No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

<u>Initial Public Offering</u> **April 27, 2012**

Energy Leaders Income Fund

Maximum: $100,000,000 (8,333,333 Units)

$12.00 per Unit

Energy Leaders Income Fund (the "Fund") is a closed-end investment fund established under the laws of the Province of Ontario which proposes to issue units (the "**Units**") of the Fund (the "**Offering**"), and this prospectus qualifies the issuance of Units, at a price of $12.00 per Unit. Each Unit consists of one transferable trust unit ("**Trust Unit**") and one Trust Unit purchase warrant ("**Warrant**"). The Units will separate into Trust Units and Warrants upon the earlier of the closing of the Over-Allotment Option (as defined herein) and the 30th day following the closing of the Offering. **Each Warrant entitles the holder to purchase one Trust Unit at the subscription price of $12.00 per Trust Unit by notifying the Warrant Agent (as defined herein) during the period between June 3, 2013 and 5:00 p.m. (Toronto time) on June 14, 2013 (the "Warrant Exercise Date"). Such Warrants will be exercised effective at 5:00 p.m. (Toronto time) on and only on June 14, 2013. Warrants not exercised prior to 5:00 p.m. on the Warrant Exercise Date will be void and of no value.**

The value of Trust Units will be reduced if the NAV per Trust Unit exceeds $11.70 and Warrants are exercised. If a holder of Trust Units (the "**Unitholder**") does not exercise Warrants in such circumstances, the Unitholder's pro rata interest in the assets of the Fund will be diluted. In order to maintain a Unitholder's pro rata interest in the assets of the Fund, the Unitholder will be required to pay in connection with the exercise of the Warrants an additional amount equal to the amount originally invested by the Unitholder on the Closing Date (as defined herein). While a Unitholder may sell the Warrants acquired hereunder, no assurance can be given that the proceeds of such sale would compensate the Unitholder for such dilution. As soon as practicable following the exercise of a Warrant, the Fund will pay a fee equal to $0.18 per Warrant to the broker whose client is exercising the Warrant and $0.12 per Warrant to the Agents (as defined herein). Such fees will reduce the Net Asset Value of the Fund by those amounts. See "Warrant Considerations" and "Attributes of the Units, Trust Units and Warrants – Warrants".

The Fund is being established to invest in a portfolio (the "**Portfolio**") of equity securities of 15 Energy Issuers (as defined herein) listed on a North American stock exchange (the "**Energy Issuers Investable Universe**") that have the following characteristics: a market capitalization of at least $10 billion determined at the time of investment; are currently paying a dividend/distribution; are eligible to have options written on their equity securities; and operations and/or offices in at least two countries (each an "**Energy Leader**").

The Portfolio will be initially acquired and thereafter rebalanced quarterly on an equally weighted basis by Highstreet Asset Management Inc. (the "**Investment Manager**" or "**Highstreet**").

The investment objectives of the Fund are to provide Unitholders with (i) monthly cash distributions; (ii) the opportunity for capital appreciation; and (iii) lower overall volatility of the Portfolio returns than would otherwise be experienced by owning the Equity Securities held by the Fund directly; by investing in the Portfolio and writing covered call options on up to 33% of the equity securities of each Energy Issuer held in the Portfolio. See "Investment Objectives".

Harvest Portfolios Group Inc. (the "**Manager**" or "**Harvest**") will act as the trustee, manager and promoter of the Fund and will provide all administrative services required by the Fund. See "Organization and Management Details of the Fund – The Manager".

Highstreet has been retained as the investment manager for the Fund. See "Organization and Management Details of the Fund – The Investment Manager".

No leverage will be used by the Fund.

Price: $12.00 per Unit
(Minimum Purchase: 200 Units ($2,400))

	Price to the Public(1)	Agents' Fee	Net Proceeds to the Fund(2)
Per Unit	$12.00	$0.63	$11.37
Total Minimum Offering(3)	$20,000,000	$1,050,000	$18,950,000
Total Maximum Offering(4)	$100,000,000	$5,250,000	$94,750,000

Notes:

(1) The Offering price was established by negotiation between the Agents and the Manager.

(2) Before deducting the expenses of this issue (estimated at $600,000) which, subject to a maximum of 1.5% of the gross proceeds of the Offering will, together with the Agents' fees, be paid out of the proceeds of the Offering.

(3) There will be no closing unless a minimum of 1,666,667 Units are sold. If subscriptions for a minimum of 1,666,667 Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue without the consent of the securities authorities and those who have subscribed on or before such date.

(4) The Fund has granted to the Agents an option (the "**Over-Allotment Option**"), exercisable in whole or in part for a period of 30 days following the closing of the Offering (the "**Closing**"), to purchase an aggregate of up to 15% of the aggregate number of Units issued at the closing of the Offering on the same terms set forth above (the "**Option Units**"). If the Over-Allotment Option is exercised in full, the total price to the public under the maximum offering will be $115,000,000, the Agents' fees will be $6,037,500 and the net proceeds to the Fund will be $108,962,500. This prospectus also qualifies the granting of the Over-Allotment Option and the distribution of the Option Units that may be offered in relation to the Over-Allotment Option. A purchaser who acquires Option Units forming part of the Agents' over-allocation position acquires such Option Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The Indicative Distribution Amount is initially targeted to be $0.07 per Trust Unit per month ($0.84 per annum) representing an annual cash distribution of 7% based on the $12.00 per Unit issue price.

If the annual return derived from the Portfolio, including the call option premiums, distributions/dividends on Portfolio holdings and capital appreciation on such holdings is less than the amount necessary to fund the monthly distributions and if the Manager chooses nevertheless to ensure that the monthly distributions are paid to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders and thus NAV per Trust Unit will be reduced. See "Distribution Policy".

There are certain risk factors associated with an investment in Units including that the Fund may not be able to meet its investment objectives. See "Risk Factors" for a discussion of certain factors that should be considered by prospective purchasers of Units.

The Portfolio would be required to generate a return of approximately 9.21% per annum in order for the Fund to maintain a stable Net Asset Value per Trust Unit (after accounting for the fees and expenses of the Offering) while making the initial cash distributions of $0.84 per annum (assuming an offering size of $100 million and fees and expenses are as disclosed herein). The Fund is expected to generate dividend and distribution income of approximately 3.79% (or 3.40% net of withholdings) per annum (based on the current cash yield on the Indicative Portfolio which may vary from the actual Portfolio and therefore vary the actual yield). The Portfolio would be required to generate an additional return of approximately 5.42% per annum, including from option premiums, realized capital appreciation and dividend and distribution growth, in order for the Fund to maintain its initial targeted distributions level and a stable NAV (as defined herein). The distributable cash flow and monthly distributions to Unitholders will be substantially based upon the level of premiums realized by the Fund pursuant to the option writing strategy described herein and on the level of dividends and other distributions received on the securities comprising the Portfolio. As the Fund will write call options on up to 33% of the Equity Securities of each Energy Issuer in the Portfolio, if there is a significant decrease in the volatility of the Equity Securities comprising the Portfolio, this could have a significant adverse effect on the distributable cash flow generated by the Fund and accordingly, the distributions, if any paid by the Fund from time to time. **The amount of monthly cash distributions may fluctuate from month to month and there can be no assurance that the Fund will make any distributions in any particular month or months**. The use of call options may have the effect of precluding the Fund from participating in returns derived from the securities that are the subject of such options or limiting or reducing the total returns of the Fund, particularly in a rising market since the premiums associated with writing covered call options may be outweighed by the cost of closing out outstanding options. See "Distribution Policy" and "Risk Factors".

There is currently no market through which the Units, Trust Units or Warrants may be sold.

The TSX has conditionally approved the listing of the Units, Trust Units and Warrants. The listing is subject to the Fund fulfilling all the requirements of the TSX on or before June 26, 2012. The Units, Trust Units and Warrants will be listed on the TSX under the symbols HEN.A, HEN.UN and HEN.WT, respectively.

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The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under provisions of that Act or any other legislation.

CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., GMP Securities L.P., Macquarie Private Wealth Inc., Raymond James Ltd., Burgeonvest Bick Securities Limited, Dundee Securities Ltd. and Industrial Alliance Securities Inc. (collectively, the "**Agents**") conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund and accepted by the Agents in accordance with the conditions contained in the Agency Agreement (as defined herein), and subject to the approval of certain legal matters by Borden Ladner Gervais LLP, on behalf of the Fund and the Manager, and Blake, Cassels & Graydon LLP, on behalf of the Agents.

Subscriptions for Units will be received subject to acceptance or rejection in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about May 18, 2012 but no later than June 15, 2012 (the "**Closing Date**"). The Offering will be conducted under the book-entry only system; accordingly, a subscriber who purchases Units will receive a customer confirmation from the registered dealer from or through whom Units are purchased. CDS will record the CDS participants who hold Units on behalf of owners who have purchased or transferred Units, Trust Units and/or Warrants in accordance with the book-entry only system. Certificates evidencing Units, Trust Units and/or Warrants will not be issued.

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GLOSSARY OF TERMS

In this prospectus, the following terms shall have the meanings set forth below, unless otherwise indicated.

"**ADR**" means American Deposit Receipts representing securities in a foreign issuer that is traded on a U.S. stock exchange.

"**Agency Agreement**" means the agency agreement dated as of April 27, 2012 among the Fund, the Manager, the Investment Manager and the Agents.

"**Agents**" means, collectively, CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., GMP Securities L.P., Macquarie Private Wealth Inc., Raymond James Ltd., Burgeonvest Bick Securities Limited, Dundee Securities Ltd. and Industrial Alliance Securities Inc.

"**Alternative Proposal**" has the meaning ascribed to in "Risk Factors – Taxation of the Fund".

"**Annual Redemption**" means the annual redemption of Trust Units as described under "Redemption of Trust Units – Annual Redemption".

"**Annual Redemption Date**" means the second last Business Day of November in each year commencing in 2013.

"**at-the-money**" means a call option with a price equal to the current market price of the underlying security at the time of writing the call option as determined by the Investment Manager, provided that the determination by the Investment Manager that a call option is "at-the-money" shall be conclusive for all purposes herein.

"**Black Scholes Model**" means a widely used option pricing model developed by Fischer Black and Myron Scholes in 1973. The model can be used to calculate the theoretical value of an option based on the current price of the underlying security, the strike price and term of the option, prevailing interest rates and the volatility of the price of the underlying security.

"**Business Day**" means any day on which the TSX is open for trading.

"**call option**" means the right, but not the obligation, of the option holder to buy a security from the seller of the option at a specified price at any time during a specified time period or at expiry.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CDS Participants**" means participants in CDS.

"**Closing**" means the closing of the Offering on the Closing Date.

"**Closing Date**" means the date of the Closing, which is expected to be on or about May 18, 2012 or such later date as the Fund and the Agents may agree, but in any event not later than June 15, 2012.

"**covered call option**" means a call option entered into in circumstances where the seller of the call option owns the underlying security for the term of the option.

"**CRA**" means the Canada Revenue Agency.

"**Custodian**" means State Street Trust Company Canada, in its capacity as custodian under the Custodian Agreement.

"**Declaration of Trust**" means the declaration of trust of the Fund dated April 27, 2012, as it may be amended from time to time.

"**Distribution Payment Date**" means the date that is on or before the 15th day of the month following the applicable distribution date.

"**Energy Issuer**" means an issuer whose underlying business includes but is not limited to, the exploration, extraction, refining, transportation, or marketing of oil and/or gas and related products, provided that the determination by the Investment Manager and the Manager that an issuer is an Energy Issuer shall be conclusive for all purposes herein.

"**Energy Issuers Investable Universe**" means any Energy Issuer whose Equity Securities are listed on a North American stock exchange.

“**Energy Leader**” means an Energy Issuer from the Energy Issuers Investable Universe that has a market capitalization of at least $10 billion determined at the time of investment; is currently paying a dividend/distribution; is eligible to have options written on their Equity Securities; and has operations and/or offices in at least two countries, provided that the determination by the Investment Manager and the Manager that an issuer is an Energy Leader shall be conclusive for all purposes herein.

“**Equity Securities**” means any securities that represent an interest in an issuer which includes common shares, and securities convertible into or exchangeable for common shares including ADRs, provided that the determination by the Investment Manager and the Manager that a security is an Equity Security shall be conclusive for all purposes herein.

“**Extraordinary Resolution**” means a resolution passed by the affirmative vote of at least two-thirds of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“**Fund**” means Energy Leaders Income Fund, a closed-end investment fund established under the laws of Ontario pursuant to the Declaration of Trust.

“**Indicative Distribution Amount**” means the indicative distribution amount of the Fund, initially $0.07 per Trust Unit per month for the first 12 months of the Fund, and thereafter as determined by the Manager annually.

“**Indicative Portfolio**” has the meaning ascribed thereto under “Investments of the Fund – Investment Strategy”.

“**in-the-money**” means a call option with a strike price less than the current market price of the underlying security.

“**Investment Management Agreement**” means the investment management agreement dated on or before the Closing Date, as it may be amended from time to time.

“**Investment Manager**” or “**Highstreet**” means the investment manager of the Fund, Highstreet Asset Management Inc.

“**Manager**” or “**Harvest**” means the manager of the Fund, Harvest Portfolios Group Inc.

“**Monthly Redemption**” means the monthly redemption of Trust Units as described under “Redemption of Trust Units – Monthly Redemption”.

“**Monthly Redemption Date**” means the last Business Day of each month in which Trust Units are surrendered for a Monthly Redemption.

“**NAV per Trust Unit**” means the NAV of the Fund divided by the number of Trust Units outstanding at the time the calculation is made.

“**Net Asset Value**” or “**NAV**” means the net asset value of the Fund on a particular date, equal to (i) the aggregate fair value of the assets of the Fund, less (ii) the aggregate fair value of the liabilities of the Fund as more particularly set forth in the Declaration of Trust.

“**NI 81-102**” means National Instrument 81-102 *Mutual Funds* of the Canadian Securities Administrators, as it may be amended from time to time.

“**NI 81-106**” means National Instrument 81-106 *Investment Fund Continuous Disclosure* of the Canadian Securities Administrators, as it may be amended from time to time.

“**NI 81-107**” means National Instrument 81-107 *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators, as it may be amended from time to time.

“**October 2003 Proposals**” has the meaning ascribed to in “Risk Factors – Taxation of the Fund”.

“**OECD**” means the Organisation for Economic Co-Operation and Development whose members comprise of 34 developed countries around that world which share and promote policies that improve economic and social well-being.

“**Offering**” means the offering of a minimum of 1,666,667 Units and a maximum of 8,333,333 Units at the Offering Price, as contemplated in this prospectus.

“**Offering Price**” means a price of $12.00 per Unit.

“**Option Premium**” means the purchase price of an option.

"**Option Units**" means Units issued under the Over-Allotment Option.

"**Ordinary Resolution**" means a resolution passed by the affirmative vote of at least a majority of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

"**out-of-the-money**" means a call option with a strike price greater than the current market price of the underlying security.

"**Over-Allotment Option**" means the option granted by the Fund to the Agents, exercisable for a period of 30 days following Closing, to purchase an aggregate of up to 15% of the aggregate number of Units issued at Closing solely to cover over-allotments, if any.

"**Portfolio**" means the assets held by the Fund from time to time.

"**Redemption Payment Date**" means the date that is on or before the 15th Business Day in the following month after the Monthly Redemption Date or Annual Redemption Date, as applicable.

"**Registrar and Transfer Agent**" means Equity Financial Trust Company.

"**September 2004 Proposals**" has the meaning ascribed to in "Risk Factors – Taxation of the Fund".

"**SIFT Rules**" mean the provisions of the Tax Act providing for a tax on certain income earned by a specified investment flow through trust or partnership which became law on June 22, 2007.

"**strike price**" means, in relation to a call option, the price specified in the option that must be paid by the option holder to acquire the underlying security.

"**Tax Act**" means the *Income Tax Act* (Canada) as amended and the regulations thereunder.

"**Trust Units**" means the transferable trust units of the Fund.

"**Trustee**" means initially Harvest, in its capacity as trustee under the Declaration of Trust, and thereafter such successor as may be appointed trustee in accordance with the provisions of the Declaration of Trust.

"**TSX**" means the Toronto Stock Exchange.

"**Unit**" means one Trust Unit and one Warrant of the Fund.

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state thereof, and the District of Columbia.

"**Unitholders**" means holders of Trust Units.

"**Valuation Time**" means 4:15 p.m. (Toronto time) or such other time as the Manager deems appropriate, every Business Day, and includes any other day on which the Manager determines from time to time in its discretion, to calculate the NAV of the Fund and the NAV per Trust Unit.

"**Warrant**" means a warrant of the Fund issued pursuant to the Warrant Indenture, each whole Warrant entitling the holder thereof to purchase one Trust Unit at a subscription price of $12.00 on or before the Warrant Expiry Time.

"**Warrant Agent**" means Equity Financial Trust Company.

"**Warrant Exercise Date**" means June 14, 2013.

"**Warrant Expiry Time**" means 5:00 p.m. (Toronto time) on the Warrant Exercise Date.

"**Warrant Indenture**" means the warrant indenture to be dated on or before the Closing Date, between the Fund and the Warrant Agent, as it may be amended from time to time.

"**Warrant Notice Period**" means the period between June 3, 2013 and 5:00 p.m. (Toronto time) on June 14, 2013.

"**$**" means Canadian dollars unless otherwise indicated.

INFORMATION REGARDING PUBLIC INFORMATION

Certain information contained in this prospectus relating to publicly-traded securities and the issuers of those securities is taken from and based solely upon information published by those issuers. In addition, certain information contained in this prospectus was obtained from public sources. Neither the Manager, the Investment Manager, the Fund nor the Agents have independently verified the accuracy or completeness of any such information or assume any responsibility for the completeness or accuracy of such information.

FORWARD LOOKING STATEMENTS

Certain statements included in this prospectus constitute forward looking statements or information, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend" and similar expressions to the extent they relate to the Fund, the Manager or the Investment Manager. The forward looking statements and information are not historical facts but reflect the Fund's, the Manager and/or the Investment Manager's current expectations regarding future results or events. The prospectus includes, from a number of third party sources forward looking statements or information and although the Fund, the Manager and/or Investment Manager believes such statements or information to be reliable, no assurance can be given that such forward looking statements or information will be accurate. These forward looking statements and information are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under "Risk Factors" and in other sections of this prospectus. Accordingly readers should not place undue reliance on forward looking statements and information. All forward looking statements and information is qualified by this cautionary statement.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

THE FUND

The Fund is a closed-end investment fund established under the laws of the Province of Ontario pursuant to the Declaration of Trust.

THE OFFERING

Offering:	The Offering consists of Units of the Fund. Each Unit consists of one Trust Unit and one Warrant. The Units will separate into Trust Units and Warrants upon the earlier of the closing of the Over-Allotment Option and the 30th day following the closing of the Offering. Each Warrant entitles the holder to purchase one Trust Unit at the subscription price of $12.00 per Trust Unit by notifying the Warrant Agent during the period between June 3, 2013 and the Warrant Expiry Time. Such Warrants will be exercised effective at 5:00 p.m. (Toronto time) on and only on June 14, 2013. Warrants not exercised prior to the Warrant Expiry Time will be void and of no value. The value of Trust Units will be reduced if the NAV per Trust Unit exceeds $11.70 and Warrants are exercised. If a Unitholder does not exercise Warrants in such circumstances, the Unitholder's pro rata interest in the assets of the Fund will be diluted. In order to maintain a Unitholder's pro rata interest in the assets of the Fund, the Unitholder will be required to pay in connection with the exercise of the Warrants an additional amount equal to the amount originally invested by the Unitholder on the Closing Date (as defined herein). While a Unitholder may sell the Warrants acquired hereunder, no assurance can be given that the proceeds of such sale would compensate the Unitholder for such dilution. As soon as practicable following the exercise of a Warrant, the Fund will pay a fee equal to $0.18 per Warrant to the broker whose client is exercising the Warrant and $0.12 per Warrant to the Agents. Such fees will reduce the Net Asset Value of the Fund by those amounts. See "Warrant Considerations" and "Attributes of the Units, Trust Units and Warrants – Warrants".
Amount:	Minimum: $20,000,000 (1,666,667 Units) Maximum: $100,000,000 (8,333,333 Units)
Offering Price:	$12.00 per Unit
Minimum Purchase:	200 Units ($2,400)
Investment Objectives:	The investment objectives of the Fund are to provide Unitholders with (i) monthly cash distributions; (ii) the opportunity for capital appreciation; and (iii) lower overall volatility of the Portfolio returns than would otherwise be experienced by owning the Equity Securities held by the Fund directly; by investing in the Portfolio and writing covered call options on up to 33% of the Equity Securities of each Energy Issuer held in the Portfolio. To seek to achieve its investment objectives, the Fund will invest in a Portfolio of Equity Securities of 15 Energy Issuers from the Energy Issuers Investable Universe that have the following characteristics: • a market capitalization of at least $10 billion determined at the time of investment; • are currently paying a dividend/distribution;

- are eligible to have options written on their Equity Securities; and
- operations and/or offices in at least two countries.

The Portfolio will be initially acquired and thereafter rebalanced quarterly on an equally weighted basis by the Investment Manager.

See “Investment Objectives.”

