

HORIZONS EXCHANGE TRADED FUNDS SERIES

AUDITED FINANCIAL STATEMENTS

HORIZONS KOSPI 200 ETF
HORIZONS S&P EMERGING ASIA CONSUMER ETF
HORIZONS S&P GLOBAL CONSUMER BRANDS ETF
HORIZONS MSCI CHINA ETF
HORIZONS HANG SENG HIGH DIVIDEND YIELD ETF
HORIZONS CSI 300 ETF

FOR THE YEAR ENDED 31 MARCH 2016

(SUB-FUNDS OF HORIZONS EXCHANGE TRADED FUNDS SERIES)



Building a better
working world

HORIZONS EXCHANGE TRADED FUNDS SERIES

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, Mirae Asset Global Investments (Hong Kong) Limited, the Manager of the Horizons Exchange Traded Funds Series (the "Trust") has, in all material respects, managed the Trust, in accordance with the provisions of the trust deed dated 23 December 2010 as amended by the supplemental deeds dated 16 December 2011, 23 December 2011, 5 November 2012, 14 May 2013, 3 September 2014 and 16 November 2015 (collectively, the "Trust Deed"),

1. Horizons KOSPI 200 ETF
 2. Horizons S&P Emerging Asia Consumer ETF
 3. Horizons S&P Global Consumer Brands ETF
 4. Horizons MSCI China ETF
 5. Horizons Hang Seng High Dividend Yield ETF; and
 6. Horizons CSI 300 ETF
- for the year ended 31 March 2016.



Cititrust Limited (the "Trustee")
15 July 2016



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Independent auditors' report

To the unitholders of Horizons KOSPI 200 ETF, Horizons S&P Emerging Asia Consumer ETF, Horizons S&P Global Consumer Brands ETF, Horizons MSCI China ETF, Horizons Hang Seng High Dividend Yield ETF and Horizons CSI 300 ETF of Horizons Exchange Traded Funds Series (the "Trust")
(An umbrella unit trust established under the laws of Hong Kong)

We have audited the financial statements of Horizons KOSPI 200 ETF, Horizons S&P Emerging Asia Consumer ETF, Horizons S&P Global Consumer Brands ETF, Horizons MSCI China ETF, Horizons Hang Seng High Dividend Yield ETF and Horizons CSI 300 ETF (collectively, the "Sub-Funds") of the Trust set out on pages 4 to 68, which comprise the statement of net assets as at 31 March 2016 for each of the Sub-Funds, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the year then ended for Horizons KOSPI 200 ETF, Horizons S&P Emerging Asia Consumer ETF, Horizons S&P Global Consumer Brands ETF, Horizons MSCI China ETF, Horizons Hang Seng High Dividend Yield ETF and Horizons CSI 300 ETF, and a summary of significant accounting policies and other explanatory information.

Trustee's and Manager's responsibilities for the financial statements

The Trustee and the Manager (the "Management") of the Sub-Funds of the Trust are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed of the Sub-Funds dated 23 December 2010 as amended by the supplemental deeds dated 16 December 2011, 23 December 2011, 5 November 2012, 14 May 2013, 3 September 2014 and 16 November 2015 (collectively, the "Trust Deed"), and the disclosure requirements specified in Appendix E to the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong (the "SFC Code") and for such internal control as the Management determine 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 audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with International Standards on Auditing. 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. We are also required to assess whether the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the disclosure requirements specified in Appendix E to the SFC Code.



Independent auditors' report (continued)

To the unitholders of Horizons KOSPI 200 ETF, Horizons S&P Emerging Asia Consumer ETF, Horizons S&P Global Consumer Brands ETF, Horizons MSCI China ETF, Horizons Hang Seng High Dividend Yield ETF and Horizons CSI 300 ETF of Horizons Exchange Traded Funds Series (The "Trust")
(An umbrella unit trust established under the laws of Hong Kong)

Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Sub-Funds' 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 Sub-Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained 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 each of the Sub-Funds as at 31 March 2016, and their financial performance and cash flows for the year then ended for Horizons KOSPI 200 ETF, Horizons S&P Emerging Asia Consumer ETF, Horizons S&P Global Consumer Brands ETF, Horizons MSCI China ETF, Horizons Hang Seng High Dividend Yield ETF and Horizons CSI 300 ETF, in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the disclosure requirements specified in Appendix E to the SFC Code.

Certified Public Accountants
Hong Kong
15 July 2016

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF NET ASSETS

As at 31 March 2016

Notes	Horizons KOSPI 200 ETF		Horizons S&P Emerging Asia Consumer ETF		Horizons S&P Global Consumer Brands ETF	
	2016 HK\$	2015 HK\$	2016 HK\$	2015 HK\$	2016 HK\$	2015 HK\$
CURRENT ASSETS						
Financial assets at fair value through profit or loss		6(e)				
Amount due from broker	36,262,257	38,531,338	32,476,155	86,549,873	98,136,569	134,560,638
Dividends receivable	452,850	359,196	4,244	—	28,806	61,657
Bank balances	36,400	185,715	293,766	819,580	331,508	341,019
TOTAL ASSETS	36,751,507	39,076,249	32,774,165	87,369,453	99,470,711	136,018,413
CURRENT LIABILITIES						
Management fee payable	1,491	1,696	12,185	34,739	37,717	54,765
Trustee fee payable	3,579	4,069	3,249	9,264	10,058	14,604
Formation fee payable	—	—	—	14,311	—	13,913
Administration fee payable	3,191	3,696	4,874	13,896	15,087	21,906
Custody fee payable	387	—	12,461	—	10,099	—
Amount due to brokers	—	—	—	—	—	32,849
Other payables	387	373	—	15,000	15,000	15,000
TOTAL LIABILITIES	9,835	9,834	32,769	87,210	87,961	153,037
EQUITY						
Net assets attributable to unitholders	3	3	32,741,396	87,282,243	99,382,750	135,865,376
TOTAL LIABILITIES AND EQUITY			32,774,165	87,369,453	99,470,711	136,018,413
Number of units in issue	3(b)	3(b)	1,800,000	4,000,000	3,800,000	4,800,000
Net asset value per unit	3(b)	3(b)	18.1897	21.8206	26.1534	28.3053



 Mirae Asset Global Investments (Hong Kong) Limited

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES
STATEMENT OF NET ASSETS (CONTINUED)

As at 31 March 2016

Notes	Horizons MSCI China ETF		Horizons Hang Seng High Dividend Yield ETF		Horizons CSI 300 ETF	
	2016 HK\$	2015 HK\$	2016 HK\$	2015 HK\$	2016 RMB	2015 RMB
CURRENT ASSETS						
Financial assets at fair value through profit or loss	491,549,437	313,513,364	257,833,082	323,230,763	112,217,054	348,603,570
Dividends receivable	—	—	428,147	360,733	—	—
Deposit reserve - China Exchange Clearing	—	—	—	—	40,631	50,399
Bank balances	6,752,678	2,672,909	7,755,435	3,547,923	890,783	876,135
TOTAL ASSETS	498,302,115	316,186,273	266,016,664	327,139,419	113,148,468	349,530,104
CURRENT LIABILITIES						
Management fee payable	20,263	13,119	40,374	50,570	23,257	73,055
Trustee fee payable	41,353	26,774	22,430	28,094	11,163	35,066
Formation fee payable	15,465	204,631	15,465	204,631	449,232	496,096
Administration fee payable	41,766	27,042	22,430	28,094	11,163	35,067
Custody fee payable	162,861	—	58,969	—	67,682	—
Redemption payable	—	—	—	—	259,758	—
Other payables	30,000	—	60,000	—	12,000	24,000
	311,708	271,566	219,668	311,389	834,255	663,284
NON-CURRENT LIABILITIES						
Formation fee payable	—	—	—	—	—	386,148
TOTAL LIABILITIES	311,708	271,566	219,668	311,389	834,255	1,049,432
EQUITY						
Net assets attributable to unitholders	3	497,990,407	265,796,996	326,828,030	112,314,213	348,480,672
TOTAL LIABILITIES AND EQUITY		498,302,115	266,016,664	327,139,419	113,148,468	349,530,104
Number of units in issue	3(b)	23,400,000	12,200,000	14,200,000	10,500,000	26,000,000
Net asset value per unit	3(b)	21.2816	25.8946	21.7866	23.0161	13.4031

Signature

Mirae Asset Global Investments (Hong Kong) Limited

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

Notes	Horizons KOSPI 200 ETF		Horizons S&P Emerging Asia Consumer FIF		Horizons S&P Global Consumer Brands ETF	
	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$
INCOME						
Dividend income	631,358	540,543	1,485,178	5,115,760	2,998,795	4,122,877
Interest income	113	255	14	30	51	30
Net loss on financial assets at fair value through profit or loss	(2,686,135)	(1,661,143)	(13,701,775)	(3,797,691)	(9,938,346)	(13,674,391)
Net exchange gain/(loss)	2,511	(13,276)	(128,775)	(444,360)	(115,071)	(103,409)
	(2,052,153)	(1,133,621)	(12,345,358)	873,739	(7,054,571)	(9,654,893)
EXPENSES						
Management fee	(17,970)	(20,173)	(267,618)	(884,602)	(505,820)	(730,445)
Trustee fee	(43,129)	(48,415)	(71,365)	(235,894)	(134,885)	(194,786)
Custody fee and bank charges	(20,738)	(35,270)	(91,876)	(122,423)	(54,773)	(20,340)
Transaction costs on financial assets at fair value through profit or loss	(7,902)	(11,993)	(230,956)	(457,422)	(204,582)	(66,059)
Professional fee	—	—	—	(63,878)	—	—
Administration fee	(43,183)	(48,415)	(107,047)	(353,841)	(202,328)	(292,178)
	(132,922)	(164,266)	(768,862)	(2,118,060)	(1,102,388)	(1,303,808)
Operating loss	(2,185,075)	(1,297,887)	(13,114,220)	(1,244,321)	(8,156,959)	(10,958,701)
FINANCE COSTS						
Interest expense	—	(4)	(3,803)	(14,130)	(2,626)	(3)
Loss before tax	(2,185,075)	(1,297,891)	(13,118,023)	(1,258,451)	(8,159,585)	(10,958,704)
Withholding tax on dividend income	(138,868)	(118,906)	(136,123)	(475,685)	(680,604)	(1,030,284)
Withholding tax on capital gains	—	—	(77,866)	(345,158)	—	—
Loss after tax and total comprehensive income for the year	(2,323,943)	(1,416,797)	(13,332,012)	(2,079,294)	(8,840,189)	(11,988,988)

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 March 2016

Notes	Horizons MSCI China ETF		Horizons Hang Seng High Dividend Yield ETF		Horizons CSI 300 ETF	
	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$	For the year ended 31 March 2016 RMB	For the period from 24 September 2014 (date of inception) to 31 March 2015 RMB
	9,227,714	10,523,879	17,181,531	14,561,671	4,093,429	167,660
Interest income	58	35	67	37	7,665	17,625
Net (loss)/gain on financial assets at fair value through profit or loss	(85,224,016)	56,479,467	(29,850,435)	26,692,365	(20,471,093)	199,216,440
Net exchange (loss)/gain	(35,333)	—	(481)	30	—	—
	(76,031,577)	67,003,381	(12,669,318)	41,254,103	(16,369,999)	199,401,725
INCOME						
Dividend income	9,227,714	10,523,879	17,181,531	14,561,671	4,093,429	167,660
Interest income	58	35	67	37	7,665	17,625
Net (loss)/gain on financial assets at fair value through profit or loss	(85,224,016)	56,479,467	(29,850,435)	26,692,365	(20,471,093)	199,216,440
Net exchange (loss)/gain	(35,333)	—	(481)	30	—	—
	(76,031,577)	67,003,381	(12,669,318)	41,254,103	(16,369,999)	199,401,725
EXPENSES						
Management fee	(184,024)	(152,571)	(582,532)	(482,070)	(486,397)	(461,397)
Trustee fee	(375,566)	(311,369)	(323,629)	(267,817)	(233,470)	(221,471)
Custody fee and bank charges	(470,826)	(177,461)	(176,029)	(107,684)	(799,292)	(726,866)
Transaction costs on financial assets at fair value through profit or loss	(698,163)	(136,523)	(524,194)	(272,636)	(539,957)	(845,424)
Formation fee	—	—	—	—	—	(1,062,987)
Administration fee	(379,321)	(314,483)	(323,628)	(267,817)	(233,469)	(221,470)
Other expense	—	—	—	—	—	(1,800)
	(2,107,900)	(1,092,407)	(1,930,012)	(1,398,024)	(2,292,585)	(3,541,415)
(Loss)/profit before tax	(78,139,477)	65,910,974	(14,599,330)	39,856,079	(18,662,584)	195,860,310
Withholding tax on dividend income	(702,041)	(865,471)	(382,443)	(392,505)	(435,578)	(19,198)
(Loss)/profit after tax and total comprehensive income for the year/period	(78,841,518)	65,045,503	(14,981,773)	39,463,574	(19,098,162)	195,841,112

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 March 2016

	Horizons KOSPI 200 ETF For the year ended 31 March 2016 HK\$	Horizons S&P Emerging Asia Consumer E/F For the year ended 31 March 2016 HK\$	Horizons S&P Global Consumer Brands ETF For the year ended 31 March 2016 HK\$	Horizons S&P Global Consumer Brands ETF For the year ended 31 March 2015 HK\$
Balance at the beginning of the year	39,066,415	87,282,243	135,865,376	181,101,254
Issue of units during the year	-	25,965,113	53,237,242	-
- cash creation and cash component	-	-	-	-
Redemption of units during the year	-	(67,173,948)	(80,879,679)	(33,246,890)
- cash redemption and cash component	-	(41,208,835)	(27,642,437)	(33,246,890)
Net redemption of units	-	-	-	-
Loss after tax and total comprehensive income for the year	(2,323,943)	(13,332,012)	(8,840,189)	(11,988,988)
Balance at the end of the year	36,742,472	32,741,396	99,382,750	135,865,376

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

For the year ended 31 March 2016

	Horizons MSCI China ETF		Horizons Hang Seng High Dividend Yield ETF		Horizons CSI 300 ETF	
	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$	For the year ended 31 March 2016 RMB	For the period from 24 September 2014 (date of inception) to 31 March 2015 RMB
Balance at the beginning of the year/date of inception	315,914,707	292,398,820	326,828,030	235,938,336	348,480,672	—
Issue of units during the year/period						
- in-kind ¹	172,099,814	—	—	81,339,160	—	—
- cash creation and cash component	271,647,657	—	38,354,499	744,440	—	351,681,034
Redemption of units during the year/period						
- in-kind ¹	(89,910,424)	(13,505,040)	(74,895,719)	(30,375,639)	—	—
- cash redemption and cash component	(92,919,829)	(28,024,576)	(6,824,041)	(281,841)	(217,068,297)	(199,041,474)
Net issue/(redemption) of units	260,917,218	(41,529,616)	(43,365,261)	51,426,120	(217,068,297)	152,639,560
Distribution to unitholders	—	—	(2,684,000)	—	—	—
(Loss)/profit after tax and total comprehensive income for the year/period	(78,841,518)	65,045,503	(14,981,773)	39,463,574	(19,098,162)	195,841,112
Balance at the end of the year/period	497,990,407	315,914,707	265,796,996	326,828,030	112,314,213	348,480,672

¹For major non-cash transactions please refer to note 4.

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	Horizons KOSPI 200 ETF	
	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,185,075)	(1,297,891)
Adjustments for:		
Dividend income	(631,358)	(540,543)
Interest income	(113)	(255)
Interest expense	—	4
	<u>(2,816,546)</u>	<u>(1,838,685)</u>
Decrease in financial assets at fair value through profit or loss	2,269,081	1,404,829
Decrease in prepayment	—	102
(Decrease)/increase in management fee payable	(205)	12
(Decrease)/increase in trustee fee payable	(490)	28
Decrease in administration fee payable	(505)	(176)
Increase in custody fee payable	387	—
Increase in other payables	14	205
Cash used in operations	<u>(548,264)</u>	<u>(433,685)</u>
Dividends received	398,836	378,365
Interest received	113	255
Interest paid	—	(4)
Net cash flows used in operating activities	<u>(149,315)</u>	<u>(55,069)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(149,315)	(55,069)
Cash and cash equivalents at the beginning of the year	<u>185,715</u>	<u>240,784</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>36,400</u>	<u>185,715</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	6(e) <u>36,400</u>	<u>185,715</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2016

	Horizons S&P Emerging Asia Consumer ETF	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Note	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(13,118,023)	(1,258,451)
Adjustments for:		
Dividend income	(1,485,178)	(5,115,760)
Interest income	(14)	(30)
Interest expense	3,803	14,130
	<u>(14,599,412)</u>	<u>(6,360,111)</u>
Decrease in financial assets at fair value through profit or loss	54,073,718	148,634,655
Decrease in management fee payable	(22,554)	(52,867)
Decrease in trustee fee payable	(6,015)	(14,097)
Decrease in formation fee payable	(14,311)	(162,793)
Decrease in administration fee payable	(9,022)	(21,147)
Increase in custody fee payable	12,461	–
Decrease in other payables	(15,000)	–
Cash generated from operations	39,419,865	142,023,640
Dividends received	1,344,811	4,640,075
Interest received	14	30
Interest paid	(3,803)	(14,130)
Withholding tax on capital gains paid	(77,866)	(345,158)
Net cash flows from operating activities	<u>40,683,021</u>	<u>146,304,457</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issue of units	25,965,113	–
Cash paid on redemption of units	(67,173,948)	(145,776,638)
Net cash flows used in financing activities	<u>(41,208,835)</u>	<u>(145,776,638)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
	(525,814)	527,819
Cash and cash equivalents at the beginning of the year	819,580	291,761
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	<u>293,766</u>	<u>819,580</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	6(c) <u>293,766</u>	<u>819,580</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2016

	Note	Horizons S&P Global Consumer Brands ETF	
		For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(8,159,585)	(10,958,704)
Adjustments for:			
Dividend income		(2,998,795)	(4,122,877)
Interest income		(51)	(30)
Interest expense		2,626	3
		<u>(11,155,805)</u>	<u>(15,081,608)</u>
Decrease in financial assets at fair value through profit or loss		36,424,069	45,829,961
Decrease/(increase) in amount due from broker		32,851	(1,657)
Decrease in management fee payable		(17,048)	(14,324)
Decrease in trustee fee payable		(4,546)	(3,820)
Decrease in formation fee payable		(13,913)	(158,258)
Decrease in administration fee payable		(6,819)	(5,729)
Increase in custody fee payable		10,099	-
(Decrease)/increase in amount due to brokers		(32,849)	1,654
Increase in other payables		-	15,000
Cash generated from operations		<u>25,236,039</u>	<u>30,581,219</u>
Dividends received		2,327,702	2,878,773
Interest received		51	30
Interest paid		(2,626)	(3)
Net cash flows from operating activities		<u>27,561,166</u>	<u>33,460,019</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from issue of units		53,237,242	-
Cash paid on redemption of units		(80,879,679)	(33,246,890)
Net cash flows used in financing activities		<u>(27,642,437)</u>	<u>(33,246,890)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		<u>(81,271)</u>	<u>213,129</u>
Cash and cash equivalents at the beginning of the year		<u>1,055,099</u>	<u>841,970</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
		<u>973,828</u>	<u>1,055,099</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	6(e)	<u>973,828</u>	<u>1,055,099</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2016

	Note	Horizons MSCI China ETF	
		For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(78,139,477)	65,910,974
Adjustments for:			
Dividend income		(9,227,714)	(10,523,879)
Interest income		(58)	(35)
		<u>(87,367,249)</u>	<u>55,387,060</u>
Increase in financial assets at fair value through profit or loss		(95,846,683)	(35,998,864)
Increase in management fee payable		7,144	570
Increase in trustee fee payable		14,579	1,163
Decrease in formation fee payable		(189,166)	(187,598)
Increase in administration fee payable		14,724	1,175
Increase in custody fee payable		162,861	–
Increase/(decrease) in other payables		30,000	(15,000)
Cash (used in)/generated from operations		<u>(183,173,790)</u>	<u>19,188,506</u>
Dividends received		8,525,673	9,658,408
Interest received		58	35
Net cash flows (used in)/from operating activities		<u>(174,648,059)</u>	<u>28,846,949</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from issue of units		271,647,657	–
Cash paid on redemptions of units		(92,919,829)	(28,024,576)
Net cash flows from/(used in) financing activities		<u>178,727,828</u>	<u>(28,024,576)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year		<u>2,672,909</u>	<u>1,850,536</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
		<u><u>6,752,678</u></u>	<u><u>2,672,909</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	6(e)	<u><u>6,752,678</u></u>	<u><u>2,672,909</u></u>

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2016

	Horizons Hang Seng High Dividend Yield ETF	
	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(14,599,330)	39,856,079
Adjustments for:		
Dividend income	(17,181,531)	(14,561,671)
Interest income	(67)	(37)
	<u>(31,780,928)</u>	<u>25,294,371</u>
(Increase) in financial assets at fair value through profit or loss	(9,498,038)	(37,426,912)
(Decrease)/increase in management fee payable	(10,196)	15,025
(Decrease)/increase in trustee fee payable	(5,664)	8,347
Decrease in formation fee payable	(189,166)	(187,598)
(Decrease)/increase in administration fee payable	(5,664)	8,347
Increase in custody fee payable	58,969	–
Increase in other payables	60,000	–
Cash used in operations	<u>(41,370,687)</u>	<u>(12,288,420)</u>
Dividends received	16,731,674	14,312,616
Interest received	67	37
Net cash flows (used in)/from operating activities	<u>(24,638,946)</u>	<u>2,024,233</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issue of units	38,354,499	744,440
Cash paid on redemptions of units	(6,824,041)	(281,841)
Cash paid on distribution to unitholders	(2,684,000)	–
Net cash flows from financing activities	<u>28,846,458</u>	<u>462,599</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the year	<u>3,547,923</u>	<u>1,061,091</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	<u>7,755,435</u>	<u>3,547,923</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	6(e) <u>7,755,435</u>	<u>3,547,923</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2016

	<u>Horizons CSI 300 ETF</u>	
	For the year ended 31 March 2016	For the period from 24 September 2014 (date of inception) to 31 March 2015
Note	RMB	RMB
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(18,662,584)	195,860,310
Adjustments for:		
Dividend income	(4,093,429)	(167,660)
Interest income	(7,665)	(17,625)
	<u>(22,763,678)</u>	<u>195,675,025</u>
Decrease/(increase) in financial assets at fair value through profit or loss	236,386,516	(348,603,570)
Decrease/(increase) in deposit reserve - China Exchange Clearing	9,768	(50,399)
(Decrease)/increase in management fee payable	(49,798)	73,055
(Decrease)/increase in trustee fee payable	(23,903)	35,066
(Decrease)/increase in formation fee payable	(433,012)	882,244
(Decrease)/increase in administration fee payable	(23,904)	35,067
Increase in custody fee payable	67,682	-
(Decrease)/increase in other payables	(12,000)	24,000
Cash generated from/(used in) operations	213,157,671	(151,929,512)
Dividends received	3,657,851	148,462
Interest received	7,665	17,625
Net cash flows from/(used in) operating activities	<u>216,823,187</u>	<u>(151,763,425)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issue of units	-	351,681,034
Cash paid on redemptions of units	(216,808,539)	(199,041,474)
Net cash flows (used in)/from financing activities	<u>(216,808,539)</u>	<u>152,639,560</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the year/period	876,135	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD		
	<u>890,783</u>	<u>876,135</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	6(e) <u>890,783</u>	<u>876,135</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Horizons Exchange Traded Funds Series (the “Trust”) is an umbrella unit trust governed by its trust deed dated 23 December 2010 as amended by the supplemental deeds dated 16 December 2011, 23 December 2011, 5 November 2012, 14 May 2013, 3 September 2014 and 16 November 2015 (collectively, the “Trust Deed”) between Mirae Asset Global Investments (Hong Kong) Limited (the “Manager”) and Cititrust Limited (the “Trustee”). The Trust Deed is governed by Hong Kong Law.

As at 31 March 2016, the Trust has established eleven sub-funds, each a separate sub-fund of the Trust, which are authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to section 104(1) of the Securities and Futures Ordinance. Out of the eleven sub-funds, five sub-funds, including Horizons S&P Asia ex JANZ Financials ETF, Horizons S&P Asia ex JANZ IT ETF, Horizons S&P Asia ex JANZ Industrials ETF, Horizons S&P Asia ex JANZ Energy ETF and Horizons S&P Asia ex JANZ Materials ETF, have been subsequently terminated on 30 May 2016 and are not included in these financial statements. The remaining six sub-funds, including Horizons KOSPI 200 ETF, Horizons S&P Emerging Asia Consumer ETF, Horizons S&P Global Consumer Brands ETF, Horizons MSCI China ETF, Horizons Hang Seng High Dividend Yield ETF and Horizons CSI 300 ETF, are referred to individually or collectively as the “Sub-Fund(s)”. The Sub-Funds are listed on the Stock Exchange of Hong Kong Limited (a subsidiary of The Hong Kong Exchanges and Clearing Limited):

<u>Name of Sub-Funds</u>	<u>Listing date on the Stock Exchange of Hong Kong Limited (the “SEHK”)</u>
Horizons KOSPI 200 ETF	17 January 2011
Horizons S&P Emerging Asia Consumer ETF	27 January 2012
Horizons S&P Global Consumer Brands ETF	27 January 2012
Horizons MSCI China ETF	17 June 2013
Horizons Hang Seng High Dividend Yield ETF	17 June 2013
Horizons CSI 300 ETF	26 September 2014

These financial statements relate to the above-mentioned Sub-Funds. The Manager and the Trustee (collectively, the “Management”) are responsible for the preparation of the financial statements.

Horizons KOSPI 200 ETF (“KOSPI 200 ETF”)

The objective of KOSPI 200 ETF (Stock code: 2835) is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the KOSPI 200 Index by investing all, or substantially all, of the assets of KOSPI 200 ETF in index securities in substantially the same weightings as constituted in their underlying index.

Horizons S&P Emerging Asia Consumer ETF (“S&P Emerging Asia Consumer ETF”)

The objective of S&P Emerging Asia Consumer ETF (Stock code: 3054) is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the S&P Emerging Asia Consumer Index by investing all, or substantially all, of the assets of S&P Emerging Asia Consumer ETF in index securities in substantially the same weightings as constituted in their underlying index.

Horizons S&P Global Consumer Brands ETF (“S&P Global Consumer Brands ETF”)

The objective of S&P Global Consumer Brands ETF (Stock code: 3056) is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the S&P Global Consumer Enterprises Index by investing all, or substantially all, of the assets of S&P Global Consumer Brands ETF in index securities in substantially the same weightings as constituted in their underlying index.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION (CONTINUED)

Horizons MSCI China ETF (“MSCI China ETF”)

The objective of MSCI China ETF (Stock code: 3040) is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the MSCI China Index by investing all, or substantially all, of the assets of MSCI China ETF in index securities in substantially the same weightings as constituted in their underlying index.

Horizons Hang Seng High Dividend Yield ETF (“Hang Seng High Dividend Yield ETF”)

The objective of Hang Seng High Dividend Yield ETF (Stock code: 3110) is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Hang Seng High Dividend Yield Index by investing all, or substantially all, of the assets of Hang Seng High Dividend Yield ETF in index securities in substantially the same weightings as constituted in their underlying index.

Horizons CSI 300 ETF (“CSI 300 ETF”)

The objective of CSI 300 ETF (Renminbi (“RMB”) counter stock code: 83127, Hong Kong dollar (“HK\$”) counter stock code: 3127) is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the CSI 300 Index by investing all, or substantially all, of the assets of CSI 300 ETF in index securities in substantially the same weightings as constituted in their underlying index.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Funds have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the SFC (the “SFC Code”). The financial statements have been prepared under the historical cost convention, except for financial assets classified as fair value through profit or loss that have been measured at fair value.

The preparation of financial statements, in conformity with IFRSs, requires the Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts recognised in the financial statements and disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Going concern

The Management has made an assessment of the Sub-Funds' ability to continue as a going concern and is satisfied that the Sub-Funds have the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Sub-Funds' ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense that is already recorded. The Sub-Funds establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which the Sub-Funds invest. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investments' domiciles.

All references to net assets throughout the financial statements refer to net assets attributable to unitholders unless otherwise stated.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Sub-Funds applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2015.

Annual Improvements 2010-2012 Cycle

IAS 24 Related Party Disclosures: Clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment to IAS 24 has no impact on the Sub-Funds.

Annual Improvements 2011-2013 Cycle

IFRS 13 Fair Value Measurements: Clarifies that the portfolio exception in IFRS 13 can be applied not only to the financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Sub-Funds do not apply the portfolio exception in IFRS 13.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Funds have not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory.

The Sub-Funds plan to adopt the new standard on the required effective date. During 2015, the Sub-Funds have performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Sub-Funds in the future. Overall, the Sub-Funds expect no significant impact on the statements of net assets except for the effect of applying the impairment requirements of IFRS 9. The Sub-Funds expect a higher loss allowance resulting in a negative impact on equity and will perform a detailed assessment in the future to determine the extent.

The Sub-Funds do not expect a significant impact on the statements of net assets on applying the classification and measurement requirements of IFRS 9. The Sub-Funds expect to continue measuring at fair value all financial assets currently held at fair value.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirement in IAS 1
- That specific line items in the statement of profit or loss and other comprehensive income (“OCI”) and the statement of net assets may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to statement of profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of net assets and the statement of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Sub-Funds.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments

Classification

The Sub-Funds classify their financial assets and liabilities into the following categories in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*.

Financial assets at fair value through profit or loss

The Sub-Funds classify their investments as “financial assets at fair value through profit or loss” in accordance with IAS 39. All financial assets at fair value through profit or loss are designated upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Sub-Funds.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Sub-Funds include in this category amounts relating to an amount due from a broker, dividends receivable and the deposit reserve - China Exchange Clearing.

Financial liabilities

This category includes all financial liabilities, including management fee payable, trustee fee payable, formation fee payable, administration fee payable, amount due to brokers and other payables.

Recognition

The Sub-Funds recognise a financial asset or a financial liability when, and only when, they become a party to the contractual provisions of the instrument. Purchases and sales of financial assets at fair value through profit or loss are accounted for on the trade date basis.

Initial measurement

Financial assets at fair value through profit or loss are initially recognised at fair value, excluding transaction costs which are expensed as incurred.

Loans and receivables and financial liabilities are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Sub-Funds recognise the difference in the profit or loss, unless specified otherwise.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Subsequent measurement

After initial measurement, financial assets at fair value through profit or loss are subsequently re-measured at fair value. Realised gains and losses and change in unrealised gains and losses on financial assets at fair value through profit or loss are included in profit or loss in the period in which they arise. Dividend earned on these instruments is recorded separately as dividend income in profit or loss.

Loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Sub-Funds estimate cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired, or where the Sub-Funds have transferred its rights to receive cash flows from the financial asset, or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either the Sub-Funds have transferred substantially all the risks and rewards of the asset or the Sub-Funds have neither transferred nor retained substantially all the risks and rewards of the financial asset, but have transferred control of the asset.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Derecognition (continued)

When the Sub-Funds have transferred its rights to receive cash flows from an asset (or have entered into a pass-through arrangement), and have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Funds' continuing involvement in the asset. In that case, the Sub-Funds also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Funds have retained. The Sub-Funds derecognise a financial liability when the obligation under the liability is discharged, cancelled or expired.

Fair value measurement

The Sub-Funds measure its investments in financial instruments at fair value at the end of each reporting period.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Sub-Funds.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments that are listed or traded on an exchange is based on quoted last traded market prices.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Funds determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income

Interest income is recognised in the profit or loss on a time-proportionate basis using the effective interest method.

Dividend income on equity securities is recognised on the date on which the investments are quoted ex-dividend. Dividend income on equity securities where no ex-dividend date is quoted is accounted for when the Sub-Funds' right to receive payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the profit or loss.

(d) Expenses

Expenses are recognised on an accrual basis.

(e) Cash component

Cash component represents the aggregate net asset value of all the units in connection with a creation or a redemption application less the application basket value.

(f) Cash and cash equivalents

Cash and cash equivalents in the statement of net assets comprise short-term deposits in banks which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

(g) Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Funds operate (the "functional currency"). The performance of all the Sub-Funds are measured and reported to the unitholders in HK\$, except for CSI 300 ETF which is measured and reported to the unitholders in RMB. The Management considers the HK\$ and RMB as the currencies that most faithfully represent the economic effects of the underlying transactions, events and conditions. The financial statements of the Sub-Funds are presented in HK\$, except for CSI 300 ETF which the financial statements are presented in RMB, which is the Sub-Funds' functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency using the exchange rate ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Translation of foreign currencies (continued)

Foreign exchange gains and losses arising from translation are included in the profit or loss.

Foreign exchange gains and losses relating to cash and cash equivalents are included in the profit or loss within “net exchange gain/(loss)”.

Foreign exchange gains and losses relating to the financial instruments classified as at fair value through profit or loss are included in the profit or loss within “net gain/(loss) on financial assets at fair value through profit or loss”.

(h) Redeemable units

Redeemable units are classified as an equity instrument when:

- (i) The redeemable units entitle the holder to a pro-rata share of the Sub-Funds’ net assets in the event of the Sub-Funds’ liquidation;
- (ii) The redeemable units are in the class of instruments that is subordinate to all other classes of instruments;
- (iii) All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features;
- (iv) The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder’s rights to a pro-rata share of the Sub-Funds’ net assets; or
- (v) The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

In addition to the redeemable units having all the above features, the Sub-Funds must have no other financial instrument or contract that has:

- (i) Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds; and
- (ii) The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Funds’ redeemable units meet the definition of puttable instruments classified as equity instruments under the revised IAS 32 and are classified as equity.

The Sub-Funds continuously assess the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Funds will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Sub-Funds will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Redeemable units (continued)

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions. Upon issuance of redeemable units, the consideration received is included in equity.

Transaction costs incurred by the Sub-Funds in issuing of their own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

The Sub-Funds' own equity instruments which are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in profit or loss on the purchase, sale, issuance or cancellation of the Sub-Funds' own equity instruments.

Redeemable units can be redeemed in-kind and/or in cash equal to a proportionate share of the Sub-Funds' net asset value ("NAV"). The Sub-Funds' net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units of the respective Sub-Funds. Units are created or redeemed in multiples of 500,000 units for KOSPI 200 ETF and CSI 300 ETF, and 200,000 units for the remaining four Sub-Funds.

