

GLOBAL X

by Mirae Asset

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GLOBAL X ACTIVE ULTRA-SHORT TERM INVESTMENT GRADE BOND ETF

(FORMERLY HORIZONS ACTIVE ULTRA-SHORT TERM INVESTMENT GRADE BOND ETF)

(HFR:TSX)

INTERIM REPORT | JUNE 30, 2025

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A Message from the CEO

As we mark the midpoint of 2025, I am proud to reflect on the growth we continue to achieve as a company and for our clients, through the innovative investment solutions we manage for Canadians.

In May, we marked the first anniversary of our successful rebrand from Horizons ETFs into Global X Investments Canada Inc. (“**Global X**”).

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: approximately \$200 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.

Through it all, 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 2025 Wealth Professional Awards. This marks the second year in a row that we’ve earned this industry achievement. 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.

So far this year, we have launched 16 ETFs that have offered Canadians new and innovative ways to access exposure to some of the most in-demand asset classes, strategies and commodities in today’s markets.

In February, we launched the Global X Artificial Intelligence Infrastructure Index ETF (“**MTRX**”) to offer Canadians a foundational way to access the broader infrastructure and service providers set to benefit from exponential AI expansion. MTRX offers foundational exposure to the commodity and energy suppliers, as well as data center operators, which are critical to support the growing demand for AI applications.

In April, we launched eleven more ETFs across multiple product lines, including thematic index ETFs, covered call ETFs, as well as our enhanced covered call ETF suite. Market dynamics, driven by economic and geopolitical events, have propelled popularity and in-flows into many of these new ETFs, including the Global X Defence Tech Index ETF (“**SHLD**”), the Global X Bitcoin Covered Call ETF (“**BCCC**”) and the Global X Enhanced Gold Producer Equity Covered Call ETF (“**GLCL**”).

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 Global X brand, our motto is “Innovation meets Investing”. We are committed to being there, alongside you, to help you explore a world of investment possibilities and global opportunities.

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 interim management report of fund performance for Global X Active Ultra-Short Term Investment Grade Bond ETF (*formerly Horizons Active Ultra-Short Term Investment Grade Bond ETF*) (“HFR” or the “ETF”) contains financial highlights and is included with the unaudited interim financial statements for the investment fund. You may request a copy of the ETF’s unaudited interim or audited annual financial statements, interim or annual management report of fund performance, current proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosures, at no cost, from the ETF’s manager, Global X Investments Canada Inc. (“Global X” or the “Manager”), by calling toll free 1-866-641-5739, or locally (416) 933-5745, by writing to us at: 55 University Avenue, Suite 800, Toronto ON, M5J 2H7, or by visiting our website at www.globalx.ca 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 HFR is to generate income that is consistent with prevailing Canadian short-term corporate bond yields while reducing the potential effects of Canadian interest rate fluctuations on HFR. HFR invests primarily in a portfolio of Canadian debt (including debt-like securities) directly, and hedges the portfolio’s interest rate risk by maintaining a portfolio duration that is not more than one year. HFR may also invest directly in debt of U.S. companies, as well as indirectly through investments in securities of Listed Funds, as they are defined in the ETF’s prospectus. HFR uses derivatives, including interest rate swaps, to deliver a floating rate of income.

The Sub-Advisor, Fiera Capital Corporation (“Fiera” or the “Sub-Advisor”), uses fundamental credit research to select the securities of companies that, based on the Sub-Advisor’s view on the company’s industry and growth prospects, are believed to offer attractive risk adjusted returns.

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

HFR enters into interest rate swaps pursuant to which the ETF pays a counterparty a fixed return based on a portfolio of fixed-income securities in exchange for a floating rate of income to maintain a portfolio duration that is not more than one year.

Management Discussion of Fund Performance (continued)

The Sub-Advisor may, from time to time, invest in Canadian and foreign government debt, municipal bonds, Listed Funds, cash and cash equivalents which generally in the aggregate will not exceed 40% of the ETF's net assets. No less than 95%, by value, of the debt (including debt-like securities) held by HFR must be rated at or above investment grade (BBB- by S&P, BBB low by DBRS or Baa3 by Moody's). The Sub-Advisor may, from time to time, invest in non-investment grade debt and debt-like securities rated at least BB by S&P, BB by DBRS or Ba2 by Moody's. Such non-investment grade debt (including debt-like securities) will not exceed 5%, by value, of the securities held by HFR.

The Sub-Advisor may sell short debt (including debt-like securities) it believes will underperform on a relative basis or to otherwise assist the ETF in meeting its investment objectives.

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

In lieu of specific security selections, from time to time the Sub-Advisor may purchase fixed-income related exchange traded funds including those managed by the Manager or its affiliates.

HFR may also use both long and short derivative instruments, including future contracts, to manage duration, credit exposure, portfolio yield and currency risk.

HFR may enter into securities lending transactions, repurchase and reverse repurchase transactions and interest rate derivatives, to the extent permitted by applicable securities laws, to earn additional income for HFR.

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

Risk

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

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

The risks and the full description of each risk to which an investment in the ETF is subject are disclosed in the ETF's most recent prospectus. The most recent prospectus is available at www.globalx.ca 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.

Management Discussion of Fund Performance (continued)

Results of Operations

For the period ended June 30, 2025, units of the ETF returned 1.99% when including distributions paid to unitholders. This compares to Canadian 3-Month Treasury Bills yielding 1.44%, for the same period.

Canadian 3-Month Treasury Bills are short-term securities that the Canadian government sells as a way to help pay off its debt. They are generally considered the “risk free” rate because they are fully backed by the Canadian government.

General Market Review

The first quarter of 2025 was dominated by headlines out of the U.S., as Donald Trump began a tariff dispute with Canada and Mexico shortly after his inauguration. While the situation remained fluid throughout the quarter, it is estimated that roughly 60% of Canadian exports to the U.S. were subject to tariffs as of the end of the quarter. Political uncertainty added to tariff-related concerns as Mark Carney replaced Justin Trudeau as the leader of the Liberal party to become the new Prime Minister.

After cutting rates by 100 basis points in 2024, the Federal Reserve (the “Fed”) held rates steady in the first quarter due to concerns that inflation progress had stalled. The Bank of Canada (the “BoC”) also cut its policy rate by 50 basis points in the first quarter, bringing it to 2.75%. Economic data in Canada remained mixed, but the main concern was inflation moving higher.

The second quarter began with significant market volatility as the U.S. administration unveiled its plan for reciprocal tariffs in early April, causing U.S. equity indices to fall and credit spreads to widen in both Canada and the U.S. Markets gradually settled during the quarter after a series of tariff deadline extensions, walk-backs, and a general cooling in the tariff rhetoric. By the end of June, equity indices had regained their highs, and credit spreads finished the quarter tighter than where they started the year.

Geopolitical risk remained at the forefront as conflict broke out between Israel and Iran. However, the market reaction was muted, aside from a brief spike in the price of oil, which subsequently reversed following a ceasefire agreement. The Fed remained on hold in quarter two despite vocal calls from the President to cut rates. With employment stable and inflation cooling, though still elevated, fears of tariff-induced price increases in the back half of the year kept the Fed sidelined. Markets now expect the Fed to cut rates by 65 basis points for the remainder of the year, down from early April when investors had priced in over 100 basis points of cuts.

After its quarter one rate cut, the BoC held its policy rate at 2.75% in quarter two, keeping the policy rate in the middle of its estimated neutral range of 2.25%-3.25%, and electing to take a wait-and-see approach with respect to the impacts of tariffs. Economic data in Canada was mixed, with the unemployment rate higher, stronger-than-expected quarter one GDP, and core inflation remaining sticky at 3%. At the end of the quarter, markets were looking for BoC to cut rates by a further 35 basis points in 2025, down from 70 basis points priced in early April.

After ending the first quarter lower, especially in the front end, bond yields in Canada moved higher across the curve, led by the long end, while the yield picture in the U.S. was more mixed. The long end of the U.S. curve sold off on the prospect of higher sustained fiscal deficits while short- and mid-term rates fell. Spreads in Canada narrowed over the first half of the year despite the tariff volatility, with short-term provincial spreads narrowed by 8 basis points and short-term corporate spreads narrowed by 4 basis points over the period.

Portfolio Review

The fund generated added value of 55 basis points compared to the benchmark. While a typical short-term universe portfolio generated a gross return of 2.19% and a typical universe bond portfolio delivered 1.44% gross.

Management Discussion of Fund Performance (continued)

The first quarter's duration of 0.69 allowed HFR to capture the upside from falling rates. The fund took profits on several names that had performed well and allowed the fund to participate selectively in the primary market. The fund benefited from its corporate exposure as spreads narrowed more than offsetting the negative impact from rising rates in the second quarter. Purchases included National Bank NVCC, Laurentian Bank, BMO NVCC, Reliance LP, Bank of Nova Scotia, and CIBC NVCC during the first quarter. The second quarter saw purchases in new bail-in issues from TD, BMO, CIBC, and National Bank, as well as issues from CP Rail, Dollarama, and ABS from Canvas, Ford, BMW, and CNHC. At the end of the period, the portfolio's duration was 0.86 and was yielding approximately 3.60%.