Investment Strategy: The Investment Manager will acquire 15 Equity Securities of Energy Leaders for the Portfolio. The Portfolio will be initially acquired and thereafter rebalanced quarterly on an equally weighted basis within 15 Business Days following the last Business Day of March, June, September and December. Equity Securities of an Energy Issuer will be replaced and acquired for the Portfolio at the time of each quarterly rebalancing only if: i) an Energy Issuer no longer has a market capitalization of at least $10 billion; ii) an Energy Issuer has publicly announced that it will cease the payment of its dividend/distribution; iii) the Investment Manager, in its discretion, is no longer able to write call options on the Equity Security of an Energy Issuer on terms acceptable to the Investment Manager; or iv) an Energy Issuer ceases to have operations and/or offices in at least two countries. In such circumstances, the Equity Security that is removed from the Portfolio will be replaced with another Equity Security from the Energy Issuers Investable Universe at the discretion of the Investment Manager such that the new Equity Security will meet the characteristics of an Energy Leader. At the time of any rebalancing, it is the Investment Manager’s intention to acquire a new Equity Security for the Portfolio only when an Equity Security needs to be replaced. Accordingly, if each of the Energy Issuers in the Portfolio meets the characteristics of an Energy Leader at the time of any rebalancing, no changes will be made to the Portfolio, other than rebalancing the Portfolio back to equal weightings.

In addition, Equity Securities of an Energy Issuer may be replaced by the Investment Manager from the Portfolio at the time of each quarterly rebalancing if an Energy Issuer has publicly announced that it will reduce the payment of its dividend/distribution.

Equity Securities of an Energy Leader within the Portfolio may be changed more frequently than quarterly only if an Energy Leader in the Portfolio is the subject of a merger or other fundamental corporate action or fundamental change that in the opinion of the Investment Manager requires the Energy Leader to be removed from the Portfolio.

In order to seek to generate additional returns, the Investment Manager will sell call options each month on Equity Securities held in the Portfolio. The Investment Manager will sell call options on up to 33% of the Equity Securities of each Energy Issuer held in the Portfolio. The Investment Manager anticipates that initially it will only be required to sell call options on approximately 19% of the Equity Securities of each Energy Issuer held in the Portfolio in order to meet the initial Indicative Distribution Amount. Such call options may be either exchange-traded options or over-the-counter options.

See “Investments of the Fund – Investment Strategy.”

Monthly Distributions: The Fund intends to make monthly cash distributions to Unitholders of record on the last Business Day of each month and pay such cash distributions on or before the 15th day of the following month. Beginning in May, 2013, the Fund will annually determine and announce the Indicative Distribution Amount for the following 12 months based upon, among other factors, the prevailing market conditions. The initial Indicative Distribution Amount will be $0.07 per Trust Unit per month ($0.84 per annum representing an annual cash distribution of 7% based on the $12.00 per Unit issue price). The initial cash distribution is anticipated to be payable on or before July 13, 2012 to Unitholders of record on June 29, 2012.

If the annual return derived from the Portfolio, including the call option premiums, distributions/dividends on Portfolio holdings and capital appreciation on such holdings is less than the amount necessary to fund the monthly distributions and if the Manager chooses nevertheless to ensure that the monthly distributions are paid to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders and thus NAV per Trust Unit will be reduced.

The Portfolio would be required to generate a return of approximately 9.21% per annum in order for the Fund to maintain a stable Net Asset Value per Trust Unit (after accounting for the fees and expenses of the Offering) while making the initial cash distributions of $0.84 per annum (assuming an offering size of $100 million and fees and expenses are as disclosed herein). The Fund is expected to generate dividend and distribution income of approximately 3.79% (or 3.40% net of withholdings) per annum (based on the current cash yield on the Indicative Portfolio which may vary from the actual Portfolio and therefore vary the actual yield). The Portfolio would be required to generate an additional return of approximately 5.42% per annum, including from option premiums, realized capital appreciation and dividend and distribution growth, in order for the Fund to maintain its initial targeted distributions level and a stable NAV. The distributable cash flow and monthly distributions to Unitholders will be substantially based upon the level of premiums realized by the Fund pursuant to the option writing strategy described herein and on the level of dividends and other distributions received on the securities comprising the Portfolio. As the Fund will write call options on up to 33% of the Equity Securities of each Energy Issuer in the Portfolio, if there is a significant decrease in the volatility of the Equity Securities comprising the Portfolio, this could have a significant adverse effect on the distributable cash flow generated by the Fund and accordingly, the distributions, if any paid by the Fund from time to time. **The amount of monthly cash distributions may fluctuate from month to month and there can be no assurance that the Fund will make any distributions in any particular month or months**. The use of call options may have the effect of precluding the Fund from participating in returns derived from the securities that are the subject of such options or limiting or reducing the total returns of the Fund, particularly in a rising market since the premiums associated with writing covered call options may be outweighed by the cost of closing out outstanding options. **See "Risk Factors" for a discussion of certain factors that should be considered by prospective purchasers of Units.**

If, in any year, after such distributions there would otherwise remain in the Fund additional net income or net realized capital gains, a special distribution of such portion of the net income and net realized capital gains as is necessary to ensure that the Fund will not be liable for non-refundable income tax under the Tax Act will be automatically payable on the last day of that taxation year to Unitholders of record on that date.

There can be no assurance that the Fund will be able to achieve its monthly distribution objective or make payments on any Distribution Payment Date. Amounts distributed on the Trust Units that represent returns of capital are generally non-taxable to a Unitholder but reduce the Unitholder's adjusted cost base of the Trust Units for tax purposes. See "Income Tax Considerations".

Annual Redemption: Commencing in 2013, Trust Units may be surrendered for redemption during the period from the first Business Day of November to 5:00 p.m. (Toronto time) on the tenth Business Day prior to the second last Business Day in November, subject to the Fund's right to suspend redemptions in certain circumstances. Trust Units surrendered for redemption during this period will be redeemed on the applicable

Annual Redemption Date and the Unitholder will receive payment on or before the 15th Business Day in the following month equal to the NAV per Trust Unit on the applicable Annual Redemption Date less any costs and expenses associated with the redemption.

Trust Units are also redeemable on a monthly basis.

See "Redemption of Trust Units".

Repurchase of Trust Units: The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Trust Units for cancellation subject to applicable law and stock exchange requirements. See "Attributes of the Units, Trust Units and Warrants – Repurchase of Trust Units".

Borrowing: The Fund will not borrow money or employ other forms of leverage. See "Investments of the Fund – Borrowing".

Use of Proceeds: The Fund will use the proceeds from the sale of Units as follows:

	Minimum Offering	Maximum Offering
Gross proceeds to the Fund	$20,000,000	$100,000,000
Agents' fees	$1,050,000	$5,250,000
Expenses of the Offering	$300,000	$650,000
Net proceeds to the Fund	$18,650,000	$94,100,000

"See Use of Proceeds".

Organization and Management of the Fund:

Management of the Fund	Name and Principal Address at which Services are Provided to the Fund	Services Provided to Fund
Trustee, Manager and Promoter	Harvest Portfolios Group Inc. 710 Dorval Drive Suite 209 Oakville, Ontario L6K 3V7	Manages the overall business of the Fund
Investment Manager	Highstreet Asset Management Inc. 244 Pall Mall Street Suite 350 London, Ontario N6A 5P6	Provides portfolio management and option advisory services to the Fund
Custodian and Valuation Agent	State Street Trust Company Canada 30 Adelaide Street East Toronto, Ontario M5C 3G6	Provides custody and valuation services to the Fund
Auditor	PricewaterhouseCoopers LLP PwC Tower 18 York Street, Suite 2600 Toronto, Ontario M5J 0B2	Provides audit services to the Fund
Registrar, Transfer Agent and Warrant Agent	Equity Financial Trust Company 200 University Avenue Suite 400 Toronto, Ontario M5H 4H1	Maintains the security register and the register of transfers of securities of the Fund; serves as the warrant agent

See "Organization and Management Details of the Fund".

Manager: Harvest was founded by long term members of the investment management industry and is focused on developing income investment products. Harvest's guiding principles are to seek to provide investment products that are clear and understandable, transparent in portfolio structure and seek to generate consistent income.

Harvest is responsible for providing or arranging for the provision of administration services required by the Fund. See “Organization and Management Details of the Fund – The Manager”.

Harvest has taken the initiative in organizing the Fund and accordingly, may be a “Promoter” of the Fund within the meaning of applicable securities legislation. See “Organization and Management Details of the Fund – Promoter”.

Investment Manager: Harvest has retained Highstreet Asset Management Inc. to provide portfolio management including option advisory services to the Fund. Founded in 1998, Highstreet is a quantitative investment management firm with client assets, as at December 31, 2011, of approximately $4 billion including a family of pooled funds and investments for segregated accounts, pension plans and endowment funds. Highstreet is owned approximately 80% by AGF Investments Inc. (a wholly owned subsidiary of AGF Management Limited) with Highstreet’s employees owning the remaining shares. See “Organization and Management Details of the Fund – The Investment Manager”.

Agents: The Fund has engaged CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., GMP Securities L.P., Macquarie Private Wealth Inc., Raymond James Ltd., Burgeonvest Bick Securities Limited, Dundee Securities Ltd. and Industrial Alliance Securities Inc. (collectively, the “**Agents**”) as agents to offer Units for sale to the public.

The Fund has granted to the Agents an Over-Allotment Option, exercisable for a period of 30 days from the Closing Date, to purchase additional Units in an amount up to 15% of the Units issued at the Closing at a price of $12.00 per Unit to cover over-allotments, if any. If the Over-Allotment Option is exercised in full under the maximum Offering, the total price to the public will be $115,000,000, the Agents’ fees will be $6,037,500 and the net proceeds to the Fund will be estimated to be $108,962,500. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Option Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Option Units forming part of the Over-Allotment Option acquires such Option Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

Agents’ Position	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option	1,250,000 Units	Within 30 days following the Closing Date	$12.00 per Unit

Termination of the Fund: The Fund does not have a fixed termination date. See “Termination of the Fund”. For details with respect to a Permitted Merger, see “Unitholder Matters”.

Eligibility for Investment: Provided that the Fund qualifies and continues at all times to qualify as a mutual fund trust within the meaning of the Tax Act or that the Trust Units are listed on a designated stock exchange under the Tax Act (which includes the TSX), the Trust Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts (each a “plan trust”). Provided that the Warrants are listed and continue at all times to be listed on a designated stock exchange for purposes of the Tax Act (which includes the TSX), or provided that at all times the Trust Units are qualified investments for plan trusts and the Fund is not, and deals at arm’s length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of a plan trust, the Warrants will be qualified investments for plan trusts. See “Income Tax Considerations — Status of the Fund” and “Income Tax Considerations — Taxation of Registered Plans”.

Notwithstanding the foregoing, if the Trust Units or Warrants are "prohibited investments" for the purposes of a trust governed by a tax-free savings account, a registered retirement savings plan or a registered retirement income fund, a Unitholder who is a holder or annuitant, as the case may be, of such a trust that holds Trust Units or Warrants will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes a unit or debt of a trust, or a right to acquire a unit or debt of a trust, which does not deal at arm's length with the holder or annuitant or with a person or partnership in which the holder or annuitant has a significant interest, or in which the holder or annuitant has a significant interest, which in general terms means the ownership of 10% or more of the value of the trust's outstanding units by the holder or annuitant, either alone or together with persons and partnerships with which the holder or annuitant does not deal at arm's length. Unitholders are advised to consult their own tax advisors in this regard. See "Income Tax Considerations — Taxation of Registered Plans".

Income Tax Considerations:

The Fund intends to distribute the amount of its income for each taxation year so that it will generally not be liable for income tax under the Tax Act. See "Income Tax Considerations".

A Unitholder who is resident in Canada will generally be required to include in computing income for a taxation year that part of the net income of the Fund, including net taxable capital gains, if any, that is paid or becomes payable to the Unitholder by the Fund in the year (whether in cash or in Trust Units). To the extent that amounts payable to a Unitholder are designated by the Fund as taxable dividends from taxable Canadian corporations, the taxable portion of net realized capital gains and foreign source income, those amounts will retain their character and be treated as such in the hands of the Unitholder.

Distributions by the Fund to a Unitholder in excess of the Unitholder's share of the Fund's net income and net realized capital gains will generally not result in an income inclusion, but will reduce the adjusted cost base of the Unitholder's Trust Units. To the extent that the adjusted cost base of a Trust Unit held as capital property would otherwise be less than zero, the Unitholder will be deemed to have realized a capital gain equal to such negative amount. A Unitholder who disposes of Trust Units held as capital property (on a redemption or otherwise) will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are less than) the aggregate adjusted cost base of the Trust Units disposed of and any reasonable costs of disposition.

A reasonable allocation of the purchase price of the Units between the Trust Units and the Warrants will be required for purposes of the Tax Act. The exercise of Warrants held as capital property will not constitute a disposition of property for purposes of the Tax Act and, consequently, no capital gain or capital loss will be realized on the exercise of Warrants. Upon the disposition of a Warrant held as capital property by a Unitholder, the Unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Warrant to the Unitholder.

Each investor should satisfy himself or herself as to the federal, provincial and territorial tax consequences of an investment in Trust Units and Warrants by obtaining advice from his or her tax advisor. See "Income Tax Considerations".

RISK FACTORS

An investment in Units is subject to various risk factors, including the following risks which prospective purchasers should consider before purchasing Units.

1. there can be no assurance that the Fund will be able to achieve its investment objectives;
2. possible loss of investment;
3. no guaranteed return on investment;
4. risks associated with investing in Equity Securities;
5. passive management;
6. volatility and distributions;
7. the NAV per Trust Unit will vary according to the value of the securities in which the Fund invests;
8. risks associated with investing in Energy Issuers;
9. the NAV of the Fund and the trading price of the Trust Units will be sensitive to interest rate fluctuations;
10. risks associated with the use of options and other derivative instruments;
11. risks associated with the composition and concentration of the Portfolio;
12. reliance on the Manager and Investment Manager;
13. possibility that the Units will trade at a discount to the Net Asset Value per Trust Unit and risks relating to redemptions;
14. nature of the Trust Units;
15. counterparty risk;
16. foreign currency exposure;
17. recent global financial market developments;
18. risks regarding the Warrants;
19. the Fund's lack of operating history and the current absence of a public trading market for the Trust Units;
20. the Fund is not subject to regulation as a mutual fund or trust company;
21. the potential for conflicts of interest;
22. risks relating to changes in legislation;
23. risks relating to taxation of the Fund and its Unitholders.

See "Risk Factors".

SUMMARY OF FEES AND EXPENSES PAYABLE BY THE FUND

The following table contains a summary of the fees and expenses payable by the Fund, which will therefore reduce the value of your investment in the Fund. All fees and expenses of the Fund will be paid in cash. For further details, see "Fees and Expenses".

Type of Charge	Amount and Description
Fees Payable to Agents:	$0.63 (5.25%) per Unit.
Expenses of Issue:	The Fund will pay the expenses incurred in connection with the Offering of Units by the Fund, which are estimated to be $600,000, subject to a maximum of 1.5% of the gross proceeds of the Offering.
Management Fee:	The Manager is entitled to a management fee (the "**Management Fee**") at an annual rate of 1.00% of NAV, plus an amount equal to the Servicing Fee (as defined below), plus applicable taxes. Fees payable to Harvest will be calculated and payable monthly in arrears based on the average NAV calculated at each Valuation Time during that month. The Management Fee will be paid in cash. The total Management Fee including the Servicing Fee paid by the Fund will be 1.40% of the NAV per annum. The Investment Manager will be remunerated by the Manager out of the Management Fee.
Operating Fees and Expenses:	The Fund will pay for all ordinary expenses incurred in connection with the operation and administration of the Fund. All fees and expenses of the Fund will be paid in cash. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; (b) fees payable to the Trustee for acting as trustee (except when the Manager is the Trustee); (c) fees payable to the Registrar and Transfer Agent; (d) fees payable to the Custodian for acting as custodian of the assets of the Fund; (e) Independent Review Committee member fees and expenses in connection with the Independent Review Committee; (f) fees payable to the auditors and legal advisors of the Fund; (g) regulatory filing, stock exchange and licensing fees; and (h) any expenditures incurred upon the termination of the Fund. The aggregate amount of these fees and expenses is estimated to be $230,000 per annum.
Servicing Fee:	The Manager will pay to registered dealers a servicing fee (the "**Servicing Fee**") equal to 0.40% annually of the NAV per Trust Unit for each Trust Unit held by clients of the registered dealers (calculated and paid at the end of each calendar quarter commencing on the Closing Date, plus applicable taxes).
Warrant Exercise Fee:	As soon as practicable following the exercise of a Warrant, the Fund will pay a fee equal to $0.12 per Warrant to the Agents and a fee equal to $0.18 per Warrant to the dealer whose client is exercising the Warrant (the "**Warrant Fee**").

THE FUND

Overview of the Legal Structure of the Fund

The Fund is a closed-end investment fund established under the laws of the Province of Ontario pursuant to the Declaration of Trust dated April 27, 2012.

The principal office of the Fund and Harvest is located at 710 Dorval Drive, Suite 209, Oakville, Ontario L6K 3V7.

INVESTMENTS OBJECTIVES

The investment objectives of the Fund are to provide Unitholders with (i) monthly cash distributions; (ii) the opportunity for capital appreciation; and (iii) lower overall volatility of the Portfolio returns than would otherwise be experienced by owning the Equity Securities held by the Fund directly; by investing in the Portfolio and writing covered call options on up to 33% of the Equity Securities of each Energy Issuer held in the Portfolio.

To seek to achieve its investment objectives, the Fund will invest in a Portfolio of Equity Securities of 15 Energy Issuers from the Energy Issuers Investable Universe that have the following characteristics:

- a market capitalization of at least $10 billion determined at the time of investment;
- are currently paying a dividend/distribution;
- are eligible to have options written on their Equity Securities; and
- operations and/or offices in at least two countries.

The Portfolio will be initially acquired and thereafter rebalanced quarterly on an equally weighted basis by the Investment Manager.

INVESTMENTS OF THE FUND

Investment Strategy

The Investment Manager will acquire 15 Equity Securities of Energy Leaders for the Portfolio. If the Fund had been in existence on April 19, 2012, the Portfolio would have included the following securities (the "**Indicative Portfolio**"):

The Indicative Portfolio

Company	Ticker	Market Capitalization ($ Billions)	Trailing 12 month Dividend	Average 30-day Implied Volatility
Canadian Oil Sands Ltd.	COS	10.0	5.8%	38.6%
Petroleo Brasilerio SA	PBR	152.6	5.1%	41.2%
William Cos Inc.	WMB	19.9	2.8%	38.6%
Statoil ASA	STO	84.9	4.3%	36.4%
Marathon Oil Corporation	MRO	20.7	2.4%	36.8%
Talisman Energy Inc.	TLM	13.2	2.1%	40.7%
Encana Corporation	ECA	13.2	4.4%	34.6%
Ensco PLC	ESV	12.2	2.7%	42.5%
Total S.A.	TOT	112.8	8.1%	27.9%
BP plc	BP	134.7	4.1%	28.1%
Cenovus Energy Inc.	CVE	26.0	2.4%	32.1%
ConocoPhillips	COP	92.7	3.6%	30.0%
Spectra Energy Corp.	SE	19.7	3.6%	28.6%
Chevron Corporation	CVX	202.2	3.1%	26.7%
Exxon Mobil Corporation	XOM	401.0	2.2%	24.5%
Indicative Portfolio Average		87.7	3.8%	33.8%
Energy Issuers Investable Universe Average		26.2	3.6%	42.7%

Source: Bloomberg April 19, 2012

Note: Past performance is not an indication or guarantee of future performance. The Indicative Portfolio is expected to comprise the initial Portfolio of the Fund but may vary from the Indicative Portfolio both on and after the initial investment of the assets of the Fund.

The Investment Manager will acquire 15 Equity Securities of Energy Leaders for the Portfolio. The Portfolio will be initially acquired and thereafter rebalanced quarterly on an equally weighted basis within 15 Business Days following the last Business Day of March, June, September and December. Equity Securities of an Energy Issuer will be replaced and acquired for the Portfolio at the time of each quarterly rebalancing only if: i) an Energy Issuer no longer has a market capitalization of at least $10 billion; ii) an Energy Issuer has publicly announced that it will cease the payment of its dividend/distribution; iii) the Investment Manager, in its discretion, is no longer able to write call options on the Equity Security of an Energy Issuer on terms acceptable to the Investment Manager; or iv) an Energy Issuer ceases to have operations and/or offices in at least two countries. In such circumstances, the Equity Security that is removed from the Portfolio will be replaced with another Equity Security from the Energy Issuers Investable Universe at the discretion of the Investment Manager such that the new Equity Security will meet the characteristics of an Energy Leader. At the time of any rebalancing, it is the Investment Manager's intention to acquire a new Equity Security for the Portfolio only when an Equity Security needs to be replaced. Accordingly, if each of the Energy Issuers in the Portfolio meets the characteristics of an Energy Leader at the time of any rebalancing, no changes will be made to the Portfolio, other than rebalancing the Portfolio back to equal weightings.

In addition, Equity Securities of an Energy Issuer may be replaced by the Investment Manager from the Portfolio at the time of each quarterly rebalancing if an Energy Issuer has publicly announced that it will reduce the payment of its dividend/distribution.

Equity Securities of an Energy Leader within the Portfolio may be changed more frequently than quarterly only if an Energy Leader in the Portfolio is the subject of a merger or other fundamental corporate action or fundamental change that in the opinion of the Investment Manager requires the Energy Leader to be removed from the Portfolio.

