

HFT
HAMILTON
FINANCIALS
INNOVATION ETF

Hamilton Financials Innovation ETF
(HFT:TSX)



HAMILTON ETFS
FINANCIAL SECTOR SPECIALISTS

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MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance for Hamilton Financials Innovation ETF (“HFT” 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 investment fund’s unaudited interim or audited annual financial statements, interim or annual management report of fund performance, current proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosures, at no cost, by calling (416) 941-9888, by writing to Hamilton Capital Partners Inc. (“Hamilton ETFs” or the “Manager”), at 55 York Street, Suite 1202, Toronto, Ontario, M5J 1R7, by visiting our website at www.hamiltonetfs.com or through SEDAR at www.sedar.com.

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 Strategy

The investment objective of HFT is to seek long-term returns from an actively managed equity portfolio by investing in companies located anywhere in the world that are innovating and supporting the financial services sector primarily through the use of data and technology. 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 HFT.

HFT seeks to achieve its investment objective by investing in a portfolio of companies located anywhere around the globe that, in the view of Hamilton ETFs, as the ETF’s portfolio adviser (the “Portfolio Adviser”), have the potential to generate higher earnings/revenue growth by benefiting from secular trends, either through innovating or supporting innovation, as they relate to the use of data and technology in the financial services sector.

This universe of companies includes, but is not limited to, payment processors and networks, asset managers, exchanges, and other financial technology companies as well as those companies supporting that growth through lending including commercial and investment banks, insurance companies, brokerages, and other investment companies. By investing globally, the Portfolio Adviser is acknowledging that technology is less constrained by geography and aims to take advantage of the most attractive opportunities in the financial technology sphere, while managing country and concentration risks. To determine those companies that fit these criteria, the Portfolio Adviser applies specialized analysis



Management Discussion of Fund Performance (continued)

and expertise, reviewing a company's individual attributes, such as valuation, potential for growth, exposure to and investment in technological innovation and changing business trends within the sector.

At any time, it is anticipated that the ETF's portfolio will be made up of between approximately 30 and 60 issuers. HFT will primarily invest in equity securities listed on major global exchanges, including American Depositary Receipts ("ADRs"), and may also, from time to time, invest in preferred securities. The Portfolio Adviser may, at its discretion, hedge some or all of the ETF's non-Canadian dollar currency exposure.

Risk

Investments in the units of the ETF can be speculative, involve a degree of risk and are suitable only for persons who are able to assume the risk of losing their entire investment. The Manager, as a summary for existing investors, is providing the list below of the risks to which an investment in the ETF may be subject. **Prospective investors should read the ETF's prospectus and consider the full description of the risks contained therein before purchasing units.**

The risks to which an investment in the ETF is subject are listed below and have not changed from the list of risks found in the ETF's prospectus. A full description of each risk listed below may also be found in the prospectus. The prospectus is available at www.hamiltonetfs.com or from www.sedar.com, or by contacting Hamilton Capital Partners Inc. directly via the contact information on the back page of this document.

- No assurances on achieving investment objective
- Market risk
- Specific issuer risk
- Equity risk
- Short selling risk
- Legal and regulatory risk
- Cyber security risk
- Foreign stock exchange risk
- Foreign markets risk
- Currency price fluctuations
- Currency exposure risk
- Derivatives risk
- Use of options risk
- Corresponding net asset value risk
- Distributions risk
- Designated broker/dealer risk
- Reliance on key personnel
- Potential conflicts of interest
- Counterparty risk
- Cease trading of securities risk
- No ownership Interest
- Exchange risk
- Early closing risk
- Redemption price
- Concentration risk
- Reliance on historical data risk
- Liquidity risk
- Tax risk
- Securities lending, repurchase and reverse repurchase transaction risk
- Fund of funds investment risk
- Exchange-traded funds risk
- Absence of an active market
- No guaranteed return
- Investing outside of North America
- Volatile market risk
- Changes in the regulatory and competitive environment in global financial services sector
- Performance of banks and financial institutions
- Small capitalization risk
- Technology obsolescence risk

Management Discussion of Fund Performance (continued)

Results of Operations

For the six-month period ended June 30, 2021, Class E units of the ETF returned 10.84%, when including distributions paid to unitholders. By comparison, the KBW Nasdaq Financial Technology Total Return Index (in Canadian dollars) returned 7.63% and the MSCI World Net Total Return Index (in Canadian dollars) returned 9.86%, respectively, for the same period, both on a total return basis.

