Interim Report | June 30, 2018

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

Hamilton Capital
Specialists in Financial Services

Contents

MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance for Hamilton Capital Global Financials Yield ETF ("HFY" or the "ETF") contains financial highlights and is included with the unaudited interim financial statements for the investment fund. You may request a copy of the investment fund's unaudited interim or audited annual financial statements, interim or annual management report of fund performance, current proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosures, at no cost, by calling (416) 941-9888, by writing to Hamilton Capital Partners Inc. ("Hamilton 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 six-month period ended June 30, 2018, the Canadian dollar ("Cdn$ units") Class E units of the ETF returned 1.88%, when including distributions paid to unitholders. The U.S. dollar ("US$ units") Class E units of the ETF returned -2.59%, including distributions paid to unitholders. 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, a dividend yield weighted index with 38 liquid, high dividend yielding financial services stocks in the United States, returned 6.34% during the period that the ETF was active in Canadian dollar terms on a total return basis (and 1.34% in U.S. dollars). The MSCI World Index, a broad market equity index with

Management Discussion of Fund Performance (continued)

more than 1,000 positions, capturing large and mid-cap representation from 23 developed markets around the globe, returned 5.39% for the period in Canadian dollar terms on a total return basis (and 0.43% in U.S. dollars).

Global Market/Financial Services Sector Review

The first half of 2018 ("H1") began with continued optimism around a broad-based global economic recovery driven by a rebound in investment and trade as well as a still benign interest rate environment. That said, global trade policy uncertainty drove market volatility higher in later months, causing sharp declines in global financial stocks that left most major financial indices (including Europe, U.S., Canada, and Japan) in negative territory for the first six months of the year.

Notwithstanding the overarching concerns weighing on stocks, the introduction of the U.S. corporate tax reforms, improving gross domestic product ("GDP") growth, supportive monetary policy, and an improving regulatory backdrop (including the bipartisan passage of the Dodd-Frank rollback bill) set up the U.S. financials for a stronger second half.

In Europe, expectations of monetary policy normalization (generally favourable for financials) were tempered by political uncertainty. While Germany finally established a coalition government (five months after elections), the Italian election ultimately resulted in a political coalition seeking meaningful change to the country's relationship with the European Union. In Canada, concerns around an unfavorable trade agreement with the U.S., its largest trading partner, depressed financial services stocks. The Australian Royal Commission's review of the financial services sector and a slowing housing market continued to weigh on the group.

Emerging market financials were underperformed in H1 on expectations of higher global interest rates, lower liquidity, weakened local currencies and grown political risk.

Portfolio Review

The ETF invests in global financial stocks with strong long-term prospects for earnings growth as well as attractive yields. In H1, the ETF's geographic mix remained primarily weighted to developed markets, with just 5% of NAV in emerging markets. This emphasis helped reduce return volatility in a period of increased volatility for global markets. In addition to its geographic diversity, the ETF benefits from diversification within the financial services sector. Diversification within the more than ten financial sub-sectors has been fairly consistent since the ETF's launch, with approximately 40-50% of NAV invested in deposit-taking institutions, 25-30% in wealth management and others, 10-20% in insurance, and 10% in other financials, which includes business development corporations and real estate investment trusts ("REITs"). The Manager continues to consider REITs a sub-sector of the financials.

The ETF benefited from its combination of geographic and sub-sector diversity, with many of the strongest performers rising largely on company-specific news (including mergers and acquisitions) and despite the less constructive political backdrop in the first half of the year. A favourable operating environment supported by improving GDP growth, a continued increase in the U.S. Federal Reserve's Fed Funds rate, and a trend towards de-regulation, U.S. financials in general (~45% of NAV) outperformed the ETF's other global holdings. In particular, sub-sector allocations to wealth management, U.S. mid-cap banks and business development corporations benefited the ETF in an otherwise difficult period.