In order to seek to generate additional returns, the Investment Manager will sell call options each month on Equity Securities held in the Portfolio. The Investment Manager will sell call options on up to 33% of the Equity Securities of each Energy Issuer held in the Portfolio. The Investment Manager anticipates that initially it will only be required to sell call options on approximately 19% of the Equity Securities of each Energy Issuer held in the Portfolio in order to meet the initial Indicative Distribution Amount. Such call options may be either exchange-traded options or over-the-counter options.

It is the Investment Manager's intention to purchase only ADRs for those Energy Leaders from the Energy Issuers Investable Universe that are considered to be "foreign issuers" in the U.S. and that are not listed on a North American stock exchange. The Investment Manager intends to purchase common shares for all other Energy Leaders acquired for the Portfolio.

The Manager believes that over the long term, the energy sector will provide a favourable environment for growth and attractive investment opportunities due to a combination of depleting oil and gas reserves, global demand growth and on-going geopolitical instability. In the near to mid-term, the Manager believes that recent reductions in planned capital spending, as well as decreases in oil and gas production by the Organization of the Petroleum Exporting Countries (OPEC), will result in production shortfalls that will provide support particularly for oil prices.

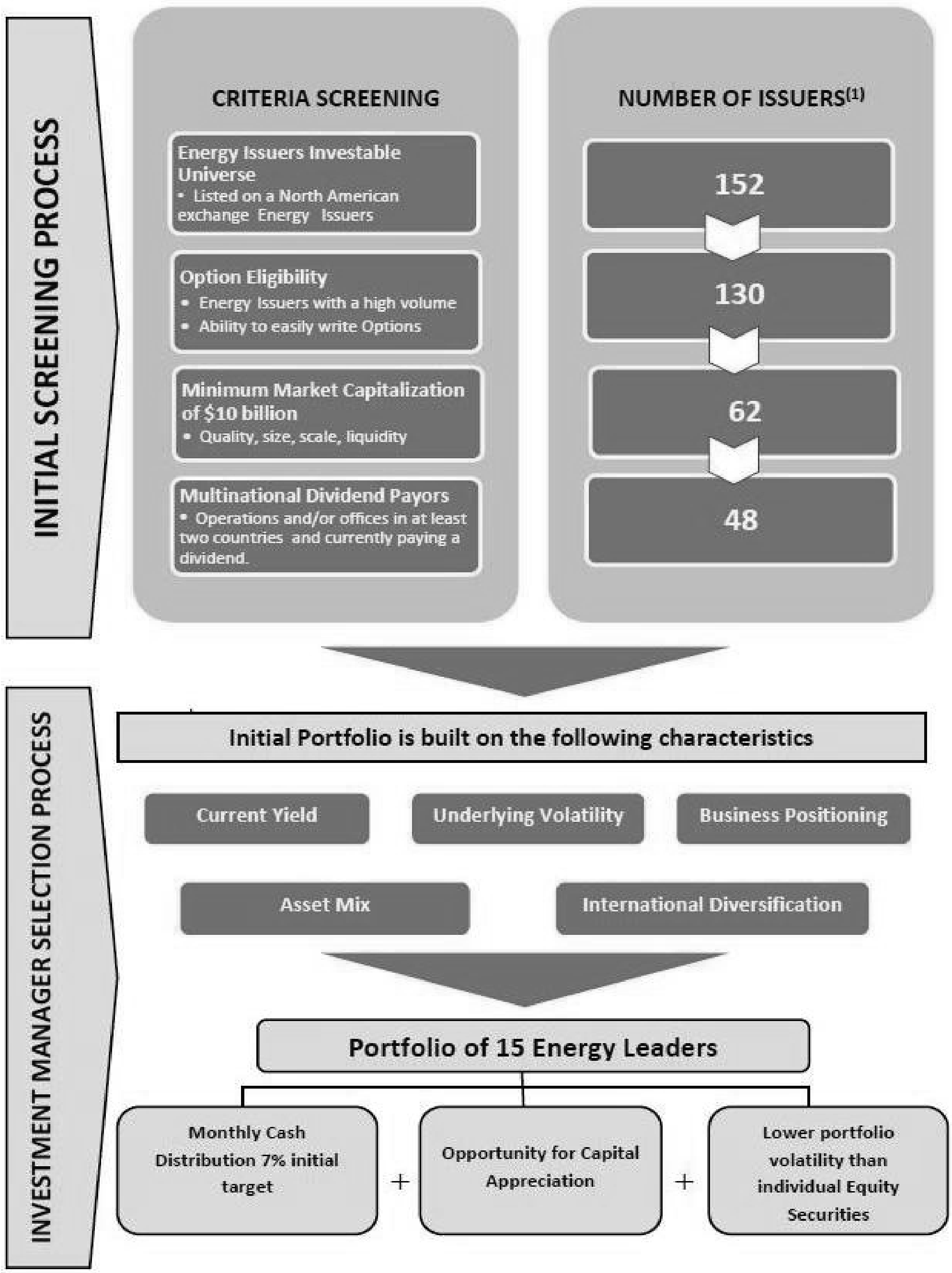
In order to facilitate distributions and/or pay expenses of the Fund, the Fund may sell Equity Securities at its discretion in which case the weighting of the Portfolio will be affected. To the extent that the Fund has excess cash at any time, at the Investment Manager's discretion, in consultation with the Manager, such excess cash may be invested by the Fund in Equity Securities of Energy Leaders in the Energy Issuers Investable Universe, generally targeting investment in Equity Securities of Energy Leaders in the Energy Issuers Investable Universe which are less than average weight in the Portfolio at the time. The Fund does not intend to borrow money or employ other forms of leverage.

The Fund may close out options in advance of year-end to reduce the likelihood that gains distributed by way of an additional distribution in any year are reversed in a subsequent year. The Fund may also sell Portfolio securities that are in a loss position to reduce the capital gain that would otherwise be payable by the Fund by way of an additional distribution in a particular year where the Manager, in consultation with the Investment Manager, determines that it is in the best interests of the Fund to do so.

Portfolio Selection Process

In acquiring the 15 Energy Leaders for the Portfolio, the Investment Manager will filter out an Energy Issuer from the Energy Issuers Investable Universe that has a market capitalization of less than $10 billion; is not currently paying a dividend/distribution; is not eligible to have options written on their Equity Securities; or does not have operations and/or offices in at least two countries.

Portfolio Selection Process Illustration



(1) As at March 20, 2012.

Covered Option Writing

The Manager and the Investment Manager believe that option writing may have potential to add value, is an effective way to help lower the level of volatility for an investor and potentially improve returns. All other things being equal, higher volatility in the price of a security results in higher Option Premiums in respect of such security. The Manager believes Equity Securities of Energy Issuers are suited for a covered call writing strategy. Each month, covered call options will be written by the Investment Manager on up to 33% of the Equity Securities of each Energy Issuer held in the Portfolio. Such call options may be either exchange-traded options or over-the-counter options. The extent to which any of the individual Equity Securities in the Portfolio are subject to option writing, the terms of such options, including the extent to which such options are written "out-of-the-money", will vary from time to time based on the Manager's or the Investment Manager's assessment of the market.

The holder of a call option purchased from the Fund will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Fund at the strike price per security. By selling call options, the Fund will receive Option Premiums, which are generally paid within one business day of the writing of the option. If at any time during the term of a call option or at expiry the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the Fund will be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Fund may repurchase a call option it has written that is "in-the-money" by paying the market value of the call option. If, however, the option is "out-of-the-money" at expiration of the call option, the holder of the option will likely not exercise the option, the option will expire and the Fund will retain the underlying security. In each case, the Fund will retain the Option Premium.

The amount of Option Premium depends upon, among other factors, the volatility of the price of the underlying security: generally, the higher the volatility, the higher the Option Premium. In addition, the amount of the Option Premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become "in-the-money" during the term and, accordingly, the greater the Option Premium.

When a call option is written on a security in the Portfolio, the amounts that the Fund will be able to realize on the security if it is called on termination of the call option will be limited to the dividends received prior to the exercise of the call option during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Fund will forego potential returns resulting from any price appreciation of the security underlying the option above the strike price in favour of the certainty of receiving the Option Premium. See "Risk Factors — Use of Options".

Income from Covered Call Option Writing

The following two tables sets forth income, expressed as a percentage of the Net Asset Value, both gross of and net of Fund expenses (excluding any gains or losses on portfolio investments, distribution increases or decreases and any amounts paid to close out "in-the-money" options), generated by writing "at-the-money" covered call options on the indicated proportions of the Equity Securities of each Energy Issuer held in the Portfolio at various volatility levels.

Cash Flow from Option Premiums

Volatility

Percentage of Portfolio	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
5%	0.62	1.31	1.99	2.67	3.36	4.04	4.72	5.40	6.08	6.76
10%	1.25	2.61	3.98	5.35	6.72	8.08	9.44	10.81	12.17	13.52
15%	1.87	3.92	5.97	8.02	10.07	12.12	14.17	16.21	18.25	20.28
20%	2.49	5.23	7.96	10.70	13.43	16.16	18.89	21.61	24.33	27.05
25%	3.12	6.53	9.95	13.37	16.79	20.20	23.61	27.02	30.42	33.81
30%	3.74	7.84	11.95	16.05	20.15	24.24	28.33	32.42	36.50	40.57
33%	4.11	8.62	13.14	17.65	22.16	26.67	31.17	35.66	40.15	44.63

Cash Flow from Option Premiums and Dividends
(net of withholding Tax and Fund Expenses[(1)])

Volatility

Percentage of Portfolio	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
5%	2.35	3.03	3.71	4.40	5.08	5.76	6.44	7.13	7.81	8.48
10%	2.97	4.34	5.70	7.07	8.44	9.80	11.17	12.53	13.89	15.25
15%	3.59	5.64	7.69	9.75	11.80	13.84	15.89	17.93	19.97	22.01
20%	4.21	6.95	9.69	12.42	15.15	17.88	20.61	23.34	26.05	28.77
25%	4.84	8.26	11.68	15.10	18.51	21.93	25.33	28.74	32.14	35.53
30%	5.46	9.56	13.67	17.77	21.87	25.97	30.06	34.14	38.22	42.29
33%	5.83	10.35	14.86	19.37	23.88	28.39	32.89	37.38	41.87	46.35

(1) Includes Management Fee, Servicing Fee and administrative expenses.

The information above is provided for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the returns from call option writing upon which the estimated gross income of the Fund has been based will be realized.

The above tables were generated using a modified Black Scholes Model and are based on the following assumptions:

(a) the gross proceeds of the Offering are $100 million and the net proceeds are fully invested in Equity Securities of the issuers comprising the initial Portfolio (which is expected to be the

Indicative Portfolio but may vary from the Indicative Portfolio both on and after the initial investment of the assets of the Fund) on an equally weighted basis;

(b) all call options are exercisable only at maturity and are written "at-the-money";

(c) all call options are written for a term of 30 days (some 1 month periods may be shorter);

(d) the risk-free or benchmark interest rate equals 1.24% per annum;

(e) the average return from dividends paid on the Equity Securities is 3.79% per annum assuming the Fund is invested in the Indicative Portfolio on the date hereof, and assuming an equal weighting among the issuers included in the Portfolio;

(f) there are no realized capital gains or losses on the Equity Securities for the period during which the call options are outstanding; and

(g) annual expenses of the Fund are $230,000 and fees payable to the Manager are 1.00% per annum of the Net Asset Value, plus an amount equal to the annual Servicing Fee of 0.40% of the value of the Trust Units payable to registered dealers whose clients hold Trust Units.

The figures shown above do not take into account the potential price impact on portfolio value resulting from writing covered call options. In the case of covered call options written "at-the-money", the investor forgoes any upside return but the investor receives the premium payment. In an upward trending market, a portfolio that is subject to covered call option writing will generally provide lower total returns and a commensurately lower volatility. In a flat or downward trending market, such a portfolio will generally provide higher relative returns as well as lower volatility.

Volatility History

The historical low, high and average values of the 30-day implied volatility (expressed in percentages on an annualized basis) for the securities of each of issuer to be included in the Indicative Portfolio for the 10 year period ending April 19, 2012 is set out below.

Volatilities - 10 years(1) to April 19, 2012

	Low (%)	**High (%)**	**Average Implied 30 Day (%)(2)**
Canadian Oil Sands Ltd.	17.3	172.1	38.6
Petroleo Brasilerio SA	21.3	166.6	41.2
William Cos Inc.	18.0	140.3	38.6
Statoil ASA	20.4	109.8	36.4
Marathon Oil Corporation	19.3	127.4	36.8
Talisman Energy Inc.	21.5	149.1	40.7
Encana Corporation	19.6	132.5	34.6
Ensco PLC	27.0	118.8	42.5
Total S.A.	13.7	83.4	27.9
BP plc	15.2	111.5	28.1
Cenovus Energy Inc.	20.4	71.4	32.1
ConocoPhillips	14.6	118.2	30.0
Spectra Energy Corp.	12.6	92.4	28.6
Chevron Corporation	14.8	100.6	26.7
Exxon Mobil Corporation	13.0	99.2	24.5
Portfolio	17.9	119.6	33.8

(1) Since volatility data available for those issuers who have less than a 10 year volatility data history.
(2) Calculated as the average of the daily volatility.
Note: Past performance is not an indication or guarantee of future performance.

Call Option Pricing

Many investors and financial market professionals price call options based on the Black Scholes Model. In practice, however, actual Option Premiums are determined in the marketplace and there can be no assurance that the values generated by the Black Scholes Model can be attained in the market.

Under the Black Scholes Model (modified to include dividends), the primary factors which affect the Option Premium received by the seller of a call option are the following:

Price volatility of the underlying security	The volatility of the price of a security measures the tendency of the price of the security to vary during a specified period. The higher the price volatility, the more likely that the price of that security will fluctuate (either positively or negatively) and the greater the Option Premium. Price volatility is generally measured in percentage terms on an annualized basis, based on price changes during a period of time immediately prior to or trailing the date of calculation.
The difference between the strike price and the market price of the underlying security at the time the option is written	The smaller the positive difference (or the larger the negative difference), the greater the Option Premium.
The term of the option	The longer the term, the greater the call Option Premium.
The "risk-free" or benchmark interest rate in the market in which the option is issued	The higher the risk-free interest rate, the greater the call Option Premium.
The distributions expected to be paid on the underlying security during the relevant term	The greater the distributions, the lower the call Option Premium.

Foreign Currency Hedging

As many of the securities expected to make up the Portfolio will be denominated in U.S. dollars and expected dividends and premiums from call options received will be in U.S. dollars, Highstreet will take currency exposure into account in managing the Portfolio and may hedge up to substantially all of the value of the Portfolio back to the Canadian dollar from time to time. Initially, Highstreet does not expect to employ any foreign currency hedging.

Borrowing

The Fund will not borrow money or employ other forms of leverage.

OVERVIEW OF THE SECTORS THAT THE FUND INVESTS IN

The Fund will invest in Equity Securities of Energy Issuers, specifically, in Energy Leaders from the Energy Issuers Investable Universe.

Crude Oil Industry

Petroleum or crude oil is a naturally occurring fossil fuel which is refined into a large number of consumer products including gasoline or petrol, kerosene, asphalt and chemical reagents used to make plastics and pharmaceuticals. Globally, crude oil a vital energy source. According to the U.S. Energy Information Administration (EIA), globally, over 80 million barrels of crude oil are consumed every day.

World crude oil demand has been growing in recent years reflecting increasing consumer demand for petroleum products. Demand growth is highest in the developing world, particularly in China and India, primarily due to rapidly rising consumer demand in the transportation sector. Oil demand (excluding biofuels) is expected to rise from 87 million barrels per day (mb/d) in 2010 to 99 mb/d in 2035. The total number of passenger cars are expected to double to almost 1.7 billion in 2035. According to the *2011 World Energy Outlook Executive Summary* published by the International Energy Agency, sales of cars in non-OECD markets will exceed those in the OECD by 2020, with the core of car manufacturing shifting to non-OECD countries before 2015. The ability to meet growing demand for crude oil has become more challenging as existing basins mature. The Manager and the Investment Manager believe that the combination of global demand growth and maturing reserves, together with current geopolitical instability, will continue to support crude oil prices over the long-term.

The EIA expects the price of West Texas Intermediate (WTI) crude oil (a major trading classification of sweet light crude oil) to average about US$106 per barrel in 2012 (according to their March 2012 short-term outlook), US$5 per barrel higher than in the February outlook and US$11 per barrel higher than the average price last year. Supply disruptions in the Middle East and Africa contributed to a significant increase in world crude oil prices during February. EIA has increased the forecast 2012 average cost of crude oil to U.S. refiners from US$105 per barrel in their February 2012 outlook to US$115 per barrel. Constraints in transporting crude oil from the U.S. midcontinent region contribute to the expected continuing discount for WTI relative to other world crude oil prices. EIA expects WTI prices to remain relatively flat in 2013, averaging about $106 per barrel, while the U.S. refiner average cost of crude oil averages US$110 per barrel.

	2010	2011	2012(1)	2013(1)
WTI Crude (US$ per barrel)	$79.40	$94.86	$105.71	$105.75
Gasoline (US$ per gallon)	$2.78	$3.53	$3.79	$3.72
Heating Oil (US$ per gallon)	$2.96	$3.67	$4.04	$4.22

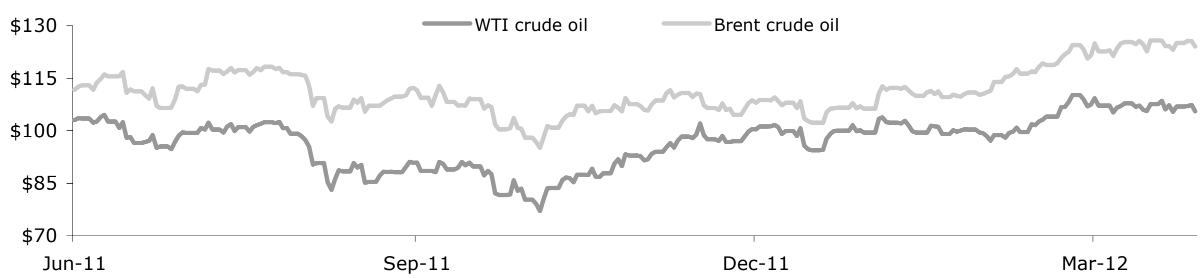
(1) EIA estimated price points as of March 6, 2012.

Price of Crude Oil

Over the last year, trading prices of WTI crude oil and Brent crude oil (another major classification of sweet light crude oil) have been trending higher as illustrated below.

Figure 1. Historical crude oil front month futures prices

Dollars per barrel



Trading Day

Source: Bloomberg, for the period June 1, 2011 to March 28, 2012.

Natural Gas Industry

Natural gas is found in deep underground natural rock formations or associated with other hydrocarbon reservoirs, in coal beds, and as methane clathrates. Unlike crude oil prices, which are significantly influenced by global geopolitics, world natural gas prices are primarily determined by the interaction of consumer and industrial demand and available supply. Natural gas is widely seen as a clean and efficient source of fuel and new methods are being developed to assist with the transport of this fuel to regions that lack supply.

Due to new technological developments in the ability to extract natural gas, the level of production and supply has increased dramatically over the last 5 years. These developments coupled with above average North American temperatures over the winter of 2012 have reduced short term demand for natural gas.

Despite current soft prices for natural gas, its availability and efficiency give the future of the commodity great prospects in light of environmental concerns. According to the EIA, the Environmental Protection Agency is expected to enact several key regulations in the coming decade that will have an impact on the U.S. power sector that may lead to the closure of many coal-fired power plants. Due to the cleaner burning and more environmentally efficient elements of natural gas, the EIA estimates that the share of generation of US Hydro Electric Power from natural gas will increase from 23 percent in 2009 to 25 percent in 2035. The Manager believes that the role of natural gas will grow due to low natural gas prices and relatively low capital construction costs that make it more attractive than coal.

INVESTMENT RESTRICTIONS

The Declaration of Trust contains investment restrictions to the effect that, on and after the initial investment of the assets of the Fund, the Fund may not:

(a) except in connection with the purchase of the Equity Securities of an Energy Issuer that is required in between quarterly rebalancings, purchase any security issued by any issuer (other than short term debt securities issued or guaranteed by the Government of Canada or any Canadian province or municipality) if as a result more than 10% of the Fund's total assets would consist of securities issued by such issuer;

(b) purchase securities other than Equity Securities of Energy Issuers that have a market capitalization of at least $10 billion;

(c) borrow money or employ any other forms of leverage;

(d) write covered call options on more than 33% of the Equity Securities of any Energy Issuer held in Portfolio;

(e) write call options unless the Equity Security underlying the option is held by the Fund;

(f) dispose of any Equity Security that is subject to a call option written by the Fund unless such option has either terminated or expired;

(g) make loans or guarantee obligations, except that the Fund may purchase and hold debt obligations (including bonds, debentures or other obligations and certificates of deposit, bankers' acceptances and fixed time deposits) in accordance with its investment objectives;

(h) own more than 10% of the equity value of a subject entity for purposes of the SIFT Rules;

(i) invest in any securities of an entity that would be a "foreign affiliate" of the Fund within the meaning of the Tax Act;

(j) invest for the purposes of exercising control over management of any issuer in the Portfolio;

(k) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Fund (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report income in connection with such interest pursuant to the rules in proposed section 94.2 of the Tax Act, or (iii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an "exempt foreign trust" for the purposes of proposed section 94 of the Tax Act, each as set forth in the proposed amendments to the Tax Act dated August 27, 2010 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto);

(l) invest in any security that is a tax shelter investment within the meaning of the Tax Act;

(m) act as an underwriter except to the extent that the Fund may be deemed to be an underwriter in connection with the sale of securities in its Portfolio;

(n) make any investment or conduct any activity that would result in the Fund failing to qualify as a "unit trust" or a "mutual fund trust" within the meaning of the Tax Act; and

(o) make or hold any investments that would result in the Fund itself being subject to the tax for SIFT trusts as provided for in the SIFT Rules.