Outlook

The Sub-Advisor expects the Canadian economy to be soft over the next 12 to 18 months but to avoid a severe recession, with growth trending in the 1% area. Inflation is expected to slow gradually, allowing the BoC to cut further toward the bottom of the neutral range at 2.25%.

Trade tensions with the U.S. will likely remain elevated in the near term but are expected to ease gradually through negotiation. However, impacts on sentiment and global growth may be more pronounced and could weigh further on the Canadian economy. Fiscal spending and potential benefits of a comparatively lower tariff rate on Canadian goods will partially offset some of the headwinds.

While tariffs should continue to play a significant role in determining Canadian monetary and fiscal policy, rhetoric has eased notably. Other uncertain aspects of U.S. policy, such as the "Big Beautiful Bill", have come to the forefront. The net stimulative nature of the bill and the prospect of higher government bond supply in both countries could pressure long-term rates higher. Both the BoC and the Fed is expected to cut rates moderately to offset any weakness, though their decisions must also weigh the trade-off between soft growth and sticky inflation which may be exacerbated by increased spending and tariffs.

The ETF is currently positioned for lower rates at the front end of the curve and maintain a long duration overall. While short-term rates will be pulled in the direction of the BoC, long-term rates will be driven by inflation, bond supply, fiscal policy, and global growth/yields. Market volatility is expected to remain elevated, which should create opportunities to go both long and short duration.

After a reduction in the first quarter, HFR's corporate weighted duration deviation rose slightly over the second quarter, but maintained a very modest overweight. The Sub-Advisor will continue to look for attractive opportunities to add to this position but remain cautious as spreads have narrowed and are at the low end of the historic range. The fund's focus remains on short-dated bonds, high quality sectors, and names with value.

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

For the six-month period ended June 30, 2025, the ETF generated gross comprehensive income (loss) from investments and derivatives (which includes changes in the fair value of the ETF's portfolio) of \$9,774,574. This compares to \$14,248,826 for the six-month period ended June 30, 2024. The ETF incurred management, operating and transaction expenses of \$1,102,978 (2024 – \$1,007,638) of which \$7,381 (2024 – \$7,156) 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 \$8,333,030 to unitholders during the period (2024 – \$10,153,650).

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.

Management Discussion of Fund Performance (continued)**Recent Developments**

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

Name Change

On 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 Ultra-Short Term Investment Grade Bond ETF to Global X Active Ultra-Short Term Investment Grade 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 14) are related party transactions, as the Manager is considered to be a related party to the ETF. Fees paid to the Independent Review Committee are also considered to be related party transactions. Both the management fees and fees paid to the Independent Review Committee are disclosed in the statements of comprehensive income in the attached financial statements of the ETF. The management fees payable by the ETF as at June 30, 2025, and December 31, 2024, are disclosed in the statements of financial position.

Financial Highlights

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

The ETF's Net Assets per Unit

Period ⁽¹⁾		2025	2024	2023	2022	2021	2020
Net assets, beginning of period	\$	10.07	9.84	9.70	10.09	10.13	10.07
Increase (decrease) from operations:							
Total revenue		0.21	0.51	0.56	0.33	0.17	0.24
Total expenses		(0.03)	(0.05)	(0.05)	(0.04)	(0.05)	(0.05)
Realized gains (losses) for the period		(0.03)	–	0.07	(0.08)	0.03	–
Unrealized gains (losses) for the period		0.05	0.22	0.13	(0.30)	(0.07)	0.06
Total increase (decrease) from operations ⁽²⁾		0.20	0.68	0.71	(0.09)	0.08	0.25
Distributions:							
From net investment income (excluding dividends)		(0.19)	(0.44)	(0.61)	(0.28)	(0.11)	(0.18)
From net realized capital gains		–	–	–	–	(0.02)	–
From return of capital		–	(0.01)	–	(0.05)	–	(0.09)
Total distributions ⁽³⁾		(0.19)	(0.45)	(0.61)	(0.33)	(0.13)	(0.27)
Net assets, end of period ⁽⁴⁾	\$	10.07	10.07	9.84	9.70	10.09	10.13

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

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

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

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

Financial Highlights (continued)

Ratios and Supplemental Data

Period ⁽¹⁾	2025	2024	2023	2022	2021	2020
Net asset value (000's)	\$ 452,029	430,930	420,971	476,973	529,684	451,446
Number of units outstanding (000's)	44,871	42,809	42,770	49,164	52,508	44,544
Management expense ratio ⁽²⁾	0.49%	0.49%	0.46%	0.46%	0.47%	0.47%
Management expense ratio before waivers and absorptions ⁽³⁾	0.50%	0.50%	0.50%	0.49%	0.49%	0.49%
Trading expense ratio ⁽⁴⁾	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁵⁾	13.11%	30.89%	24.87%	41.22%	18.22%	11.97%
Net asset value per unit, end of period	\$ 10.07	10.07	9.84	9.70	10.09	10.13
Closing market price	\$ 10.08	10.07	9.85	9.68	10.08	10.15

1. This information is provided as at June 30, 2025, and December 31 of the years shown.
2. Management expense ratio is based on total expenses, including sales tax, (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Out of its management fees, and waivers and absorptions, as applicable, the Manager pays for such services to the ETF as investment manager compensation and marketing.
3. The Manager, at its discretion, may waive and/or absorb a portion of the fees and/or expenses otherwise payable by the ETF. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager.
4. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Transaction costs related to the purchase and/or sale of fixed income securities are typically embedded in the price of those transactions and are therefore not included in the trading expense ratio.
5. The ETF's portfolio turnover rate indicates how actively its portfolio investments are traded. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. Generally, the higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

Financial Highlights (continued)

Management Fees

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

In consideration for the provision of these services, the Manager receives a monthly management fee at the annual rate of 0.40%, plus applicable sales taxes, of the net asset value of the ETF's units, calculated and accrued daily and payable monthly in arrears.

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

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

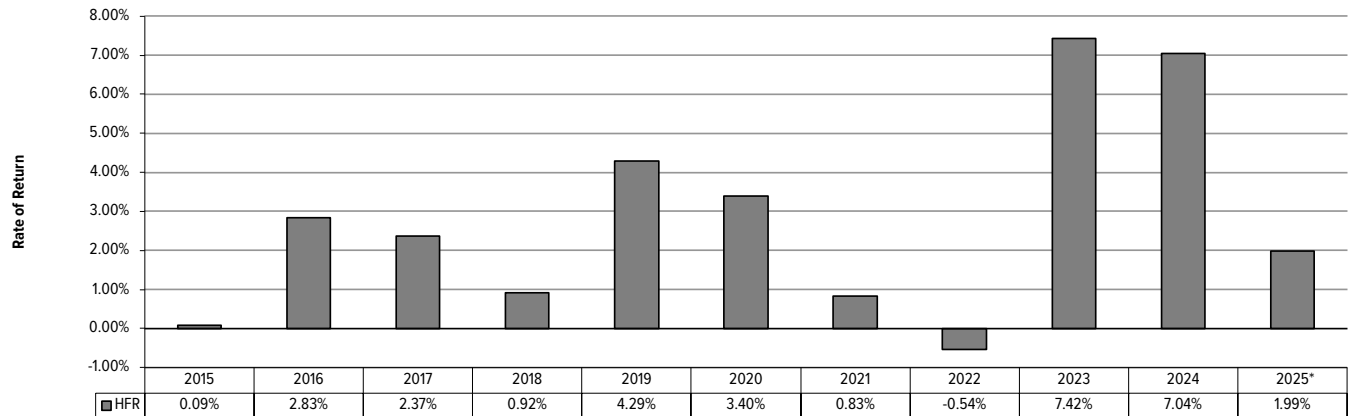
Marketing	Portfolio management fees, general administrative costs and profit	Waived/absorbed expenses of the ETF
9%	90%	1%

Past Performance

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

Year-by-Year Returns

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



The ETF effectively began operations on December 12, 2010.

*For the six-month period ended June 30, 2025.