(i) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

(j) Amounts due from and due to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the reporting date respectively.

These amounts are measured initially at fair value plus any directly attributable incremental costs of acquisition or issue and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amount due from a broker. Gains and losses are recognised in the profit or loss when the amount due from a broker is derecognised or impaired and when the amount due to brokers is derecognised, as well as through the amortisation process.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment of financial assets

The Sub-Funds assess at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss occurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been occurred) discounted using the asset’s original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss as “Credit loss expense”.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Sub-Funds. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is credited to the profit or loss.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(l) Net change in unrealised gains or losses on financial assets at fair value through profit or loss

This item includes changes in the fair value of financial assets as at fair value through profit or loss and excludes dividend income.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period unrealised gains and losses for financial instruments which were realised in the reporting period.

(m) Net realised gains or losses on disposal of financial instruments

Net realised gains and losses on disposals of financial instruments classified as at fair value through profit or loss are calculated using the weighted average method. They represent the difference between an instrument’s average cost and disposal amount.

(n) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of net assets if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Taxes

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted from the source of the income. The Sub-Funds present the withholding tax separately from the gross investment income in the profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

(p) Distributions to unitholders

Distributions are at the discretion of the Manager. A distribution to the Sub-Funds' unitholders is accounted for as a deduction from net assets attributable to unitholders. A proposed distribution is recognised as a liability in the period in which it is approved by the Manager. No distribution will be paid out of or effectively out of the Sub-Funds' capital.

(q) Related parties

A party is considered to be related to the Sub-Funds if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Sub-Funds;
 - (ii) has significant influence over the Sub-Funds; or
 - (iii) is a member of the key management personnel of the Sub-Funds or of a parent of the Sub-Funds;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Sub-Funds are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Funds or an entity related to the Sub-Funds;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of group of which it is a part, provides key management personnel services to the Sub-Funds or to the parent of the Sub-Funds.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS

(a) Net assets attributable to unitholders

The creation and redemption of units of the Sub-Funds can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem units through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer.

The Trustee shall receive subscription proceeds or index securities constituting baskets plus remaining subscription proceeds from the participating dealers for the creation of units and pay redemption proceeds or index securities constituting baskets plus remaining redemption proceeds for the redemption of units to the relevant participating dealer in such form and manner as prescribed by the Trust Deed. Subscriptions and redemptions of units during the year/period are shown on the statement of changes in net assets attributable to unitholders.

As stated in note 2(h), units of the Sub-Funds, which are represented by assets less liabilities, are classified as equity and accounted for in accordance with IFRSs (the "Accounting NAV"). For the purpose of determining the NAV per unit for subscriptions and redemptions and for various fee calculations (the "Dealing NAV"), the Trustee calculates the Dealing NAV in accordance with the provisions of the Trust Deed, which may be different from the accounting policies under IFRSs.

Reconciliation between Accounting NAV and Dealing NAV

Adjustment for formation fee

The formation fee of establishing KOSPI 200 ETF was HK\$402,103. The total formation fee of establishing S&P Emerging Asia Consumer ETF and S&P Global Consumer Brands ETF was approximately HK\$1.05 million. The formation fee of establishing MSCI China ETF and Hang Seng High Dividend Yield ETF was HK\$529,997 each. The formation fee of establishing CSI 300 ETF was RMB1,062,987. The formation fee will be amortised over the first three financial years of the Sub-Funds. However, with respect to the Sub-Funds for the purpose of financial statements preparation in compliance with IFRSs, their accounting policy is to expense the formation fee in the profit or loss as incurred.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS (CONTINUED)

(a) Net assets attributable to unitholders (continued)

Reconciliation between Accounting NAV and Dealing NAV (continued)

The difference between the Accounting NAV reported in the statement of net assets and the Dealing NAV for the purpose of calculating the net asset value per unit for processing subscriptions and redemptions and for various fee calculations as at 31 March 2016 and 31 March 2015 is reconciled below:

<u>As at 31 March 2016</u>			
	<u>KOSPI 200 ETF</u> HK\$	<u>S&P Emerging Asia Consumer ETF</u> HK\$	<u>S&P Global Consumer Brands ETF</u> HK\$
Accounting NAV as reported in the statement of net assets	36,742,472	32,741,396	99,382,750
Adjustment for custody fee	387	(47,539)	(34,901)
Adjustment for formation fee	—	—	—
Dealing NAV	<u>36,742,859</u>	<u>32,693,857</u>	<u>99,347,849</u>
	<u>MSCI China ETF</u> HK\$	<u>Hang Seng High Dividend Yield ETF</u> HK\$	<u>CSI 300 ETF</u> RMB
Accounting NAV as reported in the statement of net assets	497,990,407	265,796,996	112,314,213
Adjustment for custody fee	67,861	58,969	67,682
Adjustment for formation fee	(514)	(514)	411,703
Dealing NAV	<u>498,057,754</u>	<u>265,855,451</u>	<u>112,793,598</u>
<u>As at 31 March 2015</u>			
	<u>KOSPI 200 ETF</u> HK\$	<u>S&P Emerging Asia Consumer ETF</u> HK\$	<u>S&P Global Consumer Brands ETF</u> HK\$
Accounting NAV as reported in the statement of net assets	39,066,415	87,282,243	135,865,376
Adjustment for formation fee	—	—	—
Dealing NAV	<u>39,066,415</u>	<u>87,282,243</u>	<u>135,865,376</u>
	<u>MSCI China ETF</u> HK\$	<u>Hang Seng High Dividend Yield ETF</u> HK\$	<u>CSI 300 ETF</u> RMB
Accounting NAV as reported in the statement of net assets	315,914,707	326,828,030	348,480,672
Adjustment for formation fee	188,137	188,137	845,059
Dealing NAV	<u>316,102,844</u>	<u>327,016,167</u>	<u>349,325,731</u>

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS (CONTINUED)

(b) Movement of units

The table below summarises the movement of units for the years ended 31 March 2016 and 31 March 2015, and the Accounting NAV per unit and the Dealing NAV per unit for each of the Sub-Funds as at 31 March 2016 and 31 March 2015.

	Number of units				Net assets attributable to unitholders	
	Units in issue at beginning of year	Creation during the year	Redemption during the year	Units in issue at end of year	Accounting NAV	Dealing NAV
As at 31 March 2016						
KOSPI 200 ETF (in HK\$)	2,000,000	–	–	2,000,000	18.3712	18.3714
S&P Emerging Asia Consumer ETF (in HK\$)	4,000,000	1,400,000	(3,600,000)	1,800,000	18.1897	18.1633
S&P Global Consumer Brands ETF (in HK\$)	4,800,000	2,000,000	(3,800,000)	3,800,000	26.1534	26.1442
MSCI China ETF (in HK\$)	12,200,000	19,400,000	(8,200,000)	23,400,000	21.2816	21.2845
Hang Seng High Dividend Yield ETF (in HK\$)	14,200,000	1,800,000	(3,800,000)	12,200,000	21.7866	21.7914
CSI 300 ETF (in RMB)	26,000,000	–	(15,500,000)	10,500,000	10.6966	10.7422
As at 31 March 2015						
Number of units						
	Units in issue at beginning of year/period	Creation during the year/period	Redemption during the year/period	Units in issue at end of year/period	Per unit at year/period end	Per unit at year/period end
Net assets attributable to unitholders						
KOSPI 200 ETF (in HK\$)	2,000,000	–	–	2,000,000	19.5332	19.5332
S&P Emerging Asia Consumer ETF (in HK\$)	11,000,000	–	(7,000,000)	4,000,000	21.8206	21.8206
S&P Global Consumer Brands ETF (in HK\$)	6,000,000	–	(1,200,000)	4,800,000	28.3053	28.3053
MSCI China ETF (in HK\$)	14,000,000	–	(1,800,000)	12,200,000	25.8946	25.9101
Hang Seng High Dividend Yield ETF (in HK\$)	12,000,000	3,600,000	(1,400,000)	14,200,000	23.0161	23.0293
CSI 300 ETF (in RMB)	–	43,000,000	(17,000,000)	26,000,000	13.4031	13.4356

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

4. CREATION, REDEMPTION AND MAJOR NON-CASH TRANSACTIONS

KOSPI 200 ETF

For the years ended 31 March 2016 and 31 March 2015, KOSPI 200 ETF neither issued nor redeemed any units in exchange for cash balances and application baskets consisting of investments.

S&P Emerging Asia Consumer ETF

For the year ended 31 March 2016, S&P Emerging Asia Consumer ETF:

- issued 1,400,000 units (2015: nil units) in exchange for cash balances of HK\$25,965,113 (2015: HK\$nil); and
- redeemed 3,600,000 units (2015: 7,000,000 units) in exchange for cash balances of HK\$67,173,948 (2015: HK\$145,776,638).

S&P Global Consumer Brands ETF

For the year ended 31 March 2016, S&P Global Consumer Brands ETF:

- issued 2,000,000 units (2015: nil units) in exchange for cash balances of HK\$53,237,242 (2015: HK\$nil); and
- redeemed 3,000,000 units (2015: 1,200,000 units) in exchange for cash balances of HK\$80,879,679 (2015: HK\$33,246,890).

MSCI China ETF

For the year ended 31 March 2016, MSCI China ETF:

- issued 19,400,000 units (2015: nil units) in exchange for application baskets consisting of investments valued at HK\$172,099,814 (2015: HK\$nil) and cash balances of HK\$271,647,657 (2015: HK\$nil); and
- redeemed 8,200,000 units (2015: 1,800,000 units) in exchange for application baskets consisting of investments valued at HK\$89,910,424 (2015: HK\$13,505,040) and cash balances of HK\$92,919,829 (2015: HK\$28,024,576).

Hang Seng High Dividend Yield ETF

For the year ended 31 March 2016, Hang Seng High Dividend Yield ETF:

- issued 1,800,000 units (2015: 3,600,000 units) in exchange for application baskets consisting of investments valued at HK\$nil (2015: HK\$81,339,160) and cash balances of HK\$38,354,499 (2015: HK\$744,440); and
- redeemed 3,800,000 units (2015: 1,400,000 units) in exchange for application baskets consisting of investments valued at HK\$74,895,719 (2015: HK\$30,375,639) and cash balances of HK\$6,824,041 (2015: HK\$281,841).

CSI 300 ETF

For the year ended 31 March 2016, CSI 300 ETF:

- issued nil units (2015: 43,000,000 units) in exchange for cash balances of RMBnil (2015: RMB351,681,034); and
- redeemed 15,500,000 units (2015: 17,000,000 units) in exchange for cash balances of RMB217,068,297 (2015: RMB199,041,474).

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

5. NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The following is a breakdown of net gain/(loss) on financial assets at fair value through profit or loss:

Net realised loss on sale of financial assets at fair value through profit or loss			
Net change in unrealised loss on financial assets at fair value through profit or loss			
	KOSPI 200 ETF For the year ended 31 March 2016 HK\$	S&P Emerging Asia Consumer ETF For the year ended 31 March 2016 HK\$	S&P Global Consumer Brands ETF For the year ended 31 March 2016 HK\$
	(193,252)	(7,396,535)	(1,973,857)
	(2,492,883)	(6,305,240)	(7,964,489)
	<u>(2,686,135)</u>	<u>(13,701,775)</u>	<u>(9,938,346)</u>
Net realised gain on sale of financial assets at fair value through profit or loss			
Net change in unrealised loss on financial assets at fair value through profit or loss			
	MSCI China ETF For the year ended 31 March 2016 HK\$	Hang Seng High Dividend Yield ETF For the year ended 31 March 2016 HK\$	CSI 300 ETF For the year ended 31 March 2016 RMB
	3,114,270	16,382,777	98,419,146
	(88,338,286)	(46,233,212)	(118,890,239)
	<u>(85,224,016)</u>	<u>(29,850,435)</u>	<u>(20,471,093)</u>

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

5. NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The following is a breakdown of net gain/(loss) on financial assets at fair value through profit or loss:

Net realised (loss)/gain on sale of financial assets at fair value through profit or loss			
Net change in unrealised (loss)/gain on financial assets at fair value through profit or loss			
	KOSPI 200 ETF For the year ended 31 March 2015 HK\$	S&P Emerging Asia Consumer ETF For the year ended 31 March 2015 HK\$	S&P Global Consumer Brands ETF For the year ended 31 March 2015 HK\$
	(139,454)	(5,523,621)	3,975,687
	(1,521,689)	1,725,930	(17,650,078)
	(1,661,143)	(3,797,691)	(13,674,391)
	MSCI China ETF For the year ended 31 March 2015 HK\$	Hang Seng High Dividend Yield ETF For the year ended 31 March 2015 HK\$	CSI 300 ETF For the year ended 24 September 2014 (date of inception) to 31 March 2015 RMB
	5,522,741	10,148,120	64,441,076
	50,956,726	16,544,245	134,775,364
	56,479,467	26,692,365	199,216,440
Net realised gain on sale of financial assets at fair value through profit or loss			
Net change in unrealised gain on financial assets at fair value through profit or loss			

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS

Related parties are those as defined in note 2(q). Related parties of the Sub-Funds also include the Manager of the Sub-Funds and its connected persons. Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year/period between the Sub-Funds and their related parties, including the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Funds do not have any other transactions with their related parties, including the Manager and its connected persons except for those disclosed below.

(a) Brokerage commission

The Sub-Funds utilise the trading services of brokers who are related to the Trustee and the Manager in their purchase and sale of investments. The details of such transactions and the brokerage commission are shown below.

	Total transaction value HK\$	% of total transaction value of the Sub-Fund	Total brokerage commission HK\$	Average rate of commission
<u>KOSPI 200 ETF</u>				
<i>For the year ended 31 March 2016:</i>				
Mirae Asset Securities Co., Ltd.*	705,068	17.17%	176	0.02%
<i>For the year ended 31 March 2015:</i>				
Mirae Asset Securities Co., Ltd.*	890,811	14.88%	222	0.02%
	Total transaction value HK\$	% of total transaction value of the Sub-Fund	Total brokerage commission HK\$	Average rate of commission
<u>S&P Emerging Asia Consumer ETF</u>				
<i>For the year ended 31 March 2016:</i>				
Citibank Hong Kong [#]	1,040,265	0.70%	570	0.05%
<i>For the year ended 31 March 2015:</i>				
Mirae Asset Wealth Management (HK) Limited (formerly known as Mirae Asset Securities (HK) Limited)*	40,625	0.02%	12	0.03%
<u>S&P Global Consumer Brands ETF</u>				
<i>For the year ended 31 March 2016:</i>				
Citibank N.A. [#]	9,760,130	4.38%	4,880	0.05%
Citibank, Singapore [#]	9,969,630	4.48%	5,283	0.05%

* Controlling entity of the Manager

[#] Affiliate of the Trustee

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(a) Brokerage commission (continued)

	Total transaction value HK\$	% of total transaction value of the Sub-Fund	Total brokerage commission HK\$	Average rate of commission
<u>MSCI China ETF</u>				
<i>For the year ended 31 March 2016:</i>				
Mirae Asset Wealth Management (HK) Limited (formerly known as Mirae Asset Securities (HK) Limited)*	33,559,956	4.34%	3,356	0.01%
Citigroup Global Market Asia Ltd. #	2,992	0.0004%	6	0.20%
Citibank N.A. #	4,569,513	0.59%	2,285	0.05%
<i>For the year ended 31 March 2015:</i>				
Citigroup Global Market Asia Ltd. #	107,949	0.12%	227	0.21%
	Total transaction value HK\$	% of total transaction value of the Sub-Fund	Total brokerage commission HK\$	Average rate of commission
<u>Hang Seng High Dividend Yield ETF</u>				
<i>For the year ended 31 March 2016:</i>				
Mirae Asset Wealth Management (HK) Limited (formerly known as Mirae Asset Securities (HK) Limited)*	23,909,564	5.72%	11,955	0.05%
<i>For the year ended 31 March 2015:</i>				
Mirae Asset Wealth Management (HK) Limited (formerly known as Mirae Asset Securities (HK) Limited)*	189,886	0.10%	57	0.03%

* Controlling entity of the Manager

Affiliate of the Trustee

During the year ended 31 March 2016 and period ended 31 March 2015, CSI 300 ETF did not utilise the trading services of brokers who are related to the Trustee and the Manager in its purchase and sale of investments.

During the year ended 31 March 2015, S&P Global Consumer Brands ETF did not utilise the trading services of brokers who are related to the Trustee and the Manager in its purchase and sale of investments.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(b) Management fee

The Manager is entitled to receive a management fee, calculated at an annual rate of the dealing net asset value of the Sub-Funds at each dealing day, accrued daily and payable monthly in arrears. The Manager is also entitled to receive a servicing fee which is waived by the Manager.

	<u>Maximum rate of the net asset value in %</u>	<u>Annual rate of the net asset value in %</u>	
		2016	2015
KOSPI 200 ETF	0.05%	0.05%	0.05%
S&P Emerging Asia Consumer ETF	0.45%	0.45%	0.45%
S&P Global Consumer Brands ETF	0.45%	0.45%	0.45%
MSCI China ETF	0.049%	0.049%	0.049%
Hang Seng High Dividend Yield ETF	0.18%	0.18%	0.18%
CSI 300 ETF ¹	0.25%	0.25%	0.25%

(c) Trustee fee

The Trustee is entitled to receive a trustee fee, calculated at an annual rate of the dealing net asset value of the Sub-Funds at each dealing day, accrued daily and payable monthly in arrears.

Under the terms of the Trust Deed, the Trustee may, after consulting the Manager, on giving not less than one month's notice to unitholders, increase the rate of the trustee fee payable in respect of the Sub-Funds up to or towards the maximum rate of 1 per cent per annum of the dealing net asset value of the Sub-Funds. The Trustee shall also be entitled to be reimbursed out of the assets of the Sub-Funds all out-of-pocket expenses incurred.

	<u>Annual rate² of the net asset value in %</u>	
	2016	2015
KOSPI 200 ETF	0.12%	0.12%
S&P Emerging Asia Consumer ETF	0.12%	0.12%
S&P Global Consumer Brands ETF	0.12%	0.12%
MSCI China ETF	0.10%	0.10%
Hang Seng High Dividend Yield ETF	0.10%	0.10%
CSI 300 ETF ¹	0.12%	0.12%

¹The financial period of this Sub-Fund in 2015 is referring to the period from 24 September 2014 (date of inception) to 31 March 2015.

²The current standard annual rates of all Sub-Funds, except for MSCI China ETF and Hang Seng High Dividend Yield ETF, are 0.12% (0.10% for MSCI China ETF and Hang Seng High Dividend Yield ETF), 0.08% and 0.06% if the net asset value of each Sub-Fund equals or is less than US\$200 million, is between US\$200 million and US\$500 million, and exceeds US\$500 million respectively, and is subject to a minimum fee of US\$5,000 per month for the period from April 2015 to June 2015 and US\$6,000 per month for the period from July 2015 to March 2016, except CSI 300 ETF which is subject to a minimum fee of US\$3,000 per month for the period from April 2015 to May 2015 and US\$6,000 per month for the period from June 2015 to March 2016. However, applied minimum monthly fee can be revised down upon concession from the Trustee.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(c) Trustee fee (continued)

Trustee fee is borne by both the Sub-Funds and the Manager as follows:

	For the year ended 31 March 2016	
	Portion borne by the Sub-Funds	Portion borne by the Manager
KOSPI 200 ETF (in HK\$)	43,129	492,086
S&P Emerging Asia Consumer ETF (in HK\$)	71,365	463,850
S&P Global Consumer Brands ETF (in HK\$)	134,885	400,330
MSCI China ETF (in HK\$)	375,566	161,993
Hang Seng High Dividend Yield ETF (in HK\$)	323,629	211,586
CSI 300 ETF (in RMB)	233,470	202,059

	For the year ended 31 March 2015	
	Portion borne by the Sub-Funds	Portion borne by the Manager
KOSPI 200 ETF (in HK\$)	48,415	207,458
S&P Emerging Asia Consumer ETF (in HK\$)	235,894	88,544
S&P Global Consumer Brands ETF (in HK\$)	194,786	76,110
MSCI China ETF (in HK\$)	311,369	41,565
Hang Seng High Dividend Yield ETF (in HK\$)	267,817	41,658
CSI 300 ETF (in RMB) ¹	221,471	–

¹ The financial period of this Sub-Fund in 2015 is referring to the period from 24 September 2014 (date of inception) to 31 March 2015.

(d) Other expenses

(i) Formation fee

During the year ended 31 March 2016, the formation fee was finalised and amounted to HK\$529,483 and HK\$529,485 for MSCI China ETF and Hang Seng High Dividend Yield ETF respectively. The resultant reductions in formation fee by HK\$514 and HK\$512 for MSCI China ETF and Hang Seng High Dividend Yield ETF respectively were recorded in the profit or loss. The formation fee for establishing CSI 300 ETF, which was launched during the period ended 31 March 2015, was RMB 1,062,987. Similar to the above-mentioned two Sub-Funds, the formation fee for this Sub-Fund is payable to the Manager.

(ii) Administration fee

The Manager is responsible for the payment of several fees, such as audit fee, conversion agent fee and index licensing fee, for the administration of the Sub-Funds. The Manager is entitled to receive a recharge of the administration fee, calculated at an annual rate on the net asset value of the Sub-Funds at each dealing day and payable monthly in arrears, as illustrated by the table below.

	Current annual rate of the net asset value in %	
	2016	2015
KOSPI 200 ETF	0.12%	0.12%
S&P Emerging Asia Consumer ETF	0.18%	0.18%
S&P Global Consumer Brands ETF	0.18%	0.18%
MSCI China ETF	0.101%	0.101%
Hang Seng High Dividend Yield ETF	0.10%	0.10%
CSI 300 ETF ¹	0.12%	0.12%

¹ The financial period of this Sub-Fund in 2015 is referring to the period from 24 September 2014 (date of inception) to 31 March 2015.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(d) Other expenses (continued)

(ii) Administration fee (continued)

The tables below list the breakdown of the administration fee incurred by the Sub-Funds.

<u>KOSPI 200 ETF</u>	For the year ended 31 March 2016		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	5,828	56,122	61,950
Index licensing fee	4,409	1,242	5,651
Other administration fee	32,946	295,108	328,054
	<u>43,183</u>	<u>352,472</u>	<u>395,655</u>

	For the year ended 31 March 2015		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	6,770	52,230	59,000
Index licensing fee	3,369	–	3,369
Other administration fee	38,276	295,264	333,540
	<u>48,415</u>	<u>347,494</u>	<u>395,909</u>

<u>S&P Emerging Asia Consumer ETF</u>	For the year ended 31 March 2016		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	11,976	49,974	61,950
Index licensing fee	29,735	48,039	77,774
Other administration fee	65,336	258,332	323,668
	<u>107,047</u>	<u>356,345</u>	<u>463,392</u>

	For the year ended 31 March 2015		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	39,585	19,415	59,000
Index licensing fee	98,289	–	98,289
Other administration fee	215,967	105,924	321,891
	<u>353,841</u>	<u>125,339</u>	<u>479,180</u>

<u>S&P Global Consumer Brands ETF</u>	For the year ended 31 March 2016		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	22,635	39,315	61,950
Index licensing fee	56,202	21,572	77,774
Other administration fee	123,491	200,177	323,668
	<u>202,328</u>	<u>261,064</u>	<u>463,392</u>

	For the year ended 31 March 2015		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	32,687	26,313	59,000
Index licensing fee	81,160	–	81,160
Other administration fee	178,331	143,560	321,891
	<u>292,178</u>	<u>169,873</u>	<u>462,051</u>

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(d) Other expenses (continued)

(ii) Administration fee (continued)

MSCI China ETF	For the year ended 31 March 2016		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	34,915	27,035	61,950
Index licensing fee	150,226	–	150,226
Other administration fee	194,180	127,958	322,138
	<u>379,321</u>	<u>154,993</u>	<u>534,314</u>

	For the year ended 31 March 2015		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	28,947	30,053	59,000
Index licensing fee	124,548	–	124,548
Other administration fee	160,988	167,142	328,130
	<u>314,483</u>	<u>197,195</u>	<u>511,678</u>

Hang Seng High Dividend Yield ETF	For the year ended 31 March 2016		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	29,593	32,357	61,950
Index licensing fee	129,451	–	129,451
Other administration fee	164,584	157,556	322,140
	<u>323,628</u>	<u>189,913</u>	<u>513,541</u>

	For the year ended 31 March 2015		
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$	Total HK\$
Audit fee	24,490	34,510	59,000
Index licensing fee	107,127	–	107,127
Other administration fee	136,200	191,930	328,130
	<u>267,817</u>	<u>226,440</u>	<u>494,257</u>

CSI 300 ETF	For the year ended 31 March 2016		
	Portion borne by the Sub-Fund RMB	Portion borne by the Manager RMB	Total RMB
Audit fee	19,092	32,451	51,543
Index licensing fee	77,824	77,344	155,168
Other administration fee	136,553	195,791	332,344
	<u>233,469</u>	<u>305,586</u>	<u>539,055</u>

	For the period from 24 September 2014 (date of inception) to 31 March 2015		
	Portion borne by the Sub-Fund RMB	Portion borne by the Manager RMB	Total RMB
Audit fee	18,111	29,074	47,185
Index licensing fee	73,823	–	73,823
Other administration fee	129,536	207,948	337,484
	<u>221,470</u>	<u>237,022</u>	<u>458,492</u>

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(d) Other expenses (continued)

(iii) *Custody fee and bank charges*

Custody fee and bank charges of the Sub-Funds for the periods ended 31 March 2016 and 31 March 2015 were charged by Citibank N.A., immediate holding company of the Trustee.

(iv) *Professional fee*

The tables below list the breakdown of the professional fee incurred by the S&P Emerging Asia Consumer ETF borne by the Manager.

	For the year ended 31 March 2016	
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$
S&P Emerging Asia Consumer ETF	—	43,144

	For the year ended 31 March 2015	
	Portion borne by the Sub-Fund HK\$	Portion borne by the Manager HK\$
S&P Emerging Asia Consumer ETF	63,878	—

(e) Bank balances and financial assets at fair value through profit or loss held by the Trustee's related company

Bank balances

The amounts of the bank balances included in the statement of net assets of all the Sub-Funds are held with Citibank N.A., a related company of the Trustee, and placed with interest-bearing accounts, except for CSI 300 ETF that RMB712,412 of bank balance is placed with Industrial and Commercial Bank of China Limited. The carrying accounts of the bank balances approximate their fair value. Interest was earned on these bank balances during the years/period ended 31 March 2016 and 31 March 2015.

Financial assets at fair value through profit or loss

The amounts of the financial assets at fair value through profit or loss included in the statement of net assets of all the Sub-Funds', except for that of CSI 300 ETF, were held with Citibank N.A., a related company of the Trustee during the years/period ended 31 March 2016 and 31 March 2015.

(f) Holdings of units

KOSPI 200 ETF

As at 31 March 2016, Citibank N.A., a related company of the Trustee, and Mirae Asset Wealth Management (HK) Limited, a related company of the Manager, held 218,000 units (2015: 310,500 units) and 1,000,000 units (2015: 1,000,000 units) of KOSPI 200 ETF respectively. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(f) Holdings of units (continued)

S&P Emerging Asia Consumer ETF

As at 31 March 2016, Citibank N.A. held 6,500 units (2015: 210,820 units) of S&P Emerging Asia Consumer ETF. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

S&P Global Consumer Brands ETF

As at 31 March 2016, Citibank N.A. and Mirae Asset Wealth Management (HK) Limited held 1,600,000 units (2015: 240,500 units) and 1,200,000 units (2015: 1,200,000 units) of S&P Global Consumer Brands ETF respectively. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

MSCI China ETF

As at 31 March 2016, Citibank N.A. held 7,700,000 units (2015: 2,397,000 units) of MSCI China ETF. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

Hang Seng High Dividend Yield ETF

As at 31 March 2016, Citibank N.A. and Mirae Asset Wealth Management (HK) Limited held 1,259,900 units (2015: 2,383,600 units) and 2,000,000 units (2015: 2,000,000 units) of Hang Seng High Dividend Yield ETF respectively. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

CSI 300 ETF

As at 31 March 2016, Citibank N.A., a related company of the Trustee, held 412,500 units (2015: 726,000 units) of CSI 300 ETF. The units are held and transacted in the capacity of a nominee on behalf of the third parties.

(g) Other payables

Application fee payable

For each application of unit creation and unit redemption, the Trustee is entitled to transaction fee of HK\$15,000, except for CSI 300 ETF which is entitled to transaction fee of RMB12,000, which is borne by the participating dealer. The transaction fee would be paid to the Sub-Funds or may be set off and deducted against any cash components. The Sub-Funds would pay the transactions fee to the Trustee on behalf of the participating dealer. The details of the transaction fee due to the Trustee by the Sub-Funds as at year/period ended, included in the balance of "other payables" in the statements of net assets, are shown below.

	2016	2015
S&P Emerging Asia Consumer ETF (in HK\$)	–	15,000
S&P Global Consumer Brands ETF (in HK\$)	15,000	15,000
MSCI China ETF (in HK\$)	30,000	–
Hang Seng High Dividend Yield ETF (in HK\$)	60,000	–
CSI 300 ETF (in RMB)	12,000	24,000

Except for shown above, no transaction fee was due to the Trustee by KOSPI 200 ETF as at year ended.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND ITS CONNECTED PERSONS (CONTINUED)

(h) Amounts due from/to a broker

Amounts due from/to a broker represent receivables/payables from Citibank N.A. for securities sold/bought through Citibank N.A. that have been contracted for but not yet settled or delivered on the reporting date respectively. The details of amounts due from/to a broker for the Sub-Funds as at year/period ended are shown below.

Amount due from a broker

	2016	2015
S&P Global Consumer Brands ETF (in HK\$)	28,806	61,657

Amount due to brokers

	2016	2015
S&P Global Consumer Brands ETF (in HK\$)	–	32,849

(i) Redemption payable

The redemption payable to Mirae Asset Wealth Management (HK) Limited, a participating dealer which is a related party of the Manager, is shown as below:

	2016	2015
CSI 300 ETF (RMB)	259,758	-

7. SOFT COMMISSION ARRANGEMENTS

The Manager may effect transactions, provided that any such transaction is consistent with standards of “best execution”, by or through the agency of another person for the account of the Sub-Funds with whom the Manager or any of its connected persons have an arrangement under which that party will from time to time provide to or procure for the Manager or any of its connected persons goods, services or other benefits (such as advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Sub-Funds as a whole and may contribute to an improvement in the performance of the Sub-Funds. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees’ salaries or direct money payments. Since the inception of the Sub-Funds, the Manager had not participated in any soft commission arrangements in respect of any transactions for the account of the Sub-Funds.

8. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Funds as they are authorised as collective investment schemes under section 104 of the Hong Kong Securities and Futures Ordinance and are therefore exempt from Hong Kong Profits Tax under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

8. TAXATION (CONTINUED)

The Sub-Funds invest in shares of companies in the People's Republic of China ("PRC") listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange ("A-shares") and the SEHK ("H-shares"). Under the PRC Corporate Income Tax Law, the Sub-Funds may be liable to pay PRC tax on the capital gains realised from the trading of A-shares and H-shares.

For the A-shares, on 14 November 2014, the Ministry of Finance of the PRC (the "MoF"), the State Administration of Taxation of the PRC ("SAT") and the China Securities Regulatory Commission ("CSRC") jointly issued the "Notice on the issues of temporary exemption from the imposition of corporate income tax arising from gains from the transfer of equity investment assets such as PRC domestic stocks by Qualified Foreign Institutional Investor ("QFII") and RMB Qualified Foreign Institutional Investor ("RQFII") "關於 QFII 和 RQFII 取得中國境內的股票等權益性投資資產轉讓所得暫免徵收企業所得稅問題的通知" Caishui [2014] No.79 (the "Notice"). The Notice states that PRC corporate income tax was imposed on capital gains derived by QFIIs and RQFIIs from equity investment assets (including PRC domestic stocks) prior to 17 November 2014 ("capital gains tax") in accordance with laws. The Notice also states that RQFIIs without an establishment or a place of business in the PRC are temporarily exempt from corporate income tax on gains derived from the trading of A-Shares effective from 17 November 2014.

In view of the Notice and pursuant to the Manager's announcement dated 19 November 2014, no withholding tax on capital gains, including gross realised or unrealised capital gains, was provided in the financial statements of CSI 300 ETF.

For the H-shares, no withholding tax on capital gains, including gross realised or unrealised capital gains, was provided as the Management considers that the Sub-Funds can sustain a position for not filing a tax return based on the existing tax regulations and that the enforcement of PRC tax on capital gains of H-shares is not probable. Upon any future resolution of the above-mentioned uncertainty or further changes to tax law or policies, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary.

Withholding tax was charged on certain dividend income of the Sub-Funds during the years/period ended 31 March 2016 and 31 March 2015.

For S&P Emerging Asia Consumer ETF, capital gains tax was charged on realised gains on disposal of Indian securities during the years ended 31 March 2016 and 31 March 2015.

9. DISTRIBUTIONS TO UNITHOLDERS

The Manager may in its absolute discretion distribute income to unitholders at such time or times as it may determine in each financial year or determine that no distribution shall be made in any financial year. The amount to be distributed to unitholders, if any, will be derived from the net income of the Sub-Funds.

The Sub-Funds did not make any distribution for the year ended 31 March 2016 (2015: Nil) except for Hang Seng High Dividend Yield ETF, which distributed HK\$2,684,000 (HK\$0.22 per unit on 12,200,000 units) on 29 March 2016 (2015: Nil).

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

The SFC Code allows the Sub-Funds to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Funds' net asset value provided that:

- (a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the tracked index and;
- (b) the Sub-Funds' holding of any such constituent securities may not exceed their respective weightings in the tracked index, except where weightings are exceeded as a result of changes in the composition of the tracked index and the excess is only transitional and temporary in nature.

