



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



HORIZONS ETFs
by Mirae Asset

Innovation is our capital. Make it yours.
www.HorizonsETFs.com

THIS PAGE IS INTENTIONALLY LEFT BLANK

Contents

MANAGEMENT REPORT OF FUND PERFORMANCE

Management Discussion of Fund Performance	7
Financial Highlights	11
Past Performance	14
Summary of Investment Portfolio	15

MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING.....17

FINANCIAL STATEMENTS

Statements of Financial Position	18
Statements of Comprehensive Income	19
Statements of Changes in Financial Position	20
Statements of Cash Flows	21
Schedule of Investments	22
Notes to Financial Statements - ETF Specific Information	36
Notes to Financial Statements	40

THIS PAGE IS INTENTIONALLY LEFT BLANK

A Message from the CEO

Halfway into 2023, I am proud to highlight the successes that Horizons ETFs has achieved so far, within our business and for our investors. Throughout this year and beyond, Horizons ETFs is 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 June 30, 2023, Canada's ETF industry has accumulated more than \$19 billion in year-to-date inflows.

At Horizons ETFs, our assets under management swelled from approximately \$23 billion at the end of 2022 to nearly \$26 billion as at June 30, 2023. We continue to solidify our position as one of Canada's leading ETF providers, with more than \$2 billion in ETF inflows this year – the highest dollar amount of inflows among the five largest ETF providers by assets under management.

We are also committed to continuing our longstanding commitment to bringing innovative ETFs to market. On April 12, 2023, we launched Canada's first ETFs that provide exclusive exposure to Canadian and U.S. 0-3 month Treasury Bills ("T-Bills"), respectively the Horizons 0-3 Month T-Bill ETF ("**CBIL**") and the Horizons 0-3 Month U.S. T-Bill ETF ("**UBIL.U**"). Recent economic uncertainty has spurred investor demand for "cash alternative" strategies that can provide the relative safety of traditional savings vehicles while generating income that outpaces inflation. With more than \$500 million in assets under management in these two funds, we are proud to have delivered ETF products resonating with so many Canadian investors.

In the coming months, we intend to launch several new and novel ETFs, offering investors more opportunities to gain and tailor their exposure to asset classes that we consider "Equity Essentials". We look forward to sharing more news on these exciting products, soon. No matter what is next on your horizon, we are confident that our suite of innovative ETFs will be able to help you reach your financial goals.

At Horizons ETFs, we go beyond the ordinary asset management model by embracing 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.

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.

THIS PAGE IS INTENTIONALLY LEFT BLANK

MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance for Horizons US Large Cap Index ETF (“HULC” or the “ETF”), a corporate class of shares (a “Corporate Class”) of Horizons ETF Corp. (the “Company”), contains financial highlights and is included with the unaudited interim financial statements (“financial statements” or “interim financial statements”) for the investment fund. You may request a copy of the investment fund’s unaudited interim or audited annual financial statements, interim or annual management report of fund performance, current proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosures, at no cost, by calling (toll free) 1-866-641-5739, or (416) 933-5745, by writing to Horizons ETFs Management (Canada) Inc. (“Horizons Management” or the “Manager”), at 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7, by visiting our website at www.horizonsetfs.com or through SEDAR+ at www.sedarplus.ca.

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

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

Management Discussion of Fund Performance

Investment Objective and Strategy

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

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

Management Discussion of Fund Performance (continued)

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

About the Underlying Index

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

Risk

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

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

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

The risks to which an investment in the ETF is subject are listed below and have not changed from the list of risks found in the ETF’s most recent prospectus. A full description of each risk listed below may also be found in the most recent prospectus. The most recent prospectus is available at www.horizonsetfs.com or from www.sedarplus.ca, or by calling Horizons ETFs Management (Canada) Inc. at (toll free) 1-866-641-5739, or at (416) 933-5745.

Management Discussion of Fund Performance (continued)

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

Results of Operations

For the period ended June 30, 2023, the US\$ Shares of the ETF returned 17.02%. By comparison, the Underlying Index returned 17.19% for the same period in U.S. dollar terms. Differences in performance between the ETF and the Underlying Index may arise due to expenses payable by the ETF, which include management fees plus applicable sales taxes; as well as the potential for tracking error arising from the physical index replication risk detailed in the ETF's prospectus.

For the period ended June 30, 2023, the top performers in the Underlying Index were NVIDIA Corporation, Palantir Technologies Inc., and Meta Platforms, Inc., returning 189.54%, 138.79%, and 138.47%, respectively. The worst performers in the Underlying Index for the year were Enphase Energy, Inc., Moderna, Inc., and Citizens Financial Group, Inc., returning -36.79%, -32.36%, and -32.06%, respectively.

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

Management Discussion of Fund Performance (continued)

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

For the six-month period ended June 30, 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 \$41,383,330. This compares to (\$33,462,943) for the six-month period ended June 30, 2022. The ETF incurred management, and transaction expenses of \$482,203 (2022 – \$225,095) of which \$nil (2022 – \$4,197) was either paid or absorbed by the Manager on behalf of the ETF. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager. The ETF did not make any distributions to shareholders during the periods ended June 30, 2023 and 2022.

Recent Developments

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

Presentation

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

Related Party Transactions

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

Manager and Investment Manager

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

Any management fees paid to the Manager (described in detail on page 13) are related party transactions, as the Manager is considered to be a related party to the ETF. The management fees are disclosed in the statements of comprehensive income in the attached financial statements of the ETF. The management fees payable by the ETF as at June 30, 2023 and December 31, 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 current interim reporting period and since it effectively began operations on February 5, 2020. 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 Share

Period ⁽¹⁾	2023	2022	2021	2020
Net assets, beginning of period	\$ 60.49	70.57	55.98	50.00
Increase (decrease) from operations:				
Total revenue	0.53	1.02	0.92	0.84
Total expenses	(0.10)	(0.20)	(0.18)	(0.16)
Realized gains (losses) for the period	(0.12)	(0.68)	2.15	(0.05)
Unrealized gains (losses) for the period	8.59	(7.50)	12.39	10.26
Total increase (decrease) from operations ⁽²⁾	8.90	(7.36)	15.28	10.89
Total distributions ⁽³⁾	–	–	–	–
Net assets, end of period (Cdn\$ shares) ⁽⁴⁾	\$ 69.25	60.49	70.57	55.98
Net assets, end of period (US\$ shares) ⁽⁴⁾	\$ 52.27	44.67	55.79	43.98

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

Financial Highlights (continued)

Ratios and Supplemental Data

Period ⁽¹⁾	2023	2022	2021	2020
Total net asset value (000's)	\$ 391,795	203,098	143,461	55,981
Number of shares outstanding (000's)	5,658	3,358	2,033	1,000
Management expense ratio ⁽²⁾⁽⁴⁾	0.09%	0.09%	0.09%	0.08%
Management expense ratio excluding proportion of expenses from underlying investment funds	0.09%	0.08%	0.08%	0.08%
Management expense ratio before waivers and absorptions ⁽³⁾	0.09%	0.09%	0.09%	0.09%
Trading expense ratio ⁽³⁾⁽⁴⁾	0.01%	0.00%	0.00%	0.00%
Trading expense ratio excluding proportion of costs from underlying investment funds	0.01%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁵⁾	32.19%	61.46%	113.96%	54.39%
Net asset value per share, end of period (Cdn\$ shares)	\$ 69.25	60.49	70.57	55.98
Closing market price (Cdn\$ shares)	\$69.30	60.74	70.64	55.67
Net asset value per share, end of period (US\$ shares)	\$52.27	44.67	55.79	43.98
Closing market price (US\$ shares)	\$52.31	44.90	55.83	44.00

1. This information is provided as at June 30, 2023 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 periods. The constating documents of the ETF require that the Manager pay all the expenses of the ETF other than the management fee and any sales taxes on the management fee. The Manager, at its discretion, may waive and/or absorb a portion of the fees and/or expenses otherwise payable by the ETF. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.
3. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the periods.
4. The ETF's management expense ratio (MER) and trading expense ratio (TER) include and estimated proportion of the MER and TER for any underlying investment funds held in the ETF's portfolio during the year/period.
5. The ETF's portfolio turnover rate indicates how actively the ETF trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of a year. The higher an ETF's portfolio turnover rate in a year, the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of an ETF.

