



Horizons Robotics and Automation Index ETF (RBOT, RBOT.U:TSX)



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Letter from the President and Co-CEO

The first half of 2018 has been remarkable for both the Canadian ETF industry and Horizons ETFs Management (Canada) Inc. (“Horizons ETFs”). The industry reached new heights, surpassing \$156 billion in assets under management (“AUM”), as at June 30, 2018. Horizons ETFs reached a new pinnacle as well, surpassing more than \$10 billion in AUM as at the same date. In addition, we have added two new, innovative ETFs so far this year, giving us a total of 80 different investment tools available for our clients.

In February, we brought to market our second marijuana-focused ETF – the Horizons Emerging Marijuana Growers Index ETF (“HMJR”). HMJR is the first ETF in Canada to give investors direct exposure to blossoming small-cap marijuana cultivation and distribution companies. HMJR provides direct, often referred to as ‘pure-play’, global exposure to the sector, by focusing on the smaller, emerging producers. Our first marijuana ETF – the Horizons Marijuana Life Sciences Index ETF (“HMMJ”) – gives investors broad diversified exposure to the North American marijuana sector.

Speaking of HMMJ, futures on units of this ETF began trading on the Montreal Exchange in June. We view this listing as recognition by the Canadian investor marketplace that HMMJ is a key benchmark for marijuana investing in Canada.

In June, we launched yet another highly innovative ETF – the Horizons Blockchain Technology & Hardware Index ETF (“BKCH”). BKCH provides investors with diversified exposure to companies involved in the new, disruptive technology frontier: blockchain – a shareable digital ledger that logs and tracks valuable information such as transactions or assets, offering virtually endless applications. BKCH provides a diversified way to invest in the blockchain ecosystem and infrastructure without taking on a lot of the risks of buying unknown, early stage technology companies.

Regardless of market conditions, our extensive suite of ETFs gives investors the tools they need to help meet their financial objectives. For more information on all our strategies, please visit www.HorizonsETFs.com where we offer a range of resources designed to inform and educate ETF investors.

Thank you for your continued support.

Sincerely,



Steven J. Hawkins, President & Co-CEO
Horizons ETFs Management (Canada) Inc.

P.S. On a personal note, I would like to extend my sincere appreciation to the fantastic team of professionals I work with at Horizons ETFs. They played a vital role in helping me win ‘CEO of the Year’ at the 2018 Wealth Professional Awards.

MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance for Horizons Robotics and Automation Index ETF (“RBOT” 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 (toll free) 1-866-641-5739, or (416) 933-5745, by writing to Horizons ETFs Management (Canada) Inc. (“Horizons Management” or the “Manager”), at 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7, by visiting our website at www.horizonsetfs.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 simplified 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

Prior to July 4, 2018, the ETF sought to replicate, to the extent possible, the performance of the ROBO Global® Robotics and Automation Index (the “Former Underlying Index”, Bloomberg ticker: ROBOTR), net of expenses. The Former Underlying Index was designed to provide exposure to the performance of equity securities of robotics-related and/or automation-related companies. The ETF sought to hedge the U.S. dollar value of its portfolio to the Canadian dollar at all times.

To achieve its investment objectives, the ETF invested and held the equity securities of the constituent issuers of the Former Underlying Index (the “Constituent Issuers”), or in American Depositary Receipts (“ADRs”) or Global Depositary Receipts (“GDRs”) representing equity securities of Constituent Issuers of the Former Underlying Index. The Former Underlying Index was designed to measure the performance of robotics-related and/or automation-related companies.

On June 8, 2018, a meeting of unitholders of the ETF overwhelmingly approved a proposed change to the ETF’s investment objective to change the underlying index of the ETF. Beginning July 4, 2018, the ETF now seeks to replicate, to the extent possible, the performance of the Indxx Global Robotics & Artificial Intelligence Thematic Index (the “New Underlying Index”, Bloomberg ticker: IBOTZ), net of expenses. The New Underlying Index is designed to provide exposure to the performance of equity securities of companies that are involved in the development of robotics and/or artificial intelligence. The ETF continues to seek to hedge the U.S. dollar value of its portfolio to the Canadian dollar at all times. Concurrent with the change in investment objective, the ETF began trading under new ticker symbols on the Toronto Stock Exchange (the “TSX”) in Canadian dollars and in U.S. dollars under the symbols RBOT and RBOT.U, respectively.

Management Discussion of Fund Performance (continued)

Risk

The Manager performs a review of the ETF's risk rating at least annually, as well as when there is a material change in the ETF's investment objective or investment strategies. The current risk rating for the ETF is: medium to high.

