



by Mirae Asset

GLOBAL X ACTIVE PREFERRED SHARE ETF

(FORMERLY HORIZONS ACTIVE PREFERRED SHARE ETF)

(HPR: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 Preferred Share ETF (*formerly Horizons Active Preferred Share ETF*) (“HPR” 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 HPR is to provide dividend income while preserving capital by investing primarily in preferred shares (including securities convertible into preferred shares) of Canadian companies. HPR may also invest in preferred shares of companies located in the United States, debt securities (including limited resource capital notes (“LRCNs”), as they are defined in the ETF’s prospectus), of Canadian and U.S. issuers, other income generating securities, as well as Canadian equity securities and Listed Funds, as they are defined in the ETF’s prospectus.

The Sub-Advisor, Fiera Capital Corporation (“Fiera” or the “Sub-Advisor”), uses fundamental research to select the securities of companies that, based on the Sub-Advisor’s view on the company’s industry and growth prospects, should be included in the ETF’s investment portfolio. An extensive credit analysis for each security as well as an assessment of each company’s risk profile is completed in order to confirm the selection and relative weight of each security held by the ETF. HPR invests primarily in the preferred shares, and securities convertible to preferred shares, of Canadian issuers whose debt, generally, at a minimum, has an investment grade rating at the time of purchase.

HPR may also invest in preferred shares (including securities convertible to preferred shares) of companies located in the United States debt (including LRCNs and other debt-like securities) of Canadian and U.S. issuers, other income generating securities, as well as Canadian equity securities and Listed Funds.

HPR may also invest in Canadian equity securities that have attractive dividend yields and Listed Funds that pay dividend income.

Management Discussion of Fund Performance (continued)

In anticipation of, or in response to, adverse conditions or for defensive purposes, HPR may temporarily hold a portion of its assets in cash, money market instruments, bonds or other debt securities generally not to exceed 20% of the ETF's net assets.

The Sub-Advisor may purchase securities of issuers that are related or connected to the Sub-Advisor. The Sub-Advisor may also 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").

HPR may enter into securities lending transactions to the extent permitted by applicable securities laws. HPR may also invest in derivatives for currency hedging purposes only.

Please refer to the ETF's most recent prospectus for a complete description of HPR'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: medium.

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

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

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

Results of Operations

For the period ended June 30, 2025, units of the ETF returned 7.28% when including distributions paid to unitholders. This compares to a return of 7.30% for the S&P/TSX Preferred Share Index (the "Index") for the same period.

The Index is designed to track the performance of the Canadian preferred stock market. Preferred stocks pay dividends at a specified rate and receive preference over common stocks in terms of dividend payments and liquidation of assets.

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.

Management Discussion of Fund Performance (continued)

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 Gross Domestic Product (“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 mid-term provincial spreads narrowed by 8 basis points and mid-term corporate spreads narrowed by 5 basis points over the period.

The Canadian preferred share market continued to outperform in the first half of the year, despite a more difficult start to the second quarter. The index returned 7.30% while the Solactive Laddered Canadian Preferred Share Index (100% rate reset) returned 8.48%. Strong credit tone in May and June, a higher 5-year Canada rate, and preferred shares redemptions early in the year were the main positive factors for the period. LRCNs and Hybrids issues underperformed throughout the first half. While fixed rate perpetual issued outperformed in quarter one, floating rate and fixed reset issues outperformed in quarter two, especially the ones with low reset level, while fixed rate perpetual issues underperformed. From a sector perspective, telecommunications outperformed in the first half of the year, while banks underperformed.

Portfolio Review

HPR’s underweight position in fixed rate perpetual and in fixed reset issues set to reset in 2027 and 2028 explained most of the its underperformance in the first quarter. In contrast, an overweight position in fixed reset issues trading at a discount in telecommunication, energy, insurance, and utility sectors explained most of the outperformance in the second quarter.

During first quarter, HPR redeployed the cash from fixed reset redemptions into fixed rate perpetual and new CIBC institutional preferred shares. The ETF also increased its overweight in utilities and telecommunications sectors and increased its allocation into fixed reset issue scheduled to reset in 2026 and 2027 while reducing the portfolio’s overweight position in the banking sector.

In the second quarter, HPR redeployed the cash from fixed reset preferred share redemptions mostly into institutional preferred and hybrids. The ETF also increased its positioning into insurance and telecommunication fixed reset issues, with a focus on low reset issues and in fixed reset issues that will reset in 2026, 2027, and 2029. The ETF purchased new Telus hybrid issue and new IA Financial institutional preferred shares, both issued at attractive levels.

Management Discussion of Fund Performance (continued)

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. 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 are 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.

Short rates will be pulled in the direction of the BoC, but longer rates will be driven by inflation, bond supply, fiscal policy, and global growth/yields. Market volatility is expected to remain elevated which will present us with trade opportunities. In credit, The ETF will continue to look for attractive opportunities to add but remain cautious as spreads have narrowed and are at the low end of the historic range. The fund's focus remains on high quality sectors and names with value.

Preferred share redemptions should continue to support the Canadian preferred share market over the next few quarters. The average yield remains attractive and will continue to increase over the next 2 years as fixed reset issues reset at more attractive 5-year Canada rate level. Volatility could come back subject to political and geopolitical risks in an environment of low Canadian growth and above target inflation level. Flow of funds could remain challenging especially after a strong performance in the first half of 2025.

The Sub-Advisor is ready to add risk in the portfolio if opportunities arise and will take profit if needed. In this environment, the focus remains on high quality issuers, and the best risk/reward opportunities are in fixed reset issues that are providing a high current yield and that will reset in 2029 and in 2030.

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 \$68,396,408. This compares to \$167,184,734 for the six-month period ended June 30, 2024. The ETF incurred management, operating and transaction expenses of \$3,264,398 (2024 – \$3,511,138) of which \$2,419 (2024 – \$16,829) 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 \$19,770,623 to unitholders during the period (2024 – \$24,575,647).