Financial Highlights (continued)**Management Fees**

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

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

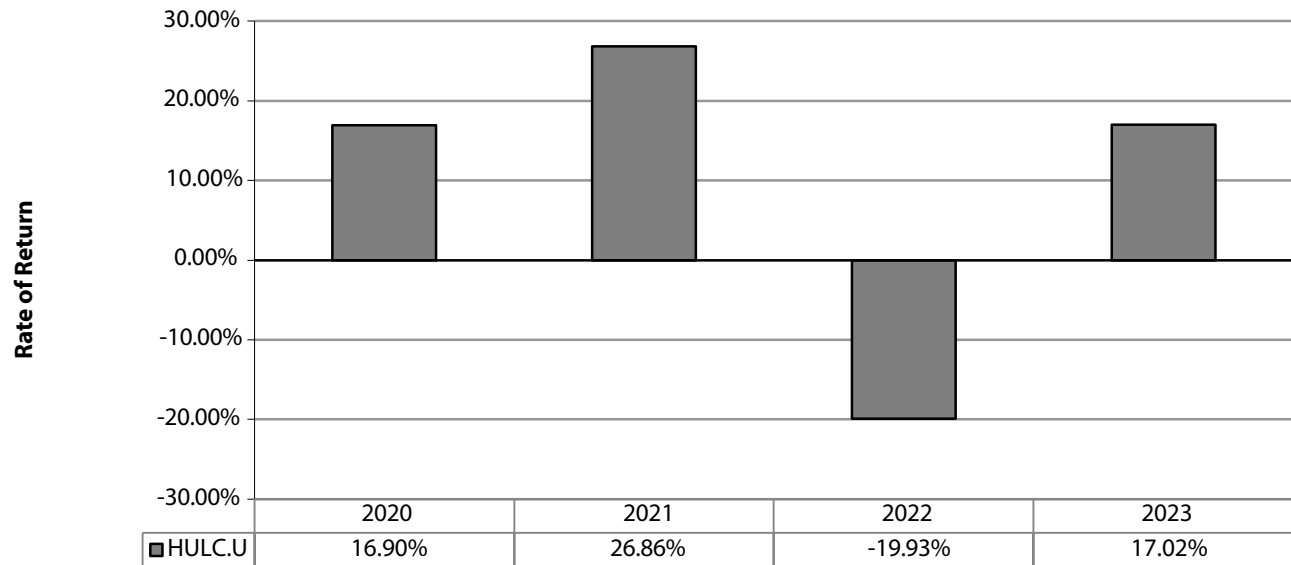
The constating documents of the ETF require that the Manager pay all the expenses of the ETF other than the management fee, any sales taxes on the management fee, and any brokerage and commission expenses as may be applicable. As a result, the ETF does not have any other expenses.

Past Performance

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

Year-by-Year Returns

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



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

Summary of Investment Portfolio

As at June 30, 2023

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
U.S. Equities	\$ 379,390,476	96.83%
Global Equities	10,336,875	2.64%
Cash and Cash Equivalents	1,789,727	0.46%
Other Assets less Liabilities	278,346	0.07%
	\$ 391,795,424	100.00%

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Information Technology	\$ 120,373,520	30.73%
Health Care	50,602,755	12.92%
Financials	44,196,455	11.28%
Consumer Discretionary	41,652,375	10.62%
Communication Services	33,106,258	8.44%
Industrials	30,182,973	7.71%
Consumer Staples	23,665,275	6.04%
Energy	16,802,352	4.29%
U.S. Broad Equity	10,217,201	2.61%
Materials	9,686,711	2.47%
Utilities	9,241,476	2.36%
Cash and Cash Equivalents	1,789,727	0.46%
Other Assets less Liabilities	278,346	0.07%
	\$ 391,795,424	100.00%

Summary of Investment Portfolio (continued)

As at June 30, 2023

Top 25 Holdings	% of ETF's Net Asset Value
Apple Inc.	7.48%
Microsoft Corp.	6.47%
Alphabet Inc.	3.49%
Amazon.com Inc.	3.03%
SPDR® S&P 500 ETF Trust	2.61%
NVIDIA Corp.	2.60%
Tesla Inc.	1.86%
Meta Platforms Inc.	1.65%
UnitedHealth Group Inc.	1.16%
Berkshire Hathaway Inc.	1.14%
Exxon Mobil Corp.	1.14%
Johnson & Johnson	1.11%
JPMorgan Chase & Co.	1.10%
Eli Lilly and Co.	1.03%
Visa Inc.	1.00%
Procter & Gamble Co. (The)	0.92%
Broadcom Inc.	0.92%
MasterCard Inc.	0.85%
Home Depot Inc. (The)	0.80%
Chevron Corp.	0.76%
Merck & Co. Inc.	0.76%
PepsiCo Inc.	0.64%
Costco Wholesale Corp.	0.62%
AbbVie Inc.	0.62%
Coca-Cola Co. (The)	0.61%

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

MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

These financial statements have been approved by the Board of Directors of the Manager and by the Board of Directors of Horizons ETF Corp.



Rohit Mehta
Director
Horizons ETFs Management (Canada) Inc.



Thomas Park
Director
Horizons ETFs Management (Canada) Inc.

NOTICE TO SHAREHOLDERS

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

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

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

Statements of Financial Position (unaudited)

As at June 30, 2023, and December 31, 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 1,789,727	\$ 899,287
Investments	389,727,351	202,052,943
Amounts receivable relating to accrued income	223,997	160,164
Amounts receivable relating to securities issued	5,131,945	–
Total assets	396,873,020	203,112,394
Liabilities		
Accrued management fees	27,509	14,528
Amounts payable for portfolio assets purchased	5,050,087	–
Total liabilities	5,077,596	14,528
Total net assets	\$ 391,795,424	\$ 203,097,866
Number of redeemable shares outstanding (note 8)	5,657,800	3,357,800
Total net assets per share (Cdn\$ shares)	69.25	60.49
Total net assets per share (US\$ shares)	\$ 52.27	\$ 44.67

(See accompanying notes to financial statements)

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



 Rohit Mehta
 Director



 Jasmit Bhandal
 Director

Statements of Comprehensive Income (unaudited)

For the Periods Ended June 30,

	2023	2022
Income		
Dividend income	\$ 2,434,146	\$ 1,314,760
Securities lending income (note 7)	2,891	1,947
Net realized loss on sale of investments and derivatives	(527,641)	(1,052,954)
Net realized loss on foreign exchange	(20,546)	(14,851)
Net change in unrealized appreciation (depreciation) of investments and derivatives	39,502,412	(33,712,232)
Net change in unrealized appreciation (depreciation) of foreign exchange	(7,932)	387
	41,383,330	(33,462,943)
Expenses (note 9)		
Management fees	131,143	65,703
Transaction costs	10,559	1,092
Withholding taxes	340,501	158,300
	482,203	225,095
Amounts that were payable by the investment fund that were paid or absorbed by the Manager	-	(4,197)
	482,203	220,898
Increase (decrease) in net assets for the period	\$ 40,901,127	\$ (33,683,841)
Increase (decrease) in net assets per share	\$ 8.90	\$ (14.45)

(See accompanying notes to financial statements)

Statements of Changes in Financial Position (unaudited)

