inc., ADR	890	181,233	242,640
Cadence Design Systems Inc.	2,026	496,256	731,191
CDW Corp.	1,019	243,874	306,933
Cisco Systems Inc.	30,225	1,988,706	2,023,308
CloudFlare Inc., Class 'A'	2,154	206,764	237,637
Cognizant Technology Solutions Corp., Class 'A'	3,781	341,621	378,406
Corning Inc.	5,825	261,078	235,026
CoStar Group Inc.	3,038	301,270	351,789
CrowdStrike Holdings Inc., Class 'A'	1,650	371,540	558,214
Datadog Inc., Class 'A'	2,166	283,010	348,368
Dell Technologies Inc., Class 'C'	1,875	179,176	190,062
Electronic Arts Inc.	2,037	339,698	369,268
Entergris Inc.	1,114	146,582	176,867
EPAM Systems Inc.	438	193,071	172,568
FactSet Research Systems Inc.	297	163,658	187,738
Fair Isaac Corp.	190	198,279	293,051
Fidelity National Information Services Inc.	4,445	493,457	353,803
FleetCor Technologies Inc.	538	166,667	201,466
Fortinet Inc.	5,100	382,252	395,531
Gartner Inc.	576	225,886	344,300
Gen Digital Inc.	4,661	129,503	140,938
Hewlett Packard Enterprise Co.	9,646	193,481	217,029
HP Inc.	7,443	288,117	296,758
HubSpot Inc.	372	217,553	286,159
Intel Corp.	31,238	1,646,105	2,079,944

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
International Business Machines Corp.	6,809	1,232,478	1,475,592
Intuit Inc.	2,053	1,234,951	1,700,286
Jabil Inc.	953	164,946	160,877
Jack Henry & Associates Inc.	542	126,704	117,357
Keysight Technologies Inc.	1,331	260,492	280,578
KLA Corp.	1,038	501,244	799,521
Lam Research Corp.	1,004	702,941	1,042,010
Lattice Semiconductor Corp.	1,097	118,800	100,282
Leidos Holdings Inc.	1,042	133,788	149,447
Manhattan Associates Inc.	475	130,480	135,522
Marvell Technology Inc.	6,440	429,963	514,645
Mastercard Inc., Class 'A'	6,233	2,980,521	3,522,562
Microchip Technology Inc.	3,990	398,856	476,777
Micron Technology Inc.	8,162	719,341	922,957
Microsoft Corp.	54,637	20,681,533	27,224,076
MongoDB Inc.	502	199,923	271,957
Monolithic Power Systems Inc.	362	214,944	302,565
Moody's Corp.	1,187	491,952	614,286
Motorola Solutions Inc.	1,249	415,673	518,160
MSCI Inc.	574	378,333	430,221
NetApp Inc.	1,577	145,809	184,220
NVIDIA Corp.	17,692	6,393,226	11,609,336
Okta Inc.	1,148	110,251	137,710
ON Semiconductor Corp.	3,223	290,079	356,726
Oracle Corp.	11,721	1,386,727	1,637,424
Palantir Technologies Inc.	13,659	256,573	310,757
Palo Alto Networks Inc.	2,271	565,243	887,350
Paychex Inc.	2,417	360,766	381,467
Paycom Software Inc.	401	167,038	109,840
PayPal Holdings Inc.	8,238	1,201,062	670,337
PTC Inc.	892	155,424	206,793
QUALCOMM Inc.	8,327	1,410,515	1,595,803
Salesforce Inc.	7,010	1,913,261	2,444,202
ServiceNow Inc.	1,542	1,043,379	1,443,520
Skyworks Solutions Inc.	1,207	189,526	179,797
Snowflake Inc., Class 'A'	2,086	498,335	550,047
Splunk Inc.	1,173	186,655	236,795
SS&C Technologies Holdings Inc.	1,623	131,405	131,421
Super Micro Computer Inc.	358	125,205	134,844
Synopsys Inc.	1,131	541,762	771,660
Take-Two Interactive Software Inc.	1,263	229,850	269,356

