



by Mirae Asset

GLOBAL X ACTIVE CANADIAN MUNICIPAL BOND ETF

(FORMERLY HORIZONS ACTIVE CDN MUNICIPAL BOND ETF)

(HMP:TSX)

ANNUAL REPORT | DECEMBER 31, 2024

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A Message from the CEO

As we close 2024, I believe that this year has proven to be one of the most important and monumental in our company's history.

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

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

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

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

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

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

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

This year, we launched 27 ETFs – the largest number of funds launched in a single year in our company's history.

In partnership with the world's leading index providers, including Nasdaq, S&P, FTSE Russell and MSCI, we expanded our Equity Essentials suite – strategies that offer low-cost, benchmark exposure – with 17 new ETFs, including innovative covered call and light leverage overlays. Our expanded Equity Essentials suite is designed to empower Canadians to invest the way they want, whether they're looking for greater income potential, amplified growth potential, or both.

We also introduced our "Best of Canada" ETF suite, which offers exposure to major Canadian sectors, including Telecommunications, Insurance, as well as Groceries and Staples, and the largest companies that lead them.

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

There are many more exciting launches in store for 2025 and I am excited to share additional details with you soon.

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

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

Thank you for your continued support.

Sincerely,



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

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MANAGEMENT REPORT OF FUND PERFORMANCE

This annual management report of fund performance for Global X Active Canadian Municipal Bond ETF (formerly *Horizons Active Cdn Municipal Bond ETF*) (“HMP” or the “ETF”) contains financial highlights and is included with the audited annual financial statements for the investment fund. You may request a copy of the ETF’s unaudited interim or audited annual financial statements, interim or annual management report of fund performance, current proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosures, at no cost, from the ETF’s manager, Global X Investments Canada Inc. (“Global X” or the “Manager”), by calling toll free 1-866-641-5739, or locally (416) 933-5745, by writing to us at: 55 University Avenue, Suite 800, Toronto ON, M5J 2H7, or by visiting our website at www.globalx.ca or SEDAR+ at www.sedarplus.ca.

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

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

Management Discussion of Fund Performance

Investment Objective and Strategies

The investment objective of HMP is to seek to provide unitholders with a high level of income by investing primarily in a portfolio of Canadian municipal bonds denominated in Canadian dollars.

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

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

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

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

Management Discussion of Fund Performance (continued)

Risk

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

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

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

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

Results of Operations

For the year ended December 31, 2024, units of the ETF returned 5.83% when including distributions paid to unitholders. This compares to a return of 3.56% for the S&P Canada Provincial & Municipal Bond Index (the "Index") for the same period.

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

General Market Review

North American bond yields adjusted higher, and the yield curve steepened over the first three months of the year. In the first quarter, the theme in the U.S. was a resilient economy and continued elevated inflation. Softening global growth and inflation added to the view that financial conditions were tight and were working their way through the global economy. The economy was operating in excess supply and inflation continued to move lower giving the Bank of Canada ("the Bank") more confidence they would be able to achieve their two percent inflation target over time. As a result, the Governing Council said monetary policy no longer needed to be as restrictive. Inflation came down from the highs in 2022 and the breadth of price increases narrowed. Economic data had finally started to fade showing signs that restrictive monetary policy was working to cool the economy.

Later in the second quarter the probability of a soft landing increased, requiring interest rate cuts before the end of the year. North American bond yields declined significantly over the third quarter, and yield curves adjusted from being inverted to positively sloped, an environment which we had not seen in over two years. The Federal Reserve came out with a bang to start their interest rate cutting cycle in September by lowering rates 50-basis points which surprised some investors looking for a smaller 25-basis point reduction. The unemployment rate continued to nudge higher, and inflation made further progress towards the Fed's inflation target. The Bank of Canada continued to reduce its target for the overnight rate during the quarter to 4.25%. Although the quarter saw some turmoil related to fears of a recession, the risk-off tone was brief due to the dovish pivot from central banks. North American bond yields moved higher over the last quarter of the year especially in the U.S. as the incoming administration had promised lower taxes and fiscal spending to boost economic growth.

Management Discussion of Fund Performance (continued)

At the end of September, the market was looking for the Fed to lower rates to 3% in 2025 but since the election investors are expecting them to stop in the area of 4%. Higher spending would increase the deficit along with the supply of bonds, and with the U.S. economy already operating above capacity, further stimulus could spark inflation again. Investors are also trying to deal with potential U.S. trade policy where if tariffs are enforced, they could be both inflationary and hurt economic growth. After the Fed lowered rates in December by 25 basis points to 4.50%, they sounded much more cautious on the pace of further cuts in 2025.

