



**Horizons Active Cdn Municipal Bond ETF
(HMP:TSX)**



HORIZONS ETFs
by Mirae Asset

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A Message from the CEO

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

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

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

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

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

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

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

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

Sincerely,



Rohit Mehta
President & CEO of Horizons ETFs Management (Canada) Inc.

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MANAGEMENT REPORT OF FUND PERFORMANCE

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

The Sub-Advisor, Fiera Capital Corporation (“Fiera” or the “Sub-Advisor”), uses in-depth credit analysis and other fundamental research to select debt securities for HMP’s investment portfolio. HMP primarily invests in a portfolio of Canadian municipal bonds denominated in Canadian dollars and the HMP is substantially invested under normal conditions. Municipal bonds, sometimes referred to as “munis,” are debt securities generally issued by cities, municipalities or municipal finance authorities to finance local capital expenditures such as the construction of bridges, highways, airports or schools. Issuers of municipal bonds may or may not be rated by a bond rating agency. The proportion of municipal bonds issued by unrated issuers in the ETF’s portfolio will not exceed 80% of the net assets of HMP.

The Sub-Advisor seeks diversification by issuer, and some diversification by geographic region, but the portfolio will generally be weighted more heavily towards Québec municipal bonds due to the predominance of Québec based issuers in the Canadian municipal bond market. A substantial number of municipal issuers, particularly in Québec, are not rated by any bond rating agency.

Management Discussion of Fund Performance (continued)

In order to manage the liquidity of the portfolio, HMP may invest up to 20% of its net assets in cash and cash equivalents, Canadian provincial government bonds and/or bonds issued by the Canadian federal government agencies.

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

Risk

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

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

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

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

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| <ul style="list-style-type: none"> • Stock market risk • Specific issuer risk • Legal and regulatory risk • Market disruptions risk • Cyber security risk • Listed funds risk • Reliance on historical data risk • Corresponding net asset value risk • Designated broker/dealer risk • Cease trading of securities risk • Exchange risk • Early closing risk • No assurance of meeting investment objectives • Tax risk • Securities lending, repurchase and reverse repurchase transaction risk • Loss of limited liability • Reliance on key personnel | <ul style="list-style-type: none"> • Distributions risk • Conflicts of interest • No ownership interest • Market for units • Redemption price • Net asset value fluctuation • Restrictions on certain unitholders • Highly volatile markets • No guaranteed return • Interest rate risk • Credit risk • Income trust investment risk • High yield bond risk and risk of other lower rated investments • Call risk • Risk of difference between quoted and actionable market price • Liquidity risk • Municipal bond risk |
|--|---|

Management Discussion of Fund Performance (continued)

Results of Operations

For the year ended December 31, 2023, units of the ETF returned 5.35% when including distributions paid to unitholders. This compares to a return of 6.47% for the S&P Canada Provincial & Municipal Bond Index (the “Index”) for the same period.

The Index is a broad, comprehensive, market value-weighted index designed to measure the performance of Canadian dollar-denominated, investment-grade government-related bonds in provincial and municipal markets.

General Market Review

2023 began with rising hopes for a soft landing for developed economies as inflationary pressures showed signs of abating and the U.S. Federal Reserve (Fed) eased its pace of rate tightening. Hopes for an end to rate hikes and a pivot to a dovish policy were ended by signs of resilient economic growth: an overheated labour market, sticky inflation, and hawkish central bank commentary that shifted investor expectations towards higher interest rates for longer. The Bank of Canada (BoC) increased its target for the overnight rate in January by 25 basis points to 4.50%.

After decreasing for most of the first quarter of the year, North American yields were much higher over the second quarter especially at the front end of the curve as the fiscal situation remained challenging for the bond market with the U.S. budget deficit running at more than 7% of GDP over the last year. Another factor putting upward pressure on yields was persistently high core inflation.

The Fed did not raise its policy rate at its June meeting after 10 consecutive rate hikes, but Chair Jerome Powell was adamant that they are not done and more rate hikes will be needed to bring inflation back down to the Fed’s 2% target.

The BoC surprised investors by restarting its tightening campaign in June after a 5-month hiatus. The central bank increased rates twenty-five basis points to 4.75% on the back of strength in consumer spending and housing along with a tight labour market and sticky inflation.