In Europe (~35% of NAV), the ETF remains invested in a diverse portfolio of banks, insurers and wealth management stocks which helped dampen the negative impact from political and policy headwinds. Other regions, including Australia, Canada and India were modest negatives for the ETF over the period.

After an extended period of strength in the Canadian dollar, the Manager reduced currency hedges, in particular against the U.S. dollar, which was beneficial to the ETF's returns.

Management Discussion of Fund Performance (continued)

Outlook

While fears of global trade policy-related uncertainty may have dampened market expectations in the near-term, the Manager believes the outlook for global financial stocks remains broadly positive. After a decade of heightened regulation with higher capital and compliance costs reducing returns on capital, the trend toward ever stricter regulation appears to be over, and even reversing (with the most prominent example being the swift passage of the Dodd-Frank rollback bill in the U.S.). With a benign outlook for credit quality as well as significantly strengthened balance sheets, the Manager continues to expect global financials to benefit from monetary policy normalization and higher interest rates.

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

For additional comments on the global financial sector, 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

The six-month period ended June 30, 2018 represents the first full interim reporting period for the ETF. Figures included below for the 2017 reporting period may not offer sufficient information to provide a meaningful period to period comparison.

For the six-month period ended June 30, 2018, the ETF generated gross comprehensive income (loss) from investments and derivatives of $762,553. This compares to $331,526 for the period from when the ETF effectively began operations on February 6, 2017 to June 30, 2017. The ETF incurred management, operating and transaction expenses of $683,272 (2017 - $168,577). Of these expenses, the Manager either paid or absorbed $49,076 (2017 - $53,122) 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 $1,498,696 (2017 - $246,219) 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.

Management Discussion of Fund Performance (continued)

Manager, Trustee and Portfolio Adviser

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

Any management fees paid to the Manager (described in detail on page 8) are related party transactions, as the Manager is considered to be a related party to the ETF. Fees paid to the Independent Review Committee are also considered to be related party transactions. Both the management fees and fees paid to the Independent Review Committee are disclosed in the statements of comprehensive income in the attached financial statements of the ETF. The management fees payable by the ETF as at June 30, 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 its inception on January 15, 2016. 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 annual or interim financial statements.

The ETF's Net Assets per Unit

Class E

Period (1)		**2018**	**2017**	**2016**
Net assets, beginning of period	$	16.49	16.00	16.00
Increase from operations:				
Total revenue		0.49	0.85	–
Total expenses		(0.19)	(0.34)	–
Realized gains (losses) for the period		(0.08)	0.31	–
Unrealized gains (losses) for the period		(0.18)	0.02	–
Total increase from operations (2)		0.04	0.84	–
Distributions:				
From net investment income (excluding dividends)		(0.39)	(0.38)	–
From dividends		–	(0.03)	–
From net realized capital gains		–	(0.11)	–
From return of capital		–	(0.20)	–
Total distributions (3)		(0.39)	(0.72)	–
Net assets, end of period (C$ units) (4)	$	16.41	16.49	16.00
Net assets, end of period (US$ units) (1)(4)	$	12.48	13.12	–

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 of the other years 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 **Period** [1]		**2018**	**2017**	**2016**
Total net asset value (000's)	$	69,289	27,975	150.00
Number of units outstanding (000's)		4,222	1,697	9.00
Management expense ratio [2]		1.20%	1.03%	–
Management expense ratio before waivers and absorptions (3)		1.38%	1.68%	–
Trading expense ratio [4]		0.41%	0.68%	–
Portfolio turnover rate [5]		21.55%	61.04%	–
Net asset value per unit, end of period (C$ units)	$	16.41	16.49	16.00
Closing market price (C$ units)	$	16.40	16.55	–
Net asset value per unit, end of period (US$ units)	$	12.48	13.12	–
Closing market price (US$ units)	$	12.47	13.15	–

1. This information is provided as at June 30, 2018, and December 31 of the other years 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 period.