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 blend of the historical rolling 3-year and 5-year standard deviations of its return (or, generally, commencing with prospectus renewals after September 1, 2017, a rolling 10-year standard deviation), the return of an underlying index, or of an applicable proxy index. 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 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 most recent 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 most recent prospectus. A full description of each risk listed below may also be found in the most recent prospectus. The most recent prospectus is available at www.horizonsetfs.com or from www.sedar.com, or by calling Horizons ETFs Management (Canada) Inc. at (toll free) 1-866-641-5739, or at (416) 933-5745.

- Stock market risk
- Specific issuer risk
- Sector concentration risk
- Geographic risk
- Japan risk
- Currency risk
- Hedging risk
- Robotics and automation companies risk
- Foreign securities risk
- Small and mid-capitalization risk
- Foreign stock exchange risk
- Income trust investment risk
- Underlying Index risk
- Passive index risk
- Index replication risk
- Regulatory risk
- Reliance on historical data risk
- Liquidity risk
- Corresponding net asset value risk
- Risk that units will trade at prices other than net asset value per unit
- Designated broker/dealer risk
- Cease trading of securities risk
- Exchange risk
- Early closing risk
- No assurance of meeting investment objectives
- Tax related risks
- Risks relating to tax changes
- Securities lending, repurchase and reverse repurchase transaction risk
- Liability of unitholders
- Reliance on key personnel

Management Discussion of Fund Performance (continued)

Results of Operations

For the six-month period ended June 30, 2018, the ETF's Canadian dollar-traded units ("C\$ units") returned -3.85%, when including distributions paid to unitholders. This compares to a return of -2.60% for the Former Underlying Index for the same period in U.S. dollar terms, on a total return basis. By comparison, the New Underlying Index returned -5.96% for the period in U.S. dollar terms, on a total return basis. The ETF seeks to hedge the U.S. dollar value of its portfolio to the Canadian dollar at all times. The difference in performance between the ETF and the Former Underlying Index is due to expenses payable by the ETF, which include management fees plus applicable sales taxes, as well as the potential for tracking error arising from the physical index replication risk detailed in the ETF's prospectus.

The ETF's U.S. dollar units ("US\$ units") are not a separate class of units of the ETF, but rather, represent the U.S. dollar value of the C\$ units at the current day's Canada/U.S. exchange rate. The returns to unitholders holding US\$ units would have been substantially similar to those of the unitholders holding C\$ units when adjusted for the daily Canadian/U.S. dollar exchange rate.

For the period ended June 30, 2018, the top performers in the Former Underlying Index were ISRA Elektro AB, Class 'B', 3D Systems Corp. and PTC Inc., gaining 75.31%, 59.84% and 54.37%, respectively. The worst performers in the Former Underlying Index for the period were Daihen Corp., Toshiba Machine Co. Ltd. and Nachi-Fujikoshi Corp., returning -36.96%, -36.49% and -34.46%, respectively.

Had the ETF's new investment objective been in effect since the beginning of 2018, the top performers in the New Underlying Index for the six-month period ended June 30, 2018 would have been TransEnterix Inc., Robostar Co. Ltd. and Brooks Automation Inc., gaining 125.91%, 125.34% and 36.77%, respectively. The worst performers in the New Underlying Index for the period were Toshiba Machine Co. Ltd., Nachi-Fujikoshi Corp. and Cyberdyne Inc., returning -37.10%, -34.46% and -33.13%, respectively.

Horizons Management does not endeavour to predict market direction, the changes that may occur in global fiscal and monetary policies, the effect of additional geopolitical concerns, or other unforeseen crises. Horizons Management and the ETF are agnostic as to their impact on global equity, fixed income, currency, and commodity markets generally, and the robotics and artificial intelligence sectors specifically. They are only of concern to the ETF in so much as there is some minimal risk they could affect its ability to meet its investment objective. Please refer to the risk factors section in the ETF's prospectus for a more detailed discussion.

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 the changes to the Underlying Index that took place subsequent to the end of the reporting period, as described in the investment objective and strategy section, there have been no recent market developments of particular note, aside from the normal fluctuations of the markets, that are expected to have an undue influence on the portfolio of the ETF when compared to its benchmark.

Management Discussion of Fund Performance *(continued)*

Related Party Transactions

There were no related party portfolio transactions during the current reporting period. 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 Horizons ETFs Management (Canada) Inc., 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7, a corporation incorporated under the laws of Ontario. The Manager is a member of the Mirae Asset Financial Group based in Seoul, South Korea.

