



**HORIZONS**  
EXCHANGE TRADED FUNDS

EXCHANGE TRADED CONCEPTS TRUST II

**Horizons S&P 500<sup>®</sup> Covered Call ETF**

**Horizons S&P Financial Select Sector Covered Call ETF**

**Semi-Annual Report**

**October 31, 2014**  
**(Unaudited)**



**Exchange Traded Concepts**

**Horizons S&P 500® Covered Call ETF**

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**Horizons S&P Financial Select Sector Covered Call ETF**

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**Before investing you should carefully consider the Funds’ investment objectives, risks, charges and expenses. This and other information is available in the Funds’ prospectus, a copy of which may be obtained by visiting the Funds’ website at [www.HorizonsETFs.com/USA](http://www.HorizonsETFs.com/USA). Please read the prospectus carefully before you invest.**

There are risks involved with investing, including possible loss of principal, and there is no guarantee the Funds will achieve their investment objectives. The Horizons S&P Financial Select Sector Covered Call ETF is non-diversified and may invest a greater portion of its assets in securities of a small number of issuers, which may have an adverse effect on Fund performance. Concentration in a particular industry or sector will subject the Funds to loss due to adverse occurrences that may affect that industry or sector.

Individual shares of the Funds may be purchased or sold in the secondary market throughout the regular trading day on the NYSE Arca through a brokerage account. However, shares are not individually redeemable directly from the Funds. Each Fund issues and redeems shares on a continuous basis, at NAV, only in large blocks of shares (“Creation Units”), principally in-kind for securities included in the relevant Index.

*Distributor: Foreside Fund Services, LLC*

# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF PORTFOLIO INVESTMENTS

October 31, 2014  
(Unaudited)

Security Description	Shares	Value (\$)	Security Description	Shares	Value (\$)
<b>COMMON STOCKS 102.7%</b>			<b>COMMON STOCKS, Continued</b>		
<b>Consumer Discretionary 11.9%</b>			<b>Consumer Discretionary, continued</b>		
Amazon.com, Inc. *	700	213,823	Mohawk Industries, Inc. *	116	16,477
AutoNation, Inc. *	145	8,303	Netflix.com, Inc. *	110	43,205
AutoZone, Inc. *	60	33,211	Newell Rubbermaid, Inc.	507	16,898
Bed Bath & Beyond, Inc. *	342	23,030	News Corp., Class A *	943	14,598
Best Buy Co., Inc.	538	18,367	Nike, Inc., Class B	1,300	120,861
BorgWarner, Inc.	430	24,519	Nordstrom, Inc.	261	18,951
Cablevision Systems Corp., Class A	406	7,560	Omnicom Group, Inc.	467	33,559
Carnival Corp.	830	33,325	O'Reilly Automotive, Inc. *	192	33,769
CBS Corp., Class B	900	48,798	PetSmart, Inc.	182	13,168
Chipotle Mexican Grill *	57	36,366	Polo Ralph Lauren Corp.	107	17,638
Coach, Inc.	509	17,499	Priceline.com, Inc. *	96	115,796
Coca-Cola Enterprises, Inc.	430	18,641	Pulte Group, Inc.	652	12,512
Comcast Corp., Class A	4,800	265,680	PVH Corp.	154	17,610
D.R. Horton, Inc.	617	14,061	Ross Stores, Inc.	400	32,288
Darden Restaurants, Inc.	246	12,738	Scripps Networks Interactive, Inc.	191	14,753
Delphi Automotive PLC	557	38,422	Staples, Inc.	1,200	15,216
DIRECTV *	934	81,062	Starbucks Corp.	1,400	105,784
Discovery Communications, Inc., Class A *	275	9,721	Starwood Hotels & Resorts Worldwide, Inc.	353	27,061
Discovery Communications, Inc. *	508	17,775	Target Corp.	1,164	71,959
Dollar General Corp. *	557	34,907	The Home Depot, Inc.	2,500	243,800
Dollar Tree, Inc. *	383	23,198	The Interpublic Group of Cos., Inc.	788	15,279
Expedia, Inc.	184	15,634	The Walt Disney Co.	2,918	266,647
Family Dollar Stores, Inc.	177	13,857	Time Warner Cable, Inc., Class A	511	75,224
Ford Motor Co.	7,200	101,448	Time Warner, Inc.	1,573	125,006
Fossil Group, Inc. *	86	8,743	TJX Cos., Inc.	1,275	80,733
Gamestop Corp.	215	9,193	Tractor Supply Co.	262	19,184
Gannett Co., Inc.	430	13,545	TripAdvisor, Inc. *	205	18,175
Gap, Inc.	510	19,324	Twenty-First Century Fox, Inc.	3,500	120,680
Garmin, Ltd.	232	12,871	Under Armour, Inc. *	303	19,871
General Motors Co.	2,500	78,500	Urban Outfitters, Inc. *	190	5,768
Genuine Parts Co.	283	27,473	VF Corp.	646	43,721
Goodyear Tire & Rubber Co.	521	12,624	Viacom, Inc., Class B	708	51,457
H&R Block, Inc.	518	16,737	Whirlpool Corp.	147	25,292
Harley-Davidson, Inc.	400	26,280	Wyndham Worldwide Corp.	232	18,019
Harman International Industries, Inc.	127	13,632	Wynn Resorts, Ltd.	151	28,692
Hasbro, Inc.	215	12,369	Yum! Brands, Inc.	809	58,110
Johnson Controls, Inc.	1,239	58,542			<u>3,849,997</u>
Kohl's Corp.	381	20,658	<b>Consumer Staples 9.8%</b>		
L Brands, Inc.	455	32,815	Altria Group, Inc.	3,664	177,118
Leggett & Platt, Inc.	267	10,514	Archer-Daniels-Midland Co.	1,200	56,400
Lennar Corp.	315	13,570	Avon Products, Inc.	821	8,538
Lowe's Cos., Inc.	1,834	104,905	Brown-Forman Corp., Class B	292	27,060
Macy's, Inc.	652	37,699	Campbell Soup Co.	331	14,620
Marriott International, Inc., Class A	407	30,830	Clorox Co.	243	24,179
Mattel, Inc.	625	19,419	Coca-Cola Co.	7,300	305,723
McDonald's Corp.	1,814	170,027	Colgate-Palmolive Co.	1,600	107,008
Michael Kors Holdings, Ltd. *	382	30,021	ConAgra Foods, Inc.	800	27,480

See Notes to Financial Statements.

# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF PORTFOLIO INVESTMENTS (Continued)

October 31, 2014

(Unaudited)

Security Description	Shares	Value (\$)	Security Description	Shares	Value (\$)
<b>COMMON STOCKS, Continued</b>			<b>COMMON STOCKS, Continued</b>		
<b>Consumer Staples, continued</b>			<b>Energy, continued</b>		
Constellation Brands, Inc. *	314	28,744	FMC Technologies, Inc. *	437	24,489
Costco Wholesale Corp.	806	107,496	Halliburton Co.	1,579	87,066
CVS Caremark Corp.	2,139	183,548	Helmerich & Payne, Inc.	200	17,364
Dr. Pepper Snapple Group, Inc.	366	25,346	Hess Corp.	484	41,048
Estee Lauder Cos., Class A	418	31,426	Kinder Morgan, Inc.	1,225	47,408
General Mills, Inc.	1,136	59,027	Marathon Oil Corp.	1,246	44,108
Hormel Foods Corp.	254	13,693	Marathon Petroleum Corp.	525	47,723
Kellogg Co.	477	30,509	Murphy Oil Corp.	314	16,764
Keurig Green Mountain, Inc.	226	34,296	Nabors Industries, Ltd.	538	9,603
Kimberly-Clark Corp.	693	79,189	National-Oilwell Varco, Inc.	800	58,112
Kraft Foods Group, Inc.	1,100	61,985	Newfield Exploration Co. *	259	8,446
Kroger Co.	910	50,696	Noble Corp. PLC	480	10,042
Lorillard, Inc.	675	41,513	Noble Energy, Inc.	669	38,554
McCormick & Co., Inc.	239	16,902	Occidental Petroleum Corp.	1,437	127,792
Mead Johnson Nutrition Co.	374	37,142	Phillips 66	1,028	80,698
Molson Coors Brewing Co.	300	22,314	Pioneer Natural Resources Co.	264	49,912
Mondelez International, Inc.	3,129	110,329	QEP Resources, Inc.	308	7,722
Monster Beverage Corp. *	267	26,935	Range Resources Corp.	309	21,136
PepsiCo, Inc.	2,800	269,276	Schlumberger, Ltd.	2,400	236,784
Philip Morris International	2,900	258,128	Southwestern Energy Co. *	664	21,587
Procter & Gamble Co.	5,000	436,350	Spectra Energy Corp.	1,247	48,795
Reynolds American, Inc.	570	35,859	Tesoro Corp.	232	16,567
Safeway, Inc.	434	15,129	Transocean, Ltd.	646	19,270
Sysco Corp.	1,100	42,394	Valero Energy Corp.	974	48,788
The Hershey Co.	276	26,471	Williams Cos., Inc.	1,252	69,499
The J.M. Smucker Co.	191	19,864			<u>3,000,413</u>
Tyson Foods, Inc., Class A	538	21,708	<b>Financials 16.4%</b>		
Walgreen Co.	1,632	104,807	ACE, Ltd.	622	67,985
Wal-Mart Stores, Inc.	2,913	222,174	Affiliated Managers Group *	101	20,179
Whole Foods Market, Inc.	670	26,351	AFLAC, Inc.	847	50,591
		<u>3,187,727</u>	Allstate Corp.	800	51,880
<b>Energy 9.3%</b>			American Express Co.	1,669	150,127
Anadarko Petroleum Corp.	930	85,355	American International Group, Inc.	2,646	141,746
Apache Corp.	711	54,889	Ameriprise Financial, Inc.	347	43,781
Baker Hughes, Inc.	800	42,368	AON PLC	538	46,268
Cabot Oil & Gas Corp.	780	24,258	Apartment Investment & Management Co. (REIT), Class A	275	9,842
Cameron International Corp. *	381	22,689	Assurant, Inc.	136	9,278
Chesapeake Energy Corp.	957	21,226	AvalonBay Communities, Inc.	243	37,869
Chevron Corp.	3,504	420,304	Bank of America Corp.	19,429	333,401
Cimarex Energy Co.	161	18,301	Bank of New York Mellon Corp.	2,100	81,312
ConocoPhillips	2,266	163,492	BB&T Corp.	1,336	50,608
CONSOL Energy, Inc.	434	15,971	Berkshire Hathaway, Inc., Class B *	3,354	470,098
Denbury Resources, Inc.	654	8,110	BlackRock, Inc., Class A	234	79,820
Devon Energy Corp.	714	42,840	Boston Properties, Inc.	288	36,504
Diamond Offshore Drilling, Inc.	132	4,978	Capital One Financial Corp.	1,033	85,501
EnSCO PLC, Class A, ADR	441	17,900	CBRE Group, Inc., Class A *	526	16,832
EOG Resources, Inc.	1,014	96,381	Cincinnati Financial Corp.	277	13,980
Exxon Mobil Corp.	7,880	762,074			

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# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF PORTFOLIO INVESTMENTS (Continued)

October 31, 2014

(Unaudited)

Security Description	Shares	Value (\$)	Security Description	Shares	Value (\$)
<b>COMMON STOCKS, Continued</b>			<b>COMMON STOCKS, Continued</b>		
<b>Financials, continued</b>			<b>Financials, continued</b>		
Citigroup, Inc.	5,600	299,768	State Street Corp.	788	59,462
CME Group, Inc.	585	49,029	SunTrust Banks, Inc.	1,000	39,140
Comerica, Inc.	339	16,184	T. Rowe Price Group, Inc.	500	41,045
D&B Corp.	67	8,228	The Charles Schwab Corp.	2,126	60,952
Discover Financial Services, Inc., Class A	861	54,915	The Chubb Corp.	445	44,215
E*Trade Financial Corp. *	542	12,087	The Macerich Co.	266	18,753
Equity Residential (REIT)	673	46,814	The NASDAQ OMX Group, Inc.	218	9,431
Essex Property Trust, Inc.	116	23,404	Torchmark Corp.	245	12,975
Fifth Third Bancorp	1,554	31,064	Travelers Cos., Inc.	631	63,605
Franklin Resources, Inc.	733	40,762	U.S. Bancorp	3,322	141,517
General Growth Properties, Inc.	1,168	30,263	Unum Group	478	15,994
Genworth Financial, Inc., Class A *	932	13,039	Ventas, Inc.	548	37,543
Goldman Sachs Group, Inc.	758	144,012	Vornado Realty Trust	323	35,362
Hartford Financial Services Group, Inc.	832	32,931	Wells Fargo & Co.	8,778	466,025
HCP, Inc.	847	37,243	Weyerhaeuser Co.	980	33,183
Health Care REIT, Inc.	600	42,666	XL Group PLC	500	16,940
Host Hotels & Resorts, Inc.	1,409	32,844	Zions Bancorp	376	10,893
Hudson City Bancorp, Inc.	900	8,685			<u>5,298,988</u>
Huntington Bancshares, Inc.	1,518	15,043	<b>Health Care 14.7%</b>		
IntercontinentalExchange Group, Inc.	209	43,533	Abbott Laboratories	2,800	122,052
Invesco, Ltd.	800	32,376	AbbVie, Inc.	2,938	186,445
JPMorgan Chase & Co.	6,950	420,335	Actavis, Inc. PLC *	491	119,185
KeyCorp	1,647	21,740	Aetna, Inc.	656	54,127
Kimco Realty Corp.	776	19,361	Agilent Technologies, Inc.	625	34,550
Legg Mason, Inc.	189	9,828	Alexion Pharmaceuticals, Inc. *	366	70,038
Leucadia National Corp.	593	14,102	Allergan, Inc.	549	104,343
Lincoln National Corp.	483	26,449	AmerisourceBergen Corp.	400	34,164
Loews Corp.	566	24,678	Amgen, Inc.	1,405	227,863
M&T Bank Corp.	245	29,934	Baxter International, Inc.	1,000	70,139
Marsh & McLennan Cos., Inc.	1,009	54,859	Becton Dickinson & Co.	357	45,946
MetLife, Inc.	2,086	113,145	Biogen Idec, Inc. *	437	140,312
Moody's Corp.	343	34,036	Boston Scientific Corp. *	2,470	32,802
Morgan Stanley	2,829	98,874	Bristol-Myers Squibb Co.	3,060	178,061
Navient Corp.	780	15,428	C.R. Bard, Inc.	141	23,120
Northern Trust Corp.	413	27,382	Cardinal Health, Inc.	623	48,893
People's United Financial, Inc.	600	8,772	Carefusion Corp. *	382	21,915
Plum Creek Timber Co., Inc.	333	13,656	Celgene Corp. *	1,474	157,851
PNC Financial Services Group	1,006	86,908	Cerner Corp. *	560	35,470
Principal Financial Group, Inc.	506	26,499	CIGNA Corp.	491	48,889
Progressive Corp.	1,013	26,753	Covidien PLC, ADR	831	76,818
Prologis, Inc.	932	38,818	DaVita Healthcare Partners, Inc. *	323	25,217
Prudential Financial, Inc.	849	75,170	DENTSPLY International, Inc.	269	13,657
Public Storage	268	49,403	Edwards Lifesciences Corp. *	192	23,217
Regions Financial Corp.	2,581	25,629	Eli Lilly & Co.	1,813	120,256
Robert Half International, Inc.	261	14,298	Express Scripts Holding, Inc. *	1,382	106,165
Simon Property Group, Inc.	577	103,404	Gilead Sciences, Inc. *	2,800	313,599
			Hospira, Inc. *	313	16,808
			Humana, Inc.	285	39,572

See Notes to Financial Statements.

# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF PORTFOLIO INVESTMENTS (Continued)

October 31, 2014

(Unaudited)

Security Description	Shares	Value (\$)	Security Description	Shares	Value (\$)
<b>COMMON STOCKS, Continued</b>			<b>COMMON STOCKS, Continued</b>		
<b>Health Care, continued</b>			<b>Industrials, continued</b>		
Intuitive Surgical, Inc. *	65	32,227	Expeditors International of Washington, Inc.	368	15,699
Johnson & Johnson	5,211	561,642	Fastenal Co.	515	22,681
Laboratory Corp. of America Holdings *	160	17,486	FedEx Corp.	500	83,700
Mallinckrodt PLC *	215	19,818	Flowserve Corp.	253	17,201
McKesson Corp.	430	87,466	Fluor Corp.	292	19,370
Medtronic, Inc.	1,816	123,778	General Dynamics Corp.	591	82,598
Merck & Co., Inc.	5,330	308,820	General Electric Co.	18,540	478,517
Mylan Laboratories, Inc. *	700	37,485	Honeywell International, Inc.	1,445	138,893
Patterson Cos., Inc.	159	6,854	Illinois Tool Works, Inc.	679	61,823
PerkinElmer, Inc.	215	9,335	Ingersoll-Rand PLC	500	31,310
Perrigo Co. PLC	247	39,878	Iron Mountain, Inc.	323	11,651
Pfizer, Inc.	11,714	350,834	Jacobs Engineering Group, Inc. *	248	11,768
Quest Diagnostics, Inc.	274	17,388	Joy Global, Inc.	188	9,894
Regeneron Pharmaceuticals, Inc. *	136	53,546	Kansas City Southern Industries, Inc.	207	25,418
St. Jude Medical, Inc.	527	33,818	L-3 Communications Holdings, Inc.	161	19,555
Stryker Corp.	550	48,142	Lockheed Martin Corp.	500	95,285
Tenet Healthcare Corp. *	187	10,481	Masco Corp.	666	14,699
Thermo Fisher Scientific, Inc.	742	87,237	Nielsen Holdings NV	563	23,922
UnitedHealth Group, Inc.	1,800	171,019	Norfolk Southern Corp.	575	63,618
Universal Health Services, Inc., Class B	169	17,527	Northrop Grumman Corp.	386	53,253
Varian Medical Systems, Inc. *	190	15,983	PACCAR, Inc.	661	43,177
Vertex Pharmaceuticals, Inc. *	442	49,787	Pall Corp.	200	18,284
Waters Corp. *	155	17,174	Parker Hannifin Corp.	275	34,933
WellPoint, Inc.	510	64,612	Pentair PLC	361	24,205
Zimmer Holdings, Inc.	311	34,596	Pitney Bowes, Inc.	382	9,451
Zoetis, Inc.	929	34,522	Precision Castparts Corp.	266	58,706
		<u>4,742,929</u>	Quanta Services, Inc. *	408	13,905
<b>Industrials 11.0%</b>			Raytheon Co.	576	59,835
3M Co.	1,200	184,524	Republic Services, Inc., Class A	469	18,010
Allegion PLC	168	8,919	Rockwell Automation, Inc.	256	28,762
AMETEK, Inc.	466	24,302	Rockwell Collins, Inc.	255	21,458
Avery Dennison Corp.	183	8,574	Roper Industries, Inc.	186	29,444
C.H. Robinson Worldwide, Inc.	273	18,894	Ryder System, Inc.	100	8,847
CarMax, Inc. *	330	18,450	Snap-on, Inc.	108	14,271
Caterpillar, Inc.	1,166	118,245	Southwest Airlines Co.	1,292	44,548
Cintas Corp.	179	13,110	Stanley Black & Decker, Inc.	300	28,092
Crown Castle International Corp. (REIT)	621	48,513	Stericycle, Inc. *	158	19,908
CSX Corp.	1,853	66,022	Textron, Inc.	521	21,637
Cummins, Inc.	316	46,193	The ADT Corp.	323	11,576
Danaher Corp.	1,124	90,370	The Boeing Co.	1,242	155,138
Deere & Co.	667	57,055	Tiffany & Co.	206	19,801
Delta Air Lines, Inc.	1,570	63,161	Tyco International, Ltd.	826	35,460
Dover Corp.	311	24,706	Union Pacific Corp.	1,652	192,375
Eaton Corp. PLC	888	60,730	United Parcel Service, Inc., Class B	1,300	136,383
Emerson Electric Co.	1,300	83,277	United Rentals, Inc. *	177	19,481
Equifax, Inc.	232	17,572	United Technologies Corp.	1,577	168,740
			W.W. Grainger, Inc.	110	27,148

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## SCHEDULE OF PORTFOLIO INVESTMENTS (Continued)

October 31, 2014

(Unaudited)

Security Description	Shares	Value (\$)	Security Description	Shares	Value (\$)
<b>COMMON STOCKS, Continued</b>			<b>COMMON STOCKS, Continued</b>		
<b>Industrials, continued</b>			<b>Information Technology, continued</b>		
Waste Management, Inc.	800	39,111	Microchip Technology, Inc.	374	16,123
Xylem, Inc.	350	12,726	Micron Technology, Inc. *	2,000	66,180
		<u>3,548,884</u>	Microsoft Corp.	15,225	714,815
<b>Information Technology 20.1%</b>			Motorola Solutions, Inc.	409	26,381
Accenture PLC	1,172	95,073	NetApp, Inc.	600	25,680
Adobe Systems, Inc. *	879	61,635	NVIDIA Corp.	969	18,934
Akamai Technologies, Inc. *	331	19,959	Oracle Corp.	6,005	234,496
Alliance Data Systems Corp. *	100	28,335	Paychex, Inc.	600	28,164
Altera Corp.	582	20,003	Qualcomm, Inc.	3,100	243,381
Amphenol Corp., Class A	594	30,045	Red Hat, Inc. *	350	20,622
Analog Devices, Inc.	589	29,226	Salesforce.com, Inc. *	1,057	67,637
Apple, Inc.	11,059	1,194,372	SanDisk Corp.	416	39,162
Applied Materials, Inc.	2,244	49,570	Seagate Technology PLC	607	38,138
Autodesk, Inc. *	415	23,879	Symantec Corp.	1,292	32,067
Automatic Data Processing, Inc.	891	72,866	TE Connectivity, Ltd.	762	46,581
Avago Technologies, Ltd.	466	40,193	Teradata Corp. *	287	12,146
Broadcom Corp., Class A	1,000	41,880	Texas Instruments, Inc.	1,979	98,277
CA, Inc.	592	17,204	Total System Services, Inc.	315	10,644
Cisco Systems, Inc.	9,422	230,556	VeriSign, Inc. *	215	12,848
Citrix Systems, Inc. *	300	19,269	Visa, Inc., Class A	908	219,218
Cognizant Technology Solutions Corp. *	1,127	55,054	Western Digital Corp.	409	40,233
Computer Sciences Corp.	270	16,308	Western Union Co.	1,000	16,960
Corning, Inc.	2,400	49,031	Xerox Corp.	2,046	27,171
eBay, Inc. *	2,100	110,250	Xilinx, Inc.	508	22,596
Electronic Arts, Inc. *	584	23,926	Yahoo!, Inc. *	1,723	79,344
EMC Corp.	3,743	107,536			<u>6,488,424</u>
F5 Networks, Inc. *	141	17,340	<b>Materials 3.3%</b>		
Facebook, Inc. *	3,850	288,712	Air Products & Chemicals, Inc.	356	47,939
Fidelity National Information Services, Inc.	527	30,772	Airgas, Inc.	127	14,166
First Solar, Inc. *	131	7,716	Alcoa, Inc.	2,168	36,336
Fiserv, Inc. *	466	32,378	Allegheny Technologies, Inc.	200	6,570
FLIR Systems, Inc.	268	8,986	Ball Corp.	254	16,365
Google, Inc., Class A *	524	297,564	Bemis Co., Inc.	193	7,425
Google, Inc., Class C *	524	292,958	CF Industries Holdings, Inc.	91	23,660
Harris Corp.	193	13,433	E.I. Du Pont de Nemours & Co.	1,700	117,555
Hewlett-Packard Co.	3,448	123,714	Eastman Chemical Co.	281	22,699
Intel Corp.	9,148	311,124	Ecolab, Inc.	500	55,615
International Business Machines Corp.	1,714	281,781	FMC Corp.	252	14,452
Intuit, Inc.	528	46,469	Freeport-McMoRan Copper & Gold, Inc., Class B	1,913	54,521
Jabil Circuit, Inc.	350	7,333	International Flavors & Fragrances, Inc.	154	15,269
Juniper Networks, Inc.	753	15,866	International Paper Co.	800	40,496
KLA-Tencor Corp.	305	24,141	LyondellBasell Industries NV, Class A	791	72,479
Lam Research Corp.	300	23,358	Martin Marietta Materials, Inc.	116	13,563
Linear Technology Corp.	437	18,721	MeadWestvaco Corp.	313	13,825
MasterCard, Inc., Class A	1,816	152,090	Monsanto Co.	973	111,934
			Newmont Mining Corp.	943	17,691

See Notes to Financial Statements.

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## SCHEDULE OF PORTFOLIO INVESTMENTS (Concluded)

October 31, 2014  
(Unaudited)

Security Description	Shares	Value (\$)
<b>COMMON STOCKS, Continued</b>		
<b>Materials, continued</b>		
Nucor Corp.	591	31,949
Owens-Illinois, Inc. *	312	8,040
PPG Industries, Inc.	257	52,348
Praxair, Inc.	539	67,909
Sealed Air Corp.	400	14,500
Sherwin-Williams Co.	154	35,352
Sigma-Aldrich Corp.	204	27,726
The Dow Chemical Co.	2,070	102,258
The Mosaic Co.	590	26,143
Vulcan Materials Co.	245	15,119
		<u>1,083,904</u>
<b>Technology 0.4%</b>		
American Tower Corp. (REIT)	737	71,858
McGraw-Hill Cos., Inc.	500	45,240
		<u>117,098</u>
<b>Telecommunication Services 2.4%</b>		
AT&T, Inc.	9,600	334,464
CenturyLink, Inc.	1,048	43,471
Frontier Communications Corp.	1,900	12,426
Verizon Communications, Inc.	7,649	384,362
Windstream Holdings, Inc.	1,129	11,832
		<u>786,555</u>
<b>Utilities 3.4%</b>		
AES Corp.	1,243	17,489
AGL Resources, Inc.	225	12,130
Ameren Corp.	458	19,392
American Electric Power Co., Inc.	910	53,089
CenterPoint Energy, Inc.	812	19,935
CMS Energy Corp.	504	16,466
Consolidated Edison, Inc.	543	34,404
Dominion Resources, Inc.	1,072	76,434
DTE Energy Co.	327	26,866
Duke Energy Corp.	1,305	107,206
Edison International	606	37,923
Entergy Corp.	331	27,811
EQT Corp.	285	26,801
Exelon Corp.	1,600	58,544
FirstEnergy Corp.	792	29,573
Integrus Energy Group, Inc.	149	10,829
NextEra Energy, Inc.	808	80,978
NiSource, Inc.	593	24,942
Northeast Utilities	600	29,610
NRG Energy, Inc.	611	18,318
ONEOK, Inc.	389	22,927
Pepco Holdings, Inc.	472	12,904
PG&E Corp.	870	43,778
Pinnacle West Capital Corp.	206	12,663

Security Description	Shares	Value (\$)
<b>COMMON STOCKS, Continued</b>		
<b>Utilities, continued</b>		
PPL Corp.	1,237	43,283
Public Service Enterprise Group, Inc.	942	38,914
SCANA Corp.	266	14,601
Sempra Energy	430	47,300
Southern Co.	1,650	76,494
TECO Energy, Inc.	430	8,432
Wisconsin Energy Corp.	414	20,559
Xcel Energy, Inc.	943	31,562
		<u>1,102,157</u>
<b>TOTAL COMMON STOCKS (Cost \$28,413,946)</b>		<u>33,207,076</u>
<b>TOTAL INVESTMENTS (Cost \$28,413,946) — 102.7%</b>		33,207,076
Other Net Assets (Liabilities):		
Written Call Options (3.2)%		(1,030,698)
Other Net Assets 0.5%		147,413
Total Other Net Assets (Liabilities) (2.7)%		<u>(883,285)</u>
<b>NET ASSETS 100.0%</b>		<u>\$ 32,323,791</u>

\* Non-income producing security  
ADR American Depositary Receipt  
REIT Real Estate Investment Trust

The Horizons S&P 500 Covered Call ETF was invested in the following sectors as of October 31, 2014:

	Value	% of Net Assets
Information Technology	\$ 6,488,424	20.1%
Financials	5,298,988	16.4%
Health Care	4,742,929	14.7%
Consumer Discretionary	3,849,997	11.9%
Industrials	3,548,884	11.0%
Consumer Staples	3,187,727	9.8%
Energy	3,000,413	9.3%
Utilities	1,102,157	3.4%
Materials	1,083,904	3.3%
Telecommunication Services	786,555	2.4%
Technology	117,098	0.4%
Written Call Options	(1,030,698)	(3.2)%
Other Net Assets	147,413	0.5%
<b>Total</b>	<u>\$ 32,323,791</u>	<u>100.0%</u>

See Notes to Financial Statements.



# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF WRITTEN CALL OPTIONS

October 31, 2014  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options (3.2)%</b>		
(8)	3M Co., Strike @ 140.00 Exp 11/24/14 .....	(10,879)
(22)	Abbott Laboratories, Strike @ 42.00 Exp 11/24/14 .....	(3,784)
(29)	AbbVie, Inc., Strike @ 57.50 Exp 11/24/14 .....	(17,544)
(11)	Accenture PLC, Strike @ 80.00 Exp 11/24/14 .....	(2,008)
(4)	ACE, Ltd., Strike @ 105.00 Exp 11/24/14 .....	(1,840)
(4)	Actavis, Inc. PLC, Strike @ 250.00 Exp 11/24/14 .....	(1,580)
(7)	Adobe Systems, Inc., Strike @ 67.50 Exp 11/24/14 .....	(2,275)
(12)	AES Corp., Strike @ 14.00 Exp 11/24/14 .....	(480)
(6)	Aetna, Inc., Strike @ 80.00 Exp 11/24/14 .....	(1,980)
(1)	Affiliated Managers Group, Strike @ 195.00 Exp 11/24/14 .....	(750)
(6)	AFLAC, Inc., Strike @ 57.50 Exp 11/24/14 .....	(1,389)
(4)	Agilent Technologies, Inc., Strike @ 55.00 Exp 11/24/14 .....	(730)
(3)	Air Products & Chemicals, Inc., Strike @ 140.00 Exp 11/24/14 .....	(368)
(1)	Airgas, Inc., Strike @ 115.00 Exp 11/24/14 .....	(73)
(3)	Akamai Technologies, Inc., Strike @ 57.50 Exp 11/24/14 .....	(975)
(14)	Alcoa, Inc., Strike @ 16.00 Exp 11/24/14 .....	(1,386)
(3)	Alexion Pharmaceuticals, Inc., Strike @ 180.00 Exp 11/24/14 .....	(3,840)
(2)	Allegheny Technologies, Inc., Strike @ 35.00 Exp 11/24/14 .....	(65)
(1)	Allegion PLC, Strike @ 50.00 Exp 11/24/14 .....	(365)
(5)	Allergan, Inc., Strike @ 190.00 Exp 11/24/14 .....	(3,025)
(1)	Alliance Data Systems Corp., Strike @ 270.00 Exp 11/24/14 .....	(1,495)
(8)	Allstate Corp., Strike @ 62.50 Exp 11/24/14 .....	(2,032)
(4)	Altera Corp., Strike @ 34.00 Exp 11/24/14 .....	(360)
(36)	Altria Group, Inc., Strike @ 47.00 Exp 11/24/14 .....	(5,633)
(70)	Amazon.com, Inc. MINI, Strike @ 335.00 Exp 11/24/14 .....	(298)
(3)	Ameren Corp., Strike @ 40.00 Exp 11/24/14 .....	(743)
(5)	American Electric Power Co., Inc., Strike @ 55.00 Exp 11/24/14 .....	(1,650)
(12)	American Express Co., Strike @ 85.00 Exp 11/24/14 .....	(6,119)
(20)	American International Group, Inc., Strike @ 52.50 Exp 11/24/14 .....	(3,420)
(7)	American Tower Corp. (REIT), Strike @ 97.50 Exp 11/24/14 .....	(1,033)
(3)	Ameriprise Financial, Inc., Strike @ 115.00 Exp 11/24/14 .....	(3,240)
(3)	AmerisourceBergen Corp., Strike @ 77.50 Exp 11/24/14 .....	(2,370)
(4)	AMETEK, Inc., Strike @ 50.00 Exp 11/24/14 .....	(980)
(14)	Amgen, Inc., Strike @ 140.00 Exp 11/24/14 .....	(31,429)
(5)	Amphenol Corp., Class A, Strike @ 50.00 Exp 11/24/14 .....	(575)
(9)	Anadarko Petroleum Corp., Strike @ 100.00 Exp 11/24/14 .....	(653)
(5)	Analog Devices, Inc., Strike @ 48.00 Exp 11/24/14 .....	(1,063)
(5)	AON PLC, Strike @ 85.00 Exp 11/24/14 .....	(1,075)
(7)	Apache Corp., Strike @ 80.00 Exp 11/24/14 .....	(886)
(2)	Apartment Investment & Management Co. (REIT), Class A, Strike @ 35.00 Exp 11/24/14 .....	(185)
(66)	Apple, Inc., Strike @ 100.00 Exp 11/24/14 .....	(52,799)
(22)	Applied Materials, Inc., Strike @ 22.00 Exp 11/24/14 .....	(2,112)
(8)	Archer-Daniels-Midland Co., Strike @ 46.00 Exp 11/24/14 .....	(1,300)
(1)	Assurant, Inc., Strike @ 65.00 Exp 11/24/14 .....	(335)
(96)	AT&T, Inc., Strike @ 35.00 Exp 11/24/14 .....	(2,976)
(4)	Autodesk, Inc., Strike @ 55.00 Exp 11/24/14 .....	(1,590)
(8)	Automatic Data Processing, Inc., Strike @ 75.00 Exp 11/24/14 .....	(5,279)
(1)	AutoNation, Inc., Strike @ 52.50 Exp 11/24/14 .....	(480)

See Notes to Financial Statements.

# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF WRITTEN CALL OPTIONS (Continued)

October 31, 2014  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options, Continued</b>		
(4)	Avago Technologies, Ltd., Strike @ 85.00 Exp 11/24/14 .....	(1,360)
(2)	AvalonBay Communities, Inc., Strike @ 155.00 Exp 11/24/14 .....	(530)
(1)	Avery Dennison Corp., Strike @ 45.00 Exp 11/24/14 .....	(203)
(6)	Baker Hughes, Inc., Strike @ 57.50 Exp 11/24/14 .....	(144)
(2)	Ball Corp., Strike @ 65.00 Exp 11/24/14 .....	(150)
(157)	Bank of America Corp., Strike @ 17.00 Exp 11/24/14 .....	(5,887)
(21)	Bank of New York Mellon Corp., Strike @ 38.00 Exp 11/24/14 .....	(2,363)
(10)	Baxter International, Inc., Strike @ 70.00 Exp 11/24/14 .....	(1,025)
(13)	BB&T Corp., Strike @ 37.00 Exp 11/24/14 .....	(1,307)
(3)	Becton Dickinson & Co., Strike @ 125.00 Exp 11/24/14 .....	(1,380)
(3)	Bed Bath & Beyond, Inc., Strike @ 65.00 Exp 11/24/14 .....	(828)
(1)	Bemis Co., Inc., Strike @ 40.00 Exp 11/24/14 .....	(15)
(26)	Berkshire Hathaway, Inc., Class B, Strike @ 140.00 Exp 11/24/14 .....	(5,303)
(5)	Best Buy Co., Inc., Strike @ 35.00 Exp 11/24/14 .....	(603)
(4)	Biogen Idec, Inc., Strike @ 330.00 Exp 11/24/14 .....	(1,920)
(2)	BlackRock, Inc., Class A, Strike @ 330.00 Exp 11/24/14 .....	(2,660)
(4)	BorgWarner, Inc., Strike @ 60.00 Exp 11/24/14 .....	(130)
(2)	Boston Properties, Inc., Strike @ 125.00 Exp 11/24/14 .....	(535)
(19)	Boston Scientific Corp., Strike @ 12.00 Exp 11/24/14 .....	(2,537)
(23)	Bristol-Myers Squibb Co., Strike @ 52.50 Exp 11/24/14 .....	(12,822)
(7)	Broadcom Corp., Class A, Strike @ 38.00 Exp 11/24/14 .....	(2,678)
(2)	Brown-Forman Corp., Class B, Strike @ 85.00 Exp 11/24/14 .....	(1,420)
(2)	C.H. Robinson Worldwide, Inc., Strike @ 72.50 Exp 11/24/14 .....	(50)
(1)	C.R. Bard, Inc., Strike @ 155.00 Exp 11/24/14 .....	(960)
(4)	CA, Inc., Strike @ 27.00 Exp 11/24/14 .....	(840)
(3)	Cablevision Systems Corp., Class A, Strike @ 18.00 Exp 11/24/14 .....	(278)
(6)	Cabot Oil & Gas Corp., Strike @ 32.50 Exp 11/24/14 .....	(300)
(3)	Cameron International Corp., Strike @ 62.50 Exp 11/24/14 .....	(165)
(3)	Campbell Soup Co., Strike @ 44.00 Exp 11/24/14 .....	(225)
(10)	Capital One Financial Corp., Strike @ 80.00 Exp 11/24/14 .....	(3,010)
(6)	Cardinal Health, Inc., Strike @ 77.50 Exp 11/24/14 .....	(1,140)
(3)	CarMax, Inc., Strike @ 49.00 Exp 11/24/14 .....	(2,100)
(6)	Carnival Corp., Strike @ 37.00 Exp 11/24/14 .....	(2,010)
(11)	Caterpillar, Inc., Strike @ 100.00 Exp 11/24/14 .....	(2,921)
(5)	CBRE Group, Inc., Class A, Strike @ 31.00 Exp 11/24/14 .....	(613)
(6)	CBS Corp., Class B, Strike @ 55.00 Exp 11/24/14 .....	(780)
(12)	Celgene Corp., Strike @ 95.00 Exp 11/24/14 .....	(14,849)
(8)	CenterPoint Energy, Inc., Strike @ 24.00 Exp 11/24/14 .....	(580)
(10)	CenturyLink, Inc., Strike @ 41.00 Exp 11/24/14 .....	(1,200)
(5)	Cerner Corp., Strike @ 60.00 Exp 11/24/14 .....	(1,825)
(9)	Chesapeake Energy Corp., Strike @ 23.00 Exp 11/24/14 .....	(473)
(25)	Chevron Corp., Strike @ 115.00 Exp 11/24/14 .....	(13,374)
(4)	CIGNA Corp., Strike @ 95.00 Exp 11/24/14 .....	(2,030)
(1)	Cimarex Energy Co., Strike @ 120.00 Exp 11/24/14 .....	(203)
(1)	Cintas Corp., Strike @ 70.00 Exp 11/24/14 .....	(315)
(68)	Cisco Systems, Inc., Strike @ 24.00 Exp 11/24/14 .....	(6,051)
(56)	Citigroup, Inc., Strike @ 52.50 Exp 11/24/14 .....	(8,511)

See Notes to Financial Statements.

# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF WRITTEN CALL OPTIONS (Continued)

October 31, 2014  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options, Continued</b>		
(3)	Citrix Systems, Inc., Strike @ 67.50 Exp 11/24/14 .....	(105)
(2)	Clorox Co., Strike @ 100.00 Exp 11/24/14 .....	(290)
(5)	CME Group, Inc., Strike @ 82.50 Exp 11/24/14 .....	(1,113)
(5)	Coach, Inc., Strike @ 38.00 Exp 11/24/14 .....	(25)
(73)	Coca-Cola Co., Strike @ 44.00 Exp 11/24/14 .....	(621)
(3)	Coca-Cola Enterprises, Inc., Strike @ 43.00 Exp 11/24/14 .....	(338)
(11)	Cognizant Technology Solutions Corp., Strike @ 47.50 Exp 11/24/14 .....	(2,668)
(12)	Colgate-Palmolive Co., Strike @ 65.00 Exp 11/24/14 .....	(2,598)
(35)	Comcast Corp., Class A, Strike @ 52.50 Exp 11/24/14 .....	(10,359)
(3)	Comerica, Inc., Strike @ 46.00 Exp 11/24/14 .....	(606)
(2)	Computer Sciences Corp., Strike @ 60.00 Exp 11/24/14 .....	(510)
(7)	ConAgra Foods, Inc., Strike @ 34.00 Exp 11/24/14 .....	(490)
(22)	ConocoPhillips, Strike @ 72.50 Exp 11/24/14 .....	(2,772)
(4)	CONSOL Energy, Inc., Strike @ 37.00 Exp 11/24/14 .....	(340)
(5)	Consolidated Edison, Inc., Strike @ 62.50 Exp 11/24/14 .....	(600)
(2)	Constellation Brands, Inc., Strike @ 85.00 Exp 11/24/14 .....	(1,260)
(24)	Corning, Inc., Strike @ 19.00 Exp 11/24/14 .....	(3,528)
(4)	Costco Wholesale Corp., Strike @ 125.00 Exp 11/24/14 .....	(3,300)
(8)	Covidien PLC, ADR, Strike @ 95.00 Exp 11/24/14 .....	(1,300)
(6)	Crown Castle International Corp. (REIT), Strike @ 85.00 Exp 11/24/14 .....	(135)
(18)	CSX Corp., Strike @ 36.00 Exp 11/24/14 .....	(1,017)
(3)	Cummins, Inc., Strike @ 140.00 Exp 11/24/14 .....	(2,085)
(21)	CVS Caremark Corp., Strike @ 82.50 Exp 11/24/14 .....	(7,927)
(5)	D.R. Horton, Inc., Strike @ 22.00 Exp 11/24/14 .....	(655)
(9)	Danaher Corp., Strike @ 77.50 Exp 11/24/14 .....	(3,060)
(2)	Darden Restaurants, Inc., Strike @ 50.00 Exp 11/24/14 .....	(415)
(3)	DaVita Healthcare Partners, Inc., Strike @ 75.00 Exp 11/24/14 .....	(1,110)
(6)	Deere & Co., Strike @ 87.50 Exp 11/24/14 .....	(327)
(5)	Delphi Automotive PLC, Strike @ 67.50 Exp 11/24/14 .....	(1,113)
(15)	Delta Air Lines, Inc., Strike @ 39.00 Exp 11/24/14 .....	(3,038)
(6)	Denbury Resources, Inc., Strike @ 14.00 Exp 11/24/14 .....	(30)
(6)	Devon Energy Corp., Strike @ 62.50 Exp 11/24/14 .....	(537)
(1)	Diamond Offshore Drilling, Inc., Strike @ 42.50 Exp 11/24/14 .....	(19)
(7)	DIRECTV, Strike @ 85.00 Exp 11/24/14 .....	(1,120)
(7)	Discover Financial Services, Inc., Class A, Strike @ 65.00 Exp 11/24/14 .....	(385)
(3)	Discovery Communications, Inc., Strike @ 35.00 Exp 11/24/14 .....	(300)
(2)	Discovery Communications, Inc., Class A, Strike @ 35.00 Exp 11/24/14 .....	(260)
(4)	Dollar General Corp., Strike @ 62.50 Exp 11/24/14 .....	(810)
(3)	Dollar Tree, Inc., Strike @ 57.50 Exp 11/24/14 .....	(1,050)
(8)	Dominion Resources, Inc., Strike @ 70.00 Exp 11/24/14 .....	(1,480)
(2)	Dover Corp., Strike @ 75.00 Exp 11/24/14 .....	(950)
(3)	Dr. Pepper Snapple Group, Inc., Strike @ 65.00 Exp 11/24/14 .....	(1,350)
(3)	DTE Energy Co., Strike @ 80.00 Exp 11/24/14 .....	(713)
(13)	Duke Energy Corp., Strike @ 80.00 Exp 11/24/14 .....	(3,218)
(5)	E*Trade Financial Corp., Strike @ 22.00 Exp 11/24/14 .....	(418)
(17)	E.I. Du Pont de Nemours & Co., Strike @ 70.00 Exp 11/24/14 .....	(918)
(2)	Eastman Chemical Co., Strike @ 80.00 Exp 11/24/14 .....	(460)
(8)	Eaton Corp. PLC, Strike @ 65.00 Exp 11/24/14 .....	(2,840)

See Notes to Financial Statements.

# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF WRITTEN CALL OPTIONS (Continued)

October 31, 2014  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options, Continued</b>		
(17)	eBay, Inc., Strike @ 50.00 Exp 11/24/14 .....	(4,828)
(3)	Ecolab, Inc., Strike @ 110.00 Exp 11/24/14 .....	(743)
(4)	Edison International, Strike @ 60.00 Exp 11/24/14 .....	(1,150)
(1)	Edwards Lifesciences Corp., Strike @ 105.00 Exp 11/24/14 .....	(1,585)
(4)	Electronic Arts, Inc., Strike @ 36.00 Exp 11/24/14 .....	(2,050)
(18)	Eli Lilly & Co., Strike @ 65.00 Exp 11/24/14 .....	(3,060)
(37)	EMC Corp., Strike @ 29.00 Exp 11/24/14 .....	(1,536)
(8)	Emerson Electric Co., Strike @ 62.50 Exp 11/24/14 .....	(1,620)
(4)	Enesco PLC, Class A, ADR, Strike @ 43.00 Exp 11/24/14 .....	(160)
(3)	Entergy Corp., Strike @ 82.50 Exp 11/24/14 .....	(623)
(8)	EOG Resources, Inc., Strike @ 100.00 Exp 11/24/14 .....	(1,168)
(2)	EQT Corp., Strike @ 90.00 Exp 11/24/14 .....	(910)
(2)	Equifax, Inc., Strike @ 75.00 Exp 11/24/14 .....	(310)
(5)	Equity Residential (REIT), Strike @ 67.50 Exp 11/24/14 .....	(1,113)
(1)	Essex Property Trust, Inc. (REIT), Strike @ 195.00 Exp 11/24/14 .....	(645)
(3)	Estee Lauder Cos., Class A, Strike @ 75.00 Exp 11/24/14 .....	(593)
(16)	Exelon Corp., Strike @ 36.00 Exp 11/24/14 .....	(1,520)
(1)	Expedia, Inc., Strike @ 85.00 Exp 11/24/14 .....	(230)
(3)	Expeditors International of Washington, Inc., Strike @ 42.00 Exp 11/24/14 .....	(458)
(13)	Express Scripts Holding, Inc., Strike @ 75.00 Exp 11/24/14 .....	(3,140)
(78)	Exxon Mobil Corp., Strike @ 95.00 Exp 11/24/14 .....	(16,730)
(1)	F5 Networks, Inc., Strike @ 120.00 Exp 11/24/14 .....	(495)
(29)	Facebook, Inc., Strike @ 80.00 Exp 11/24/14 .....	(1,334)
(1)	Family Dollar Stores, Inc., Strike @ 77.50 Exp 11/24/14 .....	(110)
(5)	Fastenal Co., Strike @ 43.00 Exp 11/24/14 .....	(763)
(4)	FedEx Corp., Strike @ 160.00 Exp 11/24/14 .....	(3,300)
(5)	Fidelity National Information Services, Inc., Strike @ 55.00 Exp 11/24/14 .....	(1,713)
(9)	Fifth Third Bancorp, Strike @ 19.00 Exp 11/24/14 .....	(950)
(1)	First Solar, Inc., Strike @ 62.50 Exp 11/24/14 .....	(208)
(7)	FirstEnergy Corp., Strike @ 36.00 Exp 11/24/14 .....	(998)
(4)	Fiserv, Inc., Strike @ 65.00 Exp 11/24/14 .....	(1,740)
(2)	FLIR Systems, Inc., Strike @ 31.00 Exp 11/24/14 .....	(505)
(1)	Flowserve Corp., Strike @ 65.00 Exp 11/24/14 .....	(345)
(2)	Fluor Corp., Strike @ 65.00 Exp 11/24/14 .....	(450)
(2)	FMC Corp., Strike @ 60.00 Exp 11/24/14 .....	(75)
(4)	FMC Technologies, Inc., Strike @ 55.00 Exp 11/24/14 .....	(860)
(72)	Ford Motor Co., Strike @ 15.00 Exp 11/24/14 .....	(396)
(7)	Franklin Resources, Inc., Strike @ 55.00 Exp 11/24/14 .....	(928)
(2)	Gamestop Corp., Strike @ 44.00 Exp 11/24/14 .....	(394)
(3)	Gannett Co., Inc., Strike @ 29.00 Exp 11/24/14 .....	(758)
(5)	Gap, Inc., Strike @ 39.00 Exp 11/24/14 .....	(350)
(2)	Garmin, Ltd., Strike @ 57.50 Exp 11/24/14 .....	(102)
(5)	General Dynamics Corp., Strike @ 125.00 Exp 11/24/14 .....	(7,199)
(185)	General Electric Co., Strike @ 26.00 Exp 11/24/14 .....	(4,533)
(11)	General Growth Properties, Inc., Strike @ 25.00 Exp 11/24/14 .....	(1,216)
(7)	General Mills, Inc., Strike @ 50.00 Exp 11/24/14 .....	(1,474)
(17)	General Motors Co., Strike @ 32.00 Exp 11/24/14 .....	(757)
(2)	Genuine Parts Co., Strike @ 90.00 Exp 11/24/14 .....	(1,430)

See Notes to Financial Statements.

