Annual Report | December 31, 2017

HFY

HAMILTON CAPITAL GLOBAL FINANCIALS YIELD ETF

Hamilton Capital Global Financials Yield ETF

(HFY, HFY.U:TSX)

Hamilton Capital

Specialists in Financial Services

www.hamilton-capital.com

Contents

MANAGEMENT REPORT OF FUND PERFORMANCE

This annual management report of fund performance for Hamilton Capital Global Financials Yield ETF ("HFY" or the "ETF") contains financial highlights and is included with the audited annual financial statements for the investment fund. You may request a copy of the 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 Capital" or the "Manager"), at 55 York Street, Suite 1202, Toronto, Ontario, M5J 1R7, by visiting our website at www.hamilton-capital.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

The investment objective of HFY is to seek long-term returns from an actively managed portfolio consisting of regular dividend and distribution income with modest long-term capital growth by investing in global financial services companies, including but not limited to, commercial and investment banks, insurance companies, brokerages, asset managers, exchanges, real estate investment trusts and other investment companies. The ETF invests primarily in equity and equity related securities of financial companies located anywhere around the globe.

HFY seeks to achieve its investment objective through the selection of financial services companies located around the globe that, in the view of Hamilton Capital, as the ETF's portfolio adviser (the "Portfolio Adviser"), have good long-term prospects of increasing dividends and distribution payments. To determine those companies that fit these criteria, the Portfolio Adviser applies specialized analysis and expertise, reviewing a company's individual attributes such as its own yield, valuation and growths prospects, as well as its macro environment, including, but not limited to, GDP growth, inflation and interest trends, fiscal and monetary policies, and regulatory trends.

At any time, it is anticipated that the ETF's portfolio will be made up of between approximately 50 and 80 issuers. Such investments will be diversified by country and by sub-sector. HFY primarily invests in equity securities listed on major global exchanges, including 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.

Management Discussion of Fund Performance (continued)

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.hamilton-capital.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 assurance of meeting investment objective
- Market risk
- Specific issuer risk
- Equity risk
- Short selling risk
- Legal and regulatory risk
- Investing outside of North America
- Performance of banks and financial institutions
- Changes in the regulatory environment in global financial services sector
- Foreign stock exchange risk
- Foreign markets risk
- Currency price fluctuations
- Currency exposure risk
- Real estate investment trust (REIT) investment risk
- Emerging markets 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
- Small capitalization risk
- Liquidity risk
- Tax risk
- Securities lending, repurchase and reverse repurchase transaction risk
- Fund of funds investment risk
- Exchange-traded funds (ETF) risk
- Loss of limited liability
- Absence of an active market and lack of operating history
- No guaranteed return

Results of Operations

For the period from when the ETF effectively began operations on February 6, 2017 to December 31, 2017, the Canadian dollar ("Cdn$ units") Class E units of the ETF returned 7.63%, when including distributions paid to unitholders. By comparison, the KBW Financial Sector Dividend Yield Total Return Index (the "Index") and the MSCI World Index returned 2.00% and 13.76%, respectively, for the same period in Canadian dollar terms (6.79% and 19.10%, respectively, in U.S. dollars), both on a total return basis.

In addition, Class E units of the ETF began trading in U.S. dollar terms ("US$ units") on August 15, 2017. For the period from when they began trading until December 31, 2017, US$ units of the ETF returned 3.35%, including distributions

Management Discussion of Fund Performance (continued)

paid to unitholders. The Index and the MSCI World Index returned 1.37% and 6.85%, respectively, for the same period on a total return basis in Canadian dollars (2.81% and 8.38%, respectively, in U.S. dollars). Class E US$ units are not a separate class of units of the ETF, but rather, represent the U.S. dollar value of the Class E Cdn$ units at the current day's Canada/U.S. exchange rate.

The KBW Financial Sector Dividend Yield Total Return Index is a dividend yield weighted index with 40 liquid, high dividend yielding financial services stocks in the United States.

The MSCI World Index is a broad market equity index with more than 1,000 positions, capturing large and mid-cap representation from 23 developed markets around the globe.

Global Market/Financial Services Sector Review

The renewed optimism for improving economic growth prospects that carried global financial services stocks higher in early 2017 tempered mid-year as the new U.S. Administration's plans to enact significant pro-growth, regulatory and tax reform proved harder to push through the U.S. Congress. Correspondingly, global financial services stocks as a group paused mid-year, with some exceptions, as the market awaited clarity. This pause proved to be just that, with a focus on tax-reform and continuing strong economic growth re-invigorating demand for U.S. financial stocks in the latter part of the year. Although global financial stocks also benefited from improving economic data, Australian and European financials contended with regulatory and political uncertainty in the second half of the year (more below).

The U.S. Federal Reserve ("Fed") continued its path toward monetary policy normalization, raising rates three times in 2017 and implied expectations for another three increases in 2018 (these rate increases tend to be supportive of interest-sensitive financials). Market expectations that many central banks around the globe may be able to join the Fed in raising rates in the near term initially built and then moderated during the year, due no small part to dovish comments from central bankers, including the European Central Bank (the "ECB"), the Reserve Bank of Australia and the Bank of Japan.