Any management fees paid to the Manager (described in detail on page 7) 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, 2018, and December 31, 2017, 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 since the effective start of its operations on November 28, 2017. 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

Class A Period ⁽¹⁾		2018	2017
Net assets, beginning of period	\$	24.24	25.00
Decrease from operations:			
Total revenue		0.16	0.01
Total expenses		(0.16)	(0.03)
Realized losses for the period		(0.76)	(0.25)
Unrealized losses for the period		(1.46)	(0.49)
Total decrease from operations ⁽²⁾		(2.22)	(0.76)
Total distributions ⁽³⁾		–	–
Net assets, end of period (C\$ units) ⁽⁴⁾	\$	23.31	24.24
Net assets, end of period (US\$ units) ⁽¹⁾⁽⁴⁾	\$	17.73	–

1. This information is derived from the ETF's unaudited interim financial statements as at June 30, 2018, and the audited annual financial statements as at December 31, 2017. The ETF effectively began operations on November 28, 2017. US\$ units of the ETF began trading on April 30, 2018. Information is presented in accordance with IFRS.
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

Class A Period ⁽¹⁾	2018	2017
Total net asset value (000's)	\$ 78,668	18,181
Number of units outstanding (000's)	3,375	750
Management expense ratio ⁽²⁾⁽⁵⁾	0.90%	0.90%
Management expense ratio before waivers and absorptions ⁽³⁾	1.19%	2.99%
Trading expense ratio ⁽⁴⁾⁽⁵⁾	0.27%	0.05%
Portfolio turnover rate ⁽⁶⁾	14.84%	17.52%
Net asset value per unit, end of period (C\$ units)	\$ 23.31	24.24
Closing market price (C\$ units)	\$ 23.33	24.27
Net asset value per unit, end of period (US\$ units)	\$ 17.73	–
Closing market price (US\$ units)	\$ 17.70	–

1. This information is provided as at June 30, 2018, and December 31, 2017. The ETF effectively began operations on November 28, 2017. US\$ units of the ETF began trading on April 30, 2018. Information is presented in accordance with IFRS.
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, the Manager pays for such services as investment manager compensation, administration, service fees and marketing. 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.
3. 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.
4. The ETF's portfolio turnover rate indicates how actively the ETF trades its portfolio investments. 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 a year. The higher an ETF's portfolio turnover rate in a year, 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 an 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, including, but not limited to, investment managers, counterparties, custodians, registrars, transfer agents, valuation agents, designated brokers, dealers, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the ETF; ensuring the maintenance of accounting records for the ETF; preparing the reports to unitholders of the ETF 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 of the ETF 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 such ETF under applicable securities laws; administering purchases, redemptions and other transactions in units of the ETF; and dealing and communicating with unitholders of the ETFs. 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 strategy of the ETF to ensure that the ETF complies with its investment objective, 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's units, calculated and accrued daily and payable monthly in arrears. 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.

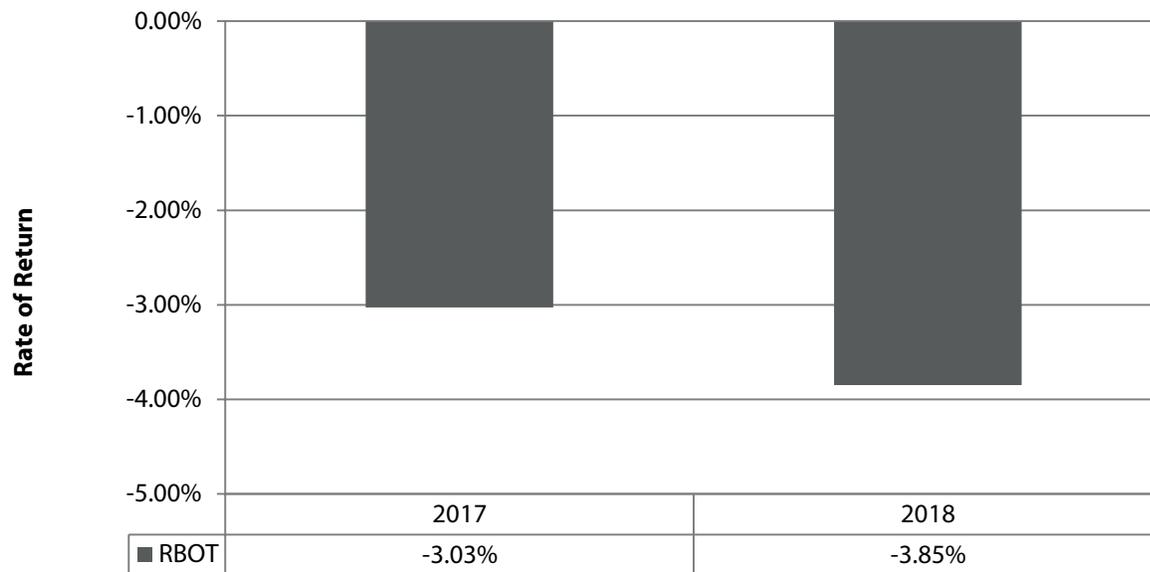
Marketing	Portfolio management fees, general administrative costs and profit	Waived/absorbed expenses of the ETF
6%	59%	35%

Past Performance

Sales 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 returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution 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 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 each financial period (or, on the inception date, as the case may be) would have grown or decreased by the last day of the financial period.