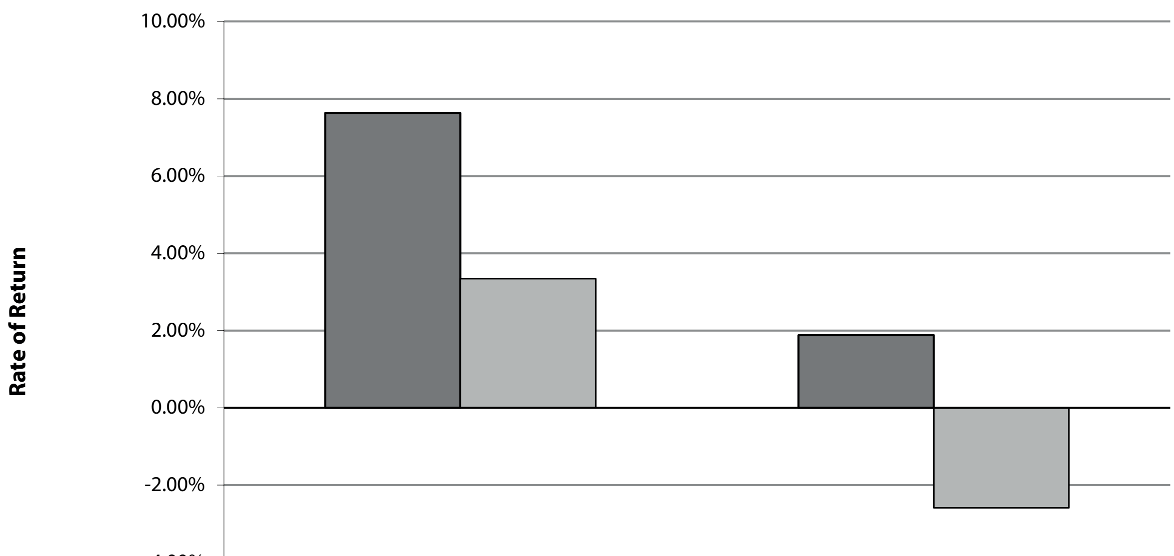
Marketing	Portfolio management fees, general administrative costs and profit	Waived/absorbed expenses of the ETF
12%	69%	19%

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 current interim reporting period and for the annual reporting period for the prior year 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	2018
HFY	7.63%	1.88%
HFY.U	3.35%	-2.59%

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 June 30, 2018

Asset Mix	Net Asset Value	% of ETF's Net Asset Value
Global Equities	$ 34,956,418	50.45%
U.S. Equities	27,002,134	38.97%
Canadian Equities	7,203,857	10.40%
Currency Forward Hedge*	151,383	0.22%
Cash and Cash Equivalents	310,792	0.45%
Other Assets less Liabilities	(335,614)	-0.49%
	$ 69,288,970	**100.00%**

Sector Mix	Net Asset Value	% of ETF's Net Asset Value
Financials	$ 69,162,409	99.82%
Currency Forward Hedge*	151,383	0.22%
Cash and Cash Equivalents	310,792	0.45%
Other Assets less Liabilities	(335,614)	-0.49%
	$ 69,288,970	**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
AllianceBernstein Holding L.P.	3.12%
HDFC Bank Ltd., ADR	2.89%
Ares Capital Corp.	2.85%
Zurich Insurance Group AG	2.54%
F.N.B. Corp.	2.49%
Lazard Ltd.	2.47%
Umpqua Holdings Corp.	2.42%
DBS Group Holdings Ltd.	2.40%
Canadian Imperial Bank of Commerce	2.38%
PacWest Bancorp	2.37%
Bank of Nova Scotia (The)	2.33%
Credit Suisse Group AG	2.33%
Poste Italiane SPA	2.23%
Bank Polska Kasa Opieki SA	2.21%
Deutsche Boerse AG	2.15%
Main Street Capital Corp.	2.09%
Synchrony Financial	2.09%
Hercules Capital Inc.	2.07%
Flow Traders	2.05%
ICICI Bank Ltd., ADR	2.04%
IBERIABANK Corp.	2.01%
Toronto-Dominion Bank (The)	1.96%
Blackstone Group L.P. (The)	1.93%
Royal Bank of Canada	1.90%
Manulife Financial Corp.	1.83%

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 unaudited interim 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.