The Bank of Canada was very aggressive and cut rates one percent during the quarter to 3.25%. The Bank estimates the neutral level of rates is somewhere between 2.25% and 3.25%, so we are now at the top end of this range. The Canadian economy operated in excess supply throughout the year which allowed headline inflation to fall from 3.4% to 1.9% and core inflation on average fell 90 basis points to 2.7%. The Bank cut rates 175 basis points since June and investors are looking for another 75 basis points in 2025. With expectations that the Bank continues to loosen monetary policy and with the Federal Reserve almost done cutting rates, the Canadian dollar depreciated 6% over the quarter. This trend could continue but there is a limit as a weaker currency could lead to a pickup in inflation. The Bank would also be very concerned if the US imposed tariffs on Canada which would put further pressure on an already soft economy.

Portfolio Review

The portfolio returned 5.83% for the year 2024, effectively outperforming the benchmark by 57 basis points on a net of fees basis.

Portfolio performance came mainly from yield carry and curve management, with some of the positive contribution coming from duration management. We also generated performance through sector allocation as we were overweight non-rated municipals and provincials which outperformed, and underweight rated municipals.

Outlook

The Bank of Canada was very aggressive in 2024 by cutting rates 175 basis points to 3.25%. Now that they have reached the top end of their neutral range the Bank is in a much better position and will likely slow the pace of rate cuts in 2025. We expect the Bank will move down to approximately 2.75%. The economy continues to be soft, and inflation has moved lower, but we are not falling off a cliff. Lower rates should start feeding through the economy which should stimulate growth as we go through the year. Tariffs would be negative for the Canadian economy, but this may be offset with fiscal stimulus, currency devaluation and further interest rate cuts. Until the details are known we are cautious and with the recent backup in rates we increased the duration of the portfolio back above its benchmark. Our base case is for the Bank to achieve a soft-landing, but we are anticipating volatility and opportunities as we go through this easing cycle. A new government in Canada will add another layer of uncertainty and a flair up in geopolitical risks could put pressure on risk assets.

Investment grade credit spreads (as well as non-rated municipal spreads) are reflective of a soft-landing scenario, where Canadian growth operates below potential for a period but does not fall into a recession, inflation trends towards target and the Bank cuts to neutral and then growth eventually trends higher. We continue to have a modest overweight in non-rated municipals and will look for attractive opportunities to add to this position, but at the same time if spreads tighten significantly vs corporates and/or provincials, we will look to take profits.

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

For the year ended December 31, 2024, the ETF generated gross comprehensive income (loss) from investments and derivatives (which includes changes in the fair value of the ETF's portfolio) of \$1,943,590. This compares to \$2,276,992 for the year ended December 31, 2023. The ETF incurred management, operating and transaction expenses of \$191,365 (2023 – \$220,704) of which \$62,709 (2023 – \$76,715) was either paid or absorbed by the Manager on behalf of the ETF. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.

The ETF distributed \$927,262 to unitholders during the year (2023 – \$1,305,421).

Management Discussion of Fund Performance (continued)

Presentation

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

Recent Developments

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

Name Change

On May 1, 2024, Horizons ETFs Management (Canada) Inc., the Manager of the ETF, effectively rebranded to Global X Investments Canada Inc. The name change did not change any of the day-to-day operations of the ETF. The operations, personnel and responsibilities of the Manager remain unchanged.

ETF Name Change

Effective May 1, 2024, the name of the ETF changed from Horizons Active Cdn Municipal Bond ETF to Global X Active Canadian Municipal Bond ETF. The name of the ETF was changed to reflect the Global X brand.

Related Party Transactions

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

Manager, Trustee and Investment Manager

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

If the ETF invests in other Global X ETFs, Global X may receive management fees in respect of the ETF's assets invested in such Global X ETFs. In addition, any management fees paid to the Manager (described in detail on page 13) are related party transactions, as the Manager is considered to be a related party to the ETF. Fees paid to the Independent Review Committee are also considered to be related party transactions. Both the management fees and fees paid to the Independent Review Committee are disclosed in the statements of comprehensive income in the attached financial statements of the ETF. The management fees payable by the ETF as at December 31, 2024 and 2023, are disclosed in the statements of financial position.