The first half of 2017 generally saw a more benign political backdrop and reduction in political risk, which was largely supportive of stock performance, particularly in Europe. However, a separatist movement in Spain's Catalonia region, German political parties still negotiating for a coalition government four months after their national election and a date set for Italy's election (March 2018) saw a rise in political uncertainty in Europe in late 2017. Arguably, the most unexpected political event of the year was the snap election in the U.K. that culminated in the ruling Conservatives losing their majority. Although this was initially viewed as possibly positive for U.K. financials with European operations, a "hard Brexit" remains a possibility with Brexit negotiations continuing at a slow pace.

Portfolio Review

The ETF launched in early February after several strong months for the financials. Over time, the ETF's portfolio is expected to have between 50 and 80 positions in financial services companies from around the world. With an emphasis on selecting companies with attractive yields and/or good long-term prospects of increasing dividends and distribution payments, the ETF's geographic mix tends to skew toward more developed markets. Specifically, the ETF's portfolio ended the year largely represented by financial services companies in the U.S. (~45%) and Europe (~35%), with smaller exposures in Australia and Canada (~5%, each). The shift to more U.S. and Europe (up from approximately 35-40% and 30%, respectively), and less Australia and Canada was largely completed in the fourth quarter, owing to changes in the Manager's conviction of Australia (more below) and to allocate more assets to positions with higher consensus earnings per share growth in 2018/2019.

Management Discussion of Fund Performance (continued)

In addition to its geographic diversity, the ETF benefits from diversification within the financial services sector. The ETF's mix within the sub-sectors has been fairly consistent since launch with approximately 35-40% of net asset value ("NAV") invested in deposit-taking institutions, approximately 20-30% in each of capital markets (including business development corporations) and insurance, and roughly 5%-15% in real estate investment trusts ("REITs"). That said, increased confidence in the U.S.'s ability to implement tax and regulatory reform resulted in a reduction in the ETF's exposure to REITs (closer to 5%). The Manager continues to use REITs in its construction of the ETF's portfolio when deemed appropriate to augment the ETF's distribution and help mitigate volatility (owing to the group being less correlated to other financial services stocks).

The ETF's European positions, with some exceptions, benefited in 2017 from improved sentiment after several years of relative underperformance. The combination of rising inflation and economic growth was beneficial, although pockets of political uncertainty and the proposition of a tougher stance on non-performing loans by the ECB late in the year did weigh on some holdings. Notwithstanding the added uncertainty in the U.K., the ETF's British positions were also generally resilient and posted good gains in aggregate. To mitigate the impact of possible volatility in these holdings, the Manager chose not to hedge the CAD/GBP exposure (see more below) during the period.

In the U.S., the strong positive sentiment for financial services stocks that started the year moderated in absence of Congress's ability to move forward specific legislation supportive of the sector. However, sentiment picked up in last few months of 2017, as strong economic data (payrolls, GDP, etc.) was augmented by expectations for, and ultimately the completion of, substantive tax reform. With some exceptions (including reinsurers with off-shore operations), corporate tax reform is viewed as broadly positive for the sector; it is anticipated to spur broader economic activity as well as increase bottom-line earnings for the companies themselves. The Manager expects a positive sentiment bias for the sector to continue (at least through the medium-term) on progress toward a less burdensome regulatory environment, as well as the continued normalization of monetary policy.

The ETF's exposure to Australian financial services companies was reduced in the latter part of the year, following the announcement of a Royal Commission on the sector. The introduction of the Royal Commission reduced, in the Manager's opinion, the chance for a near-term recovery in price-to-earnings multiples and/or a closing of the valuation gap with other Australian stocks. So while Manager believes the Australian banks in particular are broadly high quality stocks offering very attractive yields, it will wait to see how the regulatory situation evolves before raising the ETF's exposure Australian again. The ETF's exposure to Canada was also reduced in the latter part of the year, largely on expectations for slower growth relative to other parts of the globe, including India, exposure to which was introduced at the time of the other allocation shifts.

The Manager may, at its discretion, hedge some or all of the ETF's non-Canadian dollar currency exposure. Currently, the ETF hedges much of its currency risk (approximately 65%). Currency hedging had the positive impact of muting the ETF's impact of appreciation in the Canadian dollar relative to the U.S. and the Australian dollars, although was negative against the euro. Overall, currency hedging was a net positive for the ETF in 2017. As mentioned above, the Manager chose not hedge the British pound sterling in 2017, owing to the considerable decline in the currency since the U.K. voted to leave the European Union in June 2016.

Outlook

The global financials broadly enter 2018 with positive sentiment on expectations for continued global growth. That said, the Manager believes that certain regions do stand to outperform others. In particular, the Manager believes U.S. financials have several earnings tailwinds from which to benefit, including reduced taxes, a rising rate environment, strong GDP growth as well as expectations for formal regulatory reform. Similarly, the Manager expects European financials to outperform, as economic activity continues to improve, although there are chances of volatility associated with political

Management Discussion of Fund Performance (continued)

or regulatory events. The Manager believes its strategy of selecting financial services companies with attractive yields that are supported by resilient and/or improving growth outlooks provides the ETF with a favourable combination of risk/return profile with income potential.