Constituent securities that account for more than 10% of the net asset value of the Sub-Funds as at year were as follows:

<u>As at 31 March 2016</u>	Respective weighting in the tracked index	Respective weighting in the Sub-Fund's net asset value
<i>KOSPI 200 ETF</i>		
Samsung Electronics Co., Ltd.	21.15%	21.31%
<i>MSCI China ETF</i>		
Tencent Holdings Ltd.	12.16%	12.10%

<u>As at 31 March 2015</u>	Respective weighting in the tracked index	Respective weighting in the Sub-Fund's net asset value
<i>KOSPI 200 ETF</i>		
Samsung Electronics Co., Ltd.	22.86%	22.06%
<i>MSCI China ETF</i>		
Tencent Holdings Ltd.	10.85%	10.88%

S&P Emerging Asia Consumer ETF, S&P Global Consumer Brands ETF, Hang Seng High Dividend Yield ETF and CSI 300 ETF did not have any constituent securities that individually accounted for more than 10% of their respective net asset values as at 31 March 2016 and 31 March 2015.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- (a) Strategy in using financial instruments

Investment objectives and investment policies

The investment objectives of the Sub-Funds are to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the underlying index relevant to each of the respective Sub-Funds by investing all, or substantially all, of the assets of such Sub-Fund in index securities in substantially the same weightings as constituted in the underlying index. Refer to note 1 for details.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Sub-Funds themselves are subject to various risks. The main risks associated with the investments, assets and liabilities of the Sub-Funds are set out below:

(b) Market risk

(i) *Market price risk*

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Funds are designated to track the performance of their respective indices, and therefore the exposures to market risk in the Sub-Funds will be substantially the same as the tracked indices. The Manager manages the Sub-Funds' exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked indices.

As at 31 March 2016 and 31 March 2015, the Sub-Funds' financial assets at fair value through profit or loss were concentrated in the following industries:

	<u>KOSPI 200 ETF</u>			
	<u>As at 31 March 2016</u>		<u>As at 31 March 2015</u>	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Listed Equities - By Industry</u>				
Consumer discretionary	5,349,817	14.56	5,285,075	13.53
Consumer staples	3,349,920	9.12	3,012,708	7.71
Energy	1,046,997	2.85	761,821	1.95
Financials	4,550,648	12.39	4,758,598	12.18
Health care	806,000	2.19	474,152	1.21
Industrials	4,298,244	11.70	5,070,771	12.98
Information technology	11,083,277	30.16	13,617,987	34.86
Materials	3,506,771	9.54	3,300,900	8.45
Telecommunications services	1,142,215	3.11	1,363,390	3.49
Utilities	1,128,368	3.07	885,936	2.27
	<u>36,262,257</u>	<u>98.69</u>	<u>38,531,338</u>	<u>98.63</u>

	<u>S&P Emerging Asia Consumer ETF</u>			
	<u>As at 31 March 2016</u>		<u>As at 31 March 2015</u>	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Listed Equities - By Industry</u>				
Consumer discretionary	17,748,336	54.21	45,009,141	51.57
Consumer staples	14,727,819	44.98	41,540,732	47.59
	<u>32,476,155</u>	<u>99.19</u>	<u>86,549,873</u>	<u>99.16</u>

	<u>S&P Global Consumer Brands ETF</u>			
	<u>As at 31 March 2016</u>		<u>As at 31 March 2015</u>	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Listed Equities - By Industry</u>				
Consumer discretionary	98,136,569	98.75	134,560,638	99.04

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) *Market price risk* (continued)

	<u>MSCI China ETF</u>			
	<u>As at 31 March 2016</u>		<u>As at 31 March 2015</u>	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Listed Equities - By Industry</u>				
Consumer discretionary	27,879,711	5.60	14,806,880	4.69
Consumer staples	13,687,200	2.75	12,741,899	4.03
Energy	36,154,508	7.26	30,247,000	9.57
Financials	174,383,459	35.01	124,635,696	39.45
Health care	10,657,638	2.14	6,812,655	2.16
Industrials	35,981,876	7.24	22,542,892	7.14
Information technology	117,766,548	23.64	46,436,997	14.70
Materials	6,902,693	1.38	8,056,405	2.55
Telecommunications services	49,230,878	9.89	35,243,940	11.16
Utilities	18,904,926	3.80	11,989,000	3.80
	<u>491,549,437</u>	<u>98.71</u>	<u>313,513,364</u>	<u>99.25</u>

	<u>Hang Seng High Dividend Yield ETF</u>			
	<u>As at 31 March 2016</u>		<u>As at 31 March 2015</u>	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Listed Equities - By Industry</u>				
Consumer discretionary	51,258,140	19.28	25,723,088	7.87
Energy	11,414,873	4.30	11,050,440	3.38
Financials	125,701,941	47.29	187,455,713	57.36
Industrials	-	-	15,419,967	4.72
Information technology	14,100,502	5.31	7,067,340	2.16
Materials	8,271,413	3.11	4,787,175	1.46
Telecommunications services	22,621,864	8.51	33,169,780	10.15
Utilities	24,464,349	9.20	38,557,260	11.80
	<u>257,833,082</u>	<u>97.00</u>	<u>323,230,763</u>	<u>98.90</u>

	<u>CSI 300 ETF</u>			
	<u>As at 31 March 2016</u>		<u>As at 31 March 2015</u>	
	Fair value RMB	% of net asset value	Fair value RMB	% of net asset value
<u>Listed Equities - By Industry</u>				
Consumer discretionary	14,681,481	13.07	39,258,880	11.27
Consumer staples	8,202,121	7.30	19,022,622	5.46
Energy	3,193,840	2.84	10,942,031	3.14
Financials	16,055,842	14.30	140,371,316	40.28
Health care	8,622,038	7.68	19,204,810	5.51
Industrials	27,272,118	24.29	58,070,591	16.66
Information technology	8,121,467	7.23	21,044,123	6.04
Materials	18,176,042	16.18	25,276,433	7.25
Telecommunications services	543,708	0.48	3,167,036	0.91
Utilities	7,348,397	6.54	12,245,728	3.52
	<u>112,217,054</u>	<u>99.91</u>	<u>348,603,570</u>	<u>100.04</u>

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) *Market price risk* (continued)

Sensitivity analysis in the event of a possible change in the tracked indices by sensitivity threshold as estimated by the Manager

As at 31 March 2016 and 31 March 2015, if the tracked indices were to increase by the following sensitivity thresholds with all other variables held constant, this would increase the net asset value by the amounts stated below. Conversely, if the tracked indices were to decrease by the same sensitivity thresholds, this would decrease the net asset value by approximately equal amounts.

	As at 31 March 2016		As at 31 March 2015	
	Sensitivity threshold in %	Impact	Sensitivity threshold in %	Impact
KOSPI 200 ETF (in HK\$)	7.21%	2,613,570	4.39%	1,691,526
S&P Emerging Asia Consumer ETF (in HK\$)	15.61%	5,068,810	3.31%	2,864,801
S&P Global Consumer Brands ETF (in HK\$)	6.75%	6,620,729	5.64%	7,589,220
MSCI China ETF (in HK\$)	18.81%	92,445,384	23.94%	75,055,099
Hang Seng High Dividend Yield ETF (in HK\$)	4.13%	10,638,454	17.56%	56,759,322
CSI 300 ETF (in RMB)	20.56%	23,076,903	88.75%	309,385,668

The Manager has used their view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above. Disclosures above are shown in absolute terms, while changes and impacts could be positive or negative. Changes in market index % are revised annually depending on the Manager’s current view of market volatility and other relevant factors.

(ii) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

The majority of the Sub-Funds’ financial assets and liabilities are non-interest bearing. As a result, the Sub-Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(iii) *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Sub-Funds, except for MSCI China ETF, Hang Seng High Dividend Yield ETF and CSI 300 ETF, hold assets and liabilities denominated in currencies other than their functional currency, Hong Kong dollar, and are therefore exposed to currency risk with respect to those currencies. The Manager considers that there is no currency risk to the United States dollar ("US dollar") which is a pegged currency with the Hong Kong dollar.

The tables below summarise the Sub-Funds' net exposure of monetary and non-monetary assets, which are denominated in currencies other than the Hong Kong dollar and the US dollar. The currencies include South Korean Won ("KRW"), Indonesian Rupiah ("IDR"), Indian Rupee ("INR"), Malaysian Ringgit ("MYR"), Singapore Dollar ("SGD"), Thai Baht ("THB"), New Taiwan Dollar ("TWD"), Swiss Franc ("CHF"), Euro ("EUR"), British Pound ("GBP"), Japanese Yen ("JPY") and Swedish Krona ("SEK").

<i>(Amounts in HK\$)</i>	<u>KOSPI 200 ETF</u>	
	<u>As at 31 March 2016</u>	<u>As at 31 March 2015</u>
Current assets	KRW	KRW
Monetary assets	464,424	500,602
Non-monetary assets	36,262,257	38,531,338

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(iii) Currency risk (continued)

	S&P Emerging Asia Consumer ETF As at 31 March 2016						
	IDR	INR	MYR	SGD	THB	TWD	
Current assets							
Monetary assets	13,405	–	–	–	4,244	16,239	
Non-monetary assets	9,684,745	5,611,615	957,952	1,128,027	2,279,267	3,423,204	
	As at 31 March 2015						
	IDR	INR	MYR	SGD	THB	TWD	
Current assets							
Monetary assets	–	–	–	–	–	16,696	
Non-monetary assets	10,255,386	21,862,329	3,764,440	–	4,335,881	15,043,733	
	S&P Global Consumer Brands ETF As at 31 March 2016						
	CHF	EUR	GBP	JPY	KRW	SEK	
Current assets							
Monetary assets	–	(174,195)	–	177,498	112,636	–	
Non-monetary assets	3,153,228	42,618,672	6,573,750	22,719,841	–	3,085,313	
	As at 31 March 2015						
	CHF	EUR	GBP	JPY	KRW	SEK	
Current assets							
Monetary assets	–	–	–	170,492	144,955	–	
Non-monetary assets	8,662,102	44,772,652	4,377,047	22,452,452	13,585,438	4,322,182	

All of MSCI China ETF's and Hang Seng High Dividend Yield ETF's assets and liabilities are denominated in their functional currency, Hong Kong dollar. All of CSI 300 ETF's assets and liabilities are denominated in its functional currency, Renminbi. As a result, MSCI China ETF, Hang Seng High Dividend Yield ETF and CSI 300 ETF were not exposed to significant currency risk as at 31 March 2016 and 31 March 2015.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(iii) *Currency risk* (continued)

The tables below summarise the sensitivity of the Sub-Funds' monetary and non-monetary assets and liabilities to changes in foreign exchange rates as at 31 March 2016 and 31 March 2015. The analysis is based on the assumption that the relevant foreign exchange rate increased or decreased against the Hong Kong dollar by the percentage disclosed in the tables below with all other variables held constant. This represents the Management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	<u>KOSPI 200 ETF</u>			
	<u>As at 31 March 2016</u>		<u>As at 31 March 2015</u>	
	Reasonably possible shift in %	Impact on net assets attributable to unitholders HK\$	Reasonably possible shift in %	Impact on net assets attributable to unitholders HK\$
Currency				
South Korean won				
- monetary	2.9%	13,468	4.3%	21,526
- non-monetary	2.9%	1,051,605	4.3%	1,656,848

	<u>S&P Emerging Asia Consumer ETF</u>			
	<u>As at 31 March 2016</u>		<u>As at 31 March 2015</u>	
	Reasonably possible shift in %	Impact on net assets attributable to unitholders HK\$	Reasonably possible shift in %	Impact on net assets attributable to unitholders HK\$
Currency				
Indonesian rupiah				
- monetary	1.2%	161	—	—
- non-monetary	1.2%	116,217	15.2%	1,558,819
Indian rupee				
- monetary	5.6%	—	—	—
- non-monetary	5.6%	314,250	4.8%	1,049,392
Malaysian ringgit				
- monetary	5.0%	—	—	—
- non-monetary	5.0%	47,898	13.5%	508,199
Singapore dollar				
- monetary	1.8%	—	—	—
- non-monetary	1.8%	20,304	—	—
Thai baht				
- monetary	7.3%	310	—	—
- non-monetary	7.3%	166,386	0.4%	17,344
Taiwan dollar				
- monetary	2.7%	438	2.8%	467
- non-monetary	2.7%	92,427	2.8%	421,225

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(iii) *Currency risk* (continued)

	<u>S&P Global Consumer Brands ETF</u>			
	<u>As at 31 March 2016</u>		<u>As at 31 March 2015</u>	
	Reasonably possible shift in %	Impact on net assets attributable to unitholders HK\$	Reasonably possible shift in %	Impact on net assets attributable to unitholders HK\$
Currency				
Euro				
- monetary	6.1%	(10,626)	—	—
- non-monetary	6.1%	2,599,739	28.4%	12,715,433
Japanese yen				
- monetary	6.8%	12,070	16.5%	28,131
- non-monetary	6.8%	1,544,949	16.5%	3,704,655
Pound sterling				
- monetary	20.0%	—	—	—
- non-monetary	20.0%	1,314,750	12.4%	542,754
South Korean won				
- monetary	2.9%	3,266	4.3%	6,233
- non-monetary	2.9%	—	4.3%	584,174
Swedish krona				
- monetary	6.4%	—	—	—
- non-monetary	6.4%	197,460	33.1%	1,430,642
Swiss franc				
- monetary	1.2%	—	—	—
- non-monetary	1.2%	37,839	10.0%	866,210

(c) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Sub-Funds' financial assets which are potentially subject to credit risk consist principally of securities and bank balances. The Sub-Funds limit their exposure to credit risk by transacting with well-established broker-dealers and banks with high credit ratings.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal as delivery of securities sold is made at once and only after the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits and assets held with the Citibank N.A., a related company of the Trustee, and Industrial and Commercial Bank of China Limited. The tables below summarise the Sub-Fund's assets placed with banks and their related credit ratings from Moody's:

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

	KOSPI 200 ETF		S&P Emerging Asia Consumer ETF		S&P Global Consumer Brands ETF	
	2016	2015	2016	2015	2016	2015
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Financial assets at fair value through profit or loss						
Citibank N.A.	36,262,257	38,531,338	32,476,155	86,549,873	98,136,569	134,560,638
Rating	A1	A2	A1	A2	A1	A2
Source of rating	Moody's	Moody's	Moody's	Moody's	Moody's	Moody's
Amount due from a broker						
Citibank N.A.	—	—	—	—	28,806	61,657
Rating	—	—	—	—	A1	A2
Source of rating	—	—	—	—	Moody's	Moody's
Bank balances						
Citibank N.A.	36,400	185,715	293,766	819,580	973,828	1,055,099
Rating	A1	A2	A1	A2	A1	A2
Source of rating	Moody's	Moody's	Moody's	Moody's	Moody's	Moody's

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

	MSCI China ETF		Hang Seng High Dividend Yield ETF		CSI 300 ETF	
	Net exposure to counterparty 2016 HK\$	2015 HK\$	Net exposure to counterparty 2016 HK\$	2015 HK\$	Net exposure to counterparty 2016 RMB	2015 RMB
Financial assets at fair value through profit or loss						
Citibank N.A.	491,549,437	313,513,364	257,833,082	323,230,763	-	-
Rating	A1	A2	A1	A2	-	-
Source of rating	Moody's	Moody's	Moody's	Moody's	-	-
Industrial and Commercial Bank of China Limited	-	-	-	-	112,217,054	348,603,570
Rating	-	-	-	-	A1	A1
Source of rating	-	-	-	-	Moody's	Moody's
Deposit reserve – China Exchange Clearing						
Industrial and Commercial Bank of China Limited	-	-	-	-	40,631	50,399
Rating	-	-	-	-	A1	A1
Source of rating	-	-	-	-	Moody's	Moody's
Bank balances						
Citibank N.A.	6,752,678	2,672,909	7,755,435	3,547,923	178,371	459
Rating	A1	A2	A1	A2	A1	A2
Source of rating	Moody's	Moody's	Moody's	Moody's	Moody's	Moody's
Industrial and Commercial Bank of China Limited	-	-	-	-	712,412	875,676
Rating	-	-	-	-	A1	A1
Source of rating	-	-	-	-	Moody's	Moody's

Accordingly, the Sub-Funds have no significant credit risk.

The maximum exposure to credit risk at period end is the carrying amount of the financial assets as shown on the statement of net assets.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

None of the assets is impaired nor past due but not impaired.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including a redemption request.

The Sub-Funds invest the majority of their assets in investments that are traded in an active market and can be readily disposed of. The Sub-Funds' securities are considered readily realisable, as they are listed. It is the intent of the Manager to monitor the Sub-Funds' liquidity position on a daily basis.

The following table illustrates the expected liquidity of assets held at 31 March 2016 and 31 March 2015 and give the contractual undiscounted cash-flow projection of the Sub-Funds' financial liabilities. The Sub-Funds manage their liquidity risk by investing in securities that they expect to be able to liquidate within 1 month or less. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

KOSPI 200 ETF

<u>As at 31 March 2016</u>	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	36,262,257	–	–	–	36,262,257
Dividend receivable	452,850	–	–	–	452,850
Bank balances	36,400	–	–	–	36,400
Total	36,751,507	–	–	–	36,751,507
Financial liabilities					
Management fee payable	1,491	–	–	–	1,491
Trustee fee payable	3,579	–	–	–	3,579
Administration fee payable	3,191	–	–	–	3,191
Custody fee payable	–	387	–	–	387
Other payables	–	387	–	–	387
Total	8,261	774	–	–	9,035

As at 31 March 2016, three unitholders respectively held 50%, 16% and 11% of KOSPI 200 ETF's total net assets.

<u>As at 31 March 2015</u>	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	38,531,338	–	–	–	38,531,338
Dividend receivable	346,301	12,895	–	–	359,196
Bank balances	185,715	–	–	–	185,715
Total	39,063,354	12,895	–	–	39,076,249
Financial liabilities					
Management fee payable	1,696	–	–	–	1,696
Trustee fee payable	4,069	–	–	–	4,069
Administration fee payable	3,696	–	–	–	3,696
Other payables	373	–	–	–	373
Total	9,834	–	–	–	9,834

As at 31 March 2015, three unitholders respectively held 50%, 16% and 11% of KOSPI 200 ETF's total net assets.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

S&P Emerging Asia Consumer ETF

<u>As at 31 March 2016</u>	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	32,476,155	–	–	–	32,476,155
Dividend receivable	4,244	–	–	–	4,244
Bank balances	293,766	–	–	–	293,766
Total	32,774,165	–	–	–	32,774,165
Financial liabilities					
Management fee payable	12,185	–	–	–	12,185
Trustee fee payable	3,249	–	–	–	3,249
Administration fee payable	4,874	–	–	–	4,874
Custody fee payable	–	12,461	–	–	12,461
Total	20,308	12,461	–	–	32,769

As at 31 March 2016, a unitholder held 94% of S&P Emerging Asia Consumer ETF's total net assets.

<u>As at 31 March 2015</u>	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	86,549,873	–	–	–	86,549,873
Bank balances	819,580	–	–	–	819,580
Total	87,369,453	–	–	–	87,369,453
Financial liabilities					
Management fee payable	34,739	–	–	–	34,739
Trustee fee payable	9,264	–	–	–	9,264
Formation fee payable	14,311	–	–	–	14,311
Administration fee payable	13,896	–	–	–	13,896
Other payables	15,000	–	–	–	15,000
Total	87,210	–	–	–	87,210

As at 31 March 2015, a unitholder held 94% of S&P Emerging Asia Consumer ETF's total net assets.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

S&P Global Consumer Brands ETF

<u>As at 31 March 2016</u>	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	98,136,569	–	–	–	98,136,569
Amount due from a broker	28,806	–	–	–	28,806
Dividends receivable	154,010	177,498	–	–	331,508
Bank balances	973,828	–	–	–	973,828
Total	99,293,213	177,498	–	–	99,470,711
Financial liabilities					
Management fee payable	37,717	–	–	–	37,717
Trustee fee payable	10,058	–	–	–	10,058
Administration fee payable	15,087	–	–	–	15,087
Custody fee payable	–	10,099	–	–	10,099
Other payables	–	15,000	–	–	15,000
Total	62,862	25,099	–	–	87,961

As at 31 March 2016, three unitholders respectively held 42%, 32% and 16% of S&P Global Consumer Brands ETF's total net assets.

<u>As at 31 March 2015</u>	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	134,560,638	–	–	–	134,560,638
Amount due from a broker	61,657	–	–	–	61,657
Dividends receivable	191,254	149,765	–	–	341,019
Bank balances	1,055,099	–	–	–	1,055,099
Total	135,868,648	149,765	–	–	136,018,413
Financial liabilities					
Management fee payable	54,765	–	–	–	54,765
Trustee fee payable	14,604	–	–	–	14,604
Formation fee payable	13,913	–	–	–	13,913
Administration fee payable	21,906	–	–	–	21,906
Amount due to brokers	32,849	–	–	–	32,849
Other payables	15,000	–	–	–	15,000
Total	153,037	–	–	–	153,037

As at 31 March 2015, two unitholders respectively held 64% and 25% of S&P Global Consumer Brands ETF's total net assets.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

MSCI China ETF

<u>As at 31 March 2016</u>	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	490,430,579	827,185	291,673	–	491,549,437
Bank balances	6,752,678	–	–	–	6,752,678
Total	497,183,257	827,185	291,673	–	498,302,115
Financial liabilities					
Management fee payable	20,263	–	–	–	20,263
Trustee fee payable	41,353	–	–	–	41,353
Formation fee payable	–	15,465	–	–	15,465
Administration fee payable	41,766	–	–	–	41,766
Custody fee payable	–	162,861	–	–	162,861
Other payables	–	30,000	–	–	30,000
Total	103,382	208,326	–	–	311,708

As at 31 March 2016, two unitholders respectively held 56% and 33% of MSCI China ETF's total net assets.

<u>As at 31 March 2015</u>	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	313,513,364	–	–	–	313,513,364
Bank balances	2,672,909	–	–	–	2,672,909
Total	316,186,273	–	–	–	316,186,273
Financial liabilities					
Management fee payable	13,119	–	–	–	13,119
Trustee fee payable	26,774	–	–	–	26,774
Formation fee payable	16,494	47,034	141,103	–	204,631
Administration fee payable	27,042	–	–	–	27,042
Total	83,429	47,034	141,103	–	271,566

As at 31 March 2015, two unitholders respectively held 64% and 20% of MSCI China ETF's total net assets.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

Hang Seng High Dividend Yield ETF

<u>As at 31 March 2016</u>	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	257,833,082	–	–	–	257,833,082
Dividends receivable	348,053	80,094	–	–	428,147
Bank balances	7,755,435	–	–	–	7,755,435
Total	265,936,570	80,094	–	–	266,016,664
Financial liabilities					
Management fee payable	40,374	–	–	–	40,374
Trustee fee payable	22,430	–	–	–	22,430
Formation fee payable	15,465	–	–	–	15,465
Administration fee payable	22,430	–	–	–	22,430
Custody fee payable	–	58,969	–	–	58,969
Other payables	–	60,000	–	–	60,000
Total	100,699	118,969	–	–	219,668

As at 31 March 2016, three unitholders respectively held 71%, 16% and 10% of Hang Seng High Dividend Yield ETF's total net assets.

<u>As at 31 March 2015</u>	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Financial assets at fair value through profit or loss	323,230,763	–	–	–	323,230,763
Dividends receivable	292,573	68,160	–	–	360,733
Bank balances	3,547,923	–	–	–	3,547,923
Total	327,071,259	68,160	–	–	327,139,419
Financial liabilities					
Management fee payable	50,570	–	–	–	50,570
Trustee fee payable	28,094	–	–	–	28,094
Formation fee payable	16,494	47,034	141,103	–	204,631
Administration fee payable	28,094	–	–	–	28,094
Total	123,252	47,034	141,103	–	311,389

As at 31 March 2015, three unitholders respectively held 59%, 17% and 14% of Hang Seng High Dividend Yield ETF's total net assets.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

CSI 300 ETF

<u>As at 31 March 2016</u>	Less than 1 month RMB	1 to 3 months RMB	3 to 12 months RMB	More than 12 months RMB	Total RMB
Financial assets					
Financial assets at fair value through profit or loss	103,926,326	4,092,495	4,198,233	–	112,217,054
Deposit reserve – China					
Exchange Clearing	40,631	–	–	–	40,631
Bank balances	890,783	–	–	–	890,783
Total	<u>104,857,740</u>	<u>4,092,495</u>	<u>4,198,233</u>	<u>–</u>	<u>113,148,468</u>
Financial liabilities					
Management fee payable	23,257	–	–	–	23,257
Trustee fee payable	11,163	–	–	–	11,163
Formation fee payable	–	449,232	–	–	449,232
Administration fee payable	11,163	–	–	–	11,163
Custody fee payable	–	67,682	–	–	67,682
Redemption payable	22,311	237,447	–	–	259,758
Other payables	–	12,000	–	–	12,000
Total	<u>67,894</u>	<u>766,361</u>	<u>–</u>	<u>–</u>	<u>834,255</u>

As at 31 March 2016, a unitholder held 87% of CSI 300 ETF's total net assets.

<u>As at 31 March 2015</u>	Less than 1 month RMB	1 to 3 months RMB	3 to 12 months RMB	More than 12 months RMB	Total RMB
Financial assets					
Financial assets at fair value through profit or loss	348,603,570	–	–	–	348,603,570
Deposit reserve – China					
Exchange Clearing	50,399	–	–	–	50,399
Bank balances	876,135	–	–	–	876,135
Total	<u>349,530,104</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>349,530,104</u>
Financial liabilities					
Management fee payable	73,055	–	–	–	73,055
Trustee fee payable	35,066	–	–	–	35,066
Formation fee payable	37,184	114,728	344,184	386,148	882,244
Administration fee payable	35,067	–	–	–	35,067
Other payables	24,000	–	–	–	24,000
Total	<u>204,372</u>	<u>114,728</u>	<u>344,184</u>	<u>386,148</u>	<u>1,049,432</u>

As at 31 March 2015, three unitholders respectively held 40%, 33% and 12% of CSI 300 ETF's total net assets.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the close of trading on the year/period end date. The Sub-Funds used last traded market prices as their fair valuation inputs for financial assets.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 requires the Sub-Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the assets or liabilities.

The determination of what constitutes "observable" requires significant judgement by the Sub-Funds. The Sub-Funds consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant markets.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Financial assets and financial liabilities carried at fair value

The following tables analyse by class the Sub-Funds' financial assets within the fair value hierarchy measured at fair value as at 31 March 2016 and 31 March 2015:

<u>As at 31 March 2016</u>	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Financial assets at fair value through profit or loss at inception:				
<i>Equity securities</i>				
KOSPI 200 ETF (in HK\$)	36,262,257	–	–	36,262,257
S&P Emerging Asia Consumer ETF (in HK\$)	32,476,155	–	–	32,476,155
S&P Global Consumer Brands ETF (in HK\$)	98,136,569	–	–	98,136,569
MSCI China ETF (in HK\$)	490,430,579	827,185	291,673	491,549,437
Hang Seng High Dividend Yield ETF (in HK\$)	257,833,082	–	–	257,833,082
CSI 300 ETF (in RMB)	103,926,326	6,953,289	1,337,439	112,217,054
<u>As at 31 March 2015</u>	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Financial assets at fair value through profit or loss at inception:				
<i>Equity securities</i>				
KOSPI 200 ETF (in HK\$)	38,531,338	–	–	38,531,338
S&P Emerging Asia Consumer ETF (in HK\$)	86,549,873	–	–	86,549,873
S&P Global Consumer Brands ETF (in HK\$)	134,560,638	–	–	134,560,638
MSCI China ETF (in HK\$)	308,842,129	3,864,205	807,030	313,513,364
Hang Seng High Dividend Yield ETF (in HK\$)	323,230,763	–	–	323,230,763
CSI 300 ETF (in RMB)	327,413,409	20,707,656	482,505	348,603,570

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities. The Sub-Funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. For MSCI China ETF and CSI 300 ETF, during the year ended 31 March 2016 and the year/period ended 31 March 2015, there has been transfer of investment from Level 1 to Level 2/Level 3 due to suspension of trading. For all Sub-Funds, other than MSCI China ETF and CSI 300 ETF as described above, there were no transfers between Levels during the year ended 31 March 2016 and the year ended 31 March 2015.

As at 31 March 2016 and 31 March 2015, the following Sub-Funds classified their listed equity securities under the Level 2 financial instruments due to suspension as shown below. These listed equity securities temporarily suspended trading as at 31 March 2016 and 31 March 2015, and resumed from suspension before the date of authorisation of the financial statements for the year ended 31 March 2016 and the year/period ended 31 March 2015.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Financial assets and financial liabilities carried at fair value (continued)

Transfer between Level 1 and Level 2

As at 31 March 2016

<u>Sub-Funds</u>	<u>Security</u>	<u>Stock code</u>
MSCI China ETF	ZTE Corporation - H shares	763HK
CSI 300 ETF	Aisino Corp Ltd	600271CH
	Beijing Xinwei Telecom Technology Group Co Ltd	600485CH
	China Vanke Co Ltd	000002CH
	DHC Software Co Ltd	002065CH
	Iflytek Co Ltd	002230CH
	Kingenta Ecological Engineering Group Co Ltd	002470CH
	Leshi Internet Information & Technology Corp Beijing	300104CH
	MeiHua Holdings Group Co Ltd	600873CH
	Pang Da Automobile Trade Co Ltd	601258CH
	Shanghai Lujiazui Finance & Trade Zone Development Co Ltd	600663CH
	Shanxi Lu'an Environmental Energy Development Co Ltd	601699CH
	Wanda Cinema Line Co Ltd	002739CH
	Xiamen C & D Inc	600153CH
	Yantai Jereh Oilfield Services Group Co Ltd	002353CH
	ZTE Corp - A shares	000063CH

As at 31 March 2015

<u>Sub-Funds</u>	<u>Security</u>	<u>Stock code</u>
MSCI China ETF	Alibaba Health Information Technology Ltd	241HK
	Alibaba Pictures Group Ltd	1060HK
	China CNR Corp Ltd	6199HK
	CRRC Corp Ltd	1766HK
	Shanghai Fosun Pharmaceutical Group Co Ltd	2196HK
CSI 300 ETF	Aisino Co Ltd	600271CH
	BesTV New Media Co Ltd	600637CH
	Bright Dairy & Food Co Ltd	600597CH
	China CNR Corp Ltd	601299CH
	China International Travel Service Corp Ltd	601888CH
	Chongqing Changan Automobile Co Ltd	000625CH
	CPT Technology Group Co Ltd	000536CH
	CRRC Corp Ltd	601766CH
	Fangda Carbon New Material Co Ltd	600516CH
	Fiberhome Telecom Tech Co Ltd	600498CH
	Guoyuan Securities Co Ltd	000728CH
	Hainan Airlines Co Ltd	600221CH
	Huayu Automotive Systems Co Ltd	600741CH
	Hubei Energy Group Co Ltd	000883CH
	Searainbow Holding Corp	000503CH
	Shanghai Chengtuo Holding Co Ltd	600649CH
	Shanghai Fosun Pharmaceutical Group Co Ltd	600196CH
	Shanghai Friendship Group Co Ltd	600827CH
	Shanghai Oriental Pearl Group Co Ltd	600832CH
	Sound Environmental Resources Co Ltd	000826CH
	Wintime Energy Co Ltd	600157CH

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Financial assets and financial liabilities carried at fair value (continued)

Transfer between Level 1 and Level 2 (continued)

The Manager applied market approach for the above-mentioned securities in which the last traded price before suspension was used as there has been no expected material gap-down and the trading resumed within a reasonable time after year end before the date of authorisation of the financial statements for the year ended 31 March 2016 and year/period 31 March 2015. The transfer from Level 1 to Level 2 of the fair value hierarchy was deemed to have occurred at the end of the reporting period.

Transfer between Level 1 and Level 3

As at 31 March 2016 and 31 March 2015, the following Sub-Funds classified their listed equity securities under the Level 3 financial instruments due to suspension as shown below.

As at 31 March 2016

<u>Sub-Funds</u>	<u>Security</u>	<u>Stock code</u>
MSCI China ETF	Hanergy Thin Film Power Group Ltd.	566HK
CSI 300 ETF	Bohai Financial Investment Holding Co Ltd Gree Electric Appliances Inc. of Zhuhai	000415CH 000651CH

As at 31 March 2015

<u>Sub-Funds</u>	<u>Security</u>	<u>Stock code</u>
MSCI China ETF	Sihuan Pharmaceutical Holdings Group Ltd	460HK
CSI 300 ETF	Tongling Nonferrous Metals Group Co Ltd	000630CH

These listed equity securities suspended trading as at 31 March 2016 and 31 March 2015 and were still suspended from trading during the period between the end of the reporting period as at 31 March 2016 and 31 March 2015 and the date of authorisation of the Sub-Funds' financial statements for the year ended 31 March 2016 and year/period ended 31 March 2015. The transfer from Level 1 to Level 3 of the fair value hierarchy was deemed to have occurred at the end of the reporting period.

The fair value of Level 3 investments which do not resume trading in a short period of time subsequent to period end, for which there is an absence of quoted prices, was estimated by the Manager by multiplying the earnings per share ("EPS") of the investment by the average industry price to earnings ratio ("P/E ratio") and then adjusting the valued price by a liquidity discount, or by multiplying the book value per share of the investment by the average industry price to book ratio ("P/B ratio") and then adjusting the valued price by a liquidity discount. Such valuation methods are generally accepted in the industry. Observable inputs include EPS and book value per share, while unobservable inputs include average industry P/E ratio, average industry P/B ratio and the liquidity discount rate.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Financial assets and financial liabilities carried at fair value (continued)

Valuation process for Level 3 valuations

The valuation of suspended investment is performed on a semi-annual basis by the Manager. According to the Trust Deed, the Manager may, at any time, get the approval from the Trustee by request. If fair value changes are more than certain thresholds set, the changes are further considered by the senior management of the Manager. The Manager considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods be applied to support the valuation arising from the chosen method. There were no changes in valuation techniques during the year.

Quantitative information of significant unobservable inputs – Level 3

Description		Valuation technique	Unobservable input
As at 31 March 2016			
Equity securities			
<u>MSCI China ETF</u>			
- Hanergy Thin Film Power Group Ltd (“Hanergy”) (HK\$)	291,673	P/B ratio	Average industry P/B ratio Liquidity discount
<u>CSI 300 ETF</u>			
- Bohai Financial Investment Holding Co Ltd (“Bohai”) (RMB)	157,542	P/E ratio	Average industry P/E ratio Liquidity discount
- Gree Electric Appliances Inc. of Zhuhai (“Gree”) (RMB)	1,179,897	P/B ratio	Average industry P/B ratio Liquidity discount
As at 31 March 2015			
Equity securities			
<u>MSCI China ETF</u>			
- Sihuan Pharmaceutical Holdings Group Ltd (HK\$)	807,030	P/E ratio	Average industry P/E ratio Liquidity discount
<u>CSI 300 ETF</u>			
- Tongling Nonferrous Metals Group Co Ltd (RMB)	482,505	P/E ratio	Average industry P/E ratio Liquidity discount

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Quantitative information of significant unobservable inputs – Level 3

The following table demonstrates the sensitivity of the fair value of financial assets as at the end of the year to a reasonably possible change in the average industry P/E ratio or liquidity discount, with all other variables held constant.

