



**Brand Leaders Plus Income ETF
(formerly Brand Leaders Plus Income Fund)**

Annual Management Report of Fund Performance

December 31, 2016

The Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure, can be obtained at your request, and at no cost, by calling us at 1-866-998-8298; by writing to us at Harvest Portfolios Group Inc., 710 Dorval Drive, Suite 209, Oakville, Ontario, L6K 3V7; by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund)

CORPORATE OVERVIEW

Harvest Portfolios Group Inc. (“Harvest”) is a Canadian Investment Manager focused on unique income generating investment products. Harvest was founded in 2009 and is focused on developing investment products that follow three investment criteria:

1. Clear investment objectives
2. Transparency
3. Income generation

Harvest endeavours to develop investment products that are clear in their mandate and easy for our investors to understand. We strive to be transparent, so that our investors can open their financial reports and know exactly what they own. Our funds are invested to provide investors with consistent monthly or quarterly income; therefore, we seek to invest our fund portfolios in well managed companies that have a history of steady cash flow and pay dividends.

INVESTMENT PRODUCT

Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund) (the “Fund”) invests in an equally-weighted underlying portfolio of twenty of the world’s top one hundred rated brand companies, each with a market capitalization of at least US\$10 billion. As the US and global economy generally expands, Harvest believes that a diversified portfolio invested in blue chip companies will provide investors with an attractive yield and strong capital appreciation potential.

Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund)

PRESIDENT'S MESSAGE

Brand Leaders Plus Income ETF

Unitholder letter March 2017

Dear Valued Unitholder,

2016 can be characterized as another year of volatility as investors faced political uncertainty and tough market decisions. As the year started, markets continued their steady decline over economic concerns after the first Fed rate hike in almost a decade, only to bottom out in February and rally back up through the spring and summer. As September approached, the political rhetoric and steady diet of 2am Tweets unnerved markets leading to declines as the US election drew closer. As the event passed and the world woke up to the new realities of a Trump Presidency, the markets turned and rallied into the end of the year.

Looking ahead, we believe the U.S. will be a strong performer in the world market due to an economy that has been bubbling along with just under a 2% inflation rate and just over a 2% growth rate for the last 5 years. Any "Trump" effect would more than likely trickle down into the economy later in 2017 and 2018. That said, we know that markets are forward indicators of economic performance and should therefore give consideration to US corporate tax cuts and the potential tax break on the \$1 trillion USD sitting offshore in corporate coffers which would no doubt result in a positive effect on corporate earnings. Mr. Trump has also proposed to reduce regulation, which would have a fairly immediate impact on the Financial and Healthcare Industries and their abilities to expand and develop products.

Predicting markets and outcomes can be a frustrating experience and lends more credence to the old term "time in the market not timing the market". Regardless of short term events and market movements, Harvest focuses on industries, sectors or themes with long-term growth dynamics while collecting dividends and selling call options to generate income for our investors. Given our long-term view, we adhere to guiding investment principals which follow our mantra "*Investing doesn't have to be complicated*".

Keep it Simple: A complex product does not mean it is a better product. We want our investors to understand exactly what they are investing in and are comfortable that it meets their objectives.

Transparent: A portfolio should reflect what an investor thought they were buying. Check your statement or our website and "*know what you own*".

Consistent income: All of our funds provide consistent monthly or quarterly income.

2017 and beyond will provide its own steady diet of surprises and challenges, which is why the adherence to an investment philosophy and process helps maintain a calm mindset and long term view of the markets.

Harvest remains committed to its philosophy and we appreciate the confidence you have placed with us as an investor in our funds.

Sincerely,

Signed "Michael Kovacs"

Michael Kovacs
President and Chief Executive Officer

Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund)

ANNUAL MANAGEMENT DISCUSSION OF FUND PERFORMANCE

The annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. For your reference, the annual financial statements of the Fund are attached to the annual management report of fund performance. You may obtain additional copies of these documents at your request, and at no cost, by calling toll free at 1(866) 998-8298; by writing to us at Harvest Portfolios Group Inc., 710 Dorval Drive, Suite 209, Oakville, Ontario, L6K 3V7; or by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

INVESTMENT OBJECTIVES AND STRATEGY

The Fund's investment objectives are to provide Unitholders with:

- (i) monthly cash distributions;
- (ii) the opportunity for capital appreciation; and
- (iii) lower overall volatility of Portfolio returns than would otherwise be experienced by owning Equity Securities of the Brand Leaders directly.