For additional comments on the global financials, please see the Insights section of the Manager's website: www.hamilton-capital.com/insights.

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

For the period from when the ETF effectively began operations on February 6, 2017, to December 31, 2017, the ETF generated gross comprehensive income (loss) from investments and derivatives of $1,156,787. The ETF incurred management, operating and transaction expenses of $432,309 Of these expenses, the Manager either paid or absorbed $95,438 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 $825,128 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

There are no recent industry, management or ETF related developments that are pertinent to the present and future of the ETF.

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.

Other Related Parties

One or more registered dealers acts or may act as a designated broker, a dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest which investors should consider in relation to an investment in the ETF. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of units. The designated broker, as market maker of the ETF in the secondary market, may therefore have economic interests which differ from and may be adverse to those of unitholders.

Management Discussion of Fund Performance (continued)

Any such registered dealer and its affiliates may, at present or in the future, engage in business with the ETF, the issuers of securities making up the investment portfolio of the ETF, or with the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered dealer and its affiliates, and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

No designated broker or dealer was involved in the preparation of the ETF's prospectus or performed any review of the contents of the prospectus. The designated brokers and dealers do not act as underwriters of the ETF in connection with the distribution by the ETF of units under the prospectus. Units do not represent an interest or an obligation of any designated broker, any dealer or any affiliate thereof, and a unitholder does not have any recourse against any such parties in respect of amounts payable by the ETF to such designated brokers or dealers.

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 its inception on January 15, 2016. This information is derived from the ETF's audited annual financial statements. Please see the front page for information on how you may obtain the annual or interim financial statements.

The ETF's Net Assets per Unit

Class E

Year (1)		**2017**	**2016**
Net assets, beginning of year	$	16.00	16.00
Increase from operations:			
Total revenue		0.85	–
Total expenses		(0.34)	–
Realized gains for the year		0.31	–
Unrealized gains for the year		0.02	–
Total increase from operations (2)		0.84	–
Distributions:			
From net investment income (excluding dividends)		(0.38)	–
From dividends		(0.03)	–
From net realized capital gains		(0.11)	–
From return of capital		(0.20)	–
Total annual distributions (3)		(0.72)	–
Net assets, end of year (C$ units) (4)	$	16.49	16.00
Net assets, end of year (US$ units) (1)(4)	$	13.12	–

1. This information is derived from the ETF's audited annual financial statements as at December 31 of the year or period shown. The inception date of the ETF is January 15, 2016. However, the ETF only effectively began operations on February 6, 2017. Class E unit of the ETF began trading in U.S.dollars on August 15, 2017. 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. The characteristics of distributions, if any, are determined subsequent to the end of the ETF's tax year. Until such time, distributions are classified as from net investment income (excluding dividends) for reporting purposes.
4. The Financial Highlights are not intended to act as a continuity of the opening and closing net assets per unit.

Financial Highlights (continued)

Ratios and Supplemental Data

Class E

Year (1)		**2017**	**2016**
Total net asset value (000's)	$	27,975	150
Number of units outstanding (000's)		1,697	9
Management expense ratio (2)		1.03%	–
Management expense ratio before waivers and absorptions (3)		1.68%	–
Trading expense ratio (4)		0.68%	–
Portfolio turnover rate (5)		61.04%	–
Net asset value per unit, end of year (C$ units)	$	16.49	16.00
Closing market price (C$ units)	$	16.55	–
Net asset value per unit, end of year (US$ units)	$	13.12	–
Closing market price (US$ units)	$	13.15	–

1. This information is provided as at December 31 of the year or period shown. The inception date of the ETF is January 15, 2016. However, the ETF only effectively began operations on February 6, 2017. Class E unit of the ETF began trading in U.S.dollars on August 15, 2017. 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 their management fees, 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 0.85%, 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 which are waived or absorbed by the Manager are paid out of the management fees received by the Manager.