The KBW Nasdaq Financial Technology Total Return Index is designed to track the performance of U.S. listed financial technology companies. Securities included in the index leverage technology to deliver financial products and services.

The MSCI World Net Total Return Index is a broad market equity index with more than 1,600 positions, capturing large and mid-cap companies from 23 developed markets around the globe.

Sector Review

Amid a robust yet uneven global economic recovery from the pandemic, the first half of 2021 further solidified the secular trend towards digitization of financial services. Digitally-advanced and certain fast-growing incumbents in payments and market data led financial technology stocks higher. An attractive capital raising environment saw record IPOs, direct listings and capital issuances to fund growth and M&A. As a result, exchanges, market data and technology stocks benefitted from the higher market volumes and capital markets activity in the first half of the year.

Portfolio Review

The ETF invests in global financial technology stocks within industries enjoying secular growth such as digital payments, market data and technology, digital investing (including ETF providers), and others. In the first half of 2021, the ETF's geographic mix remained primarily weighted to developed markets, and the U.S. was its single largest market (~80%).

The ETF maintained a diversified portfolio of 30-plus positions with no meaningful changes to the split across key investment categories. Approximately 40% of NAV was invested in digital payments, 30% in exchanges and market data companies, 15% in wealth management, and 10-15% in other financial technology, which includes real estate investment trusts ("REITs"). The Manager considers REITs a sub-sector of the financials.

The ETF benefited during the first half from its exposure to fast-growing, digitally native payment and market data and technology stocks. Portfolio stocks outperformed the broader markets due to robust growth in user base and expanding addressable markets. Strong momentum, particularly in the U.S. capital markets, drove index providers and exchange stocks higher. While the bulk of the portfolio positions rose over the period, a handful of positions across the various investment categories ended lower due to company-specific factors.

The Manager may, at its discretion, hedge some or all of the ETF's non-Canadian dollar currency exposure. As at the end of the period, the ETF's currency exposure was approximately 70% hedged. No significant changes were made to the currency hedges (versus the U.S. dollar and euro) over the period. Overall, currency hedging was a positive contributor to the ETF's return for the period.



Management Discussion of Fund Performance (continued)

Outlook

Looking forward, the Manager expects the post-pandemic global economic recovery to continue to be strong (albeit possibly choppy) for the remainder of the year and into 2022, supported by increasing vaccination rates around the world and continued accommodative fiscal and monetary policies. Against this backdrop, the outlook for financial technology stocks remains favorable fueled by secular tailwinds, as well as financial innovations brought forward by the pandemic. The Manager expects the structural demand for digital payments and the ongoing digitization of capital markets and the broader investing ecosystem to continue to help drive strong revenue and earnings growth for portfolio stocks, and hence be supportive of stock performance.

For additional comments on the sector, please see the Insights section of the Manager's website: <http://hamiltonetfs.com/insights-commentary/>.

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

The ETF effectively began operations on June 1, 2020. Therefore, the six-month period ended June 30, 2021, represents the first full interim reporting period for the ETF. For the six-month period ended June 30, 2021, the ETF generated gross comprehensive income (loss) from investments and derivatives (which includes changes in the fair value of the ETF's portfolio) of \$1,409,185. The ETF incurred management, operating and transaction expenses of \$122,382. Of these expenses, the Manager either paid or absorbed \$57,617 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 its discretion. The ETF distributed \$167,020 to unitholders during the period.

Presentation

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

Recent Developments

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

Impact of COVID-19

The full extent of the impact that the COVID-19 epidemic will have on the Canadian and U.S. economies and the ETF's business remains uncertain and difficult to predict at this time. By their very nature, the estimates and/or judgements the Manager makes for the purposes of preparing the ETF's financial statements relate to matters that are inherently uncertain. However, the Manager maintains detailed policies and internal controls that are intended to ensure that these estimates and judgements are well controlled, and that they are consistently applied from period to period. It is the Manager's opinion that any estimates and/or judgements used in the preparation of these financial statements are appropriate as at June 30, 2021, and December 31, 2020.