If a percentage restriction on investment or use of assets set forth above is adhered to at the time of the transaction, later changes to the market value of the investment or the total assets of the Fund will not be considered a violation of the restriction (except for the restrictions in paragraphs (h) or (o)). Investment restrictions that do not provide for a percentage restriction must be adhered to at all times. If the Fund receives from an issuer subscription rights to purchase securities of that issuer, and if the Fund exercises such subscription rights at a time when the Fund's Portfolio holdings of securities of that issuer would otherwise exceed the limits set forth above, it will not constitute a violation if, prior to receipt of securities upon exercise of such rights, the Fund has sold at least as many securities of the same class and value as would result in the restriction being complied with.

The foregoing investment restrictions may not be changed without the approval of the Unitholders, by an Extraordinary Resolution at a meeting of Unitholders called for such purpose, unless such changes are necessary to ensure compliance with all applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time. See “Unitholder Matters”.

FEES AND EXPENSES

Initial Expenses

The expenses of the Offering (including the costs of creating the Fund, the costs of printing and preparing this prospectus, legal expenses of the Fund, marketing expenses and legal and other out of pocket expenses incurred by the Agents and certain other expenses) will, together with the Agents’ fees, be paid from the gross proceeds of the Offering. The Offering expenses are estimated to be $600,000. The Manager has agreed to pay all expenses incurred in connection with the Offering, other than the Agents’ fees, that exceed 1.5% of the gross proceeds of the Offering.

Management Fee

Pursuant to the terms of the Management Agreement, Harvest is entitled to a management fee (the “**Management Fee**”) at an annual rate of 1.00% of NAV, plus an amount equal to the Servicing Fee (as defined below) plus applicable taxes. Fees payable to Harvest will be calculated and payable monthly in arrears based on the average NAV calculated at each Valuation Time during that month. The Management Fee will be paid in cash. The total Management Fee including the Servicing Fee paid by the Fund will be 1.40% of the NAV per annum. The Investment Manager will be remunerated by the Manager out of the Management Fee.

Operating Fees and Expenses

The Fund will pay for all ordinary expenses incurred in connection with the operation and administration of the Fund. All fees and expenses of the Fund will be paid in cash. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; (b) fees payable to the Trustee for acting as trustee (except when the Manager is the Trustee); (c) fees payable to the Registrar and Transfer Agent; (d) fees payable to the Custodian for acting as custodian of the assets of the Fund; (e) Independent Review Committee member fees and expenses in connection with the Independent Review Committee; (f) fees payable to the auditors and legal advisors of the Fund; (g) regulatory filing, stock exchange and licensing fees; and (h) any expenditures incurred upon the termination of the Fund. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which Harvest, or the Trustee, is entitled to indemnity by the Fund. See “Organization and Management Details of the Fund – The Manager”. The aggregate amount of these fees and expenses is estimated to be $230,000 per annum. The Fund will also be responsible for all commissions and other costs of Portfolio transactions and any extraordinary expenses of the Fund which may be incurred from time to time.

Servicing Fee

The Manager will pay to registered dealers a servicing fee (the “**Servicing Fee**”) equal to 0.40% annually of the NAV per Trust Unit for each Trust Unit held by clients of the registered dealers (calculated and paid at the end of each calendar quarter commencing on the Closing Date, plus applicable taxes).

Warrant Exercise Fee

As soon as practicable following the exercise of a Warrant, the Fund will pay a fee equal to $0.12 per Warrant to the Agents and a fee equal to $0.18 per Warrant to the dealer whose client is exercising the Warrant.

RISK FACTORS

Certain risk factors relating to the Fund, the Units, the Trust Units and Warrants are described below which prospective investors should consider before purchasing. Additional risks and uncertainties not currently known to the Manager or the Investment Manager, or that are currently considered immaterial, may also impair the operations of the Fund. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Fund and the ability of the Fund to make distributions on the Trust Units could be materially adversely affected.

No Assurances of Achieving Investment Objectives

There is no assurance that the Fund will be able to achieve its investment objectives. The funds available for distribution to Unitholders will vary according to, among other things, the levels of dividends or distributions paid on the securities in the Portfolio, the level of option premiums received, and the value of the securities in the Portfolio. There is no assurance that the Portfolio will earn any return. No assurance can be given as to the amount of distributions in future years. No assurance can be given that the NAV per Trust Unit will appreciate. It is possible that, due to declines in the market value of the securities in the Portfolio, the Fund will have insufficient Portfolio assets to achieve its investment objectives.

Loss of Investment

An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss of some of their investment and who can withstand the effect of no distribution being paid in any period.

No Guaranteed Return

There is no guarantee that an investment in the Fund will earn any positive return in the short term or long term. The Indicative Distribution Amount from year to year may be significantly less than the initial targeted Indicative Distribution Amount. The Manager, on behalf of the Fund, may at any time re-evaluate the Indicative Distribution Amount.

Risks in Investing in Equity Securities

Equities such as common shares or units of income trusts give the holder part ownership in the issuer. The value of an equity security changes with the fortunes of the issuer that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. Equity related securities that provide indirect exposure to the Equity Securities of an issuer, such as convertible debentures, can also be affected by equity risk. Present economic conditions may adversely affect issuers and the pricing of their securities. Further continued volatility or illiquidity could impair materially the profitability of these issuers.

Passive Management Risk

An investment in Units or Trust Units, as applicable, should be made with an understanding that the value of the Portfolio securities may fluctuate in accordance with the financial condition of the issuer from time to time, the value of the securities generally and other factors. Because it is the Fund’s intention to invest in the Portfolio securities on a passive basis, the Portfolio will not be actively managed by traditional methods and, accordingly, will not be repositioned to attempt to take defensive positions in declining markets. At the time of any rebalancing, it is the Investment Manager’s intention to acquire a new Equity Security for the Portfolio only when an Equity Security needs to be replaced (as described herein). Accordingly, the Investment Manager will not select an optimal portfolio at the time of each rebalancing.

Volatility and Distributions

The amount of distributions may fluctuate from month to month and there can be no assurance that the Fund will make any distribution in any particular month. The current yield on the securities comprising the initial Portfolio is approximately 3.79%, net of fees (based on the current cash yield on the Indicative Portfolio which may vary from the actual Portfolio and therefore vary the actual yield). The distributable cash flow and monthly distributions to Unitholders will be substantially based upon the level of premiums realized by the Fund pursuant to the option writing strategy described herein as opposed to the level of dividends received on the securities comprising the Portfolio. The Portfolio would be required to generate a return of approximately 5.42% per annum in order for the Fund to maintain a stable Net Asset Value per Trust Unit (after accounting for the fees and expenses of the Offering) while making the initial cash distributions of $0.84 per annum (assuming an offering size of $100 million and fees and expenses are as disclosed herein). As the Fund will write call options on up to 33% of the Equity Securities of each issuer in the Portfolio, if there is a significant decrease in the volatility of the Equity Securities comprising the Portfolio, this could have a significant adverse effect on the distributable cash flow generated by the Fund and accordingly, the distributions, if any paid by the Fund from time to time. If the return from writing covered call options is less than the amount necessary to fund the monthly distributions, the Manager may supplement the amounts needed through capital gains from the Portfolio, or may return a portion of the capital of the Fund to Unitholders to ensure that the distribution is paid, in which case the Net Asset Value per Trust Unit would be reduced. In the event it does not do so in such circumstances distributions will be reduced.

Performance of the Portfolio

The NAV per Trust Unit will vary as the fair value of the securities in the Portfolio varies. The Fund has no control over the factors that affect the fair value of the securities in the Portfolio, including factors that affect the equity markets generally, such as general economic and political conditions and fluctuations in interest rates, and factors unique to each issuer included in the Portfolio, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution policies and other events that may affect the value of its securities. Some global economies are experiencing significantly diminished growth and recessions. No assurance can be given that diminished availability of credit and significant equity devaluations will not adversely affect the markets into which the Fund will invest in.

Risks in Investing in Energy Issuers

The business activities of Energy Issuers involve oil and/or gas exploration, extraction, refining, transportation and marketing, which may be speculative and may be adversely affected by factors outside the control of these issuers. Such issuers may not hold, discover, or successfully exploit commercial quantities of petroleum, natural gas, minerals or renewable energy sources, which may adversely affect the value of the investments in the securities of such issuers. In addition, certain of these issuers may not have a history of earnings or payment of distributions or dividends.

The industries that Energy Issuers operate in are highly competitive and some Energy Issuers must compete for the acquisition of resource properties considered to have commercial potential as well as for drilling rigs necessary to exploit oil and natural gas properties. If an Energy Issuer is unable to obtain such rigs, the Energy Issuer may not be able to generate additional earnings to sustain its business.

Oil and natural gas operations both generally involve a high degree of risk. Hazards such as unusual or unexpected formations, rock bursts, cave-ins, fires, explosions, flow-outs, formations of abnormal pressure, flooding or other conditions may occur from time to time. An Energy Issuer may become subject to liability for pollution, cave-ins, or hazards against which it cannot insure, or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on such an Energy Issuer’s financial position;

Oil and gas price may fluctuate greatly based on supply and demand, political events, weather and economic conditions, conflict and the emergence of other viable fuel sources. Such price fluctuations may affect the earnings and/or stock price of Energy Issuers and thus the return on the Portfolio.

Interest Rate Fluctuations

As the Fund is targeting monthly distributions representing a yield on the Offering Price of the Units of 7% per annum, the trading price of the Trust Units may be affected by the level of interest rates prevailing from time to time. In addition, any decrease in the NAV resulting from an increase in interest rates may also negatively affect the trading price of the Trust Units. Changes in interest rates may also adversely affect the business of the issuers in which the Fund invests or the trading price of the securities of such issuers.

Use of Options and other Derivative Instruments

The Fund is subject to the full risk of its investment position in the securities comprising its Portfolio, including those securities that are subject to outstanding call options, should the market price of such securities decline. In addition, the Fund will not participate in any gain on the securities that are subject to outstanding call options above the strike price of such options. See “Investments of the Fund – Covered Option Writing”.

The use of derivative instruments involves risks different from and possibly greater than the risks associated with investing directly in such securities and other traditional investments. Derivatives are subject to a number of risks, such as liquidity risk, interest rate risk, market risk, credit risk, leveraging risk, counterparty risk, trading execution risk. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index.

There is no assurance that a liquid exchange will exist to permit the Fund to write covered call options on desired terms or to close out option positions should the Investment Manager desire to do so. The ability of the Fund to close out its positions may also be affected by exchange imposed daily trading limits on options. If the Fund is unable to repurchase a call option which is "in-the-money", it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires.

In purchasing call options or entering into forward contracts, the Fund is subject to the credit risk that its counterparty (a clearing corporation, in the case of exchange traded instruments) may be unable to meet its obligations. In addition, there is risk of loss by the Fund of margin deposits in the event of the bankruptcy of the dealer with whom the Fund has an open position in an option. The ability of the Fund to close out its positions may also be effected by exchange imposed daily trading limits on options and futures contracts. If the Fund is unable to close out a position it will be unable to realize its profit or limit its losses until such time as the option becomes exercisable or expires. The inability to close out options, futures and forward positions could also have an adverse impact on the Fund's ability to use derivatives instruments to effectively hedge its Portfolio or implement its Investment Strategy.

The use of options may have the effect of limiting or reducing the total returns of the Fund. In addition, the income associated with writing covered call options may be outweighed by the foregone opportunity of remaining invested directly in the securities comprising the Portfolio. In such an event, the Fund would have to increase the percentage of the Portfolio that is subject to covered call options in order to meet its targeted distributions.

Composition and Concentration of Portfolio

The composition of the Portfolio taken as a whole may vary widely from time to time but will be concentrated by commodity or industry. The composition of the Portfolio may also be concentrated by geography from time to time. Therefore, the Portfolio may be considered less diversified than portfolios of other investment vehicles.

Reliance on Management

Unitholders will be dependent on the management of the Manager and Investment Manager. Investors who are not willing to rely on the management of the Manager and Investment Manager should not invest in the Units, Trust Units or Warrants.

Trading at a Discount and Risks Relating to Redemptions

The Trust Units may trade in the market at a discount to the Net Asset Value per Trust Unit and there can be no assurance that the Trust Units will trade at a price equal to the Net Asset Value per Trust Unit. Trust Units will be redeemable at 100% of the Net Asset Value per Trust Unit on an Annual Redemption Date less any costs and expenses associated with the redemption. The purpose of the annual redemption right is to reduce the discount at which Trust Units trade to the Net Asset Value per Trust Unit and to provide investors with the right to eliminate entirely any trading discount once per year. While the redemption right provides investors the option of annual liquidity, there can be no assurance that it will reduce trading discounts. If a significant number of Trust Units are redeemed, the trading liquidity of the Trust Units could be significantly reduced. In addition, the expenses of the Fund would be spread among fewer Trust Units resulting in a potentially lower distribution per Trust Unit. The Manager has the ability to terminate the Fund if, in its opinion, it would be in the best interests of the Unitholders to do so. The Manager may also suspend the redemption of Trust Units in the circumstances described under "Redemption of Trust Units — Suspension of Redemptions".

Nature of Trust Units

The Trust Units share certain attributes common to both Equity Securities and debt instruments. Trust Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. The Trust Units represent a fractional interest in the assets of the Fund. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

Counterparty Risk

In writing call options or entering into forward or future contracts, the Fund is subject to the credit risk that the counterparties (whether a clearing corporation, in the case of exchange traded instruments, or other third party, in the case of over-the-counter instruments) may be unable to meet their respective obligations and that the Fund may incur losses as a result.

Foreign Currency Exposure

As the Portfolio may include securities and options traded in foreign currencies, and because a large proportion of the operating costs, revenue or assets of Energy Leaders may be valued in foreign currencies, the Net Asset Value, when measured in Canadian dollars, will be affected by changes in the value of the foreign currencies relative to the Canadian dollar. The Manager can not hedge against operating costs or revenue of the Energy Leaders included in the Portfolio that are denominated in foreign currencies. Accordingly, no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates. As the Portfolio will include securities of issuers exposed to foreign currencies, the Net Asset Value and distributable cash (which will not be hedged in any circumstances), when measured in Canadian dollars, will be affected by changes in the value of these currencies relative to the Canadian dollar.

Up to substantially all of the non-Canadian priced Portfolio securities may be hedged to Canadian dollars. The use of hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the assessment of certain market movements is incorrect, the risk that the use of hedges could reduce total returns or result in losses greater than if the hedging had not been used. The costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Recent Global Financial Market Developments

Global financial markets have been experiencing a sharp increase in volatility since 2008. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities contributing to a reduction in liquidity among financial institutions and a reduction in the availability of credit to those institutions and to the issuers who borrow from them. Most recently, several European countries have been documented as having rising debts and are having difficulties refinancing those debts to pay back bondholders. The “European debt crisis” as it has been called, referring to the set of events from late 2009 to present day, has seen the sovereign debt ratings of several countries downgraded by Standard & Poor’s Ratings Services and other ratings agencies, the rise in borrowing costs and the decline in investor confidence.

While the European Union, central banks and governments continue attempts to preserve financial stability in Europe, restore liquidity to the global economy, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world in the near to medium term. Some or all of these economies may experience significantly diminished growth and some or all may suffer a recession the duration of which cannot be predicted. These market conditions and unexpected volatility or illiquidity in financial markets may also adversely affect the prospects of the Fund and the value of the securities in the Portfolio. A substantial decline in the debt markets could be expected to have a negative effect on the Fund and the market price of the Units.

Warrants

The value of Trust Units will be reduced if the NAV per Trust Unit exceeds $11.70 and Warrants are exercised. If a Unitholder does not exercise Warrants in such circumstances, the Unitholder’s pro rata interest in the assets of the Fund will be diluted. In order to maintain a Unitholder’s pro rata interest in the assets of the Fund, the Unitholder will be required to pay in connection with the exercise of the Warrants an additional amount equal to the amount originally invested by the Unitholder on the Closing Date. While a Unitholder may sell the Warrants acquired hereunder, no assurance can be given that the proceeds of such sale would compensate the Unitholder for such dilution.

Operating History

The Fund is a newly organized investment trust with no previous operating history. There is currently no public market for the Units, Trust Units or Warrants and there can be no assurance that an active public market for the Units, Trust Units or Warrants will develop or be sustained after completion of the offering.

Status of the Fund

The Fund is not a "mutual fund" for securities law purposes. As a result, some of the protections provided to investors in mutual funds under such laws will not be available to investors in the Trust Units and restrictions imposed on mutual funds under Canadian securities laws, including NI 81-102, will not apply to the Fund.

Potential Conflicts of Interest

The Manager and the Investment Manager, their respective directors and officers and their respective affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts which invest primarily in the securities held by the Fund. Although officers, directors and professional staff of the Manager and the Investment Manager will devote as much time to the Fund as is deemed appropriate to perform its duties, the staff of the Manager and the Investment Manager may have conflicts in allocating their time and services among the Fund and the other funds managed by the Manager and the Investment Manager.

Changes in Legislation

There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the distributions received by the Fund or by the Unitholders.

Taxation of the Fund

On October 31, 2003 the Department of Finance released tax proposals (the "October 2003 Proposals") relating to the deductibility of losses under the Tax Act. Under the October 2003 Proposals, a taxpayer will be considered to have a loss from a business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, or can reasonably be expected to carry on, the business or has held, or can reasonably be expected to hold, the property. Profit, for this purpose, does not include capital gains or capital losses. If the October 2003 Proposals were to apply to the Fund, certain losses of the Fund may be limited with after-tax returns to Unitholders reduced as a result. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the October 2003 Proposals would be released (the "Alternative Proposal"). To date, the Alternative Proposal has not been released and no assurance can be given that it will not adversely affect the Fund.

If certain tax proposals released on September 16, 2004 are enacted as proposed (the "September 2004 Proposals"), the Fund would cease to qualify as a mutual fund trust for purposes of the Tax Act if, at any time after 2004, the fair market value of all Trust Units held by non-residents, or partnerships that are not Canadian partnerships, or any combination of the foregoing, is more than 50% of the fair market value of all issued and outstanding Trust Units unless not more than 10% (based on fair market value) of the Fund's property is at any time "taxable Canadian property" within the meaning of the Tax Act and certain other types of specified property. Restrictions on the ownership of Trust Units are intended to limit the number of Trust Units held by non-residents such that non-residents, partnerships that are not Canadian partnerships, or any combination of the foregoing, may not own Trust Units representing more than 50% of the fair market value of all Trust Units. The September 2004 Proposals were not included in Bill C-52, which received Royal Assent on June 22, 2007. Pursuant to an amendment to the Tax Act, the Fund would be deemed not to be a mutual fund trust after any time when it can reasonably be considered that the Fund was established or is maintained primarily for the benefit of non-resident persons unless at that time, all or substantially all of its property is property other than taxable Canadian property. It is not clear whether this amendment supersedes the September 2004 Proposals.

If the Fund ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading "Income Tax Considerations" would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders.

In determining its income for tax purposes, the Fund will treat gains or losses on the disposition of securities in the Portfolio, Option Premiums received on covered call options and any loss sustained on closing out options as capital gains and losses. CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these dispositions or transactions of the Fund are determined not to be on capital account, the net income of the Fund for tax purposes and the taxable component of distributions to Unitholders could increase.

The SIFT Rules apply to a mutual fund trust that is a SIFT trust. The Fund should not be a SIFT trust for the purposes of these rules because, at any time that the Trust Units are listed or traded on a stock exchange or other public market as defined in the Tax Act, the Fund should not hold "non-portfolio property" based on its investment objectives and investment restrictions. If the SIFT Rules were to apply to the Fund, they may have an adverse impact on the Fund including on the distributions received by Unitholders.

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentive to Restore Employment Act ("FATCA") generally impose a reporting and 30% withholding tax regime with respect to (a) certain U.S. source income (including interest and dividends) and gross proceeds from the sale or other disposition of property that can produce U.S. source interest or dividends ("withholdable payments") and (b) "passthru payments" (generally, withholdable payments and payments that are attributable to withholdable payments) made by non-U.S. financial institutions. Under FATCA, unless the Fund enters into an agreement with the U.S. Internal Revenue Service (the "IRS") pursuant to which it agrees to report to the IRS information regarding the U.S. holders of, and certain U.S. persons that indirectly hold, interests in the Fund (other than equity and debt interests that are regularly traded on an established securities market), and to comply with other reporting, verification, due diligence and other procedures established by the IRS, the Fund will be subject to 30% withholding tax on withholdable payments made to it after December 31, 2013 and on foreign passthru payments (generally, passthru payments that are not withholdable payments) made to it after December 31, 2016 by non-U.S. financial institutions that have an agreement with the IRS in effect. If the interests in the Fund are not regularly traded on an established securities market, the Fund generally will be required to withhold 30% U.S. tax on a portion of the distributions that it makes to holders that fail to provide information requested by the Fund to comply with FATCA. It is expected that Trust Units will be regularly traded on an established securities market. In addition, regardless of whether Trust Units are regularly traded on an established securities market, the Fund may be required to withhold U.S. tax on a portion of payments made by the Fund after December 31, 2016 to any non-U.S. financial institution (for example, a Unitholder's Canadian investment dealer) that has not entered into a FATCA agreement with the IRS, including any non-U.S. financial institution through which distributions on the Trust Units are made. Similarly, non-U.S. financial institutions that have entered into a FATCA agreement with the IRS and that hold Trust Units on behalf of a Unitholder may be required to withhold 30% U.S. tax on foreign passthru payments that they make with respect to the Trust Units after December 31, 2016, to a non-U.S. financial institution that has not entered a FATCA agreement with the IRS or to a Unitholder that fails to provide information requested by such non-U.S. financial institution to comply with FATCA.