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 Preferred Share ETF to Global X Active Preferred Share 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	\$	9.32	7.62	7.50	9.75	8.16	8.14
Increase (decrease) from operations:							
Total revenue		0.24	0.45	0.45	0.43	0.42	0.44
Total expenses		(0.03)	(0.06)	(0.05)	(0.06)	(0.06)	(0.05)
Realized gains (losses) for the period		0.29	0.13	(0.25)	0.11	0.17	(0.52)
Unrealized gains (losses) for the period		0.14	1.60	0.35	(2.31)	1.41	0.51
Total increase (decrease) from operations ⁽²⁾		0.64	2.12	0.50	(1.83)	1.94	0.38
Distributions:							
From net investment income (excluding dividends)		(0.20)	–	(0.01)	–	–	–
From dividends		–	(0.40)	(0.40)	(0.38)	(0.33)	(0.38)
From net realized capital gains		–	–	–	(0.06)	(0.06)	–
From return of capital		–	–	(0.01)	–	–	(0.04)
Total distributions ⁽³⁾		(0.20)	(0.40)	(0.42)	(0.44)	(0.39)	(0.42)
Net assets, end of period ⁽⁴⁾	\$	9.79	9.32	7.62	7.50	9.75	8.16

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)	\$	917,172	1,048,124	966,222	1,107,087	1,871,153	1,398,529
Number of units outstanding (000's)		93,665	112,446	126,848	147,593	191,854	171,302
Management expense ratio ⁽²⁾		0.65%	0.65%	0.62%	0.64%	0.64%	0.64%
Management expense ratio before waivers and absorptions ⁽³⁾		0.65%	0.65%	0.65%	0.64%	0.65%	0.64%
Trading expense ratio ⁽⁴⁾		0.04%	0.04%	0.03%	0.04%	0.05%	0.07%
Portfolio turnover rate ⁽⁵⁾		6.73%	102.44%	15.16%	23.71%	56.49%	74.59%
Net asset value per unit, end of period	\$	9.79	9.32	7.62	7.50	9.75	8.16
Closing market price	\$	9.76	9.29	7.61	7.44	9.75	8.18

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 0.55%, 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.

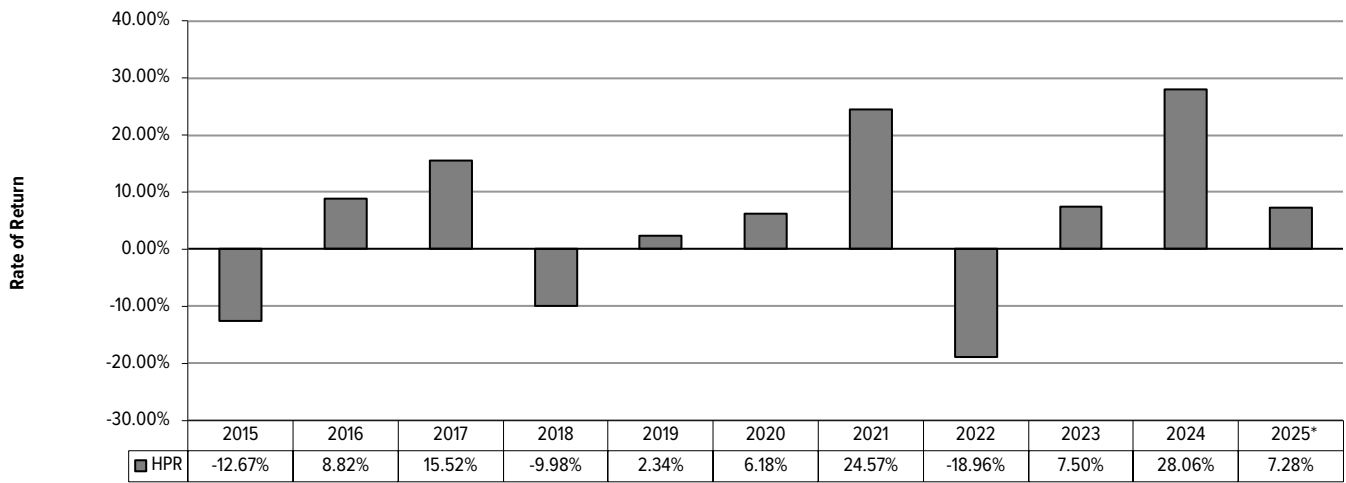
Marketing	Portfolio management fees, general administrative costs and profit	Waived/absorbed expenses of the ETF
9%	91%	—

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 November 22, 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
Canadian Preferred Securities	\$ 781,641,268	85.22%
Canadian Fixed Income Securities	127,282,577	13.88%
Cash and Cash Equivalents	9,830,614	1.07%
Other Assets less Liabilities	(1,582,794)	-0.17%
	\$ 917,171,665	100.00%

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Financials	\$ 363,248,076	39.60%
Energy	220,083,516	24.00%
Corporate Bonds	127,282,577	13.88%
Utilities	124,555,089	13.58%
Communication Services	73,721,267	8.04%
Consumer Staples	33,320	0.00%
Cash and Cash Equivalents	9,830,614	1.07%
Other Assets less Liabilities	(1,582,794)	-0.17%
	\$ 917,171,665	100.00%

Summary of Investment Portfolio (continued)

As at June 30, 2025

Top 25 Holdings*	% of ETF's Net Asset Value
Enbridge Inc.	10.39%
Great-West Lifeco Inc.	8.16%
BCE Inc.	8.04%
TC Energy Corp.	7.05%
Manulife Financial Corp.	6.34%
Toronto-Dominion Bank (The)	5.71%
Brookfield Corp.	5.55%
Power Financial Corp.	4.47%
Canadian Utilities Ltd.	4.42%
Brookfield Renewable Power Preferred Equity Inc.	4.36%
Royal Bank of Canada	4.34%
Pembina Pipeline Corp.	3.86%
Canadian Imperial Bank of Commerce	3.39%
AltaGas Ltd.	2.79%
Sun Life Financial Inc.	2.47%
Fairfax Financial Holdings Ltd.	2.25%
Fortis Inc.	1.87%
Intact Financial Corp.	1.77%
Emera Inc.	1.70%
Bank of Montreal	1.53%
Inter Pipeline Ltd.	1.09%
Cash and Cash Equivalents	1.07%
iA Financial Corp. Inc.	0.97%
Algonquin Power & Utilities Corp.	0.93%
National Bank of Canada	0.91%