Financial Highlights

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

The ETF's Net Assets per Unit

Year ⁽¹⁾	2024	2023	2022	2021	2020
Net assets, beginning of year	\$ 9.37	9.18	9.86	10.16	9.84
Increase (decrease) from operations:					
Total revenue	0.30	0.25	0.22	0.23	0.26
Total expenses	(0.04)	(0.03)	(0.03)	(0.04)	(0.04)
Realized gains (losses) for the year	0.08	(0.14)	(0.52)	(0.03)	0.10
Unrealized gains (losses) for the year	0.19	0.40	(0.20)	(0.27)	0.22
Total increase (decrease) from operations ⁽²⁾	0.53	0.48	(0.53)	(0.11)	0.54
Distributions:					
From net investment income (excluding dividends)	(0.27)	(0.22)	(0.21)	(0.19)	(0.22)
From return of capital	–	(0.08)	(0.05)	(0.01)	–
Total distributions ⁽³⁾	(0.27)	(0.30)	(0.26)	(0.20)	(0.22)
Net assets, end of year ⁽⁴⁾	\$ 9.63	9.37	9.18	9.86	10.16

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

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

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

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

Financial Highlights (continued)

Ratios and Supplemental Data

Year ⁽¹⁾	2024	2023	2022	2021	2020
Net asset value (000's)	\$ 29,960	39,443	35,448	91,030	82,408
Number of units outstanding (000's)	3,111	4,211	3,861	9,235	8,109
Management expense ratio ⁽²⁾	0.39%	0.35%	0.36%	0.35%	0.35%
Management expense ratio before waivers and absorptions ⁽³⁾	0.58%	0.53%	0.47%	0.44%	0.45%
Trading expense ratio ⁽⁴⁾	0.01%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁵⁾	96.45%	118.45%	74.56%	54.78%	77.27%
Net asset value per unit, end of year	\$ 9.63	9.37	9.18	9.86	10.16
Closing market price	\$ 9.64	9.37	9.19	9.84	10.20

1. This information is provided as at December 31 of the years shown.

2. Management expense ratio is based on total expenses, including sales tax, (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the year. Out of its management fees, and waivers and absorptions, as applicable, the Manager pays for such services to the ETF as investment manager compensation and marketing.

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

4. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the year. Transaction costs related to the purchase and/or sale of fixed income securities are typically embedded in the price of those transactions and are therefore not included in the trading expense ratio.

5. The ETF's portfolio turnover rate indicates how actively its portfolio investments are traded. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. Generally, the higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

Financial Highlights (continued)

Management Fees

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

In consideration for the provision of these services, the Manager receives a monthly management fee at the annual rate of 0.29%, plus applicable sales taxes, of the net asset value of the ETF's units, calculated and accrued daily and payable monthly in arrears.

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

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

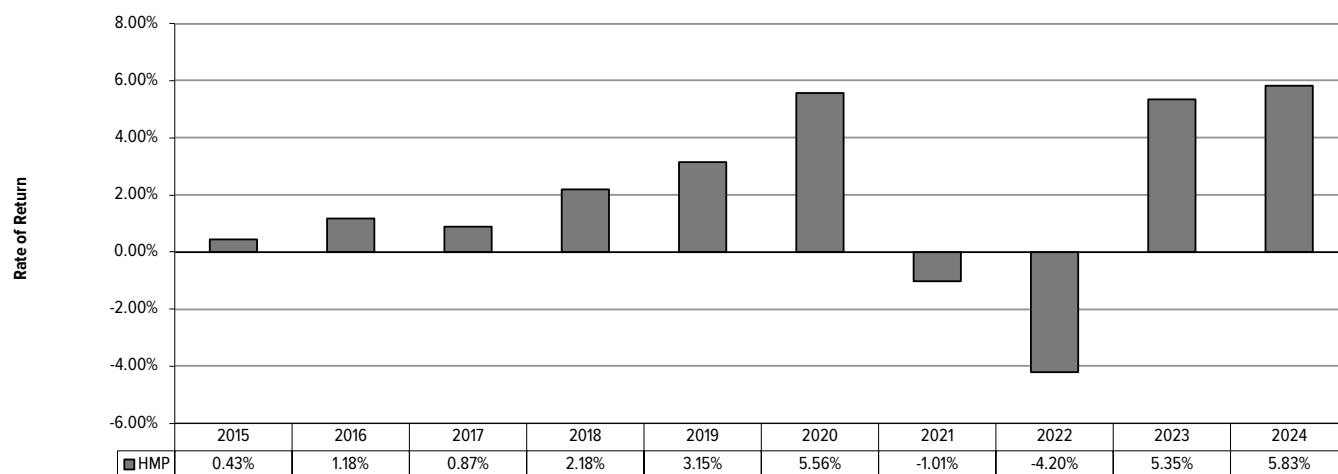
Marketing	Portfolio management fees, general administrative costs and profit	Waived/absorbed expenses of the ETF
10%	32%	58%

Past Performance

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

Year-by-Year Returns

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



The ETF effectively began operations on August 12, 2015.