This description is based on guidance issued by the IRS, including recently issued proposed regulations. Future guidance may affect the application of FATCA to the Trust Units.

DISTRIBUTION POLICY

The Fund intends to make monthly cash distributions to Unitholders of record on the last Business Day of each month and pay such cash distributions on or before the 15th day of the following month. Beginning in May, 2013, the Fund will annually determine and announce the Indicative Distribution Amount for the following 12 months based upon, among other factors, the prevailing market conditions. The initial Indicative Distribution Amount will be $0.07 per Trust Unit per month ($0.84 per annum representing an annual cash distribution of 7% based on the $12.00 per Unit issue price). The initial cash distribution is anticipated to be payable on or before July 13, 2012 to Unitholders of record on June 29, 2012.

If the annual return derived from the Portfolio, including the call option premiums, distributions/dividends on Portfolio holdings and capital appreciation on such holdings is less than the amount necessary to fund the monthly distributions and if the Manager chooses nevertheless to ensure that the monthly distributions are paid to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders and thus NAV per Trust Unit will be reduced.

The Portfolio would be required to generate a return of approximately 9.21% per annum in order for the Fund to maintain a stable Net Asset Value per Trust Unit (after accounting for the fees and expenses of the Offering) while making the initial cash distributions of $0.84 per annum (assuming an offering size of $100 million and fees and expenses are as disclosed herein). The Fund is expected to generate dividend and distribution income of approximately 3.79% (or 3.40% net of withholdings) per annum (based on the current cash yield on the Indicative

Portfolio which may vary from the actual Portfolio and therefore vary the actual yield). The Portfolio would be required to generate an additional return of approximately 5.42% per annum, including from option premiums, realized capital appreciation and dividend and distribution growth, in order for the Fund to maintain its initial targeted distributions level and a stable NAV. The distributable cash flow and monthly distributions to Unitholders will be substantially based upon the level of premiums realized by the Fund pursuant to the option writing strategy described herein and on the level of dividends and other distributions received on the securities comprising the Portfolio. As the Fund will write call options on up to 33% of the Equity Securities of each Energy Issuer in the Portfolio, if there is a significant decrease in the volatility of the Equity Securities comprising the Portfolio, this could have a significant adverse effect on the distributable cash flow generated by the Fund and accordingly, the distributions, if any paid by the Fund from time to time. **The amount of monthly cash distributions may fluctuate from month to month and there can be no assurance that the Fund will make any distributions in any particular month or months**. The use of call options may have the effect of precluding the Fund from participating in returns derived from the securities that are the subject of such options or limiting or reducing the total returns of the Fund, particularly in a rising market since the premiums associated with writing covered call options may be outweighed by the cost of closing out outstanding options. However, the Manager believes that in a slightly rising, flat or downward trending market, a portfolio that is subject to covered call option writing will generally provide higher relative returns and lower volatility than one on which no options are written.

If, in any year, after such distributions there would otherwise remain in the Fund additional net income or net realized capital gains, a special distribution (either in cash or Trust Units) of such portion of the net income and net realized capital gains as is necessary to ensure that the Fund will not be liable for non-refundable income tax under the Tax Act will be automatically payable on the last day of that taxation year to Unitholders of record on that date. Immediately after a pro rata distribution of Trust Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Trust Units may be consolidated such that each Unitholder will hold, after the consolidation, the same number of Trust Units as the Unitholder held before the non-cash distributions, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution.

There can be no assurance that the Fund will be able to achieve its monthly distribution objective or make payments on any Distribution Payment Date. Amounts distributed on the Trust Units that represent returns of capital are generally non-taxable to a Unitholder but reduce the Unitholder's adjusted cost base of the Trust Units for tax purposes. See "Income Tax Considerations".

PURCHASES OF SECURITIES

Prospective purchasers may subscribe for Units through any one of the Agents or any member of a sub-agency group that the Agents may form. Closing of the Offering will take place on or about May 18, 2012, or such later date as may be agreed upon by the Fund and the Agents that is on or before June 15, 2012. The distribution price was determined by negotiation between the Agents and the Fund. See "Plan of Distribution".

REDEMPTION OF TRUST UNITS

Annual Redemption

Commencing in 2013, Trust Units may be surrendered for redemption ("**Annual Redemption**") during the period from the first Business Day of November to 5:00 p.m. (Toronto time) on the tenth Business Day prior to the second last Business Day in November (the "**Annual Redemption Notice Period**"), subject to the Fund's right to suspend redemptions in certain circumstances. Trust Units surrendered for redemption during the applicable Annual Redemption Notice Period will be redeemed on the second last Business Day of November (the "**Annual Redemption Date**") and the Unitholder will receive payment on the applicable Redemption Payment Date equal to the NAV per Trust Unit on the Annual Redemption Date less any costs and expenses associated with the redemption (the "**Annual Redemption Price**").

Monthly Redemption

Trust Units may be surrendered prior to 5:00 p.m. (Toronto time) on the tenth Business Day before the last Business Day of the applicable month (the "**Monthly Redemption Notice Period**") by Unitholders thereof for redemption ("**Monthly Redemption**").

Upon receipt by the Fund of the redemption notice, in the manner described below, the Unitholder shall be entitled to receive a price per Trust Unit (the "**Monthly Redemption Price**") equal to the lesser of:

(a) 95% of the "market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading during the 20 trading day period ending immediately before the Monthly Redemption Date; and

(b) 100% of the "closing market price" on the principal market on which the Trust Units are quoted for trading on the Monthly Redemption Date.

For the purposes of this calculation, "market price" will be an amount equal to the weighted average of the closing price of the Trust Units for each of the trading days on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Trust Units traded on a particular day, the "market price" shall be an amount equal to the average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than 10 of the 20 trading days, the "market price" shall be the average of the following prices established for each of the 20 trading days: the average of the last bid and last asking prices of the Trust Units for each day there was no trading; the closing price of the Trust Units for each day that there was trading if the exchange or market provides a closing price; and the average of the highest and lowest prices of the Trust Units for each day that there was trading if the market provides only the highest and lowest prices of Trust Units traded on a particular day. The "closing market price" shall be an amount equal to the closing price of the Trust Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the average of the highest and lowest prices of the Trust Units if there was trading and the exchange or other market provides only the highest and lowest prices of Trust Units traded on a particular day; or the average of the last bid and last asking prices of the Trust Units if there was no trading on that date.

The Monthly Redemption Price payable by the Fund in respect of any Trust Units surrendered for redemption shall be satisfied by way of a cash payment on the Redemption Payment Date, provided that the entitlement of Unitholders to receive cash upon the redemption of their Trust Units may be suspended if: (i) at the time such Trust Units are tendered for redemption, the outstanding Trust Units are not listed for trading on a stock exchange or traded or quoted on another market which provides representative fair market value prices for the Trust Units; or (ii) the normal trading of Trust Units is suspended or halted on any stock exchange on which the Trust Units are listed (or, if not listed on a stock exchange, on any market on which the Trust Units are quoted for trading) on the Monthly Redemption Date or for more than 10 trading days during the 20 day trading period ending immediately before the Monthly Redemption Date. Any payment so made shall, unless a cheque is not honoured on presentation, discharge the Fund and the Trustee from all liability to the Unitholder in respect of the amount thereof plus any amount required by law to be withheld, and the Trust Units so redeemed shall be cancelled and not reissued.

It is anticipated that the Monthly Redemption will not be the primary mechanism for Unitholders to dispose of their Trust Units.

Exercise of Redemption Privilege

The Monthly Redemption privilege or the Annual Redemption privilege must be exercised by causing written notice (the "**Redemption Notice**") to be given within the Monthly Redemption Notice Period or Annual Redemption Notice Period, as applicable, in the manner described below. Such surrender will be irrevocable upon the delivery of the Redemption Notice to CDS through a CDS Participant, except with respect to those Trust Units which are not paid for by the Fund on the relevant Redemption Payment Date.

A Unitholder who desires to exercise redemption privileges must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto), on behalf of the Unitholder, the Redemption Notice. A Unitholder who desires to redeem Trust Units should ensure that the CDS Participant is provided with the Redemption Notice of his or her intention to exercise his or her redemption privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver the Redemption Notice to CDS and so as to permit CDS to deliver notice to the Registrar and Transfer Agent, in advance of the required time. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the Unitholder exercising the redemption privilege.

Except as provided under "Suspension of Redemptions" below, by causing a CDS Participant to deliver to CDS a notice of the Unitholder's intention to redeem Trust Units, a Unitholder shall be deemed to have irrevocably surrendered his or her Trust Units for redemption and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise. Any Redemption Notice delivered by a CDS Participant regarding a Unitholder's intent to redeem which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the Unitholder's instructions will not give rise to any obligations or liability on the part of the Fund to the CDS Participant or to the Unitholder.

Suspension of Redemptions

The Manager may direct the Trustee to suspend the redemption of Trust Units or payment of redemption proceeds: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Fund, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Fund; or (ii) with the prior permission of the applicable securities regulatory authorities, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Fund or which impair the ability of the Trustee to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Business Day following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

Allocations of Capital Gains to Redeeming Unitholders

Pursuant to the Declaration of Trust, the Fund may allocate and designate as payable any capital gains realized by the Fund as a result of any disposition of property of the Fund undertaken to permit or facilitate the redemption of Trust Units to a Unitholder whose Trust Units are being redeemed. Any such allocations will reduce the redeeming Unitholder's proceeds of disposition.

INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, counsel to the Fund, and Blake, Cassels & Graydon LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Trust Units and Warrants by a Unitholder who acquires Trust Units and Warrants pursuant to this prospectus. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with and is not affiliated with the Fund and holds Trust Units and Warrants as capital property. Generally, the Trust Units and Warrants will be considered to be capital property to a purchaser provided that the purchaser does not hold such Trust Units and Warrants in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold Trust Units as capital property may, in certain circumstances, be entitled to have such Trust Units (but, for greater certainty, not Warrants) and all other "**Canadian securities**" as defined in the Tax Act owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the current provisions of the Tax Act, counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing by it prior to the date hereof and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the "**Tax Proposals**") and relies upon advice from the Manager and the Agents as to certain factual matters. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary also assumes that none of the issuers of the Portfolio securities will be foreign affiliates of the Fund or of any Unitholders and that none of the Portfolio securities will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act. Further, this summary assumes that none of the Portfolio securities will be an "offshore investment fund property" that would require the Fund to include amounts in the Fund's income pursuant to section 94.1 of the Tax Act, or an interest in a trust which would require the Fund to report income in connection with such interest pursuant to the rules in proposed section 94.2 of the Tax Act, or an interest in a non-resident trust other than an exempt foreign trust as defined in proposed section 94 of the Tax Act, each as contemplated by certain Tax Proposals (or such proposals as amended or enacted or successor provisions thereto).

This summary is also based on the assumption that the Fund will at no time be a "**SIFT trust**" as defined in the SIFT Rules. Provided that the Fund complies with its investment restrictions and does not hold "**non-portfolio property**" as defined in the SIFT Rules, it will not be a SIFT trust. If the Fund were to become a SIFT trust within the meaning of the SIFT Rules, the income tax considerations discussed herein could be materially and adversely different.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Trust Units and Warrants and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Trust Units and Warrants. Moreover, the income and other tax consequences of acquiring, holding or disposing of Trust Units and Warrants will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Trust Units and Warrants, based on their particular circumstances.

Status of the Fund

This summary is based on the assumptions that the Fund will qualify at all times as a "**mutual fund trust**" within the meaning of the Tax Act, that the Fund will validly elect under the Tax Act to be a mutual fund trust from the date it was established, that the Fund has not been established and will not be maintained primarily for the benefit of non-residents and that not more than 50% (based on fair market value) of the Trust Units will be held by non-residents of Canada, partnerships that are not "**Canadian partnerships**" as defined in the Tax Act, or any combination thereof.

To qualify as a mutual fund trust (i) the Fund must be a Canadian resident "**unit trust**" for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or a real right in an immovable) that is capital property of the Fund, or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Trust Units (the "minimum distribution requirements"). In this connection, (i) the Manager intends to cause the Fund to qualify as a unit trust throughout the life of the Fund, (ii) the Fund's undertaking conforms with the restrictions for mutual fund trusts, and (iii) the Manager has advised counsel that it has no reason to believe that, following the Closing, the Fund will not comply with the minimum distribution requirements at all material times. The Manager has advised counsel that it intends to ensure that the Fund will meet the requirements necessary for it to qualify as a mutual fund trust no later than the Closing Date and at all times thereafter and to file the necessary election so that the Fund will qualify as a mutual fund trust throughout its first taxation year.

If the Fund were not to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different.

Provided that the Fund qualifies and continues at all times to qualify as a "**mutual fund trust**" within the meaning of the Tax Act or that the Trust Units are listed on a designated stock exchange under the Tax Act (which includes the TSX), the Trust Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts (each a "**plan trust**"). Provided that the Warrants are listed and continue at all times to be listed on a designated stock exchange for purposes of the Tax Act (which includes the TSX), or provided that at all times the Trust Units are qualified investments for plan trusts and the Fund is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of a plan trust, the Warrants will be qualified investments for plan trusts. For certain consequences of holding Trust Units and Warrants in a plan trust, see "Income Tax Considerations — Taxation of Registered Plans".

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. The Manager has advised counsel that the Fund intends to make distributions to Unitholders and to deduct, in computing its income in each taxation year, such amount as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each year other than such tax on net realized capital gains that will be recoverable by the Fund in respect of such year by reason of the capital gains refund mechanism.

Premiums received on covered call options written by the Fund that are not exercised prior to the end of the year will constitute capital gains of the Fund in the year received, unless such premiums are received by the Fund as income from a business of buying and selling securities or the Fund has engaged in a transaction or transactions considered to be an adventure in the nature of trade. The Manager has advised counsel that the Fund will purchase the Portfolio with the objective of earning dividends thereon over the life of the Fund and will write covered call options with the objective of increasing the yield on the Portfolio beyond the dividends received on the Portfolio. Thus, having regard to the foregoing and in accordance with the CRA's published administrative practices, transactions undertaken by the Fund in respect of options on shares comprising the Portfolio will be treated and reported by the Fund as arising on capital account.

Premiums received by the Fund on covered call options that are subsequently exercised will be added in computing the proceeds of disposition to the Fund of the securities disposed of by the Fund upon the exercise of such call options, unless the premium was in respect of an option granted in a previous year so that it constituted a capital gain of the Fund in the previous year in which case, if such exercise results in the Fund disposing of securities, such capital gain will be reversed.

The Fund will be required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a Portfolio security.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income, including interest payable by the Fund on borrowed funds used to purchase securities to be included in the Portfolio, subject to the October 2003 Proposals. The Fund may generally deduct the costs and expenses of this Offering (including the Warrant exercise fee) paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund's taxation year is less than 365 days. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act (including the October 2003 Proposals).

The Portfolio will include securities that are not denominated in Canadian dollars. Proceeds of disposition of securities, distributions and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rate determined in accordance with the detailed rules in the Tax Act in that regard. The Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the Portfolio will likely constitute capital gains and capital losses to the Fund if the securities in the Portfolio are capital property to the Fund.

The Fund will derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund's income from such investments, such excess may generally be deducted by the Fund in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Fund's income, the Fund may designate in respect of a Unitholder a portion of its foreign source income which can reasonably be considered to be part of the Fund's income distributed to such Unitholder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

Upon the actual or deemed disposition of a security included in the Portfolio, the Fund will realize a capital gain (or capital loss) to the extent the proceeds of disposition and any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Fund were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Fund has acquired the security in a transaction or transactions considered to be an adventure in the nature of trade. The Manager has advised counsel that the Fund will purchase securities in the Portfolio with the objective of receiving distributions and income thereon and will take the position that gains and losses realized on the disposition thereof are capital gains and capital losses. The Manager has also advised counsel that the Fund intends to make an election under subsection 39(4) of the Tax Act so that all securities included in the Portfolio that are "Canadian securities" (as defined in the Tax Act) will be deemed to be capital property to the Fund.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Trust Units during the year (the "**Capital Gains Refund**").

The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale or other disposition of securities included in the Portfolio in connection with the redemption of Trust Units.

The Fund will be deemed to realize a capital gain equal to the amount of the purchase price for a Unit allocated to a Warrant which expires unexercised on the Warrant Expiry Time.

Taxation of Unitholders

A reasonable allocation of the purchase price of the Units between the Trust Units and the Warrants will be required for tax purposes. The Manager has advised counsel that the Fund will allocate $0.18 to each Warrant. Such allocation is not binding on the CRA and the CRA may not agree with such allocation. For the purposes of determining the adjusted cost base to a Unitholder of a Warrant, when Warrants are acquired, the cost of newly acquired Warrants will be averaged with the adjusted cost base of all Warrants owned by the Unitholder as capital property before that time.

The exercise of a Warrant will not constitute a disposition of property for purposes of the Tax Act and, consequently, no gain or loss will be realized by a holder upon the exercise of a Warrant. The cost to the holder of a Trust Unit acquired upon the exercise of a Warrant will be equal to the aggregate of the adjusted cost base of the Warrant so exercised and the subscription price paid by such holder for the Trust Unit. The cost of a Trust Unit acquired by a holder upon the exercise of a Warrant will be averaged with the adjusted cost base of all other Trust Units already held as capital property by the holder at the time of the exercise of the Warrant in order to determine the adjusted cost base of each such Trust Unit to the Unitholder.

On the disposition or deemed disposition of a Warrant, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition exceed (or are exceeded by) the aggregate adjusted cost base of the Warrant and any reasonable costs of disposition. The expiry of an unexercised Warrant will generally give rise to a capital loss equal to the adjusted cost base to the holder of the expired Warrant. Any such capital gains or capital losses will be treated as described below in the discussion of disposition of Trust Units.

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Trust Units) in the taxation year. The non-taxable portion of the Fund's net realized capital gains paid or payable and designated to a Unitholder in a taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of the Unitholder's share of the Fund's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income, but will generally reduce the adjusted cost base of the Unitholder's Trust Units. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Trust Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain to zero. Any losses of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Provided that appropriate designations are made by the Fund, such portion of (i) the net realized taxable capital gains of the Fund, (ii) the income of the Fund from foreign sources, and (iii) the taxable dividends received or deemed to be received by the Fund on shares of taxable Canadian corporations, as is paid or becomes payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that the Fund so designates its income from a foreign source in respect of a Unitholder, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder's proportionate share of foreign taxes paid by the Fund in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits in respect of foreign source income designated to a Unitholder by the Fund is subject to the foreign tax credit rules under the Tax Act and the Unitholder's particular circumstances. Investors should consult their own tax advisors in this regard. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of eligible dividends paid by taxable Canadian corporations.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year. This will enable the Fund to utilize, in a taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. The amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder's income. However, the adjusted cost base of the Unitholder's Trust Units will be reduced by such amount. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Trust Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain to zero.

On the disposition or deemed disposition of a Trust Unit (whether on a sale, redemption or otherwise), the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Trust Unit and any reasonable costs of disposition. If, at any time, the Fund delivers securities from the Portfolio to any Unitholder upon a redemption of a Unitholder's Trust Units on the termination of the Fund, the Unitholder's proceeds of disposition of the Trust Units will generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the Fund on the disposition of such distributed property. The cost of any property distributed by the Fund in specie will generally be equal to the fair market value of such property at the time of the distribution. Such securities may or may not be qualified investments for plan trusts. If such securities are not qualified investments for plan trusts, such plan trusts (and, in the case of certain plan trusts, the annuitants, subscribers or beneficiaries thereunder or holders thereof) may be subject to adverse tax consequences including, in the case of registered education savings plans, revocation of such plan trusts.

For the purpose of determining the adjusted cost base of Trust Units to a Unitholder, when Trust Units are acquired, the cost of the newly acquired Trust Units will be averaged with the adjusted cost base of all Trust Units owned by the Unitholder as capital property immediately before that time. The cost of Trust Units acquired as a distribution of income or capital gains from the Fund will generally be equal to the amount of the distribution. A consolidation of Trust Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Trust Units. See "Attributes of the Units, Trust Units and Warrants — Trust Units".

One-half of any capital gain (a "taxable capital gain") realized on the disposition of Trust Units will be included in the Unitholder's income and one-half of any capital loss (an "allowable capital loss") realized may be deducted from taxable capital gains of the Unitholder for that year. Allowable capital losses for a taxation year in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

In general terms, net income of the Fund paid or payable to a Unitholder that is designated as taxable dividends from taxable Canadian corporations or as net realized taxable capital gains as well as taxable capital gains realized by the Unitholder on the disposition of Trust Units may increase the Unitholder's liability for alternative minimum tax.

Taxation of Registered Plans

Amounts of income and capital gains included in a plan trust's income are generally not taxable under Part I of the Tax Act, provided that the Trust Units are qualified investments for the plan trust. See "Income Tax

Considerations — Status of the Fund". Unitholders should consult their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a plan trust.