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
Teradyne Inc.	1,161	158,586	166,945
Texas Instruments Inc.	6,758	1,513,329	1,526,416
TransUnion	1,497	149,531	136,293
Twilio Inc.	1,385	230,509	139,236
Tyler Technologies Inc.	326	162,677	180,614
Veeva Systems Inc., Class 'A'	1,089	298,133	277,802
Verisk Analytics Inc.	1,079	279,755	341,505
Visa Inc., Class 'A'	11,990	3,530,823	4,136,271
Western Digital Corp.	2,463	149,320	170,915
Workday Inc., Class 'A'	1,553	430,808	568,077
Zebra Technologies Corp., Class 'A'	399	177,184	144,508
Zoom Video Communications Inc.	1,897	317,327	180,754
Zscaler Inc.	676	149,912	198,459
		99,807,032	127,908,870
Health Care (12.12%)			
Abbott Laboratories	12,881	1,814,416	1,878,671
AbbVie Inc.	13,171	2,456,165	2,704,573
Align Technology Inc.	536	246,435	194,602
Alnylam Pharmaceuticals Inc.	947	219,257	240,186
Amgen Inc.	3,987	1,281,162	1,521,602
Avantor Inc.	4,862	162,516	147,080
Baxter International Inc.	3,783	275,349	193,790
Becton	2,172	716,564	701,745
Biogen Inc.	1,074	375,028	368,257
BioMarin Pharmaceutical Inc.	1,400	166,408	178,866
Bio-Techne Corp.	1,190	130,981	121,667
Boston Scientific Corp.	10,963	670,753	839,778
Bristol-Myers Squibb Co.	15,636	1,348,269	1,063,065
Bunge Global SA	1,033	147,723	138,178
Cardinal Health Inc.	1,876	175,140	250,568
Cencora Inc.	1,253	263,010	340,990
Centene Corp.	4,043	378,123	397,556
Cigna Corp.	2,197	751,803	871,739
Cooper Cos. Inc. (The)	384	181,582	192,558
CVS Health Corp.	9,556	1,011,318	999,806
Danaher Corp.	4,920	1,440,347	1,508,162
Dexcom Inc.	2,891	403,675	475,354
Edwards Lifesciences Corp.	4,546	513,426	459,305
Elevance Health Inc.	1,759	1,021,398	1,099,095
Eli Lilly and Co.	6,325	2,972,927	4,885,418
Exact Sciences Corp.	1,377	123,058	134,983

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
GE HealthCare Technologies Inc.	2,736	243,248	280,311
Gilead Sciences Inc.	9,290	906,495	997,210
HCA Healthcare Inc.	1,540	464,013	552,343
Hologic Inc.	1,851	178,735	175,243
Humana Inc.	940	578,147	570,224
IDEXX Laboratories Inc.	617	384,272	453,784
Illumina Inc.	1,201	381,938	221,584
Incyte Corp.	1,447	140,415	120,390
Insulet Corp.	507	178,633	145,767
Intuitive Surgical Inc.	2,626	919,688	1,173,872
IQVIA Holdings Inc.	1,344	367,908	412,057
Johnson & Johnson	17,971	3,850,216	3,732,367
Laboratory Corp. of America Holdings	677	208,093	203,893
McKesson Corp.	1,027	425,864	630,035
Merck & Co. Inc.	18,927	2,429,465	2,734,137
Mettler-Toledo International Inc.	168	288,299	270,015
Moderna Inc.	2,482	478,224	327,069
Molina Healthcare Inc.	450	163,847	215,439
Pfizer Inc.	42,127	2,248,865	1,607,069
Quest Diagnostics Inc.	846	151,142	154,562
Regeneron Pharmaceuticals Inc.	774	709,295	900,764
ResMed Inc.	1,084	294,645	247,082
Revvity Inc.	940	162,035	136,151
Stryker Corp.	2,370	808,385	940,415
Thermo Fisher Scientific Inc.	2,884	2,011,197	2,028,384
UnitedHealth Group Inc.	6,904	4,290,588	4,816,224
Vertex Pharmaceuticals Inc.	1,938	755,855	1,044,872
Viatis Inc.	9,028	136,684	129,554
Waters Corp.	459	179,781	200,237
West Pharmaceutical Services Inc.	549	242,665	256,151
Zimmer Biomet Holdings Inc.	1,580	263,507	254,789
Zoetis Inc.	3,442	790,063	900,169
		44,879,040	48,739,757
Financials (11.71%)			
Aflac Inc.	4,049	335,364	442,623
Alexandria Real Estate Equities Inc.	1,312	248,021	220,385
Allstate Corp. (The)	1,957	309,809	362,985
American Express Co.	4,372	915,011	1,085,283
American International Group Inc.	5,265	371,906	472,650
American Tower Corp.	3,486	1,012,315	997,177
Ameriprise Financial Inc.	775	291,242	390,053