**Horizons S&P 500<sup>®</sup> Covered Call ETF**  
**SCHEDULE OF WRITTEN CALL OPTIONS (Continued)**

**October 31, 2014**  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options, Continued</b>		
(6)	Genworth Financial, Inc., Class A, Strike @ 13.00 Exp 11/24/14 .....	(684)
(18)	Gilead Sciences, Inc., Strike @ 105.00 Exp 11/24/14 .....	(15,344)
(7)	Goldman Sachs Group, Inc., Strike @ 185.00 Exp 11/24/14 .....	(4,480)
(4)	Goodyear Tire & Rubber Co., Strike @ 22.00 Exp 11/24/14 .....	(940)
(5)	Google, Inc., Class A, Strike @ 580.00 Exp 11/24/14 .....	(1,900)
(5)	Google, Inc., Class C, Strike @ 570.00 Exp 11/24/14 .....	(2,050)
(4)	H&R Block, Inc., Strike @ 31.00 Exp 11/24/14 .....	(600)
(15)	Halliburton Co., Strike @ 60.00 Exp 11/24/14 .....	(413)
(4)	Harley-Davidson, Inc., Strike @ 62.50 Exp 11/24/14 .....	(1,440)
(1)	Harman International Industries, Inc., Strike @ 100.00 Exp 11/24/14 .....	(780)
(1)	Harris Corp., Strike @ 65.00 Exp 11/24/14 .....	(495)
(8)	Hartford Financial Services Group, Inc., Strike @ 38.00 Exp 11/24/14 .....	(1,432)
(2)	Hasbro, Inc., Strike @ 57.50 Exp 11/24/14 .....	(185)
(6)	Health Care REIT, Inc., Strike @ 70.00 Exp 11/24/14 .....	(645)
(2)	Helmerich & Payne, Inc., Strike @ 95.00 Exp 11/24/14 .....	(90)
(4)	Hess Corp., Strike @ 87.50 Exp 11/24/14 .....	(472)
(34)	Hewlett-Packard Co., Strike @ 36.00 Exp 11/24/14 .....	(2,159)
(13)	Honeywell International, Inc., Strike @ 92.50 Exp 11/24/14 .....	(5,134)
(3)	Hospira, Inc., Strike @ 55.00 Exp 11/24/14 .....	(375)
(10)	Host Hotels & Resorts, Inc., Strike @ 22.00 Exp 11/24/14 .....	(1,300)
(2)	Humana, Inc., Strike @ 135.00 Exp 11/24/14 .....	(1,280)
(6)	Illinois Tool Works, Inc., Strike @ 87.50 Exp 11/24/14 .....	(2,310)
(3)	Ingersoll-Rand PLC, Strike @ 57.50 Exp 11/24/14 .....	(1,560)
(1)	Integry Energy Group, Inc., Strike @ 70.00 Exp 11/24/14 .....	(310)
(91)	Intel Corp., Strike @ 33.00 Exp 11/24/14 .....	(11,920)
(2)	IntercontinentalExchange Group, Inc., Strike @ 210.00 Exp 11/24/14 .....	(800)
(17)	International Business Machines Corp., Strike @ 190.00 Exp 11/24/14 .....	(26)
(1)	International Flavors & Fragrances, Inc., Strike @ 100.00 Exp 11/24/14 .....	(170)
(8)	International Paper Co., Strike @ 49.00 Exp 11/24/14 .....	(1,844)
(5)	Intuit, Inc., Strike @ 85.00 Exp 11/24/14 .....	(2,100)
(8)	Invesco, Ltd., Strike @ 38.00 Exp 11/24/14 .....	(2,000)
(2)	Iron Mountain, Inc., Strike @ 32.50 Exp 11/24/14 .....	(730)
(3)	Jabil Circuit, Inc., Strike @ 20.00 Exp 11/24/14 .....	(330)
(2)	Jacobs Engineering Group, Inc., Strike @ 47.50 Exp 11/24/14 .....	(260)
(33)	Johnson & Johnson, Strike @ 100.00 Exp 11/24/14 .....	(25,739)
(12)	Johnson Controls, Inc., Strike @ 44.00 Exp 11/24/14 .....	(3,900)
(1)	Joy Global, Inc., Strike @ 55.00 Exp 11/24/14 .....	(56)
(42)	JPMorgan Chase & Co., Strike @ 57.50 Exp 11/24/14 .....	(13,544)
(7)	Juniper Networks, Inc., Strike @ 21.00 Exp 11/24/14 .....	(371)
(2)	Kansas City Southern Industries, Inc., Strike @ 125.00 Exp 11/24/14 .....	(380)
(4)	Kellogg Co., Strike @ 62.50 Exp 11/24/14 .....	(720)
(2)	Keurig Green Mountain, Inc., Strike @ 155.00 Exp 11/24/14 .....	(1,385)
(6)	Kimberly-Clark Corp., Strike @ 110.00 Exp 11/24/14 .....	(2,670)
(12)	Kinder Morgan, Inc., Strike @ 40.00 Exp 11/24/14 .....	(432)
(3)	KLA-Tencor Corp., Strike @ 72.50 Exp 11/24/14 .....	(1,980)
(3)	Kohl's Corp., Strike @ 60.00 Exp 11/24/14 .....	(45)
(8)	Kraft Foods Group, Inc., Strike @ 55.00 Exp 11/24/14 .....	(1,340)
(8)	Kroger Co., Strike @ 52.50 Exp 11/24/14 .....	(2,560)

See Notes to Financial Statements.

**Horizons S&P 500<sup>®</sup> Covered Call ETF**  
**SCHEDULE OF WRITTEN CALL OPTIONS (Continued)**

**October 31, 2014**  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options, Continued</b>		
(3)	L Brands, Inc., Strike @ 70.00 Exp 11/24/14 .....	(990)
(1)	L-3 Communications Holdings, Inc., Strike @ 120.00 Exp 11/24/14 .....	(375)
(1)	Laboratory Corp. of America Holdings, Strike @ 100.00 Exp 11/24/14 .....	(935)
(3)	Lam Research Corp., Strike @ 75.00 Exp 11/24/14 .....	(1,155)
(1)	Legg Mason, Inc., Strike @ 50.00 Exp 11/24/14 .....	(260)
(2)	Leggett & Platt, Inc., Strike @ 35.00 Exp 11/24/14 .....	(910)
(3)	Lennar Corp., Strike @ 43.00 Exp 11/24/14 .....	(366)
(3)	Leucadia National Corp., Strike @ 22.50 Exp 11/24/14 .....	(413)
(3)	Lincoln National Corp., Strike @ 50.00 Exp 11/24/14 .....	(1,425)
(4)	Linear Technology Corp., Strike @ 42.00 Exp 11/24/14 .....	(520)
(5)	Lockheed Martin Corp., Strike @ 185.00 Exp 11/24/14 .....	(3,425)
(6)	Lorillard, Inc., Strike @ 60.00 Exp 11/24/14 .....	(1,044)
(18)	Lowe's Cos., Inc., Strike @ 55.00 Exp 11/24/14 .....	(5,057)
(7)	LyondellBasell Industries NV, Class A, Strike @ 100.00 Exp 11/24/14 .....	(175)
(2)	M&T Bank Corp., Strike @ 115.00 Exp 11/24/14 .....	(1,430)
(5)	Macy's, Inc., Strike @ 60.00 Exp 11/24/14 .....	(395)
(2)	Mallinckrodt PLC, Strike @ 90.00 Exp 11/24/14 .....	(860)
(10)	Marathon Oil Corp., Strike @ 36.00 Exp 11/24/14 .....	(585)
(5)	Marathon Petroleum Corp., Strike @ 85.00 Exp 11/24/14 .....	(3,150)
(3)	Marriott International, Inc., Class A, Strike @ 67.50 Exp 11/24/14 .....	(2,430)
(1)	Martin Marietta Materials, Inc., Strike @ 120.00 Exp 11/24/14 .....	(133)
(6)	Masco Corp., Strike @ 23.00 Exp 11/24/14 .....	(90)
(18)	MasterCard, Inc., Class A, Strike @ 75.00 Exp 11/24/14 .....	(15,749)
(6)	Mattel, Inc., Strike @ 31.00 Exp 11/24/14 .....	(375)
(2)	McCormick & Co., Inc., Strike @ 70.00 Exp 11/24/14 .....	(285)
(12)	McDonald's Corp., Strike @ 92.50 Exp 11/24/14 .....	(2,310)
(3)	McGraw-Hill Cos., Inc., Strike @ 80.00 Exp 11/24/14 .....	(3,030)
(4)	McKesson Corp., Strike @ 200.00 Exp 11/24/14 .....	(2,440)
(3)	Mead Johnson Nutrition Co., Strike @ 95.00 Exp 11/24/14 .....	(1,755)
(2)	MeadWestvaco Corp., Strike @ 40.00 Exp 11/24/14 .....	(800)
(18)	Medtronic, Inc., Strike @ 65.00 Exp 11/24/14 .....	(6,209)
(28)	Merck & Co., Inc., Strike @ 55.00 Exp 11/24/14 .....	(9,309)
(13)	MetLife, Inc., Strike @ 50.00 Exp 11/24/14 .....	(5,297)
(3)	Michael Kors Holdings, Ltd., Strike @ 80.00 Exp 11/24/14 .....	(863)
(3)	Microchip Technology, Inc., Strike @ 43.00 Exp 11/24/14 .....	(338)
(20)	Micron Technology, Inc., Strike @ 32.00 Exp 11/24/14 .....	(3,550)
(119)	Microsoft Corp., Strike @ 45.00 Exp 11/24/14 .....	(24,632)
(1)	Mohawk Industries, Inc., Strike @ 135.00 Exp 11/24/14 .....	(795)
(2)	Molson Coors Brewing Co., Strike @ 72.50 Exp 11/24/14 .....	(730)
(16)	Mondelez International, Inc., Strike @ 33.00 Exp 11/24/14 .....	(3,848)
(9)	Monsanto Co., Strike @ 115.00 Exp 11/24/14 .....	(1,539)
(2)	Monster Beverage Corp., Strike @ 100.00 Exp 11/24/14 .....	(800)
(3)	Moody's Corp., Strike @ 97.50 Exp 11/24/14 .....	(830)
(28)	Morgan Stanley, Strike @ 36.00 Exp 11/24/14 .....	(756)
(3)	Motorola Solutions, Inc., Strike @ 62.50 Exp 11/24/14 .....	(998)
(3)	Murphy Oil Corp., Strike @ 55.00 Exp 11/24/14 .....	(165)
(5)	Mylan Laboratories, Inc., Strike @ 52.50 Exp 11/24/14 .....	(1,020)
(4)	Nabors Industries, Ltd., Strike @ 20.00 Exp 11/24/14 .....	(62)

See Notes to Financial Statements.

**Horizons S&P 500<sup>®</sup> Covered Call ETF**  
**SCHEDULE OF WRITTEN CALL OPTIONS (Continued)**

**October 31, 2014**  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options, Continued</b>		
(8)	National-Oilwell Varco, Inc., Strike @ 77.50 Exp 11/24/14 .....	(272)
(5)	NetApp, Inc., Strike @ 41.00 Exp 11/24/14 .....	(1,250)
(1)	Netflix.com, Inc., Strike @ 390.00 Exp 11/24/14 .....	(1,170)
(4)	Newell Rubbermaid, Inc., Strike @ 34.00 Exp 11/24/14 .....	(150)
(2)	Newfield Exploration Co., Strike @ 31.00 Exp 11/24/14 .....	(455)
(8)	Newmont Mining Corp., Strike @ 24.00 Exp 11/24/14 .....	(16)
(7)	News Corp., Class A, Strike @ 15.00 Exp 11/24/14 .....	(490)
(8)	NextEra Energy, Inc., Strike @ 97.50 Exp 11/24/14 .....	(2,680)
(5)	Nielsen Holdings NV, Strike @ 45.00 Exp 11/24/14 .....	(88)
(12)	Nike, Inc., Class B, Strike @ 90.00 Exp 11/24/14 .....	(4,110)
(5)	NiSource, Inc., Strike @ 42.00 Exp 11/24/14 .....	(413)
(3)	Noble Corp. PLC, Strike @ 21.00 Exp 11/24/14 .....	(218)
(6)	Noble Energy, Inc., Strike @ 62.50 Exp 11/24/14 .....	(135)
(2)	Nordstrom, Inc., Strike @ 72.50 Exp 11/24/14 .....	(392)
(4)	Norfolk Southern Corp., Strike @ 110.00 Exp 11/24/14 .....	(890)
(3)	Northern Trust Corp., Strike @ 65.00 Exp 11/24/14 .....	(548)
(3)	Northrop Grumman Corp., Strike @ 130.00 Exp 11/24/14 .....	(2,460)
(6)	NRG Energy, Inc., Strike @ 30.00 Exp 11/24/14 .....	(600)
(5)	Nucor Corp., Strike @ 52.50 Exp 11/24/14 .....	(1,045)
(9)	NVIDIA Corp., Strike @ 19.00 Exp 11/24/14 .....	(1,026)
(10)	Occidental Petroleum Corp., Strike @ 92.50 Exp 11/24/14 .....	(570)
(4)	Omnicom Group, Inc., Strike @ 70.00 Exp 11/24/14 .....	(1,000)
(3)	ONEOK, Inc., Strike @ 60.00 Exp 11/24/14 .....	(375)
(48)	Oracle Corp., Strike @ 39.00 Exp 11/24/14 .....	(3,048)
(1)	O'Reilly Automotive, Inc., Strike @ 160.00 Exp 11/24/14 .....	(1,575)
(2)	Owens-Illinois, Inc., Strike @ 26.00 Exp 11/24/14 .....	(110)
(6)	PACCAR, Inc., Strike @ 62.50 Exp 11/24/14 .....	(1,890)
(2)	Pall Corp., Strike @ 85.00 Exp 11/24/14 .....	(1,280)
(2)	Parker Hannifin Corp., Strike @ 110.00 Exp 11/24/14 .....	(3,370)
(1)	Patterson Cos., Inc., Strike @ 42.00 Exp 11/24/14 .....	(178)
(6)	Paychex, Inc., Strike @ 45.00 Exp 11/24/14 .....	(1,215)
(2)	Pentair PLC, Strike @ 65.00 Exp 11/24/14 .....	(535)
(18)	PepsiCo, Inc., Strike @ 92.50 Exp 11/24/14 .....	(7,019)
(2)	Perrigo Co. PLC, Strike @ 155.00 Exp 11/24/14 .....	(1,800)
(1)	PetSmart, Inc., Strike @ 70.00 Exp 11/24/14 .....	(375)
(117)	Pfizer, Inc., Strike @ 29.00 Exp 11/24/14 .....	(10,705)
(8)	PG&E Corp., Strike @ 47.00 Exp 11/24/14 .....	(2,760)
(29)	Philip Morris International, Strike @ 87.50 Exp 11/24/14 .....	(5,814)
(7)	Phillips 66, Strike @ 75.00 Exp 11/24/14 .....	(2,870)
(2)	Pioneer Natural Resources Co., Strike @ 200.00 Exp 11/24/14 .....	(630)
(3)	Pitney Bowes, Inc., Strike @ 25.00 Exp 11/24/14 .....	(113)
(3)	Plum Creek Timber Co., Inc., Strike @ 42.00 Exp 11/24/14 .....	(21)
(8)	PNC Financial Services Group, Strike @ 82.50 Exp 11/24/14 .....	(3,260)
(1)	Polo Ralph Lauren Corp., Strike @ 170.00 Exp 11/24/14 .....	(110)
(2)	PPG Industries, Inc., Strike @ 190.00 Exp 11/24/14 .....	(2,760)
(10)	PPL Corp., Strike @ 34.00 Exp 11/24/14 .....	(1,175)
(3)	Praxair, Inc., Strike @ 125.00 Exp 11/24/14 .....	(743)
(2)	Precision Castparts Corp., Strike @ 230.00 Exp 11/24/14 .....	(265)

See Notes to Financial Statements.

# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF WRITTEN CALL OPTIONS (Continued)

October 31, 2014  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options, Continued</b>		
(3)	Principal Financial Group, Inc., Strike @ 50.00 Exp 11/24/14 .....	(765)
(50)	Procter & Gamble Co., Strike @ 85.00 Exp 11/24/14 .....	(12,749)
(7)	Progressive Corp., Strike @ 25.00 Exp 11/24/14 .....	(980)
(8)	Prologis, Inc., Strike @ 40.00 Exp 11/24/14 .....	(1,400)
(8)	Prudential Financial, Inc., Strike @ 85.00 Exp 11/24/14 .....	(3,560)
(9)	Public Service Enterprise Group, Inc., Strike @ 40.00 Exp 11/24/14 .....	(1,418)
(2)	Public Storage, Strike @ 175.00 Exp 11/24/14 .....	(1,760)
(6)	Pulte Group, Inc., Strike @ 19.00 Exp 11/24/14 .....	(387)
(1)	PVH Corp., Strike @ 120.00 Exp 11/24/14 .....	(68)
(3)	QEP Resources, Inc., Strike @ 26.00 Exp 11/24/14 .....	(180)
(22)	Qualcomm, Inc., Strike @ 75.00 Exp 11/24/14 .....	(8,909)
(3)	Quanta Services, Inc., Strike @ 33.00 Exp 11/24/14 .....	(495)
(2)	Quest Diagnostics, Inc., Strike @ 60.00 Exp 11/24/14 .....	(800)
(3)	Range Resources Corp., Strike @ 75.00 Exp 11/24/14 .....	(83)
(4)	Raytheon Co., Strike @ 100.00 Exp 11/24/14 .....	(1,770)
(2)	Red Hat, Inc., Strike @ 57.50 Exp 11/24/14 .....	(460)
(1)	Regeneron Pharmaceuticals, Inc., Strike @ 395.00 Exp 11/24/14 .....	(1,385)
(4)	Republic Services, Inc., Class A, Strike @ 39.00 Exp 11/24/14 .....	(90)
(5)	Reynolds American, Inc., Strike @ 60.00 Exp 11/24/14 .....	(1,550)
(2)	Robert Half International, Inc., Strike @ 50.00 Exp 11/24/14 .....	(910)
(2)	Rockwell Automation, Inc., Strike @ 110.00 Exp 11/24/14 .....	(830)
(1)	Rockwell Collins, Inc., Strike @ 75.00 Exp 11/24/14 .....	(910)
(1)	Roper Industries, Inc., Strike @ 150.00 Exp 11/24/14 .....	(900)
(3)	Ross Stores, Inc., Strike @ 80.00 Exp 11/24/14 .....	(735)
(1)	Ryder System, Inc., Strike @ 87.50 Exp 11/24/14 .....	(228)
(10)	Salesforce.com, Inc., Strike @ 60.00 Exp 11/24/14 .....	(4,900)
(4)	SanDisk Corp., Strike @ 92.50 Exp 11/24/14 .....	(1,350)
(24)	Schlumberger, Ltd., Strike @ 105.00 Exp 11/24/14 .....	(864)
(1)	Scripps Networks Interactive, Inc., Strike @ 75.00 Exp 11/24/14 .....	(340)
(4)	Seagate Technology PLC, Strike @ 55.00 Exp 11/24/14 .....	(3,139)
(4)	Sealed Air Corp., Strike @ 35.00 Exp 11/24/14 .....	(670)
(3)	Sempra Energy, Strike @ 105.00 Exp 11/24/14 .....	(1,680)
(1)	Sherwin-Williams Co., Strike @ 220.00 Exp 11/24/14 .....	(1,015)
(1)	Sigma-Aldrich Corp., Strike @ 135.00 Exp 11/24/14 .....	(178)
(4)	Simon Property Group, Inc., Strike @ 170.00 Exp 11/24/14 .....	(3,610)
(1)	Snap-on, Inc., Strike @ 125.00 Exp 11/24/14 .....	(695)
(16)	Southern Co., Strike @ 48.00 Exp 11/24/14 .....	(184)
(12)	Southwest Airlines Co., Strike @ 35.00 Exp 11/24/14 .....	(990)
(6)	Southwestern Energy Co., Strike @ 36.00 Exp 11/24/14 .....	(81)
(9)	Spectra Energy Corp., Strike @ 39.00 Exp 11/24/14 .....	(653)
(4)	St. Jude Medical, Inc., Strike @ 60.00 Exp 11/24/14 .....	(1,740)
(3)	Stanley Black & Decker, Inc., Strike @ 90.00 Exp 11/24/14 .....	(1,260)
(12)	Staples, Inc., Strike @ 13.00 Exp 11/24/14 .....	(450)
(9)	Starbucks Corp., Strike @ 75.00 Exp 11/24/14 .....	(1,265)
(3)	Starwood Hotels & Resorts Worldwide, Inc., Strike @ 80.00 Exp 11/24/14 .....	(164)
(6)	State Street Corp., Strike @ 70.00 Exp 11/24/14 .....	(3,255)
(1)	Stericycle, Inc., Strike @ 120.00 Exp 11/24/14 .....	(585)
(5)	Stryker Corp., Strike @ 82.50 Exp 11/24/14 .....	(2,725)

See Notes to Financial Statements.



# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF WRITTEN CALL OPTIONS (Continued)

October 31, 2014  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options, Continued</b>		
(8)	SunTrust Banks, Inc., Strike @ 37.00 Exp 11/24/14 .....	(1,728)
(12)	Symantec Corp., Strike @ 24.00 Exp 11/24/14 .....	(1,530)
(11)	Sysco Corp., Strike @ 39.00 Exp 11/24/14 .....	(1,210)
(5)	T. Rowe Price Group, Inc., Strike @ 80.00 Exp 11/24/14 .....	(1,363)
(11)	Target Corp., Strike @ 62.50 Exp 11/24/14 .....	(990)
(5)	TE Connectivity, Ltd., Strike @ 55.00 Exp 11/24/14 .....	(3,025)
(1)	Tenet Healthcare Corp., Strike @ 60.00 Exp 11/24/14 .....	(108)
(2)	Teradata Corp., Strike @ 45.00 Exp 11/24/14 .....	(145)
(2)	Tesoro Corp., Strike @ 65.00 Exp 11/24/14 .....	(1,450)
(19)	Texas Instruments, Inc., Strike @ 46.00 Exp 11/24/14 .....	(6,982)
(5)	Textron, Inc., Strike @ 40.00 Exp 11/24/14 .....	(960)
(3)	The ADT Corp., Strike @ 35.00 Exp 11/24/14 .....	(533)
(8)	The Boeing Co., Strike @ 125.00 Exp 11/24/14 .....	(1,344)
(16)	The Charles Schwab Corp., Strike @ 27.00 Exp 11/24/14 .....	(2,920)
(4)	The Chubb Corp., Strike @ 95.00 Exp 11/24/14 .....	(1,760)
(16)	The Dow Chemical Co., Strike @ 49.00 Exp 11/24/14 .....	(2,696)
(2)	The Hershey Co., Strike @ 95.00 Exp 11/24/14 .....	(385)
(25)	The Home Depot, Inc., Strike @ 95.00 Exp 11/24/14 .....	(9,187)
(5)	The Interpublic Group of Cos., Inc., Strike @ 18.00 Exp 11/24/14 .....	(700)
(1)	The J.M. Smucker Co., Strike @ 100.00 Exp 11/24/14 .....	(455)
(4)	The Mosaic Co., Strike @ 42.50 Exp 11/24/14 .....	(820)
(2)	The NASDAQ OMX Group, Inc., Strike @ 42.00 Exp 11/24/14 .....	(330)
(29)	The Walt Disney Co., Strike @ 87.50 Exp 11/24/14 .....	(12,904)
(5)	Thermo Fisher Scientific, Inc., Strike @ 115.00 Exp 11/24/14 .....	(1,900)
(2)	Tiffany & Co., Strike @ 97.50 Exp 11/24/14 .....	(247)
(5)	Time Warner Cable, Inc., Class A, Strike @ 145.00 Exp 11/24/14 .....	(2,125)
(13)	Time Warner, Inc., Strike @ 80.00 Exp 11/24/14 .....	(2,379)
(10)	TJX Cos., Inc., Strike @ 62.50 Exp 11/24/14 .....	(2,000)
(2)	Total System Services, Inc., Strike @ 30.00 Exp 11/24/14 .....	(710)
(2)	Tractor Supply Co., Strike @ 60.00 Exp 11/24/14 .....	(2,620)
(6)	Transocean, Ltd., Strike @ 34.00 Exp 11/24/14 .....	(87)
(5)	Travelers Cos., Inc., Strike @ 95.00 Exp 11/24/14 .....	(3,025)
(2)	TripAdvisor, Inc., Strike @ 90.00 Exp 11/24/14 .....	(670)
(35)	Twenty-First Century Fox, Inc., Strike @ 35.00 Exp 11/24/14 .....	(2,100)
(8)	Tyco International, Ltd., Strike @ 42.00 Exp 11/24/14 .....	(1,188)
(5)	Tyson Foods, Inc., Class A, Strike @ 41.00 Exp 11/24/14 .....	(513)
(33)	U.S. Bancorp, Strike @ 41.00 Exp 11/24/14 .....	(5,692)
(3)	Under Armour, Inc., Strike @ 72.50 Exp 11/24/14 .....	(38)
(12)	Union Pacific Corp., Strike @ 110.00 Exp 11/24/14 .....	(8,339)
(10)	United Parcel Service, Inc., Class B, Strike @ 100.00 Exp 11/24/14 .....	(5,000)
(1)	United Rentals, Inc., Strike @ 110.00 Exp 11/24/14 .....	(340)
(15)	United Technologies Corp., Strike @ 105.00 Exp 11/24/14 .....	(4,163)
(15)	UnitedHealth Group, Inc., Strike @ 90.00 Exp 11/24/14 .....	(8,024)
(1)	Universal Health Services, Inc., Class B, Strike @ 110.00 Exp 11/24/14 .....	(75)
(4)	Unum Group, Strike @ 34.00 Exp 11/24/14 .....	(140)
(1)	Urban Outfitters, Inc., Strike @ 31.00 Exp 11/24/14 .....	(85)
(9)	Valero Energy Corp., Strike @ 50.00 Exp 11/24/14 .....	(1,269)
(1)	Varian Medical Systems, Inc., Strike @ 80.00 Exp 11/24/14 .....	(430)

See Notes to Financial Statements.

# Horizons S&P 500<sup>®</sup> Covered Call ETF

## SCHEDULE OF WRITTEN CALL OPTIONS (Concluded)

October 31, 2014  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options, Concluded</b>		
(5)	Ventas, Inc., Strike @ 70.00 Exp 11/24/14 .....	(163)
(1)	VeriSign, Inc., Strike @ 55.00 Exp 11/24/14 .....	(490)
(59)	Verizon Communications, Inc., Strike @ 49.00 Exp 11/24/14 .....	(8,672)
(4)	Vertex Pharmaceuticals, Inc., Strike @ 110.00 Exp 11/24/14 .....	(2,040)
(6)	VF Corp., Strike @ 67.50 Exp 11/24/14 .....	(735)
(6)	Viacom, Inc., Class B, Strike @ 72.50 Exp 11/24/14 .....	(1,155)
(9)	Visa, Inc., Class A, Strike @ 215.00 Exp 11/24/14 .....	(23,422)
(2)	Vornado Realty Trust, Strike @ 105.00 Exp 11/24/14 .....	(870)
(2)	Vulcan Materials Co., Strike @ 62.50 Exp 11/24/14 .....	(345)
(1)	W.W. Grainger, Inc., Strike @ 240.00 Exp 11/24/14 .....	(775)
(13)	Walgreen Co., Strike @ 62.50 Exp 11/24/14 .....	(2,880)
(19)	Wal-Mart Stores, Inc., Strike @ 75.00 Exp 11/24/14 .....	(3,601)
(8)	Waste Management, Inc., Strike @ 48.00 Exp 11/24/14 .....	(920)
(1)	Waters Corp., Strike @ 100.00 Exp 11/24/14 .....	(1,075)
(4)	WellPoint, Inc., Strike @ 120.00 Exp 11/24/14 .....	(2,970)
(70)	Wells Fargo & Co., Strike @ 50.00 Exp 11/24/14 .....	(21,594)
(4)	Western Digital Corp., Strike @ 92.50 Exp 11/24/14 .....	(2,500)
(10)	Western Union Co., Strike @ 17.00 Exp 11/24/14 .....	(350)
(9)	Weyerhaeuser Co., Strike @ 34.00 Exp 11/24/14 .....	(383)
(1)	Whirlpool Corp., Strike @ 155.00 Exp 11/24/14 .....	(1,708)
(6)	Whole Foods Market, Inc., Strike @ 40.00 Exp 11/24/14 .....	(681)
(12)	Williams Cos., Inc., Strike @ 57.50 Exp 11/24/14 .....	(954)
(2)	Wyndham Worldwide Corp., Strike @ 80.00 Exp 11/24/14 .....	(115)
(1)	Wynn Resorts, Ltd., Strike @ 200.00 Exp 11/24/14 .....	(83)
(13)	Xerox Corp., Strike @ 13.00 Exp 11/24/14 .....	(598)
(5)	Xilinx, Inc., Strike @ 44.00 Exp 11/24/14 .....	(560)
(5)	XL Group PLC, Strike @ 34.00 Exp 11/24/14 .....	(210)
(2)	Xylem, Inc., Strike @ 35.00 Exp 11/24/14 .....	(335)
(17)	Yahoo!, Inc., Strike @ 42.00 Exp 11/24/14 .....	(7,309)
(6)	Yum! Brands, Inc., Strike @ 70.00 Exp 11/24/14 .....	(1,437)
(2)	Zimmer Holdings, Inc., Strike @ 100.00 Exp 11/24/14 .....	(2,200)
(3)	Zions Bancorp, Strike @ 28.00 Exp 11/24/14 .....	(351)
(9)	Zoetis, Inc., Strike @ 37.00 Exp 11/24/14 .....	(990)
<b>Total Written Call Options (Premiums Received \$344,093) .....</b>		<b><u>\$ (1,030,698)</u></b>

MINI Mini Options are physically-settled option contracts overlying 10 shares of a security.

See Notes to Financial Statements.