Notwithstanding the foregoing, if the Trust Units or Warrants are "prohibited investments" for the purposes of a trust governed by a tax-free savings account, a registered retirement savings plan or a registered retirement income fund, a Unitholder who is a holder or annuitant, as the case may be, of such a trust that holds Trust Units or Warrants will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes a unit or debt of a trust, or a right to acquire a unit or debt of a trust, which does not deal at arm's length with the holder or annuitant or with a person or partnership in which the holder or annuitant has a significant interest, or in which the holder or annuitant has a significant interest, which in general terms means the ownership of 10% or more of the value of the trust's outstanding units by the holder or annuitant, either alone or together with persons and partnerships with which the holder or annuitant does not deal at arm's length. Unitholders are advised to consult their own tax advisors in this regard. See "Income Tax Considerations— Taxation of Registered Plans".

Tax Implications of the Fund's Distribution Policy

The NAV per Trust Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time Trust Units are acquired. A Unitholder who acquires Trust Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Trust Units were acquired notwithstanding that such amounts may have been reflected in the price paid by the Unitholder for the Trust Units. Since the Fund intends to make monthly distributions as described under "Distribution Policy", the consequences of acquiring Trust Units late in a calendar year will generally depend on the amount of monthly distributions throughout the year and whether one or more special distributions to Unitholders are necessary late in the calendar year to ensure that the Fund will not be liable for non-refundable income tax on such amounts under the Tax Act.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

The Manager

Harvest is a Canadian investment fund manager and was founded by long term members of the investment management industry. Harvest is focused on developing income investment products and its guiding principles are to provide investment products that are clear and understandable, transparent in portfolio structure and seek to generate consistent income. Harvest is the manager of Harvest Canadian Income & Growth Fund, Harvest Sustainable Income Fund, Global Advantaged Telecom & Utilities Income Fund, Brand Leaders Income Fund and Canadian Premium Select Income Fund which are investment funds that publicly trade on the TSX under the symbols HCF.UN, HSI.UN, HGI.UN, HBL.UN and HCS.UN respectively. Harvest is also the manager of Harvest Banks & Buildings Income Fund, a mutual fund.

The Manager will perform the management functions of the Fund pursuant to the Declaration of Trust. The Manager is a company incorporated pursuant to the laws of Ontario. The municipal address of the Manager where it principally provides services to the Fund is located at 710 Dorval Drive, Suite 209, Oakville, Ontario L6K 3V7.

Duties and Services to be Provided by the Manager

Pursuant to the Declaration of Trust, Harvest is the manager of the Fund and is responsible for delegating all investment decisions of the Fund in accordance with the investment objectives, strategy and restrictions and for arranging for the execution of all Portfolio transactions, and for managing and administering the day-to-day business and affairs of the Fund. The Manager may delegate certain of its powers to third parties, where, in the discretion of the Manager, it would be in the best interests of the Fund to do so. The Manager's duties include, without limitation: authorizing the payment of operating expenses incurred on behalf of the Fund; preparing financial statements and financial and accounting information as required by the Fund; ensuring that Unitholders are provided with financial statements (including semi-annual and annual financial statements) and other reports as are required by applicable law from time to time; ensuring that the Fund comply with regulatory requirements and applicable stock exchange listing requirements; preparing or causing to be prepared the reports of the Fund to Unitholders and the Canadian securities regulatory authorities; as applicable, determining the timing and amount of distributions to be made by the Fund; and negotiating contractual agreements with third party providers of services, including registrars, transfer agents, auditors and printers.

The Manager will retain the Investment Manager to provide investment advisory and portfolio management services with respect to the Portfolio and will monitor the Fund's investment strategy and ensure compliance with the Fund's investment restrictions.

Pursuant to the Declaration of Trust, the Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. The Declaration of Trust provides that the Manager will not be liable in any way for any default, failure or defect in the Portfolio held by the Fund if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care or by any material breach or default by it of its obligations under the Declaration of Trust.

Unless the Manager resigns or is removed as described below, the Manager will continue as manager of the Fund until the termination of the Fund. The Manager may resign if the Fund is in material breach or default of the provisions of the Declaration of Trust and if capable of being cured, any such breach or default has not been cured within 30 days notice of such material breach or default to the Fund. The Manager is deemed to have resigned if the Manager: (i) becomes bankrupt or insolvent; (ii) ceases to be resident in Canada for the purposes of the Tax Act; or (iii) no longer holds the licenses, registrations or other authorizations necessary to carry out its obligations and is unable to obtain them within a reasonable period after their loss. The Manager may resign as manager of the Fund upon 60 days notice to the Unitholders. The Manager may not be removed other than by a meeting of the Unitholders, as described under the heading "Unitholder Matters". In the event that the Manager is in material breach or default of the provisions of the Declaration of Trust and, if capable of being cured, any such breach or default has not been cured within 30 days notice of such breach or default to the Manager, the Trustee shall give notice thereof to Unitholders and Unitholders may direct the Trustee to remove the Manager and appoint a successor manager of the Fund.

The Manager will be reimbursed by the Fund for all reasonable costs and expenses incurred by the Manager on behalf of the Fund as described under "Fees and Expenses – Operating Fees and Expenses". In addition, the Manager and each of its directors, officers and employees will be indemnified by the Fund for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced, or other claim that is made against the Manager, or any of its directors, officers or employees, in the exercise of its duties as Manager, except those resulting from the Manager's wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care or material breach or default by the Manager of its obligations under the Declaration of Trust.

Officers and Directors of the Manager of the Investment Fund

The name and municipality of residence of each of the directors, applicable officers and senior management of the Manager and their principal occupation are as follows:

Name and Municipality of Residence	Office	Principal Occupation
Michael Kovacs Oakville, Ontario	President and Chief Executive Officer, Chairman of the Board of Directors, Chief Compliance Officer, and Corporate Secretary	President and Chief Executive Officer, Harvest Portfolios Group Inc.
Townsend Haines Toronto, Ontario	Chief Financial Officer, Managing Director and Director	Chief Financial Officer, Managing Director, Harvest Portfolios Group Inc.
Nick Bontis Ancaster, Ontario	Director	Associate Professor, Strategic Management & Director, Undergraduate Programs, DeGroote School of Business, McMaster University
Mary Medeiros Oakville, Ontario	Vice President, Operations and Director	Vice President, Operations, Harvest Portfolios Group Inc.

The following is a brief description of the background of the key management of Harvest.

***Michael Kovacs*, President and Chief Executive Officer**

Michael is the founder of Harvest Portfolios Group Inc. and a 26 year veteran of the Investment management business. Since 1991 he has held senior management positions with 4 companies, the latest as Managing Director of Sentry Select Mutual Funds and Senior Vice President of Sentry Select Capital Inc. from 2002 - 2009. He was a Vice President with Guardian Capital Group from 1991 - 1995, Vice President of National Sales with AIC Funds from 1995 - 2000 and Vice President of Distribution with ING Funds from 2000 – 2002. In 1983 he obtained his BA from York University, and has also completed the Canadian Securities Course, Canadian Options Course, Canadian Branch Managers Course and the Officers, Partners and Directors exam.

***Townsend Haines*, Chief Financial Officer, Managing Director and Director**

Townsend has developed extensive experience in sales, sales management, product development and strategic planning during his 30 years in the investment industry. Townsend has been Vice President of Sales at AGF, Guardian Group of Funds, Franklin Templeton and the Executive Director of Global Strategy. Townsend's board and committee memberships have included the Investment Funds Institute of Canada, University of Western Ontario Senate and Board of Governors and the Board of Trustees of the Toronto School of Theology at University of Toronto. He is currently a member of the Investment Committee of the Board of Regents of Victoria University at University of Toronto. Townsend holds a Bachelor of Economics from the University of Western Ontario, and a Masters of Theological Studies degree from the University of Toronto. He has also successfully completed numerous industry courses including CFA Level I, the Partners, Directors and Senior Officers Qualifying Examination. Townsend has held various registrations and designations including Compliance Officer, Senior Officer, Senior Portfolio Manager and the Charter Financial Planner designation.

***Dr. Nick Bontis*, Director**

Dr. Nick Bontis is a tenured professor of strategic management at the DeGroote School of Business, McMaster University. He received both his Bachelor of Arts in 1992 (Honours Business Administration) and his PhD from the Ivey School of Business at The University of Western Ontario in 1999. His doctoral dissertation on the mutual fund industry went on to become the #1 selling thesis in Canada. He has won over a dozen major teaching awards and the faculty researcher of the year twice. Maclean's magazine has rated him as one of McMaster's most popular professors for six years. He is also a 3M National Teaching Fellow, an honour bestowed upon the top university professors in the country. Prior to his career in academia, Dr. Bontis was a securities analyst at CIBC Securities Inc.

***Mary Medeiros*, Vice President, Operations and Director**

Mary is a financial executive with over 17 years in the investment management business. Prior to joining Harvest in 2009 as Vice President, Operations, Mary managed national administration and sales systems for a Canadian mutual fund company and the branch operations for an investment dealer. She was licensed as an advisor in 1997, working directly with retail investors until joining a Canadian investment fund manager in 2000.

The Investment Manager

Highstreet Asset Management Inc. has been retained as the investment manager to invest the net proceeds of the Offering to purchase securities for the Portfolio, to rebalance the Portfolio and hedge the Portfolio to Canadian dollars in accordance with the "Investment Objectives", "Investment Strategy" and "Investment Restrictions" and to execute and maintain the option writing program of the Fund. Highstreet is an investment management firm with total assets under management, as at December 31, 2011, of approximately $4 billion including a family of pooled funds and investments for numerous accounts, pension plans and endowment funds. Highstreet's principal office is located at 244 Pall Mall Street, Suite 350, London, Ontario, N6A 5P6. Highstreet is owned approximately 80% by AGF Management Limited with Highstreet's employees owning the remaining shares.

Highstreet is registered as a Portfolio Manager, Exempt Market Dealer, Investment Fund Manager and Commodity Trading Manager in the Province of Ontario.

The principal advisors of Highstreet Asset Management Inc. who are responsible for investing the net proceeds of the Offering to purchase securities for the Portfolio and rebalancing and hedging the Portfolio in accordance with the "Investment Objectives", "Investment Strategy" and "Investment Restrictions" and for the Fund's selective call option writing and trading are:

Name and Municipality of Residence	Position with the Investment Manager	Current Occupation
Robert L. Jackson London, Ontario	Chief Risk Officer	Chief Risk Officer, Highstreet Asset Management Inc.
Janice Evans London, Ontario	Vice President, Investments	Vice President, Investments, Highstreet Asset Management Inc.
Jeffery Kay London, Ontario	Senior Risk Specialist	Senior Risk Specialist, Highstreet Asset Management Inc.

The following individual provides a supporting role to the principal advisors of Highstreet in the investment management of the Fund:

Name and Municipality of Residence	Position with the Investment Manager	Current Occupation
Shaun Arnold London, Ontario	Chief Investment Officer	Chief Investment Officer, Highstreet Asset Management Inc.

A description of the experience and background for each of these individuals is set out below.

***Robert L. Jackson*, Chief Risk Officer**

Mr. Jackson leads Highstreet's investment team together with the Chief Investment Officer. He is responsible for the firm's research, fixed income, balanced and alternative strategies, including derivative overlays. Mr. Jackson has been a strategic member of the investment team since the firm's inception in 1998 and played an integral role in the development of the firm's proprietary models and risk management processes. He has over 15 years of experience in portfolio and risk management. Prior to 1998, Mr. Jackson was a risk analyst within the investment management team at a large Canadian life insurance company. He earned an Honours Bachelor of Arts degree in statistics from the University of Western Ontario in 1987 and a Master of Mathematics degree from the University of Waterloo in 1988.

***Janice Evans*, Vice President, Investments**

Ms. Evans joined Highstreet's investment team in 2007. As a member of the structured products team, she is responsible for the day-to-day portfolio management of option overlay strategies, including the application of a proprietary option model, trading, reporting and client communication. Ms. Evans has 17 years of experience as both a portfolio manager and investment counsellor. Prior to joining Highstreet, she was a senior investment professional with a large Canadian financial institution.

***Jeffery Kay*, Senior Risk Specialist**

Mr. Kay assists with the execution of Highstreet's option overlay strategy as well as with quantitative analysis and strategy research. Mr. Kay, in conjunction with Highstreet's Chief Risk Officer, is also responsible for the ongoing development and execution of Highstreet's risk management processes. Prior to joining Highstreet in 2011, Mr. Kay worked in portfolio management, risk methodologies development and quantitative analytic roles for large Canadian financial institutions.

***Shaun Arnold*, Chief Investment Officer**

Mr. Arnold leads the investment team together with the Chief Risk Officer and is also the portfolio leader of Highstreet's core Canadian equity portfolios. Mr. Arnold has been a strategic member of the investment team since the firm's inception in 1998 and has played an integral role in enhancing Highstreet's portfolio management techniques and processes. He has over 17 years of portfolio management experience. Prior to joining Highstreet, Mr. Arnold was a portfolio manager with a large Canadian financial institution. Mr. Arnold received a Bachelor of Arts degree in economics from the University of Western Ontario in 1990. He also earned a Chartered Financial Analyst designation in 2000 having previously earned a Chartered Accountant designation in 1994.

Details of the Investment Management Agreement

The Investment Manager provides investment advisory and portfolio management services to the Fund with respect to the Portfolio pursuant to the Investment Management Agreement. Decisions regarding the purchase and sale of securities and the execution of transactions for the Portfolio will be made by the Investment Manager, in accordance with and subject to the terms of the Investment Management Agreement. Subject to the terms of the Investment Management Agreement, the Investment Manager will implement the investment strategy for the Portfolio on an ongoing basis.

Under the Investment Management Agreement, the Investment Manager covenants to act at all times on a basis which is fair and reasonable to the Manager and the Fund, to act honestly and in good faith with a view to the best interests of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. Provided Highstreet has acted in accordance with the standard of care, diligence and skill set forth above, Highstreet and its directors, officers, employees, agents or affiliate shall not be held liable for any act, omission or mistake of judgment in the course of, or connected with, the performance of its obligations under the Investment Management Agreement, nor for the making, retention or sale of any investment under the Investment Management Agreement, nor for any resultant or other loss to or diminution of the assets of the Fund, except as is caused by the negligence, lack of good faith or wilful misconduct of Highstreet.

Pursuant to the Investment Management Agreement, the Investment Manager and its officers, directors, employees, agents and affiliate shall not be held liable to the Fund, Harvest, Unitholders or any other party for any loss or damage relating to the Fund and shall be indemnified from the assets of the Fund against all actions, proceedings, claims, costs, losses (other than loss of profits), damages or expenses, including legal costs, in connection herewith brought, commenced or prosecuted against such party for or in respect of any act, deed, matter or thing whatsoever, made, done, acquiesced in or omitted in or about or in relation to the execution of Highstreet's duties as investment manager and also from and against all other costs, including legal costs, charges and expenses which it sustains or incurs in or about or in relation to the business and affairs of the Fund unless any such indemnified person is finally adjudicated to have committed a material breach or default of its obligations under the Investment Management Agreement or an act or omission involving bad faith, negligence, fraud, wilful misconduct or reckless disregard of such person's duties under the Investment Management Agreement.

The Investment Manager or Manager may terminate the Investment Management Agreement in the following circumstances: (i) upon not less than 90 days' written notice to the other party; or (ii) by written notice taking immediate effect if the other party is in breach of any of the terms of the Investment Management Agreement and has not remedied the breach within 30 days of receipt of written notice requiring the breach to be remedied.

The Investment Management Agreement may be terminated immediately if any of the following events take place: (i) in the event Highstreet or Harvest is subject to a material regulatory issue that would affect the ability of Highstreet or Harvest to fulfill its obligations under the Investment Management Agreement or if Highstreet is unable to provide the investment management services contemplated in the Investment Management Agreement; (ii) in the event that Highstreet or Harvest becomes bankrupt, or a petition for bankruptcy is filed against either party and such petition is not dismissed within 60 days; or (iii) in the event that Highstreet or Harvest makes any assignment for the benefit of its creditors, files any notice under or takes any other benefits of any insolvency law, or if a receiver is appointed for Highstreet or Harvest.

Any termination of either the Investment Management Agreement shall not affect the liability of the parties in respect of any action undertaken before such notice was given. During the time period between the date of notice of termination is given and the effective date of termination, Highstreet agrees to continue to provide investment advisory or management services to the Fund to the best of its ability in accordance with the standard of care set out above.

The Manager is responsible for payment of the investment management fees of the Investment Manager out of the Management Fee. See "Fees and Expenses".

Conflicts of Interest

The management services of Harvest under the Declaration of Trust are not exclusive and nothing in the Declaration of Trust prevents Harvest from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Fund) or from engaging in other activities. The investment management services of Highstreet under the Investment Management Agreement are not exclusive and nothing in the Investment Management Agreement prevents Highstreet from providing similar investment management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Fund) or from engaging in other activities. Investments in securities purchased by the Investment Manager on behalf of the Fund and other investment funds or trusts managed by the Investment Manager, will be allocated to the Fund and such other investment funds or trusts on a pro-rata basis according to the size of the order and the applicable investment restrictions and policies of the Fund and the other investment funds or trusts.

The Declaration of Trust acknowledge that the Trustee and the Manager may provide services to the Fund in other capacities, provided that the terms of any such arrangements are no less favourable to the Fund than those which would be obtained from parties which are at arm's length for comparable services. The Trustee may act as trustee of, and provide services to, issuers of securities, including issuers of securities in which the Fund has invested or may invest.

Independent Review Committee

In accordance with NI 81-107, the Manager has appointed an Independent Review Committee ("**IRC**") for the Fund and the investment funds managed by it. The IRC is composed of three individuals, each of whom is independent of the Manager, the Fund and entities related to the Manager. The members of the IRC are Jane Davis, Don Hathaway and Adam Conyers:

Name and Municipality of Residence	Principal Occupation
JANE DAVIS.. Toronto, Ontario	Consultant Jane Davis is an experienced risk management and change management professional. Jane Davis sits on six independent review committees. She also sits as an independent director on four corporate boards and one not-for-profit board since obtaining her ICD designation in early 2006.
DON HATHAWAY .... Willowdale, Ontario	Consultant Author of "Chairs and Tables: Corporate Governance for Directors of Small to Mid-sized Companies" (ISI Publications) published in January 2008. Donald B. Hathaway is a professional corporate director specializing in corporate governance, strategy and organization to build shareholder value. His forty-year career has spanned manufacturing, business and academia, with over half spent at senior executive levels, accumulating expertise in strategy, marketing, finance, general management and corporate governance, plus executive contacts across North America and in Europe, India and Hong Kong.
ADAM CONYERS................................. North Pickering, Ontario	Consultant Adam Conyers is currently interim Chief Financial Officer for a hotel in Bermuda and is Chairman of the Canadian National Stock Exchange. He received his ICD.D designation with the Institute of Corporate Directors in March 2012. Previously, he served as the CFO for Gedex Inc., a company developing and commercializing new technologies which have applications in mineral and oil and gas exploration. Prior to joining Gedex, Mr. Conyers served as a senior executive at the Toronto Stock Exchange (TSX) where he held a variety of senior management positions, including CFO and Senior Vice President, Equity Markets.

Name and Municipality of Residence	Principal Occupation
	Mr. Conyers started his career with Price Waterhouse, obtaining his CA in 1985. He then joined Price Waterhouse Limited; rising to Vice-President, he managed a variety of operating receiverships and restructurings across a broad cross section of industry. He also serves as treasurer and a director of Green Durham Association, a local not-for-profit organization.

The Manager is required to identify conflict of interest matters inherent in its management of the Fund and request input from the IRC in respect of how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest. The IRC has adopted a written charter that it follows when performing its functions and is subject to requirements to conduct regular assessments. The mandate and responsibilities of the IRC are to consider and make a recommendation or approval, as applicable, with respect to any conflict of interest matter referred to it by the Manager. The IRC will prepare, at least annually, a report of its activities for Unitholders. This report will be available on the Harvest's website at www.harvestportfolios.com or at the Unitholder's request, at no cost, by contacting Harvest at 1-866-998-8298. Information contained on the Manager's website is not part of this prospectus and is not incorporated by reference.

The members of the IRC will be indemnified by the Manager and the Fund in accordance with NI 81-107. The IRC members will not be responsible for the investments made by the Fund or for the performance of the Fund. The members of the IRC may serve in a similar capacity in respect of other funds managed by the Manager. The Fund's pro rata share of all fees and expenses of the IRC (which is currently anticipated to be $11,000 per annum) will be paid by the Fund, and the regular fees and expenses of the IRC (based on the amounts agreed by the Manager for the first year) have been included in the Fund's estimated annual operating expenses (see "Fees and Expenses"). In future years the IRC members will set their own compensation in accordance with NI 81-107. In addition, the IRC has the authority, pursuant to NI 81-107 to retain independent counsel or other advisors, at the expense of the Fund, if the members deem it necessary to do so.

The Trustee

The Manager is the trustee of the Fund under the Declaration of Trust, and is responsible for managing all of the Fund's activities. The address of the Trustee where it principally provides services to the Fund is at 710 Dorval Drive, Suite 209, Oakville, Ontario L6K 3V7.

Pursuant to the Declaration of Trust, Harvest is the trustee of the Fund (the "**Trustee**") and will be responsible for certain aspects of the day-to-day administration of the Fund as described in the Declaration of Trust.