North American bond yields - especially for longer-term bonds - continued to rise in the third quarter as the yield curve steepened on talk of “higher-for-longer” interest rates. Positive economic surprises at the start of the third quarter and signs of easing inflationary pressures gave investors hope that the Fed could achieve price stability without tipping the U.S. economy into a recession. In September, the BoC paused its rate hike cycle as both headline and core inflation data came in higher than expected.

The last quarter of 2023 saw a reversal in trend compared to most of the rest of the year, with yields falling significantly and the yield curve steepening despite the continuing theme of “higher-for-longer” interest rates and a general risk off tone. The combination of several central banks hinting that rate hikes were coming to an end along with softer inflation and employment data caused markets to pivot towards lower rates. Central banks attempted to push back but it did not stop the markets from pricing in multiple interest rate cuts starting in early 2024.

Portfolio Review

Carry was the largest contributor to the fund’s strong outperformance in 2023. The fund’s performance was also driven in large part by the compression of yields over the year, as duration was positioned to benefit from this trend. Spread compression in provincial and non-rated municipal spreads was also a positive driver throughout the year. The yield carry from our overweight stance in credit has increased to 23 bps from 18 basis points.

Management Discussion of Fund Performance (continued)

Outlook

Major central banks appear to have ended their interest rate hikes for the current business cycle. Monetary policy is restrictive and will lead to softer growth in 2024. The U.S. economy should operate below potential and the Sub-Advisor now expect Canada to enter a shallow recession. Inflation has declined from very elevated levels over the past year and if it continues to fall the BoC will become more confident in hitting its 2% inflation target, which will allow it to eventually begin the process of loosening monetary policy. The market is expecting multiple BoC rates cuts in 2024 starting in April, which will provide support to avoid a hard economic landing. Canada's central bank rate is expected to end the year at 3.72%, according to market expectations.

During the year, interest rates and credit spreads are expected to stay low with volatility and opportunities presenting themselves as central banks transition to interest rate cuts amid elevated bond supply and geopolitical risks. While recent economic data has shown improvements on the inflation front, more work still needs to be done to support central banks changing their rate policy. The Sub-Advisor expects the BoC and the Fed to lower interest rates in the range of 75 to 125 basis points in 2024.

Investment grade credit spreads are still historically wide despite recent performance. The Sub-Advisor will remain active in this sector as opportunities present themselves. The fund has been focused on sectors that provide more compensation or are better positioned to weather a shallow recession. The fund's trades over the last several months have generally been defensive in nature as the Sub-Advisor has moved the portfolio up in credit quality and bought shorter-dated securities.

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

For the year ended December 31, 2023, the ETF generated gross comprehensive income (loss) from investments and derivatives (which includes changes in the fair value of the ETF's portfolio) of \$2,276,992. This compares to (\$3,525,421) for the year ended December 31, 2022. The ETF incurred management, operating and transaction expenses of \$220,704 (2022 – \$310,728) of which \$76,715 (2022 – \$74,245) 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 \$1,305,421 to unitholders during the year (2022 – \$1,680,910).

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.

Management Discussion of Fund Performance (continued)

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 Investment Canada Inc., in May 2024. The name change is not expected to change any of the day-to-day operations of the ETF. The operations, personnel and responsibilities of the Investment Manager remain unchanged.

Related Party Transactions

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

Manager, Trustee and Investment Manager

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

If the ETF invests in other Horizons Management ETFs, Horizons Management may receive management fees in respect of the ETF's assets invested in such Horizons Management ETFs. In addition, any management fees paid to the Manager (described in detail on page 14) 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 December 31, 2023 and 2022, are disclosed in the statements of financial position.

Financial Highlights

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

The ETF's Net Assets per Unit

Year ⁽¹⁾	2023	2022	2021	2020	2019
Net assets, beginning of year	\$ 9.18	9.86	10.16	9.84	9.76
Increase (decrease) from operations:					
Total revenue	0.25	0.22	0.23	0.26	0.25
Total expenses	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)
Realized gains (losses) for the year	(0.14)	(0.52)	(0.03)	0.10	0.04
Unrealized gains (losses) for the year	0.40	(0.20)	(0.27)	0.22	0.07
Total increase (decrease) from operations ⁽²⁾	0.48	(0.53)	(0.11)	0.54	0.32
Distributions:					
From net investment income (excluding dividends)	(0.22)	(0.21)	(0.19)	(0.22)	(0.23)
From return of capital	(0.08)	(0.05)	(0.01)	–	–
Total distributions ⁽³⁾	(0.30)	(0.26)	(0.20)	(0.22)	(0.23)
Net assets, end of year ⁽⁴⁾	\$ 9.37	9.18	9.86	10.16	9.84