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

NOTICE TO UNITHOLDERS

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

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

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

Statements of Financial Position (unaudited)

As at June 30, 2018 and December 31, 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 310,792	$ 605,336
Investments	69,162,409	27,636,500
Amounts receivable relating to accrued income	224,671	52,590
Amounts receivable relating to portfolio assets sold	2,083,150	–
Derivative assets (note 3)	151,383	51,094
Total assets	**71,932,405**	**28,345,520**
Liabilities		
Accrued management fees	53,959	21,115
Accrued operating expenses	16,250	5,422
Amounts payable for portfolio assets purchased	1,771,051	–
Distribution payable	802,175	330,894
Derivative liabilities (note 3)	–	12,661
Total liabilities	**2,643,435**	**370,092**
Total net assets (note 2)	**$ 69,288,970**	**$ 27,975,428**
Number of redeemable units outstanding (note 8)	4,221,975	1,696,890
Total net assets per unit (C$ units) (note 1)	$ 16.41	$ 16.49
Total net assets per unit (US$ units) (note 1)	$ 12.48	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 (unaudited)

For the Periods Ended June 30, 2018 and 2017

		2018		2017
Income				
Dividend income	$	1,625,697	$	343,727
Interest income for distribution purposes		112		4,806
Securities lending income (note 7)		2,705		–
Net realized loss on sale of investments and derivatives		(117,376)		(13,902)
Net realized loss on foreign exchange		(141,897)		(24,103)
Net change in unrealized appreciation (depreciation) of investments and derivatives		(608,388)		21,764
Net change in unrealized appreciation (depreciation) of foreign exchange		1,700		(766)
		762,553		**331,526**
Expenses				
Management fees (note 9)		255,818		33,259
Audit fees		22,187		14,195
Independent Review Committee fees		2,793		4,189
Custodial fees		17,878		5,704
Legal fees		38,989		–
Securityholder reporting costs		17,916		7,737
Administration fees		26,377		22,816
Transaction costs		114,922		41,636
Withholding taxes		185,751		39,017
Other expenses		641		24
		683,272		**168,577**
Amounts that were payable by the investment fund that were paid or absorbed by the Manager		(49,076)		(53,122)
		634,196		**115,455**
Increase in net assets for the period	**$**	**128,357**	**$**	**216,071**
Increase in net assets per unit, Class E	$	0.04	$	0.40

(See accompanying notes to financial statements)

Statements of Changes in Financial Position (unaudited)

For the Periods Ended June 30, 2018 and 2017

	2018	2017
Total net assets at the beginning of the period	$ 27,975,428	$ 150,000
Increase in net assets	128,357	216,071
Redeemable unit transactions		
Proceeds from the issuance of securities of the investment fund	42,682,449	16,617,023
Securities issued on reinvestment of distributions	1,432	–
Distributions:		
From net investment income	(1,498,696)	(246,219)
Total net assets at the end of the period	**$ 69,288,970**	**$ 16,736,875**

(See accompanying notes to financial statements)

Statements of Cash Flows (unaudited)

