

**GLOBAL X**

by Mirae Asset

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# GLOBAL X ACTIVE CORPORATE BOND ETF

(FORMERLY HORIZONS ACTIVE CORPORATE BOND ETF)

## (HAB:TSX)

INTERIM REPORT | JUNE 30, 2024

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## A Message from the CEO

We are only halfway into 2024 and this year has already proven to be one of the most important and monumental in our company's history.

After publicly announcing our intention earlier in March, we successfully completed our rebrand from Horizons ETFs into Global X Investments Canada Inc. ("**Global X**") on May 1<sup>st</sup>, 2024.

With investors like you in mind, our decision to rebrand was rooted in a desire to offer Canadians the best of both worlds: the strength, extended reach and global network of experts that come with the internationally recognized Global X brand, alongside the continued local expertise and support we offer for navigating the Canadian investment landscape.

As part of the Global X platform, we are a part of something bigger: more than \$100 billion of ETF assets under management worldwide, backed by our parent company, Mirae Asset, which has more than \$800 billion in assets across 19 countries and markets.

Meanwhile, our suite of ETFs – one of Canada's largest and longest-running – continues to trade under their original ticker symbols and mandates, while the Horizons branded fund names were updated to the Global X brand. Another decision made with our investors' interests at heart.

Through this year and beyond, we remain committed to helping Canadians navigate and harness the emerging trends shaping markets while delivering exceptional investment solutions and client experiences.

I am proud to highlight other successes that Global X has achieved so far this year, within our business and for our investors.

In June, Global X was recognized as the ETF Provider of the Year at the 2024 Wealth Professional Awards. The award recognizes the outstanding asset management firm that specializes in exchange-traded funds (ETFs) which consistently delivers superior advisor service while pushing the boundaries with innovation and industry best practices over the last 12 months. This recognition reflects our commitment to delivering high-quality investment solutions and underscores Global X's position as a Canadian ETF industry leader.

In May, we launched the largest number of funds in our company's history, with 17 new ETFs.

In partnership with the world's leading index providers, including Nasdaq, S&P and MSCI, we expanded our Equity Essentials suite – strategies that offer low-cost, benchmark exposure – with 15 new ETFs, including innovative covered call and light leverage overlays. Our expanded Equity Essentials suite is designed to empower Canadians to invest the way they want, whether they're looking for greater income potential, amplified growth potential, or both.

On the thematic side, new launches included mandates focused on the emerging AI revolution, through Global X Artificial Intelligence & Technology Index ETF ("**AIGO**") and to today's top global giants, through the Global X Innovative Bluechip Top 10 Index ETF ("**TTTX**").

There are many more exciting launches in store for 2024 and I am excited to share additional details with you soon.

At Global X, 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.

Under our new brand, our new motto is "Innovation meets Investing". We are committed to being there, alongside you, to help you explore a world of investment possibility and global opportunity.

Thank you for your continued support.

Sincerely,



Rohit Mehta  
President & CEO of Global X Investments Canada Inc.

## MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance for Global X Active Corporate Bond ETF (*formerly Horizons Active Corporate Bond ETF*) (“HAB” or the “ETF”) contains financial highlights and is included with the unaudited interim financial statements for the investment fund. You may request a copy of the ETF’s unaudited interim or audited annual financial statements, interim or annual management report of fund performance, current proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosures, at no cost, from the ETF’s manager, Global X Investments Canada Inc. (“Global X” or the “Manager”), by calling toll free 1-866-641-5739, or locally (416) 933-5745, by writing to us at: 55 University Avenue, Suite 800, Toronto ON, M5J 2H7, or by visiting our website at [www.globalx.ca](http://www.globalx.ca) or SEDAR+ at [www.sedarplus.ca](http://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 prospectus. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors. We caution that the foregoing list of factors is not exhaustive, and that when relying on forward-looking statements to make decisions with respect to investing in the ETF, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Manager does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

## Management Discussion of Fund Performance

### Investment Objective and Strategies

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

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

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

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

## Management Discussion of Fund Performance (continued)

HAB may from time to time use derivative instruments, including futures contracts and credit default swaps, to manage duration, credit exposure, portfolio yield, and market risk. HAB may also use derivatives to manage currency risk.

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

HAB may enter into securities lending transactions to the extent permitted by applicable securities laws.

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

### Risk

The Manager performs a review of the ETF's risk rating at least annually, as well as when there is a material change in the ETF's investment objective or investment strategies. During the period, there were no changes to the ETF that materially affected the overall risk level associated with an investment in the ETF. The current risk rating for the ETF is: low.

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

The risks and the full description of each risk to which an investment in the ETF is subject are disclosed in the ETF's most recent prospectus. The most recent prospectus is available at [www.globalx.ca](http://www.globalx.ca) or from [www.sedarplus.ca](http://www.sedarplus.ca), or by contacting Global X Investments Canada Inc. directly via the contact information on the back page of this document.

**Prospective investors should read the ETF's most recent prospectus and consider the full description of the risks contained therein before purchasing units.**

### Results of Operations

For the period ended June 30, 2024, units of the ETF returned 1.38% when including distributions paid to unitholders. This compares to a return of 1.32% for the ICE Bank of America Merrill Lynch Canada Corporate Bond Index ("Index") for the same period.

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

### General Market Review

During the first half of 2024, North American bond yields adjusted higher and the yield curve steepened over the first three months of the year. The theme in the U.S. was a resilient economy and continued elevated inflation. Softening global growth and inflation added to the view that financial conditions were tight and were working their way through the global economy. Over the last year, headline inflation in the U.S. declined from 5.2% to 2.8% and core inflation fell 170 basis points (bps) to 3.2%. Adding to this dynamic was ongoing quantitative tightening, strong wages, and an increase in the net supply of government bonds.

## Management Discussion of Fund Performance (continued)

The Bank of Canada (BoC) reduced its overnight rate to 4.75% from 5.00% in June. The Canadian economy was operating in excess supply and inflation continued to move lower, giving the BoC more confidence that it would be able to achieve its 2% inflation target over time. As a result, the BoC's Governing Council said monetary policy no longer needed to be as restrictive and cut 25 bps. Inflation has come down from the highs of 2022 and the breadth of price increases has narrowed. Since the start of the year, headline inflation declined from 3.5% to 2.9% and core inflation on average fell by 70 bps to 2.9%. However, investors were disappointed in June with the latest inflation print as it bounced slightly higher after falling for four consecutive months. The market is now only expecting the BoC to cut rates twice in 2024 to 4.25%, with the next move anticipated in September. At one point, investors were looking for an additional 75 bps in cuts before year-end.

Economic data has finally started to fade showing signs that restrictive monetary policy was working to cool the economy. Later in the second quarter, the probability of a soft landing increased, requiring interest rate cuts before the end of the year. The U.S. Federal Reserve (Fed) still needs to see further evidence that inflation is moving lower before it will start loosening policy. At the end of March, investors were looking for the Fed to reduce rates by 70 bps in 2024 to 4.63% with the first 25 bps ease built in by July. At the end of the second quarter, forecasted cuts had been reduced to just 40 bps for the year with the first cut now expected in November. Early in the quarter, the market was looking for only a single rate cut late in the year.

### **Portfolio Review**

Spread was the major contributor to the Fund's performance over the period, with carry and duration positioning also proving to be drivers of the strong performance. Security selection helped and came from the ETFs positions within the Financials, Energy, and Real Estate sectors. This performance was slightly offset by the ETF's security selection in the Infrastructure sector.

Weighted duration deviation on corporate bonds increased from -0.18 to -0.08 as the ETF remained cautious on spreads in front of an economic slowdown. In the secondary market, HAB sold several names across the curve that had performed well and bought some that were still attractive. The primary corporate market was again highly active, but the Sub-Advisor remained very selective. HAB bought TD Bank Non-Viability Contingent Capital (NVCC), Wells Fargo, Reliance, Federation des Caisses Desjardins, Sun Life Financial, Ford Fast, Bell Canada, Choice Properties, RioCan Real Estate, Eagle Canada Credit Card Trust, Coastal Gas Link, CIBC NVCC, BMW Canada Auto Trust, Canadian Western Bank and Pembina Pipeline.

The bond market continued to be in a trading range through most of the second quarter. Rates were being pulled up and down as participants tried to determine the timing of interest rate cuts. This volatility gave HAB opportunities to add and reduce its long-duration position which contributed to performance.

### **Outlook**

The BoC began the process of loosening monetary policy, and the Sub-Advisor expects this to continue in 2024 and 2025. However, the Sub-Advisor does not expect the BoC to cut at every meeting until they get to a neutral level. The Sub-Advisor expects stops and starts because the economy's resilience coupled with the risks to the inflation outlook. The U.S. economy has been more resilient than Canada, but it is also starting to show signs of weakening which will eventually lead to an interest rate cut from the Fed. Restrictive policy is working in both countries but there are long and variable lags. The Sub-Advisor expects a heightened level of interest rate volatility as the market transitions to lower rates, which is expected to provide trading opportunities. Elevated bond supply and geopolitical events will also contribute to this environment.