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

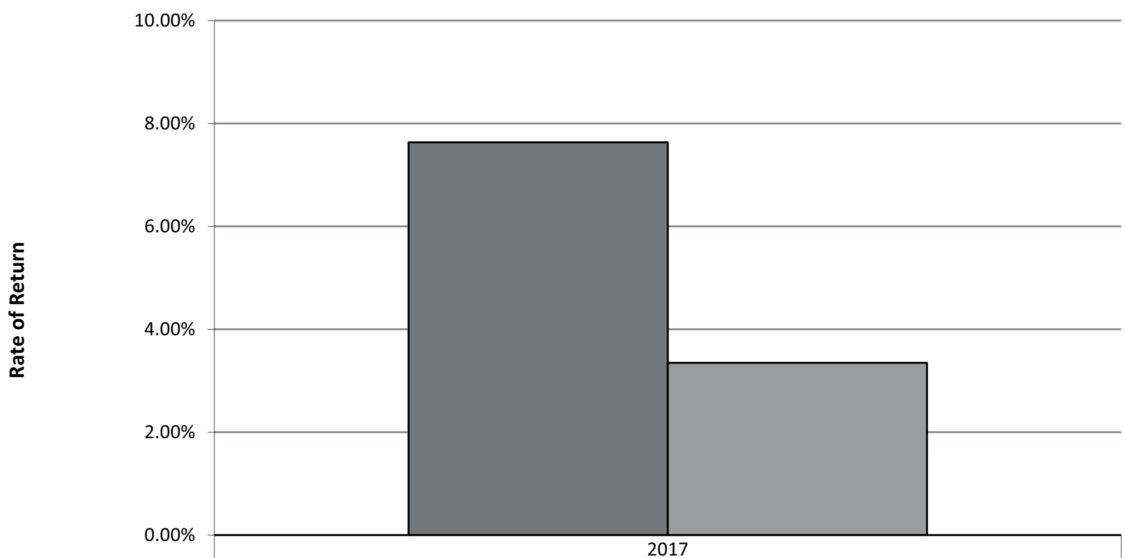
Marketing	Portfolio management fees, general administrative costs and profit	Waived/absorbed expenses of the ETF
20%	10%	70%

Past Performance

Sales commissions, management fees and expenses 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 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 period shown. 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.



	2017
HFY	7.63%
HFY.U	3.35%

The ETF effectively began operations on February 6, 2017. Class E units of the ETF began trading in U.S. dollars on August 15, 2017.

Past Performance (continued)

Annual Compound Returns

The following table presents the ETF's total return for the period since it effectively began operations on February 6, 2017 to December 31, 2017 along with a comparable market index. The table is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the ETF or future returns on investments in the ETF.

	HFY Return %	HFY.U Return %	KBW Financial Sector Dividend Yield Total Return Index (CAD) Return %	KBW Financial Sector Dividend Yield Total Return Index (USD) Return %	MSCI World Index (CAD) Return %	MSCI World Index (USD) Return %
Since Inception:						
C$ units	7.63%		2.00%	6.79%	13.76%	19.10%
US$ units		3.35%	1.37%	2.81%	6.85%	8.38%

The ETF effectively began operations on February 6, 2017. Class E units of the ETF began trading in U.S. dollars on August 15, 2017.

Summary of Investment Portfolio

As at December 31, 2017

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
Global Equities	$ 14,777,920	52.82%
U.S. Equities	11,670,233	41.72%
Canadian Equities	1,188,347	4.25%
Currency Forward Hedge*	38,433	0.14%
Cash and Cash Equivalents	605,336	2.16%
Other Assets less Liabilities	(304,841)	-1.09%
	$ 27,975,428	**100.00%**

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Financials	$ 27,636,500	98.79%
Currency Forward Hedge*	38,433	0.14%
Cash and Cash Equivalents	605,336	2.16%
Other Assets less Liabilities	(304,841)	-1.09%
	$ 27,975,428	**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 December 31, 2017

Top 25 Holdings	% of ETF's Net Asset Value
Ares Capital Corp.	3.29%
PacWest Bancorp	2.99%
Natixis SA	2.66%
F.N.B. Corp.	2.64%
Ageas NV	2.63%
Zurich Insurance Group AG	2.61%
Aviva PLC	2.61%
ICICI Bank Ltd., ADR	2.54%
AllianceBernstein Holding L.P.	2.54%
HDFC Bank Ltd., ADR	2.47%
Hercules Capital Inc.	2.43%
Flow Traders	2.43%
James River Group Holdings Ltd.	2.39%
Umpqua Holdings Corp.	2.37%
Credit Suisse Group AG	2.33%
Blackstone Group L.P. (The)	2.29%
Intesa Sanpaolo SPA	2.26%
Nordea Bank AB	2.21%
Societe Generale SA	2.13%
Apollo Global Management LLC	1.99%
Barclays PLC	1.95%
IBERIABANK Corp.	1.95%
SunTrust Banks Inc.	1.94%
Azimut Holding SPA	1.89%
HSBC Holdings PLC	1.87%

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.hamilton-capital.com or through SEDAR at www.sedar.com.

MANAGER'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying audited annual financial statements of Hamilton Capital Global Financials Yield 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 judgments.

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

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

Robert Wessel	Jennifer Mersereau
Director	Director
Hamilton Capital Partners Inc.	Hamilton Capital Partners Inc.