For the Periods Ended June 30,

	2023		2022	
Total net assets at the beginning of the period	\$	203,097,866	\$	143,461,179
Increase (decrease) in net assets		40,901,127		(33,683,841)
Redeemable share transactions				
Proceeds from the issuance of securities of the investment fund		151,232,873		71,340,436
Aggregate amounts paid on redemption of securities of the investment fund		(3,436,442)		(1,646,550)
Total net assets at the end of the period	\$	391,795,424	\$	179,471,224

(See accompanying notes to financial statements)

Statements of Cash Flows (unaudited)

For the Periods Ended June 30,

	2023	2022
Cash flows from operating activities:		
Increase (decrease) in net assets for the period	\$ 40,901,127	\$ (33,683,841)
Adjustments for:		
Net realized loss on sale of investments and derivatives	527,641	1,052,954
Net change in unrealized (appreciation) depreciation of investments and derivatives	(39,502,412)	33,712,232
Net change in unrealized depreciation of foreign exchange	7,802	772
Purchase of investments	(125,198,395)	(75,578,511)
Proceeds from the sale of investments	93,231,710	67,071,098
Amounts receivable relating to accrued income	(63,833)	(17,654)
Accrued expenses	12,981	76
Net cash used in operating activities	(30,083,379)	(7,442,874)
Cash flows from financing activities:		
Amount received from the issuance of shares	31,024,897	8,027,439
Amount paid on redemptions of shares	(43,276)	(66,375)
Net cash from financing activities	30,981,621	7,961,064
Net increase in cash and cash equivalents during the period	898,242	518,190
Effect of exchange rate fluctuations on cash and cash equivalents	(7,802)	(772)
Cash and cash equivalents at beginning of period	899,287	188,160
Cash and cash equivalents at end of period	\$ 1,789,727	\$ 705,578

Dividends received, net of withholding taxes	\$ 2,029,812	\$ 1,138,806
--	--------------	--------------

(See accompanying notes to financial statements)

Schedule of Investments (unaudited)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
U.S. EQUITIES (96.83%)			
Information Technology (30.12%)			
Adobe Inc.	3,469	\$ 1,898,811	\$ 2,247,182
Advanced Micro Devices Inc.	12,029	1,408,641	1,815,203
Akamai Technologies Inc.	1,179	142,656	140,366
Amphenol Corp., Class 'A'	4,463	422,435	502,255
Analog Devices Inc.	3,855	839,715	994,877
ANSYS Inc.	628	255,744	274,766
Apple Inc.	114,020	21,773,429	29,298,780
Applied Materials Inc.	6,463	939,660	1,237,531
Arista Networks Inc.	1,788	284,841	383,864
Autodesk Inc.	1,625	470,534	440,468
Automatic Data Processing Inc.	3,110	850,673	905,529
Block Inc., Class 'A'	3,857	545,473	340,143
Booz Allen Hamilton Holding Corp.	964	135,192	142,520
Broadcom Inc.	3,120	2,215,593	3,585,279
Broadridge Financial Solutions Inc., ADR	861	166,214	188,919
Cadence Design Systems Inc.	2,043	446,637	634,720
CDW Corp.	1,013	232,746	246,252
Cisco Systems Inc.	31,356	2,019,510	2,149,221
CloudFlare Inc., Class 'A'	1,930	190,545	167,136
Cognizant Technology Solutions Corp., Class 'A'	3,912	349,154	338,309
Corning Inc.	5,869	271,727	272,435
CoStar Group Inc.	2,943	278,730	346,988
CrowdStrike Holdings Inc., Class 'A'	1,562	337,301	303,912
Datadog Inc., Class 'A'	1,954	245,630	254,663
Electronic Arts Inc.	2,082	341,588	357,729
Entergris Inc.	1,007	129,319	147,837
EPAM Systems Inc.	405	189,818	120,584
FactSet Research Systems Inc.	276	150,395	146,490
Fair Isaac Corp.	186	190,663	199,392
Fidelity National Information Services Inc.	4,590	560,332	332,609
FleetCor Technologies Inc.	558	168,222	185,601
Fortinet Inc.	5,126	369,327	513,307
Gartner Inc.	578	202,703	268,234
Gen Digital Inc.	4,047	115,554	99,451
Hewlett Packard Enterprise Co.	9,747	187,741	216,927
HP Inc.	7,770	298,397	316,108
HubSpot Inc.	335	186,616	236,137
Intel Corp.	30,492	1,620,780	1,350,785
International Business Machines Corp.	6,693	1,163,425	1,186,433

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
Intuit Inc.	2,041	1,155,093	1,238,861
Jack Henry & Associates Inc.	531	128,222	117,707
Keysight Technologies Inc.	1,343	265,773	297,917
KLA Corp.	1,118	502,220	718,349
Lam Research Corp.	1,031	674,065	878,029
Lattice Semiconductor Corp.	1,039	116,310	132,232
Leidos Holdings Inc.	1,009	127,221	118,269
MarketAxess Holdings Inc.	281	114,285	97,315
Marvell Technology Inc.	6,352	397,852	503,037
Mastercard Inc., Class 'A'	6,362	2,906,142	3,314,756
Microchip Technology Inc.	4,084	390,519	484,707
Micron Technology Inc.	8,352	710,577	698,269
Microsoft Corp.	56,162	19,545,258	25,336,384
MongoDB Inc.	489	181,890	266,240
Monolithic Power Systems Inc.	318	180,173	227,583
Moody's Corp.	1,203	475,967	554,152
Motorola Solutions Inc.	1,244	386,255	483,322
MSCI Inc.	584	374,471	363,068
NetApp Inc.	1,652	147,307	167,200
NVIDIA Corp.	18,158	4,983,105	10,175,666
ON Semiconductor Corp.	3,237	258,586	405,579
Oracle Corp.	11,838	1,264,320	1,867,616
Palantir Technologies Inc.	13,400	227,142	272,133
Palo Alto Networks Inc.	2,186	462,112	739,932
Paychex Inc.	2,406	347,410	356,569
Paycom Software Inc.	367	156,750	156,182
PayPal Holdings Inc.	8,583	1,419,878	758,742
PTC Inc.	779	127,514	146,851
QUALCOMM Inc.	8,331	1,417,558	1,313,784
Salesforce Inc.	7,184	1,887,503	2,010,562
ServiceNow Inc.	1,480	936,152	1,101,815
Skyworks Solutions Inc.	1,202	197,664	176,257
Snowflake Inc., Class 'A'	2,032	495,597	473,719
Splunk Inc.	1,195	181,265	167,949
SS&C Technologies Holdings Inc.	1,768	145,506	141,935
Synopsys Inc.	1,142	477,735	658,716
Take-Two Interactive Software Inc.	1,204	210,929	234,720
Teradyne Inc.	1,194	164,347	176,096
Texas Instruments Inc.	6,867	1,545,006	1,637,652
TransUnion	1,436	150,260	149,010