Investment grade credit spreads are close to long-term historical averages. The Sub-Advisor's base case is for an economic soft landing, where Canadian growth operates below potential but does not fall into a recession, inflation trends towards target in 2024 and 2025, and the BoC cut rates to neutral over this period. Credit spreads reflect this environment, HAB has a modest overweight but has reduced its exposure over the last year. The Sub-Advisor's focus currently is on high-quality sectors or on names where spreads are attractive. Most of the overweight is now on the short end of the curve. The Sub-Advisor anticipates to continue to actively trade this sector.

## Management Discussion of Fund Performance (continued)

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

For the six-month period ended June 30, 2024, the ETF generated gross comprehensive income (loss) from investments and derivatives (which includes changes in the fair value of the ETF's portfolio) of \$5,682,087. This compares to \$11,566,494 for the six-month period ended June 30, 2023. The ETF incurred management, operating and transaction expenses of \$1,012,724 (2023 – \$1,091,549) of which \$7,630 (2023 – \$40,323) was either paid or absorbed by the Manager on behalf of the ETF. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.

The ETF distributed \$6,225,852 to unitholders during the period (2023 – \$7,335,857).

### **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 units as reported under IFRS.

### **Recent Developments**

Other than indicated below, there are no recent industry, management or ETF related developments that are pertinent to the present and future of the ETF.

#### ***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 Investments 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.

#### ***ETF Name Change***

Effective May 1, 2024, the name of the ETF changed from Horizons Active Corporate Bond ETF to Global X Active Corporate Bond ETF. The name of the ETF has been changed to reflect the Global X brand.

### **Related Party Transactions**

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

#### ***Manager, Trustee and Investment Manager***

The manager, trustee and investment manager of the ETF is Global X Investments Canada Inc., 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7, a corporation incorporated under the laws of Ontario.

If the ETF invests in other Global X ETFs, Global X may receive management fees in respect of the ETF's assets invested in such Global X ETFs. In addition, 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. Fees paid to the Independent Review Committee are also considered to be related party transactions. Both the management fees and fees paid to the Independent Review Committee are disclosed in the statements of comprehensive income in the attached financial statements of the ETF. The management fees payable by the ETF as at June 30, 2024, and December 31, 2023, are disclosed in the statements of financial position.



## Financial Highlights

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

### The ETF's Net Assets per Unit

Period <sup>(1)</sup>		2024	2023	2022	2021	2020	2019
<b>Net assets, beginning of period</b>	\$	9.93	9.55	11.03	11.50	10.96	10.47
<b>Increase (decrease) from operations:</b>							
Total revenue		0.22	0.42	0.39	0.38	0.38	0.39
Total expenses		(0.03)	(0.06)	(0.06)	(0.07)	(0.07)	(0.06)
Realized gains (losses) for the period		(0.01)	(0.22)	(0.21)	0.17	0.05	–
Unrealized gains (losses) for the period		(0.04)	0.57	(1.28)	(0.71)	0.51	0.48
<b>Total increase (decrease) from operations <sup>(2)</sup></b>		0.14	0.71	(1.16)	(0.23)	0.87	0.81
<b>Distributions:</b>							
From net investment income (excluding dividends)		(0.19)	(0.36)	(0.34)	(0.31)	(0.32)	(0.33)
From net realized capital gains		–	–	–	(0.01)	–	–
From return of capital		–	(0.03)	(0.04)	–	(0.02)	–
<b>Total distributions <sup>(3)</sup></b>		(0.19)	(0.39)	(0.38)	(0.32)	(0.34)	(0.33)
<b>Net assets, end of period <sup>(4)</sup></b>	\$	9.88	9.93	9.55	11.03	11.50	10.96

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

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

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

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

**Financial Highlights** (continued)

**Ratios and Supplemental Data**

Period <sup>(1)</sup>	2024	2023	2022	2021	2020	2019
Net asset value (000's)	\$ 335,533	324,613	328,577	460,399	611,305	561,841
Number of units outstanding (000's)	33,965	32,688	34,408	41,751	53,144	51,284
Management expense ratio <sup>(2)</sup>	0.61%	0.59%	0.60%	0.59%	0.59%	0.59%
Management expense ratio before waivers and absorptions <sup>(3)</sup>	0.62%	0.62%	0.61%	0.61%	0.61%	0.60%
Trading expense ratio <sup>(4)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>(5)</sup>	31.63%	73.06%	40.62%	36.98%	27.58%	57.69%
Net asset value per unit, end of period	\$ 9.88	9.93	9.55	11.03	11.50	10.96
Closing market price	\$ 9.89	9.90	9.61	11.04	11.51	10.94

1. This information is provided as at June 30, 2024, and December 31 of the years shown.
2. Management expense ratio is based on total expenses, including sales tax, (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Out of its management fees, and waivers and absorptions, as applicable, the Manager pays for such services to the ETF as investment manager compensation and marketing.
3. The Manager, at its discretion, may waive and/or absorb a portion of the fees and/or expenses otherwise payable by the ETF. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.
4. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Transaction costs related to the purchase and/or sale of fixed income securities are typically embedded in the price of those transactions and are therefore not included in the trading expense ratio.
5. The ETF's portfolio turnover rate indicates how actively its portfolio investments are traded. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. Generally, the higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

**Financial Highlights** (continued)

**Management Fees**

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

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

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

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

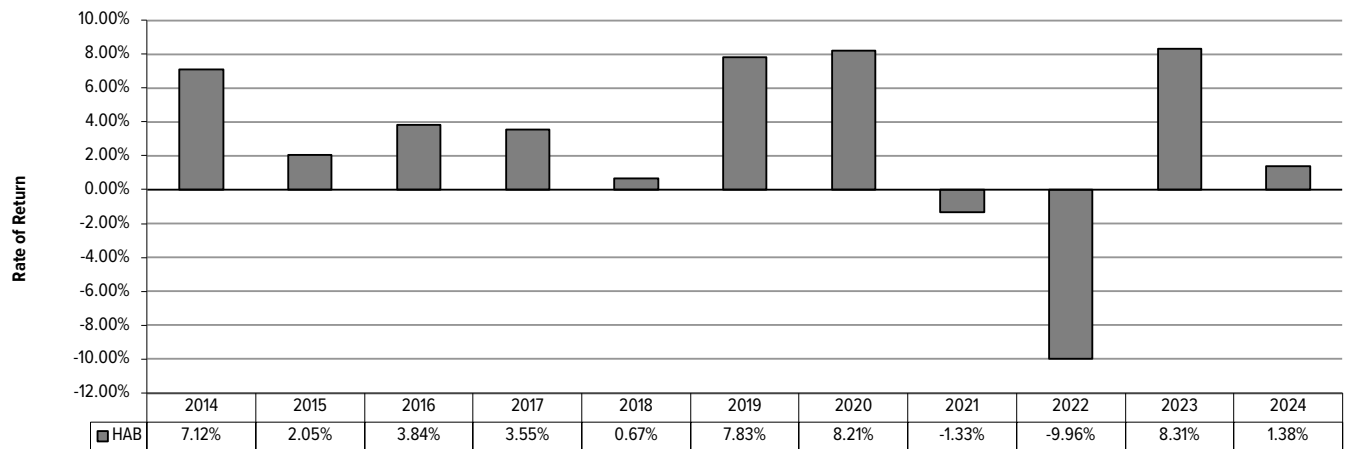
<b>Marketing</b>	<b>Portfolio management fees, general administrative costs and profit</b>	<b>Waived/absorbed expenses of the ETF</b>
8%	91%	1%

## Past Performance

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

## Year-by-Year Returns

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



The ETF effectively began operations on July 14, 2010.

## Summary of Investment Portfolio

As at June 30, 2024

<b>Asset Mix</b>	<b>Net Asset Value</b>	<b>% of ETF's Net Asset Value</b>
Canadian Fixed Income Securities	\$ 319,078,752	95.10%
U.S. Fixed Income Securities	12,117,324	3.61%
Global Fixed Income Securities	1,785,566	0.53%
Cash and Cash Equivalents	666,394	0.20%
Margin Deposits	1,629	0.00%
Other Assets less Liabilities	1,883,232	0.56%
	<b>\$ 335,532,897</b>	<b>100.00%</b>

<b>Sector Mix</b>	<b>Net Asset Value</b>	<b>% of ETF's Net Asset Value</b>
Corporate Bonds	\$ 318,577,469	94.94%
Municipal Bonds	6,369,942	1.90%
Asset-Backed Securities	3,350,866	1.00%
Provincial Bonds	1,679,937	0.50%
Convertible Bonds	1,548,828	0.46%
Mortgage Backed Securities	865,924	0.26%
Government Bonds	588,676	0.18%
Cash and Cash Equivalents	666,394	0.20%
Margin Deposits	1,629	0.00%
Other Assets less Liabilities	1,883,232	0.56%
	<b>\$ 335,532,897</b>	<b>100.00%</b>

**Summary of Investment Portfolio** (continued)

As at June 30, 2024

<b>Top 25 Holdings*</b>	<b>% of ETF's Net Asset Value</b>
Toronto-Dominion Bank (The)	5.61%
Canadian Imperial Bank of Commerce	4.71%
Bank of Montreal	4.60%
Royal Bank of Canada	4.53%
Rogers Communications Inc.	3.71%
Bell Canada	3.38%
Fédération des caisses Desjardins du Québec	3.03%
National Bank of Canada	2.97%
Enbridge Inc.	2.90%
Sun Life Financial Inc.	2.83%
TransCanada PipeLines Ltd.	2.61%
TELUS Corp.	2.30%
Bank of Nova Scotia (The)	2.08%
Pembina Pipeline Corp.	1.93%
Inter Pipeline Ltd.	1.92%
SmartCentres REIT	1.56%
Bank of America Corp.	1.48%
Choice Properties REIT	1.46%
Crombie REIT	1.37%
Hydro One Inc.	1.37%
RioCan REIT	1.35%
Loblaw Cos. Ltd.	1.28%
CU Inc.	1.12%
AltaGas Ltd.	1.09%
Great-West Lifeco Inc.	1.06%

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

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

### **MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying unaudited interim financial statements of Global X Active Corporate Bond ETF (*formerly Horizons Active Corporate Bond ETF*) (the "ETF") are the responsibility of the manager and trustee to the ETF, Global X Investments 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.