INDEPENDENT AUDITORS' REPORT

To the Unitholders of Hamilton Capital Global Financials Yield ETF (the "ETF")

We have audited the accompanying financial statements of the ETF, which comprise the statements of financial position as at December 31, 2017 and 2016, the statements of comprehensive income, changes in financial position and cash flows for the year ended December 31, 2017 and for the period from inception on January 15, 2016 to December 31, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the ETF as at December 31, 2017 and 2016, and its financial performance and its cash flows for the year ended December 31, 2017 and for the period from inception on January 15, 2016 to December 31, 2016 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
March 14, 2018
Toronto, Canada

Statements of Financial Position

As at December 31,

		2017		2016
Assets				
Cash and cash equivalents	$	605,336	$	150,000
Investments		27,636,500		–
Amounts receivable relating to accrued income		52,590		–
Derivative assets (note 3)		51,094		–
Total assets		**28,345,520**		**150,000**
Liabilities				
Accrued management fees		21,115		–
Accrued operating expenses		5,422		–
Distribution payable		330,894		–
Derivative liabilities (note 3)		12,661		–
Total liabilities		**370,092**		**–**
Total net assets (note 2)	**$**	**27,975,428**	**$**	**150,000**
Number of redeemable units outstanding (note 9)		1,696,890		9,375
Total net assets per unit (C$ units) (note 1)	$	16.49	$	16.00
Total net assets per unit (US$ units) (note 1)	$	13.12	$	–

(See accompanying notes to financial statements)

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

Robert Wessel
Director

Jennifer Mersereau
Director

Statements of Comprehensive Income

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

		2017		2016
Income				
Dividend income	$	804,300	$	–
Interest income for distribution purposes		34,176		–
Net realized gain on sale of investments and derivatives		308,545		–
Net realized loss on foreign exchange		(7,601)		–
Net change in unrealized appreciation of investments and derivatives		17,345		–
Net change in unrealized appreciation of foreign exchange		22		–
		1,156,787		**–**
Expenses				
Management fees (note 10)		136,207		–
Audit fees		14,195		–
Independent Review Committee fees		6,227		–
Custodial fees		15,636		–
Securityholder reporting costs		24,293		–
Administration fees		48,353		–
Transaction costs		98,707		–
Withholding taxes		88,643		–
Other expenses		48		–
		432,309		**–**
Amounts that were payable by the investment fund that were paid or absorbed by the Manager		(95,438)		–
		336,871		**–**
Increase in net assets for the year	**$**	**819,916**	**$**	**–**
Increase in net assets per unit	$	0.84	$	–

(See accompanying notes to financial statements)

Statements of Changes in Financial Position

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

	2017	2016
Total net assets at the beginning of the year	$ 150,000	$ –
Increase in net assets	819,916	–
Redeemable unit transactions		
Proceeds from the issuance of securities of the investment fund	27,830,375	150,000
Securities issued on reinvestment of distributions	265	–
Distributions:		
From net investment income	(466,218)	–
From net realized capital gains	(132,888)	–
Return of capital	(226,022)	–
Total net assets at the end of the year	**$ 27,975,428**	**$ 150,000**

(See accompanying notes to financial statements)

Statements of Cash Flows

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

	2017	2016
Cash flows from operating activities:		
Increase in net assets for the year	$ 819,916	$ –
Adjustments for:		
Net realized gain on sale of investments and derivatives	(308,545)	–
Net realized gain on currency forward contract	224,731	–
Net change in unrealized appreciation of investments and derivatives	(17,345)	–
Net change in unrealized depreciation of foreign exchange	16	–
Purchase of investments	(37,876,451)	–
Proceeds from the sale of investments	10,302,677	–
Amounts receivable relating to accrued income	(52,590)	–
Accrued expenses	26,537	–
Net cash used in operating activities	**(26,881,054)**	**–**
Cash flows from financing activities:		
Amount received from the issuance of units	27,830,375	150,000
Distributions paid to unitholders	(493,969)	–
Net cash from financing activities	**27,336,406**	**150,000**
Net increase in cash and cash equivalents during the year	455,352	150,000
Effect of exchange rate fluctuations on cash and cash equivalents	(16)	–
Cash and cash equivalents at beginning of year	150,000	–
Cash and cash equivalents at end of year	**$ 605,336**	**$ 150,000**

Interest received, net of withholding taxes	$ 34,176	$ –
Dividends received, net of withholding taxes	$ 663,067	$ –

(See accompanying notes to financial statements)