The ETF effectively began operations on November 28, 2017. Only the performance of the C\$ units is displayed above, as the C\$ units seek to achieve the primary investment objective of the ETF. The returns to unitholders holding US\$ units would have been substantially similar to those of the unitholders holding C\$ units when adjusted for the daily Canadian/U.S. dollar exchange rate.

Summary of Investment Portfolio

As at June 30, 2018

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
Global Equities	\$ 43,230,199	54.95%
U.S. Equities	33,725,230	42.87%
Canadian Equities	2,697,526	3.43%
Currency Forward Hedge*	(1,136,533)	-1.44%
Cash and Cash Equivalents	185,447	0.24%
Other Assets less Liabilities	(33,641)	-0.05%
	\$ 78,668,228	100.00%

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Industrials	\$ 33,238,674	42.25%
Information Technology	32,879,962	41.80%
Health Care	7,070,070	8.98%
Energy	3,293,163	4.19%
Consumer Discretionary	3,171,086	4.03%
Currency Forward Hedge*	(1,136,533)	-1.44%
Cash and Cash Equivalents	185,447	0.24%
Other Assets less Liabilities	(33,641)	-0.05%
	\$ 78,668,228	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, 2018

Top 25 Holdings	% of ETF's Net Asset Value
Oceaneering International Inc.	2.80%
iRobot Corp.	2.32%
Intuitive Surgical Inc.	2.31%
Zebra Technologies Corp.	2.10%
Krones AG	2.08%
Aerovironment Inc.	1.99%
ABB Ltd.	1.93%
Keyence Corp.	1.89%
Hiwin Technologies Corp.	1.89%
Rockwell Automation Inc.	1.87%
IPG Photonics Corp.	1.85%
Omron Corp.	1.72%
Cognex Corp.	1.68%
Harmonic Drive Systems Inc.	1.66%
Nabtesco Corp.	1.65%
FANUC Corp.	1.63%
Mazor Robotics Ltd.	1.62%
YASKAWA Electric Corp.	1.60%
DAIFUKU CO. LTD.	1.60%
Hollysys Automation Technologies Ltd.	1.56%
Helix Energy Solutions Group Inc.	1.39%
Elektá AB	1.33%
Koh Young Technology Inc.	1.29%
Isra Vision AG	1.26%
PTC Inc.	1.24%

The summary of investment portfolio may change due to the ongoing portfolio transactions of the ETF. The most recent interim and annual reports are available at no cost by calling toll free 1-866-641-5739, or (416) 933-5745, by writing to us at Horizons ETFs Management (Canada) Inc., 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7, or by visiting our website at www.horizonsetfs.com or through SEDAR at www.sedar.com.

MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Horizons Robotics and Automation Index ETF (the "ETF") are the responsibility of the manager and the trustee to the ETF, Horizons ETFs Management (Canada) 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.



Steven J. Hawkins
Director
Horizons ETFs Management (Canada) Inc.



Taeyong Lee
Director
Horizons ETFs Management (Canada) Inc.

NOTICE TO UNITHOLDERS

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

Horizons ETFs Management (Canada) 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, 2018 and December 31, 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 185,447	\$ 81,829
Investments	79,652,955	17,766,746
Amounts receivable relating to accrued income	46,792	6,105
Amounts receivable relating to portfolio assets sold	20,742	–
Derivative assets (note 3)	24,839	341,427
Total assets	79,930,775	18,196,107
Liabilities		
Accrued management fees	54,246	13,029
Accrued operating expenses	46,929	1,851
Derivative liabilities (note 3)	1,161,372	–
Total liabilities	1,262,547	14,880
Total net assets (note 2)	\$ 78,668,228	\$ 18,181,227
Number of redeemable units outstanding, Class A (note 8)	3,375,000	750,001
Total net assets per unit, Class A (C\$ units) (note 1)	\$ 23.31	\$ 24.24
Total net assets per unit, Class A (US\$ units) (note 1)	\$ 17.73	\$ –

(See accompanying notes to financial statements)

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



 Steven J. Hawkins
 Director



 Taeyong Lee
 Director

Statement of Comprehensive Income (unaudited)

For the Period Ended June 30, 2018

2018
Income

Dividend income	\$ 402,240
Interest income for distribution purposes	12,173
Net realized loss on sale of investments and derivatives	(1,949,659)
Net realized gain on foreign exchange	18,864
Net change in unrealized depreciation of investments and derivatives	(3,703,270)
Net change in unrealized depreciation of foreign exchange	(290)

(5,219,942)
Expenses

Management fees (note 9)	257,961
Audit fees	4,902
Independent Review Committee fees	389
Custodial fees	5,947
Securityholder reporting costs	18,027
Administration fees	75,943
Transaction costs	83,215
Withholding taxes	50,552
Other expenses	1,836