\_\_\_\_\_  
Rohit Mehta  
Director  
Global X Investments Canada Inc.



\_\_\_\_\_  
Thomas Park  
Director  
Global X Investments Canada Inc.

### **NOTICE TO UNITHOLDERS**

**The Auditor of the ETF has not reviewed these Financial Statements.**

Global X Investments Canada Inc., the Manager of the ETF, appoints an independent auditor to audit the ETF's annual financial statements.

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

**Statements of Financial Position** (unaudited)

June 30, 2024 and December 31, 2023

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 666,394	\$ 1,333,451
Investments (note 6)	332,981,642	322,129,275
Margin deposits (note 11)	1,629	1,592
Amounts receivable relating to accrued income	3,173,818	2,909,133
Amounts receivable relating to portfolio assets sold	1,953,839	2,022
Amounts receivable relating to securities issued	246,914	–
Derivative assets (note 3)	–	10,780
<b>Total assets</b>	<b>339,024,236</b>	<b>326,386,253</b>
<b>Liabilities</b>		
Accrued management fees (note 9)	156,702	154,078
Accrued operating expenses	10,841	9,016
Amounts payable for portfolio assets purchased	2,271,658	564,006
Distribution payable	1,052,138	1,046,001
<b>Total liabilities</b>	<b>3,491,339</b>	<b>1,773,101</b>
<b>Net assets</b>	<b>\$ 335,532,897</b>	<b>\$ 324,613,152</b>
Number of redeemable units outstanding (note 8)	33,964,939	32,687,524
Net assets per unit	\$ 9.88	\$ 9.93

(See accompanying notes to financial statements)

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



Rohit Mehta  
Director



Thomas Park  
Director



**Statements of Comprehensive Income** (unaudited)

For the Periods Ended June 30,

	<b>2024</b>	<b>2023</b>
<b>Income</b>		
Interest income for distribution purposes	\$ 7,244,519	\$ 7,442,085
Securities lending income (note 7)	8,244	9,672
Net realized gain (loss) on sale of investments and derivatives	(207,294)	(2,074,417)
Net realized gain (loss) on foreign exchange	(708)	(461)
Net change in unrealized appreciation (depreciation) of investments and derivatives	(1,363,101)	6,189,221
Net change in unrealized appreciation (depreciation) of foreign exchange	282	394
	<b>5,681,942</b>	<b>11,566,494</b>
<b>Expenses (note 9)</b>		
Management fees	924,622	996,798
Audit fees	4,291	8,033
Independent Review Committee fees	373	127
Custodial and fund valuation fees	43,863	50,148
Legal fees	275	4,309
Securityholder reporting costs	17,531	16,798
Administration fees	15,743	15,336
Transaction costs	5,881	–
	<b>1,012,579</b>	<b>1,091,549</b>
Amounts that were payable by the investment fund that were paid or absorbed by the Manager	(7,630)	(40,323)
	<b>1,005,094</b>	<b>1,051,226</b>
<b>Increase (decrease) in net assets for the period</b>	<b>\$ 4,676,993</b>	<b>\$ 10,515,268</b>
Increase (decrease) in net assets per unit	\$ 0.14	\$ 0.29

(See accompanying notes to financial statements)

**Statements of Changes in Financial Position** (unaudited)

For the Periods Ended June 30,

	<b>2024</b>		<b>2023</b>	
<b>Net assets at the beginning of the period</b>	\$	324,613,152	\$	328,577,475
<b>Increase (decrease) in net assets</b>		4,676,993		10,515,268
<b>Redeemable unit transactions</b>				
Proceeds from the issuance of securities of the investment fund		29,172,592		86,192,300
Aggregate amounts paid on redemption of securities of the investment fund		(16,727,790)		(41,613,425)
Securities issued on reinvestment of distributions		23,802		22,959
Distributions:				
From net investment income		(6,225,852)		(7,335,857)
<b>Net assets at the end of the period</b>	<b>\$</b>	<b>335,532,897</b>	<b>\$</b>	<b>376,358,720</b>

(See accompanying notes to financial statements)

**Statements of Cash Flows** (unaudited)

For the Periods Ended June 30,

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets for the period	\$ 4,676,993	\$ 10,515,268
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	207,294	2,074,417
Net realized gain (loss) on currency forward contracts	(5,365)	15,378
Net change in unrealized (appreciation) depreciation of investments and derivatives	1,363,101	(6,189,221)
Net change in unrealized (appreciation) depreciation of foreign exchange	(275)	(382)
Purchase of investments	(107,847,666)	(154,525,147)
Proceeds from the sale of investments	89,714,419	113,971,237
Margin deposits	(37)	417,051
Amounts receivable relating to accrued income	(264,685)	(556,113)
Accrued expenses	4,449	12,840
<b>Net cash from (used in) operating activities</b>	<b>(12,151,772)</b>	<b>(34,264,672)</b>
<b>Cash flows from financing activities:</b>		
Amount received from the issuance of units	23,151,222	71,910,275
Amount paid on redemptions of units	(5,470,869)	(31,408,660)
Distributions paid to unitholders	(6,195,913)	(7,326,639)
<b>Net cash from (used in) financing activities</b>	<b>11,484,440</b>	<b>33,174,976</b>
<b>Net increase (decrease) in cash and cash equivalents during the period</b>	<b>(667,332)</b>	<b>(1,089,696)</b>
Effect of exchange rate fluctuations on cash and cash equivalents	275	382
<b>Cash and cash equivalents at beginning of period</b>	<b>1,333,451</b>	<b>1,963,778</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 666,394</b>	<b>\$ 874,464</b>
Interest received, net of withholding taxes	\$ 6,979,834	\$ 6,876,770

(See accompanying notes to financial statements)

**Schedule of Investments** (unaudited)

As at June 30, 2024

Security	Par Value	Average Cost	Fair Value
<b>CANADIAN FIXED INCOME SECURITIES (95.10%)</b>			
<b>Corporate Bonds (90.80%)</b>			
407 International Inc., Callable, 4.45%, 2041/11/15	2,319,000	2,552,528	2,199,054
407 International Inc., Callable, 3.83%, 2046/05/11	566,000	518,461	486,630
407 International Inc., Series '23A1', Callable, 4.86%, 2053/07/31	612,000	611,229	611,783
Algonquin Power & Utilities Corp., Callable, 5.25%, 2082/01/18	1,149,000	1,147,092	1,040,570
Allied Properties REIT, Series 'E', Callable, 3.11%, 2027/04/08	2,062,000	1,930,317	1,892,828
Allied Properties REIT, Series 'D', Callable, 3.39%, 2029/08/15	689,000	670,502	595,380
AltaGas Ltd., Callable, 4.12%, 2026/04/07	33,000	32,406	32,593
AltaGas Ltd., Callable, 2.48%, 2030/11/30	482,000	482,000	416,469
AltaGas Ltd., Callable, 5.16%, 2044/01/13	623,000	613,667	580,409
AltaGas Ltd., Callable, 4.50%, 2044/08/15	672,000	701,297	572,654
AltaGas Ltd., Callable, 4.99%, 2047/10/04	400,000	363,768	361,228
AltaGas Ltd., Variable Rate, Callable, 5.25%, 2082/01/11	1,948,000	1,944,722	1,718,599
AltaLink L.P., Callable, 3.99%, 2042/06/30	1,162,000	1,230,368	1,043,327
AltaLink L.P., Callable, 3.72%, 2046/12/03	10,000	8,506	8,493
Bank of Montreal, Callable, 1.55%, 2026/05/28	782,000	703,167	740,547
Bank of Montreal, Callable, 3.65%, 2027/04/01	1,000,000	974,810	977,411
Bank of Montreal, Callable, 4.31%, 2027/06/01	3,998,000	3,939,101	3,971,326
Bank of Montreal, Callable, 4.71%, 2027/12/07	6,468,000	6,411,805	6,497,207
Bank of Montreal, Callable, 4.54%, 2028/12/18	915,000	917,763	913,329
Bank of Montreal, Variable Rate, Callable, 6.53%, 2032/10/27	838,000	838,000	879,219
Bank of Montreal, Variable Rate, Callable, 4.98%, 2034/07/03	1,334,000	1,334,000	1,329,998
Bank of Montreal, Variable Rate, Callable, 7.33%, 2082/11/26	146,000	146,000	148,353
Bank of Nova Scotia (The), 5.50%, 2026/05/08	3,050,000	3,099,478	3,091,819
Bank of Nova Scotia (The), 2.95%, 2027/03/08	213,000	212,715	204,537
Bank of Nova Scotia (The), 4.68%, 2029/02/01	1,561,000	1,560,469	1,566,402
Bank of Nova Scotia (The), Variable Rate, Callable, 3.93%, 2032/05/03	1,846,000	1,845,889	1,799,288
Bank of Nova Scotia (The), Variable Rate, Callable, 7.02%, 2082/07/27	285,000	285,000	287,055
Bell Canada, Series 'EZ', Callable, 7.00%, 2027/09/24	1,670,000	1,856,482	1,772,306
Bell Canada, Callable, 2.90%, 2029/09/10	354,000	323,701	325,691
Bell Canada, Callable, 3.00%, 2031/03/17	3,144,000	2,798,652	2,825,654
Bell Canada, Callable, 7.30%, 2032/02/23	140,000	163,593	157,945
Bell Canada, 5.15%, 2034/08/24	1,853,000	1,846,440	1,857,041
Bell Canada, Series 'M-17', Callable, 6.10%, 2035/03/16	653,000	771,919	698,513
Bell Canada, Callable, 4.75%, 2044/09/29	1,172,000	1,196,371	1,068,348
Bell Canada, Callable, 4.35%, 2045/12/18	473,000	485,625	405,204
Bell Canada, Callable, 4.45%, 2047/02/27	2,050,000	1,829,893	1,781,896
Bell Canada, Callable, 3.50%, 2050/09/30	603,000	429,729	440,098
Bridging North America G.P., Series 'B', Sinkable, 4.34%, 2053/08/31	552,000	571,458	466,882