1. This information is derived from the ETF's 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

Year ⁽¹⁾	2023	2022	2021	2020	2019
Total net asset value (000's)	\$ 39,443	35,448	91,030	82,408	72,412
Number of units outstanding (000's)	4,211	3,861	9,235	8,109	7,358
Management expense ratio ⁽²⁾	0.35%	0.36%	0.35%	0.35%	0.35%
Management expense ratio before waivers and absorptions ⁽³⁾	0.53%	0.47%	0.44%	0.45%	0.43%
Trading expense ratio ⁽⁴⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁵⁾	118.45%	74.56%	54.78%	77.27%	53.82%
Net asset value per unit, end of year	\$ 9.37	9.18	9.86	10.16	9.84
Closing market price	\$ 9.37	9.19	9.84	10.20	9.83

1. This information is provided as at 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 year. 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 year. 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 0.29%, 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 year.

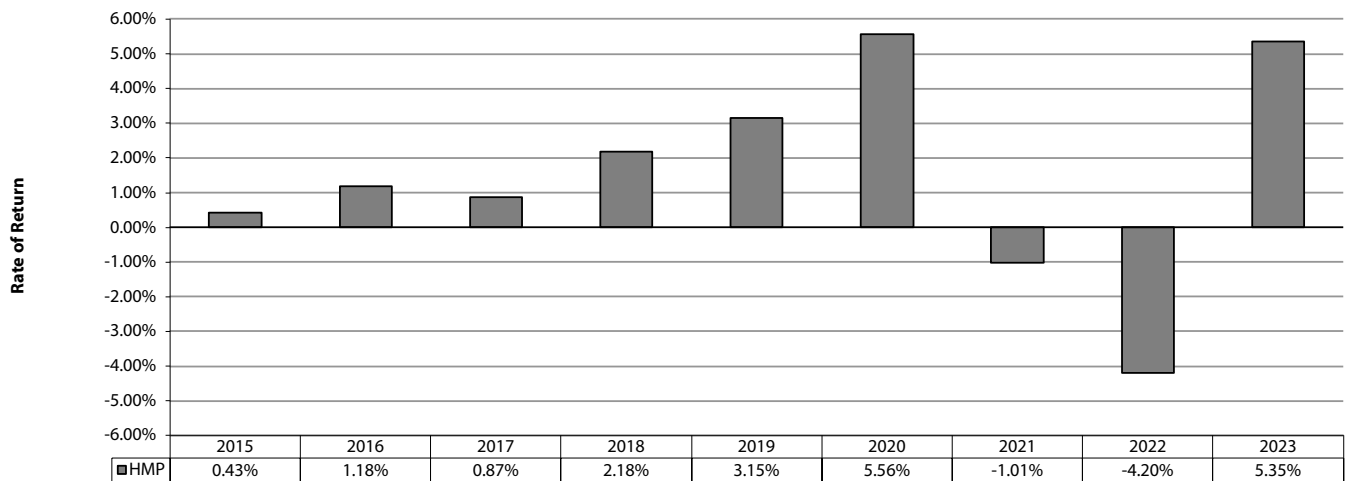
Marketing	Portfolio management fees, general administrative costs and profit	Waived/absorbed expenses of the ETF
4%	43%	53%

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 August 12, 2015.

Past Performance (continued)

Annual Compound Returns

The following table presents the ETF's annual compound total return since inception and for the periods shown ended December 31, 2023, along with a comparable market index, the S&P Canada Provincial & Municipal Bond Index and a broad-based index, the Solactive Canadian Select Universe Bond Index. The Solactive Canadian Select Universe Bond Index is designed to measure the performance of the Canadian investment grade bond market (government and corporate bonds) by selecting a representative group of bonds. The table is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the ETF or future returns on investments in the ETF.

	1 Year	3 Year	5 Year	Since Inception
Horizons Active Cdn Municipal Bond ETF	5.35%	-0.03%	1.70%	1.57%
S&P Canada Provincial & Municipal Bond Index	6.47%	-3.24%	1.16%	1.34%
Solactive Canadian Select Universe Bond Index	6.56%	-2.72%	1.20%	1.30%

The ETF effectively began operations on August 12, 2015.