498,772

Amounts that were payable by the investment fund that were paid or absorbed by the Manager	(89,796)
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408,976
Decrease in net assets for the period **\$ (5,628,918)**

 Decrease in net assets per unit, Class A \$ (2.22)

(See accompanying notes to financial statements)

Statement of Changes in Financial Position (unaudited)

For the Period Ended June 30, 2018

2018

Total net assets at the beginning of the period	\$ 18,181,227
Decrease in net assets	(5,628,918)
Redeemable unit transactions	
Proceeds from the issuance of securities of the investment fund	68,694,253
Aggregate amounts paid on redemption of securities of the investment fund	(2,578,334)
Total net assets at the end of the period	\$ 78,668,228

(See accompanying notes to financial statements)

Statement of Cash Flows (unaudited)

For the Period Ended June 30, 2018

2018
Cash flows from operating activities:

Decrease in net assets for the period	\$ (5,628,918)
Adjustments for:	
Net realized loss on sale of investments and derivatives	1,949,659
Net realized loss on currency forward contracts	(2,323,750)
Net change in unrealized depreciation of investments and derivatives	3,703,270
Net change in unrealized appreciation of foreign exchange	(69)
Purchase of investments	(72,559,834)
Proceeds from the sale of investments	8,801,664
Amounts receivable relating to accrued income	(40,687)
Accrued expenses	86,295

Net cash used in operating activities	(66,012,370)
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Cash flows from financing activities:

Amount received from the issuance of units	68,694,253
Amount paid on redemptions of units	(2,578,334)

Net cash from financing activities	66,115,919
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Net increase in cash and cash equivalents during the period	103,549
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Effect of exchange rate fluctuations on cash and cash equivalents	69
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Cash and cash equivalents at beginning of period	81,829
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Cash and cash equivalents at end of period	\$ 185,447
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Interest received, net of withholding taxes	\$ 12,173
Dividends received, net of withholding taxes	\$ 311,001

(See accompanying notes to financial statements)

Schedule of Investments (unaudited)

As at June 30, 2018

Security	Shares/ Contracts	Average Cost	Fair Value
GLOBAL EQUITIES (54.95%)			
Industrials (31.30%)			
ABB Ltd., Registered	52,660	\$ 1,687,548	\$ 1,517,693
Aida Engineering Ltd.	45,400	751,847	580,598
AirTac International Group	39,500	857,743	738,347
Amano Corp.	22,800	782,713	708,775
Cargotec Corp., Class 'B'	11,180	810,713	743,891
Daifuku Co. Ltd.	21,800	1,700,300	1,256,751
DAIHEN Corp.	75,100	819,404	594,798
Duerr AG	10,800	848,733	659,745
FANUC Corp.	4,900	1,604,196	1,280,328
Fuji Corp.	33,900	874,817	799,434
Harmonic Drive Systems Inc.	23,500	1,859,842	1,308,713
Hexagon AB, Series 'B'	10,640	768,066	780,076
Hiwin Technologies Corp.	95,600	1,522,332	1,484,002
Isra Vision AG	12,300	751,709	993,275
Kardex AG	4,340	699,729	791,626
KION Group AG	7,280	813,035	688,926
Krones AG	9,620	1,635,866	1,634,938
Mitsubishi Electric Corp.	40,100	869,941	702,090
Nabtesco Corp.	32,000	1,706,100	1,295,711
Nachi-Fujikoshi Corp.	10,810	875,239	636,023
OPTEX GROUP Co. Ltd.	23,900	846,729	879,758
Renishaw PLC	9,400	833,159	864,382
Schneider Electric SE	7,300	794,972	800,426
Siemens AG, Registered	4,880	849,980	848,245
SMC Corp.	1,500	825,676	723,672
THK Co. Ltd.	15,000	769,464	565,508
Toshiba Machine Co. Ltd.	79,600	734,101	500,003
Yushin Precision Equipment Co. Ltd.	16,000	321,550	244,323
		28,215,504	24,622,057
Information Technology (16.67%)			
Advantech Co. Ltd.	86,300	797,198	747,965
Basler AG	980	291,158	249,152
Dassault Systèmes SA	4,760	737,149	876,934
Delta Electronics Inc.	138,600	818,721	654,412
Hollysys Automation Technologies Ltd.	42,140	1,352,493	1,226,542
Jenoptik AG	18,440	839,164	950,649
Keyence Corp.	2,000	1,554,129	1,485,698
Koh Young Technology Inc.	8,400	900,359	1,010,670
Omron Corp.	22,000	1,694,326	1,350,569
SLM Solutions Group AG	8,120	498,874	407,645
Stratasys Ltd.	28,500	781,391	717,129
TOPCON CORP.	29,800	843,731	672,316
u-blox Holding AG	2,800	738,366	731,892
YASKAWA Electric Corp.	27,100	1,652,759	1,259,809
Yokogawa Electric Corp.	32,900	832,406	770,383
		14,332,224	13,111,765