To achieve its investment objectives, the Fund will invest in an equally-weighted portfolio of Equity Securities of 20 Brand Leaders from the Brand Leaders Investable Universe that have a market capitalization of at least US\$10 billion at the time of investment and meet the investment characteristics described below. In order to seek to generate additional returns, the Fund's manager and investment manager, Harvest Portfolios Group Inc. ("Harvest") may sell call options on no more than 33% of the Equity Securities of each Brand Leader held in the Fund.

Harvest will quarterly reconstitute and rebalance the Portfolio such that, at the time of the initial investment and immediately following each quarterly reconstitution and rebalancing, the Portfolio will have the following investment characteristics:

- Value** – An average Price-to-Earnings ratio lower than the average for the Brand Leaders Investable Universe;
- Yield** – An average Yield greater than the average for the Brand Leaders Investable Universe; and
- Quality** – An average 5-year Return on Equity growth greater than the average for the Brand Leaders Investable Universe.

RISK

The risks associated with investing in the Fund are as described in the prospectus. There were no material changes to the Fund over the period that affected the overall level of risk of the Fund.

RESULTS OF OPERATIONS

The Brand Leaders Plus Income ETF returned 9.35% for Series A and 10.51% for Series U compared to the S&P 100 Index Total Return in USD of 10.59% for the year ending December 31, 2016.

Early in the year, broader global equity markets sold off as investors weighed the economic implications of potential US interest rate hikes coupled with an increase in short term volatility surrounding the decision from the British referendum to leave the European Union. Volatility and uncertainty continued through the November U.S. Election. However, sentiment quickly turned positive as expectations for more pro-growth policies were lifted following the surprising win by Donald Trump. This had a positive impact on the Fund's holdings that are expected to benefit from an improved U.S. macro outlook, including several positions that were added to the Fund during the year. The Fund's exposure towards the less cyclical sectors such as consumer staples, benefited the Fund during the more volatile periods.

The Fund was invested in 20 Brand Leaders during the period and sold call options on the underlying holdings during the period in order to meet its investment and income objectives.

Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund)

RECENT DEVELOPMENTS

On September 19, 2016, unitholders approved the conversion of the units of the Fund into an Exchange Traded Fund (“ETF”) effective October 24, 2016. The Series A units began trading as an ETF under the symbol HBF and the Series U units began trading under the symbol HBF.U. The Series U units are designed for investors who want to make their investment in U.S. dollars and were not traded prior to conversion.

Upon conversion to an ETF, the Fund cancelled its normal course issuer bid program. Prior to conversion, the Fund was allowed to purchase up to 456,508 Series A units of the Fund for cancellation by way of a normal course issuer bid through the facilities of the Toronto Stock Exchange and other Canadian markets. During the year ended December 31, 2016, 3,200 Series A units (2015 – 12,100 units) were purchased for cancellation for \$23,778 (2015 - \$106,611).

In December 2015, the Manager gave notice to Highstreet Asset Management Inc. (“Highstreet”) terminating the investment management agreement effective March 31, 2016. On April 1, 2016 the Manager assumed the investment management responsibilities of the Fund.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the reporting period, except for management fees and other expense reimbursements paid to Harvest, as noted below in Management and Other Fees.

MANAGEMENT AND OTHER FEES

The Fund pays its manager, Harvest, a management fee calculated based on the average daily net asset value (“NAV”) and paid monthly in arrears, based on an annual rate of 0.75%, plus applicable taxes, of the NAV of the Fund. Prior to conversion, the calculation was based on the average weekly NAV. Prior to termination, the Manager paid Highstreet, a fee for its portfolio advisory service, from the management fee received from the Fund, calculated on the basis of the Fund’s NAV.