Management Discussion of Fund Performance (continued)**Related Party Transactions**

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

Manager, Trustee and Portfolio Adviser

The manager, trustee and portfolio adviser of the ETF is Hamilton Capital Partners Inc., 55 York Street, Suite 1202, Toronto, Ontario, M5J 1R7, a corporation incorporated under the laws of the Province of Ontario. The Manager has retained Horizons ETFs Management (Canada) Inc. (the "Administrator"), 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7 to provide assistance to the Manager in respect of certain aspects of the day-to-day administration of the ETF.

Any management fees paid to the Manager (described in detail on page 12) 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 statement of comprehensive income in the attached financial statements of the ETF. The management fees payable by the ETF as at June 30, 2021 and December 31, 2020, are disclosed in the statements of financial position.



Financial Highlights

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the current interim reporting period and since it effectively began operations on June 1, 2020. This information is derived from the ETF's audited annual financial statements and the current unaudited interim financial statements. Please see the first page for information on how you may obtain the annual or interim financial statements.

The ETF's Net Assets per Unit

Period ⁽¹⁾	2021	2020
Net assets, beginning of period	\$ 19.07	16.00
Increase from operations:		
Total revenue	0.10	0.15
Total expenses	(0.11)	(0.13)
Realized gains for the period	0.71	0.70
Unrealized gains for the period	1.67	2.82
Total increase from operations ⁽²⁾	2.37	3.54
Distributions:		
From net investment income (excluding dividends)	(0.23)	(0.02)
From net realized capital gains	–	(0.36)
Total distributions ⁽³⁾	(0.23)	(0.38)
Net assets, end of period ⁽⁴⁾	\$ 20.91	19.07

1. This information is derived from the ETF's unaudited interim financial statements and audited annual financial statements for the period from June 1, 2020 to December 31, 2020.
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.
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⁾	2021	2020
Total net asset value (000's)	\$ 15,423	7,391
Number of units outstanding (000's)	738	388
Management expense ratio ⁽²⁾	0.90%	0.90%
Management expense ratio before waivers and absorptions ⁽³⁾	1.93%	2.36%
Trading expense ratio ⁽⁴⁾	0.13%	0.13%
Portfolio turnover rate ⁽⁵⁾	3.80%	15.80%
Net asset value per unit, end of period	\$ 20.91	19.07
Closing market price	\$ 20.95	19.12

1. This information is provided as at June 30, 2021, and December 31, 2020.
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 portfolio manager compensation, service fees 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 its discretion.
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.
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 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 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 0.75%, plus applicable sales taxes, of the net asset value of the ETF, calculated and accrued daily and payable monthly in arrears.

Any expenses of the ETF that are waived or absorbed by the Manager are paid out of the management fees received by the Manager.

The Manager paid substantially more than 100% of the management fees it received from the ETF during the period towards marketing and promotional costs, and towards the fees associated with the managerial, portfolio management and portfolio advisory services provided to the ETF.