Description	Input	Sensitivity used	Effect on the fair value of investment	Effect on the net assets attributable to unitholders
As at 31 March 2016				
Equity securities				
<u>MSCI China ETF</u>				
- Hanergy Thin Film Power Group Ltd (HK\$)	Average industry P/B ratio	5%	10,514	10,514
	Average industry P/B ratio	-5%	(10,514)	(10,514)
	Liquidity discount	10%	(23,365)	(23,365)
	Liquidity discount	-10%	23,365	23,365
<u>CSI 300 ETF</u>				
- Bohai Financial Investment Holding Co Ltd (RMB)	Average industry P/E ratio	5%	6,951	6,951
	Average industry P/E ratio	-5%	(6,951)	(6,951)
	Liquidity discount	10%	(15,447)	(15,447)
	Liquidity discount	-10%	15,447	15,447
- Gree Electric Appliances Inc. of Zhuhai (RMB)	Average industry P/B ratio	5%	59,783	59,783
	Average industry P/B ratio	-5%	(59,783)	(59,783)
	Liquidity discount	10%	(132,851)	(132,851)
	Liquidity discount	-10%	132,851	132,851
As at 31 March 2015				
Equity securities				
<u>MSCI China ETF</u>				
- Sihuan Pharmaceutical Holdings Group Ltd (HK\$)	Average industry P/E ratio	5%	39,677	39,677
	Average industry P/E ratio	-5%	(39,677)	(39,677)
	Liquidity discount	10%	(88,171)	(88,171)
	Liquidity discount	-10%	88,171	88,171
<u>CSI 300 ETF</u>				
- Tongling Nonferrous Metals Group Ltd (RMB)	Average industry P/E ratio	5%	24,747	24,747
	Average industry P/E ratio	-5%	(24,747)	(24,747)
	Liquidity discount	10%	(54,993)	(54,993)
	Liquidity discount	-10%	54,993	54,993

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Quantitative information of significant unobservable inputs – Level 3 (continued)

Level 3 reconciliation

The following table shows a reconciliation of all movements in financial assets designated as at fair value through profit or loss categorised within Level 3 between the beginning and the end of the reporting periods.

	MSCI China ETF	
	As at 31 March 2016 HK\$	As at 31 March 2015 HK\$
Opening balance	807,030	–
Transfer out from Level 3	(807,030)	–
Transfer into Level 3	291,673	807,030
Closing balance	<u>291,673</u>	<u>807,030</u>
Total losses for the year included in profit or loss for assets held at the end of reporting periods	<u>–</u>	<u>(190,495)</u>

	CSI 300 ETF	
	As at 31 March 2016 RMB	As at 31 March 2015 RMB
Opening balance	482,505	–
Transfer out from Level 3	(482,505)	–
Transfer into Level 3	1,337,439	482,505
Closing balance	<u>1,337,439</u>	<u>482,505</u>
Total gains for the year/period included in profit or loss for assets held at the end of reporting periods	<u>–</u>	<u>169,180</u>

Other financial assets and financial liabilities

The Management has assessed that the fair values of an amount due from a broker, dividends receivable, deposit reserve - China Exchange Clearing, bank balances, management fee payable, trustee fee payable, formation fee payable, administration fee payable, amounts due to brokers and other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

HORIZONS EXCHANGE TRADED FUNDS SERIES

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Capital risk management

The Sub-Funds' capital is represented by the net assets attributable to unitholders. The Sub-Funds' objective is to provide investment results that correspond generally to the performance of the respective indices. The Manager may:

- redeem and issue new units in accordance with the constitutive documents of the Sub-Funds;
- suspend the creation and redemption of units under certain circumstance stipulated in the Trust Deed.

(g) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 March 2016 and 31 March 2015, the Sub-Funds were not subject to any master netting arrangement with its counterparties.

12. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that each Sub-Fund has a single operating segment which is investing in securities. The objectives of the Sub-Funds are to track the performance of their respective indices and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked indices.

The internal financial information used by the Manager for the Sub-Funds' assets, liabilities and performance is the same as that disclosed in the statement of net assets and statement of profit or loss and other comprehensive income.

There were no changes in the reportable segment during the year.

The Sub-Funds are domiciled in Hong Kong. All of the Sub-Funds' income is derived from investments in securities which constitute the relevant tracked indices. The Sub-Funds' investments have been categorised by relevant industry but no industrial information for performance is provided as the Manager considers that the cost to develop it would be excessive and the information is generally not used by the Manager in managing the Sub-Funds.

The Sub-Funds have no assets classified as non-current assets. The Sub-Funds have portfolios that closely correspond to the security weight and industry weight of the relevant tracked indices. Refer to note 10 for investment holdings that account for more than 10% of each Sub-Fund's net asset value and note 11(d) for unit holdings that account for more than 10% of each Sub-Fund's net asset value.

13. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 15 July 2016.

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED)

As at 31 March 2016

KOSPI 200 ETF

Listed Equities	Holdings	Fair value HK\$	% of net assets
Korea			
ABLE C&C KRW500	87	17,384	0.05%
AMOREPACIFIC GROUP	224	222,528	0.61%
AMOREPACIFIC CORP KRW5000	256	670,946	1.83%
BASIC HOUSE CO LTD/THE KRW500	92	6,644	0.02%
BINGGRAE CO LTD KRW5000	48	22,589	0.06%
BNK FINANCIAL GROUP INC	1,676	110,241	0.30%
BUKWANG PHARMACEUTICAL CO KRW500	212	41,115	0.11%
CHEIL WORLDWIDE INC	652	75,161	0.20%
CHOKWANG LEATHER CO LTD 004700	16	4,226	0.01%
CHONG KUN DANG PHARMACEUTICA KRW2500	56	52,594	0.14%
CHOSUN REFRACTORIES KRW5000	8	5,040	0.01%
CJ CHEILJEDANG CORP KRW5000	64	150,811	0.41%
CJ CORP KRW5000	104	137,873	0.38%
CJ KOREA EXPRESS CORP	76	97,919	0.27%
COSMAX INC COSMAX INC	52	44,253	0.12%
COWAY CO LTD	404	264,367	0.72%
CROWN CONFECTIONERY CO LTD KRW5000	4	14,322	0.04%
DAEDUCK ELECTRONICS CO KRW500	276	15,534	0.04%
DAEKYO CO LTD KRW5000	204	14,733	0.04%
DAELIM INDUSTRIAL CO LTD KRW5000	224	138,073	0.38%
DAESANG CORPORATION KRW1000	168	33,094	0.09%
DAEWOO ENGINEERING & CONSTR KRW5000	1,676	71,373	0.19%
DAEWOO SECURITIES CO LTD	1,452	81,427	0.22%
DAEWOO SHIPBUILDING & MARINE KRW5000	840	28,879	0.08%
DAEWOONG PHARMACEUTICAL CO KRW2500	44	29,091	0.08%
DONG AH TIRE & RUBBER CO LTD KRW500	76	14,069	0.04%
DONG-A SOCIO HOLDINGS CO LTD	28	39,398	0.11%
DONG-A ST(SCIENCE& KRW5000	44	45,352	0.12%
DONGBU INSURANCE CO LTD SHS	344	177,051	0.48%
DONGKUK STEEL MILL CO LTD KRW5000	376	17,465	0.05%
DONGWON F&B CO LTD KRW5000	8	18,146	0.05%
DONGWON SYSTEMS CORP KRW500	28	14,335	0.04%
DOOSAN CORP KRW5000	60	35,967	0.10%
DOOSAN ENGINE CO LTD KRW1000	308	7,206	0.02%
DOOSAN HEAVY INDUSTRIES KRW5000	472	69,134	0.19%
DOOSAN INFRACORE CO LTD KRW5000	1,004	44,321	0.12%
E-MART CO LTD KRW5000	168	199,933	0.54%
FARMSCO 036580	116	9,125	0.02%
FOOSUNG CO LTD KRW500	344	10,206	0.03%
GRAND KOREA LEISURE CO LTD KRW500	236	36,568	0.10%
GREEN CROSS CORP KRW5000	48	58,263	0.16%
GS HOLDINGS KRW5000	412	164,834	0.45%
GS RETAIL CO LTD GS RETAIL CO LTD	216	69,061	0.19%
HALLA HOLDINGS CORP	49	17,943	0.05%
HANA FINANCIAL GROUP KRW5000	2,248	378,047	1.03%
HANDSOME CO LTD KRW500	108	29,404	0.08%
HANIL CEMENT CO LTD KRW5000	32	20,159	0.05%
HANJIN HEAVY INDUS & CONST KRW5000	502	12,374	0.03%
HANKOOK SHELL OIL CO LTD KRW5000	4	13,345	0.04%
HANKOOK TIRE CO KRW500	600	221,334	0.60%
HANKOOK TIRE WORLDWIDE CO LTD	188	29,258	0.08%
HANMI PHARM CO LTD KRW2500	51	241,738	0.66%
HANMI SEMICONDUCTOR CO LTD KRW500	92	9,171	0.02%
HANON SYSTEMS	1,500	93,579	0.25%
HANSAE CO LTD KRW500	128	49,214	0.13%
HANSOL CHEMICAL CO LTD KRW5000	68	31,540	0.09%
HANSOL HOLDINGS CO LTD	163	8,831	0.02%
HANSOL TECHNICS CO LTD KRW5000	145	19,813	0.05%
HANSSEM CO LTD KRW1000	76	115,183	0.31%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

KOSPI 200 ETF (continued)

Listed Equities	Holdings	Fair value HK\$	% of net assets
Korea (continued)			
HANWHA CHEMICAL CORP KRW5000	720	121,815	0.33%
HANWHA CORPORATION KRW5000	364	87,625	0.24%
HANWHA LIFE INSURANCE CO LTD KRW5000	3,504	159,198	0.43%
HANWHA TECHWIN CO LTD	300	82,085	0.22%
HITE JINRO	256	50,169	0.14%
HOTEL SHILLA CO LTD KRW5000	268	120,852	0.33%
HUCHEMS FINE CHEMICAL CORP KRW1000	200	26,039	0.07%
HUVIS CORP HUVIS CORP	112	6,752	0.02%
HWA SHIN CO LTD KRW500	128	5,694	0.02%
HYOSUNG CORPORATION KRW5000	184	179,671	0.49%
HYUNDAI DEPT STORE CO KRW5000	124	115,617	0.31%
HYUNDAI DEVELOPMENT COMPANY KRW5000	516	160,781	0.44%
HYUNDAI ELEVATOR CO KRW5000	105	39,018	0.11%
HYUNDAI ENGINEERING & CONST KRW5000	584	166,920	0.45%
HYUNDAI GLOVIS CO LTD	148	189,178	0.51%
HYUNDAI GREENFOOD CO LTD	432	56,831	0.15%
HYUNDAI HEAVY INDUSTRIES KRW5000	384	277,319	0.75%
HYUNDAI HOME SHOPPING NETWOR KRW5000	58	51,326	0.14%
HYUNDAI LIVART CO LTD	84	19,737	0.05%
HYUNDAI MIPO DOCKYARD KRW5000	80	34,828	0.09%
HYUNDAI MOBIS KRW5000	544	918,538	2.51%
HYUNDAI MOTOR CO KRW5000	1,220	1,261,619	3.44%
HYUNDAI ROTEM CO L KRW5000	372	43,766	0.12%
HYUNDAI SECURITIES CO KRW5000	1,154	53,760	0.15%
HYUNDAI STEEL CO KRW5000	688	258,928	0.70%
HYUNDAI WIA CORP KRW5000	116	82,593	0.22%
IL DONG HOLDINGS CO LTD	132	24,705	0.07%
ILJIN MATERIALS CO LTD KRW500	128	11,067	0.03%
ILSHIN SPINNING CO LTD KRW5000	8	7,812	0.02%
ILYANG PHARMACEUTICAL CO LTD KRW2500	96	32,549	0.09%
INDUSTRIAL BANK OF KOREA KRW5000	2,224	184,743	0.50%
IS DONGSEO CO LTD KRW500	72	23,045	0.06%
KANGWON LAND INC KRW500	1,080	299,533	0.82%
KB FINANCIAL GROUP INC KRW5000	2,848	615,103	1.67%
KCC CORP	40	112,837	0.31%
KEPCO ENGINEERING & CONSTRUC KRW200	76	16,105	0.04%
KEPCO PLANT SERVICE & ENGINE KRW200	180	78,240	0.21%
KIA MOTORS CORPORATION KRW5000	2,102	688,459	1.87%
KISWIRE LTD KRW1000	43	12,946	0.04%
KOLON INDUSTRIES INC KRW5000	132	64,805	0.18%
KOREA AEROSPACE IN KRW5000	552	244,053	0.66%
KOREA ELECTRIC POWER CORP KRW5000	2,573	1,050,352	2.87%
KOREA ELECTRIC TERMINAL CO KRW500	60	38,611	0.11%
KOREA GAS CORPORATION KRW5000	300	78,016	0.21%
KOREA INVESTMENT HOLDINGS CO KRW5000	336	100,137	0.27%
KOREA KOLMAR CO LTD KRW500	128	70,567	0.19%
KOREA PETRO CHEMICAL IND	20	34,719	0.09%
KOREA ZINC CO LTD	68	222,026	0.60%
KOREAN AIR LINES CO LTD KRW5000	322	67,689	0.18%
KT CORP KRW5000	1,724	348,379	0.95%
KT&G CORP KRW5000	852	635,522	1.73%
KUKDO CHEMICAL CO LTD KRW5000	36	16,600	0.05%
KUMHO PETRO CHEMICAL CO LTD	148	58,409	0.16%
KUMHO TIRE CO INC KRW5000	956	54,455	0.15%
KWANG DONG PHARMACEUTICAL CO KRW1000	276	20,868	0.06%
KYUNGBANG LTD KRW5000	8	10,660	0.03%
LF CORP	152	26,696	0.07%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

KOSPI 200 ETF (continued)

Listed Equities	Holdings	Fair value HK\$	% of net assets
Korea (continued)			
LG CHEM LTD KRW5000	360	799,488	2.19%
LG CORP KRW5000	736	341,874	0.93%
LG DISPLAY CO LTD	1,804	325,399	0.89%
LG ELECTRONICS SHS	824	344,196	0.94%
LG HAUSYS LTD KRW5000	52	48,837	0.13%
LG HOUSEHOLD & HEALTH CARE KRW5000	72	461,384	1.26%
LG INNOTEK CO LTD KRW5000	92	49,472	0.13%
LG INTERNATIONAL CORP	220	53,408	0.15%
LG LIFE SCIENCES LTD KRW5000	96	43,746	0.12%
LG UPLUS CORP KRW5000	2,292	171,741	0.47%
LOCK&LOCK CO LTD KRW500	132	12,845	0.03%
LOTTE CHEMICAL CORP	124	287,151	0.78%
LOTTE CHILSUNG BEVERAGE CO SHS	4	49,339	0.13%
LOTTE CONFECTIONERY CO LTD	4	69,655	0.19%
LOTTE FINE CHEMICAL CO LTD	136	37,535	0.10%
LOTTE SAMKANG CO LTD KRW5000	8	45,460	0.12%
LOTTE SHOPPING CO KRW5000	76	129,356	0.35%
LS CORP KRW5000	144	43,746	0.12%
LS INDUSTRIAL SYSTEMS KRW5000	132	42,652	0.12%
MIRAE ASSET SECURITIES CO LT KRW5000	562	88,986	0.24%
MOORIM P&P CO LTD KRW5000	276	9,105	0.02%
MOTONIC CORP KRW500	68	4,957	0.01%
MUHAK CO LTD KRW200	116	28,273	0.08%
NAMHAE CHEMICAL CORP KRW1000	180	11,864	0.03%
NAMYANG DAIRY PRODUCTS CO. KRW5000	4	22,133	0.06%
NAVER CORP	212	915,744	2.50%
NCSOFT CORPORATION KRW500	144	247,536	0.67%
NEXEN TIRE CORPORATION KRW500	312	30,783	0.08%
NH INVESTMENT & SECURITIES CO	1,274	85,786	0.23%
NONG SHIM CO LTD	28	75,948	0.21%
OCI COMPANY LTD	124	89,130	0.24%
ORION CORP KRW5000	28	173,541	0.47%
OTTOGI CORPORATION	12	73,805	0.20%
POONGSAN CORP KRW5000	160	32,169	0.09%
POSCO DAEWOO CORP	324	47,457	0.13%
POSCO KRW5000	576	857,344	2.34%
S&T DYNAMICS CO LTD KRW2500	156	14,651	0.04%
S&T MOTIV CO LTD	64	29,989	0.08%
SI CORPORATION KRW500	200	119,889	0.33%
SAMKWANG GLASS	24	14,908	0.04%
SAMLIP GENERAL FOODS CO LTD	16	23,218	0.06%
SAMSUNG C&T CORP	677	656,482	1.79%
SAMSUNG CARD CO KRW5000	280	71,486	0.19%
SAMSUNG ELECTRO-MECHANICS CO KRW5000	464	185,009	0.50%
SAMSUNG ELECTRONICS CO LTD KRW5000	880	7,829,153	21.32%
SAMSUNG ENGINEERING CO LTD KRW5000	1,137	83,654	0.23%
SAMSUNG FIRE & MARINE INS KRW500	286	572,119	1.56%
SAMSUNG HEAVY INDUSTRIES KRW5000	1,200	89,917	0.24%
SAMSUNG LIFE INSURANCE CO KRW5000	776	618,298	1.68%
SAMSUNG SDI CO LTD KRW5000	400	268,530	0.73%
SAMSUNG SDS CO LTD 018260	242	287,178	0.78%
SAMSUNG SECURITIES CO LTD KRW5000	464	125,699	0.34%
SAMYANG CORP(NEW) KRW5000	12	7,706	0.02%
SAMYANG HOLDINGS CORP	32	34,177	0.09%
SEAH BESTEEL CORP KRW5000	100	18,648	0.05%
SEAH STEEL CORPORATION KRW5000	20	9,371	0.03%
SEBANG GLOBAL BATTERY CO LTD	68	19,620	0.05%
SEJONG INDUSTRIAL CO LTD KRW500	72	4,785	0.01%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

KOSPI 200 ETF (continued)

Listed Equities	Holdings	Fair value HK\$	% of net assets
Korea (continued)			
SEYON CO LTD	50	4,255	0.01%
SHINHAN FINANCIAL GROUP LTD KRW5000	3,417	938,423	2.56%
SHINSEGAE CO LTD KRW5000	60	82,593	0.22%
SINDOH CO LTD	44	15,038	0.04%
SK CHEMICALS CO LTD	154	83,438	0.23%
SK HOLDINGS CO LTD	260	393,166	1.07%
SK HYNIX INC	4,664	890,298	2.42%
SK INNOVATION CO LTD	540	629,826	1.72%
SK NETWORKS CO LTD	1,204	52,252	0.14%
SK TELECOM KRW500	440	622,095	1.70%
SKC CO LTD KRW5000	160	34,502	0.09%
SL CORP	96	10,513	0.03%
S-OIL CORPORATION KRW2500	360	238,992	0.65%
SSANGYONG CEMENT IND	452	59,462	0.16%
SSANGYONG MOTOR CO KRW5000	332	18,596	0.05%
SUHEUNG CAPSULE CO LTD KRW500	48	14,956	0.04%
TAEKWANG INDUSTRIAL CO LTD KRW5000	4	25,226	0.07%
UNID CO LTD KRW5000	32	10,806	0.03%
WOORI BANK 000030	2,508	160,886	0.44%
YOUNG POONG CORPORATION KRW5000	4	29,620	0.08%
YOUNGONE CORP KRW 500	176	57,406	0.16%
YUHAN CORPORATION	76	144,559	0.39%
YUNGJIN PHARM KRW500	716	17,066	0.06%
Total listed investments		<u>36,262,257</u>	<u>98.69%</u>
Total investments, at cost		<u>40,738,873</u>	

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

S&P Emerging Asia Consumer ETF

Listed Equities	Holdings	Fair value HK\$	% of net assets
Hong Kong			
ANTA SPORTS PRODUCTS LTD HKD0.10	28,268	482,817	1.47%
BELLE INTERNATIONAL HOLDINGS HKD0.01	158,824	713,120	2.18%
BRILLIANCE CHINA AUTOMOTIVE USD0.01	86,193	692,130	2.11%
CHINA MENGNIU DAIRY CO HKD0.1	87,101	1,074,826	3.28%
CHONGQING CHANGAN AUTOMOBIL-B 'H' CNY1	24,930	362,233	1.11%
DONGFENG MOTOR GRP CO LTD-H 'H' CNY1	83,969	812,820	2.48%
GOME ELECTRICAL APPLIANCES HKD0.025	343,740	384,989	1.18%
GREAT WALL MOTOR COMPANY-H 'H' CNY1	90,829	572,223	1.75%
GUANGZHOU AUTOMOBILE GROUP-H 'H' CNY1	65,262	526,664	1.61%
HAIER ELECTRONICS GROUP CO HKD0.1 (POST CONS)	36,031	487,139	1.49%
HENGAN INTL GROUP CO LTD HKD0.10	24,643	1,658,474	5.06%
IMPERIAL PACIFIC INTERNATIONAL 1076	1,440,000	224,640	0.69%
SHENZHOU INTERNATIONAL GROUP HKD0.10	16,528	697,482	2.13%
SUN ART RETAIL GRO HKD0.30	70,325	386,084	1.18%
TSINGTAO BREWERY CO LTD-H 'H' CNY1	10,720	315,704	0.96%
		9,391,345	
India			
DABUR INDIA LTD	16,914	495,094	1.51%
GODREJ CONSUMER PRODUCTS LTD INR1	3,818	617,507	1.89%
HERO MOTOCORP LTD	2,861	987,147	3.01%
HINDUSTAN UNILEVER LIMITED INR1	22,850	2,327,186	7.10%
ITC LTD INR1	61,739	2,373,775	7.25%
MARUTI SUZUKI INDIA LTD INR5	3,541	1,541,388	4.71%
TATA MOTORS LTD. INR 2	29,650	1,342,647	4.10%
		9,684,744	
Indonesia			
ASTRA INTERNATIONAL TBK PT	593,758	2,517,944	7.69%
GUDANG GARAM TBK PT IDR500	14,810	565,675	1.73%
INDOFOOD CBP SUKSES MAKMUR T IDR100	37,400	332,517	1.02%
INDOFOOD SUKSES MAKMUR TBK P	140,800	595,030	1.82%
MATAHARI DEPARTMENT STORE TB	63,300	679,420	2.07%
UNILEVER INDONESIA TBK PT	36,683	921,030	2.81%
		5,611,616	
Malaysia			
ASTRO MALAYSIA HLD MYR0.10	91,785	545,609	1.67%
BRITISH AMERICAN TOBACCO BHD ORD MYR0.50	3,838	412,343	1.26%
		957,952	
Taiwan			
ECLAT TEXTILE COMPANY LTD TWD10	5,772	589,121	1.80%
FENG TAY ENTERPRISE CO LTD TWD10	9,505	391,718	1.20%
GIANT MANUFACTURING SHS	8,528	382,283	1.17%
HOTAI MOTOR COMPANY LTD TWD10	9,541	813,995	2.49%
PRESIDENT CHAIN STORE CORP	17,965	1,015,301	3.10%
STANDARD FOODS CORP TWD10	12,000	230,786	0.70%
		3,423,204	

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

S&P Emerging Asia Consumer ETF (continued)

Listed Equities	Holdings	Fair value HK\$	% of net assets
Thailand			
CHAROEN POKPHAND FOODS-NVDR THB1(NVDR)	99,450	535,013	1.63%
CP ALL PCL	141,400	1,426,299	4.36%
THAI BEVERAGE PCL THB1	273,894	1,128,027	3.45%
THAI UNION GROUP PLC	69,000	317,955	0.97%
		<u>3,407,294</u>	
Total listed investments		<u>32,476,155</u>	<u>99.19%</u>
Total investments, at cost		<u>34,900,834</u>	

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

S&P Global Consumer Brands ETF

Listed Equities	Holdings	Fair value HK\$	% of net assets
France			
CHRISTIAN DIOR EUR2	2,225	3,134,883	3.15%
HERMES INTERNATIONAL NPV	1,135	3,104,483	3.12%
KERING EUR4	2,231	3,097,981	3.12%
MICHELIN (CGDE)	4,294	3,413,262	3.43%
RENAULT SA EUR3.81	4,499	3,472,424	3.50%
VIVENDI EUR5.50	19,468	3,179,994	3.20%
		<u>19,403,027</u>	
Germany			
ADIDAS AG NPV (REGD)	3,726	3,392,213	3.41%
BAYERISCHE MOTOREN WERKE AG EUR1	4,712	3,361,103	3.38%
CONTINENTAL AG NPV	1,938	3,425,995	3.45%
DAIMLER AG-REGISTERED SHARES ORD NPV(REGD)	5,692	3,389,491	3.41%
FAST RETAILING CO LTD NPV	1,400	3,480,120	3.51%
VOLKSWAGEN AG-PREF NON VTG PRF NPV	3,269	3,231,870	3.25%
		<u>20,280,792</u>	
Italy			
LUXOTTICA GROUP SPA EUR0.06	7,329	3,141,879	3.16%
Japan			
DENSO CORP NPV	10,385	3,242,288	3.26%
FUJI HEAVY INDUSTRIES LTD NPV	11,600	3,182,128	3.20%
HONDA MOTOR CO LTD NPV	14,928	3,179,216	3.20%
NISSAN MOTOR CO LTD	42,860	3,080,590	3.10%
SONY CORP NPV	17,100	3,414,027	3.44%
TOYOTA MOTOR CORP NPV	7,648	3,141,473	3.16%
		<u>19,239,722</u>	
Spain			
AMAZON.COM INC USD0.01	727	3,347,551	3.37%
INDITEX ITX	12,525	3,273,094	3.29%
		<u>6,620,645</u>	
Sweden			
HENNES & MAURITZ AB-B SHS SER`B`NPV	11,912	3,085,313	3.10%
Switzerland			
CIE FINANCIERE RICHEMON-REG CHF1.00 (REG) SER `A`	6,126	3,153,228	3.17%
COMPASS GROUP PLC	23,660	3,239,143	3.26%
		<u>6,392,371</u>	
United Kingdom			
WPP PLC ORD GBP0.10	18,384	3,334,606	3.36%
United States			
CARNIVAL CORP COM USD0.01(PAIRED STOCK)	8,639	3,536,064	3.56%
MCDONALD'S CORP COM USD0.01	3,405	3,319,349	3.34%
NIKE INC -CL B CLASS'B'COM NPV	6,889	3,284,649	3.31%
THE PRINCELINE GROUP INC	312	3,119,347	3.14%
YUM! BRANDS INC COM NPV	5,322	3,378,805	3.40%
		<u>16,638,214</u>	
Total listed investments		<u>98,136,569</u>	<u>98.75%</u>
Total investments, at cost		<u>96,608,903</u>	

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

MSCI China ETF

Listed Equities	Holdings	Fair value HK\$	% of net assets
Hong Kong			
AAC TECHNOLOGIES HOLDINGS IN USD0.01(B/L 500)	54,017	3,203,208	0.64%
AGRICULTURAL BANK OF CHINA-H 'H'CN Y1	1,697,121	4,734,968	0.95%
AIR CHINA LIMITED-H 'H'CN Y1	132,902	732,290	0.15%
ALIBABA HEALTH INFORMATION T 241	178,158	842,687	0.17%
ALIBABA PICTURES GROUP LTD 1060	731,996	1,295,633	0.26%
ALUMINUM CORP OF CHINA LTD-H 'H'CN Y1	287,677	710,562	0.14%
ANHUI CONCH CEMENT CO LTD-H 'H'CN Y1	89,480	1,861,184	0.37%
ANTA SPORTS PRODUCTS LTD HKD0.10	73,109	1,248,702	0.25%
AVICHINA INDUSTRY & TECH-H 'H'CN Y1	152,382	886,863	0.18%
BANK OF CHINA LTD-H 'H'HKD1	5,847,125	18,827,743	3.78%
BANK OF COMMUNICATIONS CO-H 'H'CN Y1.00	643,920	3,283,992	0.66%
BEIJING CAPITAL INTL AIRPO-H 'H'CN Y1	107,055	886,415	0.18%
BEIJING ENTERPRISES HLDGS HKD0.10	37,191	1,578,758	0.32%
BEIJING ENTERPRISES WATER GR HKD0.1(POST CON)	321,472	1,562,354	0.31%
BELLE INTERNATIONAL HOLDINGS HKD0.01	340,982	1,531,009	0.31%
BRILLIANCE CHINA AUTOMOTIVE USD0.01	220,100	1,767,403	0.35%
BYD CO LTD-H 'H'CN Y1	47,272	2,103,604	0.42%
CAR INC 699	60,270	548,457	0.11%
CGN POWER CO LTD-H 1816	657,557	1,729,375	0.35%
CHINA CINDA ASSET MANAGEME-H	643,850	1,751,272	0.35%
CHINA CITIC BANK CORP LTD-H	601,965	2,859,334	0.57%
CHINA COAL ENERGY CO - H 'H'CN Y1	190,992	614,994	0.12%
CHINA COMMUNICATIONS CONST-H 'H'CN Y1	325,446	3,016,884	0.61%
CHINA COMMUNICATIONS SERVI-H 'H'CN Y1	170,190	602,473	0.12%
CHINA CONCH VENTURE HOLDINGS HKD0.01	97,882	1,497,595	0.30%
CHINA CONSTRUCTION BANK-H 'H'CN Y1	6,193,523	30,657,939	6.16%
CHINA COSCO HOLDINGS-H 'H'CN Y1.00	189,995	571,884	0.11%
CHINA EVERBRIGHT BANK CO L-H 'H'CN Y1	246,542	929,463	0.19%
CHINA EVERBRIGHT INTL LTD HKD0.10	181,773	1,574,154	0.32%
CHINA EVERBRIGHT LIMITED HKD1	67,267	1,095,107	0.22%
CHINA GALAXY SECURITIES CO-H	240,654	1,816,938	0.36%
CHINA GAS HOLDINGS LTD HKD0.01	127,958	1,463,840	0.29%
CHINA HUISHAN DAIR HKD0.1	297,295	868,100	0.17%
CHINA INTL MARINE 'H'CN Y1	36,162	439,730	0.09%
CHINA JINMAO HOLDINGS GROUP LTD	270,050	583,308	0.12%
CHINA LIFE INSURANCE CO-H 'H'CN Y1	548,020	10,489,103	2.11%
CHINA LONGYUAN POWER GROUP-H	233,602	1,340,875	0.27%
CHINA MEDICAL SYSTEM HOLDING USD0.005(POST BOARD LOT)	83,614	899,687	0.18%
CHINA MENGNIU DAIRY CO HKD0.1	202,233	2,495,555	0.50%
CHINA MERCHANTS BANK - H 'H'CN Y1	337,898	5,507,737	1.11%
CHINA MERCHANTS HLDGS INTL HKD0.10	85,198	1,963,814	0.39%
CHINA MINSHENG BANKING-H 'H'CN Y1	433,674	3,139,800	0.63%
CHINA MOBILE LTD HKD0.10	452,162	39,089,405	7.85%
CHINA NATIONAL BUILDING MA-H 'H'CN Y1	208,004	748,814	0.15%
CHINA OILFIELD SERVICES-H 'H'CN Y1	130,542	791,085	0.16%
CHINA OVERSEAS LAND & INVEST HKD0.10	290,087	7,121,636	1.43%
CHINA PACIFIC INSURANCE GR-H 'H'CN Y1	194,088	5,628,552	1.13%
CHINA PETROLEUM & CHEMICAL CORP 386	1,877,437	9,556,154	1.92%
CHINA POWER INTERNATIONAL HKD1	243,444	978,645	0.20%
CHINA RAILWAY CONSTRUCTIO-H 'H' CN Y1	141,816	1,308,962	0.26%
CHINA RAILWAY GROUP LTD-H 'H'CN Y1	293,905	1,731,100	0.35%
CHINA RESOURCES BEER (HOLDINGS) CO LTD	89,131	1,287,052	0.26%
CHINA RESOURCES GAS GROUP LT HKD0.10	64,088	1,419,549	0.29%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

MSCI China ETF (continued)