Annual Compound Returns

The following table presents the ETF's annual compound total return since inception and for the periods shown ended December 31, 2024, along with a comparable market index. The table is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the ETF or future returns on investments in the ETF.

	1 Year	3 Year	5 Year	Since Inception
Global X Active Canadian Municipal Bond ETF	5.83%	2.22%	2.22%	2.01%
S&P Canada Provincial & Municipal Bond Index	3.56%	-1.12%	0.41%	1.58%
Solactive Canadian Select Universe Bond Index	3.81%	-0.79%	0.73%	1.56%

The ETF effectively began operations on August 12, 2015.

Summary of Investment Portfolio

As at December 31, 2024

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
Canadian Fixed Income Securities	\$ 29,718,717	99.19%
Cash and Cash Equivalents	126,844	0.42%
Other Assets less Liabilities	114,357	0.39%
	\$ 29,959,918	100.00%

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Municipal Bonds	\$ 21,521,556	71.83%
Provincial Bonds	8,197,161	27.36%
Cash and Cash Equivalents	126,844	0.42%
Other Assets less Liabilities	114,357	0.39%
	\$ 29,959,918	100.00%

Summary of Investment Portfolio (continued)

As at December 31, 2024

Top 25 Holdings*	% of ETF's Net Asset Value
Province of Ontario	27.36%
City of Montreal	5.21%
Ville de Longueuil	4.19%
Ville de Gatineau	3.83%
Ville de Boucherville	3.76%
Ville de Sherbrooke	3.24%
Ville de Blainville	2.61%
Ville de Saint-Hyacinthe	2.61%
Municipalité de Saint-Félix-de-Valois	2.12%
Ville de Sainte-Thérèse	2.02%
Ville de Brossard	1.93%
Municipalité de Saint-Jacques	1.88%
Ville de Val-d'Or	1.69%
Ville de Sainte-Anne-de-Beaupré	1.62%
Municipalité de Brownsburg-Chatham	1.61%
Ville de La Tuque	1.61%
Municipalité de Sainte-Anne-de-Sorel	1.61%
Ville de Terrebonne	1.57%
Municipalité de Chelsea	1.53%
Ville de Rimouski	1.53%
Ville de Saint-Basile-le-Grand	1.49%
Ville de Mont-Saint-Hilaire	1.42%
Municipalité de Val-des-Monts	1.41%
Municipalité de Cap-Saint-Ignace	1.37%
Ville de Mascouche	1.35%

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

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

MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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



Rohit Mehta
Director
Global X Investments Canada Inc.



Thomas Park
Director
Global X Investments Canada Inc.

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Global X Active Canadian Municipal Bond ETF (the "ETF")

Opinion

We have audited the financial statements of the ETF, which comprise the statements of financial position as at December 31, 2024, and December 31, 2023, the statements of comprehensive income, changes in financial position and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ETF as at December 31, 2024, and December 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

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

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

Other Information

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

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



Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Paula M. Foster.

Toronto, Canada

March 14, 2025

Statements of Financial Position

As at December 31,

	2024	2023
Assets		
Cash and cash equivalents	\$ 126,844	\$ 224,304
Investments (note 6)	29,718,717	38,807,178
Amounts receivable relating to accrued income	220,982	278,672
Amounts receivable relating to securities issued	275	234,403
Total assets	30,066,818	39,544,557
Liabilities		
Accrued management fees (note 9)	8,605	10,949
Accrued operating expenses	1,844	840
Distribution payable	96,451	90,000
Total liabilities	106,900	101,789
Net assets	\$ 29,959,918	\$ 39,442,768
Number of redeemable units outstanding (note 8)	3,111,327	4,211,058
Net assets per unit	\$ 9.63	\$ 9.37

(See accompanying notes to financial statements)