**Schedule of Investments** (unaudited) (continued)

As at June 30, 2024

Security	Par Value	Average Cost	Fair Value
Brookfield Renewable Partners ULC, Callable, 3.63%, 2027/01/15	54,000	52,100	52,730
Brookfield Renewable Partners ULC, Callable, 3.33%, 2050/08/13	197,000	196,852	139,938
Canada Life Assurance Co., Series 'B', Callable, 6.40%, 2028/12/11	100,000	128,924	107,758
Canadian Imperial Bank of Commerce, 1.70%, 2026/07/15	557,000	512,854	527,487
Canadian Imperial Bank of Commerce, 2.25%, 2027/01/07	1,873,000	1,868,954	1,770,794
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.90%, 2027/04/02	269,000	268,833	269,363
Canadian Imperial Bank of Commerce, Callable, 4.95%, 2027/06/29	2,783,000	2,802,014	2,812,261
Canadian Imperial Bank of Commerce, Callable, 5.05%, 2027/10/07	510,000	509,220	517,161
Canadian Imperial Bank of Commerce, Callable, 5.50%, 2028/01/14	1,485,000	1,484,243	1,528,388
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 1.96%, 2031/04/21	2,450,000	2,446,949	2,323,755
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.20%, 2032/04/07	658,000	658,000	646,007
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 5.33%, 2033/01/20	902,000	901,919	912,621
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 5.30%, 2034/01/16	1,363,000	1,363,955	1,379,063
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.90%, 2034/06/12	1,803,000	1,800,314	1,793,159
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 7.15%, 2082/07/28	686,000	684,039	692,652
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 6.99%, 2084/07/28	624,000	624,000	624,110
Canadian National Railway Co., Callable, 3.60%, 2047/08/01	1,011,000	974,118	829,720
Canadian Western Bank, Callable, 1.93%, 2026/04/16	1,029,000	1,007,384	981,748
Canadian Western Bank, 4.57%, 2028/07/11	693,000	693,000	693,000
Capital City Link G.P., Series 'A', Sinkable, Callable, 4.39%, 2046/03/31	2,274,592	2,296,946	2,082,609
Cenovus Energy Inc., Callable, 3.50%, 2028/02/07	2,919,000	2,873,356	2,814,042
Chartwell Retirement Residences, 6.00%, 2026/12/08	643,000	642,541	649,845
CHIP Mortgage Trust, 1.74%, 2045/12/15	1,250,000	1,250,000	1,192,469
Choice Properties REIT, Series 'L', Callable, 4.18%, 2028/03/08	151,000	153,514	148,402
Choice Properties REIT, Series 'M', Callable, 3.53%, 2029/06/11	980,000	908,954	925,552
Choice Properties REIT, Series 'N', Callable, 2.98%, 2030/03/04	56,000	56,000	50,879
Choice Properties REIT, Callable, 5.03%, 2031/02/28	711,000	710,972	714,621
Choice Properties REIT, Series 'R', Callable, 6.00%, 2032/06/24	1,826,000	1,828,382	1,926,913
Choice Properties REIT, Callable, 5.40%, 2033/03/01	100,000	102,407	101,298
Choice Properties REIT, Callable, 5.70%, 2034/02/28	1,023,000	1,023,201	1,052,039
Clover L.P., Series '1A', Sinkable, 4.22%, 2034/03/31	1,605,748	1,605,748	1,539,168
Coast Capital Savings Federal Credit Union, 7.01%, 2026/09/28	429,000	429,129	440,861
Coast Capital Savings Federal Credit Union, Variable Rate, Callable, 5.25%, 2030/10/29	480,000	480,000	471,298

**Schedule of Investments** (unaudited) (continued)

As at June 30, 2024

Security	Par Value	Average Cost	Fair Value
Coastal Gaslink Pipeline L.P. Series 'E', 5.40%, 2036/09/30	591,000	591,000	607,871
Coastal Gaslink Pipeline L.P. Series 'F', 5.54%, 2039/06/30	1,088,000	1,087,956	1,129,132
Coastal Gaslink Pipeline L.P. Series 'J', Sinkable, 5.86%, 2049/03/30	908,000	908,000	970,628
Coastal Gaslink Pipeline L.P. Series 'K', Sinkable, 5.86%, 2049/06/30	851,000	851,000	905,347
Comber Wind L.P., Sinkable, Callable, 5.13%, 2030/11/15	1,804,294	1,818,993	1,777,211
Connect 6ix G.P., Sinkable, 6.11%, 2046/11/30	782,000	782,778	853,427
Connect 6ix G.P., Sinkable, 6.21%, 2060/11/30	562,000	562,408	622,251
Co-operators Financial Services Ltd., Callable, 3.33%, 2030/05/13	1,889,000	1,832,233	1,697,998
Crombie REIT, Series 'F', Callable, 3.68%, 2026/08/26	1,608,000	1,605,602	1,567,985
Crombie REIT, Series 'G', Callable, 3.92%, 2027/06/21	1,279,000	1,269,947	1,245,614
Crombie REIT, Series 'H', Callable, 2.69%, 2028/03/31	377,000	377,000	348,379
Crombie REIT, Callable, 5.24%, 2029/09/28	785,000	785,000	792,730
Crombie REIT, Callable, 5.14%, 2030/03/29	652,000	651,967	653,692
CT REIT, Series 'F', Callable, 3.87%, 2027/12/07	1,245,000	1,244,950	1,203,413
CT REIT, Callable, 3.03%, 2029/02/05	970,000	970,000	891,458
CT REIT, Series 'G', Callable, 2.37%, 2031/01/06	647,000	647,000	546,065
CU Inc., 4.54%, 2041/10/24	3,905,000	4,332,671	3,747,871
Dream Summit Industrial L.P., Callable, 5.11%, 2029/02/12	418,000	418,000	420,371
Eagle Credit Card Trust, Series 'A', 5.13%, 2028/06/17	369,000	369,000	376,704
Eagle Credit Card Trust, Series 'A', 4.92%, 2029/06/17	497,000	497,000	503,717
Enbridge Gas Inc., Callable, 3.01%, 2049/02/09	1,000,000	708,000	724,070
Enbridge Gas Inc., Callable, 3.65%, 2050/04/01	316,000	305,793	257,885
Enbridge Inc., Callable, 2.99%, 2029/10/03	1,224,000	1,192,057	1,131,491
Enbridge Inc., Callable, 7.20%, 2032/06/18	1,774,000	2,262,644	1,957,627
Enbridge Inc., Callable, 6.10%, 2032/11/09	956,000	981,395	1,025,092
Enbridge Inc., Callable, 3.10%, 2033/09/21	2,203,000	1,938,097	1,896,560
Enbridge Inc., Callable, 5.57%, 2035/11/14	129,000	149,711	131,385
Enbridge Inc., Callable, 5.75%, 2039/09/02	253,000	256,254	259,580
Enbridge Inc., Callable, 5.12%, 2040/09/28	590,000	555,573	567,436
Enbridge Inc., Callable, 4.57%, 2044/03/11	1,865,000	1,791,675	1,659,947
Enbridge Inc., Callable, 4.87%, 2044/11/21	400,000	367,352	368,721
Enbridge Pipelines Inc., Callable, 4.33%, 2049/02/22	284,000	296,054	241,201
Enbridge Pipelines Inc., Callable, 4.20%, 2051/05/12	613,000	612,792	505,291
ENMAX Corp., Series '7', Callable, 3.88%, 2029/10/18	1,377,000	1,366,780	1,304,803
EPCOR Utilities Inc., Callable, 3.95%, 2048/11/26	617,000	587,852	536,351
Fédération des caisses Desjardins du Québec, 4.41%, 2027/05/19	2,497,000	2,492,715	2,486,555
Fédération des caisses Desjardins du Québec, Callable, 5.47%, 2028/11/17	1,582,000	1,582,000	1,635,687
Fédération des caisses Desjardins du Québec, Variable Rate, Callable, 1.99%, 2031/05/28	1,654,000	1,654,000	1,566,121