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
Twilio Inc.	1,270	256,291	107,036
Tyler Technologies Inc.	302	149,534	166,619
Veeva Systems Inc., Class 'A'	1,044	291,913	273,468
Verisk Analytics Inc.	1,172	283,568	350,936
Visa Inc., Class 'A'	12,458	3,524,494	3,919,307
VMware Inc., Class 'A'	1,679	262,973	319,603
Western Digital Corp.	2,310	140,949	116,072
Workday Inc., Class 'A'	1,468	387,189	439,296
Zebra Technologies Corp., Class 'A'	382	178,400	149,706
Zoom Video Communications Inc.	1,611	335,118	144,868
		94,242,839	117,994,735
Health Care (12.48%)			
Abbott Laboratories	12,955	1,826,433	1,871,016
AbbVie Inc.	13,534	2,469,614	2,415,597
Align Technology Inc.	540	268,476	252,982
Alnylam Pharmaceuticals Inc.	903	206,129	227,216
AmerisourceBergen Corp.	1,179	223,818	300,553
Amgen Inc.	3,975	1,240,058	1,169,131
Avantor Inc.	4,586	163,847	124,787
Baxter International Inc.	3,777	304,502	227,963
Becton	2,111	678,633	738,316
Biogen Inc.	1,081	379,231	407,921
BioMarin Pharmaceutical Inc.	1,378	163,623	158,235
Bio-Techne Corp.	1,174	136,519	126,956
Boston Scientific Corp.	10,833	622,023	776,246
Bristol-Myers Squibb Co.	15,855	1,423,492	1,343,200
Cardinal Health Inc.	2,036	171,364	255,073
Centene Corp.	4,344	404,496	388,155
Charles River Laboratories International Inc.	367	121,112	102,220
Cigna Corp.	2,346	769,501	872,067
Cooper Cos. Inc. (The)	360	168,276	182,862
CVS Health Corp.	9,750	1,058,807	892,905
Danaher Corp.	4,928	1,622,918	1,566,808
Dexcom Inc.	2,931	399,199	498,984
Edwards Lifesciences Corp.	4,679	548,406	584,705
Elevance Health Inc.	1,792	1,014,188	1,054,723
Eli Lilly and Co.	6,477	2,487,616	4,024,039
Exact Sciences Corp.	1,350	117,297	167,932
GE HealthCare Technologies Inc.	2,706	231,276	291,227
Gilead Sciences Inc.	9,346	889,468	954,212
HCA Healthcare Inc.	1,671	485,454	671,801
Hologic Inc.	1,848	178,129	198,226

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
Humana Inc.	927	561,752	549,095
IDEXX Laboratories Inc.	619	377,844	411,839
Illumina Inc.	1,175	423,613	291,843
Incyte Corp.	1,360	140,877	112,153
Insulet Corp.	491	175,662	187,551
Intuitive Surgical Inc.	2,662	880,707	1,205,846
IQVIA Holdings Inc.	1,392	376,675	414,488
Johnson & Johnson	19,923	4,255,658	4,368,568
Laboratory Corp. of America Holdings	703	219,590	224,750
McKesson Corp.	1,054	396,203	596,647
Merck & Co. Inc.	19,420	2,403,254	2,968,598
Mettler-Toledo International Inc.	158	272,122	274,540
Moderna Inc.	2,604	548,948	419,132
Molina Healthcare Inc.	423	150,107	168,806
Pfizer Inc.	41,825	2,382,081	2,032,353
Quest Diagnostics Inc.	862	153,397	160,510
Regeneron Pharmaceuticals Inc.	772	675,031	734,856
ResMed Inc.	1,078	306,109	312,036
Revvity Inc.	942	170,846	148,240
Seagen Inc.	1,017	226,181	259,296
Stryker Corp.	2,474	812,584	999,912
Teleflex Inc.	358	132,689	114,785
Thermo Fisher Scientific Inc.	2,912	2,033,208	2,012,740
UnitedHealth Group Inc.	7,116	4,250,866	4,530,955
Vertex Pharmaceuticals Inc.	1,892	670,605	882,037
Viatis Inc.	9,096	143,419	120,258
Waters Corp.	448	178,098	158,188
West Pharmaceutical Services Inc.	550	233,313	278,672
Zimmer Biomet Holdings Inc.	1,588	268,637	306,299
Zoetis Inc.	3,489	782,044	795,964
		45,376,025	48,887,015
Financials (10.74%)			
Aflac Inc.	4,364	334,105	403,528
Alexandria Real Estate Equities Inc.	1,217	246,366	182,971
Allstate Corp. (The)	2,026	315,547	292,657
American Express Co.	4,532	929,456	1,045,856
American International Group Inc.	5,934	396,381	452,326
American Tower Corp.	3,455	1,046,216	887,666
Ameriprise Financial Inc.	813	288,739	357,744
Apollo Global Management Inc.	3,259	272,056	331,616
Ares Management Corp., Class 'A'	1,082	121,026	138,106

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
Arthur J. Gallagher & Co.	1,560	336,692	453,766
AvalonBay Communities Inc.	1,021	251,032	256,001
Bank of America Corp.	52,357	2,300,730	1,989,937
Bank of New York Mellon Corp. (The)	5,608	341,742	330,748
Berkshire Hathaway Inc., Class 'B'	9,899	3,726,848	4,471,772
BlackRock Inc.	1,137	1,038,443	1,041,023
Blackstone Inc., Class 'A'	5,162	612,982	635,762
Brown & Brown Inc.	1,721	133,758	156,948
Camden Property Trust	786	136,824	113,361
Capital One Financial Corp.	2,915	425,455	422,348
Cboe Global Markets Inc.	779	136,180	142,424
CBRE Group Inc., Class 'A'	2,354	236,326	251,691
Charles Schwab Corp. (The)	11,325	946,497	850,358
Cincinnati Financial Corp.	1,166	168,769	150,326
Citigroup Inc.	14,453	1,026,935	881,510
Citizens Financial Group Inc.	3,694	181,381	127,626
CME Group Inc.	2,662	687,064	653,422
Crown Castle International Corp.	3,264	664,891	492,675
Digital Realty Trust Inc.	2,129	345,501	321,158
Discover Financial Services	2,083	272,825	322,442
Equity Lifestyle Properties Inc.	1,359	124,765	120,424
Equity Residential	2,737	245,148	239,197
Essex Property Trust Inc.	484	160,799	150,228
Extra Space Storage Inc.	989	206,596	195,020
Fifth Third Bancorp	5,173	222,222	179,615
Fiserv Inc.	4,522	637,809	755,704
Gaming and Leisure Properties Inc.	1,917	131,608	123,066
Global Payments Inc.	2,091	369,072	272,906
Goldman Sachs Group Inc. (The)	2,543	1,078,697	1,086,585
Hartford Financial Services Group Inc. (The)	2,462	212,354	234,896
Healthpeak Properties Inc.	4,047	142,941	107,761
Host Hotels & Resorts Inc.	5,257	124,646	117,208
Huntington Bancshares Inc.	10,651	183,988	152,105
Intercontinental Exchange Inc.	4,199	587,660	629,022
Invitation Homes Inc.	4,610	201,928	210,084
Iron Mountain Inc.	2,157	149,176	162,362
JPMorgan Chase & Co.	22,361	3,906,010	4,308,331
KeyCorp	6,981	154,971	85,452
Kimco Realty Corp.	4,541	131,111	118,629
KKR & Co. Inc.	6,176	422,348	458,173
LPL Financial Holdings Inc.	574	152,522	165,335

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
M&T Bank Corp.	1,335	256,366	218,875
Marsh & McLennan Cos. Inc.	3,724	744,866	927,868
MetLife Inc.	4,601	367,700	344,560
Mid-America Apartment Communities Inc.	849	178,305	170,799
Morgan Stanley	10,105	1,113,043	1,143,216
Nasdaq Inc.	2,589	184,079	170,974
Northern Trust Corp.	1,492	190,387	146,540
PNC Financial Services Group Inc.	3,051	617,640	509,066
Principal Financial Group Inc.	1,884	172,023	189,284
Progressive Corp. (The)	4,339	679,937	760,875
Prologis Inc.	6,856	1,072,978	1,113,785
Prudential Financial Inc.	2,808	338,198	328,169
Public Storage	1,138	444,309	440,028
Raymond James Financial Inc.	1,480	177,142	203,455
Realty Income Corp.	4,516	390,093	357,698
Regions Financial Corp.	6,987	179,832	164,942
S&P Global Inc.	2,524	1,168,366	1,340,444
SBA Communications Corp.	793	301,877	243,470
Simon Property Group Inc.	2,455	364,685	375,571
State Street Corp.	2,608	267,293	252,833
Sun Communities Inc.	905	183,908	156,408
Synchrony Financial	3,753	168,020	168,643
T. Rowe Price Group Inc.	1,667	294,973	247,380
Travelers Cos. Inc. (The)	1,815	387,509	417,552
Truist Financial Corp.	10,045	607,774	403,871
U.S. Bancorp	10,115	609,492	442,731
UDR Inc.	2,372	138,523	134,994
Ventas Inc.	2,985	189,477	186,924
VICI Properties Inc.	7,226	297,514	300,868
W.R. Berkley Corp.	1,478	141,296	116,617
Wells Fargo & Co.	28,236	1,524,066	1,596,473
Welltower Inc.	3,406	335,183	364,984
WP Carey Inc.	1,422	144,735	127,269
		41,698,727	42,097,037
Consumer Discretionary (10.48%)			
Amazon.com Inc.	68,800	10,966,600	11,881,375
AutoZone Inc.	133	345,360	439,310
Best Buy Co. Inc.	1,564	181,059	169,793
Burlington Stores Inc.	496	124,811	103,417
Chipotle Mexican Grill Inc.	185	356,287	524,224
Copart Inc.	3,306	281,946	399,466