* 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 Preferred Share ETF (*formerly Horizons Active Preferred Share 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	\$ 9,830,614	\$ 7,154,272
Investments (note 6)	908,923,845	1,043,362,232
Amounts receivable relating to accrued income	2,523,954	2,657,636
Amounts receivable relating to portfolio assets sold	39,525	–
Total assets	921,317,938	1,053,174,140
Liabilities		
Accrued management fees (note 9)	474,069	554,231
Accrued operating expenses	44,735	73,755
Amounts payable for portfolio assets purchased	68,182	317,866
Distribution payable	3,559,287	4,104,292
Total liabilities	4,146,273	5,050,144
Net assets	\$ 917,171,665	\$ 1,048,123,996
Number of redeemable units outstanding (note 8)	93,665,441	112,446,346
Net assets per unit	\$ 9.79	\$ 9.32

(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		
Dividend income	\$ 21,208,065	\$ 23,902,722
Interest income for distribution purposes	3,336,849	3,080,734
Securities lending income (note 7)	27,923	34,513
Net realized gain (loss) on sale of investments and derivatives	29,405,333	(1,312,636)
Net realized gain (loss) on foreign exchange	–	230
Net change in unrealized appreciation (depreciation) of investments and derivatives	14,418,662	141,478,721
Net change in unrealized appreciation (depreciation) of foreign exchange	(424)	450
	68,396,408	167,184,734
Expenses (note 9)		
Management fees	2,895,901	3,166,902
Audit fees	8,087	4,291
Independent Review Committee fees	314	373
Custodial and fund valuation fees	140,645	124,161
Legal fees	–	275
Securityholder reporting costs	26,765	30,205
Administration fees	14,948	15,743
Interest expenses	208	–
Transaction costs	177,530	168,746
Other expenses	–	442
	3,264,398	3,511,138
Amounts that were payable by the investment fund that were paid or absorbed by the Manager	(2,419)	(16,829)
	3,261,979	3,494,309
Increase (decrease) in net assets for the period	\$ 65,134,429	\$ 163,690,425
Increase (decrease) in net assets per unit	\$ 0.64	\$ 1.31

(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	\$	1,048,123,996	\$	966,221,890
Increase (decrease) in net assets		65,134,429		163,690,425
Redeemable unit transactions				
Proceeds from the issuance of securities of the investment fund		4,717,900		23,466,909
Aggregate amounts paid on redemption of securities of the investment fund		(181,213,065)		(84,972,712)
Securities issued on reinvestment of distributions		179,028		222,185
Distributions:				
From net investment income		(19,770,623)		(24,575,647)
Net assets at the end of the period	\$	917,171,665	\$	1,044,053,050

(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	\$ 65,134,429	\$ 163,690,425
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	(29,405,333)	1,312,636
Net realized gain (loss) on currency forward contracts	–	(10,238)
Net change in unrealized (appreciation) depreciation of investments and derivatives	(14,418,662)	(141,478,721)
Net change in unrealized (appreciation) depreciation of foreign exchange	424	(175)
Purchase of investments	(60,079,340)	(937,152,864)
Proceeds from the sale of investments	66,992,302	943,002,161
Amounts receivable relating to accrued income	133,682	350,843
Accrued expenses	(109,182)	7,114
Net cash from (used in) operating activities	28,248,320	29,721,181
Cash flows from financing activities:		
Amount received from the issuance of units	445,434	397,424
Amount paid on redemptions of units	(5,880,388)	(4,536,251)
Distributions paid to unitholders	(20,136,600)	(24,835,997)
Net cash from (used in) financing activities	(25,571,554)	(28,974,824)
Net increase (decrease) in cash and cash equivalents during the period	2,676,766	746,357
Effect of exchange rate fluctuations on cash and cash equivalents	(424)	175
Cash and cash equivalents at beginning of period	7,154,272	6,862,275
Cash and cash equivalents at end of period	\$ 9,830,614	\$ 7,608,807
Interest received, net of withholding taxes	\$ 3,242,958	\$ 2,842,293
Dividends received, net of withholding taxes	\$ 21,435,637	\$ 24,492,006
Interest paid	\$ 208	\$ –

(See accompanying notes to financial statements)

Schedule of Investments (unaudited)