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



Rohit Mehta
Director



Thomas Park
Director

Statements of Comprehensive Income

For the Years Ended December 31,

	2024	2023
Income		
Interest income for distribution purposes	\$ 1,044,348	\$ 1,088,982
Securities lending income (note 7)	2,071	2,921
Net realized gain (loss) on sale of investments and derivatives	276,999	(633,980)
Net change in unrealized appreciation (depreciation) of investments and derivatives	620,172	1,819,069
	1,943,590	2,276,992
Expenses (note 9)		
Management fees	107,692	134,154
Audit fees	8,808	10,991
Independent Review Committee fees	708	596
Custodial and fund valuation fees	31,075	31,075
Legal fees	2,038	2,280
Securityholder reporting costs	11,378	14,694
Administration fees	26,905	26,914
Transaction costs	2,761	—
	191,365	220,704
Amounts that were payable by the investment fund that were paid or absorbed by the Manager	(62,709)	(76,715)
	128,656	143,989
Increase (decrease) in net assets for the year	\$ 1,814,934	\$ 2,133,003
 Increase (decrease) in net assets per unit	 \$ 0.53	 \$ 0.48

(See accompanying notes to financial statements)

Statements of Changes in Financial Position

For the Years Ended December 31,

	2024		2023	
Net assets at the beginning of the year	\$	39,442,768	\$	35,448,121
Increase (decrease) in net assets		1,814,934		2,133,003
Redeemable unit transactions				
Proceeds from the issuance of securities of the investment fund		10,558,041		27,833,168
Aggregate amounts paid on redemption of securities of the investment fund		(20,931,182)		(24,669,016)
Securities issued on reinvestment of distributions		2,619		2,913
Distributions:				
From net investment income		(925,101)		(942,022)
Return of capital		(2,161)		(363,399)
Net assets at the end of the year	\$	29,959,918	\$	39,442,768

(See accompanying notes to financial statements)

Statements of Cash Flows

For the Years Ended December 31,

		2024	2023
Cash flows from operating activities:			
Increase (decrease) in net assets for the year	\$	1,814,934	\$ 2,133,003
Adjustments for:			
Net realized (gain) loss on sale of investments and derivatives		(276,999)	633,980
Net change in unrealized (appreciation) depreciation of investments and derivatives		(620,172)	(1,819,069)
Purchase of investments		(28,218,264)	(39,783,114)
Proceeds from the sale of investments		38,223,937	40,139,424
Amounts receivable relating to accrued income		57,690	(83,825)
Accrued expenses		(1,340)	(1,327)
Net cash from (used in) operating activities		10,979,786	1,219,072
Cash flows from financing activities:			
Amount received from the issuance of units		7,868,424	17,925,693
Amount paid on redemptions of units		(18,027,478)	(17,639,474)
Distributions paid to unitholders		(918,192)	(1,328,794)
Net cash from (used in) financing activities		(11,077,246)	(1,042,575)
Net increase (decrease) in cash and cash equivalents during the year		(97,460)	176,497
Cash and cash equivalents at beginning of year		224,304	47,807
Cash and cash equivalents at end of year	\$	126,844	\$ 224,304

Interest received, net of withholding taxes	\$	1,102,037	\$	1,005,157
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(See accompanying notes to financial statements)