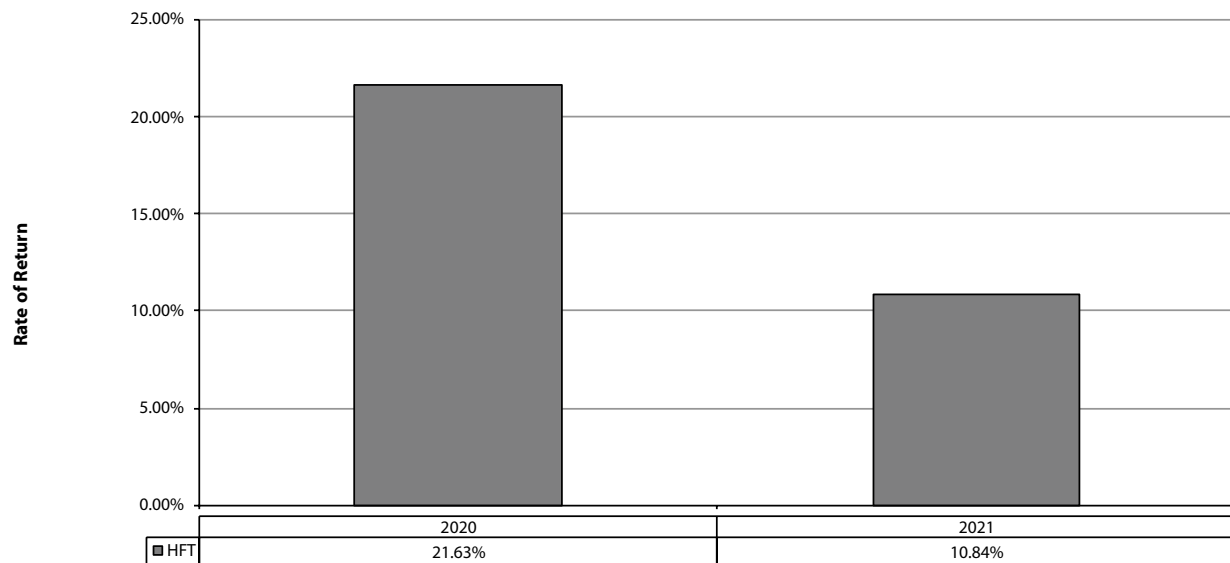


Past Performance

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 June 1, 2020.

**Summary of Investment Portfolio**

As at June 30, 2021

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
U.S. Equities	\$ 12,252,027	79.44%
Global Equities	3,073,673	19.93%
Canadian Equities	295,959	1.92%
Currency Forward Hedge*	(79,620)	-0.52%
Cash and Cash Equivalents	49,994	0.32%
Other Assets less Liabilities	(168,990)	-1.09%
	\$ 15,423,043	100.00%

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Financials	\$ 8,279,228	53.69%
Information Technology	7,342,431	47.60%
Currency Forward Hedge*	(79,620)	-0.52%
Cash and Cash Equivalents	49,994	0.32%
Other Assets less Liabilities	(168,990)	-1.09%
	\$ 15,423,043	100.00%

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

**Summary of Investment Portfolio** (continued)

As at June 30, 2021

Top 25 Holdings	% of ETF's Net Asset Value
Visa Inc.	4.76%
BlackRock Inc.	4.52%
Intercontinental Exchange Inc.	4.36%
Adyen NV	4.20%
PayPal Holdings Inc.	4.18%
London Stock Exchange Group PLC	4.10%
S&P Global Inc.	4.01%
Nexi SPA	3.90%
MasterCard Inc.	3.87%
Global Payments Inc.	3.87%
Square Inc.	3.51%
Intuit Inc.	3.51%
MSCI Inc.	3.44%
Digital Realty Trust Inc.	3.39%
Nasdaq Inc.	3.15%
Fidelity National Information Services Inc.	3.13%
MarketAxess Holdings Inc.	2.96%
Worldline SA	2.95%
Prologis Inc.	2.77%
CME Group Inc.	2.68%
TransUnion	2.65%
Euronext NV	2.55%
Moody's Corp.	2.46%
SVB Financial Group	2.25%
Singapore Exchange Ltd.	2.23%

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 (416) 941-9888, by writing to us at 55 York Street, Suite 1202, Toronto, Ontario, M5J 1R7, by visiting our website at www.hamiltonetfs.com or through SEDAR at www.sedar.com.



MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Hamilton Financials Innovation ETF (the "ETF") are the responsibility of the manager and trustee to the ETF, Hamilton Capital Partners Inc. (the "Manager"). They have been prepared in accordance with International Financial Reporting 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.

Robert Wessel
Director
Hamilton Capital Partners Inc.

Jennifer Mersereau
Director
Hamilton Capital Partners Inc.

NOTICE TO UNITHOLDERS

The Auditors of the ETF have not reviewed these Financial Statements.

Hamilton Capital Partners Inc., the Manager of the ETF, appoints an independent auditor to audit the ETF's annual financial statements.