As at June 30, 2025

Security	Shares/ Par Value	Average Cost	Fair Value
CANADIAN PREFERRED SECURITIES (85.22%)			
Financials (39.60%)			
Bank of Montreal, Preferred, Class 'B', Series '33', Variable Rate, Perpetual	166,046	\$ 3,589,026	\$ 4,164,434
Brookfield Corp., Preferred, Series '13', Floating Rate, Perpetual	89,135	1,022,378	1,127,558
Brookfield Corp., Preferred, Series '17', 4.75%, Perpetual	501	10,493	9,955
Brookfield Corp., Preferred, Series '18', 4.75%, Perpetual	3,530	66,864	70,071
Brookfield Corp., Preferred, Series '24', Variable Rate, Perpetual	508,992	8,834,980	9,798,096
Brookfield Corp., Preferred, Series '26', Variable Rate, Perpetual	471,941	8,255,488	9,028,231
Brookfield Corp., Preferred, Series '28-A', Variable Rate, Perpetual	155,151	2,473,951	2,865,639
Brookfield Corp., Preferred, Series '30', Variable Rate, Perpetual	184	3,853	4,258
Brookfield Corp., Preferred, Series '34', Variable Rate, Perpetual	228	4,349	5,164
Brookfield Corp., Preferred, Series '46', Variable Rate, Perpetual	34,268	796,860	860,127
Brookfield Corp., Preferred, Class 'A', Series '4', Floating Rate, Perpetual	101,639	1,228,059	1,279,635
Brookfield Corp., Preferred, Class 'A', Series '36', 4.85%, Perpetual	951	18,741	19,334
Brookfield Corp., Preferred, Class 'A', Series '37', 4.90%, Perpetual	2,955	61,972	60,696
Brookfield Corp., Preferred, Class 'A', Series '38', Variable Rate, Perpetual	344,583	6,691,864	6,995,035
Brookfield Corp., Preferred, Class 'A', Series '40', Variable Rate, Perpetual	291,156	5,886,333	6,510,248
Brookfield Corp., Preferred, Class 'A', Series '42', Variable Rate, Perpetual	506,679	9,927,835	11,121,604
Brookfield Corp., Preferred, Series '51', 6.45%, Perpetual	81,234	1,013,275	1,255,065
Brookfield Office Properties Inc., Preferred, Class 'AAA', Series 'N', Variable Rate, Perpetual	248	3,963	3,745
Brookfield Office Properties Inc., Preferred, Class 'AAA', Series 'R', Variable Rate, Perpetual	142,298	2,467,838	2,262,538
Canadian Imperial Bank of Commerce, Preferred, Class 'A', Series '43', Variable Rate, Perpetual	680,074	14,350,966	16,981,448
Fairfax Financial Holdings Ltd., Preferred, Series 'G', Variable Rate, Perpetual	235,358	4,783,014	5,780,392
Fairfax Financial Holdings Ltd., Preferred, Series 'I', Variable Rate, Convertible, Perpetual	608,906	11,397,178	14,845,128
Fairfax Financial Holdings Ltd., Preferred, Series 'K', 5.00%, Perpetual	348	7,283	8,728
Great-West Lifeco Inc., Preferred, Series 'G', 5.20%, Perpetual	533,355	11,982,304	12,048,489
Great-West Lifeco Inc., Preferred, Series 'H', 4.85%, Perpetual	910,670	20,278,953	19,533,872
Great-West Lifeco Inc., Preferred, Series 'I', 4.50%, Perpetual	312,484	7,460,504	6,209,057
Great-West Lifeco Inc., Preferred, Series 'L', 5.65%, Perpetual	165	4,013	4,041
Great-West Lifeco Inc., Preferred, Series 'M', 5.80%, Perpetual	486	12,158	12,111
Great-West Lifeco Inc., Preferred, Series 'N', Variable Rate, Perpetual	449,202	6,462,871	7,721,782
Great-West Lifeco Inc., Preferred, Series 'P', 5.40%, Perpetual	305,752	7,335,224	7,240,207
Great-West Lifeco Inc., Preferred, Series 'Q', 5.15%, Perpetual	372,558	8,353,488	8,304,318
Great-West Lifeco Inc., Preferred, Series 'R', 4.80%, Perpetual	171,638	3,470,902	3,607,831
Great-West Lifeco Inc., Preferred, Series 'S', 5.25%, Perpetual	353,143	7,554,094	8,069,318
Great-West Lifeco Inc., Preferred, Series 'T', 5.15%, Perpetual	94,562	1,959,504	2,104,950

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Shares/ Par Value	Average Cost	Fair Value
Great-West Lifeco Inc., Preferred, Series 'Y', 4.50%, Perpetual	97	1,595	1,906
Intact Financial Corp., Preferred, Class 'A', Series '3', Variable Rate, Convertible, Perpetual	483,497	9,697,093	11,652,278
Intact Financial Corp., Preferred, Class 'A', Series '5', 5.20%, Perpetual	263	6,044	6,267
Intact Financial Corp., Preferred, Class 'A', Series '6', 5.30%, Perpetual	65,311	1,503,660	1,540,033
Intact Financial Corp., Preferred, Class 'A', Series '7', Variable Rate, Convertible, Perpetual	220	5,049	5,498
Intact Financial Corp., Preferred, Class 'A', Series '9', 5.40%, Perpetual	34,260	690,358	819,842
Intact Financial Corp., Preferred, Class 'A', Series '11', 5.25%, Perpetual	97,075	2,070,246	2,240,006
Laurentian Bank of Canada, Preferred, Class 'A', Series '13', Variable Rate, Perpetual	83,172	1,517,938	1,879,687
Manulife Financial Corp., Preferred, Class 'A', Series '2', 4.65%, Perpetual	359,970	8,078,412	7,462,178
Manulife Financial Corp., Preferred, Class 'A', Series '3', 4.50%, Perpetual	158,463	3,480,434	3,189,860
Manulife Financial Corp., Preferred, Class '1', Series '3', Variable Rate, Convertible, Perpetual	303,613	4,146,906	5,355,733
Manulife Financial Corp., Preferred, Class '1', Series '9', Variable Rate, Convertible, Perpetual	44,578	1,070,215	1,122,474
Manulife Financial Corp., Preferred, Class '1', Series '11', Variable Rate, Perpetual	81	1,794	2,044
Manulife Financial Corp., Preferred, Class '1', Series '13', Variable Rate, Perpetual	470	11,296	11,680
Manulife Financial Corp., Preferred, Class '1', Series '15', Variable Rate, Perpetual	463,590	9,436,434	11,344,047
Manulife Financial Corp., Preferred, Class '1', Series '17', Variable Rate, Perpetual	607,685	12,353,576	14,426,442
Manulife Financial Corp., Preferred, Class '1', Series '19', Variable Rate, Perpetual	492,473	9,724,608	11,198,836
Manulife Financial Corp., Preferred, Class '1', Series '25', Variable Rate, Perpetual	1,661	39,476	41,525
National Bank of Canada, Preferred, Series '30', Variable Rate, Perpetual	32,477	786,836	826,540
National Bank of Canada, Preferred, Series '38', Variable Rate, Perpetual	602	15,176	16,134
National Bank of Canada, Preferred, Series '47', Variable Rate, Perpetual	114,583	2,524,796	2,997,491
Power Corp. of Canada, Preferred, Series 'A', 5.60%, Perpetual	1,928	46,973	46,176
Power Corp. of Canada, Preferred, Series 'B', 5.35%, Perpetual	91,180	2,106,298	2,100,787
Power Corp. of Canada, Preferred, Series 'C', 5.80%, Perpetual	292	6,643	7,209
Power Corp. of Canada, Preferred, Series 'D', 5.00%, Perpetual	30,000	593,400	656,700
Power Corp. of Canada, Preferred, Series 'G', 5.60%, Perpetual	4,171	99,039	99,437
Power Financial Corp., Preferred, Series 'D', 5.50%, Perpetual	227	5,385	5,405
Power Financial Corp., Preferred, Series 'E', 5.25%, Perpetual	102,163	2,303,722	2,325,230
Power Financial Corp., Preferred, Series 'F', 5.90%, Perpetual	357	8,767	8,932
Power Financial Corp., Preferred, Series 'H', 5.75%, Perpetual	32,453	783,687	796,721
Power Financial Corp., Preferred, Series 'K', 4.95%, Perpetual	531,359	11,600,673	11,418,905