# Horizons S&P Financial Select Sector Covered Call ETF

## SCHEDULE OF PORTFOLIO INVESTMENTS

October 31, 2014  
(Unaudited)

Security Description	Shares	Value (\$)	Security Description	Shares	Value (\$)
<b>COMMON STOCKS 102.3%</b>			<b>COMMON STOCKS, Continued</b>		
<b>Banks 17.5%</b>			<b>Insurance 26.3%</b>		
BB&T Corp.	1,041	39,433	ACE, Ltd.	489	53,448
Comerica, Inc.	259	12,365	AFLAC, Inc.	654	39,063
Fifth Third Bancorp	1,227	24,528	Allstate Corp.	627	40,661
Huntington Bancshares, Inc.	1,202	11,912	American International Group, Inc.	2,069	110,837
KeyCorp	1,306	17,239	AON PLC	420	36,120
M&T Bank Corp.	192	23,459	Assurant, Inc.	106	7,231
PNC Financial Services Group	789	68,162	Berkshire Hathaway, Inc., Class B *	2,660	372,827
Regions Financial Corp.	2,000	19,860	Cincinnati Financial Corp.	208	10,498
SunTrust Banks, Inc.	775	30,334	Genworth Financial, Inc., Class A *	750	10,493
U.S. Bancorp	2,630	112,037	Hartford Financial Services Group, Inc.	656	25,964
Wells Fargo & Co.	6,934	368,125	Lincoln National Corp.	382	20,918
Zions Bancorp	300	8,691	Loews Corp.	452	19,707
		<u>736,145</u>	Marsh & McLennan Cos., Inc.	800	43,496
<b>Capital Markets 13.8%</b>			MetLife, Inc.	1,628	88,303
Affiliated Managers Group *	81	16,183	Principal Financial Group, Inc.	400	20,948
Ameriprise Financial, Inc.	270	34,066	Progressive Corp.	785	20,732
Bank of New York Mellon Corp.	1,639	63,462	Prudential Financial, Inc.	673	59,587
BlackRock, Inc., Class A	184	62,764	The Chubb Corp.	348	34,577
Franklin Resources, Inc.	575	31,976	Torchmark Corp.	190	10,062
Goldman Sachs Group, Inc.	600	113,994	Travelers Cos., Inc.	500	50,400
Invesco, Ltd.	625	25,294	Unum Group	379	12,681
Legg Mason, Inc.	148	7,696	XL Group PLC	400	<u>13,552</u>
Morgan Stanley	2,219	77,554			<u>1,102,105</u>
Northern Trust Corp.	328	21,746	<b>Media 0.9%</b>		
State Street Corp.	619	46,710	McGraw-Hill Cos., Inc.	400	<u>36,192</u>
T. Rowe Price Group, Inc.	384	31,523			<u>36,192</u>
The Charles Schwab Corp.	1,661	47,621	<b>Real Estate Investment Trusts (REITs) 14.4%</b>		
		<u>580,589</u>	American Tower Corp. (REIT)	574	55,965
<b>Commercial Services &amp; Supplies 0.2%</b>			Apartment Investment & Management Co. (REIT), Class A	224	8,017
Iron Mountain, Inc.	249	8,981	AvalonBay Communities, Inc.	191	29,765
		<u>8,981</u>	Boston Properties, Inc.	222	28,139
<b>Consumer Finance 5.7%</b>			Crown Castle International Corp. (REIT)	488	38,123
American Express Co.	1,313	118,104	Equity Residential (REIT)	524	36,449
Capital One Financial Corp.	813	67,292	Essex Property Trust, Inc.	92	18,562
Discover Financial Services, Inc., Class A	677	43,179	General Growth Properties, Inc.	923	23,915
Navient Corp.	615	12,165	HCP, Inc.	662	29,108
		<u>240,740</u>	Health Care REIT, Inc.	476	33,848
<b>Diversified Financial Services 21.8%</b>			Host Hotels & Resorts, Inc.	1,119	26,084
Bank of America Corp.	15,349	263,389	Kimco Realty Corp.	600	14,970
Citigroup, Inc.	4,425	236,870	Plum Creek Timber Co., Inc.	253	10,376
E*Trade Financial Corp. *	417	9,299	Prologis, Inc.	724	30,155
IntercontinentalExchange Group, Inc.	166	34,576	Public Storage	210	38,711
JPMorgan Chase & Co.	5,490	332,036	Simon Property Group, Inc.	453	81,182
Leucadia National Corp.	477	11,343	The Macerich Co.	200	14,100
Moody's Corp.	267	26,494			
		<u>914,007</u>			

See Notes to Financial Statements.

# Horizons S&P Financial Select Sector Covered Call ETF

## SCHEDULE OF PORTFOLIO INVESTMENTS (Concluded)

October 31, 2014  
(Unaudited)

Security Description	Shares	Value (\$)
<b>COMMON STOCKS, Continued</b>		
<b>Real Estate Investment Trusts (REITs), continued</b>		
Ventas, Inc.	430	29,459
Vornado Realty Trust	253	27,698
Washington Prime Group, Inc.	100	1,763
Weyerhaeuser Co.	773	26,174
		<u>602,563</u>
<b>Real Estate Management &amp; Development 0.3%</b>		
CBRE Group, Inc., Class A *	408	13,056
		<u>13,056</u>
<b>Specialized Finance 1.1%</b>		
CME Group, Inc.	457	38,301
The NASDAQ OMX Group, Inc.	178	7,700
		<u>46,001</u>
<b>Thriffs &amp; Mortgage Finance 0.3%</b>		
Hudson City Bancorp, Inc.	720	6,948
People's United Financial, Inc.	472	6,901
		<u>13,849</u>
<b>TOTAL COMMON STOCKS (Cost \$3,821,974)</b>		<u><b>4,294,228</b></u>
<b>TOTAL INVESTMENTS (Cost \$3,821,974) — 102.3%</b>		4,294,228
Other Net Assets (Liabilities):		
Written Call Options (2.9)%		(122,516)
Other Net Assets 0.6%		25,204
Total Other Net Assets (Liabilities) (2.3)%		<u>(97,312)</u>
<b>NET ASSETS 100.0%</b>		<u><b>\$ 4,196,916</b></u>

The Horizons S&P Financial Select Sector Covered Call ETF was invested in the following industries as of October 31, 2014:

	Value	% of Net Assets
Insurance	\$ 1,102,105	26.3%
Diversified Financial Services	914,007	21.8%
Banks	736,145	17.5%
Real Estate Investment Trusts (REITs)	602,563	14.4%
Capital Markets	580,589	13.8%
Consumer Finance	240,740	5.7%
Specialized Finance	46,001	1.1%
Media	36,192	0.9%
Thriffs & Mortgage Finance	13,849	0.3%
Real Estate Management & Development	13,056	0.3%
Commercial Services & Supplies	8,981	0.2%
Written Call Options	(122,516)	(2.9%)
Other Net Assets	25,204	0.6%
<b>Total</b>	<u><b>\$ 4,196,916</b></u>	<u><b>100.0%</b></u>

\* Non-income producing security

REIT Real Estate Investment Trust

See Notes to Financial Statements.

# Horizons S&P Financial Select Sector Covered Call ETF

## SCHEDULE OF WRITTEN CALL OPTIONS

October 31, 2014  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options (2.9)%</b>		
(3)	ACE, Ltd., Strike @ 105.00 Exp 11/24/14 .....	(1,380)
(4)	AFLAC, Inc., Strike @ 57.50 Exp 11/24/14 .....	(926)
(6)	Allstate Corp., Strike @ 62.50 Exp 11/24/14 .....	(1,524)
(10)	American Express Co., Strike @ 85.00 Exp 11/24/14 .....	(5,099)
(15)	American International Group, Inc., Strike @ 52.50 Exp 11/24/14 .....	(2,565)
(5)	American Tower Corp. (REIT), Strike @ 97.50 Exp 11/24/14 .....	(738)
(2)	Ameriprise Financial, Inc., Strike @ 115.00 Exp 11/24/14 .....	(2,160)
(4)	AON PLC, Strike @ 85.00 Exp 11/24/14 .....	(860)
(2)	Apartment Investment & Management Co. (REIT), Class A, Strike @ 35.00 Exp 11/24/14 .....	(185)
(1)	Assurant, Inc., Strike @ 65.00 Exp 11/24/14 .....	(335)
(1)	AvalonBay Communities, Inc., Strike @ 155.00 Exp 11/24/14 .....	(265)
(123)	Bank of America Corp., Strike @ 17.00 Exp 11/24/14 .....	(4,612)
(16)	Bank of New York Mellon Corp., Strike @ 38.00 Exp 11/24/14 .....	(1,800)
(10)	BB&T Corp., Strike @ 37.00 Exp 11/24/14 .....	(1,005)
(21)	Berkshire Hathaway, Inc., Class B, Strike @ 140.00 Exp 11/24/14 .....	(4,284)
(1)	BlackRock, Inc., Class A, Strike @ 330.00 Exp 11/24/14 .....	(1,330)
(2)	Boston Properties, Inc., Strike @ 125.00 Exp 11/24/14 .....	(535)
(8)	Capital One Financial Corp., Strike @ 80.00 Exp 11/24/14 .....	(2,408)
(4)	CBRE Group, Inc., Class A, Strike @ 31.00 Exp 11/24/14 .....	(490)
(44)	Citigroup, Inc., Strike @ 52.50 Exp 11/24/14 .....	(6,687)
(4)	CME Group, Inc., Strike @ 82.50 Exp 11/24/14 .....	(890)
(2)	Comerica, Inc., Strike @ 46.00 Exp 11/24/14 .....	(404)
(4)	Crown Castle International Corp. (REIT), Strike @ 85.00 Exp 11/24/14 .....	(90)
(5)	Discover Financial Services, Inc., Class A, Strike @ 65.00 Exp 11/24/14 .....	(275)
(4)	E*Trade Financial Corp., Strike @ 22.00 Exp 11/24/14 .....	(334)
(4)	Equity Residential (REIT), Strike @ 67.50 Exp 11/24/14 .....	(890)
(12)	Fifth Third Bancorp, Strike @ 19.00 Exp 11/24/14 .....	(1,266)
(5)	Franklin Resources, Inc., Strike @ 55.00 Exp 11/24/14 .....	(663)
(9)	General Growth Properties, Inc., Strike @ 25.00 Exp 11/24/14 .....	(995)
(4)	Genworth Financial, Inc., Class A, Strike @ 13.00 Exp 11/24/14 .....	(456)
(6)	Goldman Sachs Group, Inc., Strike @ 185.00 Exp 11/24/14 .....	(3,840)
(6)	Hartford Financial Services Group, Inc., Strike @ 38.00 Exp 11/24/14 .....	(1,074)
(4)	Health Care REIT, Inc., Strike @ 70.00 Exp 11/24/14 .....	(430)
(8)	Host Hotels & Resorts, Inc., Strike @ 22.00 Exp 11/24/14 .....	(1,040)
(1)	IntercontinentalExchange Group, Inc., Strike @ 210.00 Exp 11/24/14 .....	(400)
(6)	Invesco, Ltd., Strike @ 38.00 Exp 11/24/14 .....	(1,500)
(1)	Iron Mountain, Inc., Strike @ 32.50 Exp 11/24/14 .....	(365)
(33)	JPMorgan Chase & Co., Strike @ 57.50 Exp 11/24/14 .....	(10,642)
(1)	Legg Mason, Inc., Strike @ 50.00 Exp 11/24/14 .....	(260)
(3)	Leucadia National Corp., Strike @ 22.50 Exp 11/24/14 .....	(413)
(3)	Lincoln National Corp., Strike @ 50.00 Exp 11/24/14 .....	(1,425)
(1)	M&T Bank Corp., Strike @ 115.00 Exp 11/24/14 .....	(715)
(3)	McGraw-Hill Cos., Inc., Strike @ 80.00 Exp 11/24/14 .....	(3,030)
(10)	MetLife, Inc., Strike @ 50.00 Exp 11/24/14 .....	(4,075)
(2)	Moody's Corp., Strike @ 97.50 Exp 11/24/14 .....	(553)
(22)	Morgan Stanley, Strike @ 36.00 Exp 11/24/14 .....	(594)
(2)	Northern Trust Corp., Strike @ 65.00 Exp 11/24/14 .....	(365)
(2)	Plum Creek Timber Co., Inc., Strike @ 42.00 Exp 11/24/14 .....	(14)

See Notes to Financial Statements.

# Horizons S&P Financial Select Sector Covered Call ETF

## SCHEDULE OF WRITTEN CALL OPTIONS (Concluded)

October 31, 2014  
(Unaudited)

Number of Contracts		Value (\$)
<b>Written Call Options, Concluded</b>		
(7)	PNC Financial Services Group, Strike @ 82.50 Exp 11/24/14 .....	(2,853)
(2)	Principal Financial Group, Inc., Strike @ 50.00 Exp 11/24/14 .....	(510)
(5)	Progressive Corp., Strike @ 25.00 Exp 11/24/14 .....	(700)
(6)	Prologis, Inc., Strike @ 40.00 Exp 11/24/14 .....	(1,050)
(6)	Prudential Financial, Inc., Strike @ 85.00 Exp 11/24/14 .....	(2,670)
(2)	Public Storage, Strike @ 175.00 Exp 11/24/14 .....	(1,760)
(3)	Simon Property Group, Inc., Strike @ 170.00 Exp 11/24/14 .....	(2,708)
(5)	State Street Corp., Strike @ 70.00 Exp 11/24/14 .....	(2,713)
(5)	SunTrust Banks, Inc., Strike @ 37.00 Exp 11/24/14 .....	(1,080)
(3)	T. Rowe Price Group, Inc., Strike @ 80.00 Exp 11/24/14 .....	(818)
(12)	The Charles Schwab Corp., Strike @ 27.00 Exp 11/24/14 .....	(2,190)
(3)	The Chubb Corp., Strike @ 95.00 Exp 11/24/14 .....	(1,320)
(1)	The NASDAQ OMX Group, Inc., Strike @ 42.00 Exp 11/24/14 .....	(165)
(4)	Travelers Cos., Inc., Strike @ 95.00 Exp 11/24/14 .....	(2,420)
(26)	U.S. Bancorp, Strike @ 41.00 Exp 11/24/14 .....	(4,484)
(3)	Unum Group, Strike @ 34.00 Exp 11/24/14 .....	(105)
(4)	Ventas, Inc., Strike @ 70.00 Exp 11/24/14 .....	(130)
(2)	Vornado Realty Trust, Strike @ 105.00 Exp 11/24/14 .....	(870)
(55)	Wells Fargo & Co., Strike @ 50.00 Exp 11/24/14 .....	(16,967)
(7)	Weyerhaeuser Co., Strike @ 34.00 Exp 11/24/14 .....	(298)
(4)	XL Group PLC, Strike @ 34.00 Exp 11/24/14 .....	(168)
(3)	Zions Bancorp, Strike @ 28.00 Exp 11/24/14 .....	(351)
<b>Total Written Call Options (Premiums Received \$38,349) .....</b>		<b>\$ (122,516)</b>

See Notes to Financial Statements.

**EXCHANGE TRADED CONCEPTS TRUST II**  
**STATEMENTS OF ASSETS AND LIABILITIES**

**October 31, 2014**  
(Unaudited)

	<b>Horizons S&amp;P 500® Covered Call ETF</b>	<b>Horizons S&amp;P Financial Select Sector Covered Call ETF</b>
<b>Assets:</b>		
Investments, at value (Cost \$28,413,946 and \$3,821,974) .....	\$ 33,207,076	\$ 4,294,228
Cash .....	307,599	39,573
Dividends and interest receivable .....	32,895	2,022
<b>Total Assets</b> .....	<u>33,547,570</u>	<u>4,335,823</u>
<b>Liabilities:</b>		
Written options (Premiums received \$344,093 and \$38,349) .....	1,030,698	122,516
Distributions payable .....	175,612	13,952
Management fees payable .....	17,469	2,439
<b>Total Liabilities</b> .....	<u>1,223,779</u>	<u>138,907</u>
<b>Net Assets</b> .....	<u>\$ 32,323,791</u>	<u>\$ 4,196,916</u>
<b>Net Assets consist of:</b>		
Capital .....	\$ 29,295,956	\$ 4,006,009
Accumulated (distributions in excess of) net investment income .....	(317,326)	(36,262)
Accumulated net realized gains (loss) on investments .....	(761,364)	(160,918)
Net unrealized appreciation/depreciation on investments .....	4,106,525	388,087
<b>Net Assets</b> .....	<u>\$ 32,323,791</u>	<u>\$ 4,196,916</u>
<b>Net Assets</b> .....	\$ 32,323,791	\$ 4,196,916
<b>Shares of Beneficial Interest Outstanding</b>		
(unlimited number of shares authorized, no par value) .....	702,500	100,000
<b>Net Asset Value</b> .....	\$ 46.01	\$ 41.97

See Notes to Financial Statements.