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
D.R. Horton Inc.	2,462	275,745	396,896
Darden Restaurants Inc.	929	166,061	205,624
Deckers Outdoor Corp.	199	131,470	139,105
Dollar Tree Inc.	1,595	276,321	303,212
Domino's Pizza Inc.	266	128,498	118,750
eBay Inc.	4,200	273,734	248,653
Etsy Inc.	946	166,983	106,034
Expedia Group Inc.	1,130	174,680	163,753
Ford Motor Co.	29,685	492,489	594,990
General Motors Co.	10,090	541,067	515,421
Genuine Parts Co.	1,032	192,275	231,361
Hilton Worldwide Holdings Inc.	2,052	347,368	395,661
Home Depot Inc. (The)	7,650	2,985,285	3,148,131
Interpublic Group of Cos. Inc. (The)	2,934	138,646	149,953
Las Vegas Sands Corp.	2,424	151,227	186,249
Lennar Corp., Class 'A'	1,877	225,277	311,590
LKQ Corp.	1,827	134,246	141,032
Lowe's Cos. Inc.	4,737	1,189,373	1,416,344
Marriott International Inc., Class 'A'	2,155	432,970	524,405
Masco Corp.	1,765	122,220	134,165
McDonald's Corp.	5,514	1,828,521	2,179,787
MGM Resorts International	2,593	136,626	150,869
Netflix Inc.	3,252	1,597,019	1,897,669
Nike Inc., Class 'B'	9,345	1,530,144	1,366,357
NVR Inc.	20	123,514	168,260
O'Reilly Automotive Inc.	489	442,234	618,846
Pool Corp.	291	143,277	144,425
PulteGroup Inc.	1,614	146,256	166,091
Ross Stores Inc.	2,574	347,516	382,353
Royal Caribbean Cruises Ltd.	1,719	150,120	236,241
Starbucks Corp.	8,377	1,076,599	1,099,312
Target Corp.	3,438	784,625	600,737
Tesla Inc.	20,953	6,008,290	7,266,077
TJX Cos. Inc. (The)	8,818	815,022	990,487
Tractor Supply Co.	829	220,958	242,816
Ulta Beauty Inc.	370	202,397	230,666
Yum! Brands Inc.	2,135	337,436	391,867
		36,692,552	41,081,774
Communication Services (8.39%)			
Activision Blizzard Inc.	5,299	558,903	591,773
Airbnb Inc., Class 'A'	3,046	531,858	517,150

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
Alphabet Inc., Class 'A'	45,588	6,371,609	7,229,007
Alphabet Inc., Class 'C'	39,997	5,623,044	6,409,720
AT&T Inc.	53,172	1,405,290	1,123,512
Booking Holdings Inc.	295	877,966	1,055,292
Charter Communications Inc., Class 'A'	747	453,656	363,545
Comcast Corp., Class 'A'	33,133	1,857,917	1,823,752
DoorDash Inc., Class 'A'	1,745	225,529	176,659
Equinix Inc.	690	639,110	716,582
GoDaddy Inc., Class 'A'	1,194	121,827	118,837
Meta Platforms Inc., Class 'A'	17,019	4,986,559	6,470,228
Omnicom Group Inc.	1,516	157,051	191,092
Paramount Global, Class 'B'	4,226	158,215	89,070
Pinterest Inc., Class 'A'	4,249	143,584	153,893
Roblox Corp., Class 'A'	2,214	127,970	118,200
Snap Inc., Class 'A'	7,498	252,608	117,606
T-Mobile US Inc.	4,689	837,153	862,812
Trade Desk Inc. (The)	3,276	261,431	335,126
Uber Technologies Inc.	13,772	605,932	787,613
VeriSign Inc.	708	188,367	211,942
Verizon Communications Inc.	31,321	1,924,435	1,543,106
Walt Disney Co. (The)	13,570	2,158,296	1,604,974
Warner Bros. Discovery Inc.	16,852	421,593	279,952
		30,889,903	32,891,443
Industrials (7.39%)			
3M Co.	4,238	765,665	561,934
Agilent Technologies Inc.	2,242	386,331	357,153
Ametek Inc.	1,716	289,916	367,997
Axon Enterprise Inc.	521	156,733	134,671
Boeing Co. (The)	4,391	1,142,858	1,228,313
Builders FirstSource Inc.	1,034	151,470	186,292
C.H. Robinson Worldwide Inc.	926	116,449	115,741
Carlisle Cos. Inc.	368	116,490	125,060
Carrier Global Corp.	6,350	348,169	418,169
Caterpillar Inc.	3,969	1,077,050	1,293,714
Cintas Corp.	638	335,485	420,127
CSX Corp.	16,172	643,615	730,553
Cummins Inc.	1,048	307,667	340,365
Deere & Co.	2,072	963,726	1,112,199
Delta Air Lines Inc.	4,800	230,263	302,297
Dover Corp.	1,068	197,438	208,900
Emerson Electric Co.	4,476	498,286	535,975

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
Equifax Inc.	921	244,410	287,088
Expeditors International of Washington Inc.	1,245	171,139	199,781
Fastenal Co.	4,307	289,312	336,579
FedEx Corp.	1,799	544,104	590,802
Fortive Corp.	2,651	229,996	262,586
General Dynamics Corp.	1,840	510,435	524,437
General Electric Co.	8,115	814,263	1,180,926
Graco Inc.	1,271	136,289	145,392
Honeywell International Inc.	5,051	1,279,180	1,388,447
Howmet Aerospace Inc.	2,777	144,195	182,323
Hubbell Inc.	383	123,786	168,227
IDEX Corp.	563	154,759	160,548
Illinois Tool Works Inc.	2,331	674,095	772,492
Ingersoll Rand Inc.	3,035	202,230	262,787
J.B. Hunt Transport Services Inc.	606	134,089	145,331
Jacobs Solutions Inc.	952	149,637	149,940
Johnson Controls International PLC	5,210	393,972	470,299
L3Harris Technologies Inc.	1,439	396,671	373,199
Lockheed Martin Corp.	1,983	1,119,486	1,209,409
Norfolk Southern Corp.	1,803	546,821	541,622
Northrop Grumman Corp.	1,162	651,453	701,640
Old Dominion Freight Line Inc.	742	278,862	363,451
Otis Worldwide Corp.	3,175	321,913	374,383
PACCAR Inc.	3,614	300,516	400,487
Parker Hannifin Corp.	957	369,751	494,487
Quanta Services Inc.	1,056	189,107	274,821
Raytheon Technologies Corp.	11,082	1,322,063	1,438,139
Republic Services Inc.	1,547	255,315	313,905
Rockwell Automation Inc.	867	300,987	378,392
Roper Technologies Inc.	786	439,923	500,635
Snap-On Inc.	399	142,624	152,330
Southwest Airlines Co.	4,482	232,465	214,998
Stanley Black & Decker Inc.	1,129	180,527	140,157
Teledyne Technologies Inc.	341	184,105	185,715
Textron Inc.	1,606	148,215	143,886
TransDigm Group Inc.	376	314,595	445,391
Trimble Inc.	1,865	146,361	130,797
Union Pacific Corp.	4,668	1,279,350	1,265,356
United Airlines Holdings Inc.	2,447	144,837	177,870
United Parcel Service Inc., Class 'B'	5,463	1,314,976	1,297,252
United Rentals Inc.	530	227,417	312,702