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
Apollo Global Management Inc.	3,031	274,521	374,272
Ares Management Corp., Class 'A'	1,131	136,300	178,217
Arthur J. Gallagher & Co.	1,580	377,177	470,804
AvalonBay Communities Inc.	1,074	263,833	266,433
Bank of America Corp.	51,532	2,223,140	2,299,071
Bank of New York Mellon Corp. (The)	5,676	347,586	391,467
Berkshire Hathaway Inc., Class 'B'	9,728	3,918,278	4,597,378
BlackRock Inc.	1,103	1,021,446	1,186,470
Blackstone Inc., Class 'A'	5,285	664,965	916,818
Brown & Brown Inc.	1,793	148,972	168,944
Camden Property Trust	826	134,941	108,672
Capital One Financial Corp.	2,840	416,100	493,423
Cboe Global Markets Inc.	795	147,981	188,098
CBRE Group Inc., Class 'A'	2,336	238,918	288,143
Charles Schwab Corp. (The)	10,358	862,188	944,271
Cincinnati Financial Corp.	1,166	167,352	159,847
Citigroup Inc.	14,008	959,758	954,793
Citizens Financial Group Inc.	3,566	166,796	156,591
CME Group Inc.	2,666	702,416	743,962
Crown Castle International Corp.	3,233	605,602	493,461
Digital Realty Trust Inc.	2,280	376,787	406,582
Discover Financial Services	1,900	248,523	282,978
Equity Lifestyle Properties Inc.	1,362	125,294	127,305
Equity Residential	2,785	244,717	225,697
Essex Property Trust Inc.	497	163,445	163,281
Extra Space Storage Inc.	1,547	278,649	328,653
Fifth Third Bancorp	5,122	212,824	234,080
First Citizens BancShares Inc.	79	148,520	148,536
Fiserv Inc.	4,535	672,481	798,249
Gaming and Leisure Properties Inc.	1,921	129,436	125,617
Global Payments Inc.	1,942	336,269	326,802
Goldman Sachs Group Inc. (The)	2,462	1,066,444	1,258,487
Hartford Financial Services Group Inc. (The)	2,298	205,596	244,754
Host Hotels & Resorts Inc.	5,328	125,282	137,456
Huntington Bancshares Inc.	10,810	179,575	182,199
Intercontinental Exchange Inc.	4,221	606,780	718,314
Invitation Homes Inc.	4,294	189,746	194,078
Iron Mountain Inc.	2,169	158,776	201,125
JPMorgan Chase & Co.	21,510	3,928,168	4,848,161
KeyCorp	6,981	142,974	133,202
Kimco Realty Corp.	4,554	128,319	128,590

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
KKR & Co. Inc.	5,010	368,033	550,000
Loews Corp.	1,416	128,139	130,570
LPL Financial Holdings Inc.	567	155,622	171,012
M&T Bank Corp.	1,259	237,729	228,682
Marsh & McLennan Cos. Inc.	3,698	794,459	928,410
MetLife Inc.	4,725	384,343	414,031
Mid-America Apartment Communities Inc.	880	177,386	156,786
Morgan Stanley	9,561	1,061,266	1,181,366
Nasdaq Inc.	2,628	186,182	202,457
Net Lease Office Properties	120	2,063	2,938
Northern Trust Corp.	1,561	190,037	174,532
PNC Financial Services Group Inc.	2,975	584,382	610,422
Principal Financial Group Inc.	1,836	171,862	191,388
Progressive Corp. (The)	4,357	725,249	919,562
Prologis Inc.	6,894	1,088,216	1,217,681
Prudential Financial Inc.	2,719	333,621	373,648
Public Storage	1,194	459,086	482,543
Raymond James Financial Inc.	1,422	176,636	210,091
Realty Income Corp.	5,305	436,874	403,628
Regions Financial Corp.	7,012	176,023	180,064
S&P Global Inc.	2,381	1,142,231	1,389,816
SBA Communications Corp.	811	294,416	272,619
Simon Property Group Inc.	2,428	370,517	458,904
State Street Corp.	2,409	243,571	247,256
Sun Communities Inc.	937	182,169	165,936
Synchrony Financial	3,169	141,689	160,363
T. Rowe Price Group Inc.	1,654	277,633	236,017
Travelers Cos. Inc. (The)	1,720	374,421	434,143
Truist Financial Corp.	9,987	558,883	488,572
U.S. Bancorp	11,115	635,937	637,425
UDR Inc.	2,294	129,170	116,389
Ventas Inc.	3,048	191,540	201,291
Vertiv Holdings Co.	2,662	149,607	169,415
VICI Properties Inc.	7,579	311,773	320,157
W.R. Berkley Corp.	1,529	144,353	143,279
Wells Fargo & Co.	27,137	1,504,235	1,769,847
Welltower Inc.	3,903	407,146	466,329
WP Carey Inc.	1,577	152,805	135,427
		41,979,847	47,109,433