Schedule of Investments

As at December 31, 2024

Security	Par Value	Average Cost	Fair Value
CANADIAN FIXED INCOME SECURITIES (99.19%)			
Municipal Bonds (71.83%)			
City of Montreal, 3.00%, 2027/09/01	350,000 \$	335,829 \$	348,378
City of Montreal, 3.15%, 2028/09/01	1,050,000	1,045,118	1,046,377
City of Montreal, 2.30%, 2029/09/01	175,000	166,031	167,352
Municipalité de Brownsburg-Chatham, 1.50%, 2026/10/18	500,000	446,840	482,877
Municipalité de Cap-Saint-Ignace, 4.40%, 2028/12/14	400,000	393,368	409,201
Municipalité de Chelsea, 1.50%, 2026/10/18	475,000	424,498	458,733
Municipalité de Saint-Donat, 3.25%, 2026/05/12	162,000	154,517	161,548
Municipalité de Saint-Félix-de-Valois, 3.30%, 2026/04/22	637,000	629,426	635,677
Municipalité de Saint-Jacques, 4.90%, 2027/11/18	545,000	549,365	563,686
Municipalité de Saint-Zotique, 2.65%, 2026/03/25	135,000	133,558	133,686
Municipalité de Sainte-Anne-de-Sorel, 1.45%, 2026/10/15	500,000	446,656	482,575
Municipalité de Val-des-Monts, 5.35%, 2028/10/27	400,000	394,604	422,509
Réseau de transport de la Capitale, 4.70%, 2026/06/27	81,000	79,101	82,446
Ville de Blainville, 1.60%, 2026/10/29	95,000	84,291	91,852
Ville de Blainville, 4.85%, 2027/11/01	425,000	423,882	438,840
Ville de Blainville, 4.10%, 2029/07/22	250,000	245,687	252,705
Ville de Bois-des-Filion, 4.00%, 2027/08/19	101,000	95,849	101,991
Ville de Bonaventure, 4.30%, 2028/06/15	215,000	217,141	219,089
Ville de Boucherville, 4.65%, 2026/07/11	69,000	67,292	70,216
Ville de Boucherville, 4.00%, 2027/07/02	450,000	443,155	454,349
Ville de Boucherville, 3.90%, 2028/07/02	450,000	440,253	452,728
Ville de Boucherville, 3.90%, 2029/07/02	150,000	150,480	150,430
Ville de Brossard, 5.00%, 2026/11/01	562,000	566,895	576,830
Ville de Chibougamau, 4.20%, 2027/07/28	300,000	295,278	304,384
Ville de Côte Saint-Luc, 4.00%, 2027/08/23	300,000	296,796	302,948
Ville de Drummondville, 2.80%, 2027/12/05	181,000	169,648	176,823
Ville de Gaspé, 4.25%, 2027/02/17	62,000	59,530	62,869
Ville de Gatineau, 1.95%, 2026/12/03	600,000	572,064	582,673
Ville de Gatineau, 4.45%, 2028/12/11	450,000	448,780	461,148
Ville De Gatineau, 4.45%, 2029/04/29	100,000	102,077	102,523
Ville de La Malbaie, 2.60%, 2026/03/24	137,000	135,246	135,588
Ville de La Prairie, 4.25%, 2028/04/02	341,000	336,199	346,869
Ville de La Tuque, 1.30%, 2026/08/27	500,000	446,540	482,760
Ville de Lac-Brome, 3.85%, 2027/08/18	341,000	321,809	343,073
Ville de L'Assomption, 3.40%, 2028/10/10	250,000	237,217	246,962
Ville de L'Assomption, 3.50%, 2029/09/27	100,000	97,920	98,427
Ville de Laval, Callable, 4.25%, 2027/03/12	150,000	149,223	156,642
Ville de Longueuil, 3.80%, 2027/05/03	1,000,000	977,128	1,004,857

Schedule of Investments (continued)

As at December 31, 2024

Security	Par Value	Average Cost	Fair Value
Ville de Longueuil, 4.00%, 2029/07/09	250,000	244,713	251,716
Ville de Magog, 3.50%, 2029/10/01	100,000	97,899	98,416
Ville de Mascouche, 5.25%, 2027/09/29	389,000	403,821	405,417
Ville de Matane, 1.45%, 2026/10/12	400,000	358,048	386,085
Ville de Mercier, 3.75%, 2026/08/19	76,000	72,312	76,340
Ville de Mirabel, 4.60%, 2028/07/31	250,000	251,465	257,271
Ville de Mont-Laurier, 3.30%, 2026/04/22	346,000	341,886	345,281
Ville de Mont-Saint-Hilaire, 1.85%, 2026/11/26	439,000	430,044	425,692
Ville de Pincourt, 3.75%, 2027/05/20	368,000	346,711	369,376
Ville de Rimouski, 4.55%, 2026/12/01	450,000	443,831	458,511
Ville de Rosemère, 4.50%, 2028/02/08	318,000	316,331	325,744
Ville de Saint-Basile-le-Grand, 5.25%, 2027/10/10	429,000	430,060	447,259
Ville de Saint-Hyacinthe, 3.85%, 2027/08/23	366,000	345,372	368,225
Ville de Saint-Hyacinthe, 3.10%, 2028/02/28	420,000	381,058	412,928
Ville de Sainte-Anne-de-Beaupré, 1.40%, 2026/07/09	500,000	449,415	484,912
Ville de Sainte-Brigitte-de-Laval, 4.00%, 2026/06/27	338,000	329,797	340,640
Ville de Sainte-Catherine, 4.30%, 2026/06/27	205,000	202,386	207,483
Ville de Sainte-Marthe-sur-le-Lac, 4.50%, 2028/01/30	191,000	190,058	195,630
Ville de Sainte-Thérèse, 4.00%, 2027/08/19	600,000	592,080	605,885
Ville de Sherbrooke, 4.20%, 2028/04/16	450,000	445,230	457,072
Ville de Sherbrooke, 4.45%, 2028/12/12	500,000	494,425	512,389
Ville de Terrebonne, 4.45%, 2029/04/30	459,000	465,279	470,582
Ville de Val-d'Or, 4.10%, 2027/07/28	500,000	490,255	506,090
Ville de Victoriaville, 3.75%, 2028/10/22	100,000	98,881	99,991
		20,800,648	21,521,556
Provincial Bonds (27.36%)			
Province of Ontario, 2.90%, 2028/06/02	200,000	197,100	198,896
Province of Ontario, 4.00%, 2029/03/08	1,865,000	1,867,669	1,926,452
Province of Ontario, 2.70%, 2029/06/02	2,890,000	2,813,785	2,834,952
Province of Ontario, 2.05%, 2030/06/02	3,445,000	3,216,698	3,236,861
		8,095,252	8,197,161
TOTAL CANADIAN FIXED INCOME SECURITIES		28,895,900	29,718,717
TOTAL INVESTMENT PORTFOLIO (99.19%)		\$ 28,895,900	\$ 29,718,717
Cash and cash equivalents (0.42%)			126,844
Other assets less liabilities (0.39%)			114,357
NET ASSETS (100.00%)			\$ 29,959,918