For the Periods Ended June 30, 2018 and 2017

		2018		2017
Cash flows from operating activities:				
Increase in net assets for the period	$	128,357	$	216,071
Adjustments for:				
Net realized loss on sale of investments and derivatives		117,376		13,902
Net realized loss on currency forward contracts		(89,683)		(23,142)
Net change in unrealized depreciation (appreciation) of investments and derivatives		608,388		(21,764)
Net change in unrealized depreciation of foreign exchange		148		1
Purchase of investments		(52,164,355)		(17,562,279)
Proceeds from the sale of investments		9,577,316		868,747
Amounts receivable relating to accrued income		(172,081)		(68,813)
Accrued expenses		43,672		11,836
Net cash used in operating activities		**(41,950,862)**		**(16,565,441)**
Cash flows from financing activities:				
Amount received from the issuance of units		42,682,449		16,617,023
Distributions paid to unitholders		(1,025,983)		(41,844)
Net cash from financing activities		**41,656,466**		**16,575,179**
Net increase (decrease) in cash and cash equivalents during the period		(294,396)		9,738
Effect of exchange rate fluctuations on cash and cash equivalents		(148)		(1)
Cash and cash equivalents at beginning of period		605,336		150,000
Cash and cash equivalents at end of period	**$**	**310,792**	**$**	**159,737**

Interest received, net of withholding taxes	$	112	$	4,806
Dividends received, net of withholding taxes	$	1,267,865	$	235,897

(See accompanying notes to financial statements)

Schedule of Investments (unaudited)

As at June 30, 2018

Security	Shares/ Contracts	Average Cost	Fair Value
GLOBAL EQUITIES (50.45%)			
United Kingdom (6.19%)			
Barclays PLC	348,900	$ 1,211,878	$ 1,144,102
HSBC Holdings PLC	86,200	1,070,932	1,062,907
St. James's Place Capital PLC	58,400	1,211,017	1,162,699
Standard Life Aberdeen PLC	162,700	1,092,266	919,406
		4,586,093	4,289,114
India (4.93%)			
HDFC Bank Ltd., ADR	14,500	1,782,701	2,001,936
ICICI Bank Ltd., ADR	133,800	1,646,374	1,412,478
		3,429,075	3,414,414
Switzerland (4.87%)			
Credit Suisse Group AG	81,300	1,826,913	1,613,523
Zurich Insurance Group AG	4,510	1,797,753	1,760,820
		3,624,666	3,374,343
France (4.66%)			
Amundi SA	12,200	1,290,176	1,111,440
Natixis SA	117,300	1,119,726	1,094,554
Societe Generale SA	18,400	1,253,269	1,020,197
		3,663,171	3,226,191
Italy (4.46%)			
Azimut Holding SPA	23,116	530,175	470,404
Intesa Sanpaolo SPA	281,300	1,132,101	1,073,833
Poste Italiane SPA	140,700	1,461,902	1,548,788
		3,124,178	3,093,025
Australia (3.95%)			
Australia and New Zealand Banking Group Ltd.	24,200	709,135	664,892
Bendigo and Adelaide Bank Ltd.	59,600	679,290	628,560
National Australia Bank Ltd.	29,900	864,140	797,355
Westpac Banking Corp. Ltd.	22,700	715,181	647,090
		2,967,746	2,737,897
Bermuda (3.62%)			
James River Group Holdings Ltd.	15,400	780,508	795,450
Lazard Ltd., Class 'A'	26,600	1,718,700	1,710,367
		2,499,208	2,505,817
Netherlands (3.60%)			
ASR Nederland NV	20,000	1,050,373	1,074,060
Flow Traders	27,800	791,726	1,422,094
		1,842,099	2,496,154

Schedule of Investments (unaudited) (continued)