Summary of Investment Portfolio

As at June 30, 2025

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
Long Positions		
Canadian Fixed Income Securities	\$ 397,158,715	87.86%
U.S. Fixed Income Securities	32,124,689	7.11%
Interest Rate Swaps*	1,396,587	0.31%
Currency Forward Hedge*	(14,147)	0.00%
Cash and Cash Equivalents	18,840,159	4.17%
Margin Deposits	2,855,599	0.63%
Other Assets less Liabilities	5,874	0.00%
Short Positions		
Futures Contracts–Interest Rate Hedge*	(338,948)	-0.08%
	\$ 452,028,528	100.00%

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Long Positions		
Corporate Bonds	\$ 416,300,301	92.10%
Asset-Backed Securities	7,872,067	1.74%
Municipal Bonds	4,476,082	0.99%
Interest Rate Swaps*	1,396,587	0.31%
Provincial Bonds	428,125	0.10%
Mortgage Backed Securities	206,829	0.04%
Currency Forward Hedge*	(14,147)	0.00%
Cash and Cash Equivalents	18,840,159	4.17%
Margin Deposits	2,855,599	0.63%
Other Assets less Liabilities	5,874	0.00%
Short Positions		
Futures Contracts–Interest Rate Hedge*	(338,948)	-0.08%
	\$ 452,028,528	100.00%

* Positions in forward, futures and interest rate swap contracts are disclosed as the gain/(loss) that would be realized if the contracts were closed out on the date of this report.

Summary of Investment Portfolio (continued)

As at June 30, 2025

Top 25 Holdings*	% of ETF's Net Asset Value
Royal Bank of Canada	7.96%
Canadian Imperial Bank of Commerce	6.91%
Bank of Montreal	6.13%
National Bank of Canada	5.96%
Toronto-Dominion Bank (The)	5.78%
Cash and Cash Equivalents	4.17%
Bank of Nova Scotia (The)	4.06%
Rogers Communications Inc.	3.91%
Fédération des caisses Desjardins du Québec	3.38%
Bank of America Corp.	2.51%
Manulife Financial Corp.	2.35%
Sun Life Financial Inc.	2.35%
TransCanada PipeLines Ltd.	2.12%
Bell Canada	1.90%
Choice Properties REIT	1.85%
Wells Fargo & Co.	1.71%
RioCan REIT	1.54%
Crombie REIT	1.44%
Enbridge Inc.	1.35%
Gibson Energy Inc.	1.35%
Goldman Sachs Group Inc. (The)	1.15%
iA Financial Corp. Inc.	1.15%
Canadian Western Bank	1.11%
AltaGas Ltd.	1.11%
Laurentian Bank of Canada	1.11%

* Note all of the Top 25 Holdings, excluding cash and cash equivalents, represent the aggregate preferred securities and/or 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 unaudited interim financial statements of Global X Active Ultra-Short Term Investment Grade Bond ETF (*formerly Horizons Active Ultra-Short Term Investment Grade 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.



Rohit Mehta
Director
Global X Investments Canada Inc.



Thomas Park
Director
Global X Investments Canada Inc.

NOTICE TO UNITHOLDERS

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

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

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

Statements of Financial Position (unaudited)

As at June 30, 2025 and December 31, 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 18,840,159	\$ 5,746,900
Investments (note 6)	429,283,404	416,366,230
Margin deposits (note 11)	2,855,599	3,979,174
Amounts receivable relating to accrued income	4,096,842	4,502,656
Amounts receivable relating to portfolio assets sold	2,011	–
Amounts receivable relating to securities issued	251,851	–
Derivative assets (note 3)	1,396,587	2,687,722
Total assets	456,726,453	433,282,682
Liabilities		
Accrued management fees (note 9)	169,536	164,535
Accrued operating expenses	22,147	17,976
Amounts payable for portfolio assets purchased	2,740,508	–
Distribution payable	1,412,639	963,203
Derivative liabilities (note 3)	353,095	1,206,907
Total liabilities	4,697,925	2,352,621
Net assets	\$ 452,028,528	\$ 430,930,061
Number of redeemable units outstanding (note 8)	44,870,681	42,809,004
Net assets per unit	\$ 10.07	\$ 10.07

(See accompanying notes to financial statements)

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



Rohit Mehta
Director



Thomas Park
Director

Statements of Comprehensive Income (unaudited)

For the Periods Ended June 30,

	2025	2024
Income		
Interest income for distribution purposes	\$ 9,207,005	\$ 10,891,198
Securities lending income (note 7)	7,722	9,791
Net realized gain (loss) on sale of investments and derivatives	(1,315,969)	278,243
Net realized gain (loss) on foreign exchange	(3,823)	2,412
Net change in unrealized appreciation (depreciation) of investments and derivatives	1,886,029	3,063,162
Net change in unrealized appreciation (depreciation) of foreign exchange	(6,390)	4,020
	9,774,574	14,248,826
Expenses (note 9)		
Management fees	966,618	896,124
Audit fees	8,087	4,291
Independent Review Committee fees	314	373
Custodial and fund valuation fees	77,100	59,700
Legal fees	–	275
Securityholder reporting costs	16,489	16,754
Administration fees	15,583	16,116
Interest expenses	366	–
Transaction costs	18,421	14,005
	1,102,978	1,007,638
Amounts that were payable by the investment fund that were paid or absorbed by the Manager	(7,381)	(7,156)
	1,095,597	1,000,482
Increase (decrease) in net assets for the period	\$ 8,678,977	\$ 13,248,344
Increase (decrease) in net assets per unit	\$ 0.20	\$ 0.32

(See accompanying notes to financial statements)

Statements of Changes in Financial Position (unaudited)

For the Periods Ended June 30,

	2025		2024	
Net assets at the beginning of the period	\$	430,930,061	\$	420,970,530
Increase (decrease) in net assets		8,678,977		13,248,344
Redeemable unit transactions				
Proceeds from the issuance of securities of the investment fund		35,245,697		31,809,670
Aggregate amounts paid on redemption of securities of the investment fund		(14,610,765)		(63,224,563)
Securities issued on reinvestment of distributions		117,588		237,331
Distributions:				
From net investment income		(8,333,030)		(10,153,650)
Net assets at the end of the period	\$	452,028,528	\$	392,887,662

(See accompanying notes to financial statements)

Statements of Cash Flows (unaudited)

For the Periods Ended June 30,

	2025	2024
Cash flows from operating activities:		
Increase (decrease) in net assets for the period	\$ 8,678,977	\$ 13,248,344
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	1,315,969	(278,243)
Net realized gain (loss) on currency forward contracts	325,792	(267,451)
Net change in unrealized (appreciation) depreciation of investments and derivatives	(1,886,029)	(3,063,162)
Net change in unrealized (appreciation) depreciation of foreign exchange	656	(1,152)
Purchase of investments	(62,644,641)	(48,574,523)
Proceeds from the sale of investments	51,529,222	56,262,386
Margin deposits	1,123,575	(628,605)
Amounts receivable relating to accrued income	405,814	757,228
Accrued expenses	9,172	(10,086)
Net cash from (used in) operating activities	(1,141,493)	17,444,736
Cash flows from financing activities:		
Amount received from the issuance of units	33,878,312	25,212,417
Amount paid on redemptions of units	(11,876,898)	(41,085,325)
Distributions paid to unitholders	(7,766,006)	(10,317,577)
Net cash from (used in) financing activities	14,235,408	(26,190,485)
Net increase (decrease) in cash and cash equivalents during the period	13,093,915	(8,745,749)
Effect of exchange rate fluctuations on cash and cash equivalents	(656)	1,152
Cash and cash equivalents at beginning of period	5,746,900	10,183,755
Cash and cash equivalents at end of period	\$ 18,840,159	\$ 1,439,158
Interest received, net of withholding taxes	\$ 9,612,819	\$ 11,256,033
Interest paid	\$ 366	\$ –

(See accompanying notes to financial statements)

Schedule of Investments (unaudited)