**EXCHANGE TRADED CONCEPTS TRUST II**  
STATEMENTS OF OPERATIONS

For the Period Ended  
October 31, 2014  
(Unaudited)

	Horizons S&P 500® Covered Call ETF	Horizons S&P Financial Select Sector Covered Call ETF
<b>Investment Income:</b>		
Dividend income (net of withholding tax of \$37 and \$0) .....	\$ 299,801	\$ 38,253
<b>Total Investment Income</b> .....	<u>299,801</u>	<u>38,253</u>
<b>Expenses:</b>		
Management fees .....	95,610	14,627
Other fees .....	163	39
<b>Total Expenses</b> .....	<u>95,773</u>	<u>14,666</u>
<b>Net Investment Income (Loss)</b> .....	<u>204,028</u>	<u>23,587</u>
<b>Realized and Unrealized Gains (Losses) on Investments:</b>		
Net realized gains (losses) on investment securities .....	264,266	19,242
Net realized gains (losses) on written options .....	(401,877)	(111,743)
Change in unrealized appreciation/depreciation on investments .....	<u>1,116,539</u>	<u>235,908</u>
<b>Net Realized and Unrealized Gains (Losses) on Investments</b> .....	<u>978,928</u>	<u>143,407</u>
<b>Change in Net Assets Resulting From Operations</b> .....	<u>\$ 1,182,956</u>	<u>\$ 166,994</u>

See Notes to Financial Statements.



**EXCHANGE TRADED CONCEPTS TRUST II**  
STATEMENTS OF CHANGES IN NET ASSETS

October 31, 2014

	Horizons S&P 500 <sup>®</sup> Covered Call ETF		Horizons S&P Financial Select Sector Covered Call ETF	
	Six Months Ended October 31, 2014 (unaudited)	For the period June 24, 2013 <sup>(a)</sup> through April 30, 2014	Six Months Ended October 31, 2014 (unaudited)	For the period November 18, 2013 <sup>(a)</sup> through April 30, 2014
<b>From Investment Activities:</b>				
<b>Operations:</b>				
Net investment income (loss) .....	\$ 204,028	\$ 267,907	\$ 23,587	\$ 18,963
Net realized gains (losses) on investments .....	264,266	387,466	19,242	8,323
Net realized gains (losses) on written options .....	(401,877)	(524,407)	(111,743)	(41,882)
Change in unrealized appreciation/depreciation on investments and written options .....	<u>1,116,539</u>	<u>2,989,986</u>	<u>235,908</u>	<u>152,179</u>
Change in net assets resulting from operations ....	<u>1,182,956</u>	<u>3,120,952</u>	<u>166,994</u>	<u>137,583</u>
<b>Distributions to Shareholders From:</b>				
Net investment income .....	(521,354)	(339,609)	(59,849)	(53,821)
Net realized gains on investments .....	<u>—</u>	<u>(415,110)</u>	<u>—</u>	<u>—</u>
Change in net assets resulting from distributions ....	<u>(521,354)</u>	<u>(754,719)</u>	<u>(59,849)</u>	<u>(53,821)</u>
<b>Capital Transactions:</b>				
Proceeds from shares issued .....	<u>4,638,585</u>	<u>24,557,371</u>	<u>—</u>	<u>4,006,009</u>
Change in net assets resulting from capital transactions .....	<u>4,638,585</u>	<u>24,557,371</u>	<u>—</u>	<u>4,006,009</u>
Change in net assets .....	<u>5,300,187</u>	<u>26,923,604</u>	<u>107,145</u>	<u>4,089,771</u>
<b>Net Assets:</b>				
Beginning of period .....	<u>27,023,604</u>	<u>100,000<sup>(b)</sup></u>	<u>4,089,771</u>	<u>—</u>
End of period .....	<u>\$ 32,323,791</u>	<u>\$ 27,023,604</u>	<u>\$ 4,196,916</u>	<u>\$ 4,089,771</u>
Accumulated (distributions in excess of) net investment income .....	<u>\$ (317,326)</u>	<u>\$ —</u>	<u>\$ (36,262)</u>	<u>\$ —</u>
<b>Share Transactions:</b>				
Issued .....	<u>100,000</u>	<u>600,000</u>	<u>—</u>	<u>100,000</u>
Change in shares .....	<u>100,000</u>	<u>600,000</u>	<u>—</u>	<u>100,000</u>

Amounts listed as "—" are \$0 or have been rounded to \$0.

<sup>(a)</sup> Commencement of operations.

<sup>(b)</sup> Beginning capital of \$100,000 was contributed from the Sub-Advisor in exchange for 2,500 shares of Horizons S&P 500 Covered Call ETF in connection with the commencement of operations.

See Notes to Financial Statements.

# EXCHANGE TRADED CONCEPTS TRUST II

## FINANCIAL HIGHLIGHTS

Selected data for a share of beneficial interest outstanding throughout the periods indicated.

	Investment Activities				Distribution to Shareholders From			Ratios to Average Net Assets			Supplemental Data			
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains From Investments	Total Distributions	Net Asset Value, End of Period	Total Return <sup>(a),(b)</sup>	Total return at market <sup>(a),(c)</sup>	Ratio of Expenses to Average Net Assets <sup>(d)</sup>	Ratio of Net Investment Income (Loss) to Average Net Assets <sup>(d)</sup>	Net Assets at End of Period (000's)	Portfolio Turnover <sup>(a)</sup>
<b>Horizons S&amp;P 500<sup>®</sup> Covered Call ETF</b>														
Six Months Ended														
October 31, 2014 (unaudited)	\$44.85	0.34	1.61	1.95	(0.79)	—	(0.79)	\$46.01	4.37%	4.32%	0.65%	1.39%	\$32,324	5%
June 24, 2013 <sup>(e)</sup> through April 30, 2014	\$40.00	0.52	5.66	6.18	(0.64)	(0.69)	(1.33)	\$44.85	15.59%	15.73	0.65%	1.37%	\$27,024	34%
<b>Horizons S&amp;P Financial Select Sector Covered Call ETF</b>														
Six Months Ended														
October 31, 2014 (unaudited)	\$40.90	0.24	1.43	1.67	(0.60)	—	(0.60)	\$41.97	4.11%	4.25%	0.70%	1.13%	\$4,197	3%
November 18, 2013 <sup>(e)</sup> through April 30, 2014	\$40.00	0.19	1.25	1.44	(0.54)	—	(0.54)	\$40.90	3.61%	3.68	0.70%	1.03%	\$4,090	5%

Amounts listed as "—" are \$0 or have been rounded to \$0.

(a) Not annualized for periods less than one year.

(b) Net asset value total return is calculated assuming an initial investment made at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, if any, and redemption on the last day of the period at net asset value. This percentage is not an indication of the performance of a shareholder's investment in the Fund based on market value due to the differences between the market price of the shares and the net asset value per share of the Fund.

(c) Market value total return is calculated assuming an initial investment made at market value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, if any, and redemption on the last day of the period at market value. Market value is determined by the composite closing price. Composite closing security price is defined as the last reported sale price on the NYSE Arca. The composite closing price is the last reported sale, regardless of volume, and not an average price, and may have occurred on a date prior to the close of the reporting period. Market value may be greater or less than net asset value, depending on the Fund's closing price on the NYSE Arca.

(d) Annualized for periods less than one year.

(e) Commencement of operations.

See Notes to Financial Statements.

## **1. Organization**

Exchange Traded Concepts Trust II (the "Trust") was organized on April 4, 2012 as a Delaware Statutory Trust and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Declaration of Trust permits the Trust to issue an unlimited number of shares of beneficial interest ("Shares") in one or more series representing interests in separate portfolios of securities. Currently, the Trust has registered its Shares in three separate series. The financial statements herein are those of the Horizons S&P 500<sup>®</sup> Covered Call ETF (the "S&P 500 Fund") and the Horizons S&P Financial Select Sector Covered Call ETF (the "Financial Sector Fund") (individually referred to as a "Fund," or collectively as the "Funds"). Each Fund is a passively managed exchange-traded fund. The assets of each Fund are segregated and a shareholder's interest is limited to the Fund in which Shares are held.

The investment objective of each Fund is to provide investment results that, before fees and expenses, correspond generally to the performance of a specified market index (each, an "Underlying Index"). Accordingly, the investments owned by each Fund generally correspond to the weightings within each Underlying Index. The Underlying Index for the S&P 500<sup>®</sup> Fund is the S&P 500<sup>®</sup> Stock Covered Call Index, and the Underlying Index for the Financial Sector Fund is the S&P 500<sup>®</sup> Financial Sector Stock Covered Call Index. The Funds' prospectus provides a description of each Fund's investment objectives, policies, and strategies. There is no assurance that each Fund will achieve its investment objective.

Under the Trust's organizational documents, its officers and Board of Trustees (the "Board") are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business, the Trust may enter into contracts with vendors and others that provide for general indemnifications. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust.

## **2. Basis of Presentation and Significant Accounting Policies**

The following is a summary of the significant accounting policies followed by the Trust in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America ("GAAP"). The Funds are investment companies and follow accounting and reporting guidance under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 946, "Financial Services-Investment Companies." The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and income and expenses during the reporting period. Management believes the estimates and security valuations are appropriate; however, actual results may differ from those estimates, and the security valuations reflected in the financial statements may differ from the value the Funds ultimately realize upon sale of the securities.

### **Investment Valuation**

A Fund's investments (e.g., equity securities and exchange-traded options) are valued using procedures approved by the Board and are generally valued using market valuations. A market valuation generally means a valuation (i) obtained from an exchange, a pricing service, or a major market maker (or dealer), (ii) based on a price quotation or other equivalent indication of value supplied by an exchange, a pricing service, or a major market maker (or dealer) or (iii) based on amortized cost. A Fund's written options are valued using the midpoint between the last highest bid and the last lowest ask quotation for the current day. A price obtained from a pricing service based on such pricing service's valuation matrix may be considered a market valuation. Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

In the event that current market valuations are not readily available or such valuations do not reflect current market value, the Trust's procedures require the Funds' Valuation Committee, in accordance with the Funds' Board-approved valuation guidelines, to determine a security's fair value. In determining such value, the Valuation Committee may consider, among other things, (i) price comparisons among multiple sources, (ii) a review of corporate actions and news events, and (iii) a review of relevant financial indicators (e.g., movement in interest rates or market indices). Fair value pricing involves subjective judgments and it is possible that the fair value determination for a security is materially different than the value that could be realized upon the sale of the security. In addition, fair value pricing could result in a difference between the prices used to calculate a Fund's Net Asset

Value (“NAV”) and the prices used by a Fund’s Underlying Index. This may result in a difference between a Fund’s performance and the performance of the Fund’s Underlying Index. With respect to securities that are primarily listed on foreign exchanges, the value of a Fund’s portfolio securities may change on days when you will not be able to purchase or sell your Shares.

The Funds disclose the fair value of their investments in a hierarchy that distinguishes between: (1) market participant assumptions developed based on market data obtained from sources independent of the Funds (observable inputs) and (2) the Funds’ own assumptions about market participant assumptions developed based on the best information available under the circumstances (unobservable inputs). The three levels defined by the hierarchy are as follows:

- Level 1 — Quoted prices in active markets for identical assets
- Level 2 — Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — Significant unobservable inputs (including the Funds’ own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Pursuant to the valuation procedures noted previously, equity securities, exchange-traded funds, and written options are generally categorized as Level 1 in the fair value hierarchy (unless there is a fair valuation event, in which case affected securities are generally categorized as Level 2).

The following is a summary of the valuations as of October 31, 2014 for the Funds based upon the three levels defined above:

<b>S&amp;P 500 Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investment Securities:</b>				
Common Stocks	\$ 33,207,076	\$ —	\$ —	\$ 33,207,076
Total Investment Securities	33,207,076	—	—	33,207,076
<b>Other Financial Instruments:</b>				
Written Call Options	(1,030,698)	—	—	(1,030,698)
Total Investments	\$ 32,176,378	\$ —	\$ —	\$ 32,176,378

<b>Financial Sector Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investment Securities:</b>				
Common Stocks	\$ 4,294,228	\$ —	\$ —	\$ 4,294,228
Total Investment Securities	4,294,228	—	—	4,294,228
<b>Other Financial Instruments:</b>				
Written Call Options	(122,516)	—	—	(122,516)
Total Investments	\$ 4,171,712	\$ —	\$ —	\$ 4,171,712

Please refer to the Schedules of Portfolio Investments to view equity securities segregated by industry type. The Trust’s policy is to disclose transfers between fair value hierarchy levels based on valuations at the end of the reporting period. As of October 31, 2014, there were no transfers between Levels 1, 2, and 3 assets and liabilities based on levels assigned to securities at the beginning of the period. For the period ended October 31, 2014, there were no securities categorized as Level 3.

## Options

Each Fund will write call options on up to 100% of each of the option eligible securities in the Underlying Index, in an attempt to generate more income (the premium paid by the buyer of the option) from the security than it would otherwise provide on its own from dividends or other distributions. As of the current period end, each Fund invested in exchange-traded options. The following discussion describes generally the characteristics of purchased and written options (including calls and puts) and the general risks of using options.

An option is a contract between two parties for the purchase and sale of a financial instrument for a specified price (known as the "strike price" or "exercise price"). An option grants a right (not an obligation) to buy or sell a financial instrument and is exercisable by the holder during a specified time period or at expiry. Generally, a seller of an option can grant a buyer two kinds of rights: a "call" (the right to buy the security) or a "put" (the right to sell the security). Options have various types of underlying instruments, including specific securities, indices of securities prices, foreign currencies, interest rates and futures contracts. Options may be traded on an exchange (exchange-traded options) or may be customized agreements between the parties (over-the-counter or "OTC" options). A financial intermediary, known as a clearing corporation, financially backs exchange-traded options. However, OTC options have no such intermediary and are subject to the risk that the counter-party will not fulfill its obligations under the contract.

When a Fund purchases a put option, it buys the right to sell the instrument underlying the option at a fixed strike price. In return for this right, the Fund pays the current market price for the option (known as the "option premium"). A Fund would ordinarily realize a gain if, during the option period, the value of the underlying securities decreased below the exercise price sufficiently to cover the premium and transaction costs. However, if the price of the underlying instrument does not fall enough to offset the cost of purchasing the option, a put buyer would lose the premium and related transaction costs.

Call options are similar to put options, except that when purchased the Fund obtains the right to purchase, rather than sell, the underlying instrument at the option's strike price. A Fund would ordinarily realize a gain if, during the option period, the value of the underlying instrument exceeded the exercise price plus the premium paid and related transaction costs. If an option purchased by a Fund expires unexercised, the Fund realizes a capital loss equal to the premium paid.

When a Fund writes (or sells) a call option it assumes, in return for a premium, an obligation to sell specified securities to the holder of the option at a specified price if the option is exercised at any time on or before the expiration date. Similarly, when a Fund writes (or sells) a put option it assumes, in return for a premium, an obligation to purchase specified securities from the option holder at a specified price if the option is exercised at any time on or before the expiration date. A Fund may terminate its position in an exchange-traded written option before exercise by buying an option identical to the one it has written. Similarly, it may cancel an OTC option by entering into an offsetting transaction with the counter-party to the option. If an option written by a Fund expires unexercised, the Fund realizes a capital gain equal to the premium received at the time the option was written.

Options on securities indices are similar to options on securities, except that the exercise of securities index options requires cash settlement payments and does not involve the actual purchase or sale of securities. In addition, securities index options are designed to reflect price fluctuations in a group of securities or segment of the securities market rather than price fluctuations in a single security.

The S&P 500 Fund had the following transactions in exchange-traded written options during the period ended October 31, 2014:

	Number of Contracts	Premiums Received
Options outstanding at April 30, 2014	3,461	\$ 236,063
Options written	24,467	1,957,516
Options expired	—	—
Options exercised	(173)	(57,235)
Options closed	(23,253)	(1,792,251)
Options outstanding at October 31, 2014	4,502	\$ 344,093

**Exchange Traded Concepts Trust II**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**October 31, 2014**  
(Unaudited)

The Financial Sector Fund had the following transactions in exchange-traded written options during the period ended October 31, 2014:

	Number of Contracts		Premiums Received
Options outstanding at April 30, 2014	541	\$	27,328
Options written	3,445		161,855
Options expired	—		—
Options exercised	(9)		(460)
Options closed	(3,360)		(150,374)
Options outstanding at October 31, 2014	617	\$	38,349

The following is a summary of the value of written options on the Statements of Assets and Liabilities, categorized by risk exposure, as of October 31, 2014:

Primary Risk Exposure	Assets		Liabilities	
	Statements of Assets and Liabilities Location	Value	Statements of Assets and Liabilities Location	Value
S&P 500 Fund				
Equity Risk Exposure	Investment securities, at value (purchased options)	\$ —	Written options	\$ 1,030,698
Financial Sector Fund				
Equity Risk Exposure	Investment securities, at value (purchased options)	\$ —	Written options	\$ 122,516

The following is a summary of the effect of written options on the Statements of Operations, categorized by risk exposure, for the period ended October 31, 2014:

Primary Risk Exposure	Net realized gains (losses) on written options	Change in net unrealized appreciation (depreciation) on investments and written options
S&P 500 Fund		
Equity Risk Exposure	\$ (401,877)	\$ (612,507)
Financial Sector Fund		
Equity Risk Exposure	\$ (111,743)	\$ (85,018)

The volume of options written by the S&P 500 Fund and the Financial Sector Fund at October 31, 2014 is indicative of the volume of options throughout the period ended October 31, 2014.