(See accompanying notes to financial statements)

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

1. REPORTING ENTITY

Global X Active Canadian Municipal Bond ETF (*formerly Horizons Active Cdn Municipal Bond ETF*) (“HMP” or the “ETF”) is an investment trust established under the laws of the Province of Ontario by Declaration of Trust and effectively began operations on August 12, 2015. The address of the ETF’s registered office is: c/o Global X Investments Canada Inc., 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7.

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

The investment objective of HMP is to seek to provide unitholders with a high level of income by investing primarily in a portfolio of Canadian municipal bonds denominated in Canadian dollars.

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

2. BASIS OF PREPARATION

(i) *Statement of compliance*

The financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”). Any mention of total net assets, net assets, net asset value or increase (decrease) in net assets is referring to net assets or increase (decrease) in net assets attributable to holders of redeemable units as reported under IFRS.

These financial statements were authorized for issue on March 14, 2025, by the Board of Directors of the Manager.

(ii) *Basis of measurement*

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

(iii) *Functional and presentation currency*

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

(a) Financial instruments

(i) Recognition, initial measurement and classification

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

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

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

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

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

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

(ii) Fair value measurement

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

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

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

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

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

(iii) Offsetting

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

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

(iv) Specific instruments

Cash and cash equivalents

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

Forward foreign exchange contracts

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

Redeemable units

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

(b) Investment income

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

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

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

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

(c) Foreign currency

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

(d) Cost basis

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

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

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

(f) Unitholder transactions

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

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

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

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

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

(i) Transaction costs

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

(j) Changes in accounting policies

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

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

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

(k) Future changes in accounting policies

IFRS 7 and IFRS 9 will have amendments that will apply for annual reporting periods beginning on or after January 1, 2026. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance linked features. There are additional amended disclosure requirements related to financial instruments with contingent features.

IFRS 18 will replace IAS 1 Presentation of Financial Statements and will apply for annual reporting periods beginning on or after January 1, 2027. This change will impact the structure of the ETF’s statement of profit or loss, the statement of cash flows along with additional required disclosure.

The ETF is in the process of assessing the impact of the amended and new accounting standards to the financial statements.

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.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

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

(a) Market risk

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

(i) Currency risk

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

(ii) Interest rate risk

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

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

Investments	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Non-interest bearing	Total
As at	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
December 31, 2024	100	14,173	12,524	3,242	–	30,039
December 31, 2023	208	19,053	19,117	915	–	39,293

The percentage of the ETF's net assets exposed to interest rate risk as at December 31, 2024, was 100.3% (December 31, 2023 – 99.6%). The amount by which the net assets of the ETF would have increased or decreased, as at December 31, 2024, had the prevailing interest rates been lowered or raised by 1%, assuming a parallel shift in the yield curve, with all other variables remaining constant, was \$905,614 (December 31, 2023 – \$1,141,844). The ETF's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis.