The Trustee may resign upon 60 days' notice to Unitholders. The Trustee must be removed if the Trustee is no longer resident in Canada for purposes of the Tax Act, and the Trustee may be removed by Ordinary Resolution at a meeting of Unitholders called for such purpose or by the Manager (if the Manager is not then the Trustee), if the Trustee has committed certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Declaration of Trust which breach has not been cured within 30 days after notice thereof has been given to the Trustee. Any such resignation or removal shall become effective only upon the acceptance of appointment by a successor. If the Trustee resigns, its successor may be appointed by the Manager. The successor must be approved by Unitholders if the Trustee is removed by Unitholders. If no successor has been appointed within 60 days, the Trustee or any Unitholder may apply to a court of competent jurisdiction for the appointment of a successor.

The Declaration of Trust will provide that the Trustee shall not be liable in carrying out its duties under the Declaration of Trust except where it is in breach of its obligations under the Declaration of Trust or where the Trustee fails to act honestly and in good faith, and in the best interests of the Unitholders to the extent required by laws applicable to trustees, or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Declaration of Trust will contain other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of its officers, directors, employees or agents, in respect of certain liabilities incurred by it in carrying out its duties.

The Custodian

State Street Trust Company Canada will be appointed as the custodian (the "**Custodian**") and valuation agent of the Fund pursuant to separate custodian and valuation agreements between the Fund and the Custodian. The custodian's principal place of business in respect of the Fund is Toronto, Ontario. In accordance with the terms of the custodian agreement (the "**Custodian Agreement**"), the Custodian will be responsible for the safekeeping of all of the investments and other assets of the Fund delivered to it but not those assets of the Fund not directly controlled or held by the Custodian as the case may be. In the event that any portfolio assets are acquired by the Fund that cannot be held in Canada, the Custodian may appoint sub-custodians who are qualified to act as such.

In carrying out its duties, the Custodian is required to exercise:

(a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances, or

(b) at least the same degree of care which it gives to its own property of a similar kind under its custody, if this is a higher degree of care than in paragraph (a) above.

Except to the extent the Custodian has not complied with its standard of care, the Custodian will not be liable for any act or omission in the course of, or connected to, rendering services under the Custodian Agreement or for loss to, or diminution of, the Fund's property. In no event shall the Custodian be liable for any consequential or special damages. The Fund shall indemnify and save harmless the Custodian and its affiliates, subsidiaries and agents, and their directors, officers, and employees from and against all legal fees, judgments and amounts paid in settlement incurred by such indemnified parties in connection with custodial services provided under the Custodian Agreement except to the extent incurred as a result of breach of the above standard of care.

The Custodian Agreement provides that it may be terminated by either party at any time on 60 days' written notice unless a different period is agreed to. Either party may terminate the Custodian Agreement immediately in the event that either party is declared bankrupt or shall be insolvent, the assets or the business of either party shall become liable to seizure or confiscation by a public or governmental authority, or the Manager's powers and authorities to act on behalf of or represent the Fund have been revoked or terminated.

In addition, the Custodian will be responsible for providing valuation services to the Fund and will calculate the NAV and the NAV per Trust Unit pursuant to the terms of a separate valuation service agreement. See "Calculation of Net Asset Value".

The Custodian will receive fees for custodial and valuation services provided to the Fund as described above.

Promoter

Harvest has taken the initiative in organizing the Fund and accordingly may be considered to be a "promoter" of the Fund within the meaning of the securities legislation of certain provinces of Canada. Harvest will receive fees from the Fund and will be entitled to reimbursement of expenses incurred in relation to the Fund as described under "Fees and Expenses".

Auditor

The Fund's auditor is PricewaterhouseCoopers LLP, Chartered Accountants at its principal office located at PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2.

Registrar and Transfer Agent and Warrant Agent

Equity Financial Trust Company will be appointed the registrar and transfer agent for the Units, Trust Units and the Warrants. Equity Financial Trust Company will also be the Warrant Agent.

CALCULATION OF NET ASSET VALUE

The NAV on a particular date will be equal to the aggregate value of the assets of the Fund less the aggregate value of the liabilities of the Fund, expressed in Canadian dollars at the applicable exchange rate on such date. The NAV will be calculated using the fair value of the Fund's assets and liabilities. The NAV per Trust Unit on any day will be obtained by dividing the NAV of the Fund on such day by the number of Trust Units then outstanding; provided however, that where as a result of such calculation the basic NAV per Trust Unit is greater than $11.70 then a diluted NAV per Trust Unit will be calculated. The diluted NAV per Trust Unit shall be calculated by adding to the denominator the total number of Trust Units issuable pursuant to the exercise of the Warrants then outstanding and by adding to the numerator the product of such number of Warrants and the net proceeds realized by the Fund pursuant to the exercise of the Warrants. The diluted NAV per Trust Unit shall be deemed to be the resulting quotient.

Valuation Policies and Procedures of the Fund

Unless otherwise required by law, in determining the NAV of the Fund the Manager will take into account:

(a) the value of any cash on hand or on deposit, demand notes, accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to shareholders of record on a date before the date as of which the net asset value is being determined), and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Manager determines that any such asset is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;

(b) bonds, debentures, notes, money market instruments and other debt securities shall be valued by taking the bid price at the Valuation Time;

(c) any security that is listed or dealt in on a stock exchange shall be valued at the sale price applicable to a board lot last reported at the Valuation Time on the principal stock exchange on which such security is traded, or if no sale price is available at that time, the last closing price quoted for the security, but if bid and ask quotes are available, at the average of the latest bid and ask price rather than the last quoted closing price;

(d) the value of any security, the resale of which is restricted or limited by reason of a representation, undertaking or agreement by the Fund or by the predecessor in title of the Fund shall be the lesser of (i) the value based on reported quotation in common use and (ii) that percentage of the market value of securities of the same class, the resale of which is not restricted or limited by reasons of any representation, undertaking or agreement, equal to the percentage that the acquisition cost of the Fund was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made when the date on which the restrictions will be lifted is known;

(e) any security purchased, the purchase price of which has not been paid, shall be included for valuation purposes as a security held, and the purchase price, including brokers' commissions and other expenses, shall be treated as a liability of the Fund;

(f) any security sold but not delivered, pending receipt of the proceeds, shall be valued at the net sale price;

(g) if any date on which the NAV is determined is not a Business Day, then the securities comprising the Portfolio and other property of the Fund will be valued as if such date were the preceding Business Day;

(h) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation as it considers fair and reasonable;

(i) the value of all assets of the Fund quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to the Fund in foreign currency and the value of all liabilities and contractual obligations payable by the Fund in foreign currency shall be determined using the applicable rate of exchange current as quoted by customary banking sources at, or as nearly as practicable to, the applicable date on which the NAV is determined; and

(j) the estimated operating expenses of the Fund shall be accrued to the date as of which the NAV is being determined.

Harvest may suspend the calculation of the NAV when the right to redeem a Trust Unit is suspended. See "Redemption of Units – Suspension of Redemptions". During any period of suspension, there will be no calculation of the NAV and the Fund will not be permitted to issue or redeem Trust Units. The calculation of the NAV will resume when trading in the Fund's securities resumes.

Except as described below, NI 81-106 requires an investment fund, such as the Fund, to calculate its net assets in accordance with Canadian GAAP. Canadian GAAP was modified by the introduction of section *3855 Financial Instruments – Recognition and Measurement of the handbook of the Canadian Institute of Chartered Accountants*. Section 3855 defines fair value as being the closing bid price for long positions and the closing ask price for short positions, in lieu of the closing or last trade price for all positions. Therefore, the combined effect of NI 81-106 and section 3855 would require the Fund to determine the value of securities listed on a recognized public securities exchange or on NASDAQ using the fair value as defined by section 3855. However, since September 8, 2008, NI 81-106 permits investment funds, such as the Fund, to calculate its net asset value in accordance with Canadian GAAP without giving effect to section 3855 for purposes other than issuing annual or interim financial statements, such as the issue and redemption of Trust Units.

Reporting of Net Asset Value

The NAV, the NAV per Trust Unit and diluted NAV per Trust Unit, if applicable, will be calculated on each Business Day. Such information will be provided by the Manager to the Unitholders on request by calling toll-free 1-866-998-8298 or via the internet at www.harvestporfolios.com on each Thursday (or if a Thursday is not a Business Day, the Business Day following such Thursday), as applicable.

WARRANT CONSIDERATIONS

Each investor in this Offering will purchase Units and each Unit consists of one Trust Unit and one Warrant. Following the closing of the Offering and the separation of the Units, the Trust Units and the Warrants may be dealt with separately by the investor with the result that the investor may retain both securities or may elect to sell some or all of their Trust Units or Warrants.

The value of Trust Units will be reduced if the NAV per Trust Unit exceeds $11.70 (being the Warrant exercise price less the Warrant exercise fee of $0.30 in the aggregate — see "Fees and Expenses — Warrant Exercise Fee") and Warrants are exercised. If the NAV per Trust Unit exceeds $11.70 then a Unitholder will face dilution of its investment. If a Unitholder does not exercise Warrants in such circumstances, the Unitholder's pro rata interest in the assets of the Fund will be diluted.

As the number of Warrants equal the number of Trust Units, the potential dilution per Trust Unit is up to one-half of all gains in the NAV per Trust Unit of the Fund in excess of $11.70. The potential dilution per Trust Unit, assuming the Warrants are exercised in full, is illustrated in the following table:

Pro Forma Dilution Per Trust Unit

Non-diluted NAV before Exercise of Warrants	$13.00	$13.50	$14.00	$14.50
Potential dilution upon Exercise of Warrants	$0.65	$0.90	$1.15	$1.40

Due to the dilutive effect on the value of the Trust Units when Warrants are exercised, an investor in this Offering should carefully consider the exercise of the Warrants or the sale of the Warrants prior to the Warrant Expiry Time and the failure to take either such action in these circumstances will result in the loss of value to an investor. In order to maintain a Unitholder's pro rata interest in the assets of the Fund, the Unitholder would be required to pay in connection with the exercise of the Warrants an additional amount equal to the amount originally invested by the Unitholder on the Closing Date. While a Unitholder may sell the Warrants acquired hereunder, no assurance can be given that the proceeds of such sale would compensate the Unitholder for such dilution. The factors that would be expected to influence the price of a Warrant include the difference between the Exercise Price and the fully diluted NAV per Unit, price volatility, distributions payable on the Trust Units and the remaining time to expiry of the Warrant.

The NAV per Trust Unit on any day will be obtained by dividing the NAV of the Fund on such day by the number of Trust Units then outstanding; provided, however, that where as a result of such calculation on the basic NAV per Trust Unit is greater than $11.70 then a diluted NAV per Trust Unit will be calculated. The diluted NAV per Trust Unit shall be calculated by adding to the denominator the total number of Trust Units issuable pursuant to Warrants then outstanding and by adding to the numerator the product of such number of Warrants and the net proceeds realized by the Fund pursuant to the exercise of the Warrants. See "Calculation of Net Asset Value".

ATTRIBUTES OF THE UNITS, TRUST UNITS AND WARRANTS

Units

Each purchaser will purchase Units and each Unit consists of one Trust Unit and one Warrant. The Units will separate into Trust Units and Warrants upon the earlier of the closing of the Over-Allotment Option and the 30th day following the closing of the Offering.

Trust Units

The Fund is authorized to issue an unlimited number of Trust Units.

Except as provided under "Unitholder Matters – Non-Resident Unitholders", all Trust Units have equal rights and privileges. Each Trust Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, and distributions upon the termination of the Fund. Trust Units are issued only as fully paid and are non-assessable. Trust Units will only be issued through the book-entry only system administered by CDS as described below.

The Declaration of Trust provides that the Fund may not issue additional Trust Units following completion of the Offering, except: (i) at a price that yields net proceeds of not less than 100% of NAV per Trust Unit calculated as of the close of business on the Business Day immediately prior to the pricing of such offering; (ii) by way of a distribution paid in additional Trust Units; (iii) with the approval of Unitholders; or (iv) upon the exercise of the Warrants. Immediately after a pro rata distribution of Trust Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Trust Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Trust Units as the Unitholder held before the non-cash distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution.

Registration of interests in and transfers of the Units and Trust Units will be made only through the book-entry only system of CDS. As a result, the Fund will deliver to CDS the aggregate number of Units and/or Trust Units issued following the closing of the Offering. Units and/or Trust Units will be evidenced by one or more certificates, or electronically through the non-certificated inventory system operated by CDS. All rights of an owner of Units or Trust Units, as applicable, must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS and the CDS Participant through which the owner holds such Units or Trust Units. Upon purchase of any Units or Trust Units, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units or Trust Units means, unless the context otherwise requires, the owner of the beneficial interest in such Units and Trust Units, respectively.

Neither the Fund, the Trustee, the Custodian, the Manager, the Investment Manager, nor the Agents will have any liability for (i) records maintained by CDS relating to the beneficial interests in the Units, Trust Units or the book-entry only accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Trust Units to pledge such Trust Units or otherwise take action with respect to such owner's interest in such Trust Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Trust Units through the book-entry only system in which case certificates for Trust Units in fully registered form would be issued to beneficial owners of such securities or to their nominees.

Repurchase of Trust Units

The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders), Trust Units for cancellation subject to applicable law and stock exchange requirements.

Warrants

The following is a summary only and subject to, and is qualified in its entirety by reference to, the detailed provisions in the Warrant Indenture to be dated the date of the closing of the Offering between the Fund and the Warrant Agent.

Subscription Basis and Warrant Expiry Time

Each Warrant entitles the holder to purchase one Trust Unit at the subscription price of $12.00 per Trust Unit by notifying the Warrant Agent during the period between June 3, 2013 and 5:00 p.m. (Toronto time) on June 14, 2013 ("**Warrant Notice Period**"). Such Warrants will be exercised effective at 5:00 p.m. (Toronto time) on and only on June 14, 2013. Holders who exercise the Warrants will become holders of Trust Units issued through the exercise of the Warrants. **WARRANTS NOT EXERCISED PRIOR TO 5:00 P.M. (TORONTO TIME) ON JUNE 14, 2013 WILL BE VOID AND OF NO VALUE.** As soon as practicable following the exercise of a Warrant, the Fund will pay a fee equal to $0.18 per Warrant to the broker whose client is exercising the Warrant and $0.12 per Warrant to the Agents.

The Warrant Agent

The Warrant Agent has been appointed the agent of the Fund to receive subscriptions and payments from holders of Warrants, to act as registrar and transfer agent for the Warrants and to perform certain services relating to the exercise and transfer of Warrants pursuant to the Warrant Indenture. Holders of Warrants desiring to exercise such Warrants and purchase Trust Units should ensure that subscriptions and payment in full of the subscription price therefor is received during the Warrant Notice Period by the Warrant Agent.

Delivery Form and Denomination of the Warrants

All Unitholders hold their Trust Units through a CDS Participant in CDS. As a result, one global warrant certificate representing the Warrants will be issued in registered form to CDS and will be deposited with CDS within 30 days of the closing of the Offering. The Fund expects that each purchaser of Units under the Offering will receive a confirmation of the number of Warrants issued to it from its CDS Participant in accordance with the practices and procedures of that CDS Participant. CDS will be responsible for establishing and maintaining book-entry only accounts for its participants holding Warrants. Certificates evidencing Warrants will not be issued.

None of the Fund, the Manager, the Investment Manager, the Agents or the Warrant Agent will have any liability for (i) the records maintained by CDS or CDS Participants relating to the Warrants or the book-entry only accounts maintained by them, (ii) maintaining, supervising or reviewing any records relating to such Warrants, or (iii) any advice or representations made or given by CDS or CDS Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or its participants.

The ability of a person having an interest in Warrants held through a CDS Participant to pledge such interest or otherwise take action with respect to such interest (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Holders must arrange purchases or transfers of Warrants through CDS Participants.

Subscription Right

A subscriber may subscribe for the resulting whole number of Trust Units or any lesser whole number of Trust Units by instructing the CDS Participant holding the subscriber's Warrants to exercise all or a specified number of such Warrants and forwarding $12.00 per Warrant for each Trust Unit subscribed for in accordance with the terms of this Offering to the CDS Participant which holds the subscriber's Warrants. Registration of interests in and transfers of the Warrants will be made only through the book-entry only system of CDS.

The subscription price is payable in Canadian funds by certified cheque, bank draft or money order drawn to the order of a CDS Participant, by direct debit from the subscriber's brokerage account, or by electronic funds transfer or other similar payment mechanism. All payments must be forwarded to the appropriate office of the CDS Participant. The entire subscription price for Trust Units subscribed for must be paid at the time of subscription and must be received by the Warrant Agent during the applicable Warrant Notice Period. Accordingly, a subscriber subscribing through a CDS Participant must deliver its payment and instructions sufficiently in advance of the applicable Warrant Exercise Date to allow the CDS Participant to properly exercise the Warrants on its behalf. Unitholders are encouraged to contact their broker or other CDS Participant as each CDS Participant may have a different cut-off time.

Payment of the subscription price will constitute a representation to the CDS Participant that the subscriber is not a citizen or resident of the United States of America, its territories or possessions or the agent of any such person and is not purchasing the Trust Units for resale to any such person.

Subscriptions for Trust Units made through a CDS Participant will be irrevocable and subscribers will be unable to withdraw their subscriptions for Trust Units once submitted.

Holders of Warrants who wish to exercise their Warrants and receive Trust Units are reminded that because Warrants must be exercised through a CDS Participant, a significant amount of time may elapse from the date of exercise and the date the Trust Units issuable upon the exercise thereof are issued to the holder.

Sale or Transfer of Warrants

Holders of Warrants in Canada may, instead of exercising their Warrants to subscribe for Trust Units, sell or transfer their Warrants. Holders of Warrants through CDS Participants who wish to sell or transfer their Warrants must do so in the same manner in which they sell or transfer Trust Units namely, by providing instructions to the CDS Participant holding their Warrants in accordance with the policies and procedures of the CDS Participant.

Dilution to Existing Unitholders

If a Unitholder wishes to retain its current percentage ownership in the Fund and assuming that all Warrants are exercised, it should purchase all of the Trust Units for which it may subscribe pursuant to the Warrants delivered under the Offering. If that Unitholder does not do so and other holders of Warrants exercise any of their Warrants, that Unitholder's current percentage ownership in the Fund will be diluted.

The subscription rights in effect under the Warrants for Trust Units of the Fund issuable upon the exercise of the Warrants shall be subject to adjustment from time to time if, prior to the Warrant Expiry Time, the Fund shall:

(a) subdivide, re-divide or change its outstanding Trust Units into a greater number of Trust Units;

(b) reduce, combine or consolidate its outstanding Trust Units into a smaller number of Trust Units;

(c) distribute to holders of all or substantially all of the Fund's outstanding Trust Units any securities of the Fund including rights, options or warrants to acquire Trust Units or securities convertible into or exchangeable for Trust Units or property or assets, including evidence of indebtedness (other than in connection with the distribution and exercise of the Warrants);

(d) reclassify the Trust Units or reorganize the capital of the Fund; or

(e) consolidate, amalgamate, or merge the Fund with or into any other trust or other entity, or sell or convey the property and assets of the Fund as an entirety or substantially as an entirety (other than in connection with the redemption or retraction of Trust Units).

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of Unitholders may be convened by the Trustee or Manager at any time and must be convened if requisitioned by the holders of not less than 25% of the Trust Units then outstanding by a written requisition specifying the purpose of the meeting. Unitholders may request to change the Manager only if the Manager is in material breach under the Management Agreement. Not less than 21 days and not more than 50 days' notice will be given of any meeting of Unitholders. The quorum at any such meeting is two Unitholders present in person or by proxy except for the purpose of any meeting called by Unitholders to consider item (c) under "Unitholder Matters —

Matters Requiring Unitholder Approval" in which case the quorum shall be Unitholders holding 25% of the outstanding Trust Units. If no quorum is present at such meeting when called, the meeting, if called on the requisition of Unitholders, will be terminated and otherwise will be adjourned for not less than 10 days and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum. At any such meeting, each Unitholder will be entitled to one vote for each Trust Unit registered in the Unitholder's name.

The Fund does not intend to hold annual meetings of Unitholders.

Matters Requiring Unitholder Approval

Any matter to be considered at a meeting of Unitholders, other than certain matters requiring the approval by Extraordinary Resolution as set out below (other than item (g) which requires an Ordinary Resolution), require the approval of Unitholders by Ordinary Resolution. Pursuant to the Declaration of Trust, the following matters require approval by Extraordinary Resolution:

(a) a change in the investment objectives of the Fund, unless such change is necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;

(b) any change in the basis of calculating fees or other expenses that are charged to the Fund that could result in an increase in charges to the Fund other than a fee or expense charged by a person or company that is at arm's length to the Fund and for which Unitholders are sent a written notice of such change at least 60 days before the effective date of such change;

(c) a change of the manager of the Fund, other than to an affiliate of the Manager;

(d) the issuance of additional Trust Units other than (i) at a price that yields net proceeds of not less than 100% of NAV per Trust Unit calculated as of the close of business on the Business Day immediately prior to the pricing of such offering; or (ii) by way of a distribution paid in additional Trust Units; or (iii) upon the exercise of the Warrants;

(e) a reorganization (other than a Permitted Merger) with, or transfer of assets to, another entity if the Fund ceases to continue after the reorganization or transfer of assets;

(f) a reorganization (other than a Permitted Merger) with, or acquisition of assets of, another entity if the Fund continues after the reorganization or acquisition of assets and the transaction would be a material change to the Fund; or

(g) a termination of the Fund, other than as described under "Termination of the Fund".