As at June 30, 2025

Security	Par Value/ Notional/ Contracts	Average Cost	Fair Value
CANADIAN FIXED INCOME SECURITIES (87.86%)			
Corporate Bonds (84.99%)			
Algonquin Power & Utilities Corp., Callable, 5.25%, 2082/01/18	1,329,000	\$ 1,329,000	\$ 1,302,055
Allied Properties REIT, Series 'E', Callable, 3.11%, 2027/04/08	2,207,000	2,189,248	2,176,963
AltaGas Ltd., Callable, 4.12%, 2026/04/07	345,000	363,844	346,607
AltaGas Ltd., Callable, 3.98%, 2027/10/04	170,000	163,411	172,116
AltaGas Ltd., Callable, 2.08%, 2028/05/30	2,415,000	2,398,720	2,324,788
AltaGas Ltd., Variable Rate, Callable, 5.25%, 2082/01/11	2,232,000	2,232,000	2,180,794
Bank of Montreal, Callable, 1.55%, 2026/05/28	3,005,000	2,891,784	2,973,855
Bank of Montreal, Callable, 4.31%, 2027/06/01	3,587,000	3,580,322	3,659,196
Bank of Montreal, Callable, 4.71%, 2027/12/07	4,550,000	4,550,316	4,699,176
Bank of Montreal, Callable, 5.04%, 2028/05/29	354,000	370,178	370,182
Bank of Montreal, Callable, 4.54%, 2028/12/18	3,275,000	3,275,312	3,391,035
Bank of Montreal, Callable, 4.42%, 2029/07/17	2,058,000	2,058,131	2,125,695
Bank of Montreal, Variable Rate, Callable, 3.73%, 2031/06/03	1,867,000	1,867,000	1,867,870
Bank of Montreal, Variable Rate, Callable, 6.53%, 2032/10/27	1,083,000	1,083,000	1,155,081
Bank of Montreal, Variable Rate, Callable, 3.80%, 2032/12/15	2,490,000	3,290,229	3,303,428
Bank of Montreal, Variable Rate, Callable, 4.98%, 2034/07/03	1,545,000	1,545,000	1,604,078
Bank of Montreal, Variable Rate, Callable, 4.08%, 2035/03/05	2,357,000	2,357,000	2,356,175
Bank of Montreal, Variable Rate, Callable, 7.33%, 2082/11/26	209,000	209,214	220,217
Bank of Nova Scotia (The), 5.50%, 2025/12/29	985,000	987,096	997,431
Bank of Nova Scotia (The), 1.85%, 2026/11/02	5,007,000	4,815,001	4,937,032
Bank of Nova Scotia (The), 2.95%, 2027/03/08	1,505,000	1,502,983	1,500,693
Bank of Nova Scotia (The), 4.68%, 2029/02/01	5,075,000	5,164,371	5,286,037
Bank of Nova Scotia (The), Floating Rate, Callable, 3.84%, 2030/09/26	1,076,000	1,076,000	1,087,017
Bank of Nova Scotia (The), Variable Rate, Callable, 3.73%, 2031/06/27	1,112,000	1,111,855	1,111,944
Bank of Nova Scotia (The), Variable Rate, Callable, 3.93%, 2032/05/03	2,618,000	2,615,213	2,642,489
Bank of Nova Scotia (The), Variable Rate, Callable, 7.02%, 2082/07/27	792,000	791,875	824,189
Bell Canada, Callable, 2.90%, 2026/08/12	1,404,000	1,400,013	1,400,788
Bell Canada, Callable, 3.60%, 2027/09/29	2,205,000	2,407,740	2,219,384
Bell Canada, Callable, 3.80%, 2028/08/21	2,692,000	2,526,082	2,719,518
Bell Canada, 2.50%, 2030/05/14	2,022,000	1,880,344	1,921,075
Bell Canada, Callable, 3.00%, 2031/03/17	340,000	305,791	324,442
BMW Canada Auto Trust, Class 'A3', Series '23-1', Callable, 3.54%, 2028/01/20	544,000	544,000	544,535
BMW Canada Auto Trust, Class 'A3', Series '23-1', Callable, 5.43%, 2028/01/20	296,000	296,002	298,484
Brookfield Renewable Partners ULC, Callable, 3.63%, 2027/01/15	2,005,000	2,033,487	2,014,787
Brookfield Renewable Partners ULC, Callable, 4.25%, 2029/01/15	216,000	220,404	220,930
Canadian Imperial Bank of Commerce, 1.70%, 2026/07/15	900,000	900,971	890,319

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Par Value/ Notional/ Contracts	Average Cost	Fair Value
Canadian Imperial Bank of Commerce, 5.00%, 2026/12/07	2,079,000	2,090,802	2,133,735
Canadian Imperial Bank of Commerce, 2.25%, 2027/01/07	2,657,000	2,651,065	2,625,714
Canadian Imperial Bank of Commerce, Callable, 4.95%, 2027/06/29	4,055,000	4,078,177	4,187,892
Canadian Imperial Bank of Commerce, Callable, 5.05%, 2027/10/07	3,938,000	3,964,448	4,088,302
Canadian Imperial Bank of Commerce, Callable, 5.50%, 2028/01/14	754,000	753,615	793,479
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 2.01%, 2030/07/21	148,000	144,858	147,929
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 3.80%, 2030/12/10	1,024,000	1,032,796	1,031,625
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 1.96%, 2031/04/21	1,570,000	1,538,920	1,557,370
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 3.90%, 2031/06/20	2,984,000	2,981,851	3,004,569
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.20%, 2032/04/07	1,952,000	1,947,534	1,978,232
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 5.33%, 2033/01/20	1,261,000	1,261,161	1,313,130
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 5.30%, 2034/01/16	2,638,000	2,638,395	2,764,407
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.90%, 2034/06/12	1,414,000	1,411,893	1,464,418
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.15%, 2035/04/02	1,566,000	1,563,761	1,570,020
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 7.15%, 2082/07/28	900,000	897,504	936,627
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 6.99%, 2084/07/28	723,000	723,000	745,964
Canadian Pacific Railway Co., Callable, 2.54%, 2028/02/28	1,206,000	1,205,879	1,190,150
Canadian Pacific Railway Co., Callable, 4.00%, 2032/06/13	684,000	683,754	689,844
Canadian Western Bank, 5.26%, 2025/12/20	500,000	507,716	505,550
Canadian Western Bank, Callable, 1.93%, 2026/04/16	3,734,000	3,690,330	3,710,864
Canadian Western Bank, 4.57%, 2028/07/11	803,000	803,000	835,300
Canvas Cards Trust, Series 'A', 3.60%, 2028/06/15	1,366,000	1,366,000	1,372,737
Cenovus Energy Inc., Callable, 3.50%, 2028/02/07	1,479,000	1,462,687	1,480,266
Central 1 Credit Union, 1.32%, 2026/01/29	1,323,000	1,323,000	1,311,313
Chartwell Retirement Residences, 6.00%, 2026/12/08	860,000	859,555	891,471
CHIP Mortgage Trust, 1.74%, 2045/12/15	925,000	925,000	920,146
CHIP Mortgage Trust, 4.24%, 2050/01/28	1,139,000	1,139,000	1,148,697
Choice Properties REIT, Series 'F', Callable, 4.06%, 2025/11/24	1,965,000	2,007,161	1,967,466
Choice Properties REIT, Series 'Q', Callable, 2.46%, 2026/11/30	1,457,000	1,451,146	1,444,840
Choice Properties REIT, Series 'P', Callable, 2.85%, 2027/05/21	2,210,000	2,186,574	2,197,571
Choice Properties REIT, Series 'L', Callable, 4.18%, 2028/03/08	250,000	278,792	254,719

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Par Value/ Notional/ Contracts	Average Cost	Fair Value
Choice Properties REIT, Series 'M', Callable, 3.53%, 2029/06/11	1,322,000	1,283,505	1,317,218
Choice Properties REIT, Callable, 5.03%, 2031/02/28	427,000	426,983	447,390
Choice Properties REIT, Callable, 5.40%, 2033/03/01	646,000	679,482	685,388
Clover L.P., Series '1A', Sinkable, 4.22%, 2034/03/31	284,207	269,377	283,306
Clover L.P., Series '1B', Sinkable, 4.22%, 2034/06/30	1,904,542	1,904,450	1,898,561
Coast Capital Savings Federal Credit Union, 7.01%, 2026/09/28	549,000	549,485	570,587
Coast Capital Savings Federal Credit Union, Variable Rate, Callable, 5.25%, 2030/10/29	450,000	450,000	451,637
Coastal GasLink Pipeline L.P., Series 'C', 4.91%, 2031/06/30	776,000	775,977	820,915
Co-operators Financial Services Ltd., Callable, 3.33%, 2030/05/13	780,000	800,156	755,835
Crombie REIT, Series 'F', Callable, 3.68%, 2026/08/26	2,535,000	2,546,567	2,544,431
Crombie REIT, Series 'G', Callable, 3.92%, 2027/06/21	1,560,000	1,547,034	1,573,237
Crombie REIT, Series 'H', Callable, 2.69%, 2028/03/31	230,000	229,045	224,231
Crombie REIT, Callable, 5.24%, 2029/09/28	884,000	884,168	925,536
Crombie REIT, Callable, 5.14%, 2030/03/29	588,000	587,971	613,008
Crombie REIT, Callable, 4.73%, 2032/01/15	636,000	635,866	645,324
CT REIT, Series 'D', Callable, 3.29%, 2026/06/01	2,101,000	2,101,944	2,102,441
CT REIT, Series 'E', Callable, 3.47%, 2027/06/16	240,000	228,679	240,138
CT REIT, Callable, 5.83%, 2028/06/14	979,000	979,863	1,034,549
CT REIT, Callable, 3.03%, 2029/02/05	1,218,000	1,213,779	1,185,533
CU Inc., Callable, 5.56%, 2028/05/26	880,000	904,886	931,040
Daimler Canada Finance Inc., 1.65%, 2025/09/22	522,000	520,550	520,665
Dollarama Inc., Callable, 3.85%, 2030/12/16	1,639,000	1,639,000	1,649,712
Dream Summit Industrial L.P., Series 'A', Callable, 2.15%, 2025/09/17	517,000	476,467	516,000
Dream Summit Industrial L.P., Callable, 5.11%, 2029/02/12	1,157,000	1,181,552	1,204,840
Dream Summit Industrial L.P., Callable, 4.51%, 2031/02/12	701,000	700,874	707,929
Eagle Credit Card Trust, Series 'A', 1.27%, 2025/07/17	414,000	414,000	413,766
Eagle Credit Card Trust, Series 'A', 5.13%, 2028/06/17	808,000	808,000	848,072
Eagle Credit Card Trust, Series 'A', 4.92%, 2029/06/17	1,190,000	1,190,000	1,249,665
Enbridge Inc., Callable, 3.20%, 2027/06/08	1,663,000	1,733,229	1,661,029
Enbridge Inc., Series 'C', Variable Rate, Callable, 6.63%, 2078/04/12	3,672,000	3,717,874	3,851,755
Enbridge Inc., Convertible Bonds, Variable Rate, Callable, 8.75%, 2084/01/15	494,000	494,000	583,465
Enbridge Pipelines Inc., Callable, 3.45%, 2025/09/29	189,000	187,711	189,046
Fédération des caisses Desjardins du Québec, 4.41%, 2027/05/19	1,893,000	1,894,819	1,936,160
Fédération des caisses Desjardins du Québec, 5.48%, 2028/08/16	800,000	800,000	849,851
Fédération des caisses Desjardins du Québec, Callable, 5.47%, 2028/11/17	3,250,000	3,252,991	3,455,759
Fédération des caisses Desjardins du Québec, 3.80%, 2029/09/24	2,571,000	2,571,000	2,597,555
Fédération des caisses Desjardins du Québec, Variable Rate, Callable, 1.99%, 2031/05/28	2,172,000	2,165,948	2,153,594
Fédération des caisses Desjardins du Québec, Variable Rate, Callable, 5.04%, 2032/08/23	2,592,000	2,591,850	2,675,100

