



Horizons Growth Asset Allocation Covered Call ETF (GRCC)

Market Review

During the first quarter (Q1) of 2024, global equities (as measured by the Bloomberg World Large & Mid Cap Price Return Index) were up 8.2%. Economic data in both developed and emerging markets appeared promising for the possibility of a soft landing on a global scale.

Developed markets had a particularly strong start to the year, with Artificial Intelligence (AI) related hype driving growth stocks (as well as their parent indices) to new highs, especially in the United States, which had a first-quarter rally of 10.6% (as measured by the S&P 500® Index). While European markets lagged behind the U.S., the best-performing market was by far Japan which was up 21.4% as measured by the Nikkei 225 index, shrugging off the central bank's announced plan to end its negative interest rate policy, yield curve control, and purchases of ETFs and REITs.

Emerging market equities did not reach the same highs in Q1 2024, largely depressed by continued concerns regarding China's growth prospects. Separately, oil-producing economies benefited from a rapid increase in oil prices towards the end of the quarter attributed to supply cuts and increasing geopolitical tensions.

Quarter in Review

During Q1, the fund held the Horizons Canadian Large Cap Equity Covered Call ETF (CNCC) (currently known as Global X S&P/TSX 60 Covered Call ETF), the Horizons US Large Cap Equity Covered Call ETF (USCC) (currently known as Global X S&P 500 Covered Call ETF), the Horizons NASDAQ-100 Covered Call ETF (QQCC) (currently known as Global X Nasdaq-100 Covered Call ETF), the Horizons International Developed Markets Equity Index ETF (HXDM) (currently known as Global X Intl Developed Markets Equity Index Corporate Class ETF), the Horizons Emerging Markets Equity Index ETF (HXEM) (currently known as Global X Emerging Markets Equity Index Corporate Class ETF), the Horizons Cdn Select Universe Bond ETF (HBB) (currently known as Global X Canadian Select Universe Bond Index Corporate Class ETF), and the Horizons Mid-Term US Treasury Premium Yield ETF (MPAY) (currently known as Global X Mid-Term U.S. Treasury Premium Yield ETF).

Outlook and Positioning

Into the next quarter, the covered call strategy is favourably positioned to potentially provide value from a yield, hedging and upside capture perspective in the current environment. The fund has an option overlay strategy from holding CNCC, MPAY, QQCC and USCC as well as writing options on EFA and EEM. The premiums generated from the option writing strategy have remained steady since the inception and may continue for the next quarter.

Commissions, management fees and expenses all may be associated with an investment in Horizons Growth Asset Allocation Covered Call ETF ("GRCC" or the "ETF") managed by Horizons ETFs Management (Canada) Inc. The ETF is not guaranteed, its value changes frequently and past performance may not be repeated. The prospectus contains important detailed information about the ETF. **Please read the relevant prospectus before investing.**

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