

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Horizons S&P 500 Covered Call ETF		2 Issuer's employer identification number (EIN) 46-1782023	
3 Name of contact for additional information Christopher W. Roleke	4 Telephone No. of contact 617 224 0728	5 Email address of contact croleke@foreside.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact C/O Exchange Traded Concepts, 10900 Hefner Pointe Dr, Suite 207		7 City, town, or post office, state, and Zip code of contact Oklahoma City, OK 73120	
8 Date of action June 30, 2015		9 Classification and description Regulated Investment Company	
10 CUSIP number 30151E103	11 Serial number(s)	12 Ticker symbol HSPX	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Horizons S&P 500 Covered Call ETF ("the Fund") made cash distributions during its fiscal year ended April 30, 2015 to its shareholders, of which the Fund has determined a portion of each distributions constitutes a non-taxable return of capital as follows:**

Record Date	Distribution per share	Record Date	Distribution per share
May 27, 2014	\$0.0797	December 1, 2014	\$0.1830
June 27, 2014	\$0.0517	December 29, 2014	\$0.0588
July 25, 2014	\$0.0357	January 26, 2015	\$0.1939
August 25, 2014	\$0.2048	February 27, 2015	\$0.0667
September 26, 2014	\$0.1708	March 27, 2015	\$0.0692
October 27, 2014	\$0.2500	April 24, 2015	\$0.1310

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Of the total distributions to shareholders made during the fiscal year ended April 30, 2015, a portion is a non-taxable return of capital, reducing the shareholder's adjusted basis in the fund. To the extent that the return of capital exceeds the shareholder's basis, the distribution will be taxed as a capital gain to the shareholder.**

Record Date	Basis reduction per share	Record Date	Basis reduction per share
May 27, 2014	\$0.0353	December 1, 2014	\$0.0811
June 27, 2014	\$0.0229	December 29, 2014	\$0.0260
July 25, 2014	\$0.0158	January 26, 2015	\$0.0859
August 25, 2014	\$0.0908	February 27, 2015	\$0.0296
September 26, 2014	\$0.0757	March 27, 2015	\$0.0307
October 27, 2014	\$0.1108	April 24, 2015	\$0.0581

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The calculation of the return of capital is based on the Fund's accumulated earnings and profits as of its fiscal year ended April 30, 2015. The amount of the return of capital should be applied against the shareholder's adjusted basis in the Fund, reducing the basis until it is zero. The amount the return of capital, if any, that exceeds a zero adjusted basis shall be treated as a gain from the sale or exchange of property.**