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Par Value/ Notional/ Contracts	Average Cost	Fair Value
Fédération des caisses Desjardins du Québec, Variable Rate, Callable, 5.28%, 2034/05/15	1,564,014	1,564,014	1,639,923
First Capital REIT, Series 'S', Callable, 4.32%, 2025/07/31	1,845,000	1,898,940	1,846,987
First Capital REIT, Series 'V', Callable, 3.46%, 2027/01/22	570,000	564,941	570,455
Ford Credit Canada Co., 6.78%, 2025/09/15	1,177,000	1,186,539	1,183,593
Ford Credit Canada Co., 7.00%, 2026/02/10	1,336,000	1,335,853	1,360,515
Ford Credit Canada Co., 5.58%, 2027/02/22	711,000	711,000	720,859
General Motors Financial of Canada Ltd., 1.70%, 2025/07/09	2,877,000	2,830,867	2,876,432
General Motors Financial of Canada Ltd., Callable, 5.20%, 2028/02/09	1,147,000	1,145,639	1,185,784
George Weston Ltd., Callable, 4.19%, 2029/09/05	993,000	993,000	1,011,496
Gibson Energy Inc., Callable, 2.45%, 2025/07/14	4,080,000	4,045,519	4,079,407
Gibson Energy Inc., Callable, 4.45%, 2031/11/12	874,000	873,528	884,877
Gibson Energy Inc., Convertible Bonds, Series '20-A', Variable Rate, Callable, 5.25%, 2080/12/22	1,136,000	1,084,369	1,112,830
Glacier Credit Card Trust, Series '20', 1.39%, 2025/09/22	279,000	266,060	278,100
GMF Canada Leasing Trust, Class 'A3', Series '23-1', Callable, 5.71%, 2028/05/23	184,573	184,574	184,821
Helocs Trust, Series 'A', 3.77%, 2027/10/23	1,506,000	1,506,000	1,523,861
Husky Midstream L.P., Callable, 4.10%, 2029/12/02	966,000	964,058	978,063
Hyundai Capital Canada Inc., Series 'A', Callable, 2.01%, 2026/05/12	780,000	780,000	774,457
iA Financial Corp. Inc., Variable Rate, Callable, 3.07%, 2031/09/24	2,923,000	2,937,968	2,917,815
iA Financial Corp. Inc., Variable Rate, Callable, 5.69%, 2033/06/20	1,073,000	1,073,935	1,135,397
iA Financial Corp. Inc., Variable Rate, Callable, 4.13%, 2034/12/05	1,099,000	1,099,000	1,111,781
IGM Financial Inc., Callable, 3.44%, 2027/01/26	200,000	192,916	200,924
Independent Order of Foresters (The), Series '20-1', Variable Rate, Callable, 2.89%, 2035/10/15	236,000	196,871	217,515
Inter Pipeline Ltd., Callable, 5.76%, 2028/02/17	1,309,000	1,309,708	1,373,908
Inter Pipeline Ltd., Callable, 5.71%, 2030/05/29	893,000	893,447	949,641
Inter Pipeline Ltd., Series '19-A', Variable Rate, Callable, 6.88%, 2079/03/26	1,538,000	1,535,281	1,586,818
Keyera Corp., Convertible Bonds, Floating Rate, Callable, 6.88%, 2079/06/13	1,644,000	1,656,111	1,727,399
Laurentian Bank of Canada, 4.60%, 2025/09/02	1,067,000	1,067,320	1,069,354
Laurentian Bank of Canada, 4.19%, 2028/01/23	1,470,000	1,470,000	1,483,828
Laurentian Bank of Canada, Variable Rate, Callable, 5.10%, 2032/06/15	2,444,000	2,439,757	2,431,849
Loblaw Cos. Ltd., Callable, 4.49%, 2028/12/11	2,518,000	2,835,321	2,607,853
Loblaw Cos. Ltd., Callable, 6.50%, 2029/01/22	908,000	985,765	986,714
Manulife Bank of Canada, 3.99%, 2028/02/22	1,141,000	1,141,000	1,164,057
Manulife Financial Corp., Variable Rate, Callable, 4.06%, 2032/02/24	4,475,000	5,610,189	6,026,174
Manulife Financial Corp., Variable Rate, Callable, 5.41%, 2033/03/10	2,002,000	2,002,256	2,100,803
Manulife Financial Corp., Variable Rate, Callable, 4.06%, 2034/12/06	1,483,000	1,487,095	1,500,084
Manulife Financial Corp., Variable Rate, Callable, 7.12%, 2082/06/19	1,020,000	1,020,062	1,061,013
MCAP Commercial L.P., 3.74%, 2025/08/25	618,000	616,767	618,387

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Par Value/ Notional/ Contracts	Average Cost	Fair Value
MCAP Commercial L.P., Callable, 3.38%, 2027/11/26	1,084,000	1,079,135	1,072,457
Metro Inc., Callable, 3.39%, 2027/12/06	1,279,000	1,353,667	1,285,360
Metro Inc., Callable, 4.00%, 2029/11/27	1,416,000	1,416,000	1,444,803
National Bank of Canada, Variable Rate, Callable, 1.57%, 2026/08/18	662,000	649,516	660,997
National Bank of Canada, 4.97%, 2026/12/07	1,988,000	1,988,649	2,039,449
National Bank of Canada, Floating Rate, Callable, 4.98%, 2027/03/18	2,986,000	2,986,342	3,025,087
National Bank of Canada, Variable Rate, Callable, 3.64%, 2027/10/07	1,408,000	1,408,000	1,416,432
National Bank of Canada, 5.22%, 2028/06/14	4,951,000	4,938,940	5,213,184
National Bank of Canada, Variable Rate, Callable, 3.31%, 2028/08/15	4,543,000	4,542,682	4,546,039
National Bank of Canada, Variable Rate, Callable, 5.28%, 2034/02/15	2,376,000	2,376,180	2,488,088
National Bank of Canada, Variable Rate, Callable, 4.26%, 2035/02/15	3,682,000	3,681,816	3,713,681
National Bank of Canada, Variable Rate, Callable, 4.33%, 2035/08/15	2,347,000	2,346,812	2,363,450
National Bank of Canada, Variable Rate, Callable, 7.50%, 2082/11/16	1,416,000	1,416,313	1,498,361
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'F', Callable, 4.25%, 2029/06/01	200,000	227,486	205,325
Original Wempi Inc., 7.79%, 2027/10/04	1,651,000	1,654,541	1,775,911
Parkland Corp., Callable, 3.88%, 2026/06/16	722,000	722,000	722,271
Pembina Pipeline Corp., Callable, 3.71%, 2026/08/11	1,609,000	1,619,778	1,615,670
Pembina Pipeline Corp., Callable, 4.24%, 2027/06/15	1,200,000	1,204,068	1,218,128
Pembina Pipeline Corp., Series '15', Callable, 3.31%, 2030/02/01	60,000	55,284	58,946
Pembina Pipeline Corp., Callable, 5.02%, 2032/01/12	348,000	346,935	363,753
Pembina Pipeline Corp., Variable Rate, Callable, 4.80%, 2081/01/25	1,168,000	1,151,899	1,145,760
Reliance L.P., Callable, 3.75%, 2026/03/15	1,144,000	1,140,293	1,147,250
Reliance L.P., Callable, 2.68%, 2027/12/01	876,000	883,352	862,449
Reliance L.P., Callable, 2.67%, 2028/08/01	1,352,000	1,352,555	1,315,240
Reliance L.P., Callable, 5.25%, 2031/05/15	746,000	745,955	784,706
Reliance L.P., Callable, 4.39%, 2032/04/16	869,000	866,436	869,075
RioCan REIT, Callable, 5.61%, 2027/10/06	870,000	870,280	907,456
RioCan REIT, 4.00%, 2028/03/01	279,000	279,000	281,834
RioCan REIT, Series 'AE', Callable, 2.83%, 2028/11/08	1,248,000	1,248,000	1,213,777
RioCan REIT, Callable, 4.63%, 2029/05/01	63,000	61,124	64,511
RioCan REIT, Callable, 5.96%, 2029/10/01	1,042,000	1,042,761	1,117,087
RioCan REIT, Callable, 5.47%, 2030/03/01	947,000	949,858	998,454
RioCan REIT, Callable, 5.46%, 2031/03/01	1,408,000	1,407,620	1,482,226
RioCan REIT, Callable, 4.62%, 2031/10/03	903,000	903,000	911,144
Rogers Communications Inc., Callable, 3.65%, 2027/03/31	6,393,000	6,824,995	6,428,254
Rogers Communications Inc., Callable, 5.70%, 2028/09/21	1,780,000	1,780,382	1,894,901
Rogers Communications Inc., Callable, 3.75%, 2029/04/15	1,805,000	1,802,944	1,811,400
Rogers Communications Inc., Callable, 3.25%, 2029/05/01	480,000	447,728	473,393
Rogers Communications Inc., Callable, 3.30%, 2029/12/10	3,005,000	2,763,520	2,949,697