Summary of Investment Portfolio

As at December 31, 2023

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
Canadian Fixed Income Securities	\$ 38,807,178	98.39%
Cash and Cash Equivalents	224,304	0.57%
Other Assets less Liabilities	411,286	1.04%
	\$ 39,442,768	100.00%

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Municipal Bonds	\$ 26,497,466	67.18%
Provincial Bonds	12,309,712	31.21%
Cash and Cash Equivalents	224,304	0.57%
Other Assets less Liabilities	411,286	1.04%
	\$ 39,442,768	100.00%

Summary of Investment Portfolio (continued)

As at December 31, 2023

Top 25 Holdings*	% of ETF's Net Asset Value
Province of Ontario	31.21%
City of Montreal	5.44%
Municipalité de Saint-Félix-de-Valois	3.10%
Ville de Repentigny	3.04%
Ville de Varennes	2.90%
Ville de Boucherville	2.58%
Municipalité de Saint-Donat	2.46%
Ville de Beauharnois	2.10%
Ville de Saint-Hyacinthe	1.92%
Municipalité de Saint-Zotique	1.85%
Ville de Boisbriand	1.78%
Ville de Châteauguay	1.71%
Ville de Mont-Laurier	1.69%
Ville de Gatineau	1.68%
Ville de Sainte-Brigitte-de-Laval	1.67%
Ville de Victoriaville	1.57%
Municipalité de Lévis	1.56%
Ville de Sainte-Thérèse	1.50%
Ville de Brossard	1.45%
Ville de Blainville	1.32%
Ville de Joliette	1.31%
Ville de Val-d'Or	1.26%
Ville de Sainte-Anne-de-Beaupré	1.17%
Municipalité de Brownsburg-Chatham	1.17%
Municipalité de Sainte-Anne-de-Sorel	1.17%

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

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

MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

These financial statements have been approved by the Board of Directors of the Manager and have been audited by KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants, on behalf of unitholders. The independent auditor's report outlines the scope of their audit and their opinion on the financial statements.



Rohit Mehta
Director
Horizons ETFs Management (Canada) Inc.



Thomas Park
Director
Horizons ETFs Management (Canada) Inc.

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Horizons Active Cdn Municipal Bond ETF (the "ETF")

Opinion

We have audited the financial statements of the ETF, which comprise the statements of financial position as at December 31, 2023, and December 31, 2022, the statements of comprehensive income, changes in financial position and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ETF as at December 31, 2023, and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board.

Basis for Opinion

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

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

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

Other Information

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

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



Chartered Professional Accountants, Licensed Public Accountants
The engagement partner on the audit resulting in this auditor's report is Paula M. Foster.
Toronto, Canada
March 13, 2024

Statements of Financial Position

As at December 31,

	2023	2022
Assets		
Cash and cash equivalents	\$ 224,304	\$ 47,807
Investments (note 6)	38,807,178	35,337,087
Amounts receivable relating to accrued income	278,672	194,847
Amounts receivable relating to securities issued	234,403	–
Total assets	39,544,557	35,579,741
Liabilities		
Accrued management fees (note 9)	10,949	11,539
Accrued operating expenses	840	1,577
Amounts payable relating to securities redeemed	–	2,218
Distribution payable	90,000	116,286
Total liabilities	101,789	131,620
Total net assets	\$ 39,442,768	\$ 35,448,121
Number of redeemable units outstanding (note 8)	4,211,058	3,860,749
Total net assets per unit	\$ 9.37	\$ 9.18

(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

For the Years Ended December 31,

	2023	2022
Income		
Interest income for distribution purposes	\$ 1,088,982	\$ 1,564,698
Securities lending income (note 7)	2,921	3,899
Net realized gain (loss) on sale of investments and derivatives	(633,980)	(3,702,657)
Net change in unrealized appreciation (depreciation) of investments and derivatives	1,819,069	(1,391,361)
	2,276,992	(3,525,421)
Expenses (note 9)		
Management fees	134,154	220,876
Audit fees	10,991	11,457
Independent Review Committee fees	596	447
Custodial and fund valuation fees	31,075	31,583
Legal fees	2,280	3,221
Securityholder reporting costs	14,694	16,475
Administration fees	26,914	26,669
	220,704	310,728
Amounts that were payable by the investment fund that were paid or absorbed by the Manager	(76,715)	(74,245)
	143,989	236,483
Increase (decrease) in net assets for the year	\$ 2,133,003	\$ (3,761,904)
Increase (decrease) in net assets per unit	\$ 0.48	\$ (0.53)