Schedule of Investments

As at December 31, 2017

Security	Shares/ Contracts	Average Cost	Fair Value
GLOBAL EQUITIES (52.82%)			
United Kingdom (9.32%)			
Aviva PLC	84,800	$ 717,899	$ 728,941
Barclays PLC	158,700	533,860	547,021
HSBC Holdings PLC	40,100	482,913	521,916
Legal & General Group PLC	63,200	268,194	293,139
Standard Life Aberdeen PLC	69,500	463,343	514,975
		2,466,209	2,605,992
France (7.42%)			
Amundi SA	4,800	531,806	511,465
AXA SA	6,000	205,851	223,834
Natixis SA	74,800	680,599	744,122
Societe Generale SA	9,200	648,799	597,342
		2,067,055	2,076,763
Italy (5.96%)			
Azimut Holding SPA	21,900	530,175	527,487
Intesa Sanpaolo SPA	151,600	593,301	633,346
Poste Italiane SPA	53,600	497,339	507,272
		1,620,815	1,668,105
Australia (5.36%)			
Australia and New Zealand Banking Group Ltd.	17,600	520,279	496,099
Bendigo and Adelaide Bank Ltd.	34,000	390,155	389,152
National Australia Bank Ltd.	8,900	280,539	258,113
Westpac Banking Corp. Ltd.	11,600	373,770	356,669
		1,564,743	1,500,033
India (5.01%)			
HDFC Bank Ltd., ADR	5,400	647,087	690,116
ICICI Bank Ltd., ADR	58,200	693,802	711,821
		1,340,889	1,401,937
Switzerland (4.94%)			
Credit Suisse Group AG	29,000	625,668	650,913
Zurich Insurance Group AG	1,910	736,332	730,769
		1,362,000	1,381,682
Bermuda (4.25%)			
James River Group Holdings Ltd.	13,300	686,869	668,891
Lazard Ltd., Class 'A'	7,900	455,958	521,341
		1,142,827	1,190,232
Belgium (2.63%)			
Ageas NV	12,000	751,839	736,882

Schedule of Investments (continued)

As at December 31, 2017

Security	Shares/ Contracts	Average Cost	Fair Value
Netherlands (2.43%)			
Flow Traders	22,500	634,843	678,695
Sweden (2.21%)			
Nordea Bank AB	40,600	637,376	617,778
Austria (1.48%)			
UNIQA Insurance Group AG	31,100	356,479	413,706
Chile (1.01%)			
Banco Santander Chile, ADR	7,200	252,396	283,006
Spain (0.80%)			
Banco Bilbao Vizcaya Argentaria SA	20,800	205,633	223,109
TOTAL GLOBAL EQUITIES		**14,403,104**	**14,777,920**
U.S. EQUITIES (41.72%)			
Financials (41.72%)			
AllianceBernstein Holding L.P.	22,600	673,522	711,625
AmTrust Financial Services Inc.	40,100	501,289	507,585
Apollo Global Management LLC, Class 'A'	13,200	459,200	555,348
Ares Capital Corp.	46,600	1,014,824	920,818
BGC Partners Inc., Class 'A'	12,900	268,179	245,013
Blackstone Group L.P. (The)	15,900	640,681	639,961
Carlyle Group (The)	8,200	173,521	236,040
Compass Diversified Trust	19,100	412,913	406,948
F.N.B. Corp.	42,500	757,780	738,299
Hercules Capital Inc.	41,200	708,365	679,464
IBERIABANK Corp.	5,600	559,609	545,538
Main Street Capital Corp.	7,300	369,216	364,566
MGM Growth Properties LLC	9,900	363,069	362,751
New Mountain Finance Corp.	16,500	322,429	281,034
Omega Healthcare Investors Inc.	11,100	455,873	384,257
Oritani Financial Corp.	12,100	264,625	249,439
PacWest Bancorp	13,200	847,543	836,257
Select Income REIT	11,700	369,449	369,584
Simon Property Group Inc.	1,900	396,275	410,167
SunTrust Banks Inc.	6,700	528,904	543,971

Schedule of Investments (continued)

As at December 31, 2017

Security	Shares/ Contracts	Average Cost	Fair Value
TCP Capital Corp.	14,200	322,669	272,739
TPG Specialty Lending Inc.	15,400	425,016	383,284
Triangle Capital Corp.	30,300	652,740	361,447
Umpqua Holdings Corp.	25,400	724,956	664,098
		12,212,647	11,670,233
TOTAL U.S. EQUITIES		**12,212,647**	**11,670,233**
CANADIAN EQUITIES (4.25%)			
Financials (4.25%)			
Canadian Imperial Bank of Commerce	3,700	393,515	453,398
Power Corp. of Canada	10,100	302,656	326,937
SmartCentres REIT	13,200	406,550	408,012
		1,102,721	1,188,347
TOTAL CANADIAN EQUITIES		**1,102,721**	**1,188,347**
DERIVATIVES (0.14%)			
Currency Forwards (0.14%)			
Currency forward contract to buy C$9,468,750 for US$7,500,000 maturing February 28, 2018		–	48,470
Currency forward contract to buy C$1,472,550 for AU$1,500,000 maturing February 28, 2018		–	2,624
Currency forward contract to buy C$5,733,060 for EUR€3,800,000 maturing February 28, 2018		–	(12,661)
		–	38,433
TOTAL DERIVATIVES		**–**	**38,433**
Transaction Costs		(60,884)	
TOTAL INVESTMENT PORTFOLIO (98.93%)		**$ 27,657,588**	**$ 27,674,933**
Cash and cash equivalents (2.16%)			605,336
Other assets less liabilities (-1.09%)			(304,841)
TOTAL NET ASSETS (100.00%)			**$ 27,975,428**

(See accompanying notes to financial statements)

Notes to Financial Statements

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

1. REPORTING ENTITY

Hamilton Capital Global Financials Yield ETF ("HFY" or the "ETF") is an investment trust established under the laws of the Province of Ontario by Declaration of Trust on January 15, 2016. The ETF effectively began operations on February 6, 2017. 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") and in U.S. dollars ("US$ units") under the symbols HFY and HFY.U, respectively. US$ units are not a separate class of units of the ETF, but rather, represent the U.S. dollar value of the Cdn$ Class E units at the current day's Canada/U.S. exchange rate. 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 HFY is to seek long-term returns from an actively managed portfolio consisting of regular dividend and distribution income with modest long-term capital growth by investing in global financial services companies, including but not limited to, commercial and investment banks, insurance companies, brokerages, asset managers, exchanges, real estate investment trusts and other investment companies. The ETF invests primarily in equity and equity related securities of financial companies located anywhere around the globe.