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Par Value/ Notional/ Contracts	Average Cost	Fair Value
Rogers Communications Inc., Callable, 5.80%, 2030/09/21	350,000	368,335	380,502
Rogers Communications Inc., Callable, 4.25%, 2032/04/15	200,000	187,132	200,621
Rogers Communications Inc., Variable Rate, Callable, 5.00%, 2081/12/17	3,582,000	3,575,875	3,594,228
Royal Bank of Canada, 3.37%, 2025/09/29	5,050,000	4,864,046	5,055,905
Royal Bank of Canada, 2.33%, 2027/01/28	3,637,000	3,636,707	3,600,091
Royal Bank of Canada, 4.64%, 2028/01/17	1,905,000	1,908,293	1,971,375
Royal Bank of Canada, Variable Rate, Callable, 3.63%, 2028/12/10	2,113,000	2,113,000	2,130,396
Royal Bank of Canada, Variable Rate, Callable, 3.41%, 2029/06/12	4,135,000	4,135,000	4,139,730
Royal Bank of Canada, 5.23%, 2030/06/24	871,000	871,947	936,299
Royal Bank of Canada, Variable Rate, Callable, 2.14%, 2031/11/03	5,604,000	5,553,056	5,532,362
Royal Bank of Canada, Variable Rate, Callable, 2.94%, 2032/05/03	1,889,000	1,861,198	1,876,373
Royal Bank of Canada, Variable Rate, Callable, 1.67%, 2033/01/28	2,299,000	2,292,201	2,211,316
Royal Bank of Canada, Variable Rate, Callable, 5.01%, 2033/02/01	2,122,000	2,186,509	2,195,553
Royal Bank of Canada, Variable Rate, Callable, 4.83%, 2034/08/08	1,969,000	1,969,088	2,036,998
Royal Bank of Canada, Variable Rate, Callable, 4.21%, 2035/07/03	2,018,000	2,018,000	2,027,559
Royal Bank of Canada, Variable Rate, 4.50%, 2080/11/24	2,172,000	2,155,710	2,172,817
Sienna Senior Living Inc., Series 'B', Callable, 3.45%, 2026/02/27	196,000	193,695	196,156
Sienna Senior Living Inc., Series 'C', Callable, 2.82%, 2027/03/31	659,000	656,648	651,585
Sienna Senior Living Inc., Callable, 4.44%, 2029/10/17	447,000	447,000	451,807
SmartCentres REIT, Series 'P', Callable, 3.44%, 2026/08/28	1,805,000	1,684,098	1,806,949
SmartCentres REIT, Series 'Y', Callable, 2.31%, 2028/12/18	1,845,000	1,769,633	1,751,827
SmartCentres REIT, 5.16%, 2030/08/01	565,000	565,000	586,875
Sun Life Financial Inc., Variable Rate, Callable, 2.46%, 2031/11/18	500,000	500,180	495,568
Sun Life Financial Inc., Variable Rate, Callable, 2.58%, 2032/05/10	4,572,000	4,647,869	4,524,149
Sun Life Financial Inc., Variable Rate, Callable, 2.80%, 2033/11/21	4,126,000	4,124,652	4,058,060
Sun Life Financial Inc., Variable Rate, Callable, 5.12%, 2036/05/15	1,437,000	1,437,000	1,520,683
Suncor Energy Inc., 5.60%, 2025/11/17	2,803,000	2,826,668	2,828,362
Superior Plus L.P., Callable, 4.25%, 2028/05/18	1,669,000	1,668,664	1,643,965
TELUS Corp., Callable, 3.75%, 2026/03/10	819,000	817,275	821,351
TELUS Corp., Callable, 3.63%, 2028/03/01	709,000	752,625	714,118
TELUS Corp., Callable, 2.85%, 2031/11/13	800,000	687,624	751,216
Toronto-Dominion Bank (The), 2.67%, 2025/09/09	3,039,000	3,026,918	3,037,667
Toronto-Dominion Bank (The), 4.21%, 2027/06/01	1,936,000	1,936,241	1,973,438
Toronto-Dominion Bank (The), 5.38%, 2027/10/21	1,010,000	1,010,000	1,057,698
Toronto-Dominion Bank (The), 4.68%, 2029/01/08	9,820,000	9,770,367	10,223,840
Toronto-Dominion Bank (The), Variable Rate, Callable, 3.84%, 2031/05/29	2,190,000	2,190,000	2,202,314
Toronto-Dominion Bank (The), Floating Rate, Callable, 3.06%, 2032/01/26	5,112,000	5,152,526	5,092,799
Toronto-Dominion Bank (The), Variable Rate, Callable, 5.18%, 2034/04/09	1,562,000	1,562,000	1,632,433
Toronto-Dominion Bank (The), Variable Rate, Callable, 7.28%, 2082/10/31	854,000	854,251	899,569
TransCanada PipeLines Ltd., Callable, 3.30%, 2025/07/17	690,000	685,034	690,153

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Par Value/ Notional/ Contracts	Average Cost	Fair Value
TransCanada PipeLines Ltd., Callable, 4.35%, 2026/05/12	314,000	312,755	316,983
TransCanada PipeLines Ltd., 7.31%, 2027/01/15	348,000	436,302	366,143
TransCanada PipeLines Ltd., Callable, 3.80%, 2027/04/05	7,110,000	7,835,603	7,164,657
TransCanada PipeLines Ltd., 6.28%, 2028/05/26	553,000	559,962	588,143
TransCanada PipeLines Ltd., Callable, 3.00%, 2029/09/18	250,000	242,575	245,219
TransCanada PipeLines Ltd., Callable, 5.28%, 2030/07/15	220,000	225,499	234,481
Ventas Canada Finance Ltd., Series 'G', Callable, 2.45%, 2027/01/04	2,269,000	2,264,004	2,241,481
Videotron Ltd., Callable, 3.63%, 2028/06/15	1,723,000	1,715,065	1,724,998
		379,536,739	379,536,739
Asset-Backed Securities (1.74%)			
BMW Canada Auto Trust, Class 'A3', Series '24-1', Callable, 4.79%, 2029/01/22	550,000	550,000	555,978
CNH Capital Canada Receivables Trust, Class 'A2', Series '23-1', Variable Rate, Callable, 4.99%, 2029/10/15	486,078	486,078	494,556
CNH Capital Canada Receivables Trust, Class 'A2', Series '24-1', Callable, 5.06%, 2031/08/15	703,586	703,589	719,608
CNH Capital Canada Receivables Trust II, Class 'A2', Series '25-1', Callable, 3.49%, 2032/12/15	1,218,000	1,218,000	1,218,000
Ford Auto Securitization Trust, Class 'A2', Series '25-A', Callable, 3.28%, 2029/11/15	1,810,000	1,810,000	1,808,851
Ford Auto Securitization Trust, Class 'A3', Series '24-A', Callable, 4.97%, 2030/03/15	412,000	412,004	427,747
Ford Auto Securitization Trust II, Class 'A3', Series '24-B', Callable, 3.84%, 2030/09/15	553,000	553,000	558,112
Ford Auto Securitization Trust II, Class 'A3', Series '25-A', Callable, 3.61%, 2031/02/15	669,000	669,000	668,190
GMF Canada Leasing Trust, Class 'A3', Series '24-1', Callable, 4.83%, 2029/08/20	540,000	540,000	546,858
MBARC Credit Canada Inc., Class 'A3', Series '24-A', Callable, 5.13%, 2030/01/15	864,545	864,548	874,167
		7,806,219	7,872,067
Municipal Bonds (0.99%)			
Aéroports de Montréal, Callable, 6.95%, 2032/04/16	887,868	1,132,247	979,979
Edmonton Regional Airport Authority, Callable, 7.21%, 2030/11/01	178,922	214,937	192,683
Greater Toronto Airports Authority, Series '97-3', 6.45%, 2027/12/03	900,000	952,119	965,769
Greater Toronto Airports Authority, Series '00-1', Callable, 7.05%, 2030/06/12	205,000	236,525	236,208
Greater Toronto Airports Authority, 7.10%, 2031/06/04	1,155,000	1,347,066	1,353,889
Ottawa MacDonald-Cartier International Airport Authority, Sinkable, Callable, 6.97%, 2032/05/25	164,511	177,440	179,131
Vancouver Airport Authority, Series 'B', Callable, 7.43%, 2026/12/07	537,000	572,298	568,423
		4,632,632	4,476,082