**Schedule of Investments** (unaudited) (continued)

As at June 30, 2024

Security	Par Value	Average Cost	Fair Value
Fédération des caisses Desjardins du Québec, Variable Rate, Callable, 5.04%, 2032/08/23	2,281,000	2,281,000	2,287,175
Fédération des caisses Desjardins du Québec, Variable Rate, Callable, 5.28%, 2034/05/15	2,164,000	2,164,000	2,187,512
First Capital REIT, Series 'S', Callable, 4.32%, 2025/07/31	30,000	29,376	29,719
First Capital REIT, Series 'T', Callable, 3.60%, 2026/05/06	155,000	146,312	151,051
First Capital REIT, Series 'V', Callable, 3.46%, 2027/01/22	819,000	819,000	788,874
First Nations ETF L.P., Series '1A', Sinkable, 4.14%, 2041/12/31	1,592,280	1,590,529	1,451,895
Ford Credit Canada Co., 7.00%, 2026/02/10	1,548,000	1,547,830	1,590,518
Ford Credit Canada Co., 5.58%, 2027/02/22	703,000	703,000	711,459
FortisAlberta Inc., Callable, 4.11%, 2044/09/29	1,187,000	1,189,755	1,068,391
FortisBC Energy Inc., Callable, 3.67%, 2046/04/09	953,000	824,492	801,704
FortisBC Energy Inc., Callable, 3.85%, 2048/12/07	1,195,000	1,049,533	1,027,406
General Motors Financial of Canada Ltd., Callable, 5.20%, 2028/02/09	933,000	931,582	943,782
Gibson Energy Inc., Callable, 2.85%, 2027/07/14	925,000	878,001	877,150
Gibson Energy Inc., Callable, 3.60%, 2029/09/17	1,561,000	1,560,039	1,477,337
GMF Canada Leasing Trust, Class 'A3', Series '24-1', Callable, 4.83%, 2029/08/20	467,000	467,000	466,406
Grand Renewable Solar L.P., Series '1A', Sinkable, Callable, 3.93%, 2035/01/31	791,364	791,364	740,561
Great-West Lifeco Inc., Callable, 6.67%, 2033/03/21	1,992,000	2,247,431	2,249,833
Great-West Lifeco Inc., 6.00%, 2039/11/16	1,104,000	1,387,154	1,223,529
Great-West Lifeco Inc., Callable, 2.98%, 2050/07/08	163,000	162,313	117,794
H&R REIT, Series 'S', Callable, 2.63%, 2027/02/19	814,000	814,000	762,889
Health Montreal Collective L.P., Sinkable, 6.72%, 2049/09/30	2,719,697	3,525,282	3,048,921
Hospital Infrastructure Partners (NOH) Partnership, Series 'A', Sinkable, Callable, 5.44%, 2045/01/31	673,902	772,736	679,138
Hydro One Inc., 4.39%, 2041/09/26	950,000	1,072,895	897,109
Hydro One Inc., Callable, 4.59%, 2043/10/09	1,504,000	1,931,001	1,452,298
Hydro One Inc., Callable, 4.17%, 2044/06/06	2,460,000	2,542,168	2,243,378
Hyundai Capital Canada Inc., Series 'A', Callable, 2.01%, 2026/05/12	658,000	658,000	625,678
iA Financial Corp. Inc., Variable Rate, Callable, 3.07%, 2031/09/24	1,319,000	1,271,602	1,268,205
iA Financial Corp. Inc., Variable Rate, Callable, 5.69%, 2033/06/20	993,000	993,000	1,019,896
IGM Financial Inc., Callable, 3.44%, 2027/01/26	200,000	192,916	194,601
Independent Order of Foresters (The), Series '20-1', Variable Rate, Callable, 2.89%, 2035/10/15	1,636,000	1,636,000	1,403,664
Integrated Team Solutions PCH Partnership, Sinkable, Callable, 4.88%, 2046/05/31	196,680	236,036	187,800
Integrated Team Solutions SJHC Partnership, Sinkable, 5.95%, 2042/11/30	205,481	273,896	214,460
Inter Pipeline Ltd., Callable, 4.23%, 2027/06/01	2,194,000	2,194,000	2,146,021
Inter Pipeline Ltd., Callable, 5.76%, 2028/02/17	76,000	75,994	77,636

**Schedule of Investments** (unaudited) (continued)

As at June 30, 2024

Security	Par Value	Average Cost	Fair Value
Inter Pipeline Ltd., Callable, 5.71%, 2030/05/29	515,000	515,000	523,487
Inter Pipeline Ltd., Series '12', Callable, 3.98%, 2031/11/25	766,000	766,000	692,088
Inter Pipeline Ltd., Series '14', Callable, 5.85%, 2032/05/18	15,000	15,095	15,124
Inter Pipeline Ltd., Callable, 6.38%, 2033/02/17	671,000	670,933	696,441
Inter Pipeline Ltd., Callable, 4.64%, 2044/05/30	953,000	974,147	788,170
Inter Pipeline Ltd., Series '13', Callable, 5.09%, 2051/11/27	802,000	766,833	690,351
Inter Pipeline Ltd., Series '19-A', Variable Rate, Callable, 6.88%, 2079/03/26	805,000	805,000	797,485
Kingston Solar L.P., Series '1A', Sinkable, 3.57%, 2035/07/31	813,125	813,125	742,036
Laurentian Bank of Canada, 4.60%, 2025/09/02	570,000	562,567	566,308
Laurentian Bank of Canada, Variable Rate, Callable, 5.10%, 2032/06/15	1,791,000	1,786,336	1,710,949
Loblaw Cos. Ltd., Callable, 6.50%, 2029/01/22	1,000,000	1,068,460	1,068,100
Loblaw Cos. Ltd., Callable, 6.15%, 2035/01/29	1,849,000	2,201,148	1,983,501
Loblaw Cos. Ltd., Callable, 5.90%, 2036/01/18	208,000	264,793	220,538
Loblaw Cos. Ltd., Callable, 6.45%, 2039/03/01	150,000	167,974	167,796
Loblaw Cos. Ltd., Callable, 5.34%, 2052/09/13	804,000	804,363	825,920
Manulife Financial Corp., Variable Rate, Callable, 5.41%, 2033/03/10	1,816,000	1,816,000	1,851,375
Manulife Financial Corp., Series '1', Variable Rate, Callable, 3.38%, 2081/06/19	949,000	684,437	794,155
Manulife Financial Corp., Variable Rate, Callable, 7.12%, 2082/06/19	759,000	759,000	767,561
MCAP Commercial L.P., 3.74%, 2025/08/25	716,000	716,000	699,058
MCAP Commercial L.P., Callable, 3.38%, 2027/11/26	1,403,000	1,403,000	1,303,197
Metro Inc., Callable, 4.27%, 2047/12/04	729,000	707,174	642,569
Metro Inc., Callable, 3.41%, 2050/02/28	613,000	613,000	463,850
National Bank of Canada, 4.97%, 2026/12/07	978,000	978,012	986,398
National Bank of Canada, Floating Rate, Callable, 4.98%, 2027/03/18	2,317,000	2,317,013	2,322,427
National Bank of Canada, 5.22%, 2028/06/14	3,843,000	3,837,346	3,931,050
National Bank of Canada, Variable Rate, Callable, 5.28%, 2034/02/15	1,833,000	1,832,963	1,852,575
National Bank of Canada, Variable Rate, Callable, 7.50%, 2082/11/16	906,000	906,000	922,771
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'H', Callable, 4.15%, 2033/06/01	24,000	22,684	22,931
North West Redwater Partnership / NWR Financing Co. Ltd., Callable, 4.85%, 2034/06/01	559,000	558,614	558,832
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'G', Callable, 4.75%, 2037/06/01	25,000	24,382	24,471
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'D', Callable, 3.70%, 2043/02/23	900,000	729,828	753,725
North West Redwater Partnership / NWR Financing Co. Ltd., Callable, 4.05%, 2044/07/22	1,331,000	1,320,267	1,164,186
Northern Courier Pipeline L.P., Sinkable, 3.37%, 2042/06/30	1,382,250	1,382,250	1,217,326
Northwestern Hydro Acquisition Co. II L.P., Series '1', 3.88%, 2036/12/31	1,793,000	1,793,000	1,541,281
Nova Scotia Power Inc., Series 'F', 8.85%, 2025/05/19	145,000	176,518	149,075