Listed Equities	Holdings	Fair value HK\$	% of net assets
Hong Kong (continued)			
CHINA RESOURCES LAND LTD HKD0.10	204,926	4,078,027	0.82%
CHINA RESOURCES POWER HOLDIN HKD1	141,393	2,050,199	0.41%
CHINA SHENHUA ENERGY CO - H 'H' CNY1.00	247,588	3,020,574	0.61%
CHINA SHIPPING CONTAINER-H 'H' CNY1	276,343	489,127	0.10%
CHINA SOUTHERN AIRLINES CO-H 'H' CNY1	135,332	661,773	0.13%
CHINA STATE CONSTRUCTION INT HKD0.025	134,727	1,557,444	0.31%
CHINA TAIPING INSURANCE HOLDIN	118,940	2,026,738	0.41%
CHINA TELECOM CORP LTD 'H' CNY1	1,021,813	4,189,433	0.84%
CHINA UNICOM HONG KONG LTD HKD0.10	440,125	4,506,880	0.91%
CHINA VANKE CO LTD-H	97,494	1,854,336	0.37%
CHONGQING RURAL COMMERCIAL-H CNY1 H SHARE	182,446	748,029	0.15%
CITIC LTD 267	321,341	3,791,824	0.76%
CITIC SECURITIES CNY1 'H'	159,272	2,895,565	0.58%
CNOOC LTD HKD0.02	1,311,360	12,012,058	2.41%
COSCO PACIFIC LTD HKD0.10	130,573	1,326,622	0.27%
COUNTRY GARDEN HOLDINGS CO HKD0.10	415,700	1,280,356	0.26%
CRRC CORP LTD - H	321,345	2,509,704	0.50%
CSPC PHARMACEUTICAL GROUP LTD	301,368	2,115,603	0.42%
DALIAN WANDA COMMERCIAL PR-H 3699	43,226	1,986,235	0.40%
DATANG INTL POWER GEN CO-H 'H' CNY1	203,266	485,806	0.10%
DONGFENG MOTOR GRP CO LTD-H 'H' CNY1	198,546	1,921,925	0.39%
ENN ENERGY HOLDINGS LTD	56,647	2,410,330	0.48%
EVERGRANDE REAL ESTATE GROUP USD0.01	313,186	1,875,984	0.38%
FAR EAST HORIZON L HKD0.01 REG S	129,128	772,185	0.16%
FOSUN INTERNATIONAL HKD0.10	157,218	1,735,687	0.35%
GCL POLY ENERGY HOLDINGS LTD	957,258	1,225,290	0.25%
GEELY AUTOMOBILE HOLDINGS LT HKD0.02	388,926	1,493,476	0.30%
GF SECURITIES CO LTD-H 1776	100,272	1,897,146	0.38%
GOME ELECTRICAL APPLIANCES HKD0.025	857,994	960,953	0.19%
GREAT WALL MOTOR COMPANY-H 'H' CNY1	228,343	1,438,561	0.29%
GUANGDONG INVESTMENT LTD HKD0.50	206,661	2,027,344	0.41%
GUANGZHOU AUTOMOBILE GROUP-H 'H' CNY1	161,328	1,301,917	0.26%
GUANGZHOU R&F PROPERTIES - H 'H' CNY0.25(POST SUBD)	73,268	814,740	0.16%
HAIER ELECTRONICS GROUP CO HKD0.1 (POST CONS)	91,567	1,237,986	0.25%
HAITIAN INTERNATIONAL HLDGS HKD0.10	47,022	625,393	0.13%
HAITONG SECURITIES 'H' CNY1	238,332	3,160,282	0.63%
HANERGY THIN FILM POWER GROU 566	583,345	291,673	0.06%
HENGAN INTL GROUP CO LTD HKD0.10	53,882	3,626,258	0.73%
HUADIAN POWER INTL CORP-H 'H' CNY1	118,797	586,857	0.12%
HUANENG POWER INTL INC-H 'H' CNY1	311,615	2,162,608	0.43%
HUANENG RENEWABLES CORP-H CNY1 H	285,122	687,144	0.14%
HUATAI SECURITIES CO LTD-H 6886	107,635	1,986,942	0.40%
IND & COMM BK OF CHINA-H 'H' CNY1	5,429,786	23,565,271	4.73%
JIANGSU EXPRESS CO LTD-H 'H' CNY1	90,611	945,979	0.19%
JIANGXI COPPER COMPANY LTD-H 'H' CNY1	95,724	891,190	0.18%
KINGSOFT CORP LTD USD0.0005	63,424	1,153,048	0.23%
KUNLUN ENERGY COMPANY LTD HKD0.01	238,418	1,606,937	0.32%
LENOVO GROUP LTD HKD0.025	530,844	3,206,298	0.64%
LONGFOR PROPERTIES HKD0.10	104,592	1,156,788	0.23%
LUYE PHARMA GROUP LTD 2186	98,394	590,364	0.12%
NEW CHINA LIFE INSURANCE C-H	56,528	1,546,041	0.31%
NINE DRAGONS PAPER HOLDINGS HKD0.1	118,257	694,169	0.14%
PEOPLE'S INSURANCE 'H' CNY1	472,136	1,548,606	0.31%
PETROCHINA CO LTD-H 'H' CNY1	1,552,610	8,011,468	1.61%
PICC PROPERTY & CASUALTY-H 'H' CNY1	288,512	4,102,641	0.82%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

MSCI China ETF (continued)

Listed Equities	Holdings	Fair value HK\$	% of net assets
Hong Kong (continued)			
PING AN INSURANCE GROUP CO-H 'H'CNY1	383,736	14,236,606	2.86%
SEMICONDUCTOR MANUFACTURING USD0.0004	2,012,134	1,388,372	0.28%
SHANDONG WEIGAO GP MEDICAL-H 'H'CNY0.1	134,361	663,743	0.13%
SHANGHAI ELECTRIC GRP CO L-H 'H'CNY1	207,709	735,289	0.15%
SHANGHAI FOSUN PHARMACEUTI-A CNY1 'H'	29,119	623,147	0.13%
SHANGHAI INDUSTRIAL HLDG LTD HKD0.10	35,945	657,075	0.13%
SHANGHAI PHARMACEU 'H'CNY1	49,986	765,786	0.15%
SHENZHOU INTERNATIONAL GROUP HKD0.10	40,636	1,714,839	0.34%
SHIMAO PROPERTY HOLDINGS LTD HKD0.10	101,052	1,160,077	0.23%
SHUI ON LAND LTD USD0.0025	256,456	535,992	0.11%
SINO BIOPHARMACEUTICAL HKD0.025 (POST CONS)	329,540	1,917,922	0.39%
SINO-OCEAN LAND HOLDINGS HKD0.80	246,408	904,317	0.18%
SINOPEC ENGINEERING GROUP-H	89,234	560,390	0.11%
SINOPEC SHANGHAI PETROCHEM-H 'H'CNY1	251,152	987,027	0.20%
SINOPHARM GROUP CO-H 'H'CNY1	87,914	3,081,386	0.62%
SINOTRANS LIMITED-H 'H'SHARES CNY1	130,489	442,358	0.09%
SOHO CHINA LTD HKD0.02	153,634	568,445	0.11%
SUN ART RETAIL GRO HKD0.30	171,960	944,060	0.19%
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	135,460	707,101	0.14%
TENCENT HOLDINGS LTD	380,523	60,274,844	12.10%
TINGYI (CAYMAN ISLN) HLDG CO USD 0.005	144,854	1,255,884	0.25%
TRAVELSKY TECHNOLOGY LTD-H 'H'CNY1	69,728	885,546	0.18%
TSINGTAO BREWERY CO LTD-H 'H'CNY1	26,584	782,899	0.16%
WANT WANT CHINA HOLDINGS LTD USD0.02	422,155	2,427,391	0.49%
WEICHAI POWER CO LTD-H 'H'CNY1	68,368	594,118	0.12%
YANZHOU COAL MINING CO-H 'H'CNY1	133,639	541,238	0.11%
YUEXIU PROPERTY CO LTD ORD HKD0.10	489,388	548,116	0.11%
ZHEJIANG EXPRESSWAY CO-H 'H'CNY1	105,514	877,876	0.18%
ZHUZHOU CSR TIMES ELECTRIC-H 'H'CNY1	38,285	1,734,311	0.35%
ZIJIN MINING GROUP CO LTD-H 'H'CNY0.1	420,728	1,009,747	0.20%
ZTE CORP-H 'H'CNY1	58,417	827,185	0.17%
		436,374,648	
United States			
58.COM INC-ADR	2,668	1,151,650	0.23%
ALIBABA GROUP HOLDING-SP ADR BABA	36,424	22,327,969	4.48%
BAIDU INC - SPON ADR SPONS ADS REPR 0.10 ORD CLS'A'US0.00005	9,956	14,740,592	2.96%
CTRIIP.COM INTERNATIONAL-ADR ADS EA REP 0.25 ORD USD0.01	9,650	3,312,900	0.67%
JD.COM INC-ADR	12,608	2,591,562	0.52%
NETEASE INC-ADR ADR EACH REPR 25 COM STK USD0.0001	2,902	3,231,923	0.65%
NEW ORIENTAL EDUCATIO-SP ADR SPONS ADR EA REP 4 ORD SHS	4,808	1,289,985	0.26%
QIHOO 360 TECHNOLOGY CO-ADR	3,437	2,014,112	0.40%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

MSCI China (ETF) (continued)

Listed Equities	Holdings	Fair value HK\$	% of net assets
United States (continued)			
QUNAR CAYMAN ISLANDS LTD-ADR SPONS ADR REPR B ORD SHS	2,101	646,973	0.13%
SOUFUN HOLDINGS LTD-ADR	9,009	418,575	0.08%
TAL EDUCATION GROUP- ADR ADS EA REPR 2 CL A ORD SHS	1,518	584,956	0.12%
VIPSHOP HOLDINGS LTD - ADS SPON ADR EA REPR 2 ORD SHS	14,387	1,437,327	0.29%
YOUKU TUDOU INC SPON ADR EA REPR 18 CL A	4,323	921,785	0.19%
YY INC-ADR ADS EA REPR 20 ORD CL'A'	1,056	504,480	0.10%
		<u>55,174,789</u>	
Total listed investments		<u>491,549,437</u>	<u>98.71%</u>
Total investments, at cost		<u>519,093,317</u>	

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

Hang Seng High Dividend Yield ETF

Listed Equities	Holdings	Fair value HK\$	% of net assets
Hong Kong			
AGRICULTURAL BANK OF CHINA-H 'H'CN¥1	1,744,206	4,866,335	1.83%
BANK OF CHINA LTD-H 'H'HKD1	1,185,354	3,816,840	1.44%
BANK OF COMMUNICATIONS CO-H 'H'CN¥1.00	821,822	4,191,292	1.58%
BANK OF EAST ASIA HKD2.50	140,784	4,082,736	1.54%
BOC HONG KONG HOLDINGS LTD HKD5	166,914	3,864,059	1.45%
BOSIDENG INTL HLDGS LTD USD0.00001	3,331,779	2,065,703	0.78%
CHAMPION REIT REIT	1,583,462	6,254,675	2.35%
CHEUNG KONG INFRASTRUCTURE HKD1	73,320	5,561,322	2.09%
CHINA COMMUNICATIONS SERVI-H 'H'CN¥1	898,498	3,180,683	1.20%
CHINA CONSTRUCTION BANK-H 'H'CN¥1	846,532	4,190,333	1.58%
CHINA JINMAO HOLDINGS GROUP LTD	1,978,277	4,273,078	1.61%
CHINA MERCHANTS BANK - H 'H'CN¥1	185,052	3,016,348	1.13%
CHINA MINSHENG BANKING-H 'H'CN¥1	273,203	1,977,990	0.74%
CHINA MOBILE LTD HKD0.10	37,066	3,204,356	1.21%
CHINA PETROLEUM & CHEMICAL CORP 386	743,501	3,784,420	1.42%
CHINA POWER INTERNATIONAL HKD1	726,994	2,922,516	1.10%
CHONGQING RURAL COMMERCIAL-H CNY1 H SHARE	875,431	3,589,267	1.35%
CLP HOLDINGS LTD HKD5	88,178	6,185,687	2.33%
CNOOC LTD HKD0.02	527,499	4,831,891	1.82%
COUNTRY GARDEN HOLDINGS CO HKD0.10	2,125,071	6,545,219	2.46%
EVERGRANDE REAL ESTATE GROUP USD0.01	3,026,849	18,130,826	6.82%
FORTUNE REIT NPV (REIT)	1,059,249	8,802,359	3.31%
HANG SENG BANK HKD5	35,528	4,870,889	1.83%
HSBC HOLDINGS PLC ORD USD0.50(UK REG)	111,563	5,399,649	2.03%
HUANENG POWER INTL INC-H 'H'CN¥1	553,852	3,843,733	1.45%
HUTCHISON TELECOMMUNICATIONS HKD0.25	1,856,277	5,067,636	1.91%
IND & COMM BK OF CHINA-H 'H'CN¥1	946,283	4,106,868	1.55%
INTIME RETAIL GROUP CO LTD	229,551	1,448,467	0.54%
KINGBOARD LAMINATES HOLDING HKD0.10	1,523,322	5,499,192	2.07%
LI & FUNG LTD HKD0.0125	1,630,498	7,483,986	2.82%
LIFESTYLE INTL HLDGS LTD HKD0.005	504,869	5,280,930	1.99%
LINK REIT NPV	128,982	5,933,172	2.23%
LUK FOOK HOLDINGS INTL LTD HKD0.10	321,425	5,657,080	2.13%
NEW WORLD DEVELOPMENT HKD1	616,108	4,553,038	1.71%
PACIFIC TEXTILES HOLDINGS HKD0.001	1,040,286	11,651,202	4.38%
PCCW LTD HKD0.25	1,320,499	6,628,905	2.49%
PETROCHINA CO LTD-H 'H'CN¥1	542,357	2,798,562	1.05%
POWER ASSETS HOLDINGS LTD HKD1	74,998	5,951,091	2.24%
SA SA INTERNATIONAL HLDGS HKD0.10	2,415,775	5,822,018	2.19%
SHENZHEN INVESTMENT LTD HKD0.05	1,244,634	3,833,473	1.44%
SINO LAND CO HKD1	417,071	5,121,632	1.93%
SMARTONE TELECOMMUNICATIONS HKD0.10	351,960	4,540,284	1.71%
SOHO CHINA LTD HKD0.02	1,754,142	6,490,325	2.44%
SWIRE PACIFIC LTD 'A' 'A'HKD0.60	55,217	4,610,620	1.73%
TCC INTL HLDGS LTD HKD0.10	3,734,068	5,265,036	1.98%
TELEVISION BROADCASTS LTD	189,261	5,280,382	1.99%
VTECH HOLDINGS LTD USD0.05	93,391	8,601,310	3.23%
YINGDE GASES GROUP COMPANY USD0.000001	1,012,248	3,006,377	1.13%
YUE YUEN INDUSTRIAL HLDG HKD0.25	246,468	6,568,372	2.47%
YUEXIU PROPERTY CO LTD ORD HKD0.10	2,840,105	3,180,918	1.20%
Total listed investments		257,833,082	97.00%
Total investments, at cost		287,491,054	

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

CSI 300 ETF

Listed Equities	Holdings	Fair value RMB	% of net assets
China			
AGRICULTURAL BANK OF CHINA-A 'A'CNY1	497,605	1,592,336	1.42%
AIER EYE HOSPITAL GROUP CO-A 'A'CNY1	5,488	163,762	0.15%
AIR CHINA LTD-A 'A'CNY1	34,841	239,009	0.21%
AISINO CO LTD-A 'A'CNY1	8,400	469,644	0.42%
ALPHA GROUP	5,823	237,054	0.21%
ALUMINUM CORP OF CHINA LTD 'A'CNY1	65,100	285,789	0.25%
ANGANG STEEL CO LTD-A 'A'CNY1	25,200	102,312	0.09%
ANHUI CONCH CEMENT CO LTD-A 'A'CNY1	27,300	461,097	0.41%
AVIC AERO-ENGINE CONTROLS-A 000738	6,300	184,275	0.16%
AVIC AVIATION ENGINE CORP PLC	10,118	399,560	0.36%
AVIC CAPITAL CO LTD-A 'A'CNY1	28,064	349,116	0.31%
AVIC HELICOPTER CO LTD-A 600038	3,341	145,400	0.13%
BANK OF BEIJING CO LTD-A 'A'CNY1	131,995	1,330,510	1.18%
BANK OF CHINA LTD-A 'A'CNY1	274,400	932,960	0.83%
BANK OF COMMUNICATIONS -A 'A'CNY1	306,600	1,707,762	1.52%
BANK OF NANJING CO LTD-A 'A'CNY1	25,200	405,720	0.36%
BANK OF NINGBO CO LTD-A 'A'CNY1	26,689	359,501	0.32%
BAOSHAN IRON & STEEL CO-A 'A'CNY1	67,183	352,711	0.31%
BBMG CORPORATION-A 'A'CNY1	14,700	132,447	0.12%
BEIJING CAPITAL CO LTD-A 'A'CNY1	13,268	112,247	0.10%
BEIJING DABEINONG TECHNOLO-A 'A'CNY1	17,564	207,255	0.18%
BEIJING ENLIGHT MEDIA CO L-A 'A'CNY1	5,689	131,131	0.12%
BEIJING JINGNENG POWER CO-A 600578	18,500	90,650	0.08%
BEIJING ORIGINWATER TECHNO-A 'A'CNY1	8,016	312,544	0.28%
BEIJING SHIJI INFORMATION-A 002153	1,623	146,995	0.13%
BEIJING SL PHARMACEUTICAL-A 'A'CNY1	5,893	140,077	0.12%
BEIJING TONGRENTANG CO-A 'A'CNY1	9,641	290,869	0.26%
BEIJING ULTRAPOWER SOFTWARE-A 300002	16,500	145,530	0.13%
BEIJING XINWEI TELECOM TEC-A 600485	12,695	232,445	0.21%
BEIJING YANJING BREWERY CO-A 'A'CNY1	19,091	140,319	0.12%
BEIQI FOTON MOTOR CO LTD-A 'A'CNY1	22,814	124,108	0.11%
BLUEFOCUS COMMUNICATION GR-A 'A'CNY1	17,631	186,536	0.17%
BOE TECHNOLOGY GROUP CO LT-A 'A'CNY1	309,368	788,888	0.70%
BOHAI LEASING CO LTD - A 000415	23,100	157,542	0.14%
BYD CO LTD-A 'A'CNY1	8,172	480,595	0.43%
BY-HEALTH CO LTD-A 'A'CNY1	4,200	139,440	0.12%
CECEP WIND POWER CORP-A 601016	2,600	29,562	0.03%
CHANGJIANG SECURITIES CO L-A 'A'CNY1	45,245	465,119	0.41%
CHANGSHA ZOOMLION HEAVY INDS 'A'CNY1	59,659	273,835	0.24%
CHENGDU XINGRONG INVESTMEN-A 'A'CNY1	25,200	149,688	0.13%
CHINA AVIONICS SYSTEMS CO LTD	7,445	147,337	0.13%
CHINA BAOAN GROUP-A 'A'CNY1	17,468	239,836	0.21%
CHINA CITIC BANK CORP LTD-A 'A'CNY1	44,100	267,687	0.24%
CHINA COAL ENERGY CO 'A'CNY1	25,105	128,538	0.11%
CHINA COMMUNICATIONS CONST-A	21,000	256,200	0.23%
CHINA CONSTRUCTION BANK-A	87,436	424,065	0.38%
CHINA COSCO HOLDINGS-A 'A'CNY1	45,300	275,877	0.25%
CHINA CSSC HOLDINGS LTD-A 'A'CNY1	9,641	242,182	0.22%
CHINA EASTERN AIRLINES CO-A 'A'CNY1	46,200	280,896	0.25%
CHINA EVERBRIGHT BANK CO-A	207,327	777,476	0.69%
CHINA FIRST HEAVY INDUSTR-A 'A'CNY1	35,700	221,340	0.20%
CHINA FORTUNE LAND DEVELOP-A	12,600	305,928	0.27%
CHINA HAINAN RUBBER INDUST-A	16,132	96,631	0.09%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

CSI 300 ETF (continued)

Listed Equities	Holdings	Fair value RMB	% of net assets
China (continued)			
CHINA INTERNATIONAL TRAVEL-A 'A'CNY1	5,009	228,661	0.20%
CHINA INTL MARINE CONTAIN-A 'A'CNY1	9,641	148,279	0.13%
CHINA LIFE INSURANCE CO-A 'A'CNY1	21,000	501,060	0.45%
CHINA MERCHANTS BANK-A 'A'CNY1	134,252	2,160,115	1.93%
CHINA MERCHANTS ENERGY-A 601872	27,600	141,588	0.13%
CHINA MERCHANTS SECURITIES -A 'A'CNY1	37,799	676,224	0.60%
CHINA MERCHANTS SHEKOU INDUSTRY	22,156	333,448	0.30%
CHINA MINMETALS RARE EARTH -A 'A'CNY1	8,302	145,534	0.13%
CHINA MINSHENG BANKING-A 'A'CNY1	384,721	3,504,807	3.13%
CHINA MOLYBDENUM CO LTD-A 'A'CNY0.2	33,695	120,628	0.11%
CHINA NATIONAL CHEMICAL-A 'A'CNY1	27,014	158,842	0.14%
CHINA NATIONAL NUCLEAR POW-A	60,900	470,148	0.42%
CHINA NORTHERN RARE EARTH 600111	29,591	375,214	0.33%
CHINA OILFIELD SERVICES-A 'A'CNY1	8,400	109,032	0.10%
CHINA PACIFIC INSURANCE GR-A 601601	40,950	1,074,119	0.96%
CHINA PETROLEUM & CHEMICAL-A 'A'CNY1	142,514	678,367	0.60%
CHINA RAILWAY GROUP LTD-A 'A'CNY1	72,736	585,525	0.52%
CHINA RAILWAYS CONSTRUCTIO-A 'A'CNY1	42,000	470,820	0.42%
CHINA RESOURCES SANJIU MED-A 'A'CNY1	5,441	126,122	0.11%
CHINA SHENHUA ENERGY CO-A 'A'CNY1	27,100	381,026	0.34%
CHINA SHIPBUILDING INDUSTR-A 'A'CNY1	118,268	850,347	0.76%
CHINA SHIPPING CONTAINER-A 'A'CNY1	48,109	223,226	0.20%
CHINA SOUTH LOCOMOTIVE-A 'A'CNY1	119,366	1,222,308	1.09%
CHINA SOUTH PUBLISHING-A 'A'CNY1	9,948	188,614	0.17%
CHINA SOUTHERN AIRLINES CO- A 'A'CNY1	48,300	304,773	0.27%
CHINA SPACESAT CO LTD	8,305	296,489	0.26%
CHINA STATE CONSTRUCTION-A 'A'CNY1	195,300	1,113,210	0.99%
CHINA UNITED NETWORK-A	114,927	504,530	0.45%
CHINA VANKE CO LTD-A 'A'CNY1	105,800	2,584,694	2.31%
CHINA XD ELECTRIC CO LTD-A	27,968	157,180	0.14%
CHINA YANGTZE POWER CO LTD-A 'A'CNY1	64,461	791,581	0.70%
CHINESE UNIVERSE PUBLISHIN-A 600373	6,300	121,842	0.11%
CHONGQING CHANGAN AUTOMOB -A 'A'CNY1	30,665	483,587	0.43%
CHONGQING WATER GROUP-A 'A'CNY1	8,400	65,184	0.06%
CITIC HEAVY INDUSTRIES CO-A 601608	16,100	87,906	0.08%
CITIC SECURITIES CO-A SHARES 'A'CNY1	102,423	1,823,129	1.63%
DAQIN RAILWAY CO LTD-A 'A' CNY1	77,414	531,834	0.47%
DATANG INTL POWER GEN CO-A 'A'CNY1	40,900	174,234	0.16%
DHC SOFTWARE CO LTD-A 'A'CNY1	11,000	276,100	0.25%
DONGFANG ELECTRIC CORP LTD-A 'A'CNY1	16,514	185,287	0.16%
DONGXING SECURITIES CO LT-A 601198	6,500	175,435	0.16%
DONGXU OPTOELECTRONIC TECH -A	23,100	178,332	0.16%
DR PENG TELCOM & MEDIA GROUP CO LTD	15,273	324,246	0.29%
EAST MONEY INFORMATION CO-A 300059	15,500	686,650	0.61%
EVERBRIGHT SECURITIE CO-A 'A'CNY1	15,258	291,428	0.26%
FAW CAR COMPANY LIMITED-A 'A'CNY1	11,168	157,357	0.14%
FINANCIAL STREET HOLDING-A	19,473	181,099	0.16%
FOSHAN HAITIAN FLAVOURING-A 'A'CNY1	4,162	127,773	0.11%
FOUNDER SECURITIES CO LTD-A 'A'CNY1	55,841	442,261	0.39%
FUYAO GROUP GLASS INDUSTR-A 'A'CNY1	19,043	283,550	0.25%
GD POWER DEVELOPMENT CO-A CNY1'A'	126,000	388,080	0.35%
GEMDALE CORP-A 'A'CNY1	30,587	355,421	0.32%
GEZHOUBA CO LTD-A 'A'CNY1	33,600	202,272	0.18%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

CSI 300 ETF (continued)

Listed Equities	Holdings	Fair value RMB	% of net assets
China (continued)			
GF SECURITIES CO LTD-A 'A'CNY1	38,564	644,790	0.57%
GLODON SOFTWARE CO LTD-A 'A'CNY1	9,641	130,539	0.12%
GOERTEK INC-A 'A'CNY1	10,561	270,362	0.24%
GREAT WALL MOTOR CO LTD-A 'A'CNY1	17,529	159,864	0.14%
GREE ELECTRIC APPLIANCES I-A 'A'CNY1	61,389	1,179,897	1.05%
GUANGDONG ELEC POWER DEV-A 'A'CNY1	10,500	61,845	0.06%
GUANGDONG GOLDEN DRAGON DE-A 000712	6,000	131,640	0.12%
GUANGSHEN RAILWAY CO LTD-A 'A'CNY1	46,200	184,800	0.16%
GUANGXI WUZHOU ZHONGHENG G-A 'A'CNY1	37,800	185,976	0.17%
GUANGZHOU AUTOMOBILE GROUP-A CNY1 A	7,200	148,464	0.13%
GUANGZHOU BAIYUNSHAN PHAR-A	7,541	172,387	0.15%
GUANGZHOU HAIGE COMMUNICAT-A 'A'CNY1	21,000	271,530	0.24%
GUOSEN SECURITIES CO LTD-A 002736	16,900	277,498	0.25%
GUOTAI JUNAN SECURITIES CO-A	19,900	392,229	0.35%
GUOYUAN SECURITIES CO LTD-A 'A'CNY1	14,700	272,244	0.24%
HAINAN AIRLINES CO-A 'A'CNY1	79,800	252,966	0.23%
HAINAN MINING CO LTD-A 601969	3,100	37,882	0.03%
HAITONG SECURITIES CO LTD-A 'A'CNY1	105,358	1,505,566	1.34%
HANGZHOU HIKVISION DIGITAL-A 'A'CNY1	15,845	488,343	0.43%
HAN'S LASER TECHNOLOGY IN-A	10,977	244,238	0.22%
HEBEI IRON & STEEL CO LTD-A 'A'CNY1	57,750	176,138	0.16%
HEILAN HOME CO LTD-A 600398	18,518	213,142	0.19%
HENAN SHUANGHUI INVESTMENT-A 'A'CNY1	13,649	288,130	0.26%
HISENSE ELECTRIC CO LTD-A	11,168	185,836	0.17%
HUADIAN POWER INTL CORP-A 'A'CNY1	29,018	163,952	0.15%
HUADONG MEDICINE CO LTD-A 'A'CNY1	2,866	200,477	0.18%
HUALAN BIOLOGICAL ENGINEER-A 'A'CNY1	4,200	186,438	0.17%
HUANENG POWER INTL INC-A 'A'CNY1	56,891	453,421	0.40%
HUATAI SECURITIES CO LTD-A 'A'CNY1	42,477	726,781	0.65%
HUAWEN MEDIA INVESTMENT -A 'A'CNY1	20,905	190,863	0.17%
HUAXIA BANK CO LTD-A 'A'CNY1	69,517	706,293	0.63%
HUAYI BROTHERS MEDIA CORP-A 'A'CNY1	12,431	347,571	0.31%
HUAYU AUTOMOTIVE SYSTEMS -A 'A'CNY1	14,219	216,413	0.19%
HUBEI ENERGY GROUP CO LTD-A 'A'CNY1	29,400	138,474	0.12%
HUNAN TV & BROADCAST INT-A 'A'CNY1	13,077	213,809	0.19%
HUNDSUN ELECTRONIC CO LTD-A 'A'CNY1	6,778	395,429	0.35%
IFLYTEK CO LTD	11,741	327,926	0.29%
IND & COMM BK OF CHINA - A 'A'CNY1	280,732	1,204,340	1.07%
INDUSTRIAL BANK CO LTD 'A'CNY1	173,632	2,696,504	2.41%
INDUSTRIAL SECURITIES CO-A 'A'CNY1	68,250	599,918	0.53%
INNER MONGOLIA JUNZHENG EN-A 'A'CNY1	15,158	117,475	0.10%
INNER MONGOLIA MENGDIAN HU-A 'A'CNY1	39,614	137,064	0.12%
INNER MONGOLIA YILI INDUS-A 'A'CNY1	78,950	1,150,302	1.02%
INNER MONGOLIAN BAOTOU STEEL 'A'CNY1	132,395	391,889	0.35%
JIANGSU BROADCASTING CABLE-A 600959	7,800	115,517	0.10%
JIANGSU HENGRUI MEDICINE C-A 'A'CNY1	15,245	720,021	0.64%
JIANGSU KANGDE XIN COMPOSITE MATERIAL CO LTD 002450	17,070	563,139	0.50%
JIANGSU PHOENIX PUBLISH-A	8,400	97,524	0.09%
JIANGSU YANGHE BREWERY -A 'A'CNY1	7,813	521,908	0.46%
JIANGXI COPPER CO LTD-A 'A'CNY1	11,550	163,548	0.15%
JIHUA GROUP CORP LTD-A 'A'CNY1	20,100	188,940	0.17%
JILIN AODONG MEDICINE INDUST 'A'CNY1	9,832	259,172	0.23%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

CSI 300 ETF (continued)

Listed Equities	Holdings	Fair value RMB	% of net assets
China (continued)			
JINDUICHENG MOLYBDENUM CO -A	13,268	104,286	0.09%
JIZHONG ENERGY RESOURCES-A 'A'CNYI	14,643	77,169	0.07%
JOINTOWN PHARMACEUTICAL-A	4,200	70,140	0.06%
JUNEYAO AIRLINES CO LTD-A 603885	1,800	45,792	0.04%
KANGMEI PHARMACEUTICAL CO-A 'A'CNYI	42,000	654,780	0.58%
KINGENTA ECOLOGICAL ENGINE-A	8,503	132,562	0.12%
KWEICHOW MOUTAI CO LTD-A 'A'CNYI	6,586	1,630,957	1.45%
LEPU MEDICAL TECHNOLOGY-A 300003	7,100	263,339	0.23%
LESHI INTERNET INFORMATION-A	13,200	776,160	0.69%
LIAONING CHENG DA CO LTD-A 'A'CNYI	19,759	348,154	0.31%
LUXIN VENTURE CAPITAL GRP-A 'A'CNYI	4,200	103,572	0.09%
LUXSHARE PRECISIONIndustr-A	6,586	192,641	0.17%
LUZHOU LAOJIAO CO LTD-A 'A'CNYI	9,641	237,651	0.21%
MEIHUA MONOSODIUM GLUTAMAT-A 'A'CNYI	22,085	201,857	0.18%
METALLURGICAL CORP OF CHIN-A 'A'CNYI	63,382	266,204	0.24%
MIDEA GROUP CO LTD-A CNYI	28,732	886,381	0.79%
NARI TECHNOLOGY DEVELOPMEN-A 'A'CNYI	20,045	288,648	0.26%
NEUSOFT CORP-A 'A'CNYI	11,790	220,827	0.20%
NEW CHINA LIFE INSURANCE C-A 'A'CNYI	8,118	329,347	0.29%
NEW HOPE LIUHE CO LTD-A 'A'CNYI	13,900	223,512	0.20%
NINGBO PORT CO LTD-A 'A'CNYI	51,000	352,410	0.31%
NORTHEAST SECURITIES CO LT-A 'A'CNYI	16,036	226,909	0.20%
OCEANWIDE HOLDINGS CO LTD	18,900	204,309	0.18%
OFFSHORE OIL ENGINEERING-A 'A'CNYI	27,300	195,741	0.17%
ORIENT SECURITIES CO LTD-A 600958	14,700	298,557	0.27%
OURPALM CO LTD-A 300315	19,300	233,337	0.21%
PACIFIC SECURITIES CO/THE-A 'A'CNYI	58,480	403,512	0.36%
PANG DA AUTOMOBILE TRADE -A 'A'CNYI	44,100	138,033	0.12%
PANGANG GROUP STEEL VANADI-A 'A'CNYI	58,418	184,601	0.16%
PEOPLE.CN CO LTD-A 'A'CNYI	7,875	140,490	0.13%
PETROCHINA CO LTD-A 'A'CNYI	65,959	501,948	0.45%
PING AN BANK CO LTD-A	74,550	793,212	0.71%
PING AN INSURANCE GROUP CO-A 'A'CNYI	141,049	4,486,768	3.99%
POLY REAL ESTATE GROUP CO -A 'A'CNYI	84,000	779,520	0.69%
POWER CONSTRUCTION CORPORATION OF CHINA LTD	52,300	337,858	0.30%
QINGDAO HAIER CO LTD-A 'A'CNYI	41,000	347,270	0.31%
QINGHAI SALT LAKE INDUSTRY-A	8,027	154,439	0.14%
RISESUN REAL ESTATE DEVEL-A 'A'CNYI	20,045	145,527	0.13%
SAIC MOTOR CORPORATION LTD-A 'A'CNYI	43,050	863,583	0.77%
SANAN OPTOELECTRONICS CO L-A 'A'CNYI	18,921	371,987	0.33%
SANY HEAVY INDUSTRY CO LTD-A 'A'CNYI	46,200	262,878	0.23%
SDIC POWER HOLDINGS CO LTD-A 'A'CNYI	46,200	318,780	0.28%
SEALAND SECURITIES CO LTD -A	18,995	221,862	0.20%
SEARAINBOW HLDG CORP CO-A	9,927	236,759	0.21%
SHAANXI COAL INDUSTRY CO L-A	27,300	119,574	0.11%
SHANDONG DONG-E E-JIAO-A 'A'CNYI	7,350	356,843	0.32%
SHANDONG GOLD MINING CO LT-A 'A'CNYI	8,400	220,836	0.20%
SHANDONG HI-SPEED CO LTD -A 600350	8,800	49,544	0.04%
SHANGHAI 2345 NETWORK HOLD-A 002195	3,500	94,185	0.08%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

CSI 300 ETF (continued)