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
Consumer Discretionary (10.77%)			
Amazon.com Inc.	67,137	11,171,560	13,516,564
AutoZone Inc.	141	379,781	483,075
Best Buy Co. Inc.	1,464	165,481	151,853
Carnival Corp.	7,529	122,443	184,961
Chipotle Mexican Grill Inc.	214	445,308	648,492
Copart Inc.	6,359	300,650	412,874
D.R. Horton Inc.	2,299	285,684	462,975
Darden Restaurants Inc.	911	168,455	198,330
Deckers Outdoor Corp.	202	136,726	178,912
Dollar Tree Inc.	1,568	271,011	295,134
Domino's Pizza Inc.	271	131,306	148,027
DraftKings Inc., Class 'A'	3,243	125,969	151,474
eBay Inc.	4,006	254,661	231,541
Expedia Group Inc.	1,075	168,076	216,214
Ford Motor Co.	29,423	484,150	475,251
General Motors Co.	10,262	527,133	488,428
Genuine Parts Co.	1,014	189,771	186,089
Hilton Worldwide Holdings Inc.	1,930	345,005	465,667
Home Depot Inc. (The)	7,437	2,979,796	3,415,041
Interpublic Group of Cos. Inc. (The)	2,897	133,071	125,294
Las Vegas Sands Corp.	2,487	158,509	162,167
Lennar Corp., Class 'A'	1,836	241,345	362,583
Live Nation Entertainment Inc.	1,096	123,170	135,931
LKQ Corp.	1,940	137,699	122,849
Lowe's Cos. Inc.	4,302	1,116,122	1,268,616
Marriott International Inc., Class 'A'	1,958	421,708	585,074
Masco Corp.	1,688	120,833	149,813
McDonald's Corp.	5,431	1,869,121	2,133,789
MGM Resorts International	2,151	115,448	127,346
Netflix Inc.	3,227	1,669,738	2,081,868
Nike Inc., Class 'B'	9,055	1,440,539	1,302,658
NVR Inc.	24	163,532	222,623
O'Reilly Automotive Inc.	469	434,379	590,426
Pool Corp.	296	144,817	156,380
PulteGroup Inc.	1,632	158,029	223,211
Rivian Automotive Inc., Class 'A'	5,050	114,840	156,983
Ross Stores Inc.	2,492	352,901	456,967
Royal Caribbean Cruises Ltd.	1,660	165,073	284,824
Starbucks Corp.	8,393	1,090,727	1,067,741
Target Corp.	3,448	736,092	650,685
Tesla Inc.	20,500	6,121,153	6,749,593

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
TJX Cos. Inc. (The)	8,516	843,643	1,058,564
Tractor Supply Co.	823	221,349	234,494
Ulta Beauty Inc.	377	206,009	244,771
Yum! Brands Inc.	2,111	340,978	365,480
		37,293,791	43,331,632
Communication Services (8.93%)			
Airbnb Inc., Class 'A'	3,145	554,796	567,334
Alphabet Inc., Class 'A'	44,272	6,614,640	8,194,580
Alphabet Inc., Class 'C'	37,641	5,639,207	7,029,054
AT&T Inc.	53,319	1,323,350	1,185,513
Booking Holdings Inc.	277	841,789	1,301,968
Charter Communications Inc., Class 'A'	751	446,679	386,780
Comcast Corp., Class 'A'	30,402	1,726,493	1,766,461
DoorDash Inc., Class 'A'	2,007	250,866	262,986
Equinix Inc.	703	674,278	750,229
GoDaddy Inc., Class 'A'	1,096	114,969	154,171
Meta Platforms Inc., Class 'A'	16,523	5,399,121	7,749,530
Omnicom Group Inc.	1,479	154,515	169,538
Pinterest Inc., Class 'A'	4,344	155,975	213,203
Roblox Corp., Class 'A'	3,513	184,107	212,822
T-Mobile US Inc.	3,870	706,005	822,163
Trade Desk Inc. (The)	3,328	289,000	317,327
Uber Technologies Inc.	14,678	752,570	1,197,480
VeriSign Inc.	689	185,243	188,033
Verizon Communications Inc.	31,370	1,803,544	1,567,069
Walt Disney Co. (The)	13,660	2,021,176	1,634,265
Warner Bros. Discovery Inc.	16,739	376,880	252,409
		30,215,203	35,922,915
Industrials (7.61%)			
3M Co.	4,121	701,121	596,945
Agilent Technologies Inc.	2,191	373,939	403,630
Ametek Inc.	1,737	312,146	379,513
Axon Enterprise Inc.	511	151,892	174,915
Boeing Co. (The)	4,188	1,125,464	1,446,483
Builders FirstSource Inc.	933	142,614	206,383
Carlisle Cos. Inc.	387	124,833	160,212
Carrier Global Corp.	6,313	376,582	480,572
Caterpillar Inc.	3,803	1,115,629	1,489,930
Cintas Corp.	651	371,820	519,859
CSX Corp.	14,912	604,897	685,050
Cummins Inc.	1,047	314,844	332,362