As at June 30, 2018

Security	Shares/ Contracts	Average Cost	Fair Value
Spain (3.13%)			
Banco de Sabadell SA	478,700	1,294,783	1,054,982
Banco Santander SA	157,800	1,337,390	1,112,468
		2,632,173	2,167,450
Singapore (2.40%)			
DBS Group Holdings Ltd.	64,800	1,768,567	1,663,771
Poland (2.21%)			
Bank Polska Kasa Opieki SA	38,600	1,858,747	1,530,907
Germany (2.15%)			
Deutsche Boerse AG	8,500	1,481,838	1,489,613
Norway (1.48%)			
DNB ASA	39,800	975,441	1,023,417
Sweden (1.45%)			
Nordea Bank AB	79,400	1,224,738	1,005,519
Austria (1.35%)			
UNIQA Insurance Group AG	77,600	1,045,927	938,786
TOTAL GLOBAL EQUITIES		**36,723,667**	**34,956,418**
U.S. EQUITIES (38.97%)			
Financials (38.97%)			
AllianceBernstein Holding L.P.	57,500	1,743,287	2,158,162
Apollo Global Management LLC, Class 'A'	26,800	999,719	1,122,864
Ares Capital Corp.	91,200	1,904,542	1,972,290
BGC Partners Inc., Class 'A'	73,600	1,279,106	1,095,303
Blackstone Group L.P. (The)	31,600	1,263,437	1,336,436
Citizens Financial Group Inc.	17,100	911,932	874,492
Compass Diversified Trust	41,300	851,283	939,304
F.N.B. Corp.	97,800	1,733,751	1,725,447
First Horizon National Corp.	44,400	1,113,421	1,041,329
Hercules Capital Inc.	86,100	1,420,029	1,431,871
IBERIABANK Corp.	14,000	1,414,277	1,395,107
Main Street Capital Corp.	29,000	1,368,629	1,451,032
Marsh & McLennan Cos. Inc.	5,300	558,107	571,138
MGM Growth Properties LLC	22,100	768,463	884,978
Moelis & Co., Class 'A'	16,300	1,081,058	1,256,799

Schedule of Investments (unaudited) (continued)

As at June 30, 2018

Security	Shares/ Contracts	Average Cost	Fair Value
Oritani Financial Corp.	43,300	896,953	922,174
PacWest Bancorp	25,300	1,631,883	1,643,741
Simon Property Group Inc.	1,500	306,741	335,610
SunTrust Banks Inc.	9,700	794,970	841,894
Synchrony Financial	33,000	1,550,257	1,448,140
Umpqua Holdings Corp.	56,500	1,574,861	1,677,934
Virtu Financial Inc.	25,100	847,714	876,089
		26,014,420	27,002,134
TOTAL U.S. EQUITIES		**26,014,420**	**27,002,134**
CANADIAN EQUITIES (10.40%)			
Financials (10.40%)			
Bank of Nova Scotia (The)	21,700	1,680,310	1,615,348
Canadian Imperial Bank of Commerce	14,400	1,608,124	1,646,784
Manulife Financial Corp.	53,800	1,375,609	1,270,756
Royal Bank of Canada	13,300	1,329,867	1,316,567
Toronto-Dominion Bank (The)	17,800	1,302,279	1,354,402
		7,296,189	7,203,857
TOTAL CANADIAN EQUITIES		**7,296,189**	**7,203,857**
DERIVATIVES (0.22%)			
Currency Forwards (0.22%)			
Currency forward contract to buy C$13,680,436 for EUR€8,800,000 maturing August 31, 2018		–	123,678
Currency forward contract to buy C$2,652,364 for AU$2,700,000 maturing August 31, 2018		–	27,705
		–	151,383
TOTAL DERIVATIVES		**–**	**151,383**
Transaction Costs		(129,441)	
TOTAL INVESTMENT PORTFOLIO (100.04%)		**$ 69,904,835**	**$ 69,313,792**
Cash and cash equivalents (0.45%)			310,792
Other assets less liabilities (-0.49%)			(335,614)
TOTAL NET ASSETS (100.00%)			**$ 69,288,970**

(See accompanying notes to financial statements)

Notes to Financial Statements (unaudited)

June 30, 2018

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 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.

(iii) Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

(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 statements of comprehensive income. Other financial assets and financial liabilities are recognized on the date on which they are originated at fair value.

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

- Financial assets mandatorily classified at 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.

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 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.

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

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

(c) Foreign currency

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

(d) Cost basis

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

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

The increase (decrease) in net assets per unit in the statements of comprehensive income represents the change in net assets attributable to holders of redeemable units from operations divided by the weighted average number of units of the ETF outstanding during the reporting period. For management fees please refer to note 9.