Listed Equities	Holdings	Fair value RMB	% of net assets
China (continued)			
SHANGHAI CHENGTOU HOLDING-A 'A'CNY1	20,422	312,865	0.28%
SHANGHAI CONSTRUCTION CO-A 'A'CNY1	24,856	133,725	0.12%
SHANGHAI ELECTRIC GRP CO L-A 'A'CNY1	38,491	362,970	0.32%
SHANGHAI ELECTRIC POWER CO-A 'A'CNY1	11,200	130,592	0.12%
SHANGHAI FOSUN PHARMACEUTI-A 'A'CNY1	15,750	313,898	0.28%
SHANGHAI FRIENDSHIP GROUP-A 'A'CNY1	10,500	148,575	0.13%
SHANGHAI INTERNATIONAL AIR-A 'A'CNY1	13,268	399,234	0.36%
SHANGHAI INTERNATIONAL POR-A 'A'CNY1	42,191	234,160	0.21%
SHANGHAI JAHWA UNITED CO -A 'A'CNY1	6,300	193,347	0.17%
SHANGHAI LUJIAZUI FIN&TRAD-A 'A'CNY1	5,727	221,119	0.20%
SHANGHAI ORIENTAL PEARL MEDIA CO LTD	23,943	685,967	0.61%
SHANGHAI PHARMACEUTICALS-A 'A'CNY1	13,173	225,653	0.20%
SHANGHAI PUDONG DEVEL BANK-A 'A'CNY1	121,418	2,177,025	1.94%
SHANGHAI RAAS BLOOD PRODUC-A 002252	7,900	301,543	0.27%
SHANGHAI TUNNEL ENGINEERIN-A 'A'CNY1	20,500	168,920	0.15%
SHANGHAI WAIGAOQIAO FTZ - A 'A'CNY1	4,200	81,396	0.07%
SHANGHAI WANGSU SCIENCE-A 'A'CNY1	5,858	342,166	0.30%
SHANGHAI ZHANGJIANG HIGH-A 'A'CNY1	10,200	222,870	0.20%
SHANXI LU'AN ENVIRONMENTAL-A 'A'CNY1	16,447	119,899	0.11%
SHANXI SECURITIES CO LTD-A 'A'CNY1	14,795	175,469	0.16%
SHANXI TAIGANG STAINLESS-A 'A'CNY1	31,500	107,100	0.10%
SHANXI XISHAN COAL & ELEC-A 'A'CNY1	21,477	161,722	0.14%
SHENERGY COMPANY LIMITED-A 'A'CNY1	31,118	188,886	0.17%
SHENWAN HONGYUAN GROUP CO-A 000166	60,037	533,729	0.48%
SHENZHEN AGRICULTURAL PROD-A 'A'CNY1	11,741	153,337	0.14%
SHENZHEN ENERGY GROUP CO L-A 'A'CNY1	16,418	119,687	0.11%
SHENZHEN HEPALINK PHARMACE-A 'A'CNY1	3,459	105,569	0.09%
SHENZHEN INOVANCE TECHNOLO-A 'A'CNY1	6,300	240,849	0.21%
SHENZHEN O-FILM TECH CO-A 'A'CNY1	9,628	255,527	0.23%
SHENZHEN OVERSEAS CHINESE-A	49,600	347,696	0.31%
SHENZHEN SALUBRIS PHARM-A 'A'CNY1	3,604	101,957	0.09%
SHENZHEN ZHONGJIN LINGNAN-A 'A'CNY1	18,136	202,579	0.18%
SIASUN ROBOT & AUTOMATION-A 300024	6,300	356,265	0.32%
SICHUAN CHANGHONG ELECTRIC-A 'A'CNY1	50,400	200,592	0.18%
SICHUAN CHUANTOU ENERGY CO-A 'A'CNY1	29,973	256,269	0.23%
SICHUAN KELUN PHARMACEUTIC-A	10,309	150,718	0.13%
SINOLINK SECURITIES CO LTD-A 'A'CNY1	23,600	340,548	0.30%
SINOPEC SHANGHAI PETROCHE-A 'A'CNY1	29,782	203,113	0.18%
SONGCHENG PERFORMANCE DEVELOPMENT CO LTD	7,500	219,450	0.20%
SOOCHOW SECURITIES CO LTD-A 'A'CNY1	28,159	377,612	0.34%
SOUTHWEST SECURITIES CO LT-A 'A'CNY1	38,400	326,784	0.29%
SPRING AIRLINES CO LTD-A 601021	3,200	148,544	0.13%
SUNING APPLIANCE CO LTD-A 'A'CNY1	57,655	660,150	0.59%
SUZHOU GOLD MANTIS CONSTR -A 'A'CNY1	11,836	202,159	0.18%
TBEA CO LTD-A 'A'CNY1	35,318	321,747	0.29%
TCL CORP-A 'A'CNY1	111,300	426,279	0.38%
TIANJIN PORT CO LTD-A 'A'CNY1	11,700	117,351	0.10%
TIANJIN TASLY PHARMA-CLASS A 'A'CNY1	8,400	326,172	0.29%
TIANJIN ZHONGHUAN SEMICOND-A 'A'CNY1	17,944	157,010	0.14%
TONGHUA DONGBAO PHARMACEUT-A 'A'CNY1	10,882	262,909	0.23%
TONGLING NONFERROUS METALS-A 'A'CNY1	49,827	140,014	0.12%
TSINGHUA TONGFANG CO LTD-A 'A'CNY1	24,341	311,808	0.28%
TSINGTAO BREWERY CO LTD-A 'A'CNY1	3,627	104,095	0.09%
TUS - SOUND ENVIRONMENTAL RESOURC CO LTD	7,100	231,105	0.21%

HORIZONS EXCHANGE TRADED FUNDS SERIES

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 31 March 2016

CSI 300 ETF (continued)

Listed Equities	Holdings	Fair value RMB	% of net assets
China (continued)			
UNIVERSAL SCIENTIFIC INDUS-A 'A'CNYI	3,245	32,288	0.03%
WANDA CINEMA LINE CO LTD-A 002739	1,700	136,510	0.12%
WANHUA CHEMICAL GROUP CO -A 'A'CNYI	14,700	216,825	0.19%
WANXIANG QIANCHAO CO LTD-A 'A'CNYI	15,311	256,153	0.23%
WASU MEDIA HOLDING CO LTD-A 'A'CNYI	1,241	26,992	0.02%
WEICHAJ POWER CO LTD-A 'A'CNYI	31,049	250,876	0.22%
WEIFU HIGH-TECHNOLOGY GRP-A 'A'CNYI	6,491	124,627	0.11%
WESTERN SECURITIES CO LTD-A 'A'CNYI	14,509	392,033	0.35%
WINTIME ENERGY CO LTD-A 'A'CNYI	45,284	177,060	0.16%
WUHAN IRON & STEEL CO LTD-A 'A' CNYI	54,700	159,177	0.14%
WULIANGYE YIBIN CO LTD-A 'A'CNYI	24,746	695,610	0.62%
XCMG CONSTRUCTION MACHIN-A 'A'CNYI	58,057	203,780	0.18%
XIAMEN C & D INC-A 'A'CNYI	42,900	742,599	0.66%
XIAMEN TUNGSTEN CO LTD-A 'A'CNYI	5,746	109,749	0.10%
XI'AN AIRCRAFT INTL CORP-A 'A'CNYI	14,414	278,911	0.25%
XINHU ZHONGBAO CO LTD-A 'A'CNYI	33,314	134,255	0.12%
XINJIANG GOLDWIND SCI&TECH-A 'A'CNYI	21,010	344,984	0.31%
XINJIANG GUANGHUI INDUSTRY-A 'A'CNYI	42,573	191,153	0.17%
XINXING DUCTILE IRON PIPES-A 'A'CNYI	32,741	176,801	0.16%
XJ ELECTRIC CO LTD-A	8,400	121,548	0.11%
YANTAI JEREH OILFIELD-A 'A'CNYI	6,197	109,005	0.10%
YANZHOU COAL MINING CO-A 'A'CNYI	5,441	57,783	0.05%
YINGKOU PORT LIABILITY CO-A 600317	26,500	111,035	0.10%
YONGHUI SUPERSTORES CO LTD-A 'A'CNYI	27,300	244,335	0.22%
YONYOU NETWORK TECHNOLOGY CO LTD	7,596	158,529	0.14%
YOUNGOR GROUP CO-A 'A'CNYI	21,163	319,985	0.28%
YUNNAN BAIYAO GROUP CO LTD-A 'A'CNYI	6,334	388,274	0.35%
ZHE JIANG DAILY MEDIA GRP -A	9,164	156,704	0.14%
ZHEJIANG CHINA COMMODITIES-A 'A'CNYI	36,941	282,599	0.25%
ZHEJIANG DAHUA TECHNOLOGY-A	8,209	295,852	0.26%
ZHEJIANG HUACE FILM & TV-A	5,441	144,731	0.13%
ZHEJIANG LONGSHENG GROUP C-A 'A'CNYI	31,118	330,162	0.29%
ZHEJIANG YASHA DECORATION-A 'A'CNYI	8,468	114,657	0.10%
ZHEJIANG ZHENENG ELECTRIC-A	37,000	206,460	0.18%
ZHENGZHOU YUTONG BUS CO - A	17,313	335,526	0.30%
ZHONGJIN GOLD CORP-A 'A'CNYI	20,141	215,912	0.19%
ZHONGTIAN URBAN DEVELOPMEN-A 000540	22,500	161,775	0.14%
ZIJIN MINING GROUP CO LTD-A 'A'CNY0.1	128,386	419,822	0.37%
ZTE CORP-A 'A'CNYI	32,187	484,736	0.43%
Total listed investments		112,217,054	99.91%
Total investments, at cost		96,331,929	

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the year from 1 April 2015 to 31 March 2016

KOSPI 200 ETF

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Consumer Discretionary					
BASIC HOUSE CO LTD/THE KRW500	92	–	–	–	92
CHEIL WORLDWIDE INC	652	–	–	–	652
CHOKWANG LEATHER CO LTD 004700	–	16	–	–	16
COWAY CO LTD	404	–	–	–	404
DAEKYO CO LTD KRW5000	204	–	–	–	204
DONG AH TIRE & RUBBER CO LTD KRW500	76	–	–	–	76
GRAND KOREA LEISURE CO LTD KRW500	236	–	–	–	236
HALLA HOLDINGS CORP	49	–	–	–	49
HANDSOME CO LTD KRW500	108	–	–	–	108
HANKOOK TIRE CO KRW500	600	–	–	–	600
HANON SYSTEMS	300	–	1,200	–	1,500
HANSAE CO LTD KRW500	128	–	–	–	128
HANSSEM CO LTD KRW1000	–	76	–	–	76
HOTEL SHILLA CO LTD KRW5000	268	–	–	–	268
HUVIS CORP HUVIS CORP	112	–	–	–	112
HWA SHIN CO LTD KRW500	128	–	–	–	128
HYUNDAI DEPT STORE CO KRW5000	124	–	–	–	124
HYUNDAI HOME SHOPPING NETWORK KRW5000	–	58	–	–	58
HYUNDAI MOBIS KRW5000	528	16	–	–	544
HYUNDAI MOTOR CO KRW5000	1,196	24	–	–	1,220
HYUNDAI WIA CORP KRW5000	116	–	–	–	116
ILSHIN SPINNING CO LTD KRW5000	–	8	–	–	8
KANGWON LAND INC KRW500	1,080	–	–	–	1,080
KIA MOTORS CORPORATION KRW5000	2,044	58	–	–	2,102
KUMHO TIRE CO INC KRW5000	956	–	–	–	956
KYUNGBANG LTD KRW5000	–	8	–	–	8
LF CORP	152	–	–	–	152
LG ELECTRONICS SHS	824	–	–	–	824
HYUNDAI LIVART CO LTD	–	84	–	–	84
LOTTE SHOPPING CO KRW5000	76	–	–	–	76
MOTONIC CORP KRW500	68	–	–	–	68
NEXEN TIRE CORPORATION KRW500	312	–	–	–	312
S&T MOTIV CO LTD	64	–	–	–	64
SEBANG GLOBAL BATTERY CO LTD	68	–	–	–	68
SEJONG INDUSTRIAL CO LTD KRW500	72	–	–	–	72
SEOYON CO LTD	50	–	–	–	50
SHINSEGAE CO LTD KRW5000	60	–	–	–	60
SL CORP	96	–	–	–	96
SSANGYONG MOTOR CO KRW5000	332	–	–	–	332
WOONGJIN CHEMICAL CO LTD	152	–	–	152	–
YOUNGONE CORP KRW 500	–	176	–	–	176
Consumer Staples					
ABLE C&C KRW500	79	–	8	–	87
AMOREPACIFIC GROUP	20	24	180	–	224
AMOREPACIFIC CORP KRW5000	24	16	216	–	256
BINGGRAE CO LTD KRW5000	48	–	–	–	48
CJ CHEILJEDANG CORP KRW5000	64	–	–	–	64
COSMAX INC COSMAX INC	–	52	–	–	52
CROWN CONFECTIONERY CO LTD KRW5000	4	–	–	–	4
DAESANG CORPORATION KRW1000	168	–	–	–	168
DONGWON F&B CO LTD KRW5000	8	–	–	–	8
E-MART CO LTD KRW5000	168	–	–	–	168
FARMSO 036580	–	116	–	–	116
GS RETAIL CO LTD GS RETAIL CO LTD	216	–	–	–	216

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

KOSPI 200 ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Consumer Staples (continued)					
HITE JINRO	256	-	-	-	256
HYUNDAI GREENFOOD CO LTD	-	432	-	-	432
HYUNDAI HYSKO KRW5000	76	-	-	76	-
KOREA CIRCUIT CO. KRW500	76	-	-	76	-
KOREA KOLMAR CO LTD KRW500	128	-	-	-	128
KT&G CORP KRW5000	852	-	-	-	852
LG HOUSEHOLD & HEALTH CARE KRW5000	72	-	-	-	72
LOTTE CHILSUNG BEVERAGE CO SHS	4	-	-	-	4
LOTTE CONFECTIONERY CO LTD	4	2	-	2	4
LOTTE SAMKANG CO LTD KRW5000	8	-	-	-	8
MUHAK CO LTD KRW200	114	-	2	-	116
NAMYANG DAIRY PRODUCTS CO. KRW5000	4	-	-	-	4
NONG SHIM CO LTD	28	-	-	-	28
ORION CORP KRW5000	28	-	-	-	28
OTTOGI CORPORATION	12	-	-	-	12
SAMLIP GENERAL FOODS CO LTD	16	-	-	-	16
SAMYANG CORP(NEW) KRW5000	-	12	-	-	12
SAMYANG HOLDINGS CORP	32	-	-	-	32
SK HOLDINGS KRW5000	220	-	(168)	52	-
Energy					
GS HOLDINGS KRW5000	412	-	-	-	412
HANKOOK SHELL OIL CO LTD KRW5000	4	-	-	-	4
ILJIN DISPLAY CO LTD KRW500	128	-	-	128	-
SK INNOVATION CO LTD	540	-	-	-	540
S-OIL CORPORATION KRW2500	592	-	-	232	360
Financials					
BNK FINANCIAL GROUP INC	1,404	272	-	-	1,676
BNK FINANCIAL GROUP INC-RTS14JAN16	-	-	366	366	-
DAEWOO SECURITIES CO LTD	1,452	-	-	-	1,452
DONGBU INSURANCE CO LTD SHS	344	-	-	-	344
HANA FINANCIAL GROUP KRW5000	2,136	112	-	-	2,248
HANKOOK TIRE WORLDWIDE CO LTD	188	-	-	-	188
HANWHA LIFE INSURANCE CO LTD KRW5000	3,504	-	-	-	3,504
HYUNDAI SECURITIES CO KRW5000	824	330	-	-	1,154
INDUSTRIAL BANK OF KOREA KRW5000	1,560	664	-	-	2,224
KB FINANCIAL GROUP INC KRW5000	2,848	-	-	-	2,848
KOREA INVESTMENT HOLDINGS CO KRW5000	336	-	-	-	336
MIRAE ASSET SECURITIES CO LT KRW5000	231	-	331	-	562
NH INVESTMENT & SECURITIES CO	884	390	-	-	1,274
SAMSUNG CARD CO KRW5000	280	-	-	-	280
SAMSUNG FIRE & MARINE INS KRW500	276	10	-	-	286
SAMSUNG LIFE INSURANCE CO KRW5000	776	-	-	-	776
SAMSUNG SECURITIES CO LTD KRW5000	464	-	-	-	464
SHINHAN FINANCIAL GROUP LTD KRW5000	3,312	105	-	-	3,417
WOORI BANK 000030	2,508	-	-	-	2,508

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

KOSPI 200 ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Health Care					
BUKWANG PHARMACEUTICAL CO KRW500	193	–	20	1	212
CHONG KUN DANG PHARMACEUTICA KRW2500	–	56	–	–	56
DAEWOONG PHARMACEUTICAL CO KRW2500	44	–	–	–	44
DONG-A SOCIO HOLDINGS CO LTD	28	–	–	–	28
DONG-A ST(SCIENCE& KRW5000	44	–	–	–	44
GREEN CROSS CORP KRW5000	48	–	–	–	48
HANMI PHARM CO LTD KRW2500	50	–	1	–	51
IL DONG HOLDINGS CO LTD	–	132	–	–	132
ILYANG PHARMACEUTICAL CO LTD KRW2500	96	–	–	–	96
KWANG DONG PHARMACEUTICAL CO KRW1000	276	–	–	–	276
LG LIFE SCIENCES LTD KRW5000	96	–	–	–	96
SUHEUNG CAPSULE CO LTD KRW500	48	–	–	–	48
YUHAN CORPORATION	76	–	–	–	76
YUNGJIN PHARM KRW500	716	–	–	–	716
Industrials					
SAMSUNG C&T CORP	720	140	361	544	677
CHOSUN REFRACTORIES KRW5000	–	8	–	–	8
CJ CORP KRW5000	104	–	–	–	104
CJ KOREA EXPRESS CORP	76	–	–	–	76
DAELIM INDUSTRIAL CO LTD KRW5000	224	–	–	–	224
DAEWOO ENGINEERING & CONSTR KRW5000	1,676	–	–	–	1,676
DAEWOO SHIPBUILDING & MARINE KRW5000	1,080	–	–	240	840
DOOSAN CORP KRW5000	60	–	–	–	60
DOOSAN ENGINE CO LTD KRW1000	308	–	–	–	308
DOOSAN HEAVY INDUSTRIES KRW5000	472	–	–	–	472
DOOSAN INFRACORE CO LTD KRW5000	1,004	–	–	–	1,004
HANJIN HEAVY INDUS & CONST KRW5000	502	–	–	–	502
HANWHA CORPORATION KRW5000	364	–	–	–	364
HANWHA TECHWIN CO LTD	300	–	–	–	300
HYUNDAI DEVELOPMENT COMPANY KRW5000	516	–	–	–	516
HYUNDAI ELEVATOR CO. KRW5000	88	–	17	–	105
HYUNDAI ENGINEERING & CONST KRW5000	584	–	–	–	584
HYUNDAI GLOVIS CO LTD	92	56	–	–	148
HYUNDAI HEAVY INDUSTRIES KRW5000	384	–	–	–	384
HYUNDAI MERCHANT MARINE KRW5000	956	–	–	956	–
HYUNDAI MIPO DOCKYARD KRW5000	80	–	–	–	80
HYUNDAI ROTEM CO L KRW5000	–	372	–	–	372
IS DONGSEO CO LTD KRW500	72	–	–	–	72
JAHWA ELECTRONICS CO LTD	88	–	–	88	–
KCC CORP	40	–	–	–	40
KEPCO ENGINEERING & CONSTRUC KRW200	76	–	–	–	76
KEPCO PLANT SERVICE & ENGINE KRW200	144	36	–	–	180
KOREA AEROSPACE IN KRW5000	552	–	–	–	552

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

KOSPI 200 ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Industrials (continued)					
KOREA ELECTRIC TERMINAL CO KRW500	60	–	–	–	60
KOREAN AIR LINES CO LTD KRW5000	252	70	–	–	322
LG CORP KRW5000	736	–	–	–	736
LG HAUSYS LTD KRW5000	52	–	–	–	52
LG INTERNATIONAL CORP	220	–	–	–	220
LS CORP KRW5000	144	–	–	–	144
LS INDUSTRIAL SYSTEMS KRW5000	132	–	–	–	132
POSCO DAEWOO CORP	324	–	–	–	324
POSCO PLANTEC CO LTD	428	–	–	428	–
S&T DYNAMICS CO LTD KRW2500	156	–	–	–	156
S1 CORPORATION KRW500	200	–	–	–	200
SAMSUNG C&T CORP KRW5000	1,032	–	(1,032)	–	–
SAMSUNG ENGINEERING CO LTD KRW5000	260	–	877	–	1,137
SAMSUNG HEAVY INDUSTRIES KRW5000	1,396	–	–	196	1,200
SK HOLDINGS CO LTD	196	–	124	60	260
SK NETWORKS CO LTD	1,204	–	–	–	1,204
SONGWON INDUSTRIAL CO LTD KRW500	128	–	–	128	–
Information Technology					
DAEDUCK ELECTRONICS CO KRW500	276	–	–	–	276
DAEDUCK GDS CO LTD KRW500	124	–	–	124	–
DONGWON SYSTEMS CORP KRW500	–	28	–	–	28
HANMI SEMICONDUCTOR CO LTD KRW500	–	92	–	–	92
HANSOL TECHNIQS CO LTD KRW5000	145	–	–	–	145
ILJIN MATERIALS CO LTD KRW500	128	–	–	–	128
LG DISPLAY CO LTD	1,804	–	–	–	1,804
LG INNOTEK CO LTD KRW5000	92	–	–	–	92
NAVER CORP	232	5	–	25	212
NCISOFT CORPORATION KRW500	144	–	–	–	144
SAMSUNG ELECTRO-MECHANICS CO KRW5000	464	–	–	–	464
SAMSUNG ELECTRONICS CO LTD KRW5000	856	32	–	8	880
SAMSUNG SDI CO LTD KRW5000	400	–	–	–	400
SAMSUNG SDS CO LTD 018260	412	188	–	358	242
SINDOH CO LTD	44	–	–	–	44
SK HYNIX INC	4,524	140	–	–	4,664

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

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KOSPI 200 ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Materials					
DAE WON KANG UP CO. SHS	324	–	–	324	–
DONGKUK STEEL MILL CO LTD KRW5000	376	–	–	–	376
DY CORP 013570	117	–	–	117	–
FOOSUNG CO LTD KRW500	344	–	–	–	344
FOOSUNG CO LTD -RTS03SEP15	–	–	30	30	–
FURSYS INC KRW1000	32	–	–	32	–
HANIL CEMENT CO LTD KRW5000	32	–	–	–	32
HANSOL CHEMICAL CO LTD KRW5000	–	68	–	–	68
HANSOL HOLDINGS CO LTD	163	–	–	–	163
HANWHA CHEMICAL CORP KRW5000	720	–	–	–	720
HUCHEMS FINE CHEMICAL CORP KRW1000	200	–	–	–	200
HYOSUNG CORPORATION KRW5000	184	–	–	–	184
HYUNDAI STEEL CO KRW5000	588	100	–	–	688
KISWIRE LTD KRW1000	43	–	–	–	43
KOLON INDUSTRIES INC KRW5000	132	–	–	–	132
KOREA PETRO CHEMICAL IND	20	–	–	–	20
KOREA ZINC CO LTD	68	–	–	–	68
KUKDO CHEMICAL CO LTD KRW5000	36	–	–	–	36
KUMHO PETRO CHEMICAL CO LTD	148	–	–	–	148
LG CHEM LTD KRW5000	360	–	–	–	360
LOCK&LOCK CO LTD KRW5000	132	–	–	–	132
LOTTE CHEMICAL CORP	124	–	–	–	124
LOTTE FINE CHEMICAL CO LTD	136	–	–	–	136
MOORIM P&P CO LTD KRW5000	276	–	–	–	276
NAMHAE CHEMICAL CORP KRW1000	180	–	–	–	180
OCI COMPANY LTD	124	–	–	–	124
POONGSAN CORP KRW5000	160	–	–	–	160
POSCO KRW5000	576	–	–	–	576
SAMKWANG GLASS	24	–	–	–	24
SEAH BESTEEL CORP KRW5000	100	–	–	–	100
SEAH STEEL CORPORATION KRW5000	20	–	–	–	20
SK CHEMICALS CO LTD	136	–	18	–	154
SKC CO LTD KRW5000	160	–	–	–	160
SSANGYONG CEMENT IND	452	–	–	–	452
TAEKWANG INDUSTRIAL CO LTD KRW5000	4	–	–	–	4
UNID CO LTD KRW5000	24	–	8	–	32
YOUNG POONG CORPORATION KRW5000	4	–	–	–	4
Telecommunication Services					
KT CORP KRW5000	1,724	–	–	–	1,724
LG UPLUS CORP KRW5000	2,292	–	–	–	2,292
SK TELECOM KRW500	440	–	–	–	440
Utilities					
KOREA ELECTRIC POWER CORP KRW5000	2,492	81	–	–	2,573
KOREA GAS CORPORATION KRW5000	300	–	–	–	300

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

S&P Emerging Asia Consumer ETF

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Consumer Discretionary					
ANTA SPORTS PRODUCTS LTD HKD0.10	–	83,000	–	54,732	28,268
ASTRA INTERNATIONAL TBK PT	1,388,190	655,000	–	1,449,432	593,758
ASTRO MALAYSIA HLD MYR0.10	–	240,800	–	149,015	91,785
BAIC MOTOR CORP LTD-H 1958	–	201,500	–	201,500	–
BELLE INTERNATIONAL HOLDINGS HKD0.01	300,000	177,000	–	318,176	158,824
BRILLIANCE CHINA AUTOMOTIVE USD0.01	127,619	96,000	–	137,426	86,193
CHAROEN POKPHAND FOODS-NVDR THB1(NVDR)	–	282,200	–	182,750	99,450
CHENG SHIN RUBBER IND CO LTD	109,524	–	–	109,524	–
CHINA AGRI-INDUSTRIES HLDGS HKD0.10	140,000	–	–	140,000	–
CHINA HUIZHAN DAIR HKD0.1	360,000	–	–	360,000	–
CHINA MENGNIU DAIRY CO HKD0.1	76,190	75,000	76,180	140,269	87,101
CP ALL PCL	267,524	130,100	–	256,224	141,400
DONGFENG MOTOR GRP CO LTD-H 'H'CNV1	188,571	100,000	–	204,602	83,969
ECLAT TEXTILE COMPANY LTD TWD10	–	20,000	152	14,380	5,772
GENTING MALAYSIA BHD	184,000	–	–	184,000	–
GODREJ CONSUMER PRODUCTS LTD INR1	–	10,856	–	7,038	3,818
GREAT WALL MOTOR COMPANY-H 'H'CNV1	72,381	86,000	147,024	214,576	90,829
GUDANG GARAM TBK PT IDR500	28,762	11,900	–	25,852	14,810
IMPERIAL PACIFIC INTERNATIONAL 1076	–	1,440,000	–	–	1,440,000
INDOFOOD CBP SUKSES MAKMUR T IDR100	76,000	29,800	–	68,400	37,400
ITC LTD INR1	124,310	49,308	–	111,879	61,739
POU CHEN	160,000	–	–	160,000	–
PRESIDENT CHAIN STORE CORP	38,095	14,000	–	34,130	17,965
RUENTEX INDUSTRIES LTD TWD10	40,000	–	–	40,000	–
SHENZHOU INTERNATIONAL GROUP HKD0.10	–	56,000	–	39,472	16,528
STANDARD FOODS CORP TWD10	–	12,000	–	–	12,000
SUN ART RETAIL GRO HKD0.30	136,667	56,500	–	122,842	70,325
TATA MOTORS LTD. INR 2	60,306	36,961	3,319	70,936	29,650
Consumer Staples					
BEC WORLD PUBLIC CO LTD-NVDR THB1(NVDR)	62,000	–	–	62,000	–
BIG C SUPERCENTER PCL-NVDR THB10(NVDR)	20,381	7,100	–	27,481	–
BRITISH AMERICAN TOBACCO BHD ORD MYR0.50	7,238	3,100	–	6,500	3,838
BYD CO LTD-H 'H'CNV1	40,476	–	–	40,476	–
CHONGQING CHANGAN AUTOMOBIL-B 'B'CNV1	–	86,800	–	61,870	24,930
DABUR INDIA LTD	–	48,026	–	31,112	16,914
FENG TAY ENTERPRISE CO LTD TWD10	–	31,000	655	22,150	9,505
GEELY AUTOMOBILE HOLDINGS LT HKD0.02	300,000	–	–	300,000	–
GIANT MANUFACTURING SHS	20,000	9,000	–	20,472	8,528
GOME ELECTRICAL APPLIANCES HKD0.025	–	1,213,000	–	869,260	343,740
GUANGZHOU AUTOMOBILE GROUP-H 'H' CNY1	144,762	76,000	–	155,500	65,262
HAIER ELECTRONICS GROUP CO HKD0.1 (POST CONS)	71,429	46,000	–	81,398	36,031
HENGAN INTL GROUP CO LTD HKD0.10	51,429	19,500	–	46,286	24,643
HERO MOTOCORP LTD	5,417	2,818	–	5,374	2,861
HINDUSTAN UNILEVER LIMITED INR1	41,972	22,466	–	41,588	22,850
HOTAI MOTOR COMPANY LTD TWD10	23,810	8,000	–	22,269	9,541
INDOFOOD SUKSES MAKMUR TBK P	–	140,800	–	–	140,800
IOI CORPORATION BHD MYR0.10	–	247,000	–	247,000	–
KUALA LUMPUR KEPONG BHD MYR1	–	35,700	–	35,700	–
MAHINDRA & MAHINDRA LTD INR5	19,040	–	–	19,040	–
MARUTI SUZUKI INDIA LTD INR5	4,480	3,947	–	4,886	3,541
MATAHARI DEPARTMENT STORE TB	–	63,300	–	–	63,300
NESTLE INDIA LTD INR 10	–	2,050	–	2,050	–

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

S&P Emerging Asia Consumer ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Consumer Staples (continued)					
PPB GROUP BERHAD	34,000	–	–	34,000	–
THAI BEVERAGE PCL THB1	–	889,200	–	615,306	273,894
THAI UNION GROUP PLC	–	69,000	–	–	69,000
TSINGTAO BREWERY CO LTD-H 'H'CNV1	20,952	8,000	–	18,232	10,720
UNILEVER INDONESIA TBK PT	70,857	29,600	–	63,774	36,683
UNI-PRESIDENT CHINA HOLDINGS	119,048	–	–	119,048	–
UNI-PRESIDENT ENTERPRISES CO TWD10	316,176	–	–	316,176	–
UNITED SPIRITS LIMITED INR10	3,456	–	–	3,456	–
WANT WANT CHINA HOLDINGS LTD USD0.02	432,381	–	–	432,381	–

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

S&P Global Consumer Brands ETF

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Consumer Discretionary					
ADIDAS AG NPV (REGD)	–	3,726	–	–	3,726
AMAZON.COM INC USD0.01	–	727	–	–	727
BAYERISCHE MOTOREN WERKE AG EURI	4,512	3,488	–	3,288	4,712
BRIDGESTONE CORPORATION NPV	14,400	7,180	–	21,580	–
CARNIVAL CORP COM USD0.01(PAIRE STOCK)	–	8,639	–	–	8,639
CHRISTIAN DIOR EUR2	3,000	1,200	–	1,975	2,225
CIE FINANCIERE RICHEMON-REG CHF1.00 (REG) SER 'A'	6,912	3,678	–	4,464	6,126
COMPASS GROUP PLC	–	23,660	–	–	23,660
CONTINENTAL AG NPV	2,424	1,029	–	1,515	1,938
DAIMLER AG-REGISTERED SHARES ORD NPV(REGD)	5,832	3,745	–	3,885	5,692
DENSO CORP NPV	12,064	6,030	–	7,709	10,385
FAST RETAILING CO LTD NPV	–	1,400	–	–	1,400
FORD MOTOR CO COM STK USD0.01	–	49,935	–	49,935	–
FUJI HEAVY INDUSTRIES LTD NPV	–	11,600	–	–	11,600
GALAXY ENTERTAINMENT GROUP L HKD0.10	119,600	116,260	–	235,860	–
HENNES & MAURITZ AB-B SHS SER 'B'NPV	13,756	6,751	–	8,595	11,912
HERMES INTERNATIONAL NPV	1,800	620	–	1,285	1,135
HONDA MOTOR CO LTD NPV	17,088	8,520	–	10,680	14,928
HYUNDAI MOBIS KRW5000	2,664	–	–	2,664	–
HYUNDAI MOTOR CO KRW5000	3,816	1,804	–	5,620	–
INDITEX ITX	19,536	6,770	–	13,781	12,525
KERING EUR4	2,760	1,799	–	2,328	2,231
KIA MOTORS CORPORATION KRW5000	14,256	5,150	–	19,406	–
LAS VEGAS SANDS CORP COM USD0.001	10,968	4,847	–	15,815	–
LUXOTTICA GROUP SPA EUR0.06	–	11,241	–	3,912	7,329
LVMH MOET HENNESSY LOUIS VUI EUR0.30	3,168	1,310	–	4,478	–
MCDONALD'S CORP COM USD0.01	6,240	2,240	–	5,075	3,405
MICHELIN (CGDE)	5,712	2,330	–	3,748	4,294
NIKE INC -CL B CLASS'B'COM NPV	6,000	1,980	3,952	5,043	6,889
NISSAN MOTOR CO LTD	52,800	27,320	–	37,260	42,860
THE PRICELINE.COM INC	504	170	–	362	312
RENAULT SA EUR3.81	–	4,499	–	–	4,499
SANDS CHINA LTD USD0.01	144,000	–	–	144,000	–
SONY CORP NPV	–	17,100	–	–	17,100
SWATCH GROUP AG/THE-BR	1,320	643	–	1,963	–
TOYOTA MOTOR CORP NPV	9,600	4,260	–	6,212	7,648
TWENTY-FIRST CENTURY FOX INC	16,800	–	–	16,800	–
VIVENDI EUR5.50	–	30,640	–	11,172	19,468
VOLKSWAGEN AG-PREF NON VTG PRF NPV	2,184	2,746	–	1,661	3,269
WPP PLC ORD GBP0.10	24,840	10,884	–	17,340	18,384
YUM! BRANDS INC COM NPV	7,416	2,916	–	5,010	5,322