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Shares/ Par Value	Average Cost	Fair Value
Power Financial Corp., Preferred, Series 'L', 5.10%, Perpetual	379,760	8,094,333	8,392,696
Power Financial Corp., Preferred, Series 'O', 5.80%, Perpetual	274	6,696	6,825
Power Financial Corp., Preferred, Series 'P', Variable Rate, Perpetual	540,067	8,157,883	9,580,789
Power Financial Corp., Preferred, Series 'R', 5.50%, Perpetual	172,912	4,180,922	4,098,014
Power Financial Corp., Preferred, Series 'S', 4.80%, Perpetual	82,928	1,740,576	1,726,561
Power Financial Corp., Preferred, Series 'T', Variable Rate, Perpetual	669	15,198	15,882
Power Financial Corp., Preferred, Series 'V', 5.15%, Perpetual	113,219	2,369,747	2,515,726
Power Financial Corp., 4.50%, Preferred, Series '23', Perpetual	188	3,462	3,681
Royal Bank of Canada, Preferred, Series 'BF', Variable Rate, Perpetual	697,307	14,559,861	17,397,810
Sun Life Financial Inc., Preferred, Class 'A', Series '3', 4.45%, Perpetual	62,322	1,127,284	1,279,471
Sun Life Financial Inc., Preferred, Class 'A', Series '4', 4.45%, Perpetual	253,905	5,711,475	5,197,435
Sun Life Financial Inc., Preferred, Class 'A', Series '5', 4.50%, Perpetual	173,897	3,884,624	3,601,407
Sun Life Financial Inc., Preferred, Class 'A', Series '8R', Variable Rate, Perpetual	168,874	2,522,448	3,188,341
Sun Life Financial Inc., Preferred, Class 'A', Series '10R', Variable Rate, Perpetual	394,997	7,156,565	8,377,886
Toronto-Dominion Bank (The), Preferred, Series '1', Variable Rate, Convertible, Perpetual	526,700	11,578,588	12,851,480
Toronto-Dominion Bank (The), Preferred, Series '7', Variable Rate, Perpetual	551,000	12,042,564	13,874,180
Toronto-Dominion Bank (The), Preferred, Series '9', Variable Rate, Perpetual	304,466	6,619,003	7,620,784
		332,258,336	363,248,076
Energy (24.00%)			
AltaGas Ltd., Preferred, Series 'A', Variable Rate, Convertible, Perpetual	565,686	9,669,371	12,829,759
AltaGas Ltd., Preferred, Series 'B', Floating Rate, Convertible, Perpetual	36,281	704,449	845,710
AltaGas Ltd., Preferred, Series 'G', Variable Rate, Perpetual	285,637	5,928,432	7,040,952
Cenovus Energy Inc., Preferred, Series '1', Variable Rate, Perpetual	212,774	4,181,636	5,078,915
Enbridge Inc., Preferred, Series 'A', 5.50%, Perpetual	538	12,856	12,724
Enbridge Inc., Preferred, Series 'B', Variable Rate, Perpetual	372,831	5,656,907	7,232,921
Enbridge Inc., Preferred, Series 'D', Variable Rate, Perpetual	133,401	2,310,979	2,665,352
Enbridge Inc., Preferred, Series 'F', Variable Rate, Perpetual	22,756	411,860	463,767
Enbridge Inc., Preferred, Series 'L', Variable Rate, Perpetual	238	6,558	7,470
Enbridge Inc., Preferred, Series 'P', Variable Rate, Perpetual	208	3,559	4,383
Enbridge Inc., Preferred, Series 'R', Variable Rate, Perpetual	463,506	7,962,147	10,150,781
Enbridge Inc., Preferred, Series '3', Variable Rate, Perpetual	1,242,210	20,573,262	24,384,582
Enbridge Inc., Preferred, Series '7', Variable Rate, Perpetual	38	679	817
Enbridge Inc., Preferred, Series '9', Variable Rate, Perpetual	162,535	2,806,155	3,392,105
Enbridge Inc., Preferred, Series '11', Variable Rate, Perpetual	757,126	13,191,798	15,604,367
Enbridge Inc., Preferred, Series '13', Variable Rate, Perpetual	889,007	13,959,101	18,144,633
Enbridge Inc., Preferred, Series '15', Variable Rate, Perpetual	595,092	9,326,066	12,246,993
Pembina Pipeline Corp., Preferred, Class 'A', Series '1', Variable Rate, Perpetual	2,105	47,289	51,046