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
W.W. Grainger Inc.	331	229,687	345,791
Wabtec Corp.	1,273	149,503	184,948
Waste Management Inc.	3,091	602,254	710,121
Xylem Inc.	1,350	176,991	201,411
		25,890,277	28,940,740
Consumer Staples (6.04%)			
Altria Group Inc.	13,484	800,523	809,191
Archer-Daniels-Midland Co.	4,249	403,118	425,317
Brown-Forman Corp., Class 'B'	2,265	202,975	200,377
Bunge Ltd.	1,086	147,999	135,739
Church & Dwight Co. Inc.	1,820	208,556	241,659
Clorox Co. (The)	917	196,182	193,201
Coca-Cola Co. (The)	29,801	2,319,818	2,377,418
Colgate-Palmolive Co.	6,346	642,433	647,665
Conagra Brands Inc.	3,588	168,679	160,278
Constellation Brands Inc., Class 'A'	1,076	316,756	350,841
Costco Wholesale Corp.	3,387	2,054,856	2,415,672
Dollar General Corp.	1,707	485,106	383,932
Estée Lauder Cos. Inc. (The), Class 'A'	1,614	551,251	419,889
General Mills Inc.	4,477	429,779	454,901
Hershey Co. (The)	1,077	299,013	356,261
Hormel Foods Corp.	2,082	127,975	110,932
J.M. Smucker Co. (The)	748	140,885	146,328
Kellogg Co.	1,934	170,216	172,683
Keurig Dr Pepper Inc.	6,449	299,154	267,149
Kimberly-Clark Corp.	2,525	443,675	461,810
Kraft Heinz Co. (The)	5,846	299,016	274,929
Kroger Co. (The)	5,018	288,029	312,437
Lamb Weston Holdings Inc.	1,056	134,018	160,808
McCormick & Co. Inc.	1,858	207,070	214,707
Mondelez International Inc., Class 'A'	10,269	862,845	992,265
Monster Beverage Corp.	5,678	353,356	432,060
PepsiCo Inc.	10,288	2,244,699	2,524,369
Philip Morris International Inc.	11,534	1,441,517	1,491,601
Procter & Gamble Co. (The)	17,879	3,352,909	3,593,993
Sysco Corp.	3,793	385,661	372,838
Tyson Foods Inc., Class 'A'	2,148	197,605	145,238
Walgreens Boots Alliance Inc.	5,364	288,971	202,449
Walmart Inc.	10,644	1,983,699	2,216,338
		22,448,344	23,665,275
Energy (4.29%)			

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
APA Corp.	2,531	135,577	114,570
Baker Hughes Co.	7,433	274,013	311,260
Cheniere Energy Inc.	1,694	272,248	341,915
Chevron Corp.	14,373	2,625,247	2,996,043
ConocoPhillips Co.	9,631	1,074,491	1,321,926
Coterra Energy Inc.	5,869	185,034	196,706
Devon Energy Corp.	4,970	326,929	318,271
Diamondback Energy Inc.	1,329	219,663	231,272
Enphase Energy Inc.	987	244,511	218,985
EOG Resources Inc.	4,345	570,841	658,721
EQT Corp.	2,605	128,883	141,939
Exxon Mobil Corp.	31,344	3,551,074	4,453,338
First Solar Inc.	706	163,203	177,786
Halliburton Co.	6,251	242,172	273,191
Hess Corp.	2,088	289,495	376,048
Kinder Morgan Inc.	14,934	335,725	340,677
Marathon Oil Corp.	5,308	179,160	161,871
Marathon Petroleum Corp.	4,017	490,806	620,489
Occidental Petroleum Corp.	6,963	447,243	542,385
ONEOK Inc.	3,336	256,017	272,763
Phillips 66	3,639	430,989	459,805
Pioneer Natural Resources Co.	1,730	440,782	474,819
Schlumberger Ltd.	10,515	549,664	684,229
Targa Resources Corp.	1,672	160,786	168,560
Texas Pacific Land Corp.	40	117,052	69,761
Valero Energy Corp.	3,091	431,239	480,320
Williams Cos. Inc. (The)	9,131	338,038	394,702
		14,480,882	16,802,352
U.S. Broad Equity (2.61%)			
SPDR® S&P 500 ETF Trust	17,400	9,992,163	10,217,201
Utilities (2.36%)			
AES Corp. (The)	4,921	151,031	135,141
Alliant Energy Corp.	1,877	135,355	130,494
Ameren Corp.	1,919	214,571	207,621
American Electric Power Co. Inc.	3,856	458,280	430,114
American Water Works Co. Inc.	1,360	267,712	257,187
Atmos Energy Corp.	1,007	150,747	155,200
CenterPoint Energy Inc.	4,717	169,893	182,154
CMS Energy Corp.	2,165	176,979	168,500
Consolidated Edison Inc.	2,662	310,046	318,794

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
Constellation Energy Corp.	2,455	194,810	297,745
Dominion Energy Inc.	6,134	554,198	420,846
DTE Energy Co.	1,441	214,339	210,024
Duke Energy Corp.	5,734	742,148	681,676
Edison International	2,850	244,378	262,211
Entergy Corp.	1,524	215,449	196,582
Evergy Inc.	1,694	137,700	131,102
Eversource Energy	2,561	276,630	240,609
Exelon Corp.	7,293	371,510	393,606
FirstEnergy Corp.	4,071	208,402	209,682
NextEra Energy Inc.	15,465	1,554,686	1,520,155
NiSource Inc.	3,149	120,664	114,094
PG&E Corp.	12,201	216,088	279,301
PPL Corp.	5,430	201,238	190,337
Public Service Enterprise Group Inc.	3,750	301,539	311,035
Sempra Energy	2,354	447,826	454,017
Southern Co. (The)	7,852	690,308	730,736
WEC Energy Group Inc.	2,361	293,811	275,991
Xcel Energy Inc.	4,086	363,408	336,522
		9,383,746	9,241,476
Materials (1.93%)			
Air Products and Chemicals Inc.	1,641	588,157	651,153
Albemarle Corp.	863	238,376	255,050
Avery Dennison Corp.	600	139,254	136,555
Ball Corp.	2,376	216,126	183,222
Celanese Corp.	828	113,631	127,020
CF Industries Holdings Inc.	1,560	183,137	143,464
Corteva Inc.	5,404	369,715	410,208
Dow Inc.	5,461	394,564	385,307
DuPont de Nemours Inc.	3,531	314,516	334,174
Ecolab Inc.	1,900	444,236	469,903
FMC Corp.	939	148,387	129,793
Freeport-McMoRan Inc., Class 'B'	10,849	498,148	574,888
International Flavors & Fragrances Inc.	1,908	287,915	201,174
International Paper Co.	2,770	153,894	116,729
Markel Corp.	90	146,140	164,913
Martin Marietta Materials Inc.	464	204,894	283,793
Mosaic Co. (The)	2,711	197,155	125,699
Newmont Corp.	5,962	423,671	336,935
Nucor Corp.	1,987	308,922	431,641
Packaging Corp. of America	693	135,000	121,330

