

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

|  |                                   |   |                             |
|--|-----------------------------------|---|-----------------------------|
| <b>1</b> Issuer's name   |                                   | <b>2</b> Issuer's employer identification number (EIN)              |                             |
| HORIZONS S&P 500 COVERED CALL ETF  |                                   | 46-1782023  |                             |
| <b>3</b> Name of contact for additional information  | <b>4</b> Telephone No. of contact | <b>5</b> Email address of contact                                   |                             |
| Christopher W. Roleke  | 617 224 0728                      | croleke@foreside.com  |                             |
| <b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact |                                   | <b>7</b> City, town, or post office, state, and Zip code of contact |                             |
| C/O Exchange Traded Concepts, 10900 Hefner Pointe Dr, Suite 207                                |                                   | Oklahoma City, OK 73120   |                             |
| <b>8</b> Date of action  |                                   | <b>9</b> Classification and description                             |                             |
| June 30, 2016  |                                   | REGULATED INVESTMENT COMPANY  |                             |
| <b>10</b> CUSIP number   | <b>11</b> Serial number(s)        | <b>12</b> Ticker symbol   | <b>13</b> Account number(s) |
| 30151E103  | N/A                               | HSPX  | N/A                         |

### 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, 2016 to its shareholders, of which the fund has determined a portion of each distribution constitutes a non-taxable return of capital. The April 22, 2016 distribution has an additional portion deemed long term capital gain distribution (LTCG).

| Record Date        | Distribution per Share | Record Date       | Distribution Per Share |
|--------------------|------------------------|-------------------|------------------------|
| May 22, 2015       | \$0.071085             | December 28, 2015 | \$0.365741             |
| June 26, 2015      | \$0.189357             | January 25, 2016  | \$0.334537             |
| July 24, 2015      | \$0.057544             | February 26, 2016 | \$0.079974             |
| August 28, 2015    | \$0.369930             | March 28, 2016    | \$0.074041             |
| September 25, 2015 | \$0.396410             | April 22, 2016    | \$0.016562             |
| October 23, 2015   | \$0.039984             |                   |                        |
| November 30, 2015  | \$0.084723             |                   |                        |

**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, 2016, a portion is a non-taxable return of capital, reducing the shareholders' adjusted basis in the fund to the extent that the return of capital exceeds the shareholders' basis, the distribution will be taxed as a capital gain to the shareholder. The April 22, 2016 distribution has an additional portion that is deemed long term capital gain distribution (LTCG).

| Record Date        | Basis Reduction per Share | Record Date       | Basis Reduction per Share | Record Date    | LTCG       |
|--------------------|---------------------------|-------------------|---------------------------|----------------|------------|
| May 22, 2015       | \$0.019857                | November 30, 2015 | \$0.023667                | April 22, 2016 | \$0.003690 |
| June 26, 2015      | \$0.052895                | December 28, 2015 | \$0.102166                |                |            |
| July 24, 2015      | \$0.016074                | January 25, 2016  | \$0.093450                |                |            |
| August 28, 2015    | \$0.103337                | February 26, 2016 | \$0.022340                |                |            |
| September 25, 2015 | \$0.110734                | March 28, 2016    | \$0.020683                |                |            |
| October 23, 2015   | \$0.011169                | April 22, 2016    | \$0.004626                |                |            |

**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, 2016. The amount of return of capital should be applied against the shareholder's adjusted basis in the fund, reducing the basis until its zero. The amount of return of capital, if any, that exceeds a zero adjusted basis shall be treated as a gain from the sale or exchange of property. The capital gain portion is calculated based on the fund's necessary distribution reclassification to satisfy its spillback long term capital requirement at the fiscal year ended April 30, 2016.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Sections 301(c) and 316(a).

Multiple horizontal lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ Not Applicable

Multiple horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ None

Multiple horizontal lines for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *[Handwritten Signature]* Date ▶ 9-9/16

Print your name ▶ Christopher W. Roke Title ▶ Treasurer

|                               |                            |                      |      |   |      |
|-------------------------------|----------------------------|----------------------|------|---|------|
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
|                               | Firm's name ▶              |                      |      | Firm's EIN ▶                                    |      |
|                               | Firm's address ▶           |                      |      | Phone no.                                       |      |