Schedule of Investments (unaudited) (continued)

As at June 30, 2018

Security	Shares/ Contracts	Average Cost	Fair Value
Health Care (5.27%)			
Elekta AB, Class 'B'	60,360	720,321	1,045,420
Mazor Robotics Ltd.	35,140	1,391,893	1,275,440
QIAGEN NV	18,560	777,177	882,300
Tecan Group AG	2,960	795,885	947,005
		3,685,276	4,150,165
Consumer Discretionary (1.71%)			
DENSO Corp.	11,700	872,927	751,878
GEA Group AG	13,400	786,552	594,334
		1,659,479	1,346,212
TOTAL GLOBAL EQUITIES		47,892,483	43,230,199
U.S. EQUITIES (42.87%)			
Information Technology (22.87%)			
3D Systems Corp.	53,180	720,710	965,500
Ambarella Inc.	11,760	772,341	596,922
Autodesk Inc.	4,580	701,640	789,306
Brooks Automation Inc.	22,120	768,190	948,591
Cadence Design Systems Inc.	16,140	844,717	918,971
Cognex Corp.	22,540	1,696,637	1,321,893
FARO Technologies Inc.	12,900	907,672	921,721
Flir Systems Inc.	12,420	783,168	848,564
IPG Photonics Corp.	5,030	1,568,167	1,458,958
Manhattan Associates Inc.	14,060	816,410	868,932
Microchip Technology Inc.	6,500	752,090	777,188
National Instruments Corp.	12,140	733,867	669,995
Nuance Communications Inc.	36,440	758,524	665,173
NVIDIA Corp.	2,540	746,572	791,059
PTC Inc.	7,890	725,451	973,052
QUALCOMM Inc.	10,200	833,117	752,537
Teradyne Inc.	12,980	731,903	649,632
Trimble Inc.	16,200	829,294	699,404
Xilinx Inc.	8,380	761,326	718,954
Zebra Technologies Corp., Class 'A'	8,780	1,410,166	1,653,481
		17,861,962	17,989,833
Industrials (9.78%)			
Aerovironment Inc.	16,720	1,059,497	1,570,099
Deere & Co.	3,780	761,308	694,719
ExOne Co. (The)	7,460	90,363	69,436
John Bean Technologies Corp.	5,430	781,644	634,617
Lincoln Electric Holdings Inc.	6,740	787,415	777,619
Nordson Corp.	4,540	795,527	766,416
Raven Industries Inc.	16,820	774,837	850,222
Rockwell Automation Inc.	6,730	1,601,676	1,470,736
Teledyne Technologies Inc.	3,300	787,966	863,591
		7,440,233	7,697,455

Schedule of Investments (unaudited) (continued)

As at June 30, 2018

Security	Shares/ Contracts	Average Cost	Fair Value
Energy (4.19%)			
Helix Energy Solutions Group Inc.	99,360	873,305	1,088,095
Oceaneering International Inc.	65,880	1,662,497	2,205,068
		<u>2,535,802</u>	<u>3,293,163</u>
Health Care (3.71%)			
Accuray Inc.	64,380	427,996	347,012
Intuitive Surgical Inc.	2,890	1,540,712	1,817,908
Varian Medical Systems Inc.	5,050	752,127	754,985
		<u>2,720,835</u>	<u>2,919,905</u>
Consumer Discretionary (2.32%)			
iRobot Corp.	18,320	1,696,749	1,824,874
		<u>32,255,581</u>	<u>33,725,230</u>
TOTAL U.S. EQUITIES			
CANADIAN EQUITIES (3.43%)			
Information Technology (2.26%)			
Maxar Technologies Ltd.	13,220	882,099	872,520
Novanta Inc.	11,060	770,808	905,844
		<u>1,652,907</u>	<u>1,778,364</u>
Industrials (1.17%)			
ATS Automation Tooling Systems Inc.	47,040	797,263	919,162
		<u>2,450,170</u>	<u>2,697,526</u>
TOTAL CANADIAN EQUITIES			
DERIVATIVES (-1.44%)			
Currency Forwards (-1.44%)			
Currency forward contract to buy US\$5,400,000 for C\$7,150,400 maturing July 12, 2018		-	(52,298)
Currency forward contract to buy C\$83,698,650 for US\$64,500,000 maturing July 12, 2018		-	(1,084,235)
		<u>-</u>	<u>(1,136,533)</u>
TOTAL DERIVATIVES			
		<u>-</u>	<u>(1,136,533)</u>
Transaction Costs		(10,365)	
		<u>\$ 82,587,869</u>	<u>\$ 78,516,422</u>
TOTAL INVESTMENT PORTFOLIO (99.81%)			
Cash and cash equivalents (0.24%)			185,447
Other assets less liabilities (-0.05%)			(33,641)
TOTAL NET ASSETS (100.00%)			
			<u>\$ 78,668,228</u>