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
PPG Industries Inc.	1,772	315,987	348,128
Reliance Steel & Aluminum Co.	445	149,386	160,106
RPM International Inc.	947	116,045	112,570
Sherwin-Williams Co. (The)	1,808	566,583	635,960
Steel Dynamics Inc.	1,329	167,898	191,781
Vulcan Materials Co.	970	210,739	289,692
Weyerhaeuser Co.	5,637	239,565	250,240
		7,272,041	7,571,428
TOTAL U.S. EQUITIES		338,367,499	379,390,476
GLOBAL EQUITIES (2.64%)			
Information Technology (0.61%)			
Accenture PLC, Class 'A'	4,947	1,843,026	2,022,291
Atlassian Corp. PLC	1,048	240,835	232,977
Seagate Technology Holdings PLC	1,507	141,562	123,517
		2,225,423	2,378,785
Financials (0.54%)			
Aon PLC	1,509	546,396	690,071
Arch Capital Group Ltd.	2,727	187,307	270,403
Chubb Ltd.	2,934	721,593	748,445
Everest Re Group Ltd.	296	151,647	134,052
Willis Towers Watson PLC	822	243,858	256,447
		1,850,801	2,099,418
Materials (0.54%)			
Linde PLC	3,724	1,612,274	1,880,008
LyondellBasell Industries NV, Class 'A'	1,934	238,073	235,275
		1,850,347	2,115,283
Health Care (0.44%)			
Horizon Therapeutics PLC	1,705	216,750	232,307
Medtronic PLC	9,888	1,239,072	1,154,033
Royalty Pharma PLC, Class 'A'	2,629	138,530	107,060
STERIS PLC	746	191,690	222,340
		1,786,042	1,715,740
Industrials (0.32%)			
Eaton Corp. PLC	3,009	588,458	801,619
Trane Technologies PLC	1,739	371,845	440,614
		960,303	1,242,233
Consumer Discretionary (0.14%)			
Garmin Ltd.	1,133	161,748	156,533

Schedule of Investments (unaudited) (continued)

As at June 30, 2023

Security	Shares	Average Cost	Fair Value
Stellantis NV	17,820	388,300	414,068
		550,048	570,601
Communication Services (0.05%)			
Spotify Technology SA	1,010	190,053	214,815
TOTAL GLOBAL EQUITIES		9,413,017	10,336,875
Transaction Costs		(11,328)	
TOTAL INVESTMENT PORTFOLIO (99.47%)		\$ 347,769,188	\$ 389,727,351
Cash and cash equivalents (0.46%)			1,789,727
Other assets less liabilities (0.07%)			278,346
TOTAL NET ASSETS (100.00%)			\$ 391,795,424

(See accompanying notes to financial statements)

Notes to Financial Statements - ETF Specific Information (unaudited)

For the Periods Ended June 30, 2023 and 2022

A. ETF INFORMATION (NOTE 1)

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

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

Investment Objective

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

B. FINANCIAL INSTRUMENTS RISK (NOTE 5)
(a) Market risks
(i) Currency risk

The following tables indicate the foreign currencies to which the ETF had significant exposure as at June 30, 2023 and December 31, 2022, in Canadian dollar terms and the potential impact on the ETF's net assets (including the underlying principal amount of future or forward currency contracts, if any), as a result of a 1% change in these currencies relative to the Canadian dollar:

June 30, 2023	Financial Instruments	Currency Forward and/or Futures Contracts	Total	Impact on Net Asset Value
Currency	(\$000's)	(\$000's)	(\$000's)	(\$000's)
U.S. Dollar	385,992	–	385,992	3,860
Total	385,992	–	385,992	3,860
As % of Net Asset Value	98.5%	–	98.5%	1.0%

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

Notes to Financial Statements - ETF Specific Information (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

(ii) Interest rate risk

As at June 30, 2023 and December 31, 2022, the ETF did not hold any long-term debt instruments and did not have any exposure to interest rate risk.

(iii) Market price risk

For the period ended June 30, 2023, the US\$ Shares of the ETF returned 17.02%. This compares to a return of 17.19% for the Underlying Index for the same period. The above figures are adjusted for distributions, if any.

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

The table below shows the estimated impact on the ETF of a 1% increase or decrease in the Underlying Index, based on historical correlation, with all other factors remaining constant, as at the dates shown. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Underlying Index	June 30, 2023	December 31, 2022
Solactive US Large Cap Index (CA NTR)	\$3,693,566	\$1,936,165

(b) Credit risk

As at June 30, 2023 and December 31, 2022, due to the nature of its portfolio investments, the ETF did not have any material credit risk exposure.

C. FAIR VALUE MEASUREMENT (NOTE 6)

The following is a summary of the inputs used as at June 30, 2023, and December 31, 2022, in valuing the ETF's investments and derivatives carried at fair values:

	June 30, 2023			December 31, 2022		
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Financial Assets						
Equities	379,510,150	–	–	202,052,943	–	–
Exchange Traded Funds	10,217,201	–	–	–	–	–
Total Financial Assets	389,727,351	–	–	202,052,943	–	–
Total Financial Liabilities	–	–	–	–	–	–
Net Financial Assets and Liabilities	389,727,351	–	–	202,052,943	–	–

Notes to Financial Statements - ETF Specific Information (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

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 year or period shown. In addition, there were no investments or transactions classified in Level 3 for the period ended June 30, 2023, and for the year ended December 31, 2022.

D. SECURITIES LENDING (NOTE 7)

The aggregate closing market value of securities loaned and collateral received as at June 30, 2023 and December 31, 2022, was as follows:

As at	Securities Loaned	Collateral Received
June 30, 2023	\$5,291,027	\$5,562,000
December 31, 2022	\$2,945,961	\$3,104,815

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

The table below presents a reconciliation of the securities lending income as presented in the statements of comprehensive income for the periods ended June 30, 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 periods ended	June 30, 2023	% of Gross Income	June 30, 2022	% of Gross Income
Gross securities lending income	\$4,826		\$3,523	
Withholding taxes	(9)	0.19%	(282)	8.00%
Lending Agents' fees:				
Canadian Imperial Bank of Commerce	(1,926)	39.91%	(1,294)	36.73%
Net securities lending income paid to the ETF	\$2,891	59.90%	\$1,947	55.27%

E. REDEEMABLE SHARES (NOTE 8)

For the periods ended June 30, 2023 and 2022, the number of ETF Shares issued by subscription, the number of ETF Shares redeemed, the total and average number of ETF Shares outstanding was as follows:

Period	Beginning Shares Outstanding	Shares Issued	Shares Redeemed	Ending Shares Outstanding	Average Shares Outstanding
2023	3,357,800	2,350,000	(50,000)	5,657,800	4,596,612
2022	2,032,800	1,175,000	(25,000)	3,182,800	2,331,833

Notes to Financial Statements - ETF Specific Information (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

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

Brokerage commissions paid to dealers in connection with investment portfolio transactions, soft dollar transactions incurred and amounts paid to related parties of the Manager, if any, for the periods ended June 30, 2023 and 2022, were as follow:

Period Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
June 30, 2023	\$10,559	\$nil	\$nil
June 30, 2022	\$1,092	\$nil	\$nil

G. OFFSETTING OF FINANCIAL INSTRUMENTS (NOTE 13)

As at June 30, 2023, and December 31, 2022, the ETF did not have any financial instruments eligible for offsetting.

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

As at December 31, 2022, the ETF had no material exposure to subsidiaries, associates or unconsolidated structured entities. As at June 30, 2023, the ETF had material investments in the subsidiaries (Sub), associates (Assc) and unconsolidated structured entities (SE) listed below:

Investee ETF as at June 30, 2023	Place of Business	Type	Ownership %	Carrying Amount
SPDR S&P 500 ETF TRUST	U.S.	SE	–	\$10,217,201

Notes to Financial Statements (unaudited)

For the Periods Ended June 30, 2023 and 2022

1. REPORTING ENTITY

Horizons ETF Corp. (the “Company”) is a mutual fund corporation established on October 10, 2019, under the federal laws of Canada. The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares (each, a “Corporate Class” or “ETF”), issuable in an unlimited number of series, and one class of voting shares designated as “Class J Shares”. Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. These financial statements (the “financial statements”) as at June 30, 2023, and December 31, 2022 and for the periods ended June 30, 2023 and 2022, comprise the Company and its wholly-owned entities and are presented on the basis outlined below. ETF-specific information and the investment objectives for each ETF in the Company are disclosed in the ETF-specific notes information to the financial statements of each ETF. Each ETF is a separate Corporate Class and currently consists of a single series of exchange traded fund shares (“ETF Shares”) of the applicable Corporate Class of the Company.