(See accompanying notes to financial statements)

Statements of Changes in Financial Position

For the Years Ended December 31,

	2023		2022	
Total net assets at the beginning of the year	\$	35,448,121	\$	91,030,172
Increase (decrease) in net assets		2,133,003		(3,761,904)
Redeemable unit transactions				
Proceeds from the issuance of securities of the investment fund		27,833,168		8,756,672
Aggregate amounts paid on redemption of securities of the investment fund		(24,669,016)		(58,905,715)
Securities issued on reinvestment of distributions		2,913		9,806
Distributions:				
From net investment income		(942,022)		(1,366,077)
Return of capital		(363,399)		(314,833)
Total net assets at the end of the year	\$	39,442,768	\$	35,448,121

(See accompanying notes to financial statements)

Statements of Cash Flows

For the Years Ended December 31,

	2023	2022
Cash flows from operating activities:		
Increase (decrease) in net assets for the year	\$ 2,133,003	\$ (3,761,904)
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	633,980	3,702,657
Net change in unrealized (appreciation) depreciation of investments and derivatives	(1,819,069)	1,391,361
Purchase of investments	(39,783,114)	(42,614,560)
Proceeds from the sale of investments	40,139,424	82,929,495
Amounts receivable relating to accrued income	(83,825)	272,504
Accrued expenses	(1,327)	(14,883)
Net cash from (used in) operating activities	1,219,072	41,904,670
Cash flows from financing activities:		
Amount received from the issuance of units	17,925,693	1,734,218
Amount paid on redemptions of units	(17,639,474)	(41,992,308)
Distributions paid to unitholders	(1,328,794)	(1,708,299)
Net cash from (used in) financing activities	(1,042,575)	(41,966,389)
Net increase (decrease) in cash and cash equivalents during the year	176,497	(61,719)
Cash and cash equivalents at beginning of year	47,807	109,526
Cash and cash equivalents at end of year	\$ 224,304	\$ 47,807

Interest received, net of withholding taxes	\$ 1,005,157	\$ 1,837,202
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(See accompanying notes to financial statements)