At its sole discretion, the Manager may waive management fees or absorb expenses of the Fund. During the year there were no fees waived or absorbed. The management expense ratios of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table below.

Operating expenses

The Fund is responsible for operating expenses relating to the carrying on of its business, including custodial services, interest, taxes, legal, audit fees, transfer agency services relating to the issue and redemption of units, and the cost of financial and other reports, costs and expenses for the Fund’s Independent Review Committee (“IRC”), including fees and expenses of the IRC members and compliance with applicable laws, regulations and policies. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest, and is then reimbursed by the Fund.

Other expenses

The Manager will be reimbursed by the Fund for all reasonable costs, expenses and liabilities incurred by the Manager for performance of services on behalf of the Fund in connection with the discharge by the Manager of its duties hereunder. Such costs and expenses may include, without limitation: mailing and printing expenses for reports to unitholders and other unitholder communications; a reasonable allocation of salaries, benefits and consulting fees; independent directors of the Manager and other administrative expenses and costs incurred in connection with the Fund’s continuous public offering and other obligations. These expenses were \$71,389 for the year ended December 31, 2016 (2015 - \$89,101) and are included in the unitholder reporting costs on the Statement of Comprehensive Income (Loss).

During the Fund’s initial offering up to the conversion to an ETF, certain offering expenses such as costs of creating the Fund, the cost of printing and preparing the prospectus, legal expenses of the Fund and other out-of-pocket expenses incurred by the agents together with the agent’s fees payable by the Fund are included in the carrying amount of the Fund’s obligation for net assets attributable to holders of redeemable units.

RECOMMENDATIONS OR REPORTS BY THE INDEPENDENT REVIEW COMMITTEE

As noted in the “Recent Developments” section above, effective April 1, 2016, the Manager assumed the investment management responsibilities of the Fund. This matter was brought to the attention of the IRC on December 11, 2015 and the committee resolved that the change provides a fair and reasonable result for the Fund.

Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund)

Also as noted above, the Manager completed the process to convert the Fund into an exchange-traded fund (ETF) and began trading as an ETF on October 24, 2016. This matter was brought to the attention of the IRC on July 27, 2016 and the committee resolved that the change provides a fair and reasonable result for the Fund.

FINANCIAL HIGHLIGHTS

The following tables present selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the year ended December 31, 2016 and past periods. This information is derived from the Fund's annual financial statements and past audited financial statements.

Series A

| THE FUND'S NET ASSETS PER UNIT | 2016 | | 2015 | | 2014 | |
|--|-------------|---------------|-------------|---------------|-------------|---------------|
| Net assets - beginning of the year² | \$ | 8.45 | \$ | 9.09 | \$ | 9.33 |
| Increase (decrease) from operations | | | | | | |
| Total revenue | | 0.21 | | 0.26 | | 0.11 |
| Total expenses | | (0.14) | | (0.12) | | (0.07) |
| Realized gains (losses) for the year | | 1.19 | | (1.16) | | (0.56) |
| Unrealized gains (losses) for the year | | (0.72) | | 1.04 | | 0.55 |
| Total increase (decrease) from operations¹ | \$ | 0.54 | \$ | 0.02 | \$ | 0.03 |
| Distributions³ | | | | | | |
| Return of capital | | (0.65) | | (0.65) | | (0.27) |
| Total annual distributions³ | \$ | (0.65) | \$ | (0.65) | \$ | (0.27) |
| Net assets - end of the year¹ | \$ | 8.54 | \$ | 8.45 | \$ | 9.09 |