(f) Unitholder transactions

The value at which units are issued or redeemed is determined by dividing the net asset value of the class by the total number of units outstanding of that class on the Valuation Date. Amounts received on the issuance of units and amounts paid on the redemption of units are included in the statements of changes in financial position.

Notes to Financial Statements (unaudited) (continued)
June 30, 2018

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

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

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

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

(i) Transaction costs

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

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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

(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 June 30, 2018, and December 31, 2017, in Canadian dollar terms and the potential impact on the ETF's net assets (including the underlying principal amount of future or forward currency contracts, if any), as a result of a 1% change in these currencies relative to the Canadian dollar:

June 30, 2018	**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	2,802	(2,625)	177	2
British Pound	4,303	–	4,303	43
Danish Krone	1	–	1	–
Euro Currency	13,726	(13,842)	(116)	(1)
Norwegian Krone	1,024	–	1,024	10
Polish Zloty	1,531	–	1,531	15
Singapore Dollar	1,665	–	1,665	17
Swedish Krona	1,021	–	1,021	10
Swiss Franc	3,396	–	3,396	34
U.S. Dollar	33,160	(197)	32,963	330
Total	62,629	(16,664)	45,965	460
As % of Net Asset Value	90.4%	-24.1%	66.3%	0.7%

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 (unaudited) (continued)

June 30, 2018

(ii) Interest rate risk

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

As at June 30, 2018, and December 31, 2017, 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	June 30, 2018	December 31, 2017
MSCI World Index	$452,353	$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 June 30, 2018, and December 31, 2017, 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 (unaudited) (continued)
June 30, 2018

6. FAIR VALUE MEASUREMENT

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

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

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The following is a summary of the inputs used as at June 30, 2018, and December 31, 2017, in valuing the ETF's investments and derivatives carried at fair values:

	June 30, 2018			**December 31, 2017**		
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Level 1 ($)**	**Level 2 ($)**	**Level 3 ($)**
Financial Assets						
Equities	69,162,409	–	–	27,636,500	–	–
Currency Forward Contracts	–	151,383	–	–	51,094	–
Total Financial Assets	**69,162,409**	**151,383**	**–**	**27,636,500**	**51,094**	**–**
Financial Liabilities						
Currency Forward Contracts	–	–	–	–	(12,661)	–
Total Financial Liabilities	**–**	**–**	**–**	**–**	**(12,661)**	**–**
Net Financial Assets and Liabilities	**69,162,409**	**151,383**	**–**	**27,636,500**	**38,433**	**–**

There were no significant transfers made between Levels 1 and 2 as a result of changes in the availability of quoted market prices or observable market inputs during the period or year shown. In addition, there were no investments or transactions classified in Level 3 for the period ended June 30, 2018, and for the year ended 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 – *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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

The aggregate closing market value of securities loaned and collateral received as at June 30, 2018, and December 31, 2017, was as follows:

As at	Securities Loaned	Collateral Received
June 30, 2018	$752,259	$798,360
December 31, 2017	–	–

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

The table below presents a reconciliation of the securities lending income as presented in the statements of comprehensive income for the periods ended June 30, 2018 and 2017. It shows the gross amount of securities lending revenues generated from the securities lending transactions of the ETF, less any taxes withheld and amounts earned by parties entitled to receive payments out of the gross amount as part of any securities lending agreements.

For the periods ended	June 30, 2018	% of Gross Income	June 30, 2017	% of Gross Income
Gross securities lending income	$5,025		–	
Withholding taxes	(863)	17.17%	–	–
Lending Agents' fees:				
Canadian Imperial Bank of Commerce	(1,457)	29.00%	–	–
Net securities lending income paid to the ETF	**$2,705**	**53.83%**	**–**	**–**

8. REDEEMABLE UNITS

The ETF is authorized to issue an unlimited number of redeemable, transferable Class E units each of which represents an equal, undivided interest in the net assets of the ETF. Each unit entitles the owner to one vote at meetings of unitholders. Each unit is entitled to participate equally with all other units with respect to all payments made to unitholders, other than management fee distributions, whether by way of income or capital distributions and, on liquidation, to participate equally in the net assets of the ETF remaining after satisfaction of any outstanding liabilities that are attributable to units of the ETF. All units will be fully paid and non-assessable, with no liability for future assessments, when issued and will not be transferable except by operation of law.