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Par Value/ Notional/ Contracts	Average Cost	Fair Value
Provincial Bonds (0.10%)			
New Brunswick F-M Project Co. Inc., Sinkable, Callable, 6.47%, 2027/11/30	411,008	483,782	428,125
Mortgage Backed Securities (0.04%)			
Classic RMBS Trust, Class 'A', Series '21-2', Variable Rate, Callable, 1.53%, 2052/03/15	59,199	59,193	58,810
Real Estate Asset Liquidity Trust, Class 'A2', Series '17', Callable, 3.64%, 2052/11/12	148,458	148,453	148,019
		207,646	206,829
TOTAL CANADIAN FIXED INCOME SECURITIES		392,667,018	397,158,715
Mortgage Backed Securities (0.04%)			
Classic RMBS Trust, Class 'A', Series '21-2', Variable Rate, Callable, 1.53%, 2052/03/15	59,199	59,193	58,810
Real Estate Asset Liquidity Trust, Class 'A2', Series '17', Callable, 3.64%, 2052/11/12	148,458	148,453	148,019
		207,646	206,829
TOTAL CANADIAN FIXED INCOME SECURITIES		392,667,018	397,158,715
U.S. FIXED INCOME SECURITIES (7.11%)			
Corporate Bonds (7.11%)			
AT&T Inc., Callable, 4.00%, 2025/11/25	500,000	498,823	500,987
Bank of America Corp., Variable Rate, Callable, 1.98%, 2027/09/15	4,715,000	4,627,490	4,651,197
Bank of America Corp., Variable Rate, Callable, 3.62%, 2028/03/16	3,939,000	3,909,202	3,963,111
Bank of America Corp., Variable Rate, Callable, 2.60%, 2029/04/04	2,746,000	2,720,401	2,701,715
Goldman Sachs Group Inc. (The), Variable Rate, Callable, 2.60%, 2027/11/30	2,187,000	2,179,308	2,170,512
Goldman Sachs Group Inc. (The), Variable Rate, Callable, 2.01%, 2029/02/28	3,117,000	3,117,000	3,011,711
JPMorgan Chase & Co., Floating Rate, Callable, 1.90%, 2028/03/05	4,139,000	4,139,998	4,056,700
Morgan Stanley, Variable Rate, Callable, 1.78%, 2027/08/04	3,367,000	3,309,936	3,320,636
Wells Fargo & Co., 2.98%, 2026/05/19	2,734,000	2,931,007	2,733,626
Wells Fargo & Co., 2.49%, 2027/02/18	3,887,000	3,900,964	3,847,516
Wells Fargo & Co., Variable Rate, Callable, 5.08%, 2028/04/26	1,131,000	1,131,000	1,166,978
		32,465,129	32,124,689
TOTAL U.S. FIXED INCOME SECURITIES		32,465,129	32,124,689

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Par Value/ Notional/ Contracts	Average Cost	Fair Value
DERIVATIVES (0.23%)			
Interest Rate Swaps (0.31%)			
Receive Floating Interest Rate, Pay Fixed Interest Rate 1.150%, 2025/07/22, C\$	15,000,000	–	17,507
Receive Floating Interest Rate, Pay Fixed Interest Rate 2.801%, 2025/10/17, C\$	3,000,000	–	1,861
Receive Floating Interest Rate, Pay Fixed Interest Rate 1.148%, 2026/02/23, C\$	5,000,000	–	55,650
Receive Floating Interest Rate, Pay Fixed Interest Rate 1.875%, 2026/11/19, C\$	14,000,000	–	171,930
Receive Floating Interest Rate, Pay Fixed Interest Rate 1.519%, 2027/05/05, C\$	18,000,000	–	407,760
Receive Floating Interest Rate, Pay Fixed Interest Rate 1.473%, 2027/05/07, C\$	16,000,000	–	376,407
Receive Floating Interest Rate, Pay Fixed Interest Rate 2.979%, 2027/05/09, US\$	3,800,000	–	77,530
Receive Floating Interest Rate, Pay Fixed Interest Rate 3.235%, 2027/08/05, C\$	15,000,000	–	(133,248)
Receive Floating Interest Rate, Pay Fixed Interest Rate 1.824%, 2027/11/30, C\$	10,000,000	–	229,873
Receive Floating Interest Rate, Pay Fixed Interest Rate 2.563%, 2028/04/09, C\$	3,500,000	–	24,408
Receive Floating Interest Rate, Pay Fixed Interest Rate 2.613%, 2028/06/20, C\$	5,000,000	–	(14,979)
Receive Floating Interest Rate, Pay Fixed Interest Rate 1.408%, 2028/07/19, C\$	10,000,000	–	417,262
Receive Floating Interest Rate, Pay Fixed Interest Rate 3.258%, 2029/03/14, C\$	8,000,000	–	(109,773)
Receive Floating Interest Rate, Pay Fixed Interest Rate 3.210%, 2029/08/12, C\$	10,000,000	–	(125,013)
Receive Floating Interest Rate, Pay Fixed Interest Rate 2.614%, 2030/05/29, C\$	5,000,000	–	(588)
		–	1,396,587
Currency Forwards (0.00%)			
Currency forward contract to buy C\$8,301,604 for US\$6,130,500 maturing September 17, 2025		–	(14,147)

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Par Value/ Notional/ Contracts	Average Cost	Fair Value
Treasury Bond Futures (-0.08%)			
Short Positions (-0.08%)			
Canadian 5-Year Treasury Bond Futures September 2025 at C\$114.11. Notional Value (C\$80,333,440)	(704)	–	(334,388)
Canadian 10-Year Treasury Bond Futures September 2025 at C\$122.00. Notional Value (C\$732,000)	(6)	–	(4,560)
		–	(338,948)
TOTAL DERIVATIVES		–	1,043,492
Transaction Costs		(32)	
TOTAL INVESTMENT PORTFOLIO (95.20%)		\$ 425,132,115	\$ 430,326,896
Cash and cash equivalents (4.17%)			18,840,159
Margin deposits (0.63%)			2,855,599
Other assets less liabilities (-0.00%)			5,874
NET ASSETS (100.00%)			\$ 452,028,528

(See accompanying notes to financial statements)

Notes to Financial Statements (unaudited)

June 30, 2025

1. REPORTING ENTITY

Global X Active Ultra-Short Term Investment Grade Bond ETF (*formerly Horizons Active Ultra-Short Term Investment Grade Bond ETF*) (“HFR” 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 December 12, 2010. The address of the ETF’s registered office is: c/o Global X Investments Canada Inc., 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7.

The ETF is offered for sale on a continuous basis by its prospectus in Class E units (“Class E”) which trade on the Toronto Stock Exchange (“TSX”) under the symbol HFR. 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 HFR is to generate income that is consistent with prevailing Canadian short-term corporate bond yields while reducing the potential effects of Canadian interest rate fluctuations on HFR. HFR invests primarily in a portfolio of Canadian debt (including debt-like securities) directly, and hedges the portfolio’s interest rate risk by maintaining a portfolio duration that is not more than one year. HFR may also invest directly in debt of U.S. companies, as well as indirectly through investments in securities of Listed Funds, as they are defined in the ETF’s prospectus. HFR uses derivatives, including interest rate swaps, to deliver a floating rate of income.

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 August 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 (unaudited) (continued)

June 30, 2025

(a) Financial instruments

(i) Recognition, initial measurement and classification

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

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

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

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

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

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

(ii) Fair value measurement

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

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

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

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

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.

Interest rate swaps

Interest rate swaps, if any, are valued at the current market value thereof on the Valuation Date. The value of these interest rate swaps 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, plus any amounts relating to accrued income, if applicable, in the statements of financial position, and as a net change in unrealized appreciation (depreciation) of investments and derivatives and interest income for distribution purposes, if applicable, in the statements of comprehensive income. When the interest rate swaps are closed out or mature, realized gains or losses on interest rate swaps are recognized and are included in the statements of comprehensive income.