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
Deere & Co.	1,991	959,276	1,054,927
Delta Air Lines Inc.	4,850	241,103	258,538
Dover Corp.	1,028	190,934	209,512
Emerson Electric Co.	4,239	485,392	546,692
Equifax Inc.	925	245,695	303,096
Expeditors International of Washington Inc.	1,105	157,516	186,244
Fastenal Co.	4,287	301,536	367,925
FedEx Corp.	1,723	539,467	577,546
Fortive Corp.	2,644	237,384	257,958
General Dynamics Corp.	1,691	484,189	581,832
General Electric Co.	8,063	928,141	1,363,583
Graco Inc.	1,278	136,891	146,921
Honeywell International Inc.	4,956	1,265,775	1,377,155
Howmet Aerospace Inc.	3,093	174,672	221,804
Hubbell Inc.	417	141,154	181,749
IDEX Corp.	569	156,602	163,691
Illinois Tool Works Inc.	2,255	673,952	782,673
Ingersoll Rand Inc.	3,069	223,636	314,509
J.B. Hunt Transport Services Inc.	623	142,838	164,887
Jacobs Solutions Inc.	947	152,469	162,876
Johnson Controls International PLC	5,086	386,857	388,448
L3Harris Technologies Inc.	1,421	384,717	396,576
Lennox International Inc.	249	132,321	147,654
Lockheed Martin Corp.	1,861	1,063,825	1,117,653
Norfolk Southern Corp.	1,695	509,276	530,900
Northrop Grumman Corp.	1,129	647,497	700,329
Old Dominion Freight Line Inc.	717	293,962	385,088
Otis Worldwide Corp.	3,088	321,938	366,089
PACCAR Inc.	3,879	365,415	501,908
Parker-Hannifin Corp.	972	409,824	593,358
Quanta Services Inc.	1,077	217,630	307,964
Raytheon Technologies Corp.	10,853	1,271,744	1,209,998
Republic Services Inc.	1,560	272,269	340,882
Rockwell Automation Inc.	871	311,427	358,331
Roper Technologies Inc.	806	473,787	582,236
Snap-On Inc.	406	145,303	155,387
Southwest Airlines Co.	4,462	215,093	170,749
Stanley Black & Decker Inc.	1,142	172,200	148,446
Teledyne Technologies Inc.	363	194,550	214,662
Textron Inc.	1,511	142,403	161,013
TransDigm Group Inc.	405	361,428	542,870

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
Trimble Inc.	1,885	141,721	132,879
Union Pacific Corp.	4,551	1,277,605	1,481,163
United Airlines Holdings Inc.	2,487	146,126	135,968
United Parcel Service Inc., Class 'B'	5,397	1,271,997	1,124,398
United Rentals Inc.	497	221,645	377,626
Veralto Corp.	1,749	199,136	190,639
W.W. Grainger Inc.	315	223,164	345,888
Wabtec Corp.	1,358	173,343	228,346
Waste Management Inc.	3,032	611,906	719,543
Watsco Inc.	260	129,098	147,613
Xylem Inc.	1,818	248,848	275,486
		26,492,458	30,580,062
Consumer Staples (5.70%)			
Altria Group Inc.	13,247	780,856	708,085
Archer-Daniels-Midland Co.	4,028	390,466	385,460
Brown-Forman Corp., Class 'B'	2,293	203,125	173,489
Church & Dwight Co. Inc.	1,871	220,069	234,430
Clorox Co. (The)	942	194,928	177,980
Coca-Cola Co. (The)	29,019	2,271,945	2,265,954
Colgate-Palmolive Co.	6,213	630,596	656,215
Conagra Brands Inc.	3,610	162,635	137,093
Constellation Brands Inc., Class 'A'	1,193	370,436	382,155
Costco Wholesale Corp.	3,299	2,146,405	2,885,434
Dollar General Corp.	1,636	426,868	294,710
Estée Lauder Cos. Inc. (The), Class 'A'	1,611	492,108	312,193
General Mills Inc.	4,350	412,460	375,465
Hershey Co. (The)	1,126	313,669	278,170
J.M. Smucker Co. (The)	766	140,897	128,274
Kellanova	1,983	168,527	146,908
Kenvue Inc.	12,978	341,772	370,241
Keurig Dr Pepper Inc.	6,783	310,356	299,474
Kimberly-Clark Corp.	2,533	440,623	407,830
Kraft Heinz Co. (The)	5,906	295,560	289,396
Kroger Co. (The)	5,365	316,736	324,948
Lamb Weston Holdings Inc.	1,074	137,693	153,823
McCormick & Co. Inc.	1,919	209,870	173,976
Mondelez International Inc., Class 'A'	10,107	881,289	970,003
Monster Beverage Corp.	3,810	248,117	290,841
PepsiCo Inc.	10,250	2,289,179	2,306,727
Philip Morris International Inc.	11,580	1,456,520	1,443,571
Procter & Gamble Co. (The)	17,583	3,372,229	3,414,141