(See accompanying notes to financial statements)

Notes to Financial Statements (unaudited)

June 30, 2018

1. REPORTING ENTITY

Horizons Robotics and Automation Index ETF ("RBOT" 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 28, 2017. The address of the ETF's registered office is: c/o Horizons ETFs Management (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 A units which trade on the Toronto Stock Exchange ("TSX") in Canadian dollars ("C\$ units") and in U.S. dollars ("US\$ units"). The C\$ units and US\$ units trade on the TSX under the symbols RBOT and RBOT.U, respectively. 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.

Prior to July 4, 2018, the ETF sought to replicate, to the extent possible, the performance of the ROBO Global® Robotics and Automation Index (the "Former Underlying Index", Bloomberg ticker: ROBOTR), net of expenses. The Former Underlying Index was designed to provide exposure to the performance of equity securities of robotics-related and/or automation-related companies. The ETF sought to hedge its U.S. currency exposure to the Canadian dollar at all times.

On June 8, 2018, a meeting of unitholders of the ETF overwhelmingly approved a proposed change to the ETF's investment objective to change the underlying index of the ETF. Beginning July 4, 2018, the ETF now seeks to replicate, to the extent possible, the performance of the Indxx Global Robotics & Artificial Intelligence Thematic Index (the "New Underlying Index", Bloomberg ticker: IBOTZ), net of expenses. The New Underlying Index is designed to provide exposure to the performance of equity securities of companies that are involved in the development of robotics and/or artificial intelligence. The ETF continues to seek to hedge the U.S. dollar value of its portfolio to the Canadian dollar at all times. Concurrent with the change in investment objective, the ETF began trading under new ticker symbols on the Toronto Stock Exchange (the "TSX") in Canadian dollars and in U.S. dollars under the symbols RBOT and RBOT.U, respectively.

Horizons ETFs Management (Canada) Inc. ("Horizons Management" or the "Manager", the "Investment Manager", or the "Trustee") is the manager, investment manager and trustee of the ETF. The Investment 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"). 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 15, 2018, 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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

(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.

(a) Financial instruments***(i) Recognition, initial measurement and classification***

For fiscal years beginning January 1, 2018, IFRS 9, Financial Instruments ("IFRS 9") has replaced International Accounting Standard 39, Financial Instruments – Recognition and Measurement ("IAS 39"). IFRS 9 introduces new classification and measurement requirements for financial instruments, including impairment on financial assets and hedge accounting.

This new 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"). It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities

There were no changes to the measurement basis of the ETF's financial instruments as a result of adopting IFRS 9, and consequently, there was no impact to net assets.

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 are classified as loans and receivables
- Financial liabilities mandatorily 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 are classified as 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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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.

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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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 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. The ETF does not amortize premiums paid or discounts received on the purchase of fixed income securities. The ETF does not use the effective interest method. Dividend income, if any, is recognized on the ex-dividend date. Distribution income from investments in other funds or ETFs, if any, 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, if any, 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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

(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 Valuation Date. Amounts received on the issuance of units and amounts paid on the redemption of units are included in the statement of changes in financial position.

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

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

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

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

(i) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, fees incurred in conjunction with the ETF's total return swap agreements, levies by regulatory agencies and securities exchanges, and 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 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, 2018

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 an analysis of how they are managed 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. As at June 30, 2018, and December 31, 2017, 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 and other investments with less than one year to maturity invested at short-term market rates since those securities are usually held to maturity and are short term in nature. As at June 30, 2018, and December 31, 2017, the ETF did not hold any long-term debt instruments to which it would have interest rate risk exposure.

(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 ETF is subject to other market risks that will affect the value of its investments, including general economic and market conditions, as well as developments that impact specific economic sectors, industries or companies. The ETF will normally lose value on days when the securities comprising the Underlying Index declines. The ETF intends to remain fully invested regardless of market conditions.