In addition, the Manager may, without obtaining Unitholder approval, merge the Fund (a "**Permitted Merger**") with another fund or funds, provided that:

(i) the fund(s) with which the Fund is merged must be managed by the Manager or an affiliate of the Manager;

(ii) Unitholders are permitted to redeem their Trust Units at a redemption price equal to 100% of the NAV per Trust Unit, less any costs of funding the redemption, including commissions prior to the effective date of the merger;

(iii) the funds being merged have similar investment objectives as set forth in their respective declarations of trust, as determined in good faith by the Manager in its sole discretion;

(iv) the Manager must have determined in good faith that there will be no increase in the management expense ratio borne by the Unitholders as a result of the merger;

(v) the merger of the funds is completed on the basis of an exchange ratio determined with reference to the net asset value per unit of each fund; and

(vi) the merger of the funds must be capable of being accomplished on a tax-deferred rollover basis for Unitholders of the Fund.

If the Manager determines that a merger is appropriate and desirable, the Manager can effect the merger, including any required changes to the Declaration of Trust, without seeking Unitholder approval for the merger or such amendments. If a decision is made to merge, the Manager will issue a press release at least 30 Business Days prior to the proposed effective date thereof disclosing details of the proposed merger. While the funds to be merged will have similar investment objectives, the funds may have different investment strategies, guidelines and restrictions and, accordingly, the units of the merged funds will be subject to different risk factors.

The Unitholders will also be permitted to vote on any modification, amendment, alteration or deletion of rights, privileges or restrictions attaching to the Units which would have a material adverse effect on the interest of the Unitholders. No amendment may be made to the Declaration of Trust which would have the effect of reducing the expenses reimbursable to the Manager or terminating the Manager unless the Manager, in its sole discretion, consents.

Amendments to the Declaration of Trust

The Trustee at the request of the Manager may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein, including to:

(a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting the Fund;

(b) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(c) bring the Declaration of Trust into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities industry, provided that any such amendment does not adversely affect the pecuniary value of the interests of the Unitholders;

(d) maintain the status of the Fund as a "mutual fund trust" for the purposes of the Tax Act or to respond to amendments to such Act or to the interpretation thereof;

(e) change the name of the Fund;

(f) provide added protection or benefit to Unitholders;

(g) divide the capital of the Fund into one or more series of Trust Units and to establish the attributes of each series, provided that the rights of existing Unitholders are not changed in an adverse manner; or

(h) make any changes to effect a Permitted Merger.

Except for changes to the Declaration of Trust that require the approval of Unitholders or changes described above that do not require approval of or prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Trustee, at the request of the Manager, upon not less than 30 days prior written notice to Unitholders.

Reporting to Unitholders

The Fund will prepare, file and send to Unitholders unaudited semi-annual and audited annual financial statements of the Fund and other documents in accordance with NI 81-106.

Non-Resident Unitholders

The Fund was not established and shall not be maintained for the benefit of one or more non-resident persons within the meaning of the Tax Act. At no time may non-residents of Canada and partnerships (other than "Canadian partnerships" as defined in the Tax Act) be the beneficial owners of more than 50% of the Trust Units and the Trustee shall inform the Registrar and Transfer Agent of this restriction. The Trustee may require a declaration as to the jurisdiction in which a beneficial owner of Trust Units is resident and, if a partnership, as to its status as a "Canadian partnership". If the Trustee becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% or more of the Trust Units then outstanding are, or may be, non-residents and/or partnerships (other than "Canadian partnerships"), or that such a situation is imminent, the Trustee may make a public announcement thereof and the Trustee may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Trustee may consider equitable and practicable, requiring them to dispose of their Trust Units or a portion thereof to residents of Canada within a specified period of not less than 30 days. If the Unitholders receiving such notice have not disposed of the specified number of Trust Units or provided the Trustee with satisfactory evidence that they are not non-residents or partnerships (other than "Canadian partnerships") within such period, the Trustee may redeem or, on behalf of such Unitholders, dispose of such Trust Units. Upon such redemption or sale, the affected Unitholders shall cease to be beneficial Unitholders of Trust Units and their rights shall be limited to receiving the redemption price or the net proceeds of sale of such Trust Units.

TERMINATION OF THE FUND

The Fund does not have a fixed termination date. However, the Fund may be terminated at any time upon not less than 90 days' written notice by the Trustee provided that the prior approval of Unitholders has been obtained by a majority vote at a meeting of Unitholders called for that purpose (the "**Termination Date**"); provided, however, that the Trustee may, in its discretion, on 60 days' notice to Unitholders, terminate the Fund without the approval of Unitholders if, in the opinion of the Trustee, the NAV of the Fund is reduced as a result of redemptions or otherwise so that it is no longer economically feasible to continue the Fund. The Fund will also issue a press release ten days prior to the Termination Date setting forth the details of the termination including the fact that, upon termination, the net assets of the Fund will be distributed to Unitholders on a pro rata basis. Immediately prior to the termination of the Fund, including on the Termination Date, the Trustee will, to the extent possible, convert the assets of the Fund to cash and after paying or making adequate provision for all of the Fund's liabilities, distribute the net assets of the Fund to the Unitholders as soon as practicable after the date of termination or any unliquidated assets may be distributed in specie rather than in cash, subject to compliance with any securities or other laws applicable to such distributions.

USE OF PROCEEDS

The Fund will use the proceeds from the sale of Units as follows (excluding the Units sold pursuant to the exercise of the Over Allotment Option):

	Minimum Offering	Maximum Offering
Gross proceeds to the Fund	$20,000,000	$100,000,000
Agents' fees	$1,050,000	$5,250,000
Expenses of issue	$300,000	$650,000
Net proceeds to the Fund	$18,650,000	$94,100,000

The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over Allotment Option) to invest in securities in accordance with the investment objectives and restrictions of the Portfolio as described herein. See "Investments Objectives" and "Investment Restrictions". Harvest anticipates that the net proceeds of the Offering will be substantially invested within 30 days from the Closing Date. Pending such investment, the cash portion of the net proceeds will be invested in money market instruments.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement between the Agents, Harvest, the Investment Manager and the Fund, the Agents have agreed to offer the Units for sale, as agents of the Fund, on a best efforts basis, if, as and when issued by the Fund. The Agents will receive a fee equal to $0.63 (5.25%) for each Unit sold and will be reimbursed for reasonable out of pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase Units that are not sold.

The Fund has granted the Agents an Over-Allotment Option, exercisable in whole or in part at any time and from time to time during the period of 30 days following the Closing, to purchase an aggregate of up to 15% of the aggregate number of Trust Units and to purchase an aggregate of up to 15% of the aggregate number of Warrants issued at the Closing on the same terms set forth above, which additional Trust Units and Warrants are qualified for sale hereunder. To the extent that the Over-Allotment Option is exercised, the additional Trust Units and Warrants will be purchased at the Offering Price and the Agents will be entitled to a fee of $0.63 per Unit in respect of each Unit purchased.

The Fund has applied to list the Units, Trust Units and Warrants being distributed under this prospectus on the TSX. The TSX has conditionally approved the listing of the Units, Trust Units and Warrants. The listing is subject to the Fund fulfilling all the requirements of the TSX on or before June 26, 2012. The Units, Trust Units and Warrants will be listed on the TSX under the symbols HEN.A, HEN.UN and HEN.WT, respectively.

If subscriptions for a minimum of 1,666,667 Units have not been received within 90 days following the date of issuance of a final receipt for the prospectus, the Offering may not continue without the consent of the securities authorities and those who have subscribed for Units on or before such date. Under the terms of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. Cash proceeds from subscriptions will be held by the Agents until Closing. If the minimum Offering is not achieved and the necessary consents are not obtained or if the Closing does not occur for any reason, subscription proceeds received from prospective purchasers will be returned to such purchasers promptly without interest or deduction. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing is expected to take place on or about May 18, 2012, or such later date that is on or before June 15, 2012, as may be agreed upon by the Fund and the Agents.

Pursuant to policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. Such exceptions include a bid or purchase permitted under applicable by laws and rules of the relevant self regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Agents may over allot and may effect transactions to cover their over allotted position. Such transactions, if commenced, may be discontinued at any time.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Harvest will receive the fees described under “Fees and Expenses” for its services to the Fund and will be reimbursed by the Fund for all expenses incurred in connection with the operation and administration of the Fund.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The proxies associated with securities held by the Fund will be voted in accordance with the best interests of Unitholders determined at the time the vote is cast. The Investment Manager maintains policies and procedures that are designed to be guidelines for the voting of proxies; however, each vote is ultimately cast on a case-by-case basis, taking into consideration the relevant facts and circumstances at the time of the vote. Any conflict of interest will be resolved in a way that most benefits Unitholders.

The Investment Manager’s proxy voting policies and procedures set out various considerations that the Investment Manager will address when voting, or refraining from voting, proxies, including that:

(a) the Investment Manager will generally vote with management on routine matters such as electing corporate directors, appointing external auditors and adopting or amending management compensation plans unless it is determined that supporting management’s position would not be in the best interests of Unitholders;

(b) the Investment Manager will address on a case-by-case basis, non-routine matters, including those business issues specific to the issuer or those raised by shareholders of the issuer with a focus on the potential impact of the vote on the Fund’s NAV; and

(c) the Investment Manager has the discretion whether or not to vote on routine or non-routine matters. In cases where the Investment Manager determines that it is not in the best interests of Unitholders to vote, the Investment Manager will not be required to vote.

The Manager will post the proxy voting record annually at www.harvestportfolios.com. The Fund will send the most recent proxy voting policies and procedures and proxy voting record, without charge, to any Unitholder upon a request made by the Unitholder.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

(a) the Declaration of Trust described under "Organization and Management Details of the Fund";

(b) the Warrant Indenture referred to under "Attributes of the Units, Trust Units and Warrants";

(c) the Investment Management Agreement as described under "Organization and Management Details of the Fund";

(d) the Agency Agreement described under "Plan of Distribution"; and

(e) the Custodian Agreement described under "Organization and Management Details of the Fund".

Copies of the foregoing agreements, after the execution thereof, may be inspected during business hours at the principal office of the Fund during the course of distribution of the Units offered hereby. Any of the foregoing contracts that are not executed prior to the filing of this prospectus will be filed with the securities regulatory authorities forthwith after such contract is entered into.

EXPERTS

Borden Ladner Gervais LLP and Blake, Cassels & Graydon LLP have prepared the opinion as to certain tax matters as described under "Income Tax Considerations".

The Fund's auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditor's report dated April 27, 2012 in respect of the Fund's statement of financial position as at April 27, 2012. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Fund within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

None of these professional firms has any registered or beneficial interest, direct or indirect, in the securities of the Fund or of an associate or affiliate of the Fund.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

AUDITOR'S CONSENT

We have read the prospectus of Energy Leaders Income Fund (the "**Fund**") dated April 27, 2012 relating to the issue and sale of units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the Unitholder and the Trustee of the Fund on the statement of financial position of the Fund as at April 27, 2012. Our report is dated April 27, 2012.

Toronto, Canada
April 27, 2012

(Signed) "PricewaterhouseCoopers LLP"
Chartered Accountants
Licensed Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Unitholder and Trustee of Energy Leaders Income Fund (the "Fund")

We have audited the accompanying statement of financial position of the Fund as at April 27, 2012 and the related notes which are comprised of a summary of significant accounting policies and other explanatory information (the "financial statement").

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Fund as at April 27, 2012 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
April 27, 2012

(Signed) "PricewaterhouseCoopers LLP"
Chartered Accountants
Licensed Public Accountants

ENERGY LEADERS INCOME FUND
STATEMENT OF FINANCIAL POSITION

As at April 27, 2012

ASSETS	
Cash	$12
UNITHOLDER'S EQUITY	
Unitholder's Equity (Notes 1 and 2): 1 Unit	$12

Approved by the Board of Directors of Harvest Portfolios Group Inc.:

(Signed) "MICHAEL KOVACS"
Director

(Signed) "TOWNSEND HAINES"
Director

The accompanying notes are an integral part of this financial statement.

ENERGY LEADERS INCOME FUND
NOTES TO STATEMENT OF FINANCIAL POSITION

1. NATURE OF OPERATIONS

Energy Leaders Income Fund (the "**Fund**") is a closed-end fund governed by the laws of the Province of Ontario pursuant to a declaration of trust (the "**Declaration of Trust**") dated April 27, 2012, by Harvest Portfolios Group Inc. ("**Harvest**" or the "**Manager**"), as manager and trustee of the Fund. Pursuant to the Declaration of Trust, Harvest in its capacity as trustee of the Fund, contributed $12.00 which constitutes the initial trust property of the Fund. Highstreet Asset Management Inc. ("**Highstreet**" or the "**Investment Manager**") has been retained as the investment manager for the Fund.

The Fund is authorized to issue an unlimited number of units of the Fund (the "**Units**"). The prospectus qualifies the issuance of the Units (the "**Offering**") at a price of $12.00 per Unit. Each Unit consists of one transferable trust unit ("**Trust Unit**") and one Trust Unit purchase warrant ("**Warrant**"). The Units will separate into Trust Units and Warrants upon the earlier of the closing of the Over-Allotment Option (as defined herein) and the 30th day following the closing of the Offering. Each Warrant entitles the holder to purchase one Trust Unit at the subscription price of $12.00 per Trust Unit by notifying the Warrant Agent (as defined herein) during the period between June 3, 2013 and 5:00 p.m. (Toronto time) on June 14, 2013 (the "Warrant Exercise Date"). Such Warrants will be exercised effective at 5:00 p.m. (Toronto time) on and only on June 14, 2013. Warrants not exercised prior to 5:00 p.m. on the Warrant Exercise Date will be void and of no value.

The investment objectives of the Fund are to provide Unitholders with (i) monthly cash distributions; (ii) the opportunity for capital appreciation; and (iii) lower overall volatility of the Portfolio returns than would otherwise be experienced by owning the Equity Securities held by the Fund directly; by investing in the Portfolio and writing covered call options on up to 33% of the Equity Securities of each Energy Issuer held in the Portfolio. Such call options may be either exchange-traded options or over-the-counter options.

To seek to achieve its investment objectives, the Fund will invest in a Portfolio of Equity Securities of 15 Energy Issuers from the Energy Issuers Investable Universe that have the following characteristics: a market capitalization of at least $10 billion determined at the time of investment; are currently paying a dividend/ distribution; are eligible to have options written on their Equity Securities; and operations and/or offices in at least two countries. The Portfolio will be initially acquired and thereafter rebalanced quarterly on an equally weighted basis by the Investment Manager.

The Fund intends to make monthly cash distributions to Unitholders of record on the last Business Day of each month and pay such cash distributions on or before the 15th day of the following month. Beginning in May, 2013 the Fund will annually determine and announce the Indicative Distribution Amount for the following 12 months based upon, among other factors, the prevailing market conditions. The initial Indicative Distribution Amount will be $0.07 per Trust Unit per month ($0.84 per annum representing an annual cash distribution of 7% based on the $12.00 per Unit issue price). The initial cash distribution is anticipated to be payable on or before July 13, 2012 to Unitholders of record on June 29, 2012.

If, in any year, after such distributions there would otherwise remain in the Fund additional net income or net realized capital gains, a special distribution (either in cash or Trust Units) of such portion of the net income and net realized capital gains as is necessary to ensure that the Fund will not be liable for income tax under the Tax Act will be automatically payable on the last day of that taxation year to Unitholders of record on that date. Immediately after a pro rata distribution of Trust Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Trust Units may be consolidated such that each Unitholder will hold, after the consolidation, the same number of Trust Units as the Unitholder held before the non-cash distributions, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution.

The NAV per Trust Unit will be calculated as of 4:15 p.m. (Toronto time) or such other time as the Manager deems appropriate, every Business Day, and includes any other day on which the Manager determines from time to time in its discretion (the "**Valuation Time**"). The NAV of the Fund on a particular date will be equal to the aggregate value of the assets of the Fund less the aggregate value of the liabilities of the Fund, expressed in Canadian dollars at the applicable exchange rate on such date.

Commencing in 2013, Trust Units may be surrendered for redemption during the period from the first Business Day of November to 5:00 p.m. (Toronto time) on the tenth Business Day prior to the second last Business Day in November, subject to the Fund's right to suspend redemptions in certain circumstances. Trust Units surrendered for redemption during this period will be redeemed on the applicable Annual Redemption Date and the Unitholder will receive payment on or before the 15th Business Day in the following month equal to the NAV per Trust Unit on the applicable Annual Redemption Date less any costs and expenses associated with the redemption. Trust Units are also redeemable on a monthly basis.

Trust Units may also be surrendered prior to 5:00 p.m. (Toronto time) on the tenth Business Day before the last Business Day of any month by Unitholders for Monthly Redemption.

2. MANAGEMENT FEES AND OTHER EXPENSES

Pursuant to the Declaration of Trust, Harvest is the manager of the Fund and, as such, is responsible for providing or arranging for required general and administrative services to the Fund.

Harvest is entitled to a management fee (the "**Management Fee**") at an annual rate of 1.00% of NAV, plus an amount equal to the Servicing Fee (as defined below) plus applicable taxes. Fees payable to Harvest will be calculated and payable monthly in arrears based on the average NAV calculated at each Valuation Time during that month. The total Management Fee including the Servicing Fee paid by the Fund will be 1.40% of the NAV per annum. The Management Fee will be paid in cash and the Investment Manager will be remunerated by the Manager out of the Management Fee.

The Manager will pay to registered dealers a servicing fee (the "**Servicing Fee**") equal to 0.40% annually of the NAV per Trust Unit for each Trust Unit held by clients of the registered dealers (calculated and paid at the end of each calendar quarter commencing on the Closing Date, plus applicable taxes).

State Street Trust Company Canada (the "**Custodian**") acts as custodian of the assets of the Fund and is also responsible for certain aspects of the Fund's day to day operations. In consideration for the services provided by the Custodian, the Fund will pay a monthly fee to be agreed upon between the Custodian and Harvest.

In consideration for the services provided by the trustee of the Fund (except when the Manager is the trustee of the Fund), the Fund will pay a monthly fee to be agreed upon between the trustee of the Fund and Harvest.

Pursuant to the Declaration of Trust, the Fund will pay for all ordinary expenses incurred in connection with the operation and administration of the Fund. All fees and expenses of the Fund will be paid in cash. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; (b) fees payable to the Trustee for acting as trustee (except when the Manager is the Trustee); (c) fees payable to the Registrar and Transfer Agent; (d) fees payable to the Custodian for acting as custodian of the assets of the Fund; (e) Independent Review Committee member fees and expenses in connection with the Independent Review Committee; (f) fees payable to the auditors and legal advisors of the Fund; (g) regulatory filing, stock exchange and licensing fees; and (h) any expenditures incurred upon the termination of the Fund.

The expenses of the Offering (including the costs of creating the Fund, the costs of printing and preparing this prospectus, legal expenses of the Fund, marketing expenses and legal and other out of pocket expenses incurred by the Agents and certain other expenses) will, together with the Agents' fees ($0.63 per Unit), be paid from the gross proceeds of the Offering. The Manager has agreed to pay all expenses incurred in connection with the Offering, other than the Agents' fees, that exceed 1.5% of the gross proceeds of the Offering. The expenses of the Offering, together with the Agents' fees, payable by the Fund, will be reflected as a reduction of Unitholders' Equity.

As soon as practicable upon the exercise of a Warrant, the Fund will pay a fee equal to $0.12 per Warrant to the Agents and a fee equal to $0.18 per Warrant to the broker whose client is exercising the Warrant.

CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER

Dated: April 27, 2012

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each province and territory of Canada.

Harvest Portfolios Group Inc.
(as Manager and Promoter of the Fund)

(Signed) "MICHAEL KOVACS" Chief Executive Officer and President	*(Signed)* "TOWNSEND HAINES" Chief Financial Officer

On behalf of the Board of Directors of Harvest Portfolios Group Inc.
(as Manager and Promoter of the Fund)

(Signed) "NICK BONTIS" Director	*(Signed)* "MARY MEDEIROS" Director

CERTIFICATE OF THE AGENTS

Dated: April 27, 2012

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each province and territory of Canada.

CIBC WORLD MARKETS INC.	**RBC DOMINION SECURITIES INC.**
(Signed) "MICHAEL D. SHUH"	*(Signed)* "EDWARD V. JACKSON"

SCOTIA CAPITAL INC.	**NATIONAL BANK FINANCIAL INC.**	**TD SECURITIES INC.**	**CANACCORD GENUITY CORP.**
(Signed) "BRIAN D. MCCHESNEY"	*(Signed)* "TIMOTHY EVANS"	*(Signed)* "CAMERON GOODNOUGH"	*(Signed)* "RON SEDRAN"
DESJARDINS SECURITIES INC.	**GMP SECURITIES L.P.**	**MACQUARIE PRIVATE WEALTH INC.**	**RAYMOND JAMES LTD.**
(Signed) "BETH SHAW"	*(Signed)* "NEIL SELFE"	*(Signed)* "BRENT LARKAN"	*(Signed)* "J. GRAHAM FELL"

BURGEONVEST BICK SECURITIES LIMITED	**DUNDEE SECURITIES LTD.**	**INDUSTRIAL ALLIANCE SECURITIES INC.**
(Signed) "MARIO FRANKOVICH"	*(Signed)* "AARON UNGER"	*(Signed)* "RICHARD LEGAULT"

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PORTFOLIOS GROUP

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