Schedule of Investments

As at December 31, 2023

Security	Par Value	Average Cost	Fair Value
CANADIAN FIXED INCOME SECURITIES (98.39%)			
Municipal Bonds (67.18%)			
City of Montreal, 3.00%, 2027/09/01	2,200,000	\$ 2,110,922	\$ 2,146,675
Municipalité de Brownsburg-Chatham, 1.50%, 2026/10/18	500,000	446,840	461,648
Municipalité de Cap-Saint-Ignace, 4.40%, 2028/12/14	400,000	393,368	400,218
Municipalité de Chelsea, 1.50%, 2026/10/18	475,000	424,498	438,565
Municipalité de Lévis, 3.00%, 2025/06/02	633,000	667,859	616,231
Municipalité de Saint-Bruno, 1.00%, 2026/01/25	75,000	67,184	69,683
Municipalité de Saint-Calixte, 2.50%, 2025/03/24	232,000	230,102	224,947
Municipalité de Saint-Calixte, 2.65%, 2026/03/24	238,000	235,351	228,274
Municipalité de Saint-Donat, 2.10%, 2026/02/11	855,000	842,910	811,927
Municipalité de Saint-Donat, 3.25%, 2026/05/12	162,000	154,517	157,289
Municipalité de Sainte-Anne-de-Sorel, 1.45%, 2026/10/15	500,000	446,656	461,074
Municipalité de Saint-Félix-de-Valois, 3.20%, 2025/04/22	619,000	614,067	604,840
Municipalité de Saint-Félix-de-Valois, 3.30%, 2026/04/22	637,000	629,426	619,381
Municipalité de Saint-Zotique, 2.50%, 2025/03/25	131,000	129,896	127,021
Municipalité de Saint-Zotique, 1.25%, 2025/06/29	500,000	493,800	474,103
Municipalité de Saint-Zotique, 2.65%, 2026/03/25	135,000	133,558	129,486
Municipalite de Val-des-Monts, 5.35%, 2028/10/27	400,000	394,604	416,630
Réseau de transport de la Capitale, 4.70%, 2026/06/27	81,000	79,101	81,332
Ville de Beauharnois, 2.55%, 2025/03/29	430,000	426,160	417,130
Ville de Beauharnois, 2.60%, 2026/03/29	430,000	423,834	411,941
Ville de Blainville, 1.60%, 2026/10/29	95,000	84,291	87,893
Ville de Blainville, 4.85%, 2027/11/01	425,000	423,882	431,947
Ville de Boisbriand, 0.95%, 2025/10/20	750,000	739,575	701,590
Ville de Bois-des-Filion, 4.00%, 2027/08/19	101,000	95,849	99,703
Ville de Boucherville, 1.20%, 2025/07/08	1,000,000	988,692	946,764
Ville de Boucherville, 4.65%, 2026/07/11	69,000	67,292	69,221
Ville de Brossard, 5.00%, 2026/11/01	562,000	566,895	570,105
Ville de Carignan, 1.15%, 2025/07/29	124,000	116,802	117,123
Ville de Châteauguay, 1.20%, 2025/06/30	500,000	493,550	473,760
Ville de Châteauguay, 3.25%, 2025/11/18	207,000	208,855	201,616
Ville de Chibougamau, 4.20%, 2027/07/28	300,000	295,278	298,151
Ville de Côte Saint-Luc, 4.00%, 2027/08/23	300,000	296,796	296,143
Ville de Gaspé, 4.25%, 2027/02/17	62,000	59,530	61,702
Ville de Gatineau, 3.05%, 2025/06/23	106,000	106,409	103,206
Ville de Gatineau, 1.95%, 2026/12/03	600,000	572,064	559,549
Ville de Joliette, 1.05%, 2025/09/02	550,000	542,382	517,285
Ville de La Malbaie, 2.55%, 2025/03/24	134,000	133,061	130,005
Ville de La Malbaie, 2.60%, 2026/03/24	137,000	135,246	131,258
Ville de La Prairie, 3.15%, 2025/07/21	147,000	159,760	143,262
Ville de La Tuque, 1.30%, 2026/08/27	500,000	446,540	460,648
Ville de Lac-Brome, 3.85%, 2027/08/18	341,000	321,809	334,923

Schedule of Investments (continued)