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
Sysco Corp.	3,776	379,102	365,898
Tyson Foods Inc., Class 'A'	2,147	185,723	152,912
Walgreens Boots Alliance Inc.	5,386	259,981	186,340
Walmart Inc.	10,601	2,053,936	2,214,487
		22,504,676	22,906,623
Energy (4.08%)			
APA Corp.	2,307	123,220	109,681
Baker Hughes Co.	7,549	299,834	341,896
Cheniere Energy Inc.	1,783	319,519	403,313
Chevron Corp.	12,960	2,446,601	2,561,472
ConocoPhillips Co.	8,944	1,088,608	1,375,574
Coterra Energy Inc.	5,584	182,133	188,825
Devon Energy Corp.	4,841	317,118	290,580
Diamondback Energy Inc.	1,278	223,187	262,615
Enphase Energy Inc.	1,005	228,034	175,968
EOG Resources Inc.	4,356	618,636	698,113
EQT Corp.	3,120	163,043	159,826
Exxon Mobil Corp.	29,560	3,566,170	3,916,064
First Solar Inc.	765	178,664	174,634
Halliburton Co.	6,740	289,924	322,850
Hess Corp.	2,087	319,854	398,657
Kinder Morgan Inc.	14,582	330,632	340,838
Marathon Oil Corp.	4,547	154,580	145,564
Marathon Petroleum Corp.	2,994	411,959	588,574
Occidental Petroleum Corp.	5,180	354,285	409,835
ONEOK Inc.	4,354	358,939	405,118
Ovintiv Inc.	1,831	119,983	106,557
Phillips 66	3,341	426,087	589,410
Pioneer Natural Resources Co.	1,736	468,266	517,289
Schlumberger Ltd.	10,662	625,145	735,205
Targa Resources Corp.	1,648	166,119	189,697
Texas Pacific Land Corp.	60	153,718	125,014
Valero Energy Corp.	2,644	388,490	455,446
Williams Cos. Inc. (The)	9,139	361,392	421,778
		14,684,140	16,410,393
Utilities (2.25%)			
Alliant Energy Corp.	1,930	137,589	131,192
Ameren Corp.	2,008	222,425	192,475
American Electric Power Co. Inc.	3,870	449,785	416,492
American Water Works Co. Inc.	1,468	284,137	256,743
Atmos Energy Corp.	1,110	168,658	170,466