**Schedule of Investments** (unaudited) (continued)

As at June 30, 2024

Security	Par Value	Average Cost	Fair Value
Nova Scotia Power Inc., Callable, 4.95%, 2032/11/15	860,000	859,751	856,371
Nova Scotia Power Inc., Callable, 4.15%, 2042/03/06	1,395,000	1,347,237	1,207,540
Nova Scotia Power Inc., Callable, 4.50%, 2043/07/20	400,000	360,372	361,275
Nova Scotia Power Inc., Callable, 3.57%, 2049/04/05	94,000	71,227	71,894
Original Wempi Inc., 7.79%, 2027/10/04	1,266,000	1,266,000	1,346,961
Parkland Corp., Callable, 3.88%, 2026/06/16	575,000	575,000	555,474
Pembina Pipeline Corp., Series '15', Callable, 3.31%, 2030/02/01	239,000	223,877	222,243
Pembina Pipeline Corp., Callable, 3.53%, 2031/12/10	362,000	361,938	329,272
Pembina Pipeline Corp., Callable, 5.02%, 2032/01/12	626,000	625,712	625,182
Pembina Pipeline Corp., Callable, 5.22%, 2033/06/28	851,000	850,634	851,437
Pembina Pipeline Corp., Series '4', Callable, 4.81%, 2044/03/25	3,168,000	3,126,883	2,866,363
Pembina Pipeline Corp., Series '11', Callable, 4.75%, 2048/03/26	358,000	393,152	317,850
Pembina Pipeline Corp., Callable, 4.54%, 2049/04/03	190,000	191,431	163,183
Pembina Pipeline Corp., Callable, 4.67%, 2050/05/28	686,000	696,325	599,156
Pembina Pipeline Corp., Variable Rate, Callable, 4.80%, 2081/01/25	545,000	545,000	489,667
Plenary Health Bridgepoint L.P., Sinkable, Callable, 7.25%, 2042/08/31	167,685	191,144	195,179
Plenary Properties LTAP L.P., Sinkable, Callable, 6.29%, 2044/01/31	162,863	219,067	177,362
Power Corp. of Canada, Callable, 4.81%, 2047/01/31	910,000	900,355	894,039
Power Financial Corp., 6.90%, 2033/03/11	384,000	521,971	430,830
Reliance L.P., Callable, 3.75%, 2026/03/15	921,000	918,016	904,499
Reliance L.P., Callable, 2.68%, 2027/12/01	570,000	569,897	531,842
Reliance L.P., Callable, 2.67%, 2028/08/01	890,000	889,315	816,116
Reliance L.P., Callable, 5.25%, 2031/05/15	613,000	612,963	617,802
RioCan REIT, Callable, 5.61%, 2027/10/06	711,000	710,943	722,629
RioCan REIT, Series 'AE', Callable, 2.83%, 2028/11/08	1,343,000	1,193,938	1,223,035
RioCan REIT, Callable, 5.96%, 2029/10/01	830,000	829,659	857,900
RioCan REIT, Callable, 5.47%, 2030/03/01	314,000	313,987	316,871
RioCan REIT, Series 'MAR', Callable, 5.47%, 2030/03/01	232,000	233,274	234,103
RioCan REIT, Callable, 5.46%, 2031/03/01	1,175,000	1,174,683	1,181,807
Rogers Communications Inc., Callable, 3.65%, 2027/03/31	2,000,000	1,906,800	1,947,006
Rogers Communications Inc., Callable, 3.75%, 2029/04/15	298,000	284,560	285,578
Rogers Communications Inc., Callable, 3.25%, 2029/05/01	730,000	707,188	683,597
Rogers Communications Inc., Callable, 4.25%, 2032/04/15	1,798,000	1,798,311	1,709,656
Rogers Communications Inc., Callable, 5.90%, 2033/09/21	1,271,000	1,267,770	1,342,547
Rogers Communications Inc., Callable, 6.68%, 2039/11/04	1,025,000	1,359,026	1,142,656
Rogers Communications Inc., 6.11%, 2040/08/25	1,584,000	1,927,045	1,675,217
Rogers Communications Inc., Callable, 6.56%, 2041/03/22	178,000	235,697	196,845
Rogers Communications Inc., Callable, 5.25%, 2052/04/15	906,000	878,205	873,172
Rogers Communications Inc., Variable Rate, Callable, 5.00%, 2081/12/17	2,674,000	2,672,354	2,590,572
Royal Bank of Canada, 5.24%, 2026/11/02	1,826,000	1,843,146	1,852,346

**Schedule of Investments** (unaudited) (continued)

As at June 30, 2024

Security	Par Value	Average Cost	Fair Value
Royal Bank of Canada, 2.33%, 2027/01/28	303,000	308,776	287,140
Royal Bank of Canada, 4.64%, 2028/01/17	8,060,000	7,925,406	8,101,994
Royal Bank of Canada, 5.23%, 2030/06/24	2,222,000	2,255,098	2,300,023
Royal Bank of Canada, Variable Rate, Callable, 2.14%, 2031/11/03	100,000	93,962	94,041
Royal Bank of Canada, Variable Rate, Callable, 2.94%, 2032/05/03	1,309,000	1,303,713	1,244,063
Royal Bank of Canada, Variable Rate, Callable, 1.67%, 2033/01/28	1,447,000	1,447,000	1,304,124
Scotiabank Capital Trust, Series '06-1', Variable Rate, Callable, 5.65%, 2056/12/31	170,000	208,267	179,200
SEC L.P. and Arci Ltd., Sinkable, Callable, 5.19%, 2033/08/29	1,481,537	1,502,588	1,411,863
SGTP Highway Bypass L.P., Series 'A', Sinkable, Callable, 4.11%, 2045/01/31	2,134,776	2,134,776	1,926,581
Shaw Communications Inc., Callable, 3.30%, 2029/12/10	474,000	417,675	441,118
Shaw Communications Inc., Callable, 6.75%, 2039/11/09	1,360,000	1,792,135	1,524,516
Shaw Communications Inc., Callable, 4.25%, 2049/12/09	92,000	91,521	76,154
Sienna Senior Living Inc., Series 'A', Callable, 3.11%, 2024/11/04	1,351,000	1,351,000	1,339,006
Sienna Senior Living Inc., Series 'B', Callable, 3.45%, 2026/02/27	610,000	609,927	590,924
Sienna Senior Living Inc., Series 'C', Callable, 2.82%, 2027/03/31	504,000	503,768	472,333
SmartCentres REIT, Series 'X', Callable, 1.74%, 2025/12/16	1,838,000	1,838,000	1,751,209
SmartCentres REIT, Series 'P', Callable, 3.44%, 2026/08/28	1,011,000	1,007,628	978,613
SmartCentres REIT, Series 'V', Callable, 3.19%, 2027/06/11	635,000	623,325	602,837
SmartCentres REIT, Series 'S', Callable, 3.83%, 2027/12/21	777,000	762,725	745,287
SmartCentres REIT, Series 'U', Callable, 3.53%, 2029/12/20	1,268,000	1,145,130	1,164,469
SNC-Lavalin Innisfree McGill Finance Inc., Callable, 6.63%, 2044/06/30	2,091,257	2,687,242	2,328,201
SSL Finance Inc. / SSL Financement Inc., Series 'A', Sinkable, Callable, 4.10%, 2045/10/31	720,242	797,041	644,785
Sun Life Financial Inc., Variable Rate, Callable, 2.46%, 2031/11/18	1,500,000	1,361,130	1,425,673
Sun Life Financial Inc., Variable Rate, Callable, 2.58%, 2032/05/10	1,388,000	1,364,916	1,310,760
Sun Life Financial Inc., Variable Rate, Callable, 2.80%, 2033/11/21	2,932,000	2,858,611	2,711,753
Sun Life Financial Inc., Variable Rate, Callable, 4.78%, 2034/08/10	1,505,000	1,504,639	1,506,867
Sun Life Financial Inc., Variable Rate, Callable, 5.12%, 2036/05/15	1,193,000	1,193,000	1,204,314
Sun Life Financial Inc., Variable Rate, Callable, 5.40%, 2042/05/29	1,323,000	1,498,606	1,352,246
Suncor Energy Inc., Callable, 5.39%, 2037/03/26	945,000	1,006,942	952,533
Superior Plus L.P., Callable, 4.25%, 2028/05/18	1,147,000	1,147,000	1,081,048
TELUS Communications Inc., Callable, 8.80%, 2025/09/22	888,000	1,166,986	922,415
TELUS Corp., Series 'CAA', Callable, 3.15%, 2030/02/19	1,445,000	1,284,536	1,332,003
TELUS Corp., Callable, 5.10%, 2034/02/15	1,003,000	999,429	1,002,767
TELUS Corp., Callable, 5.15%, 2043/11/26	2,795,000	2,944,530	2,659,134
TELUS Corp., Series 'CP', Callable, 4.85%, 2044/04/05	1,540,000	1,629,096	1,411,264
TELUS Corp., Callable, 4.40%, 2046/01/29	311,000	299,760	266,548
TELUS Corp., Series 'CW', Callable, 4.70%, 2048/03/06	1,087,000	1,029,536	968,344
TELUS Corp., Series 'CAE', Callable, 4.10%, 2051/04/05	89,000	88,528	71,506