**Investment Transactions and Related Income**

For financial reporting purposes, portfolio security transactions are reported on trade date. However, for daily NAV determination, portfolio securities transactions are reflected no later than in the first calculation on the first business day following trade date. Dividend income is recorded on the ex-dividend date. Interest income is recognized on an accrual basis and includes, where applicable, the amortization of premium or accretion of discount. Gains or losses realized on sales of securities are determined using the specific identification method by comparing the identified cost of the security lot sold with the net sales proceeds.

### **Federal Income Tax**

It is the policy of each Fund to qualify or continue to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986 (the "Code"), as amended, and to distribute substantially all of its net investment income and capital gains, if any, to its shareholders. Therefore, no federal income tax provision is required as long as each Fund qualifies as a regulated investment company.

Management of the Funds has evaluated tax positions taken or expected to be taken in the course of preparing each Fund's tax returns to determine whether it is more-likely-than-not (i.e., greater than 50%) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in an increase in a liability for taxes payable (or a reduction of a tax refund receivable), including the recognition of any related interest and penalties as an operating expense. Tax positions taken in tax years remain subject to examination by tax authorities (generally three years for federal income tax purposes). The determination has been made that there are not any uncertain tax positions that would require the Funds to record a tax liability and, therefore, there is no impact to the Funds' financial statements.

### **Distributions to Shareholders**

Each Fund distributes a monthly dividend of net investment income and any net short-term capital gains recognized in connection with a Fund's equity call option activities calculated during each monthly dividend calculation period. Distributions of remaining net realized capital gains, if any, generally are declared and paid once a year, but the Funds may make distributions on a more frequent basis for a Fund to improve index tracking or to comply with the distributions requirement of the Code, in all events in a manner consistent with the provisions of the 1940 Act.

The amount of distributions from net investment income and net realized gains are determined in accordance with federal income tax regulations, which may differ from GAAP. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature (e.g., return of capital and distribution reclassifications), such amounts are reclassified within the composition of net assets based on their federal tax basis treatment; temporary differences (e.g., wash sales) do not require a reclassification.

If a Fund's distributions exceed its earnings and profits, all or a portion of the distributions made in the taxable year may be treated as a return of capital to shareholders. A return of capital distribution generally will not be taxable but will reduce a shareholder's cost basis and result in a higher capital gain and lower capital loss when the Shares on which the distribution was received are sold. A return of capital distribution does not necessarily reflect a Fund's investment performance and should not be confused with "yield" or "income."

## **3. Transactions with Affiliates and Other Servicing Agreements**

### **Investment Advisory and Sub-Advisory Agreements**

#### *Investment Advisory Agreement*

Exchange Traded Concepts, LLC (the "Adviser") serves as adviser to the Trust pursuant to an Investment Advisory Agreement ("Advisory Agreement"). Subject at all times to the supervision and approval of the Board, the Adviser is responsible for the overall management of the Trust. The Adviser or, if it has delegated such authority, the Sub-Adviser (as defined below) determines what investments should be purchased and sold, and places orders for all such purchases and sales, on behalf of the Funds.

For the services it provides to the Funds, the Adviser receives a fee, which is calculated daily and paid monthly, at the following rates: 0.65% of average daily net assets of the S&P 500 Fund and 0.70% of average daily net assets of the Financial Sector Fund.

Under the Advisory Agreement, the Adviser pays all expenses of each Fund other than the management fee, distribution fees and expenses pursuant to the Funds' Distribution and Service Plan (as defined below), if any, brokerage commissions and other expenses incurred in placing or settlement of orders for the purchase and sale of securities and other investment instruments, taxes, interest, acquired fund fees and expenses, accrued deferred tax liability, and other extraordinary expenses.

*Investment Sub-Advisory Agreement*

The Adviser and Horizons ETFs Management (USA) LLC (the "Sub-Adviser") have entered into an investment sub-advisory agreement (the "Sub-Advisory Agreement") with respect to the Trust. Under the Sub-Advisory Agreement, the Sub-Adviser serves as investment sub-adviser and is responsible for making investment decisions and continuously reviews, supervises and administers the investment program, subject to the supervision of the Adviser and the Board. The sub-adviser fees are borne by the Funds' Adviser.

**Distribution Agreement**

Foreside Fund Services, LLC, a Delaware limited liability company, (the "Distributor") is the principal underwriter and distributor of each Fund's Shares. The Distributor does not maintain any secondary market in Fund Shares. The Trust has adopted a Rule 12b-1 Distribution and Service Plan (the "Distribution and Service Plan") pursuant to which payments of up to 0.25% of average daily net assets may be made to compensate or reimburse financial intermediaries for activities principally intended to result in the sale of Fund Shares. In accordance with the Distribution and Service Plan, the Distributor may enter into agreements with financial intermediaries and dealers relating to distribution and/or marketing services with respect to the Trust.

The Board has determined that no payments will be made under the Distribution and Service Plan through August 28, 2015. Thereafter, fees under the Distribution and Service Plan may only be imposed after approval by the Board. The Adviser and its affiliates may, out of their own resources, pay amounts to third parties for distribution or marketing services on behalf of the Trust. Any forgone fees will not be recoverable during any subsequent period.

**Other Servicing Agreements**

*Administrator, Custodian, Fund Accountant and Transfer Agent*

Citi Fund Services Ohio, Inc. serves as administrator, fund accountant, transfer agent and dividend disbursing agent for the Funds pursuant to a Services Agreement. Citibank, NA serves as the custodian of the Funds pursuant to a Custodial and Agency Services Agreement.

**Officers of the Trust**

Certain officers of the Trust are also employees of the Funds' Adviser, Administrator, and affiliates of the Distributor.

**4. Investment Transactions**

Purchases and sales of investments, excluding in-kind transactions and short-term investments, for the period ended October 31, 2014 were as follows:

<b>Fund</b>	<b>Purchases</b>	<b>Sales</b>
S&P 500 Fund	\$ 1,451,820	\$ 2,103,986
Financial Sector Fund	109,171	250,462

Purchases and sales of in-kind transactions for the period ended October 31, 2014 were as follows:

<b>Fund</b>	<b>Purchases</b>	<b>Sales</b>
S&P 500 Fund	\$ 4,636,032	\$ —



## 5. Capital Share Transactions

Shares of each Fund are listed and traded on the NYSE Arca, Inc. (the "Exchange") on each day that the Exchange is open for business ("Business Day"). Individual Fund Shares may only be purchased and sold on this exchange through a broker-dealer. Because the Funds' Shares trade at market prices rather than at their NAV, Shares may trade at a price equal to the NAV, greater than NAV (premium) or less than NAV (discount).

The Funds offer and redeem Shares on a continuous basis at NAV only in large blocks of Shares, currently 50,000 Shares for the S&P 500 Fund and 25,000 Shares for the Financial Sector Fund ("Creation Unit"). Except when aggregated in Creation Units, Shares are not redeemable securities of the Fund. Shares of a Fund may only be purchased or redeemed by certain financial institutions ("Authorized Participants"). An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a Depository Trust Company ("DTC") participant and, in each case, must have executed a Participant Agreement with the Distributor. Creation Units are available for purchase and redemption on each Business Day and are offered and redeemed on an in-kind basis, together with the specified cash amount, or for an all cash amount.

Except under limited circumstances, purchasers will be required to purchase Creation Units by making an in-kind deposit of specified instruments ("Deposit Instruments"), and shareholders redeeming Creation Units will receive an in-kind transfer of specified securities ("Redemption Instruments"). Due to the written option component of the Creation Unit and other reasons, there could be a difference between the NAV of a Creation Unit being purchased or redeemed and the Deposit or Redemption Instruments exchanged for the Creation Unit. The party conveying the instruments with the lower value will also pay to the other an amount in cash equal to that difference.

Most retail investors will not qualify as Authorized Participants or have the resources to buy and sell whole Creation Units. Therefore, they will be unable to purchase or redeem the Shares directly from the Funds. Rather, most retail investors will purchase Shares in the secondary market with the assistance of a broker and will be subject to customary brokerage commissions or fees.

## 6. Principal Risks

As with any investment, you could lose all or part of your investment in the Funds and each Fund's performance could trail that of other investments. The Funds are subject to the principal risks noted below, any of which may adversely affect each Fund's NAV, trading price, yield, total return and ability to meet its investment objective. A more complete description of principal risks is included in the Funds' prospectus.

*Index Risk:* Unlike many investment companies, the Funds do not utilize an investing strategy that seeks returns in excess of the Underlying Index. Therefore, the Funds would not necessarily buy or sell a security unless that security is added or removed, respectively, from the Underlying Index, even if that security generally is underperforming.

*Market Risk:* Securities in an Underlying Index are subject to market fluctuations. You should anticipate that the value of Shares will decline, more or less, in correlation with any decline in value, in aggregate, of the securities in an Underlying Index.

*Writing Covered Call Option Risk:* By writing covered call options in return for the receipt of premiums, the Funds will give up the opportunity to benefit from potential increases in the value of the securities in the Underlying Index above the exercise prices of the written options, but will continue to bear the risk of declines in the value of such securities. The premiums received from the options may not be sufficient to offset any losses sustained from the volatility of the underlying stocks over time. If trading is suspended, the Funds may be unable to write options at times that may be desirable or advantageous to the Funds to do so.

*Industry Concentration Risk:* To the extent that an Underlying Index is concentrated in a particular industry, the Funds also will be concentrated in the industry, which may subject the Funds to a greater loss as a result of adverse economic, business, or other developments affecting that industry.

*Passive Investment Risk:* The Sub-Adviser does not actively manage the Funds and therefore does not attempt to analyze, quantify, or control the risks associated with investing in stocks of companies in the Underlying Index.

*Premium/Discount Risk:* Although it is expected that the market price of the Funds' Shares typically will approximate its NAV, there may be times when the market price and the NAV differ and the Funds' Shares may trade at a premium or discount to the NAV.

**7. Federal Income Tax Information**

The tax character of distributions paid to shareholders during the tax year ended April 30, 2014 were as follows:

Fund	Distributions paid from		
	Ordinary Income	Total Taxable Distributions	Total Distributions Paid
S&P 500 Fund	\$ 754,719	\$ 754,719	\$ 754,719
Financial Sector Fund	53,821	53,821	53,821

As of the tax year ended April 30, 2014, the components of accumulated earnings (deficit) on a tax basis were as follows:

Fund	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Unrealized Appreciation (Depreciation)	Accumulated Earnings (Deficit)
S&P 500 Fund	\$ 436,845	\$ 2,396	\$ 1,926,992	\$ 2,366,233
Financial Sector Fund	811	899	82,052	83,762

At October 31, 2014, the tax cost, gross unrealized appreciation and gross unrealized depreciation on securities, for federal income tax purposes, were as follows:

Fund	Tax Cost	Unrealized Appreciation	Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
S&P 500 Fund	\$ 29,806,818	\$ 5,049,542	\$ (1,649,284)	\$ 3,400,258
Financial Sector Fund	\$ 3,925,033	\$ 485,087	\$ (115,892)	\$ 369,195

**8. Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued. Management has determined there are no material events that would require disclosure in the Funds' financial statements through this date.

# Exchange Traded Concepts Trust II

## DISCLOSURE OF FUND EXPENSES

October 31, 2014  
(Unaudited)

All Exchange Traded Funds (“ETF”) have operating expenses. As a shareholder of an ETF, your investment is affected by these ongoing costs, which include (among others) cost for ETF management and shareholder reports like this one. It is important for you to understand the impact of these costs on your investment returns.

Operating expenses such as these are deducted from the ETF’s gross income and directly reduce its final investment return. These expenses are expressed as a percentage of an ETF’s average net assets; this percentage is known as the ETF’s expense ratio.

The following examples use the expense ratio and are intended to help you understand the ongoing costs (in dollars) of the investing in a Fund and to compare these costs with those of other funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period (unless otherwise noted below). The table below illustrates your Fund’s cost in two ways:

### Actual Fund Return

This section helps you to estimate the actual expenses after fee waivers that a Fund may have incurred over the period. The “Actual Expenses Paid During the Period” column shows the actual dollar expense cost incurred by a \$1,000 investment in the Fund, and the “Actual Ending Account Value” number is derived from deducting that expense cost from the Fund’s gross investment return.

You can use the information, together with the actual amount you invested in a Fund, to estimate the expenses you paid over the period. Simply divide your actual account value by \$1,000 to arrive at a ratio (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply that ratio by the numbers shown for a Fund under “Actual Expenses Paid During the Period.”

### Hypothetical 5% Return

This section helps you compare your Fund’s costs with those of other funds. It assumes that the Fund had an annual 5% return before expenses during the year, but the expense ratio for the period is unchanged. This example is useful in making comparisons because the Securities and Exchange Commission requires all funds to make this 5% calculation. You can assess a Fund’s comparative cost by comparing the hypothetical results for a Fund in the “Hypothetical Expenses Paid During the Period” column with those that appear in the same charts in the shareholder reports for other funds.

**NOTE:** Because the return is set at 5% for comparison purposes - not your Fund’s actual return - the account values shown may not apply to your specific investment.

Fund	Beginning Account Value	Actual Ending Account Value 10/31/2014	Hypothetical Ending Account Value	Actual Expenses Paid During the Period*	Hypothetical Expenses Paid During the Period*	Annualized Expense Ratio During Period
S&P 500 Fund	\$1,000.00	\$1,043.70	\$1,021.93	\$3.35	\$3.31	0.65%
Financial Sector Fund	\$1,000.00	\$1,041.10	\$1,021.68	\$3.60	\$3.57	0.70%

\* Expenses paid during the period are equal to the Fund’s annualized expense ratio, multiplied by the average account value over the period, multiplied by 184 divided by 365 (to reflect the one-half year period).

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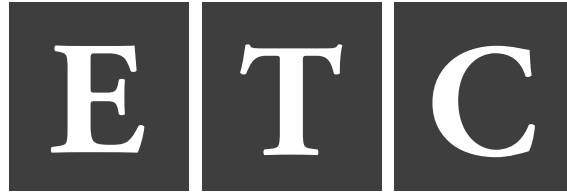
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## Exchange Traded Concepts

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### Proxy Voting Information

A description of Exchange Traded Concept Trust II's proxy voting policies and procedures is attached to the Funds' Statement of Additional Information, which is available without charge by visiting the Funds' website at [www.HorizonsETFs.com/USA](http://www.HorizonsETFs.com/USA) or the Securities and Exchange Commission's ("SEC") website at [www.sec.gov](http://www.sec.gov) or by calling toll-free 1-855-HZN-ETFS.

In addition, a description of how each Fund voted proxies relating to its portfolio securities during the most recent 12-month period ended June 30 will be available without charge upon request by calling toll-free 1-855-HZN-ETFS or on the SEC's website at [www.sec.gov](http://www.sec.gov).

### Quarterly Portfolio Holdings Information

Exchange Traded Concepts Trust II files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal period on Form N-Q. The Trust's Forms N-Q will be available on the SEC's website at [www.sec.gov](http://www.sec.gov). You may also review and obtain copies of the Trust's Forms N-Q at the SEC's Public Reference Room in Washington, D.C. Information about the Public Reference Room may be obtained by calling 1-800-SEC-0330. In addition, the Funds' full portfolio holdings are updated daily and available on the Funds' website at [www.HorizonsETFs.com/USA](http://www.HorizonsETFs.com/USA).

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