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
CenterPoint Energy Inc.	4,782	175,192	181,031
CMS Energy Corp.	2,183	175,829	167,972
Consolidated Edison Inc.	2,593	305,742	312,560
Constellation Energy Corp.	2,409	234,496	373,118
Dominion Energy Inc.	6,312	526,485	393,095
DTE Energy Co.	1,550	229,483	226,455
Duke Energy Corp.	5,762	738,402	740,894
Edison International	2,894	253,472	274,142
Entergy Corp.	1,561	217,864	209,302
Evergy Inc.	1,711	134,852	118,346
Eversource Energy	2,680	273,936	219,176
Exelon Corp.	7,513	388,500	357,388
FirstEnergy Corp.	4,118	209,486	200,037
NextEra Energy Inc.	15,303	1,480,930	1,231,640
NiSource Inc.	3,144	118,485	110,606
PG&E Corp.	18,369	378,712	438,847
PPL Corp.	5,542	202,135	199,007
Public Service Enterprise Group Inc.	3,710	301,602	300,609
Sempra Energy	4,712	451,852	466,587
Southern Co. (The)	8,159	732,749	758,073
WEC Energy Group Inc.	2,387	291,397	266,221
Xcel Energy Inc.	4,182	364,443	343,066
		9,448,638	9,055,540
Materials (1.89%)			
Air Products and Chemicals Inc.	1,643	600,912	596,078
Albemarle Corp.	888	236,072	170,002
Avery Dennison Corp.	602	142,343	161,259
Ball Corp.	2,347	202,583	178,881
Celanese Corp.	823	118,772	169,433
CF Industries Holdings Inc.	1,489	172,059	156,853
Corteva Inc.	5,387	368,270	342,055
Dow Inc.	5,318	382,360	386,436
DuPont de Nemours Inc.	3,151	287,533	321,201
Ecolab Inc.	1,897	449,814	498,576
Freeport-McMoRan Inc., Class 'B'	10,727	512,862	605,082
International Flavors & Fragrances Inc.	1,948	268,395	209,000
International Paper Co.	2,622	141,101	125,595
Markel Corp.	102	173,453	191,907
Martin Marietta Materials Inc.	480	222,050	317,319
Mosaic Co. (The)	2,522	172,090	119,402
Newmont Corp.	5,924	393,955	324,895

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
Nucor Corp.	1,862	313,781	429,399
Packaging Corp. of America	681	134,709	147,003
PPG Industries Inc.	1,781	321,513	352,925
Reliance Steel & Aluminum Co.	454	153,976	168,248
RPM International Inc.	968	121,008	143,182
Sherwin-Williams Co. (The)	1,768	577,740	730,685
Steel Dynamics Inc.	1,174	153,488	183,717
Vulcan Materials Co.	1,008	236,291	303,206
Weyerhaeuser Co.	5,471	233,547	252,060
		7,090,677	7,584,399
TOTAL U.S. EQUITIES		334,395,502	389,549,624
GLOBAL EQUITIES (2.68%)			
Information Technology (0.70%)			
Accenture PLC, Class 'A'	4,962	1,929,292	2,307,197
Atlassian Corp. PLC	1,154	273,245	363,714
Seagate Technology Holdings PLC	1,461	137,863	165,268
		2,340,400	2,836,179
Materials (0.68%)			
CRH PLC	5,102	404,896	467,550
Linde PLC	3,654	1,665,163	1,988,548
LyondellBasell Industries NV, Class 'A'	1,940	241,066	244,412
		2,311,125	2,700,510
Financials (0.53%)			
Aon PLC	1,517	575,033	584,980
Arch Capital Group Ltd.	2,690	211,684	264,727
Chubb Ltd.	3,069	788,382	919,047
Everest Re Group Ltd.	259	132,259	121,344
Willis Towers Watson PLC	788	235,521	251,846
		1,942,879	2,141,944
Industrials (0.37%)			
Eaton Corp. PLC	2,973	656,328	948,680
Trane Technologies PLC	1,704	395,927	550,698
		1,052,255	1,499,378
Health Care (0.35%)			
Medtronic PLC	9,936	1,202,299	1,084,590
Royalty Pharma PLC, Class 'A'	2,834	136,600	105,484
STERIS PLC	744	197,354	216,736
		1,536,253	1,406,810

Schedule of Investments (continued)

As at December 31, 2023

Security	Shares	Average Cost	Fair Value
Consumer Discretionary (0.05%)			
Garmin Ltd.	1,152	167,883	196,211
TOTAL GLOBAL EQUITIES		9,350,795	10,781,032
Transaction Costs		(9,821)	
TOTAL INVESTMENT PORTFOLIO (99.54%)		\$ 343,736,476	\$ 400,330,656
Cash and cash equivalents (0.41%)			1,639,375
Other assets less liabilities (0.05%)			222,022
TOTAL NET ASSETS (100.00%)			\$ 402,192,053

(See accompanying notes to financial statements)

Notes to Financial Statements - ETF Specific Information

For the Years Ended December 31, 2023 and 2022

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.

B. FINANCIAL INSTRUMENTS RISK (NOTE 5)

(a) Market risks

(i) *Currency risk*

The following tables indicate the foreign currencies to which the ETF had significant exposure As at December 31, 2023 and 2022, 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, 2023	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	402,840	–	402,840	4,028
Total	402,840	–	402,840	4,028
As % of Net Asset Value	100.2%	–	100.2%	1.0%

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%

(ii) *Interest rate risk*

As at December 31, 2023 and 2022, the ETF did not hold any long-term debt instruments and did not have any exposure to interest rate risk.