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Shares/ Par Value	Average Cost	Fair Value
Pembina Pipeline Corp., Preferred, Class 'A', Series '3', Variable Rate, Perpetual	49,502	1,040,107	1,207,849
Pembina Pipeline Corp., Preferred, Class 'A', Series '5', Variable Rate, Perpetual	808	17,482	20,483
Pembina Pipeline Corp., Preferred, Class 'A', Series '7', Variable Rate, Perpetual	578,272	11,708,720	14,104,054
Pembina Pipeline Corp., Preferred, Class 'A', Series '9', Variable Rate, Perpetual	774,587	16,463,596	19,442,134
Pembina Pipeline Corp., Preferred, Class 'A', Series '15', Variable Rate, Perpetual	10,266	217,725	254,494
Pembina Pipeline Corp., Preferred, Class 'A', Series '17', Variable Rate, Perpetual	267	4,990	6,675
Pembina Pipeline Corp., Preferred, Class 'A', Series '21', Variable Rate, Perpetual	10,141	252,806	257,987
Pembina Pipeline Corp., Preferred, Class 'A', Series '25', Variable Rate, Perpetual	2,441	54,258	62,661
TC Energy Corp., Preferred, Series '1', Variable Rate, Convertible, Perpetual	205,117	3,736,218	3,995,679
TC Energy Corp., Preferred, Series '3', Variable Rate, Convertible, Perpetual	379,475	4,748,495	6,489,023
TC Energy Corp., Preferred, Series '5', Variable Rate, Convertible, Perpetual	791,056	10,982,648	13,376,757
TC Energy Corp., Preferred, Series '7', Variable Rate, Convertible, Perpetual	397,533	7,286,508	8,992,197
TC Energy Corp., Preferred, Series '9', Variable Rate, Perpetual	671,842	12,059,239	13,994,469
TC Energy Corp., Preferred, Series '11', Variable Rate, Perpetual	733,821	14,334,605	17,721,777
		179,660,501	220,083,516
Utilities (13.58%)			
Algonquin Power & Utilities Corp., Preferred, Series 'A', Variable Rate, Convertible, Perpetual	20,504	465,576	494,146
Algonquin Power & Utilities Corp., Preferred, Series 'D', Variable Rate, Perpetual	1,309	30,580	32,476
Brookfield Infrastructure Partners L.P., Preferred, Class 'A', Series '3', Variable Rate, Perpetual	19,703	440,188	494,939
Brookfield Infrastructure Partners L.P., Preferred, Class 'A', Series '9', Variable Rate, Perpetual	1,696	32,163	42,332
Brookfield Infrastructure Partners L.P., Preferred, Class 'A', Series '11*', Variable Rate, Perpetual	154	7,251	3,838
Brookfield Renewable Partners L.P., Preferred, Class 'A', Series '7', Variable Rate, Perpetual	66,433	1,451,578	1,665,475
Brookfield Renewable Partners L.P., Preferred, Class 'A', Series '18', 5.50%, Perpetual	70,736	1,378,795	1,468,479
Brookfield Renewable Power Preferred Equity Inc., Preferred, Class 'A', Series '1', Variable Rate, Convertible, Perpetual	911,645	16,483,708	19,718,881
Brookfield Renewable Power Preferred Equity Inc., Preferred, Class 'A', Series '3', Variable Rate, Convertible, Perpetual	472,816	9,293,318	11,333,400
Brookfield Renewable Power Preferred Equity Inc., Preferred, Class 'A', Series '6', 5.00%, Perpetual	450,509	9,427,982	8,933,593

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Shares/ Par Value	Average Cost	Fair Value
Canadian Utilities Ltd., Preferred, Series 'Y', Variable Rate, Perpetual	446,926	9,011,265	10,592,146
Canadian Utilities Ltd., Preferred, Series 'AA', 4.90%, Perpetual	269,559	6,101,339	5,773,954
Canadian Utilities Ltd., Preferred, Series 'BB', 4.90%, Perpetual	209,227	4,683,283	4,485,827
Canadian Utilities Ltd., Preferred, Series 'CC', 4.50%, Perpetual	135,155	3,030,742	2,667,960
Canadian Utilities Ltd., Preferred, Series 'DD', 4.50%, Perpetual	531,799	11,005,862	10,598,754
Canadian Utilities Ltd., Preferred, Series 'EE', 5.25%, Perpetual	2,214	53,019	52,693
Canadian Utilities Ltd., Preferred, Series 'FF', Variable Rate, Perpetual	71,586	1,666,902	1,800,388
Canadian Utilities Ltd., Preferred, Series 'HH', 4.75%, Perpetual	213,507	4,100,584	4,357,678
Capital Power Corp., Preferred, Series '3', Variable Rate, Convertible, Perpetual	3,900	87,165	98,124
CU Inc., Preferred, Series '1', 4.60%, Perpetual	234,543	4,955,090	4,767,087
Emera Inc., Preferred, Series 'A', Variable Rate, Convertible, Perpetual	289,216	4,533,276	5,431,477
Emera Inc., Preferred, Series 'C', Variable Rate, Convertible, Perpetual	169	3,441	4,166
Emera Inc., Preferred, Series 'F', Variable Rate, Perpetual	185,654	3,755,066	4,370,295
Emera Inc., Preferred, Series 'J', Variable Rate, Perpetual	237,437	4,936,057	5,812,458
Emera Inc., Preferred, Series 'L', 4.60%, Perpetual	182	4,515	3,576
Fortis Inc., Preferred, Series 'G', Variable Rate, Perpetual	212	4,083	4,874
Fortis Inc., Preferred, Series 'H', 4.25%, Perpetual	50,519	772,832	904,290
Fortis Inc., Preferred, Series 'K', Variable Rate, Perpetual	920	19,184	20,498
Fortis Inc., Preferred, Series 'M', Variable Rate, Perpetual	705,576	14,287,198	16,277,638
TransAlta Corp., Preferred, Series 'A', Variable Rate, Convertible, Perpetual	88,976	1,410,356	1,511,702
TransAlta Corp., Preferred, Series 'C', Variable Rate, Convertible, Perpetual	37,475	584,869	831,945
		114,017,267	124,555,089
Communication Services (8.04%)			
BCE Inc., Preferred, Series 'R', Variable Rate, Perpetual	404,393	6,908,496	7,319,513
BCE Inc., Preferred, Series 'T', Variable Rate, Perpetual	26,179	453,876	476,196
BCE Inc., Preferred, Series 'Y', Variable Rate, Perpetual	3,683	67,345	66,478
BCE Inc., Preferred, Series 'AA', Variable Rate, Perpetual	382,830	6,500,985	7,189,547
BCE Inc., Preferred, Series 'AB', Variable Rate, Perpetual	440	8,241	7,911
BCE Inc., Preferred, Series 'AC', Variable Rate, Perpetual	106	1,960	1,966
BCE Inc., Preferred, Series 'AD', Variable Rate, Perpetual	129,918	2,264,301	2,363,209
BCE Inc., Preferred, Series 'AF', Variable Rate, Perpetual	140,396	2,402,443	2,757,378
BCE Inc., Preferred, Series 'AG', Variable Rate, Perpetual	480,770	7,650,330	8,557,706
BCE Inc., Preferred, Series 'AI', Variable Rate, Perpetual	929,618	14,738,964	16,570,441
BCE Inc., Preferred, Series 'AK', Variable Rate, Convertible, Perpetual	728,415	10,776,834	12,674,421
BCE Inc., Preferred, Series 'AL', Floating Rate, Perpetual	4,000	68,000	68,000
BCE Inc., Preferred, Series 'AM', Variable Rate, Perpetual	857,139	13,227,090	15,668,501
		65,068,865	73,721,267