The redeemable units issued by the ETF provide an investor with the right to require redemption for cash at a value proportionate to the investor's share in the ETF's net assets at each redemption date and are classified as liabilities as a result of the ETF's requirement to distribute net income and capital gains to unitholders. The ETF's objectives in managing the redeemable units are to meet the ETF's investment objective, and to manage liquidity risk arising from redemptions. The ETF's management of liquidity risk arising from redeemable units is discussed in note 5.

On any Valuation Date, unitholders of the ETF may (i) redeem units of the ETF for cash at a redemption price per unit equal to 95% of the closing price for units of the ETF on the TSX on the effective day of the redemption, where the units being redeemed are not equal to a prescribed number of units ("PNU") or a multiple PNU; or (ii) redeem, less any 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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

Units of the ETF are issued or redeemed on a daily basis at the net asset value per security that is determined as at 4:00 p.m. (Eastern Time) each Valuation Date. Purchase and redemption orders are subject to a 4:00 p.m. (Eastern Time) cutoff time on the business day before Valuation Date.

The ETF is required to distribute all of its income (including net realized capital gains) that it has earned in the 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 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 periods ended June 30, 2018 and 2017, 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	1,696,890	2,525,085	–	4,221,975	3,314,613
2017	9,375	1,012,500	–	1,021,875	535,151

9. EXPENSES AND OTHER RELATED PARTY TRANSACTIONS

Management fees

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

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.

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

Other expenses

In addition to the management fees, unless otherwise waived or absorbed by the Manager, the ETF pays all of its operating expenses, including but not limited to: audit fees; trustee and custodial expenses; administration costs; valuation, accounting and record keeping costs; legal expenses; permitted prospectus preparation and filing expenses; costs associated with delivering documents to unitholders; listing and annual stock exchange fees; CDS Clearing and Depository Services Inc. fees; bank related fees and interest charges; extraordinary expenses; unitholder reports and servicing costs; registrar and transfer agent fees; costs 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.

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 periods ended June 30, 2018 and 2017, were as follows:

Period Ended	Brokerage Commissions Paid	Soft Dollar Transactions	Amount Paid to Related Parties
June 30, 2018	$114,922	$31,200	$nil
June 30, 2017	$41,636	$5,900	$nil

In addition to the information contained in the table above, the management fees paid to the Manager described in note 9 are related party transactions, as the Manager is considered to be a related party to the ETF. Fees paid to the Independent Review Committee are also considered to be related party transactions. Both fees are disclosed in the statements 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.

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

11. INCOME TAX

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

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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 has no net capital losses or non-capital losses available.

13. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the ETF may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The following table shows financial instruments that may be eligible for offset, if such conditions were to arise, as at June 30, 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.

	Amounts Offset ($)			Amounts Not Offset ($)		Net ($)
Financial Assets and Liabilities as at June 30, 2018	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	
Derivative assets	151,383	–	151,383	–	–	151,383
Derivative liabilities	–	–	–	–	–	–

	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	–	–

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.

Manager
Hamilton Capital Partners Inc.
55 York Street, Suite 1202
Toronto, Ontario
M5J 1R7
Tel: (416) 941-9888
www.hamilton-capital.com

Auditors
KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, Ontario
M5H 2S5

Custodian
CIBC Mellon Trust Company
1 York Street, Suite 900
Toronto, Ontario
M5J 0B6

Registrar and Transfer Agent
AST Trust Company (Canada)
1 Toronto Street, Suite 1200
Toronto, Ontario
M5C 2V6

HFY
HAMILTON CAPITAL
GLOBAL FINANCIALS
YIELD ETF