The ETF's independent auditors have 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, 2021 and December 31, 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 49,994	\$ 67,582
Investments	15,621,659	7,436,345
Amounts receivable relating to accrued income	936	4,200
Derivative assets (note 3)	516	30,525
Total assets	15,673,105	7,538,652
Liabilities		
Accrued management fees	10,581	4,916
Accrued operating expenses	764	354
Distribution payable	158,581	142,879
Derivative liabilities (note 3)	80,136	-
Total liabilities	250,062	148,149
Total net assets (note 2)	\$ 15,423,043	\$ 7,390,503
Number of redeemable units outstanding (note 8)	737,587	387,500
Total net assets per unit (note 1)	\$ 20.91	\$ 19.07

(See accompanying notes to financial statements)

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

Robert Wessel
Director

Jennifer Mersereau
Director

Statement of Comprehensive Income (unaudited)

For the Period Ended June 30, 2021

	2021
Income	
Dividend income	\$ 58,274
Securities lending income (note 7)	130
Net realized gain (loss) on sale of investments and derivatives	402,001
Net realized loss on foreign exchange	(1,733)
Net change in unrealized appreciation of investments and derivatives	950,447
Net change in unrealized appreciation (depreciation) of foreign exchange	66
	1,409,185
Expenses (note 9)	
Management fees	46,992
Audit fees	7,784
Independent Review Committee fees	1,884
Custodial and fund valuation fees	30,531
Legal fees	453
Securityholder reporting costs	6,765
Administration fees	13,593
Transaction costs	7,210
Withholding taxes	7,170
	122,382
Amounts that were payable by the investment fund that were paid or absorbed by the Manager	(57,617)
	64,765
Increase in net assets for the period	\$ 1,344,420
Increase in net assets per unit	\$ 2.37

(See accompanying notes to financial statements)

**Statement of Changes in Financial Position** (unaudited)

For the Period Ended June 30, 2021

	2021
Total net assets at the beginning of the period	\$ 7,390,503
Increase in net assets	1,344,420
Redeemable unit transactions	
Proceeds from the issuance of securities of the investment fund	6,853,458
Aggregate amounts paid on redemption of securities of the investment fund	–
Securities issued on reinvestment of distributions	1,682
Distributions:	
From net investment income	(167,020)
Total net assets at the end of the period	\$ 15,423,043

(See accompanying notes to financial statements)

Statement of Cash Flows (unaudited)

For the Period Ended June 30, 2021

	2021
Cash flows from operating activities:	
Increase in net assets for the period	\$ 1,344,420
Adjustments for:	
Net realized loss (gain) on sale of investments and derivatives	(402,001)
Net realized gain (loss) on currency forward contracts	299,471
Net change in unrealized appreciation of investments and derivatives	(950,447)
Net change in unrealized depreciation (appreciation) of foreign exchange	(25)
Purchase of investments	(7,450,737)
Proceeds from the sale of investments	428,545
Amounts receivable relating to accrued income	3,264
Accrued expenses	6,075
Net cash used in operating activities	(6,721,435)
Cash flows from financing activities:	
Amount received from the issuance of units	6,853,458
Amount paid on redemptions of units	–
Distributions paid to unitholders	(149,636)
Net cash from financing activities	6,703,822
Net increase (decrease) in cash and cash equivalents during the period	(17,613)
Effect of exchange rate fluctuations on cash and cash equivalents	25
Cash and cash equivalents at beginning of period	67,582
Cash and cash equivalents at end of period	\$ 49,994

Dividends received, net of withholding taxes	\$ 54,368
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(See accompanying notes to financial statements)