As at December 31, 2023

Security	Par Value	Average Cost	Fair Value
Ville de Longueuil, 3.80%, 2027/05/03	400,000	390,556	392,640
Ville de Matane, 1.45%, 2026/10/12	400,000	358,048	368,952
Ville de Mercier, 3.75%, 2026/08/19	76,000	72,312	74,621
Ville de Mont-Laurier, 3.20%, 2025/04/22	338,000	335,306	330,268
Ville de Mont-Laurier, 3.30%, 2026/04/22	346,000	341,886	336,430
Ville de Mont-Saint-Hilaire, 1.85%, 2026/11/26	439,000	430,044	408,378
Ville de Pincourt, 3.75%, 2027/05/20	368,000	346,711	360,597
Ville de Repentigny, 4.15%, 2025/06/27	311,000	307,831	307,662
Ville de Repentigny, 4.30%, 2026/06/27	895,000	883,589	890,352
Ville de Rimouski, 4.55%, 2026/12/01	450,000	443,830	451,330
Ville de Saint-Basile-le-Grand, 5.25%, 2027/10/10	429,000	430,060	441,795
Ville de Sainte Marthe-sur-le-Lac, 1.90%, 2026/01/24	202,000	193,962	191,220
Ville de Sainte-Adèle, 1.30%, 2025/10/01	120,000	109,432	113,128
Ville de Sainte-Anne-de-Beaupré, 1.40%, 2026/07/09	500,000	449,415	463,341
Ville de Sainte-Brigitte-de-Laval, 4.00%, 2025/06/27	326,000	321,283	321,811
Ville de Sainte-Brigitte-de-Laval, 4.00%, 2026/06/27	338,000	329,797	333,890
Ville de Sainte-Catherine, 4.15%, 2025/06/27	197,000	194,993	194,886
Ville de Sainte-Catherine, 4.30%, 2026/06/27	205,000	202,386	203,935
Ville de Sainte-Thérèse, 4.00%, 2027/08/19	600,000	592,080	592,293
Ville de Saint-Eustache, 3.25%, 2025/09/30	123,000	124,140	119,942
Ville de Saint-Hyacinthe, 3.85%, 2027/08/23	366,000	345,372	359,467
Ville de Saint-Hyacinthe, 3.10%, 2028/02/28	420,000	381,058	399,850
Ville de Saint-Joseph-de-Beauce, 2.50%, 2025/03/24	111,000	109,934	107,626
Ville de Saint-Joseph-de-Beauce, 1.90%, 2026/01/20	129,000	123,885	122,127
Ville de Sherbrooke, 2.50%, 2025/04/07	107,000	113,067	103,678
Ville de Sherbrooke, 3.05%, 2025/06/23	90,000	85,763	87,628
Ville de Trois-Rivières, 3.25%, 2025/10/21	130,000	131,205	126,692
Ville de Val-d'Or, 4.10%, 2027/07/28	500,000	490,255	495,283
Ville de Varennes, 2.50%, 2025/03/24	376,000	371,894	364,570
Ville de Varennes, 0.90%, 2025/10/19	359,000	352,404	335,579
Ville de Varennes, 2.65%, 2026/03/24	465,000	459,997	445,998
Ville de Victoriaville, 1.30%, 2025/06/17	650,000	644,891	617,248
		26,666,597	26,497,466
Provincial Bonds (31.21%)			
Province of Ontario, 2.60%, 2027/06/02	1,660,000	1,571,917	1,605,759
Province of Ontario, 3.60%, 2028/03/08	3,080,000	3,044,307	3,087,659
Province of Ontario, 3.40%, 2028/09/08	6,735,000	6,449,460	6,702,625
Province of Ontario, 2.05%, 2030/06/02	1,000,000	872,252	913,669
		11,937,936	12,309,712
TOTAL CANADIAN FIXED INCOME SECURITIES		38,604,533	38,807,178

Schedule of Investments (continued)

As at December 31, 2023

Security	Par Value	Average Cost	Fair Value
TOTAL INVESTMENT PORTFOLIO (98.39%)	\$ 38,604,533	\$ 38,807,178	
Cash and cash equivalents (0.57%)			224,304
Other assets less liabilities (1.04%)			411,286
TOTAL NET ASSETS (100.00%)			\$ 39,442,768

(See accompanying notes to financial statements)

Notes to Financial Statements

For the Years Ended December 31, 2023 and 2022

1. REPORTING ENTITY

Horizons Active Cdn Municipal Bond ETF (“HMP” 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 August 12, 2015. The address of the ETF’s registered office is: c/o Horizons ETFs Management (Canada) Inc., 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7.

The ETF is offered for sale on a continuous basis by its prospectus in Class E units (“Class E”) which trade on the Toronto Stock Exchange (“TSX”) under the symbol HMP. 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 HMP is to seek to provide unitholders with a high level of income by investing primarily in a portfolio of Canadian municipal bonds denominated in Canadian dollars.

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

2. BASIS OF PREPARATION

(i) Statement of compliance

The financial statements have been prepared in accordance with 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 March 13, 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 though profit or loss, which are measured at fair value.

(iii) Functional and presentation currency

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

3. 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 (continued)

For the Years Ended December 31, 2023 and 2022

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

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

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

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

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

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

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

(ii) Fair value measurement

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

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

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2023 and 2022

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

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

(iii) Offsetting

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

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

(iv) Specific instruments

Cash and cash equivalents

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

Forward foreign exchange contracts

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

Redeemable units

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

(b) Investment income

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

For the Years Ended December 31, 2023 and 2022

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 year-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 year.

(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 (continued)

For the Years Ended December 31, 2023 and 2022

(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 (continued)

For the Years Ended December 31, 2023 and 2022

(i) Currency risk

Currency risk is the risk that financial instruments which are denominated in currencies other than the ETF's reporting currency, the Canadian dollar, will fluctuate due to changes in exchange rates and adversely impact the ETF's income, cash flows or fair values of its investment holdings. The ETF may reduce its foreign currency exposure through the use of derivative arrangements such as foreign exchange forward contracts or futures contracts. As at December 31, 2023 and 2022, the ETF did not have any exposure to foreign currencies.