**Schedule of Investments** (unaudited) (continued)

As at June 30, 2024

Security	Par Value	Average Cost	Fair Value
Teranet Holdings L.P., Series '20', Callable, 3.54%, 2025/06/11	1,073,000	1,073,000	1,055,716
Teranet Holdings L.P., Callable, 6.10%, 2041/06/17	614,000	657,747	614,505
Toronto-Dominion Bank (The), 5.42%, 2026/07/10	487,000	495,197	493,963
Toronto-Dominion Bank (The), 2.26%, 2027/01/07	4,903,000	4,538,480	4,640,923
Toronto-Dominion Bank (The), 4.21%, 2027/06/01	4,296,000	4,208,730	4,257,222
Toronto-Dominion Bank (The), 5.38%, 2027/10/21	803,000	814,694	822,936
Toronto-Dominion Bank (The), 4.68%, 2029/08/01	4,092,000	4,079,646	4,110,878
Toronto-Dominion Bank (The), Floating Rate, Callable, 3.06%, 2032/01/26	2,711,000	2,554,639	2,592,342
Toronto-Dominion Bank (The), Variable Rate, Callable, 5.18%, 2034/04/09	1,249,000	1,249,000	1,259,205
Toronto-Dominion Bank (The), Variable Rate, Callable, 7.28%, 2082/10/31	584,000	584,000	594,584
TransCanada PipeLines Ltd., 5.65%, 2029/06/20	680,000	830,640	695,815
TransCanada PipeLines Ltd., Callable, 6.50%, 2030/12/09	653,000	848,097	688,262
TransCanada PipeLines Ltd., Callable, 2.97%, 2031/06/09	644,000	565,825	584,358
TransCanada PipeLines Ltd., Callable, 5.33%, 2032/05/12	939,000	938,968	963,274
TransCanada PipeLines Ltd., Callable, 4.55%, 2041/11/15	3,346,000	3,408,078	3,019,245
TransCanada PipeLines Ltd., Callable, 4.35%, 2046/06/06	100,000	106,240	86,352
TransCanada PipeLines Ltd., Callable, 4.18%, 2048/07/03	750,000	600,660	626,911
TransCanada PipeLines Ltd., Callable, 4.34%, 2049/10/15	2,144,000	2,052,208	1,830,967
TransCanada PipeLines Ltd., Callable, 5.92%, 2052/05/12	200,000	200,075	214,040
Union Gas Ltd., Callable, 4.88%, 2041/06/21	1,474,000	1,466,713	1,458,070
Ventas Canada Finance Ltd., Series 'H', Callable, 3.30%, 2031/12/01	1,562,000	1,554,363	1,389,176
Videotron Ltd., Callable, 3.63%, 2028/06/15	1,309,000	1,304,140	1,254,744
		317,078,434	304,674,579
<b>Municipal Bonds (1.90%)</b>			
Access Justice Durham Ltd., Series 'A', 5.02%, 2039/08/31	804,076	952,999	802,317
Aéroports de Montréal, Callable, 6.95%, 2032/04/16	641,402	794,812	689,734
Aéroports de Montréal, Series 'I', Callable, 5.47%, 2040/04/16	2,003,000	2,268,553	2,140,450
Aéroports de Montréal, Series 'K', Callable, 3.92%, 2042/09/26	250,000	228,920	222,896
Aéroports de Montréal, Series 'N', Callable, 3.36%, 2047/04/24	200,000	166,134	160,473
Aéroports de Montréal, Series 'R', Callable, 3.03%, 2050/04/21	269,000	269,000	199,814
Calgary Airport Authority, Series 'B', Callable, 3.34%, 2038/10/07	16,000	13,394	13,496
City of Toronto, 4.90%, 2054/05/15	910,000	904,759	955,645
Edmonton Regional Airport Authority, Callable, 7.21%, 2030/11/01	177,832	213,628	187,545
Greater Toronto Airports Authority, Series '02-3', 6.98%, 2032/10/15	59,000	68,149	68,071
Greater Toronto Airports Authority, Series '02-3', 6.98%, 2032/10/15	151,053	158,262	159,882
Vancouver Airport Authority, Series 'G', Callable, 3.66%, 2048/11/23	400,000	422,180	339,267
Winnipeg Airports Authority Inc., Sinkable, Callable, 5.21%, 2040/09/28	309,895	339,602	304,949
Winnipeg Airports Authority Inc., Sinkable, Callable, 6.10%, 2040/11/20	120,509	121,462	125,403
		6,921,854	6,369,942

**Schedule of Investments** (unaudited) (continued)

As at June 30, 2024

Security	Par Value	Average Cost	Fair Value
<b>Asset-Backed Securities (1.00%)</b>			
CNH Capital Canada Receivables Trust, Class 'A2', Series '23-1', Variable Rate, Callable, 4.99%, 2029/10/15	1,123,764	1,123,764	1,123,460
CNH Capital Canada Receivables Trust, Class 'A2', Series '24-1', Callable, 5.06%, 2031/08/15	855,000	855,000	858,884
Ford Auto Securitization Trust, Class 'A3', Series '24-A', Callable, 4.97%, 2030/03/15	678,000	678,000	684,659
MBARC Credit Canada Inc., Class 'A3', Series '24-A', Callable, 5.13%, 2030/01/15	682,000	682,000	683,863
		3,338,764	3,350,866
<b>Provincial Bonds (0.50%)</b>			
Province of Ontario, 1.35%, 2030/12/02	63,000	53,339	53,915
Province of Ontario, 4.15%, 2034/06/02	1,267,000	1,248,099	1,263,053
Province of Ontario, 3.75%, 2053/12/02	300,000	269,676	271,677
Province of Ontario, 4.15%, 2054/12/02	94,000	91,445	91,292
		1,662,559	1,679,937
<b>Convertible Bonds (0.46%)</b>			
Enbridge Inc., Convertible Bonds, Variable Rate, Callable, 8.75%, 2084/01/15	636,000	636,399	711,604
Keyera Corp., Convertible Bonds, Floating Rate, Callable, 6.88%, 2079/06/13	836,000	836,000	837,224
		1,472,399	1,548,828
<b>Mortgage Backed Securities (0.26%)</b>			
BMW Canada Auto Trust, Class 'A3', Series '24-1', Callable, 4.79%, 2029/01/22	471,000	471,000	481,578
Classic RMBS Trust, Class 'A', Series '21-2', Variable Rate, Callable, 1.53%, 2052/03/15	176,736	176,663	171,179
Real Estate Asset Liquidity Trust, Class 'A2', Series '17', Callable, 3.64%, 2052/11/12	221,048	221,045	213,167
		868,708	865,924
<b>Government Bonds (0.18%)</b>			
Government of Canada, 1.50%, 2031/06/01	270,000	239,495	237,282
Government of Canada, 2.75%, 2055/12/01	401,000	358,593	351,394
		598,088	588,676
<b>TOTAL CANADIAN FIXED INCOME SECURITIES</b>		<b>331,940,806</b>	<b>319,078,752</b>
<b>U.S. FIXED INCOME SECURITIES (3.61%)</b>			
<b>Corporate Bonds (3.61%)</b>			
Bank of America Corp., Variable Rate, Callable, 1.98%, 2027/09/15	940,000	939,962	886,856
Bank of America Corp., Variable Rate, Callable, 3.62%, 2028/03/16	2,171,000	2,136,373	2,115,225
Bank of America Corp., Variable Rate, Callable, 2.60%, 2029/04/04	2,075,000	2,075,000	1,935,124
Goldman Sachs Group Inc. (The), Variable Rate, Callable, 2.60%, 2027/11/30	1,201,000	1,201,000	1,143,876

**Schedule of Investments** (unaudited) (continued)

As at June 30, 2024

Security	Par Value	Average Cost	Fair Value
Goldman Sachs Group Inc. (The), Variable Rate, Callable, 2.01%, 2029/02/28	1,737,000	1,737,000	1,586,273
Manulife Finance Delaware L.P., Variable Rate, Callable, 5.06%, 2041/12/15	2,356,000	2,126,182	2,318,588
Morgan Stanley, Variable Rate, Callable, 1.78%, 2027/08/04	1,109,000	1,109,000	1,044,247
Wells Fargo & Co., 2.49%, 2027/02/18	156,000	156,000	147,902
Wells Fargo & Co., Variable Rate, Callable, 5.08%, 2028/04/26	929,000	929,000	939,233
		12,409,517	12,117,324
<b>TOTAL U.S. FIXED INCOME SECURITIES</b>		<b>12,409,517</b>	<b>12,117,324</b>
<b>GLOBAL FIXED INCOME SECURITIES (0.53%)</b>			
<b>Corporate Bonds (0.53%)</b>			
National Australia Bank Ltd., Variable Rate, Callable, 3.52%, 2030/06/12	1,817,000	1,894,835	1,785,566
		<b>1,894,835</b>	<b>1,785,566</b>
<b>TOTAL GLOBAL FIXED INCOME SECURITIES</b>			
Transaction Costs		(37)	
<b>TOTAL INVESTMENT PORTFOLIO (99.24%)</b>		<b>\$ 346,245,121</b>	<b>\$ 332,981,642</b>
<b>Cash and cash equivalents (0.20%)</b>			666,394
<b>Margin deposits (0.00%)</b>			1,629
<b>Other assets less liabilities (0.56%)</b>			1,883,232
<b>NET ASSETS (100.00%)</b>			<b>\$ 335,532,897</b>

(See accompanying notes to financial statements)

**Notes to Financial Statements** (unaudited)

June 30, 2024

**1. REPORTING ENTITY**

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

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

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

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

**2. BASIS OF PREPARATION**

**(i) Statement of compliance**

The financial statements have been prepared in accordance with 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 units as reported under IFRS.