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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

(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.

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

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

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

(c) Foreign currency

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

(d) Cost basis

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

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

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

(f) Unitholder transactions

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

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

(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.

(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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

5. FINANCIAL INSTRUMENTS RISK

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

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

(a) Market risk

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

(i) Currency risk

Currency risk is the risk that financial instruments which are denominated in currencies other than the ETF's reporting currency, the Canadian dollar, will fluctuate due to changes in exchange rates and adversely impact the ETF's income, cash flows or fair values of its investment holdings. The ETF may reduce its foreign currency exposure through the use of derivative arrangements such as foreign exchange forward contracts or futures contracts. As at June 30, 2025 and December 31, 2024, the ETF did not have any material net exposure to foreign currencies due to the ETF's hedging strategies.

(ii) Interest rate risk

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

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

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

Investments	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Non-interest bearing	Total
As at	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
June 30, 2025						
Investments	66,821	149,568	87,775	147,573	–	451,737
Interest Rate Swaps	(94)	1,263	256	–	–	1,425
December 31, 2024						
Investments	63,082	122,346	102,000	138,102	–	425,530
Interest Rate Swaps	(520)	2,367	663	–	–	2,510

The percentage of the ETF's net assets exposed to interest rate risk as at June 30, 2025, was 100.3% (December 31, 2024 – 99.3%). The amount by which the net assets of the ETF would have increased or decreased, as at June 30, 2025, 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 \$3,897,191 (December 31, 2024 – \$2,746,947). The ETF's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis.

(iii) Other market risk

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

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

Comparative Index	June 30, 2025	December 31, 2024
ICE BofA Merrill Lynch Canada Corporate Bond Index	\$ 1,068,084	\$1,230,277

(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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

Analysis of credit quality

The ETF's credit risk exposure by designated rating of the invested portfolio as at June 30, 2025, and December 31, 2024, is listed as follows:

Debt or Derivative Securities by Credit Rating	Percentage of Net Asset Value (%)	
	June 30, 2025	December 31, 2024
AAA	7.9%	4.5%
AA	1.7%	0.6%
A	37.9%	37.8%
BBB	48.6%	51.5%
BB	4.2%	5.0%
Total	100.3%	99.4%

Designated ratings are obtained by Standard & Poor's, Moody's and/or Dominion Bond Rating Services. Where more than one rating is obtained for a security, the lowest rating has been used. Credit risk is managed by dealing with counterparties the ETF believes to be creditworthy and by regular monitoring of credit exposures. The maximum exposure to any one debt issuer as of June 30, 2025, was 8.0% (December 31, 2024 – 6.3%) of the net assets of the ETF.

(c) Liquidity risk

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

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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The following is a summary of the inputs used as at June 30, 2025, and December 31, 2024, in valuing the ETF's investments and derivatives carried at fair values:

	June 30, 2025			December 31, 2024		
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Financial Assets						
Bonds	–	429,076,575	–	–	416,043,627	–
Mortgage Backed Securities	–	206,829	–	–	322,603	–
Interest Rate Swaps	–	1,780,188	–	–	2,910,956	–
Total Financial Assets	–	431,063,592	–	–	419,277,186	–
Financial Liabilities						
Futures	(338,948)	–	–	(1,117,966)	–	–
Currency Forward Contracts	–	(14,147)	–	–	(88,941)	–
Interest Rate Swaps	–	(383,601)	–	–	(223,234)	–
Total Financial Liabilities	(338,948)	(397,748)	–	(1,117,966)	(312,175)	–
Net Financial Assets and Liabilities	(338,948)	430,665,844	–	(1,117,966)	418,965,011	–

There were no significant transfers made between Levels 1 and 2 as a result of changes in the availability of quoted market prices or observable market inputs during the period or year shown. In addition, there were no investments or transactions classified in Level 3 for the period ended June 30, 2025, and for the year ended December 31, 2024.

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 June 30, 2025 and December 31, 2024, was as follows:

As at	Securities Loaned	Collateral Received
June 30, 2025	\$25,998,572	\$27,344,132
December 31, 2024	\$22,201,745	\$23,341,974

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 (unaudited) (continued)

June 30, 2025

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, 2025 and 2024. 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, 2025	% of Gross Income	June 30, 2024	% of Gross Income
Gross securities lending income	\$12,865		\$16,567	
Withholding taxes	–	–	(258)	1.56%
Lending Agents' fees:				
The Bank of New York Mellon	(5,143)	39.98%	(6,518)	39.34%
Net securities lending income paid to the ETF	\$7,722	60.02%	\$9,791	59.10%

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 (unaudited) (continued)

June 30, 2025

For the periods ended June 30, 2025 and 2024, the number of units issued by subscription and/or distribution reinvestment, the number of units redeemed, the total and average number of units outstanding was as follows:

Period	Beginning Units Outstanding	Units Issued	Units Redeemed	Ending Units Outstanding	Average Units Outstanding
2025	42,809,004	3,511,677	(1,450,000)	44,870,681	43,607,271
2024	42,770,007	3,249,018	(6,400,000)	39,619,025	40,991,367

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 0.40%, 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 (unaudited) (continued)

June 30, 2025

10. BROKER COMMISSIONS, SOFT DOLLARS AND RELATED PARTY TRANSACTIONS

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

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

Brokerage commissions paid to dealers in connection with investment portfolio transactions, soft dollar transactions incurred and amounts paid to related parties of the Manager, if any, for the periods ended June 30, 2025 and 2024, were as follows:

Period Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
June 30, 2025	\$8,578	\$nil	\$nil
June 30, 2024	\$5,589	\$nil	\$nil

In addition to the information contained in the table above, the management fees paid to the Manager described in note 9 are related party transactions, as the Manager is considered to be a related party to the ETF. Fees paid to the Independent Review Committee are also considered to be related party transactions. Both the management fees and fees paid to the Independent Review Committee are disclosed in the statements of comprehensive income. The management fees payable by the ETF as at June 30, 2025, and December 31, 2024 are disclosed in the statements of financial position.

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

11. COLLATERAL WITH FUTURES COMMISSION MERCHANTS

The ETF may maintain accounts with Futures Commission Merchants ("FCMs") to conduct futures trading activities. The futures trading activities, where applicable, are typically, but not limited to, fixed income and currency futures for the purposes of hedging. The FCMs require the maintenance of minimum margin deposits. These requirements are met by the collateral from the ETF held at the FCMs. Collateral held with FCMs is included as part of "Margin deposits" in the statements of financial position. The collateral held with FCMs as at June 30, 2025 and December 31, 2024, is as follows:

As at	Collateral Held With FCMs
June 30, 2025	\$2,855,599
December 31, 2024	\$3,979,174

12. INCOME TAX

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

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

13. TAX LOSSES CARRIED FORWARD

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Non-capital losses carried forward may be applied against future years' taxable income. Non-capital losses that are realized in the current taxation year may be carried forward for 20 years. As at December 31, 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
\$12,923,492	–	–

14. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the ETF may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The following tables show financial instruments that may be eligible for offset, if such conditions were to arise, as at June 30, 2025, and December 31, 2024. The "Net" column displays what the net impact would be on the ETF's statements of financial position if all amounts were set-off.

Financial Assets and Liabilities as at June 30, 2025	Amounts Offset (\$)			Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Derivative assets - currency forwards	–	–	–	–	–	–
Derivative assets - interest rate swaps	1,780,188	–	1,780,188	(383,601)	–	1,396,587
Total derivative assets	1,780,188	–	1,780,188	(383,601)	–	1,396,587
Derivative liabilities - currency forwards	(14,147)	–	(14,147)	–	–	(14,147)
Derivative liabilities - interest rate swaps	(383,601)	–	(383,601)	383,601	–	–
Total derivative liabilities	(397,748)	–	(397,748)	383,601	–	(14,147)

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

Financial Assets and Liabilities as at December 31, 2024	Amounts Offset (\$)			Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Derivative assets - currency forwards	–	–	–	–	–	–
Derivative assets - interest rate swaps	2,910,956	–	2,910,956	(223,234)	–	2,687,722
Total derivative assets	2,910,956	–	2,910,956	(223,234)	–	2,687,722
Derivative liabilities - currency forwards	(88,941)	–	(88,941)	–	–	(88,941)
Derivative liabilities - interest rate swaps	(223,234)	–	(223,234)	223,234	–	–
Total derivative liabilities	(312,175)	–	(312,175)	223,234	–	(88,941)

15. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND UNCONSOLIDATED STRUCTURED ENTITIES

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

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

Investee ETFs over which the ETF has control or significant influence are categorized as subsidiaries and associates, respectively. All other Investee ETFs are categorized as unconsolidated structured entities. Investee ETFs may be managed by the Manager, its affiliates, or by third-party managers. 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 June 30, 2025 and December 31, 2024, the ETF had no exposure to subsidiaries, associates or unconsolidated structured entities.

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