Hamilton Capital Partners Inc. ("Hamilton Capital" 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"). Any mention of total net assets, net assets, net asset value or increase (decrease) in net assets is referring to net assets or increase (decrease) in net assets attributable to holders of redeemable units as reported under IFRS.

These financial statements were authorized for issue on March 14, 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.

(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 (continued)

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

(a) Financial instruments

(i) Recognition, initial measurement and classification

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

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

- Financial assets at fair value through profit or loss:
  - Held for trading: derivative financial instruments
  - Designated as at fair value through profit or loss: debt securities and equity investments
- Financial assets at amortized cost: All other financial assets are classified as loans and receivables
- Financial liabilities at fair value through profit or loss:
  - Held for trading: derivative financial instruments
- 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.

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 7.

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.

Notes to Financial Statements (continued)

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

(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 statements of comprehensive income. When the forward contracts are closed out or mature, realized gains or losses on forward contracts are recognized and are included in the statements of comprehensive income in net realized gain (loss) on sale of investments and derivatives. The Canadian dollar value of forward foreign exchange contracts is determined using forward currency exchange rates supplied by an independent service provider.

Redeemable units

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

(b) Investment income

Investment transactions are accounted for as of the trade date. Realized gains and losses from investment transactions are calculated on a weighted average cost basis. The difference between fair value and average cost, as recorded in the financial statements, is included in the statements of comprehensive income as part of the net change in unrealized appreciation (depreciation) of investments and derivatives. Interest income for distribution purposes from investments in bonds and short-term investments, 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, if any. The ETF does not use the effective interest method. Dividend income is recognized on the ex-dividend date. Distribution income from investments in other funds or ETFs is recognized when earned.

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

Notes to Financial Statements (continued)

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

Income from securities lending, if any, is included in "Securities lending income" on the statements of comprehensive income and is recognized when earned. Any securities on loan continue to be displayed in the schedule of investments and the market value of the securities loaned and collateral held is determined daily (see note 8).

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

(c) Foreign currency

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

(d) Cost basis

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

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

The increase (decrease) in net assets per unit in the statements of comprehensive income represents the change in net assets attributable to holders of redeemable units from operations divided by the weighted average number of units of the ETF outstanding during the reporting period. For management fees please refer to note 10.

(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.

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

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

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

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

Notes to Financial Statements (continued)

(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 transfer taxes and duties. Transaction costs are expensed and are included in "Transaction costs" in the statements of comprehensive income.

(j) Future accounting changes

The International Accounting Standards Board ("IASB") has issued the following new standards and amendments to existing standards that are not yet effective.

IFRS 9, Financial Instruments ("IFRS 9"):

For fiscal years beginning January 1, 2018, IFRS 9, Financial Instruments will replace International Accounting Standard 39, Financial Instruments – Recognition and Measurement ("IAS 39"). IFRS 9 addresses classification and measurement of financial instruments, impairment on financial assets and hedge accounting.

The 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. Financial assets will be measured at fair value through profit and loss unless certain conditions are met which require measurement at amortized cost or at fair value through other comprehensive income.

The Manager has assessed the impact of this new standard on the ETF's financial statements and determined that it will be not be material. Financial instruments classified as held-for-trading under IAS 39, such as derivatives, will continue to be classified as such under IFRS 9. Financial instruments currently measured at FVTPL under IAS 39 are designated as such because they are managed on a fair value basis in accordance with a documented investment strategy. Accordingly, they will also be required to be measured at FVTPL under IFRS 9. Financial instruments measured at amortized cost, such as cash and cash equivalents and receivables, will continue to be measured at amortized cost under IFRS 9. The classification and measurement of liabilities remains generally unchanged.

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 7 for more information on the fair value measurement of the ETF's financial instruments.