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Shares/ Par Value	Average Cost	Fair Value
Consumer Staples (0.00%)			
George Weston Ltd., Preferred, Series 'IV', 5.20%, Perpetual	228	5,550	5,223
George Weston Ltd., Preferred, Series 'V', 4.75%, Perpetual	1,316	24,307	28,097
		29,857	33,320
TOTAL CANADIAN PREFERRED SECURITIES		691,034,826	781,641,268
CANADIAN FIXED INCOME SECURITIES (13.88%)			
Corporate Bonds (13.88%)			
Algonquin Power & Utilities Corp., Callable, 5.25%, 2082/01/18	8,196,000	8,167,650	8,029,831
AltaGas Ltd., Variable Rate, Callable, 5.25%, 2082/01/11	4,940,000	4,940,000	4,826,668
Bank of Montreal, Variable Rate, Perpetual, 7.37%, 2027/11/26	2,104,000	2,130,035	2,211,956
Bank of Montreal, Variable Rate, Perpetual, 7.06%, 2028/04/26	7,368,000	7,368,000	7,743,046
Bank of Nova Scotia (The), Series '1', Variable Rate, Callable, 3.70%, 2081/07/27	6,475,000	5,236,502	5,827,852
Canadian Imperial Bank of Commerce, Variable Rate, Perpetual, 7.37%, 2027/09/28	4,850,000	4,850,000	5,083,013
Canadian Imperial Bank of Commerce, Series '57', Variable Rate, Perpetual, 7.34%, 2029/03/12	6,397,000	6,451,299	6,719,639
Canadian Imperial Bank of Commerce, Series '61', Variable Rate, Perpetual, 6.37%, 2030/03/28	2,134,000	2,134,000	2,149,414
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.00%, 2082/01/28	200,000	185,000	189,549
Capital Power Corp., Convertible Bonds, Variable Rate, Callable, 8.13%, 2054/06/05	2,452,000	2,452,000	2,693,816
Capital Power Corp., Series '3', Variable Rate, Callable, 7.95%, 2082/09/09	1,435,000	1,435,000	1,565,351
Enbridge Inc., Convertible Bonds, Variable Rate, Callable, 8.75%, 2084/01/15	860,000	860,000	1,015,749
Gibson Energy Inc., Convertible Bonds, Series '20-A', Variable Rate, Callable, 5.25%, 2080/12/22	3,584,000	3,629,920	3,510,900
Gibson Energy Inc., Variable Rate, Callable, 8.70%, 2083/07/12	799,000	799,000	873,523
iA Financial Corp. Inc., Convertible Bonds, Series 'C', Variable Rate, Perpetual, 6.44%, 2030/06/30	8,792,000	8,792,000	8,879,867
Inter Pipeline Ltd., Variable Rate, Callable, 6.75%, 2054/12/12	2,748,000	2,748,000	2,741,132
Inter Pipeline Ltd., Series '19-A', Variable Rate, Callable, 6.88%, 2079/03/26	7,014,000	7,069,593	7,236,631
Keyera Corp., Convertible Bonds, Floating Rate, Callable, 6.88%, 2079/06/13	1,425,000	1,425,000	1,497,289
Keyera Corp., Variable Rate, Callable, 5.95%, 2081/03/10	1,475,000	1,482,375	1,489,793
Manulife Financial Corp., Series '1', Variable Rate, Callable, 3.38%, 2081/06/19	4,440,000	3,174,600	4,005,237
National Bank of Canada, Variable Rate, Callable, 4.05%, 2081/08/15	3,230,000	2,476,725	3,058,029
National Bank of Canada, Variable Rate, Callable, 7.50%, 2082/11/16	1,400,000	1,400,000	1,481,430
Royal Bank of Canada, Series 'BT', Variable Rate, Perpetual, 4.20%, 2027/02/24	14,865,000	14,598,288	13,431,167

Schedule of Investments (unaudited) (continued)