**Schedule of Investments** (unaudited)

As at June 30, 2021

Security	Shares/ Contracts	Average Cost	Fair Value
U.S. EQUITIES (79.44%)			
Information Technology (42.73%)			
Affirm Holdings Inc.	2,020	\$ 161,283	\$ 168,644
Black Knight Inc.	1,413	130,155	136,586
Broadridge Financial Solutions Inc., ADR	1,545	294,571	309,359
Investnet Inc.	3,570	342,864	335,709
Fidelity National Information Services Inc.	2,747	493,974	482,412
FleetCor Technologies Inc.	1,019	343,983	323,443
Intuit Inc.	890	406,771	540,777
MarketAxess Holdings Inc.	794	519,160	456,285
MasterCard Inc., Class 'A'	1,320	560,826	597,387
Moody's Corp.	846	314,246	380,018
MSCI Inc.	803	410,752	530,627
PayPal Holdings Inc.	1,783	482,908	644,231
Square Inc., Class 'A'	1,792	387,511	541,568
TransUnion	3,004	353,470	408,906
Visa Inc., Class 'A'	2,535	674,883	734,753
		5,877,357	6,590,705
Financials (36.71%)			
BlackRock Inc.	643	555,129	697,406
Charles Schwab Corp. (The)	3,727	208,783	336,381
CME Group Inc.	1,565	380,222	412,594
Digital Realty Trust Inc.	2,799	489,401	522,042
Global Payments Inc.	2,565	619,435	596,297
Intercontinental Exchange Inc.	4,575	630,946	673,168
Live Oak Bancshares Inc.	1,010	73,865	73,868
Nasdaq Inc.	2,229	388,660	485,748
Prologis Inc.	2,883	376,001	427,172
S&P Global Inc.	1,216	523,128	618,693
SVB Financial Group	504	187,489	347,634
Virtu Financial Inc.	8,394	272,623	287,496
WisdomTree Investments Inc.	23,788	113,838	182,823
		4,819,520	5,661,322
TOTAL U.S. EQUITIES		10,696,877	12,252,027
GLOBAL EQUITIES (19.93%)			
Netherlands (6.75%)			
Adyen NV	214	523,464	648,129
Euronext NV	2,920	379,128	393,574
		902,592	1,041,703

Schedule of Investments (unaudited) (continued)

As at June 30, 2021

Security	Shares/ Contracts	Average Cost	Fair Value
United Kingdom (4.10%)			
London Stock Exchange Group PLC	4,622	652,778	631,664
Italy (3.90%)			
Nexi SPA	22,093	519,211	601,085
France (2.95%)			
Worldline SA	3,928	443,895	455,767
Singapore (2.23%)			
Singapore Exchange Ltd.	33,325	285,722	343,454
TOTAL GLOBAL EQUITIES		2,804,198	3,073,673
CANADIAN EQUITIES (1.92%)			
Information Technology (1.92%)			
Nuvei Corp.	2,917	202,454	295,959
TOTAL CANADIAN EQUITIES		202,454	295,959
DERIVATIVES (-0.52%)			
Currency Forwards (-0.52%)			
Currency forward contract to buy US\$82,000 for C\$101,224 maturing August 31, 2021		-	427
Currency forward contract to buy C\$2,060,394 for EUR€1,400,000 maturing August 31, 2021		-	89
Currency forward contract to buy C\$8,597,330 for US\$7,000,000 maturing August 31, 2021		-	(80,136)
		-	(79,620)
TOTAL DERIVATIVES		-	(79,620)
Transaction Costs		(13,074)	
TOTAL INVESTMENT PORTFOLIO (100.77%)		\$ 13,690,455	\$ 15,542,039
Cash and cash equivalents (0.32%)			49,994
Other assets less liabilities (-1.09%)			(168,990)
TOTAL NET ASSETS (100.00%)			\$ 15,423,043

(See accompanying notes to financial statements)

**Notes to Financial Statements** (unaudited)

June 30, 2021

1. REPORTING ENTITY

Hamilton Financials Innovation ETF (“HFT” or the “ETF”) is an investment trust established under the laws of the Province of Ontario by Declaration of Trust on May 11, 2020. The ETF effectively began operations on June 1, 2020. The address of the ETF’s registered office is: c/o Hamilton Capital Partners Inc., 55 York Street, Suite 1202, Toronto, Ontario, M5J 1R7.

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”) in Canadian dollars (“Cdn\$ units”) under the symbol HFT. 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 HFT is to seek long-term returns from an actively managed equity portfolio by investing in companies located anywhere in the world that are innovating and supporting the financial services sector primarily through the use of data and technology.

Hamilton Capital Partners Inc. (“Hamilton ETFs” or the “Manager”) is the manager, trustee and portfolio adviser of the ETF. The Manager is responsible for implementing the ETF’s investment strategies.

2. BASIS OF PREPARATION***(i) Statement of compliance***

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

These financial statements were authorized for issue on August 13, 2021, 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 though profit or loss, which are measured at fair value.

(iii) Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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, 2021

(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 on financial assets and hedge accounting.