(iii) Other market risk

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

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

Comparative Index	December 31, 2024	December 31, 2023
S&P Canada Provincial & Municipal Bond Index	\$235,258	\$301,706

(b) Credit risk

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

Analysis of credit quality

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

Debt or Derivative Securities by Credit Rating	Percentage of Net Asset Value (%)	
	December 31, 2024	December 31, 2023
AAA	0.3%	0.5%
AA	99.9%	67.6%
A	–	31.5%
Total	100.2%	99.6%

Designated ratings are obtained by Standard & Poor's, Moody's and/or Dominion Bond Rating Services. Where more than one rating is obtained for a security, the lowest rating has been used. Credit risk is managed by dealing with counterparties the ETF believes to be creditworthy and by regular monitoring of credit exposures. The maximum exposure to any one debt issuer as of December 31, 2024, was 27.4% (December 31, 2023 – 31.2%) of the net assets of the ETF.

(c) Liquidity risk

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

6. FAIR VALUE MEASUREMENT

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

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

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

	December 31, 2024			December 31, 2023		
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Financial Assets						
Bonds	–	29,718,717	–	–	38,807,178	–
Total Financial Assets	–	29,718,717	–	–	38,807,178	–
Total Financial Liabilities	–	–	–	–	–	–
Net Financial Assets and Liabilities	–	29,718,717	–	–	38,807,178	–

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

7. SECURITIES LENDING

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

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

As at	Securities Loaned	Collateral Received
December 31, 2024	\$1,046,114	\$1,099,539
December 31, 2023	\$6,997,259	\$7,381,174

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.

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

The table below presents a reconciliation of the securities lending income as presented in the statements of comprehensive income for the years ended December 31, 2024 and 2023. It shows the gross amount of securities lending revenues generated from the securities lending transactions of the ETF, less any taxes withheld and amounts earned by parties entitled to receive payments out of the gross amount as part of any securities lending agreements.

For the years ended	December 31, 2024	% of Gross Income	December 31, 2023	% of Gross Income
Gross securities lending income	\$3,451		\$4,866	
Lending Agents' fees:				
Canadian Imperial Bank of Commerce	(1,380)	39.99%	(1,945)	39.97%
Net securities lending income paid to the ETF	\$2,071	60.01%	\$2,921	60.03%

8. REDEEMABLE UNITS

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

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

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

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

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

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

For the years ended December 31, 2024 and 2023, the number of units issued by subscription and/or distribution reinvestment, the number of units redeemed, the total and average number of units outstanding was as follows:

Year	Beginning Units Outstanding	Units Issued	Units Redeemed	Ending Units Outstanding	Average Units Outstanding
2024	4,211,058	1,125,269	(2,225,000)	3,111,327	3,440,151
2023	3,860,749	3,025,309	(2,675,000)	4,211,058	4,418,260

9. EXPENSES

Management fees

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

In consideration for the provision of these services, the Manager receives a monthly management fee at the annual rate of 0.29%, plus applicable sales taxes, of the net asset value of the ETF's units, calculated and accrued daily and payable monthly in arrears. The Sub-Advisor is compensated for its services out of the management fees without any further cost to the ETF. Any expenses of the ETF which are waived or absorbed by the Manager are paid out of the management fees received by the Manager.

Other expenses

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

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

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

10. BROKER COMMISSIONS, SOFT DOLLARS AND RELATED PARTY TRANSACTIONS

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

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

Brokerage commissions paid to dealers in connection with investment portfolio transactions, soft dollar transactions incurred and amounts paid to related parties of the Manager, if any, for the years ended December 31, 2024 and 2023, were as follows:

Year Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
December 31, 2024	\$nil	\$nil	\$nil
December 31, 2023	\$nil	\$nil	\$nil

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

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

11. INCOME TAX

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

12. TAX LOSSES CARRIED FORWARD

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Non-capital losses carried forward may be applied against future years' taxable income. Non-capital losses that are realized in the current taxation year may be carried forward for 20 years. As at December 31, 2024, the ETF had capital losses and/or non-capital losses, with the year of expiry of the non-capital losses as follows:

Capital Losses	Non-Capital Losses	Year of Expiry of the Non-Capital Losses
\$6,139,321	—	—

Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

13. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the ETF may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. As at December 31, 2024 and 2023, the ETF did not have any financial instruments eligible for offsetting.

14. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND UNCONSOLIDATED STRUCTURED ENTITIES

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

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

Investee ETFs over which the ETF has control or significant influence are categorized as subsidiaries and associates, respectively. All other Investee ETFs are categorized as unconsolidated structured entities. Investee ETFs may be managed by the Manager, its affiliates, or by third-party managers. The ETF does not provide financial support to its unconsolidated structured entities or subsidiaries and has no intention of providing financial or other support.

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