For the six-month period ended June 30, 2018, the ETF's Canadian dollar-traded units returned -3.85%, when including distributions paid to unitholders. This compares to a return of -2.60% for the Former Underlying Index for the same period in U.S. dollar terms, on a total return basis. By comparison, the New Underlying Index returned -5.96% for the period in U.S. dollar terms, on a total return basis. The ETF seeks to hedge the U.S. dollar value of its portfolio to the Canadian dollar at all times. The difference in performance between the ETF and the Former Underlying Index is due to expenses payable by the ETF, which include management fees plus applicable sales taxes, as well as the potential for tracking error arising from the physical index replication risk detailed in the ETF's prospectus.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

(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 market value of debt instruments and derivatives, includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit exposure of the ETF. As at June 30, 2018, and December 31, 2017, due to the nature of its portfolio investments, the ETF did not have any material credit 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 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. All financial liabilities are generally 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, 2018

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, 2018, and December 31, 2017, in valuing the ETF's investments and derivatives carried at fair value:

	June 30, 2018			December 31, 2017		
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Financial Assets						
Equities	79,652,955	–	–	17,766,746	–	–
Currency Forward Contracts	–	24,839	–	–	341,427	–
Total Financial Assets	79,652,955	24,839	–	17,766,746	341,427	–
Financial Liabilities						
Currency Forward Contracts	–	(1,161,372)	–	–	–	–
Total Financial Liabilities	–	(1,161,372)	–	–	–	–
Net Financial Assets and Liabilities	79,652,955	(1,136,533)	–	17,766,746	341,427	–

There were no 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 periods ended June 30, 2018, and December 31, 2017.

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.

As at June 30, 2018, and December 31, 2017, the ETF was not participating in any securities lending transactions. The ETF did not earn any income from securities lending transactions for the period ended June 30, 2018.

8. REDEEMABLE UNITS

The ETF is authorized to issue an unlimited number of redeemable, transferable Class A 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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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 trading day, which is defined as the day that a net asset value of the ETF is being struck, 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. Holders of US\$ units of RBOT may request that their redemption proceeds be paid in U.S. or Canadian dollars.

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 all of its income (including net realized capital gains) that it has earned in the year to such an extent that the ETF will not be liable for ordinary income tax thereon. The ETF is not expected to make regular taxable cash distributions. Cash distributions, if any, to unitholders of the ETF of income earned on cash and cash equivalents or the ETF's derivatives activity, net of fees and expenses, will be made at the discretion of the Manager. Under the distribution reinvestment plan, the amount actually distributed by the ETF will be paid as a "reinvested distribution", whereby the cash distributions will be used to acquire additional units of the ETF to be credited to the account of the unitholder. Distributions paid to holders of redeemable units, if any, are recognized in the statement 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, 2018, 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
2018	750,001	2,725,000	(100,001)	3,375,000	2,532,874

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, including, but not limited to, investment managers, counterparties, custodians, registrars, transfer agents, valuation agents, designated brokers, dealers, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the ETF; ensuring the maintenance of accounting records for the ETF; preparing the reports to unitholders of the ETF and to the applicable securities regulatory authorities; calculating the amount and determining the frequency of distributions by the ETF; preparing financial statements,

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

income tax returns and financial and accounting information as required by the ETF; ensuring that unitholders of the ETF 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 such ETF under applicable securities laws; administering purchases, redemptions and other transactions in units of the ETF; and dealing and communicating with unitholders of the ETFs. 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 strategy of the ETF to ensure that the ETF complies with its investment objective, 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's units, calculated and accrued daily and payable monthly in arrears. 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: management fees, 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 tax; 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 for the period ended June 30, 2018, were as follows:

Period Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
June 30, 2018	\$13,739	\$nil	\$nil

In addition to the information contained in the table above, the management fees paid to the Manager described in note 9 are related party transactions, as the Manager is considered to be a related party to the ETF. Fees paid to the Independent Review Committee are also considered to be related party transactions. Both the management fees and fees paid to the Independent Review Committee are disclosed in the statement of comprehensive income. The management fees payable by the ETF as at June 30, 2018, and December 31, 2017, are disclosed in the statements of financial position.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

11. INCOME TAX

The ETF has qualified as a mutual fund trust under the *Income Tax Act* (Canada) 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, 2017, the ETF had net capital losses and/or non-capital losses, with the year of expiry of the non-capital losses as follows:

Net Capital Losses	Non-Capital Losses	Year of Expiry of the Non-Capital Losses
\$27,094	\$8,129	2037

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, 2018, and December 31, 2017. The "Net" column displays what the net impact would be on the ETF's statement of financial position if all amounts were set-off.

Financial Assets and Liabilities as at June 30, 2018	Amounts Offset (\$)			Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Derivative assets	24,839	–	24,839	(24,839)	–	–
Derivative liabilities	(1,161,372)	–	(1,161,372)	24,839	–	(1,136,533)

Financial Assets and Liabilities as at December 31, 2017	Amounts Offset (\$)			Amounts Not Offset (\$)		Net (\$)
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Derivative assets	341,427	–	341,427	–	–	341,427
Derivative liabilities	–	–	–	–	–	–

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

14. COMPARATIVE FINANCIAL STATEMENTS

Certain information in the comparative financial statements and/or notes to the financial statements for 2017 has been reclassified to conform to the financial statement presentation adopted for 2018.

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