This standard requires 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 and loss (“FVTPL”). IFRS 9 requires classification of debt instruments, if any, based solely on payments of principal and interest and business model tests.

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

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, at fair value (see below), with transaction costs recognized in the statement 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 fair value through profit or loss: debt securities, equity investments and derivative financial instruments
- Financial assets at amortized cost: all other financial assets
- Financial liabilities classified at fair value through profit or loss: 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.

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2021

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

Fair value policies used for financial reporting purposes are the same as those used to measure the net asset value (“NAV”) for transactions with 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 fair value through profit or loss 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 statement 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 statement 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.

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2021

(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 statement of comprehensive income as part of the net change in unrealized appreciation (depreciation) of investments and derivatives. Interest income for distribution purposes from investments in bonds and short-term investments, if any, represents the coupon interest received by the ETF accounted for on an accrual basis. Dividend income is recognized on the ex-dividend date. Distribution income from investments in other funds or ETFs is recognized when earned.

Income from derivatives is shown in the statement 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 statement 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 statement 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 statement 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 statement 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. For management fees please refer to note 9.

(f) Unitholder transactions

The value at which units are issued or redeemed is determined by dividing the net asset value of the class by the total number of units outstanding of that class on the 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.

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2021

(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, if any, represent amounts receivable/payable for securities sold/purchased, but not yet settled as at the reporting date.

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

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

(i) Transaction costs

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The full extent of the impact that the COVID-19 epidemic will have on the Canadian and U.S. economies and the ETF's business remains uncertain and difficult to predict at this time. By their very nature, the estimates and/or judgements the Manager makes for the purposes of preparing the ETF's financial statements relate to matters that are inherently uncertain. However, the Manager maintains detailed policies and internal controls that are intended to ensure that these estimates and judgements are well controlled, and that they are consistently applied from period to period. It is the Manager's opinion that any estimates and/or judgements used in the preparation of these financial statements are appropriate as at June 30, 2021, and December 31, 2020.

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

5. FINANCIAL INSTRUMENTS RISK

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

Notes to Financial Statements (unaudited) (continued)

June 30, 2021

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. The following table indicates the foreign currencies to which the ETF had significant exposure as at June 30, 2021 and December 31, 2020, in Canadian dollar terms and the potential impact on the ETF's net assets (including the underlying principal amount of future or forward currency contracts, if any), as a result of a 1% change in these currencies relative to the Canadian dollar:

June 30, 2021	Financial Instruments	Currency Forward and/ or Futures Contracts	Total	Impact on Net Asset Value
Currency	(\$000's)	(\$000's)	(\$000's)	(\$000's)
British Pound	633	–	633	6
Euro Currency	2,099	(2,060)	39	–
Singapore Dollar	344	–	344	3
U.S. Dollar	12,297	(8,576)	3,721	37
Total	15,373	(10,636)	4,737	46
As % of Net Asset Value	99.7%	-69.0%	30.7%	0.3%

December 31, 2020	Financial Instruments	Currency Forward and/ or Futures Contracts	Total	Impact on Net Asset Value
Currency	(\$000's)	(\$000's)	(\$000's)	(\$000's)
British Pound	234	–	234	2
Euro Currency	861	(871)	(10)	–
Singapore Dollar	180	–	180	2
U.S. Dollar	6,035	(4,098)	1,937	19
Total	7,310	(4,969)	2,341	23
As % of Net Asset Value	98.9%	-67.2%	31.7%	0.3%



Notes to Financial Statements (unaudited) (continued)

June 30, 2021

(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.

As at June 30, 2021, the ETF did not hold any long-term debt instruments and did not have any exposure to interest rate risk.

(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, 2021	December 31, 2020
KBW Nasdaq Financial Technology TR Index	\$134,936	\$64,522

(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.

As at June 30, 2021, due to the nature of its portfolio investments, the ETF did not have any material credit risk exposure.

(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 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

Notes to Financial Statements (unaudited) (continued)

June 30, 2021

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.