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MSCI China ETF

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Consumer Discretionary					
ALIBABA PICTURES GROUP LTD 1060	230,000	820,270	–	318,274	731,996
ANTA SPORTS PRODUCTS LTD HKD0.10	44,000	66,038	–	36,929	73,109
BELLE INTERNATIONAL HOLDINGS HKD0.01	212,000	323,140	–	194,158	340,982
BRILLIANCE CHINA AUTOMOTIVE USD0.01	138,000	196,621	–	114,521	220,100
BYD CO LTD-H 'H' CNY1	30,500	45,140	–	28,368	47,272
CTRIP.COM INTERNATIONAL-ADR ADS EA REP 0.25 ORD USD0.01	–	7,507	4,392	2,249	9,650
DONGFENG MOTOR GRP CO LTD-H 'H' CNY1	122,000	183,395	–	106,849	198,546
GELY AUTOMOBILE HOLDINGS LT HKD0.02	235,000	352,896	–	198,970	388,926
GOME ELECTRICAL APPLIANCES HKD0.025	488,000	752,655	–	382,661	857,994
GREAT WALL MOTOR COMPANY-H 'H' CNY1	47,000	201,130	81,318	101,105	228,343
GUANGZHOU AUTOMOBILE GROUP-H 'H' CNY1	122,000	146,265	–	106,937	161,328
HAIER ELECTRONICS GROUP CO HKD0.1 (POST CONS)	48,000	75,766	–	32,199	91,567
IMPERIAL PACIFIC INTERNATIONAL 1076	–	4,737,390	–	4,737,390	–
JD.COM INC-ADR	–	14,420	–	1,812	12,608
NEW ORIENTAL EDUCATIO-SP ADR SPONS ADR EA REP 4 ORD SHS	–	5,505	–	697	4,808
QUNAR CAYMAN ISLANDS LTD-ADR SPONS ADR REPR B ORD SHS	–	2,383	–	282	2,101
SHENZHOU INTERNATIONAL GROUP HKD0.10	25,000	37,375	–	21,739	40,636
TAL EDUCATION GROUP- ADR ADS EA REPR 2 CL A ORD SHS	–	1,739	–	221	1,518
VIPSHOP HOLDINGS LTD - ADS SPON ADR EA REPR 2 ORD SHS	–	16,478	–	2,091	14,387
Consumer Staples					
CHINA AGRI-INDUSTRIES HLDGS HKD0.10	122,000	6,000	–	128,000	–
CHINA HUIZHAN DAIR HKD0.1	244,000	388,000	–	334,705	297,295
CHINA MENGNIU DAIRY CO HKD0.1	61,000	179,765	52,423	90,955	202,233
CHINA RESOURCES BEER (HOLDINGS) CO LTD	54,000	81,325	–	46,194	89,131
HENGAN INTL GROUP CO LTD HKD0.10	33,000	48,803	–	27,921	53,882
SUN ART RETAIL GRO HKD0.30	122,000	152,950	–	102,990	171,960
TINGYI (CAYMAN ISLN) HLDG CO USD 0.005	88,000	135,944	–	79,090	144,854
TSINGTAO BREWERY CO LTD-H 'H' CNY1	16,000	22,731	–	12,147	26,584
UNI-PRESIDENT CHINA HOLDINGS	61,000	3,000	–	64,000	–
WANT WANT CHINA HOLDINGS LTD USD0.02	267,000	379,411	–	224,256	422,155
Energy					
CHINA COAL ENERGY CO - H 'H' CNY1	183,000	177,120	–	169,128	190,992
CHINA OILFIELD SERVICES-H 'H' CNY1	80,000	118,993	–	68,451	130,542
CHINA PETROLEUM & CHEMICAL CORP 386	1,140,000	1,717,052	–	979,615	1,877,437
CHINA SHENHUA ENERGY CO - H 'H' CNY1.00	152,500	221,560	–	126,472	247,588
CNOOC LTD HKD0.02	793,000	1,169,280	–	650,920	1,311,360
KUNLUN ENERGY COMPANY LTD HKD0.01	146,000	218,509	–	126,091	238,418
PETROCHINA CO LTD-H 'H' CNY1	936,000	1,407,312	–	790,702	1,552,610
YANZHOU COAL MINING CO-H 'H' CNY1	84,000	124,101	–	74,462	133,639

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MSCI China ETF (continued)

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Financials					
AGRICULTURAL BANK OF CHINA-H 'H'CN¥1	976,000	1,526,070	–	804,949	1,697,121
BANK OF CHINA LTD-H 'H'HKD1	3,557,000	5,406,263	–	3,116,138	5,847,125
BANK OF COMMUNICATIONS CO-H 'H'CN¥1.00	390,000	595,949	–	342,029	643,920
CHINA CINDA ASSET MANAGEME-H	244,000	728,145	–	328,295	643,850
CHINA CITIC BANK CORP LTD-H	366,000	562,050	–	326,085	601,965
CHINA CONSTRUCTION BANK-H 'H'CN¥1	3,231,000	6,155,926	–	3,193,403	6,193,523
CHINA EVERBRIGHT BANK CO L-H 'H'CN¥1	122,000	245,745	–	121,203	246,542
CHINA EVERBRIGHT LIMITED HKD1	38,000	57,994	–	28,727	67,267
CHINA GALAXY SECURITIES CO-H	61,000	296,995	–	117,341	240,654
CHINA JINMAO HOLDINGS GROUP LTD	122,000	272,780	–	124,730	270,050
CHINA LIFE INSURANCE CO-H 'H'CN¥1	333,000	512,137	–	297,117	548,020
CHINA MERCHANTS BANK - H 'H'CN¥1	213,500	310,490	–	186,092	337,898
CHINA MINSHENG BANKING-H 'H'CN¥1	291,000	395,885	–	253,211	433,674
CHINA OVERSEAS LAND & INVEST HKD0.10	182,000	262,002	–	153,915	290,087
CHINA OVERSEAS PROPERTY HOLDINGS 2669	–	–	50,689	50,689	–
CHINA PACIFIC INSURANCE GR-H 'H'CN¥1	116,400	176,699	–	99,011	194,088
CHINA RESOURCES LAND LTD HKD0.10	102,000	201,181	–	98,255	204,926
CHINA SOUTH CITY HOLDINGS HKD0.01	122,000	6,000	–	128,000	–
CHINA TAIPING INSURANCE HOLDIN	49,220	129,116	–	59,396	118,940
CHINA VANKE CO LTD-H	61,000	91,155	–	54,661	97,494
CHONGQING RURAL COMMERCIAL-H CNY1 H SHARE	122,000	162,565	–	102,119	182,446
CITIC SECURITIES CNY1'H'	46,500	181,361	–	68,589	159,272
COUNTRY GARDEN HOLDINGS CO HKD0.10	244,000	380,925	–	209,225	415,700
DALIAN WANDA COMMERCIAL PR-H 3699	–	62,335	–	19,109	43,226
EVERGRANDE REAL ESTATE GROUP USD0.01	244,000	311,695	–	242,509	313,186
FAR EAST HORIZON L HKD0.01 REG S	61,000	134,640	–	66,512	129,128
GF SECURITIES CO LTD-H 1776	–	130,495	–	30,223	100,272
GOLDIN PROPERTIES HOLDINGS	–	130,910	–	130,910	–
GUANGZHOU R&F PROPERTIES - H 'H'CN¥0.25(POST SUBD)	48,800	71,510	–	47,042	73,268
HAITONG SECURITIES 'H'CN¥1	58,800	254,377	–	74,845	238,332
HUATAI SECURITIES CO LTD-H 6886	–	130,445	–	22,810	107,635
IND & COMM BK OF CHINA-H 'H'CN¥1	3,311,000	5,040,837	–	2,922,051	5,429,786
LONGFOR PROPERTIES HKD0.10	61,000	93,290	–	49,698	104,592
NEW CHINA LIFE INSURANCE C-H	30,500	53,805	–	27,777	56,528
NEW WORLD CHINA LAND LTD HKD0.10	122,000	185,860	–	307,860	–
PEOPLE'S INSURANCE 'H'CN¥1	305,000	432,225	–	265,089	472,136
PICC PROPERTY & CASUALTY -H 'H'CN¥1	152,000	268,306	–	131,794	288,512
PING AN INSURANCE GROUP CO-H 'H'CN¥1	116,000	353,901	108,028	194,193	383,736
SHIMAO PROPERTY HOLDINGS LTD HKD0.10	61,000	92,240	–	52,188	101,052
SHUI ON LAND LTD USD0.0025	152,500	231,720	–	127,764	256,456
SINO-OCEAN LAND HOLDINGS HKD0.80	152,500	228,710	–	134,802	246,408
SOHO CHINA LTD HKD0.02	91,500	138,955	–	76,821	153,634
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	–	211,530	–	76,070	135,460
YUEXIU PROPERTY CO LTD ORD HKD0.10	320,400	470,161	–	301,173	489,388

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

MSCI China ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Health Care					
CHINA MEDICAL SYSTEM HOLDING USD0.005(POST BOARD LOT)	61,000	70,025	–	47,411	83,614
CSPC PHARMACEUTICAL GROUP LTD	122,000	320,160	–	140,792	301,368
LUYE PHARMA GROUP LTD 2186	–	155,935	–	57,541	98,394
SHANDONG WEIGAO GP MEDICAL-H 'H'CN¥0.1	88,000	128,509	–	82,148	134,361
SHANGHAI FOSUN PHARMACEUTI-A CNY1 'H'	18,500	27,124	–	16,505	29,119
SHANGHAI PHARMACEU 'H'CN¥1	30,500	45,945	–	26,459	49,986
SIHUAN PHARMACEUTICAL HLDGS HKD0.01	183,000	9,000	–	192,000	–
SINO BIOPHARMACEUTICAL HKD0.025 (POST CONS)	132,000	296,087	59,508	158,055	329,540
SINOPHARM GROUP CO-H 'H'CN¥1	54,800	78,529	–	45,415	87,914
Industrials					
AIR CHINA LIMITED-H 'H'CN¥1	80,000	119,693	–	66,791	132,902
AVICHINA INDUSTRY & TECH-H 'H'CN¥1	96,000	142,292	–	85,910	152,382
BEIJING CAPITAL INTL AIRPO-H 'H'CN¥1	68,000	99,370	–	60,315	107,055
BEIJING ENTERPRISES HLDGS HKD0.10	23,500	33,285	–	19,594	37,191
CAR INC 699	–	69,025	–	8,755	60,270
CHINA CNR CORP LTD-H	87,000	4,278	(91,278)	–	–
CHINA COMMUNICATIONS CONST-H 'H'CN¥1	183,000	309,500	–	167,054	325,446
CHINA CONCH VENTURE HOLDINGS HKD0.01	–	141,795	–	43,913	97,882
CHINA COSCO HOLDINGS-H 'H'CN¥1.00	122,000	131,295	–	63,300	189,995
CHINA EVERBRIGHT INTL LTD HKD0.10	122,000	164,955	–	105,182	181,773
CHINA INTL MARINE 'H'CN¥1	24,400	35,615	–	23,853	36,162
CHINA MERCHANTS HLDGS INTL HKD0.10	52,000	78,036	–	44,838	85,198
CHINA RAILWAY CONSTRUCTIO-H 'H' CNY1	91,500	135,420	–	85,104	141,816
CHINA RAILWAY GROUP LTD-H 'H'CN¥1	183,000	278,925	–	168,020	293,905
CHINA SHIPPING CONTAINER-H 'H'CN¥1	183,000	187,925	–	94,582	276,343
CHINA SOUTHERN AIRLINES CO-H 'H'CN¥1	–	200,495	–	65,163	135,332
CHINA STATE CONSTRUCTION INT HKD0.025	78,000	122,407	–	65,680	134,727
CITIC LTD 267	101,000	361,083	–	140,742	321,341
COSCO PACIFIC LTD HKD0.10	80,000	92,815	–	42,242	130,573
CRRIC CORP LTD - H	91,000	286,311	100,405	156,371	321,345
FOSUN INTERNATIONAL HKD0.10	91,500	137,040	8,036	79,358	157,218
HAITIAN INTERNATIONAL HLDGS HKD0.10	28,000	44,572	–	25,550	47,022
JIANGSU EXPRESS CO LTD-H 'H'CN¥1	54,000	84,625	–	48,014	90,611
SHANGHAI ELECTRIC GRP CO L-H 'H'CN¥1	122,000	152,280	–	66,571	207,709
SHANGHAI INDUSTRIAL HLDG LTD HKD0.10	22,000	32,828	–	18,883	35,945
SINOPEC ENGINEERING GROUP-H	61,000	88,705	–	60,471	89,234
SINOTRANS LIMITED-H 'H'SHARES CNY1	83,000	123,108	–	75,619	130,489
WEICHAI POWER CO LTD-H 'H'CN¥1	22,000	63,523	20,917	38,072	68,368
ZHEJIANG EXPRESSWAY CO-H 'H'CN¥1	66,000	96,816	–	57,302	105,514
ZHUZHOU CSR TIMES ELECTRIC-H 'H'CN¥1	23,000	35,296	–	20,011	38,285
Information Technology					
58.COM INC-ADR 58.COM INC-ADR	–	3,059	–	391	2,668
AAC TECHNOLOGIES HOLDINGS IN USD0.01(B/L 500)	30,500	48,215	–	24,698	54,017
ALIBABA GROUP HOLDING-SP ADR BABA	–	41,711	–	5,287	36,424
BAIDU INC - SPON ADR SPONS ADS REPR 0.10 ORD CLS'A'US0.00005	–	11,436	–	1,480	9,956
GCL POLY ENERGY HOLDINGS LTD	488,000	918,560	–	449,302	957,258
GCL POLY ENERGY HOLDINS LTD - RTS20JAN16	–	–	175,988	175,988	–

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

MSCI China ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Information Technology (continued)					
HANERGY THIN FILM POWER GROU 566	556,000	27,345	–	–	583,345
KINGBOARD CHEMICALS HOLDINGS HKD0.10	30,500	1,500	–	32,000	–
KINGSOFT CORP LTD USD0.0005	30,000	54,446	–	21,022	63,424
LENOVO GROUP LTD HKD0.025	300,000	476,069	–	245,225	530,844
NETEASE INC-ADR ADR EACH REPR 25 COM STK USD0.0001	–	3,315	–	413	2,902
QIHOO 360 TECHNOLOGY CO-ADR SEMICONDUCTOR MANUFACTURING USD0.0004	–	3,930	–	493	3,437
	1,098,000	1,753,580	–	839,446	2,012,134
SOUFUN HOLDINGS LTD-ADR	–	10,318	–	1,309	9,009
TENCENT HOLDINGS LTD	233,600	348,045	–	201,122	380,523
TRAVELSKY TECHNOLOGY LTD-H 'H'CNFY1	–	79,860	–	10,132	69,728
YOUKU TUDOU INC SPON ADR EA REPR 18 CL A	–	4,952	–	629	4,323
YY INC-ADR ADS EA REPR 20 ORD CL'A'	–	1,209	–	153	1,056
ZTE CORP-H 'H'CNFY1	24,400	46,165	5,120	17,268	58,417
Materials					
ALUMINUM CORP OF CHINA LTD-H 'H'CNFY1	176,000	264,720	–	153,043	287,677
ANHUI CONCH CEMENT CO LTD-H 'H'CNFY1	55,500	79,505	–	45,525	89,480
BBMG CORPORATION - H	61,000	3,000	–	64,000	–
CHINA NATIONAL BUILDING MA-H 'H'CNFY1	122,000	186,230	–	100,226	208,004
CHINA RESOURCES CEMENT HKD0.10'REG S'	122,000	6,000	–	128,000	–
JIANGXI COPPER COMPANY LTD-H 'H'CNFY1	61,000	90,630	–	55,906	95,724
LEE & MAN PAPER MANUFACTURIN HKD0.025	61,000	3,000	–	64,000	–
NINE DRAGONS PAPER HOLDINGS HKD0.1	83,000	105,468	–	70,211	118,257
SINOPEC SHANGHAI PETROCHEM-H 'H'CNFY1	122,000	267,145	–	137,993	251,152
ZIJIN MINING GROUP CO LTD-H 'H'CNFY0.1	244,000	373,860	–	197,132	420,728
Telecommunication Services					
ALIBABA HEALTH INFORMATION T 241	122,000	159,305	–	103,147	178,158
CHINA COMMUNICATIONS SERVI-H 'H'CNFY1	122,000	174,925	–	126,735	170,190
CHINA MOBILE LTD HKD0.10	274,500	418,450	–	240,788	452,162
CHINA TELECOM CORP LTD 'H'CNFY1	610,000	938,510	–	526,697	1,021,813
CHINA UNICOM HONG KONG LTD HKD0.10	270,000	400,923	–	230,798	440,125
Utilities					
BEIJING ENTERPRISES WATER GR HKD0.1(POST CON)	192,000	296,754	–	167,282	321,472
CGN POWER CO LTD-H 1816	239,000	721,589	–	303,032	657,557
CHINA GAS HOLDINGS LTD HKD0.01	90,000	117,560	–	79,602	127,958
CHINA LONGYUAN POWER GROUP-H	136,000	213,275	–	115,673	233,602
CHINA POWER INTERNATIONAL HKDI	–	346,965	–	103,521	243,444
CHINA RESOURCES GAS GROUP LT HKD0.10	40,000	59,148	–	35,060	64,088
CHINA RESOURCES POWER HOLDIN HKDI	86,000	131,390	–	75,997	141,393
DATANG INTL POWER GEN CO-H 'H'CNFY1	122,000	184,795	–	103,529	203,266
ENN ENERGY HOLDINGS LTD	34,000	52,051	–	29,404	56,647
GUANGDONG INVESTMENT LTD HKD0.50	122,000	190,095	–	105,434	206,661
HUADIAN POWER INTL CORP-H 'H'CNFY1	74,000	109,164	–	64,367	118,797
HUANENG POWER INTL INC-H 'H'CNFY1	156,000	260,886	–	105,271	311,615
HUANENG RENEWABLES CORP-H CNY1 H	–	427,295	–	142,173	285,122

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

Hang Seng High Dividend Yield ETF

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Consumer Discretionary					
BOSIDENG INTL HLDGS LTD USD0.00001	6,958,000	489,714	–	4,115,935	3,331,779
INTIME RETAIL GROUP CO LTD	–	301,078	–	71,527	229,551
LI & FUNG LTD HKD0.0125	–	2,138,380	–	507,882	1,630,498
LIFESTYLE INTL HLDGS LTD HKD0.005	–	662,162	–	157,293	504,869
LUK FOOK HOLDINGS INTL LTD HKD0.10	–	421,614	–	100,189	321,425
MGM CHINA HLDGS LT HKD1	227,200	–	–	227,200	–
PACIFIC TEXTILES HOLDINGS HKD0.001	–	1,364,324	–	324,038	1,040,286
SA SA INTERNATIONAL HLDGS HKD0.10	–	3,158,382	–	742,607	2,415,775
SJM HOLDINGS LIMITED HKD1.00	213,000	–	–	213,000	–
TELEVISION BROADCASTS LTD	120,700	127,518	–	58,957	189,261
WYNN MACAU LTD HKD0.001	170,400	–	–	170,400	–
YUE YUEN INDUSTRIAL HLDG HKD0.25	213,000	110,240	–	76,772	246,468
Energy					
CNOOC LTD HKD0.02	355,000	336,882	–	164,383	527,499
PETROCHINA CO LTD-H 'H'CN¥1	426,000	285,346	–	168,989	542,357
CHINA PETROLEUM & CHEMICAL CORP 386	568,000	407,128	–	231,627	743,501
Financials					
AGILE PROPERTY HOLDINGS LTD HKD0.10	1,602,188	–	–	1,602,188	–
AGRICULTURAL BANK OF CHINA-H 'H'CN¥1	1,775,000	512,564	–	543,358	1,744,206
BANK OF CHINA LTD-H 'H'HKD1	1,775,000	174,592	–	764,238	1,185,354
BANK OF COMMUNICATIONS CO-H 'H'CN¥1.00	1,207,000	150,832	–	536,010	821,822
BANK OF EAST ASIA HKD2.50	127,800	56,848	–	43,864	140,784
BOC HONG KONG HOLDINGS LTD HKD5	213,000	24,416	–	70,502	166,914
CHAMPION REIT REIT	1,775,000	301,748	–	493,286	1,583,462
CHINA CITIC BANK CORP LTD-H	1,491,000	–	–	1,491,000	–
CHINA CONSTRUCTION BANK-H 'H'CN¥1	1,136,000	124,268	–	413,736	846,532
CHINA JINMAO HOLDINGS GROUP LTD	–	2,594,586	–	616,309	1,978,277
CHINA MERCHANTS BANK - H 'H'CN¥1	355,000	27,204	–	197,152	185,052
CHINA MINSHENG BANKING-H 'H'CN¥1	595,466	39,874	–	362,137	273,203
CHONGQING RURAL COMMERCIAL-H CN¥1 H SHARE	1,846,000	171,106	–	1,141,675	875,431
COUNTRY GARDEN HOLDINGS CO HKD0.10	–	2,787,022	–	661,951	2,125,071
EVERGRANDE REAL ESTATE GROUP USD0.01	4,970,000	545,726	–	2,488,877	3,026,849
FORTUNE REIT NPV (REIT)	–	1,389,190	–	329,941	1,059,249
HANG SENG BANK HKD5	35,500	11,092	–	11,064	35,528
HSBC HOLDINGS PLC ORD USD0.50(UK REG)	56,800	89,388	–	34,625	111,563
IND & COMM BK OF CHINA-H 'H'CN¥1	1,278,000	139,078	–	470,795	946,283
KWG PROPERTY HOLDING LTD HKD0.10	1,775,000	–	–	1,775,000	–
LINK REIT NPV	106,500	62,684	–	40,202	128,982
NEW WORLD DEVELOPMENT HKD1	568,000	237,332	–	189,224	616,108
SHENZHEN INVESTMENT LTD HKD0.05	3,266,000	254,424	–	2,275,790	1,244,634
SINO LAND CO HKD1	426,000	121,022	–	129,951	417,071
SINO-OCEAN LAND HOLDINGS HKD0.80	1,491,000	–	–	1,491,000	–
SOHO CHINA LTD HKD0.02	887,500	1,413,036	–	546,394	1,754,142

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

Hang Seng High Dividend Yield ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Financials (continued)					
SWIRE PACIFIC LTD 'A' 'A'HKD0.60	35,500	36,930	–	17,213	55,217
YUEXIU PROPERTY CO LTD ORD HKD0.10	5,097,528	417,354	–	2,674,777	2,840,105
YUEXIU REAL ESTATE INVESTMENT TRUST	2,201,000	–	–	2,201,000	–
Industrials					
HOPEWELL HIGHWAY INFRASTRUCT HKD0.10	2,779,056	–	–	2,779,056	–
HOPEWELL HOLDINGS HKD2.50	177,500	–	–	177,500	–
Information Technology					
KINGBOARD LAMINATES HOLDING HKD0.10	–	1,997,832	–	474,510	1,523,322
VTECH HOLDINGS LTD USD0.05	63,900	58,586	–	29,095	93,391
Materials					
CHINA HONGQIAO GROUP LTD	1,029,500	–	–	1,029,500	–
TCC INTL HLDGS LTD HKD0.10	–	4,897,284	–	1,163,216	3,734,068
YINGDE GASES GROUP COMPANY USD0.000001	–	1,327,564	–	315,316	1,012,248
Telecommunication Services					
CHINA COMMUNICATIONS SERVI-H 'H'CN¥1	1,278,000	132,380	–	511,882	898,498
CHINA MOBILE LTD HKD0.10	71,000	5,148	–	39,082	37,066
HUTCHISON TELECOMMUNICATIONS HKD0.25	1,988,000	446,586	–	578,309	1,856,277
PCCW LTD HKD0.25	1,278,000	453,882	–	411,383	1,320,499
SMARTONE TELECOMMUNICATIONS HKD0.10	568,000	51,620	–	267,660	351,960
Utilities					
CHEUNG KONG INFRASTRUCTURE HKD1	71,000	25,212	–	22,892	73,320
CHINA POWER INTERNATIONAL HKD1	2,627,000	161,508	–	2,061,514	726,994
CLP HOLDINGS LTD HKD5	71,000	44,670	–	27,492	88,178
DATANG INTL POWER GEN CO-H 'H'CN¥1	1,562,000	–	–	1,562,000	–
HUANENG POWER INTL INC-H 'H'CN¥1	710,000	80,474	–	236,622	553,852
POWER ASSETS HOLDINGS LTD HKD1	71,000	27,380	–	23,382	74,998

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

CSI 300 ETF

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Consumer Discretionary					
AGRICULTURAL BANK OF CHINA-A 'A'CNY1	941,200	146,000	–	589,595	497,605
BEIJING ULTRAPOWER SOFTWARE-A 300002	–	33,000	–	16,500	16,500
CHENGDU B-RAY MEDIA CO LTD-A 'A'CNY1	26,000	–	–	26,000	–
CHINA EVERBRIGHT BANK CO-A	717,600	–	–	510,273	207,327
CHINA INTERNATIONAL TRAVEL-A 'A'CNY1	10,348	–	–	5,339	5,009
CHINA MINMETALS RARE EARTH-A 'A'CNY1	20,797	–	–	12,495	8,302
CHINA NORTHERN RARE EARTH 600111	52,000	–	26,000	48,409	29,591
CHINA PETROLEUM & CHEMICAL-A 'A'CNY1	208,000	119,200	–	184,686	142,514
CITIC GUOAN INFORMATION-A 'A'CNY1	36,400	–	–	36,400	–
CPT TECHNOLOGY GROUP CO -A 'A'CNY1	15,000	–	–	15,000	–
EAST MONEY INFORMATION CO-A 300059	–	32,800	–	17,300	15,500
GUANGDONG ADVERTISING GROUP CO LTD	15,600	–	7,800	23,400	–
HAITONG SECURITIES CO LTD-A 'A'CNY1	285,975	–	–	180,617	105,358
HEBEI IRON & STEEL CO LTD-A 'A'CNY1	150,800	–	–	93,050	57,750
HUAYI BROTHERS MEDIA CORP-A 'A'CNY1	31,123	–	–	18,692	12,431
INNER MONGOLIA MENGDIAN HU-A 'A'CNY1	109,200	–	–	69,586	39,614
JIANGSU HENGRUI MEDICINE C-A 'A'CNY1	25,878	3,500	7,493	21,626	15,245
JISHI MEDIA CO LTD-A	31,200	–	13,800	45,000	–
JUNEYAO AIRLINES CO LTD-A 603885	–	900	900	–	1,800
LUZHOU LAOJIAO CO LTD-A 'A'CNY1	26,000	–	–	16,359	9,641
MEIHUA MONOSODIUM GLUTAMAT-A 'A'CNY1	51,985	–	–	29,900	22,085
MIDEA GROUP CO LTD-A CNY1	62,400	6,800	–	40,468	28,732
NEUSOFT CORP-A 'A'CNY1	31,151	–	–	19,361	11,790
NEW HOPE LIUHE CO LTD-A 'A'CNY1	26,000	7,400	–	19,500	13,900
PEOPLE.CN CO LTD-A 'A'CNY1	10,325	–	4,425	6,875	7,875
PING AN BANK CO LTD-A	208,000	–	41,600	175,050	74,550
POWER CONSTRUCTION CORPORATION OF CHINA LTD	109,200	16,100	–	73,000	52,300
QINGHAI SALT LAKE INDUSTRY-A	19,127	–	–	11,100	8,027
SEALAND SECURITIES CO LTD -A	30,700	12,900	–	24,605	18,995
SHANGHAI FOSUN PHARMACEUTI-A 'A'CNY1	40,800	–	–	25,050	15,750
SHANGHAI ORIENTAL PEARL-A 'A'CNY1	57,164	–	(57,164)	–	–
SHANGHAI RAAS BLOOD PRODUC-A 002252	10,200	–	4,400	6,700	7,900
SHANGHAI YUYUAN TOURIST-A 'A'CNY1	36,400	–	–	36,400	–
SHENZHEN ENERGY GROUP CO L-A 'A'CNY1	31,200	–	10,000	24,782	16,418
SHENZHEN HEPALINK PHARMACE-A 'A'CNY1	10,324	–	–	6,865	3,459
SHENZHEN INOVANCE TECHNOLO-A 'A'CNY1	15,600	–	–	9,300	6,300
SHENZHEN MTC CO LTD -A	26,000	–	–	26,000	–
SHENZHEN O-FILM TECH CO-A 'A'CNY1	25,987	–	–	16,359	9,628
SHENZHEN SALUBRIS PHARM-A 'A'CNY1	5,110	–	3,066	4,572	3,604
SHENZHEN ZHONGJIN LINGNAN-A 'A'CNY1	52,000	–	–	33,864	18,136
SIASUN ROBOT & AUTOMATION-A 300024	15,600	–	–	9,300	6,300
TCL CORP-A 'A'CNY1	275,600	–	–	164,300	111,300
WANHUA CHEMICAL GROUP CO -A 'A'CNY1	41,600	–	–	26,900	14,700
XI'AN AIRCRAFT INTL CORP-A 'A'CNY1	46,800	–	–	32,386	14,414
YANZHOU COAL MINING CO-A 'A'CNY1	20,800	–	–	15,359	5,441
YUNNAN BAIYAO GROUP CO LTD-A 'A'CNY1	15,636	–	–	9,302	6,334
ZHENGZHOU YUTONG BUS CO -A	30,591	–	13,546	26,824	17,313

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

CSI 300 ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Consumer Staples					
AVIC AVIATION ENGINE CORP PLC	20,800	2,000	–	12,682	10,118
BBMG CORPORATION-A 'A/CNY1	41,600	–	–	26,900	14,700
BEIJING TONGRENTANG CO-A 'A/CNY1	26,000	–	–	16,359	9,641
BEIJING YANJING BREWERY CO-A 'A/CNY1	52,000	–	–	32,909	19,091
BEINGMATE BABY & CHILD FO-A 'A/CNY1	20,800	–	–	20,800	–
BOHAI LEASING CO LTD -A 000415	–	24,200	–	1,100	23,100
BRIGHT DAIRY & FOOD CO LTD-A 'A/CNY1	22,800	–	–	22,800	–
CHINA HAINAN RUBBER INDUST-A	46,800	–	–	30,668	16,132
CHINA MERCHANTS BANK-A 'A/CNY1	577,145	–	–	442,893	134,252
CHINA SOUTH PUBLISHING -A 'A/CNY1	25,922	–	–	15,974	9,948
CHINA XD ELECTRIC CO LTD-A	78,000	–	–	50,032	27,968
CITIC SECURITIES CO-A SHARES 'A/CNY1	280,800	–	–	178,377	102,423
FOSHAN HAITIAN FLAVOURING -A 'A/CNY1	5,200	–	4,160	5,198	4,162
GANSU YASHENG INDUSTRIAL-A 'A' CNY1	57,200	–	–	57,200	–
HUAYU AUTOMOTIVE SYSTEMS -A 'A/CNY1	41,596	–	–	27,377	14,219
INNER MONGOLIA JUNZHENG EN-A 'A/CNY1	23,800	–	7,680	16,322	15,158
INNER MONGOLIAN BAOTOU STEEL 'A/CNY1	286,000	34,100	–	187,705	132,395
JIANGXI COPPER CO LTD-A 'A/CNY1	31,200	–	–	19,650	11,550
SHANGHAI CHENGTOU HOLDING-A 'A/CNY1	82,495	–	–	62,073	20,422
SHANGHAI CONSTRUCTION CO-A 'A/CNY1	46,800	–	14,040	35,984	24,856
SHANGHAI INTERNATIONAL AIR-A 'A/CNY1	36,400	–	–	23,132	13,268
SHANXI XINGHUACUN FEN WINE-A 'A/CNY1	10,400	–	–	10,400	–
SHENERGY COMPANY LIMITED-A 'A/CNY1	83,200	–	–	52,082	31,118
SONGCHENG PERFORMANCE DEVELOPMENT CO LTD	–	7,800	–	300	7,500
TONGHUA DONGBAO PHARMACEUT-A 'A/CNY1	26,000	–	2,600	17,718	10,882
XI ELECTRIC CO LTD-A	20,800	–	–	12,400	8,400
YANTAI CHANGYU PIONEER-A 'A/CNY1	5,134	–	–	5,134	–
Energy					
AVIC CAPITAL CO LTD -A 'A/CNY1	52,000	19,100	–	43,036	28,064
BANK OF NANJING CO LTD -A 'A/CNY1	62,400	–	–	37,200	25,200
BANK OF NINGBO CO LTD -A 'A/CNY1	36,400	14,900	5,060	29,671	26,689
CHINESE UNIVERSE PUBLISHIN-A 600373	15,600	–	–	9,300	6,300
DHC SOFTWARE CO LTD -A 'A/CNY1	26,000	–	–	15,000	11,000
GEZHOUBA CO LTD-A 'A/CNY1	83,200	–	–	49,600	33,600
GOERTEK INC -A 'A/CNY1	31,064	–	–	20,503	10,561
GUIZHOU PANJIANG REFINED-A 'A/CNY1	20,800	–	–	20,800	–
HAN'S LASER TECHNOLOGY IN-A	31,200	–	–	20,223	10,977
HUNAN TV & BROADCAST INT-A 'A/CNY1	26,000	–	–	12,923	13,077
SHAANXI COAL INDUSTRY CO L-A	20,800	38,200	–	31,700	27,300
SHANGHAI ELECTRIC POWER CO-A 'A/CNY1	–	11,700	–	500	11,200
SHANXI SECURITIES CO LTD-A 'A/CNY1	35,900	–	–	21,105	14,795
SHANXI TAIGANG STAINLESS-A 'A/CNY1	78,000	–	–	46,500	31,500
WASU MEDIA HOLDING CO LTD-A 'A/CNY1	5,200	–	–	3,959	1,241
XINJIANG GUANGHUI INDUSTRY-A 'A/CNY1	114,400	–	–	71,827	42,573
YANGQUAN COAL INDUSTRY GRP-A	46,800	–	–	46,800	–