Notes to Financial Statements (continued)

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

5. FINANCIAL INSTRUMENTS RISK

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

Please refer to the most recent prospectus for a complete discussion of the risks attributed to an investment in the units of the ETF. Significant financial instrument risks that are relevant to the ETF and 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. The following table indicates the foreign currencies to which the ETF had significant exposure as at December 31, 2017 (the ETF had no exposure to foreign currencies as at December 31, 2016), 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:

December 31, 2017	Financial Instruments	Currency Forward and/or Futures Contracts	Total	Impact on Net Asset Value
Currency	($000's)	($000's)	($000's)	($000's)
Australian Dollar	1,548	(1,470)	78	1
British Pound	2,607	–	2,607	26
Danish Krone	1	–	1	–
Euro Currency	5,817	(5,746)	71	1
Swedish Krona	621	–	621	6
Swiss Franc	1,384	–	1,384	14
U.S. Dollar	14,655	(9,420)	5,235	52
Total	26,633	(16,636)	9,997	100
As % of Net Asset Value	95.2%	-59.5%	35.7%	0.4%

Notes to Financial Statements (continued)

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

(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 December 31, 2017 and 2016, 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 imposed 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	December 31, 2017	December 31, 2016
MSCI World Index	$190,852	–

(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 by taking collateral.

As at December 31, 2017 and 2016, 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. 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.

Notes to Financial Statements (continued)

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

6. NET CHANGES FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net changes in fair value on financial assets and financial liabilities at fair value through profit or loss presented in the table below are comprised of the following: net realized gain (loss) on sale of investments and derivatives, net change in unrealized appreciation (depreciation) of investments and derivatives, dividend income and interest income for distribution purposes. Their classifications between held for trading and designated at fair value are presented in the following table:

	Net Changes at FVTPL ($)	
Category	**December 31, 2017**	**December 31, 2016**
Financial assets (liabilities) at FVTPL:		
Held for trading	263,164	–
Designated at fair value	893,623	–
Total financial assets (liabilities) at FVTPL	1,156,787	–

7. FAIR VALUE MEASUREMENT

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

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

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The following is a summary of the inputs used as at December 31, 2017, in valuing the ETF's investments and derivatives carried at fair values:

	December 31, 2017		
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**
Financial Assets			
Equities	27,636,500	–	–
Currency Forward Contracts	–	51,094	–
Total Financial Assets	**27,636,500**	**51,094**	**–**
Financial Liabilities			
Currency Forward Contracts	–	(12,661)	–
Total Financial Liabilities	**–**	**(12,661)**	**–**
Net Financial Assets and Liabilities	**27,636,500**	**38,433**	**–**

As at December 31, 2016, the ETF did not hold any investments that were subject to the hierarchy described above, as all of the ETF's assets were held in cash.

Notes to Financial Statements (continued)

For the Year Ended December 31, 2017 and
For the Period from Inception on January 15 to December 31, 2016

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 year or period shown. In addition, there were no investments or transactions classified in Level 3 for the year ended December 31, 2017 and for the period ended December 31, 2016.

8. 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 – *Mutual 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 statements of comprehensive income.

As at December 31, 2017 and 2016, the ETF was not participating in any securities lending transactions. The ETF did not earn any income from securities lending transactions for the year ended December 31, 2017 and for the period ended December 31, 2016.

9. 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 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 9:30 a.m. (Eastern Time) cutoff 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. 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

Notes to Financial Statements (continued)

For the Year Ended December 31, 2017 and
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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 year ended December 31, 2017 and for the period ended December 31, 2016, the number of units issued by subscription, the number of units redeemed, the total and average number of units outstanding was as follows:

Year/Period Ended	Beginning Units Outstanding	Units Issued	Units Redeemed	Ending Units Outstanding	Average Units Outstanding
Dec. 31, 2017	9,375	1,687,515	–	1,696,890	981,453
Dec. 31, 2016	–	9,375	–	9,375	9,375

10. 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.

In consideration for the provision of these services, the Manager receives a monthly management fee at the annual rate of 0.85%, plus applicable sales taxes, of the net asset value of the ETF, calculated and accrued daily and payable monthly in arrears.

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 Deposi-

Notes to Financial Statements (continued)

For the Year Ended December 31, 2017 and
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tory Services Inc. fees; bank related fees and interest charges; extraordinary expenses; unitholder reports and servicing costs; registrar and transfer agent fees; costs of 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.

11. 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 year ended December 31, 2017 and for the period ended December 31, 2016, were as follows:

Year/Period Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
December 31, 2017	$98,707	$14,500	$nil
December 31, 2016	$nil	$nil	$nil

In addition to the information contained in the table above, the management fees paid to the Manager described in note 10 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 statements of comprehensive income. The management fees payable by the ETF as at December 31, 2017 and 2016, 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.

12. INCOME TAX

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

13. TAX LOSSES CARRIED FORWARD

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Non-capital losses carried 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 has no net capital losses or non-capital losses available.

Notes to Financial Statements (continued)

For the Year Ended December 31, 2017 and
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14. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the ETF may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The following table shows financial instruments that may be eligible for offset, if such conditions were to arise, as at 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. As at December 31, 2016, the ETF did not have any financial instruments available for offsetting.

	Amounts Offset ($)			**Amounts Not Offset ($)**		**Net ($)**
Financial Assets and Liabilities as at December 31, 2017	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Derivative assets	51,094	–	51,094	(12,661)	–	38,433
Derivative liabilities	(12,661)	–	(12,661)	12,661	–	–

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HAMILTON CAPITAL GLOBAL FINANCIALS YIELD ETF