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, 2021, and December 31, 2020, in valuing the ETF's investments and derivatives carried at fair values:

	June 30, 2021			December 31, 2020		
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Financial Assets						
Equities	15,621,659	–	–	7,436,345	–	–
Currency Forward Contracts	–	516	–	–	30,525	–
Total Financial Assets	15,621,659	516	–	7,436,345	30,525	–
Financial Liabilities						
Currency Forward Contracts	–	(80,136)	–	–	–	–
Total Financial Liabilities	–	(80,136)	–	–	–	–
Net Financial Assets and Liabilities	15,621,659	(79,620)	–	7,436,345	30,525	–

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 periods shown. In addition, there were no investments or transactions classified in Level 3 for the period ended June 30, 2021, and for the period ended December 31, 2020.

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 period is disclosed in the ETF's statement of comprehensive income.

**Notes to Financial Statements** (unaudited) (continued)

June 30, 2021

The aggregate closing market value of securities loaned and collateral received as at June 30, 2021, and December 31, 2020, was as follows:

As at	Securities Loaned	Collateral Received
June 30, 2021	\$904,457	\$950,009
December 31, 2020	\$127,418	\$133,893

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

The table below presents a reconciliation of the securities lending income as presented in the statement of comprehensive income for the period ended June 30, 2021. 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 period ended	June 30, 2021	% of Gross Income
Gross securities lending income	\$226	
Withholding taxes	(26)	11.50%
Lending Agents' fees:		
Canadian Imperial Bank of Commerce	(70)	30.97%
Net securities lending income paid to the ETF	\$130	57.53%

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 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 and 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 Valuation Date, 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



Notes to Financial Statements (unaudited) (continued)

June 30, 2021

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 Valuation Date. Purchase and redemption orders are subject to a 4:00 p.m. (Eastern Time) cutoff time on the business day before Valuation Date.

The ETF is required to distribute all of its income (including net realized capital gains) that it has earned in the period to such an extent that the ETF will not be liable for ordinary income tax thereon. Income earned by the ETF is distributed to unitholders at least once per year, if necessary, and any such amount distributed by the ETF will be paid as a “reinvested distribution”. Reinvested distributions on units of the ETF will be reinvested automatically in additional units of the ETF at a price equal to the net asset value per unit of the ETF on such day and the units of the ETF will be immediately consolidated such that the number of outstanding units of the ETF held by each unitholder on such day following the distribution will equal the number of units of the ETF held by the unitholder prior to the distribution. Reinvested distributions are reported as taxable distributions and used to increase each unitholder’s adjusted cost base for the ETF. Distributions paid to holders of redeemable units, if any, 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.

For the period ended June 30, 2021, the number of units issued by subscription, 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
2021	387,500	350,087	–	737,587	566,418

9. EXPENSES AND OTHER RELATED PARTY TRANSACTIONS

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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2021

In consideration for the provision of these services, the Manager receives a monthly management fee at the annual rate of 0.75%, plus applicable sales taxes, of the net asset value of the ETF, calculated and accrued daily and payable monthly in arrears.

Any expenses of the ETF that are waived or absorbed by the Manager are paid out of the management fees received by the Manager.

Other expenses

In addition to the management fees, unless otherwise waived or absorbed by the Manager, the ETF pays all of its operating expenses, including but not limited to: audit fees; trustee and custodial expenses; administration costs; 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; CDS Clearing and Depository Services Inc. fees; 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; and withholding taxes.

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.

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.

Total 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 period ended June 30, 2021, were as follows:

Period Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
June 30, 2021	\$7,209	\$1,000	\$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 fees are disclosed in the statement of comprehensive income. The management fees payable by the ETF as at June 30, 2021, and December 31, 2020, 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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2021

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 period) 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 forwards 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, 2020, the ETF has no net capital or non-capital losses available.

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. The following table shows financial instruments that may be eligible for offset, if such conditions were to arise, as at June 30, 2021, and December 31, 2020. The "Net" column displays what the net impact would be on the ETF's statements of financial position if all amounts were set-off.

Financial Assets and Liabilities as at June 30, 2021	Amounts Offset (\$)			Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Derivative assets	516	–	516	(427)	–	89
Derivative liabilities	(80,136)	–	(80,136)	427	–	(79,709)

Financial Assets and Liabilities as at December 31, 2020	Amounts Offset (\$)			Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Derivative assets	30,525	–	30,525	–	–	30,525
Derivative liabilities	–	–	–	–	–	–

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