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

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CSI 300 ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Financials					
AIR CHINA LTD-A 'A/CNY1	57,200	23,500	–	45,859	34,841
AISINO CO LTD-A 'A/CNY1	20,800	–	–	12,400	8,400
ALUMINUM CORP OF CHINA LTD 'A/CNY1	135,200	20,900	–	91,000	65,100
BANK OF BEIJING CO LTD -A 'A/CNY1	228,800	44,900	26,180	167,885	131,995
BEIJING JINGNENG POWER CO -A 600578	50,400	–	–	31,900	18,500
BEIJING ORIGINWATER TECHNO-A 'A/CNY1	15,598	1,800	–	9,382	8,016
BEIJING SHIJI INFORMATION -A 002153	5,200	–	–	3,577	1,623
BLUEFOCUS COMMUNICATION GR-A 'A/CNY1	20,800	–	17,171	20,340	17,631
BYD CO LTD -A 'A/CNY1	15,561	1,900	–	9,289	8,172
CHINA COSCO HOLDINGS-A 'A/CNY1	–	84,600	–	39,300	45,300
CHINA EASTERN AIRLINES CO-A 'A/CNY1	88,400	20,900	–	63,100	46,200
CHINA FIRST HEAVY INDUSTRY-A 'A/CNY1	–	72,500	–	36,800	35,700
CHINA MERCHANTS ENERGY -A 601872	–	28,900	–	1,300	27,600
CHINA MERCHANTS PROPERTY -A	36,400	–	(14,500)	21,900	–
CHINA YANGTZE POWER CO LTD-A 'A/CNY1	181,931	–	–	117,470	64,461
CHONGQING WATER GROUP-A 'A/CNY1	20,800	–	–	12,400	8,400
DR PENG TELCOM & MEDIA GROUP CO LTD	45,600	–	–	30,327	15,273
FAW CAR COMPANY LIMITED-A 'A/CNY1	31,200	–	–	20,032	11,168
GEMDALE CORP-A 'A/CNY1	161,144	–	–	130,557	30,587
GF SECURITIES CO LTD-A 'A/CNY1	109,200	–	–	70,636	38,564
GLODON SOFTWARE CO LTD-A 'A/CNY1	15,600	–	7,800	13,759	9,641
GUANGSHEN RAILWAY CO LTD-A 'A/CNY1	124,800	–	–	78,600	46,200
GUOSEN SECURITIES CO LTD-A 002736	–	34,100	–	17,200	16,900
HAINING CHINA LEATHER MAR-A 'A/CNY1	20,800	–	–	20,800	–
HEILAN HOME CO LTD -A 600398	20,800	20,100	–	22,382	18,518
IFLYTEK CO LTD	20,800	–	10,400	19,459	11,741
IND & COMM BK OF CHINA - A 'A/CNY1	624,000	156,300	–	499,568	280,732
JIANGSU PHOENIX PUBLISH-A	20,800	–	–	12,400	8,400
JINDUICHENG MOLYBDENUM CO -A	36,400	–	–	23,132	13,268
JIZHONG ENERGY RESOURCES-A 'A/CNY1	31,200	–	7,740	24,297	14,643
JOINTOWN PHARMACEUTICAL-A	10,400	–	–	6,200	4,200
KANGMEI PHARMACEUTICAL CO-A 'A/CNY1	57,200	–	40,700	55,900	42,000
KINGENTA ECOLOGICAL ENGINE-A	10,354	–	9,254	11,105	8,503
LIAONING CHENG DA CO LTD-A 'A/CNY1	52,000	–	–	32,241	19,759
OCEANWIDE HOLDINGS CO LTD	–	37,900	–	19,000	18,900
RISESUN REAL ESTATE DEVEL-A 'A/CNY1	24,400	–	20,200	24,555	20,045
SANAN OPTOELECTRONICS CO L-A 'A/CNY1	46,722	–	–	27,801	18,921
SHANDONG HI-SPEED CO LTD -A 600350	–	9,200	–	400	8,800
SHANGHAI TUNNEL ENGINEERIN-A 'A/CNY1	–	21,400	–	900	20,500
SHENWAN HONGYUAN GROUP CO-A 000166	161,196	–	–	101,159	60,037
SHENZHEN AGRICULTURAL PROD-A 'A/CNY1	52,000	–	–	40,259	11,741
SINOPEC SHANGHAI PETROCHE-A 'A/CNY1	83,200	–	–	53,418	29,782
SOOCHOW SECURITIES CO LTD-A 'A/CNY1	46,800	10,100	–	28,741	28,159
SPRING AIRLINES CO LTD-A 601021	–	3,300	2,000	2,100	3,200
SUNING APPLIANCE CO LTD-A 'A/CNY1	166,400	–	–	108,745	57,655
SUZHOU GOLD MANTIS CONSTR -A 'A/CNY1	31,200	–	–	19,364	11,836

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CSI 300 ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Financials (continued)					
TBEA CO LTD-A 'A'CNYY1	93,600	–	–	58,282	35,318
TIANJIN TASLY PHARMA-CLASS A 'A'CNYY1	20,800	–	–	12,400	8,400
TSINGHUA TONGFANG CO LTD-A 'A'CNYY1	62,400	–	–	38,059	24,341
WEICHAI POWER CO LTD-A 'A'CNYY1	41,564	–	17,664	28,179	31,049
WEIFU HIGH-TECHNOLOGY GRP-A 'A'CNYY1	20,800	–	–	14,309	6,491
XINHU ZHONGBAO CO LTD-A 'A'CNYY1	92,300	–	–	58,986	33,314
XINXING DUCTILE IRON PIPES-A 'A'CNYY1	83,200	–	–	50,459	32,741
ZHEJIANG DAILY MEDIA GRP -A	20,800	–	–	11,636	9,164
ZHEJIANG DAHUA TECHNOLOGY-A	20,800	–	–	12,591	8,209
ZHEJIANG YASHA DECORATION-A 'A'CNYY1	15,581	–	5,290	12,403	8,468
Health Care					
AVIC HELICOPTER CO LTD-A 600038	5,200	2,200	–	4,059	3,341
CHANGSHA ZOOMLION HEAVY INDS 'A'CNYY1	161,200	–	–	101,541	59,659
CHINA MERCHANTS SECURITIES-A 'A'CNYY1	83,199	6,600	–	52,000	37,799
CHINA NATIONAL NUCLEAR POW-A	–	63,700	–	2,800	60,900
CHINA STATE CONSTRUCTION -A 'A'CNYY1	540,800	–	–	345,500	195,300
CHINA UNITED NETWORK-A	306,800	–	–	191,873	114,927
CHONGQING CHANGAN AUTOMOB-A 'A'CNYY1	85,425	–	–	54,760	30,665
DONGFANG ELECTRIC CORP LTD-A 'A'CNYY1	26,000	11,700	–	21,186	16,514
EVERBRIGHT SECURITIE CO -A 'A'CNYY1	–	37,858	–	22,600	15,258
GREAT WALL MOTOR CO LTD-A 'A'CNYY1	15,588	–	12,776	10,835	17,529
GUANGZHOU AUTOMOBILE GROUP-A CNYI A	–	7,500	–	300	7,200
HAINAN AIRLINES CO-A 'A'CNYY1	197,600	–	–	117,800	79,800
HARBIN PHARMACEUTICAL GRP-A 'A'CNYY1	36,400	–	–	36,400	–
JIANGSU KANGDE XIN COMPOSITE MATERIAL CO LTD 002450	29,300	6,100	11,925	30,255	17,070
LEPU MEDICAL TECHNOLOGY-A 300003	–	15,400	–	8,300	7,100
LESHI INTERNET INFORMATION-A	–	25,600	–	12,400	13,200
LUXIN VENTURE CAPITAL GRP-A 'A'CNYY1	10,400	–	–	6,200	4,200
ORIENT SECURITIES CO LTD-A 600958	–	29,300	–	14,600	14,700
SHANGHAI JAHWA UNITED CO -A 'A'CNYY1	15,600	–	–	9,300	6,300
SHANGHAI WAIGAOQIAO FTZ - A 'A'CNYY1	10,400	–	–	6,200	4,200
SHIJIAZHANG YILING PHARMA-A 'A'CNYY1	5,200	–	4,600	9,800	–
TONGLING NONFERROUS METALS-A 'A'CNYY1	28,500	–	114,000	92,673	49,827
WANDA CINEMA LINE CO LTD-A 002739	–	1,700	–	–	1,700
WANXIANG QIANCHAO CO LTD-A 'A'CNYY1	31,200	–	6,240	22,129	15,311
WUHAN HUMANWELL HEALTHCARE-A 'A'CNYY1	15,533	–	–	15,533	–
XCMG CONSTRUCTION MACHIN-A 'A'CNYY1	36,374	9,100	42,348	29,765	58,057
XIAMEN C & D INC-A 'A'CNYY1	62,400	–	–	19,500	42,900
XIZANG HAISSCO PHARMACEUTIC-A 'A'CNYY1	10,400	–	–	10,400	–
YONYOU NETWORK TECHNOLOGY CO LTD	20,389	–	4,078	16,871	7,596
ZHANGZHOU PIENZEHUANG PHA-A 'A'CNYY1	5,200	–	4,350	9,550	–
ZHEJIANG HISUN PHARMACEUTI-A 'A'CNYY1	20,800	–	–	20,800	–
ZHEJIANG NHU CO LTD-A 'A'CNYY1	20,800	–	–	20,800	–

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CSI 300 ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Industrials					
ANHUI CONCH CEMENT CO LTD-A 'A'CNYI	72,800	–	–	45,500	27,300
AVIC AERO-ENGINE CONTROLS-A 000738	–	14,500	–	8,200	6,300
BANK OF CHINA LTD-A 'A'CNYI	676,000	83,400	–	485,000	274,400
BANK OF COMMUNICATIONS-A 'A'CNYI	566,800	117,800	–	378,000	306,600
BAOSHAN IRON & STEEL CO-A 'A'CNYI	176,782	–	–	109,599	67,183
BEIJING CAPITAL CO LTD-A 'A'CNYI	36,400	–	–	23,132	13,268
BEIJING DABEINONG TECHNOLO-A 'A'CNYI	33,600	–	16,800	32,836	17,564
BEIJING ENLIGHT MEDIA CO L-A 'A'CNYI	10,400	–	2,460	7,171	5,689
BEIJING ORIENT LANDSCAPE & ECO	15,600	–	–	15,600	–
BEIJING SL PHARMACEUTICAL -A 'A'CNYI	10,283	–	2,191	6,581	5,893
BEIQI FOTON MOTOR CO LTD-A 'A'CNYI	62,400	–	–	39,586	22,814
BY-HEALTH CO LTD-A 'A'CNYI	5,200	3,800	–	4,800	4,200
CHINA CAMC ENGINEERING CO -A 'A'CNYI	10,400	–	–	10,400	–
CHINA CNR CORP LTD-A	148,500	–	(148,500)	–	–
CHINA CONSTRUCTION BANK-A	348,400	–	–	260,964	87,436
CHINA CSSC HOLDINGS LTD-A 'A'CNYI	26,000	–	–	16,359	9,641
CHINA LIFE INSURANCE CO- A 'A'CNYI	52,000	–	–	31,000	21,000
CHINA MINSHENG BANKING-A 'A'CNYI	972,341	93,200	–	680,820	384,721
CHINA MOLYBDENUM CO LTD-A 'A'CNYI.0.2	10,400	22,100	9,200	8,005	33,695
CHINA NATIONAL CHEMICAL-A 'A'CNYI	72,800	–	–	45,786	27,014
CHINA OILFIELD SERVICES-A 'A'CNYI	20,800	–	–	12,400	8,400
CHINA PACIFIC INSURANCE GR-A 601601	114,400	–	–	73,450	40,950
CHINA RAILWAY GROUP LTD -A 'A'CNYI	244,400	–	–	171,664	72,736
CHINA RESOURCES SANJIU MED-A 'A'CNYI	15,600	–	–	10,159	5,441
CHINA SHENHUA ENERGY CO -A 'A'CNYI	78,100	–	–	51,000	27,100
CHINA SHIPBUILDING INDUSTR-A 'A'CNYI	265,200	–	–	146,932	118,268
CHINA VANKE CO LTD -A 'A'CNYI	343,200	–	–	237,400	105,800
FANGDA CARBON NEW MATERIAL-A 'A'CNYI	36,400	–	–	36,400	–
GREE ELECTRIC APPLIANCES I-A 'A'CNYI	88,306	–	56,906	83,823	61,389
GUANGDONG GOLDEN DRAGON DE-A 000712	–	12,400	–	6,400	6,000
GUANGXI WUZHOU ZHONGHENG G-A 'A'CNYI	31,200	–	28,800	22,200	37,800
GUANGZHOU HAIGE COMMUNICAT-A 'A'CNYI	26,000	–	11,500	16,500	21,000
GUOTAI JUNAN SECURITIES CO-A	–	20,800	–	900	19,900
GUOYUAN SECURITIES CO LTD-A 'A'CNYI	36,400	–	–	21,700	14,700
HAINAN MINING CO LTD-A 601969	–	5,700	–	2,600	3,100
HISENSE ELECTRIC CO LTD-A	31,200	–	–	20,032	11,168
HUALAN BIOLOGICAL ENGINEER-A 'A'CNYI	10,400	–	–	6,200	4,200
HUATAI SECURITIES CO LTD-A 'A'CNYI	102,900	5,600	–	66,023	42,477
INDUSTRIAL BANK CO LTD 'A'CNYI	405,600	19,600	–	251,568	173,632
JIANGSU BROADCASTING CABLE-A 600959	–	8,100	–	300	7,800
JIANGSU YANGHE BREWERY -A 'A'CNYI	10,375	1,600	3,310	7,472	7,813
JIANGXI HONGDU AVIATION-A 'A'CNYI	15,600	–	–	15,600	–
METALLURGICAL CORP OF CHIN-A 'A'CNYI	176,800	–	–	113,418	63,382
MINMETALS DEVELOPMENT CO-A 'A'CNYI	15,600	–	–	15,600	–
NEW CHINA LIFE INSURANCE C-A 'A'CNYI	31,200	–	–	23,082	8,118
NEWAY VALVE SUZHOU CO LTD-A	5,200	–	–	5,200	–
OURPALM CO LTD-A 300315	–	20,200	–	900	19,300
PANGANG GROUP STEEL VANADI-A 'A'CNYI	156,000	–	–	97,582	58,418

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CSI 300 ETF (continued)

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Industrials (continued)					
PETROCHINA CO LTD-A 'A'CNY1	145,600	14,200	–	93,841	65,959
SHANGHAI 2345 NETWORK HOLD-A 002195	–	3,600	–	100	3,500
SHANGHAI FRIENDSHIP GROUP-A 'A'CNY1	34,200	–	–	23,700	10,500
SHANGHAI LUJIAZUI FIN&TRAD-A 'A'CNY1	15,600	–	–	9,873	5,727
SHANXI LU'AN ENVIRONMENTAL-A 'A'CNY1	36,400	–	9,030	28,983	16,447
SHANXI XISHAN COAL & ELEC-A 'A'CNY1	57,200	–	–	35,723	21,477
SHENZHEN OVERSEAS CHINESE-A	165,000	–	–	115,400	49,600
SICHUAN KELUN PHARMACEUTIC-A	15,600	–	5,800	11,091	10,309
SINOLINK SECURITIES CO LTD-A 'A'CNY1	57,200	–	–	33,600	23,600
TIANJIN ZHONGHUAN SEMICOND-A 'A'CNY1	17,090	5,500	20,508	25,154	17,944
TSINGTAO BREWERY CO LTD-A 'A'CNY1	15,600	–	–	11,973	3,627
WESTERN SECURITIES CO LTD-A 'A'CNY1	15,600	5,200	12,900	19,191	14,509
WUHAN IRON & STEEL CO LTD-A 'A' CNY1	–	111,900	–	57,200	54,700
XIAMEN TUNGSTEN CO LTD-A 'A'CNY1	10,400	–	3,120	7,774	5,746
XINJIANG GOLDWIND SCI&TECH-A 'A'CNY1	57,110	–	–	36,100	21,010
YANTAI JEREH OILFIELD-A 'A'CNY1	15,592	–	–	9,395	6,197
YONGHUI SUPERSTORES CO LTD-A 'A'CNY1	67,600	–	–	40,300	27,300
ZHEJIANG LONGSHENG GROUP C-A 'A'CNY1	41,600	–	34,400	44,882	31,118
ZHONGTIAN URBAN DEVELOPMEN-A 000540	–	23,500	–	1,000	22,500
Information Technology					
AIER EYE HOSPITAL GROUP CO-A 'A'CNY1	5,200	4,400	2,149	6,261	5,488
ALPHA GROUP	5,200	–	5,200	4,577	5,823
BEIJING XINWEI TELECOM TEC-A 600485	5,200	11,100	–	3,605	12,695
BEIJING ZHONGKE SANHUAN HI-A	31,200	–	–	31,200	–
SHANGHAI ORIENTAL PEARL MEDIA CO LTD	20,741	6,200	18,742	21,740	23,943
CHINA AVIONICS SYSTEMS CO LTD	20,800	–	–	13,355	7,445
CHINA BAOAN GROUP-A 'A'CNY1	46,800	–	–	29,332	17,468
CHINA CITIC BANK CORP LTD-A 'A'CNY1	109,200	–	–	65,100	44,100
CHINA COAL ENERGY CO 'A'CNY1	67,600	–	–	42,495	25,105
CHINA COMMUNICATIONS CONST-A	54,400	–	–	33,400	21,000
CHINA RAILWAYS CONSTRUCTIO-A 'A'CNY1	114,400	–	–	72,400	42,000
CHINA SOUTHERN AIRLINES CO-A 'A'CNY1	119,600	–	–	71,300	48,300
CHINA SPACESAT CO LTD	20,800	–	–	12,495	8,305
CITIC HEAVY INDUSTRIES CO - A 601608	–	16,800	–	700	16,100
FIBERHOME TELECOM TECH CO-A 'A'CNY1	14,200	–	–	14,200	–
FOUNDER SECURITIES CO LTD-A 'A'CNY1	156,000	–	–	100,159	55,841
HUADONG MEDICINE CO LTD-A 'A'CNY1	10,303	–	–	7,437	2,866
HUAXIA BANK CO LTD-A 'A'CNY1	161,189	–	14,938	106,610	69,517
JIHUA GROUP CORP LTD-A 'A'CNY1	–	21,000	–	900	20,100
JILIN AODONG MEDICINE INDUST 'A'CNY1	26,000	–	–	16,168	9,832
NINGBO PORT CO LTD-A 'A'CNY1	130,000	–	–	79,000	51,000
PACIFIC SECURITIES CO/THE-A 'A'CNY1	–	81,300	14,430	37,250	58,480
PANG DA AUTOMOBILE TRADE -A 'A'CNY1	41,600	10,500	42,900	50,900	44,100
SHANGHAI ELECTRIC GRP CO L-A 'A'CNY1	67,524	26,000	–	55,033	38,491
SHANGHAI INTERNATIONAL POR-A 'A'CNY1	104,000	7,700	–	69,509	42,191
SHANGHAI PHARMACEUTICALS-A 'A'CNY1	36,400	–	–	23,227	13,173
SHANGHAI WANGSU SCIENCE-A 'A'CNY1	5,200	–	6,237	5,579	5,858
SHENZHEN AISIDI CO LTD-A	5,200	–	–	5,200	–
SOUTHWEST SECURITIES CO LT-A 'A'CNY1	29,200	14,800	21,000	26,600	38,400
ZIJIN MINING GROUP CO LTD-A 'A'CNY0.1	291,200	–	–	162,814	128,386

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

CSI 300 ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Materials					
CECEP WIND POWER CORP-A 601016	–	2,700	–	100	2,600
CHANGJIANG SECURITIES CO L-A 'A'CNYI	114,400	–	–	69,155	45,245
CHENGDU XINGRONG INVESTMEN-A 'A'CNYI	62,400	–	–	37,200	25,200
CHINA SHIPPING CONTAINER-A 'A'CNYI	109,200	–	–	61,091	48,109
CHINA SOUTH LOCOMOTIVE -A 'A'CNYI	168,600	–	163,350	212,584	119,366
DAQIN RAILWAY CO LTD -A 'A' CNYI	223,600	–	–	146,186	77,414
DATANG INTL POWER GEN CO-A 'A'CNYI	–	83,100	–	42,200	40,900
DONGXING SECURITIES CO LT-A 601198	–	6,800	–	300	6,500
FINANCIAL STREET HOLDING- A	88,400	–	–	68,927	19,473
FUYAO GROUP GLASSIndustr-A 'A'CNYI	51,950	–	–	32,907	19,043
GD POWER DEVELOPMENT CO -A CNYI'A'	312,000	–	–	186,000	126,000
GUANGZHOU BAIYUNSHAN PHAR-A	20,800	–	–	13,259	7,541
HANGZHOU HIKVISION DIGITAL-A 'A'CNYI	46,800	–	–	30,955	15,845
HENAN SHUANGHUI INVESTMENT-A 'A'CNYI	25,966	–	11,533	23,850	13,649
HUAWEN MEDIA INVESTMENT -A 'A'CNYI	41,600	–	–	20,695	20,905
HUBEI ENERGY GROUP CO LTD-A 'A'CNYI	136,000	–	–	106,600	29,400
INDUSTRIAL SECURITIES CO-A 'A'CNYI	130,000	–	16,500	78,250	68,250
INNER MONGOLIA YILI ENERGY-A	25,964	–	–	25,964	–
INNER MONGOLIA YILI INDUS-A 'A'CNYI	109,105	–	96,605	126,760	78,950
KINGFA SCI.& TECH CO LTD-A 'A'CNYI	57,200	–	–	57,200	–
NARI TECHNOLOGY DEVELOPMEN-A 'A'CNYI	52,000	–	–	31,955	20,045
OFFSHORE OIL ENGINEERING-A 'A'CNYI	67,600	–	–	40,300	27,300
PING AN INSURANCE GROUP CO-A 'A'CNYI	176,733	3,800	82,233	121,717	141,049
POLY REAL ESTATE GROUP CO -A 'A'CNYI	228,800	–	–	144,800	84,000
QINGDAO HAIER CO LTD-A 'A'CNYI	57,200	–	23,700	39,900	41,000
SANY HEAVY INDUSTRY CO LTD-A 'A'CNYI	114,400	–	–	68,200	46,200
SEARAINBOW HLDG CORP CO-A	26,000	–	–	16,073	9,927
SHANDONG DONG-E E-JIAO-A 'A'CNYI	20,800	–	–	13,450	7,350
SHANDONG GOLD MINING CO LT-A 'A'CNYI	20,800	–	–	12,400	8,400
SHANGHAI PUDONG DEVEL BANK-A 'A'CNYI	400,400	–	–	278,982	121,418
SHANGHAI ZHANGJIANG HIGH-A 'A'CNYI	–	10,600	–	400	10,200
SICHUAN CHUANTOU ENERGY CO-A 'A'CNYI	41,600	–	27,700	39,327	29,973
TANGSHAN JIDONG CEMENT CO-A 'A'CNYI	20,800	–	–	20,800	–
TIANJIN PORT CO LTD-A 'A'CNYI	–	23,200	–	11,500	11,700
UNIVERSAL SCIENTIFIC INDUS-A 'A'CNYI	5,200	–	2,800	4,755	3,245
WESTERN MINING CO -A	72,800	–	–	72,800	–
WINTIME ENERGY CO LTD-A 'A'CNYI	85,500	–	21,240	61,456	45,284
YOUNGOR GROUP CO-A 'A'CNYI	57,171	–	–	36,008	21,163
YUNNAN CHIHONG ZINC & GERM-A 'A' CNYI	31,200	–	–	31,200	–
YUNNAN COPPER INDUSTRY CO-A 'A'CNYI	26,000	–	–	26,000	–
YUNNAN TIN CO LTD-A 'A'CNYI	25,994	–	–	25,994	–
ZHEJIANG HUACE FILM & TV-A	5,200	4,400	2,600	6,759	5,441
ZHONGJIN GOLD CORP-A 'A'CNYI	57,200	–	–	37,059	20,141
ZTE CORP-A 'A'CNYI	72,800	–	6,120	46,733	32,187

HORIZONS EXCHANGE TRADED FUNDS SERIES

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

For the year from 1 April 2015 to 31 March 2016

CSI 300 ETF (continued)

Financial assets at fair value through profit or loss	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2016
Telecommunication Services					
CHINA INTL MARINE CONTAIN-A 'A'CNY1	31,200	–	–	21,559	9,641
HUNDSUN ELECTRONIC CO LTD-A 'A'CNY1	15,501	–	–	8,723	6,778
Utilities					
ANGANG STEEL CO LTD - A 'A'CNY1	62,400	–	–	37,200	25,200
BOE TECHNOLOGY GROUP CO LT-A 'A'CNY1	374,400	179,500	–	244,532	309,368
CHINA FORTUNE LAND DEVELOP-A	15,600	–	15,600	18,600	12,600
CHINA MERCHANTS SHEKOU INDUSTRY	–	–	23,211	1,055	22,156
DONGXU OPTOELECTRONIC TECH-A	36,200	16,700	–	29,800	23,100
GUANGDONG ELEC POWER DEV-A 'A'CNY1	–	12,000	–	1,500	10,500
HUADIAN POWER INTL CORP-A 'A'CNY1	78,000	–	–	48,982	29,018
HUANENG POWER INTL INC-A 'A'CNY1	150,800	–	–	93,909	56,891
KWEICHOW MOUTAI CO LTD-A 'A'CNY1	15,600	–	700	9,714	6,586
LUXSHARE PRECISION INDUSTR-A	10,400	–	4,100	7,914	6,586
NORTHEAST SECURITIES CO LT-A 'A'CNY1	41,600	–	–	25,564	16,036
SAIC MOTOR CORPORATION LTD-A 'A'CNY1	119,600	–	–	76,550	43,050
SDIC POWER HOLDINGS CO LTD-A 'A'CNY1	119,600	–	–	73,400	46,200
SICHUAN CHANGHONG ELECTRIC-A 'A'CNY1	135,200	–	–	84,800	50,400
TUS - SOUND ENVIRONMENTAL RESOURC CO LTD	20,800	–	–	13,700	7,100
WULIANGYE YIBIN CO LTD-A 'A'CNY1	72,724	–	–	47,978	24,746
YINGKOU PORT LIABILITY CO-A 600317	–	53,800	–	27,300	26,500
ZHEJIANG CHINA COMMODITIES-A 'A'CNY1	52,000	–	52,000	67,059	36,941
ZHEJIANG ZHENENG ELECTRIC-A	31,200	49,600	–	43,800	37,000

HORIZONS EXCHANGE TRADED FUNDS SERIES PERFORMANCE RECORD (UNAUDITED)

NET ASSET VALUE

	As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	Dealing net asset value	Dealing net asset value per unit	Dealing net asset value	Dealing net asset value per unit	Dealing net asset value	Dealing net asset value per unit
KOSPI 200 ETF (in HK\$)	36,742,859	18.3714	39,066,415	19.5332	40,483,212	20.2417
S&P Emerging Asia Consumer ETF (in HK\$)	32,693,857	18.1633	87,282,243	21.8206	235,301,414	21.3911
S&P Global Consumer Brands ETF (in HK\$)	99,347,849	26.1442	135,865,376	28.3053	181,259,947	30.2100
MSCI China ETF (in HK\$)	498,057,754	21.2845	316,102,844	25.9101	292,775,092	20.9126
Hang Seng High Dividend Yield ETF (in HK\$)	265,855,451	21.7914	327,016,167	23.0293	236,314,608	19.6929
CSI 300 ETF (in RMB)	112,793,598	10.7422	349,325,731	13.4356	—	—

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT

	For the year ended 31 March 2016		For the year/period ended 31 March 2015		For the year/period ended 31 March 2014	
	Highest issue price per unit	Lowest redemption price per unit	Highest issue price per unit	Lowest redemption price per unit	Highest issue price per unit	Lowest redemption price per unit
KOSPI 200 ETF (in HK\$)	21.2280	15.5666	22.0860	18.3994	21.2317	16.5428
S&P Emerging Asia Consumer ETF (in HK\$) ¹	23.0978	16.1528	22.4874	20.1062	23.2310	19.2629
S&P Global Consumer Brands ETF (in HK\$) ¹	29.5625	23.2863	30.9705	25.6821	30.9525	23.7727
MSCI China ETF (in HK\$) ²	30.7717	18.1352	25.9101	20.0785	23.1139	17.8478
Hang Seng High Dividend Yield ETF (in HK\$) ²	28.5089	19.3450	23.1866	19.7785	21.0082	18.4980
CSI 300 ETF (in RMB) ³	17.8005	9.5570	13.5582	7.9497	—	—

For the year/period ended 31 March 2013
(date of initial offer) to 31 March 2012

	Highest issue price per unit	Lowest redemption price per unit
KOSPI 200 ETF (in HK\$)	20.9724	16.4844
S&P Emerging Asia Consumer ETF (in HK\$) ¹	22.5014	18.7318
S&P Global Consumer Brands ETF (in HK\$) ¹	25.0827	19.2746
MSCI China ETF (in HK\$) ²	—	—
Hang Seng High Dividend Yield ETF (in HK\$) ²	—	—
CSI 300 ETF (in RMB) ³	—	—

For the period from 10 January 2011

	Highest issue price per unit	Lowest redemption price per unit
KOSPI 200 ETF (in HK\$)	22.4829	14.7942
S&P Emerging Asia Consumer ETF (in HK\$) ¹	—	—
S&P Global Consumer Brands ETF (in HK\$) ¹	—	—
MSCI China ETF (in HK\$) ²	—	—
Hang Seng High Dividend Yield ETF (in HK\$) ²	—	—
CSI 300 ETF (in RMB) ³	—	—

¹ The financial year of these Sub-Funds, which were new additions to the Trust during the period ended 31 March 2013, commences from 18 January 2012 (date of inception) to 31 March 2013.

² The financial year of these Sub-Funds, which were new additions to the Trust during the period ended 31 March 2014, commences from 11 June 2013 (date of inception) to 31 March 2014.

³ The financial year of this Sub-Fund, which was new addition to the Trust during the period ended 31 March 2015, commences from 24 September 2014 (date of inception) to 31 March 2015.

HORIZONS EXCHANGE TRADED FUNDS SERIES
PERFORMANCE RECORD (UNAUDITED) (CONTINUED)
PERFORMANCE OF THE SUB-FUNDS

	For the year ended 31 March 2016		For the year/period ended 31 March 2015		For the year/period ended 31 March 2014	
	Sub-Fund performance (%)	Index performance (%)	Sub-Fund performance (%)	Index performance (%)	Sub-Fund performance (%)	Index performance (%)
KOSPI 200 ETF (in HK\$) ^{1*}	(5.95)	(7.27)	(3.50)	(4.39)	3.82	2.21
S&P Emerging Asia Consumer ETF (in HK\$) ^{2#}	(16.76)	(15.61)	2.01	3.31	(1.35)	0.20
S&P Global Consumer Brands ETF (in HK\$) ^{2#}	(7.63)	(6.75)	(6.30)	(5.64)	21.76	23.49
MSCI China ETF (in HK\$) ^{3#}	(17.85)	(18.81)	23.90	23.94	14.37	6.68
Hang Seng High Dividend Yield ETF (in HK\$) ^{3#}	(4.42)	(4.13)	16.94	17.56	0.84	1.07
CSI 300 ETF (in RMB) ^{4*}	(20.05)	(20.56)	63.64	65.91	—	—

	For the period ended 31 March 2013		For the period from 10 January 2011 (date of initial offer) to 31 March 2012	
	Sub-Fund performance (%)	Index performance (%)	Sub-Fund performance (%)	Index performance (%)
KOSPI 200 ETF (in HK\$) ^{1*}	1.33	0.71	(4.29)	(4.70)
S&P Emerging Asia Consumer ETF (in HK\$) ^{2#}	7.59	9.26	—	—
S&P Global Consumer Brands ETF (in HK\$) ^{2#}	20.54	22.15	—	—
MSCI China ETF (in HK\$) ^{3#}	—	—	—	—
Hang Seng High Dividend Yield ETF (in HK\$) ^{3#}	—	—	—	—
CSI 300 ETF (in RMB) ^{4*}	—	—	—	—

¹ The financial year of this Sub-Fund, which was new addition to the Trust during the period ended 31 March 2012, commences from 10 January 2011 (date of initial offer) to 31 March 2012.

² The financial year of this Sub-Fund, which was new addition to the Trust during the period ended 31 March 2013, commences from 18 January 2012 (date of inception) to 31 March 2013.

³ The financial year of these Sub-Funds, which were new additions to the Trust during the period ended 31 March 2014, commences from 11 June 2013 (date of inception) to 31 March 2014.

⁴ The financial year of this Sub-Fund, which was new addition to the Trust during the period ended 31 March 2015, commences from 24 September 2014 (date of inception) to 31 March 2015.

^{*} The respective tracking indices of these Sub-Funds are price return indices. A price return index calculates the performance of index constituents on the basis that any dividends or distributions are not reinvested.

[#] The respective tracking indices of these Sub-Funds are net total return indices. A net total return index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any withholding taxes that may apply.

[†] The Sub-Funds' performances are calculated on the basis that any dividends or distributions are reinvested.

HORIZONS EXCHANGE TRADED FUNDS SERIES

MANAGEMENT AND ADMINISTRATION

Manager

Mirae Asset Global Investments (Hong Kong) Limited
Level 15, Three Pacific Place
1 Queen's Road East, Hong Kong

Directors of the Manager

Mr. Hyeon Joo Park
Mr. Jung Ho Rhee
Mr. Wan Youn Cho
Mr. Byung Ha Kim

Trustee

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Three Garden Road
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Custodian

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PRC Custodian^a

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Service Agent

HK Conversion Agency Services Limited
2nd Floor, Infinitus Plaza
199 Des Voeux Road
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Legal Adviser to the Manager

Simmons & Simmons
13th Floor, One Pacific Place
88 Queensway, Hong Kong

Auditors

Ernst & Young
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Participating Dealers

ABN AMRO Clearing Hong Kong Limited
70th Floor, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Barclays Bank PLC¹²

41st Floor, Cheung Kong Centre
2 Queen's Road Central
Central, Hong Kong

BNP Paribas Securities Services¹⁴

21st-23rd Floor, PCCW Tower
Taikoo Place, 979 King's Road
Quarry Bay, Hong Kong

Participating Dealers (continued)

China International Capital Corporation Hong Kong Securities Limited¹⁵
29th Floor, One International Finance Centre
1 Harbour View Street,
Central, Hong Kong

CIMB Securities Limited¹⁶

Unit 7706-8, Level 77, International Commerce Centre,
1 Austin Road West
Kowloon, Hong Kong

Credit Suisse Securities (Hong Kong) Limited¹⁷

88th Floor, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Goldman Sachs (Asia) Securities Limited

68th Floor, Cheung Kong Center
2 Queen's Road Central
Central, Hong Kong

KGI Securities (Hong Kong) Limited

41/F, Central Plaza
18 Harbour Road
Wan Chai, Hong Kong

Macquarie Bank Limited¹⁸

18/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Merrill Lynch Far East Limited¹⁹

15th Floor, Champion Tower¹
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Central, Hong Kong

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Asset Securities (HK) Limited)
Suite 1502, Level 15, Three Pacific Place
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30th Floor, Two International Finance Centre
8 Finance Street
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SG Securities (HK) Limited²¹

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Level 19, 28 Hennessy Road
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46-52/F, Two International Finance Centre
8 Finance Street
Central, Hong Kong

^{*} In respect of KOSPI 200 ETF, MSCI China ETF and Hang Seng High Dividend Yield ETF only.

[#] In respect of MSCI China ETF and Hang Seng High Dividend Yield ETF only.

¹ In respect of MSCI China ETF, Hang Seng High Dividend Yield ETF and CSI 300 ETF only.

² In respect of KOSPI 200 ETF, S&P Emerging Asia Consumer ETF and S&P Global Consumer Brands ETF only.

³ In respect of KOSPI 200 ETF, S&P Emerging Asia Consumer ETF, S&P Global Consumer Brands ETF, MSCI China ETF and Hang Seng High Dividend Yield ETF only.

⁴ In respect of KOSPI 200 ETF, MSCI China ETF, Hang Seng High Dividend Yield ETF and CSI 300 ETF only.

⁵ In respect of CSI 300 ETF only.

¹ Prior to 28 June 2016, Champion Tower was known as Citibank Tower.