Each ETF is offered for sale on a continuous basis by the Company’s prospectus in ETF Shares which trade on the Toronto Stock Exchange (“TSX”) in Canadian dollars (“Cdn\$ Shares”) and, where applicable, in U.S. dollars (“US\$ Shares”). Subscriptions for US\$ Shares can be made in either U.S. or Canadian dollars. An investor may buy or sell shares of the ETF on the TSX through a registered broker or dealer in the province or territory where the investor resides. Investors are able to trade shares of the ETF in the same way as other securities traded on the TSX, including by using market orders and limit orders and may incur customary brokerage commissions when buying or selling shares.

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

Investment Objective

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

2. BASIS OF PREPARATION

(i) Statement of compliance

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

These financial statements were authorized for issue on August 11, 2023, by the Board of Directors of the Company.

(ii) Basis of measurement

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

Notes to Financial Statements (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Financial instruments

(i) Recognition, initial measurement and classification

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

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

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

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

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

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

(ii) Fair value measurement

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

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

Notes to Financial Statements (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

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

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

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

(iii) Offsetting

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

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

(iv) Specific instruments

Cash

Cash consists of cash on deposit.

Redeemable shares

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

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

Derivative agreements

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

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

Notes to Financial Statements (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

(b) Investment income

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

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

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

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

(c) Foreign currency

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

(d) Cost basis

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

(e) Increase (decrease) in net assets attributable to holders of redeemable shares per share

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

(f) Shareholder transactions

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

Notes to Financial Statements (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

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

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

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

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

(i) Transaction costs

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

5. FINANCIAL INSTRUMENTS RISK

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

Please refer to the Company's most recent prospectus for a complete discussion of the risks attributed to an investment in the shares of the ETF. Significant financial instrument risks that are relevant to the ETF are discussed below and an analysis thereof is included in note B of the ETF-specific notes information.

(a) Market risks

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

Notes to Financial Statements (unaudited) (continued)

For the Periods Ended June 30, 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 will fluctuate due to changes in exchange rates and adversely impact the ETF's income, cash flows or fair values of its investment holdings.

(ii) Interest rate risk

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

(iii) Market price risk

Other market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

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

(b) Credit risk

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

The ETF's maximum credit risk exposure as at the reporting date is represented by the respective carrying amounts of the financial assets in the statements of financial position, including any positive mark-to-market of the ETF's Derivative Agreement(s). This amount is included in "Derivative assets" (if any) in the statements of financial position. The credit risk related to any one Derivative Agreement is concentrated in the Counterparty to that particular Derivative Agreement.

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

(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)

For the Periods Ended June 30, 2023 and 2022

6. FAIR VALUE MEASUREMENT

IFRS 13, Fair Value Measurement (“IFRS 13”) requires a classification of fair value measurements of the ETF’s investments based on a three level fair value hierarchy and a reconciliation of transactions and transfers within that hierarchy. The hierarchy of fair valuation inputs is summarized as follows:

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

Changes in valuation methods may result in transfers into or out of an investment’s assigned level. The fair value hierarchy classification of the ETF’s assets and liabilities and additional disclosures relating to transfers between levels is included in note C in the ETF-specific notes information.

7. SECURITIES LENDING

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

The aggregate closing market value of securities loaned and collateral received, if any, as at June 30, 2023, and December 31, 2022, and a reconciliation of the securities lending income for the periods ended June 30, 2023 and 2022, if any, as presented in the statements of comprehensive income are presented in note D of the ETF-specific notes information.

8. REDEEMABLE SHARES

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

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

The redeemable shares issued by the ETF provide an investor with the right to require redemption for cash at a value proportionate to the investor’s share in the ETF’s net assets at each redemption date. The ETF’s objectives in managing the redeemable shares are to meet the ETF’s investment objective, and to manage liquidity risk arising from redemptions. The ETF’s liquidity risk arising from redeemable shares is discussed in note 5.

Notes to Financial Statements (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

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

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

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

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

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

9. EXPENSES AND OTHER RELATED PARTY TRANSACTIONS

Management fees

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

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

Notes to Financial Statements (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

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

The management fees paid to the Manager are considered related party transactions, as the Manager is a related party to the ETF. The management fees paid to the Manager are disclosed in the statements of comprehensive income. The management fees payable by the ETF as at June 30, 2023, and December 31, 2022, are disclosed in the statements of financial position.

10. BROKER COMMISSIONS, SOFT DOLLARS AND RELATED PARTY TRANSACTIONS

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

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

In addition to the information contained in note F of the ETF-specific notes information, the management fees paid to the Manager described in note 9 are related party transactions, as the Manager is considered to be a related party to the ETF. The management fees payable by the ETF as at June 30, 2023, and December 31, 2022, are disclosed in the statements of financial position.

Fees paid to the Independent Review Committee are also considered to be related party transactions. Both the management fees and fees paid to the Independent Review Committee are disclosed in the statements of comprehensive income.

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

11. INCOME TAX

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

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

Notes to Financial Statements (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

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

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

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

12. TAX LOSSES CARRIED FORWARD

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

As at December 31, 2022, the Company and its wholly-owned entities had net capital losses and/or non-capital losses, with the year of expiry of the non-capital losses as follows:

Net Capital Losses	Non-Capital Losses	Year of Expiry of the Non-Capital Losses
\$1,326,394,679	\$126,121	2028
	\$1,961,149	2029
	\$5,668,871	2030
	\$3,237,571	2031
	\$3,138,653	2032
	\$153,021,428	2033
	\$230,454,838	2034
	\$447,405,094	2035
	\$74,326,117	2036
	\$266,066,173	2037
	\$118,767,474	2038
	\$191,271,535	2039
	\$1,379,820,461	2040

Notes to Financial Statements (unaudited) (continued)

For the Periods Ended June 30, 2023 and 2022

13. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the ETF may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Amounts eligible for offset, if any, are disclosed in note G of the ETF-specific notes information.

14. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND UNCONSOLIDATED STRUCTURED ENTITIES

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

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

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

Investments in Investee ETFs are susceptible to market price risk arising from uncertainty about future values of those Investee ETFs. The maximum exposure to loss from interests in Investee ETFs is equal to the total fair value of the investment in those respective Investee ETFs at any given point in time. The fair value of Investee ETFs, if any, are disclosed in investments in the statements of financial position, listed in the schedule of investments, and further detailed in note H of the ETF-specific notes information.

Manager

Horizons ETFs Management (Canada) Inc.

55 University Avenue, Suite 800

Toronto, Ontario

M5J 2H7

Tel: 416-933-5745

Fax: 416-777-5181

Toll Free: 1-866-641-5739

info@horizonsetfs.com

www.horizonsetfs.com

Auditors

KPMG LLP

Bay Adelaide Centre

333 Bay Street, Suite 4600

Toronto, Ontario

M5H 2S5

Custodian

CIBC Mellon Trust Company

1 York Street, Suite 900

Toronto, Ontario

M5J 0B6

Registrar and Transfer Agent

TSX Trust Company

100 Adelaide Street West, Suite 301

Toronto, Ontario

M5H 4H1

Innovation is our capital. Make it yours.

Horizons Exchange Traded Funds | 55 University Avenue, Suite 800 | Toronto, Ontario, M5J 2H7

T 416 933 5745 | **TF** 1 866 641 5739 | **w** horizonsetfs.com



HORIZONS ETFs
by Mirae Asset