As at June 30, 2025

Security	Shares/ Par Value	Average Cost	Fair Value
Royal Bank of Canada, Variable Rate, Perpetual, 7.41%, 2029/01/25	2,567,000	2,567,000	2,730,197
Royal Bank of Canada, Variable Rate, Perpetual, 6.70%, 2029/10/24	3,328,000	3,339,164	3,421,001
Royal Bank of Canada, Variable Rate, 4.50%, 2080/11/24	451,000	447,618	451,170
Royal Bank of Canada, Variable Rate, Callable, 3.65%, 2081/11/24	2,575,000	2,172,656	2,316,559
Sun Life Financial Inc., Series '21-1', Variable Rate, Callable, 3.60%, 2081/06/30	1,135,000	824,294	1,021,975
TELUS Corp., Convertible Bonds, Variable Rate, Callable, 6.75%, 2055/07/21	2,909,000	2,907,807	3,060,934
Toronto-Dominion Bank (The), Series '27', Variable Rate, Perpetual, 5.75%, 2027/10/01	10,466,000	9,865,121	10,378,148
Toronto-Dominion Bank (The), Series '28', Variable Rate, Perpetual, 7.23%, 2027/10/01	2,077,000	2,077,000	2,184,053
Toronto-Dominion Bank (The), Series '1', Variable Rate, Callable, 3.60%, 2081/10/31	6,071,000	5,076,289	5,457,658
		123,081,936	127,282,577
TOTAL CANADIAN FIXED INCOME SECURITIES		123,081,936	127,282,577
Transaction Costs		(665,939)	
TOTAL INVESTMENT PORTFOLIO (99.10%)		\$ 813,450,823	\$ 908,923,845
Cash and cash equivalents (1.07%)			9,830,614
Other assets less liabilities (-0.17%)			(1,582,794)
NET ASSETS (100.00%)			\$ 917,171,665

(See accompanying notes to financial statements)

Notes to Financial Statements (unaudited)

June 30, 2025

1. REPORTING ENTITY

Global X Active Preferred Share ETF (*formerly Horizons Active Preferred Share ETF*) (“HPR” 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 November 22, 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 HPR. 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 HPR is to provide dividend income while preserving capital by investing primarily in preferred shares (including securities convertible into preferred shares) of Canadian companies. HPR may also invest in preferred shares of companies located in the United States, debt securities (including limited resource capital notes (“LRCNs”), as they are defined in the ETF’s prospectus), of Canadian and U.S. issuers, other income generating securities, as well as Canadian equity securities and Listed Funds, as they are defined in the ETF’s prospectus.

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.

Redeemable units

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

(b) Investment income

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

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

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.

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

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

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

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

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

(i) Transaction costs

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

(j) Changes in accounting policies

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

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

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

(k) Future changes in accounting policies

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

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.

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	8,963	—	—	128,792	782,652	920,407
December 31, 2024	6,971	—	—	112,934	933,081	1,052,986

The percentage of the ETF's net assets exposed to interest rate risk as at June 30, 2025, was 100.4% (December 31, 2024 – 100.5%). 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 \$53,073,141 (December 31, 2024 – \$53,071,131). The ETF's interest rate sensitivity was determined based on portfolio weighted duration. In practice, actual results may differ from this sensitivity analysis.

Notes to Financial Statements (unaudited) (continued)

June 30, 2025

(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
S&P/TSX Preferred Share Index™	\$8,945,766	\$10,224,527

(b) Credit risk

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

Analysis of credit quality

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

Canadian Preferred Securities by Credit Rating	Percentage of Net Asset Value (%)	
	June 30, 2025	December 31, 2024
P-2 - Second best credit	60.8%	63.3%
P-3 - Third best credit	24.7%	24.7%
P-4 - Fourth best credit	0.2%	0.2%
Total	85.7%	88.2%

Notes to Financial Statements (unaudited) (continued)
June 30, 2025

U.S Preferred Securities by Credit Rating	Percentage of Net Asset Value (%)	
	June 30, 2025	December 31, 2024
AAA	1.0%	0.7%
A	0.1%	0.1%
BBB	5.0%	4.3%
BB	8.6%	7.1%
Total	14.7%	12.2%

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 10.4% (December 31, 2024 – 10.2%) of the net assets of the ETF.

(c) Liquidity risk

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

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	–	127,282,577	–	–	111,519,673	–
Equities	781,641,268	–	–	931,842,559	–	–
Total Financial Assets	781,641,268	127,282,577	–	931,842,559	111,519,673	–
Total Financial Liabilities	–	–	–	–	–	–
Net Financial Assets and Liabilities	781,641,268	127,282,577	–	931,842,559	111,519,673	–

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	\$6,509,248	\$6,854,383
December 31, 2024	\$9,624,628	\$10,127,875

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	\$46,839		\$58,240	
Withholding taxes	(315)	0.67%	(732)	1.26%
Lending Agents' fees:				
The Bank of New York Mellon	(18,601)	39.71%	(22,995)	39.48%
Net securities lending income paid to the ETF	\$27,923	59.62%	\$34,513	59.26%

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	112,446,346	519,095	(19,300,000)	93,665,441	101,120,984
2024	126,847,913	2,901,891	(10,150,000)	119,599,804	124,522,137

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 0.55%, 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	\$86,038	\$732	\$nil
June 30, 2024	\$58,984	\$10,454	\$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. INCOME TAX

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

12. TAX LOSSES CARRIED FORWARD

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

Capital Losses	Non-Capital Losses	Year of Expiry of the Non-Capital Losses
\$122,505,779	—	—

Notes to Financial Statements (unaudited) (continued)
June 30, 2025

13. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the ETF may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. As at June 30, 2025 and December 31, 2024, the ETF did not have any financial instruments eligible for offsetting.

14. INTERESTS IN SUBSIDIARIES, ASSOCIATES AND UNCONSOLIDATED STRUCTURED ENTITIES

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

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

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

Investments in Investee ETFs are susceptible to market price risk arising from uncertainty about future values of those Investee ETFs. The maximum exposure to loss from interests in Investee ETFs is equal to the total fair value of the investment in those respective Investee ETFs at any given point in time. The fair value of Investee ETFs, if any, are disclosed in investments in the statements of financial position and listed in the schedule of investments. As at June 30, 2025 and December 31, 2024, the ETF had no exposure to subsidiaries, associates or unconsolidated structured entities.