Notes to Financial Statements - ETF Specific Information (continued)

For the Years Ended December 31, 2023 and 2022

(iii) Market price risk

For the year ended December 31, 2023, the US\$ Shares of the ETF returned 26.82%. This compares to a return of 27.05% 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, 2023	December 31, 2022
Solactive US Large Cap Index (CA NTR)	\$3,779,439	\$1,936,165

(b) Credit risk

As at December 31, 2023 and 2022, due to the nature of its portfolio investments, the ETF did not have any material credit risk exposure.

C. FAIR VALUE MEASUREMENT (NOTE 6)

The following is a summary of the inputs used as at December 31, 2023 and 2022, in valuing the ETF's investments and derivatives carried at fair values:

	December 31, 2023			December 31, 2022		
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Financial Assets						
Equities	400,330,656	–	–	202,052,943	–	–
Total Financial Assets	400,330,656	–	–	202,052,943	–	–
Total Financial Liabilities	–	–	–	–	–	–
Net Financial Assets and Liabilities	400,330,656	–	–	202,052,943	–	–

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, 2023 and 2022.

Notes to Financial Statements - ETF Specific Information (continued)

For the Years Ended December 31, 2023 and 2022

D. SECURITIES LENDING (NOTE 7)

The aggregate closing market value of securities loaned and collateral received as at December 31, 2023 and 2022, was as follows:

As at	Securities Loaned	Collateral Received
December 31, 2023	\$8,830,763	\$9,344,683
December 31, 2022	\$2,945,961	\$3,104,815

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, 2023 and 2022. 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, 2023	% of Gross Income	December 31, 2022	% of Gross Income
Gross securities lending income	\$41,689		\$6,863	
Withholding taxes	(10,202)	24.47%	(341)	4.97%
Lending Agent's fees:				
Canadian Imperial Bank of Commerce	(12,592)	30.21%	(2,605)	37.96%
Net securities lending income paid to the ETF	\$18,895	45.32%	\$3,917	57.07%

E. REDEEMABLE SHARES (NOTE 8)

For the years ended December 31, 2023 and 2022, 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
2023	3,357,800	3,905,000	(1,905,000)	5,357,800	5,261,293
2022	2,032,800	1,550,000	(225,000)	3,357,800	2,786,773

Notes to Financial Statements - ETF Specific Information (continued)

For the Years Ended December 31, 2023 and 2022

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, 2023 and 2022, were as follow:

Year Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
December 31, 2023	\$14,725	\$nil	\$nil
December 31, 2022	\$1,686	\$nil	\$nil

G. OFFSETTING OF FINANCIAL INSTRUMENTS (NOTE 13)

As at December 31, 2023 and 2022, 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, 2023 and 2022, the ETF had no exposure to subsidiaries, associates or unconsolidated structured entities.

Notes to Financial Statements

For the Years Ended December 31, 2023 and 2022

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, 2023 and 2022, 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 IFRS Accounting 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 13, 2024, 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, 2023 and 2022

3. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2023 and 2022

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, 2023 and 2022

(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, 2023 and 2022

(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.

(j) Changes in accounting policies

The Fund adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Manager reviewed the accounting policies and amended the information disclosed in Note 3 as applicable.

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.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2023 and 2022

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.

(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.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2023 and 2022

(b) Credit risk

Credit risk on financial instruments is the risk of a financial loss occurring as a result of the default of a counterparty on its obligation to the ETF. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, and other receivables.

The ETF's maximum credit risk exposure as at the reporting date is represented by the respective carrying amounts of the financial assets in the statements of financial position, 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").

(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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2023 and 2022

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, 2023 and 2022, 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.

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2023 and 2022

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.

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 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, any sales taxes on the management fee, and any brokerage and commissions expenses 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, 2023 and 2022, 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, 2023 and 2022, are disclosed in the statements of financial position.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2023 and 2022

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.

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, 2023 and 2022

As at December 31, 2023, 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
	\$1,073,403,752	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, 2023 and 2022

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.

15. SUBSEQUENT EVENTS

On March 6, 2024, Horizons ETFs Management (Canada) Inc., the investment manager of the ETF, announced that it will rebrand as Global X Investment Canada Inc., in May 2024. The name change is not expected to change any of the day-to-day operations of the ETF. The operations, personnel and responsibilities of the Investment Manager remain unchanged.

Manager

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