These financial statements were authorized for issue on August 9, 2024, by the Board of Directors of the Manager.

**(ii) Basis of measurement**

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

**(iii) Functional and presentation currency**

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

**3. MATERIAL ACCOUNTING POLICY INFORMATION**

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

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

**(a) Financial instruments**

***(i) Recognition, initial measurement and classification***

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

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

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

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

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

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

***(ii) Fair value measurement***

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

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

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

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

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

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

**(iii) Offsetting**

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

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

**(iv) Specific instruments**

**Cash and cash equivalents**

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

**Forward foreign exchange contracts**

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

**Redeemable units**

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

**(b) Investment income**

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



**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

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

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

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

**(c) Foreign currency**

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

**(d) Cost basis**

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

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

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

**(f) Unitholder transactions**

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

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

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

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

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

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

**(i) Transaction costs**

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

**(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.

**5. FINANCIAL INSTRUMENTS RISK**

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

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

**(a) Market risk**

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

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

**(i) Currency risk**

Currency risk is the risk that financial instruments which are denominated in currencies other than the ETF's reporting currency, the Canadian dollar, will fluctuate due to changes in exchange rates and adversely impact the ETF's income, cash flows or fair values of its investment holdings. The ETF may reduce its foreign currency exposure through the use of derivative arrangements such as foreign exchange forward contracts or futures contracts. As at June 30, 2024 and December 31, 2023, the ETF did not have any material net exposure to foreign currencies due to the ETF's hedging strategies.

**(ii) Interest rate risk**

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

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

Investments	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Non-interest bearing	Total
As at	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
June 30, 2024	2,767	56,371	64,308	212,924	–	336,370
December 31, 2023	3,213	46,192	77,805	198,807	–	326,017

The percentage of the ETF's net assets exposed to interest rate risk as at June 30, 2024, was 100.2% (December 31, 2023 – 100.4%). The amount by which the net assets of the ETF would have increased or decreased, as at June 30, 2024, had the prevailing interest rates been lowered or raised by 1%, assuming a parallel shift in the yield curve, with all other variables remaining constant, was \$19,522,921 (December 31, 2023 – \$18,680,711). The ETF's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis.

**(iii) Other market risk**

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

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

Comparative Index	June 30, 2024	December 31, 2023
ICE BofA Merrill Lynch Canada Corporate Bond Index	\$2,968,823	\$2,865,517

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

**(b) Credit risk**

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

***Analysis of credit quality***

The ETF's credit risk exposure by designated rating of the invested portfolio as at June 30, 2024, and December 31, 2023, is listed as follows:

Debt or Derivative Securities by Credit Rating	Percentage of Net Asset Value (%)	
	June 30, 2024	December 31, 2023
AAA	2.3%	3.1%
AA	0.8%	0.6%
A	40.9%	41.9%
BBB	52.2%	50.7%
BB	4.0%	4.2%
<b>Total</b>	<b>100.2%</b>	<b>100.5%</b>

Designated ratings are obtained by Standard & Poor's, Moody's and/or Dominion Bond Rating Services. Where more than one rating is obtained for a security, the lowest rating has been used. Credit risk is managed by dealing with counterparties the ETF believes to be creditworthy and by regular monitoring of credit exposures. The maximum exposure to any one debt issuer as of June 30, 2024, was 5.6% (December 31, 2023 – 5.3%) of the net assets of the ETF.

**(c) Liquidity risk**

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

**Notes to Financial Statements** (unaudited) (continued)  
June 30, 2024

**6. FAIR VALUE MEASUREMENT**

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

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

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The following is a summary of the inputs used as at June 30, 2024, and December 31, 2023, in valuing the ETF's investments and derivatives carried at fair values:

	June 30, 2024			December 31, 2023		
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Financial Assets</b>						
Bonds	–	332,115,718	–	–	321,582,734	–
Mortgage Backed Securities	–	865,924	–	–	546,541	–
Currency Forward Contracts	–	–	–	–	10,780	–
<b>Total Financial Assets</b>	–	<b>332,981,642</b>	–	–	<b>322,140,055</b>	–
<b>Total Financial Liabilities</b>	–	–	–	–	–	–
<b>Net Financial Assets and Liabilities</b>	–	<b>332,981,642</b>	–	–	<b>322,140,055</b>	–

There were no significant transfers made between Levels 1 and 2 as a result of changes in the availability of quoted market prices or observable market inputs during the period or year shown. In addition, there were no investments or transactions classified in Level 3 for the period ended June 30, 2024, and for the year ended December 31, 2023.

**7. SECURITIES LENDING**

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

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

The aggregate closing market value of securities loaned and collateral received as at June 30, 2024 and December 31, 2023, was as follows:

As at	Securities Loaned	Collateral Received
June 30, 2024	\$11,262,599	\$11,828,600
December 31, 2023	\$40,537,680	\$43,047,654

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

The table below presents a reconciliation of the securities lending income as presented in the statements of comprehensive income for the periods ended June 30, 2024 and 2023. It shows the gross amount of securities lending revenues generated from the securities lending transactions of the ETF, less any taxes withheld and amounts earned by parties entitled to receive payments out of the gross amount as part of any securities lending agreements.

For the periods ended	June 30, 2024	% of Gross Income	June 30, 2023	% of Gross Income
Gross securities lending income	\$13,850		\$16,124	
Withholding taxes	(117)	0.84%	(12)	0.07%
Lending Agents' fees:				
Canadian Imperial Bank of Commerce	(5,489)	39.63%	(6,440)	39.94%
<b>Net securities lending income paid to the ETF</b>	<b>\$8,244</b>	<b>59.53%</b>	<b>\$9,672</b>	<b>59.99%</b>

**8. REDEEMABLE UNITS**

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

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

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

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

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

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

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

For the periods ended June 30, 2024 and 2023, the number of units issued by subscription and/or distribution reinvestment, the number of units redeemed, the total and average number of units outstanding was as follows:

Period	Beginning Units Outstanding	Units Issued	Units Redeemed	Ending Units Outstanding	Average Units Outstanding
2024	32,687,524	2,977,415	(1,700,000)	33,964,939	33,454,398
2023	34,407,590	8,952,358	(4,275,000)	39,084,948	36,724,174

**9. EXPENSES**

**Management fees**

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

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

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

**Other expenses**

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

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

**10. BROKER COMMISSIONS, SOFT DOLLARS AND RELATED PARTY TRANSACTIONS**

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

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

Brokerage commissions paid to dealers in connection with investment portfolio transactions, soft dollar transactions incurred and amounts paid to related parties of the Manager, if any, for the periods ended June 30, 2024 and 2023, were as follows:

Period Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
June 30, 2024	\$13	\$nil	\$nil
June 30, 2023	\$248	\$nil	\$nil

In addition to the information contained in the table above, the management fees paid to the Manager described in note 9 are related party transactions, as the Manager is considered to be a related party to the ETF. Fees paid to the Independent Review Committee are also considered to be related party transactions. Both the management fees and fees paid to the Independent Review Committee are disclosed in the statements of comprehensive income. The management fees payable by the ETF as at June 30, 2024, and December 31, 2023 are disclosed in the statements of financial position.

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

**11. COLLATERAL WITH FUTURES COMMISSION MERCHANTS**

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



**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

Collateral held with FCMs is included as part of “Margin deposits” in the statements of financial position. The collateral held with FCMs as at June 30, 2024, and December 31, 2023, is as follows:

As at	Collateral Held With FCMs
June 30, 2024	\$1,629
December 31, 2023	\$1,592

**12. INCOME TAX**

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

**13. TAX LOSSES CARRIED FORWARD**

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Non-capital losses carried forward may be applied against future years’ taxable income. Non-capital losses that are realized in the current taxation year may be carried forward for 20 years. As at December 31, 2023, the ETF had net capital losses and/or non-capital losses, with the year of expiry of the non-capital losses as follows:

Net Capital Losses	Non-Capital Losses	Year of Expiry of the Non-Capital Losses
\$8,945,004	–	–

**14. OFFSETTING OF FINANCIAL INSTRUMENTS**

In the normal course of business, the ETF may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The following table shows financial instruments that may be eligible for offset, if such conditions were to arise, as at June 30, 2024, and December 31, 2023. The “Net” column displays what the net impact would be on the ETF’s statements of financial position if all amounts were set-off. As at June 30, 2024, the ETF did not have any financial instruments eligible for offsetting.

	Amounts Offset (\$)			Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Financial Assets and Liabilities as at December 31, 2023						
Derivative assets	10,780	–	10,780	–	–	10,780
Derivative liabilities	–	–	–	–	–	–

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2024

**15. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND UNCONSOLIDATED STRUCTURED ENTITIES**

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

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

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

Investments in Investee ETFs are susceptible to market price risk arising from uncertainty about future values of those Investee ETFs. The maximum exposure to loss from interests in Investee ETFs is equal to the total fair value of the investment in those respective Investee ETFs at any given point in time. The fair value of Investee ETFs, if any, are disclosed in investments in the statements of financial position and listed in the schedule of investments. As at June 30, 2024 and December 31, 2023, the ETF had no exposure to subsidiaries, associates or unconsolidated structured entities.

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