(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)
December 31, 2023	208	19,053	19,117	915	–	39,293
December 31, 2022	–	18,644	15,836	1,052	–	35,532

The percentage of the ETF's net assets exposed to interest rate risk as at December 31, 2023, was 99.6% (December 31, 2022 – 100.2%). The amount by which the net assets of the ETF would have increased or decreased, as at December 31, 2023, 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 \$1,141,844 (December 31, 2022 – \$1,017,724). 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	December 31, 2023	December 31, 2022
S&P Canada Provincial & Municipal Bond Index	\$301,706	\$261,457

Notes to Financial Statements (continued)

For the Years Ended December 31, 2023 and 2022

(b) Credit risk

Credit risk on financial instruments is the risk of a financial loss occurring as a result of the default of a counterparty on its obligation to the ETF. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, and other receivables. The ETF's maximum credit risk exposure as at the reporting date is represented by the respective carrying amounts of the financial assets in the statements of financial position. 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 December 31, 2023 and 2022, is listed as follows:

Debt or Derivative Securities by Credit Rating	Percentage of Net Asset Value (%)	
	December 31, 2023	December 31, 2022
AAA	0.5%	–
AA	67.6%	88.3%
A	31.5%	12.0%
Total	99.6%	100.3%

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 December 31, 2023, was 31.2% (December 31, 2022 – 12.2%) 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 (continued)

For the Years Ended December 31, 2023 and 2022

6. FAIR VALUE MEASUREMENT

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

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

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The following is a summary of the inputs used as at December 31, 2023 and 2022, in valuing the ETF's investments and derivatives carried at fair values:

	December 31, 2023			December 31, 2022		
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Financial Assets						
Bonds	–	38,807,178	–	–	35,337,087	–
Total Financial Assets	–	38,807,178	–	–	35,337,087	–
Total Financial Liabilities	–	–	–	–	–	–
Net Financial Assets and Liabilities	–	38,807,178	–	–	35,337,087	–

There were no significant transfers made between Levels 1 and 2 as a result of changes in the availability of quoted market prices or observable market inputs during the years shown. In addition, there were no investments or transactions classified in Level 3 for the years ended December 31, 2023 and 2022.

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 (continued)

For the Years Ended December 31, 2023 and 2022

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

As at	Securities Loaned	Collateral Received
December 31, 2023	\$6,997,259	\$7,381,174
December 31, 2022	\$2,058,144	\$2,163,083

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

The table below presents a reconciliation of the securities lending income as presented in the statements of comprehensive income for the years ended December 31, 2023 and 2022. It shows the gross amount of securities lending revenues generated from the securities lending transactions of the ETF, less any taxes withheld and amounts earned by parties entitled to receive payments out of the gross amount as part of any securities lending agreements.

For the years ended	December 31, 2023	% of Gross Income	December 31, 2022	% of Gross Income
Gross securities lending income	\$4,866		\$6,498	
Lending Agent's fees:				
Canadian Imperial Bank of Commerce	(1,945)	39.97%	(2,599)	40.00%
Net securities lending income paid to the ETF	\$2,921	60.03%	\$3,899	60.00%

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 (continued)

For the Years Ended December 31, 2023 and 2022

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

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

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

For the years ended December 31, 2023 and 2022, 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:

Year	Beginning Units Outstanding	Units Issued	Units Redeemed	Ending Units Outstanding	Average Units Outstanding
2023	3,860,749	3,025,309	(2,675,000)	4,211,058	4,418,260
2022	9,234,705	926,044	(6,300,000)	3,860,749	7,058,192

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 0.29%, 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 (continued)

For the Years Ended December 31, 2023 and 2022

Other expenses

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

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

10. BROKER COMMISSIONS, SOFT DOLLARS AND RELATED PARTY TRANSACTIONS

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

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

Brokerage commissions paid to dealers in connection with investment portfolio transactions, soft dollar transactions incurred and amounts paid to related parties of the Manager, if any, for the years ended December 31, 2023 and 2022, were as follows:

Year Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
December 31, 2023	\$nil	\$nil	\$nil
December 31, 2022	\$nil	\$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 December 31, 2023 and 2022 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. 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.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2023 and 2022

12. 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
\$3,069,660	–	–

13. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the ETF may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. As at December 31, 2023 and 2022, the ETF did not have any financial instruments eligible for offsetting.

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

15. SUBSEQUENT EVENTS

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

Manager

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