| RATIOS AND SUPPLEMENTAL DATA | 2016 | | 2015 | | 2014 | |
|---|-------------|-------------------|-------------|-------------------|-------------|-------------------|
| Total net asset value | \$ | 30,481,665 | \$ | 39,562,092 | \$ | 41,584,318 |
| Number of units outstanding | | 3,569,039 | | 4,683,168 | | 4,572,949 |
| Management expense ratio ⁵ | | 1.58% | | 1.44% | | 9.41% |
| Management expense ratio before waivers or absorptions ⁴ | | 1.58% | | 1.44% | | 9.41% |
| Trading expense ratio ⁵ | | 0.15% | | 0.12% | | 0.23% |
| Portfolio turnover rate ⁶ | | 55.68% | | 19.97% | | 17.97% |
| Net asset value per unit | \$ | 8.54 | \$ | 8.45 | \$ | 9.09 |
| Closing market price (HBF)* | \$ | 8.59 | \$ | 8.37 | \$ | 8.73 |

* On conversion to an ETF, Series A traded under the symbol HBF. Prior to conversion, Series A traded under the symbol HBF.UN as a closed end fund.

Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund)

Series U (CAD)

| THE FUND'S NET ASSETS PER UNIT | 2016 | | 2015 | | 2014 | |
|--|------|---------------|------|---------------|------|---------------|
| Net assets - beginning of the year ² | \$ | 11.82 | \$ | 10.48 | \$ | 10.02 |
| Increase (decrease) from operations | | | | | | |
| Total revenue | | 0.29 | | 0.32 | | 0.13 |
| Total expenses | | (0.18) | | (0.16) | | (0.08) |
| Realized gains (losses) for the year | | 1.42 | | 0.51 | | 0.10 |
| Unrealized gains (losses) for the year | | (1.25) | | 1.15 | | 0.61 |
| Total increase (decrease) from operations¹ | \$ | 0.28 | \$ | 1.82 | \$ | 0.76 |
| Distributions³ | | | | | | |
| Return of capital | | (0.86) | | (0.84) | | (0.27) |
| Total annual distributions³ | \$ | (0.86) | \$ | (0.84) | \$ | (0.27) |
| Net assets - end of the year¹ | \$ | 11.67 | \$ | 11.82 | \$ | 10.48 |

| RATIOS AND SUPPLEMENTAL DATA | 2016 | | 2015 | | 2014 | |
|---|------|--------------|------|--------------|------|--------------|
| Total net asset value | \$ | 1,889,722 | \$ | 2,341,210 | \$ | 3,391,226 |
| Number of units outstanding | | 161,950 | | 198,150 | | 323,550 |
| Management expense ratio ⁴ | | 1.58% | | 1.45% | | 9.15% |
| Management expense ratio before waivers or absorptions ⁴ | | 1.58% | | 1.45% | | 9.15% |
| Trading expense ratio ⁵ | | 0.15% | | 0.12% | | 0.23% |
| Portfolio turnover rate ⁶ | | 55.68% | | 19.97% | | 17.97% |
| Net asset value per unit | \$ | 11.67 | \$ | 11.82 | \$ | 10.48 |
| Closing market price -USD (HBF.U)* | \$ | 8.84 | \$ | - | \$ | - |

* On conversion to an ETF, Series U traded under the symbol HBF.U. Prior to conversion Series U units did not trade.

Explanatory Notes:

- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the reporting period. It is not intended that the Fund's net assets per unit table act as a continuity of opening and closing net assets per unit.
- Net assets, at the commencement of operations on July 24, 2014 was \$9.33, net of agents' commissions and issuance costs of \$0.67 per unit for Series A and was \$10.02 (\$9.33 USD), net of agents' commissions and issuance costs of \$0.73 (\$0.67 USD) per unit for Series U.
- Distributions were paid in cash or reinvested in additional units of the Fund.
- Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) of the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The MER for 2014 the year of inception, included agents' fees of \$2,458,549 and issue costs of \$702,443 for Series A and agents' fees of \$187,340 and issue costs of \$53,526 for Series U, which were treated as a one-time expenses and therefore were not annualized. The MER without these costs is 1.85% for both Series A and Series U.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate, the greater the trading costs payable by the Fund and the greater the chance of an investor receiving taxable capital gains. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Past Performance

The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, or other charges that would have reduced returns or affected performance. Past performance of the Fund is not necessarily indicative of how it will perform in the future.

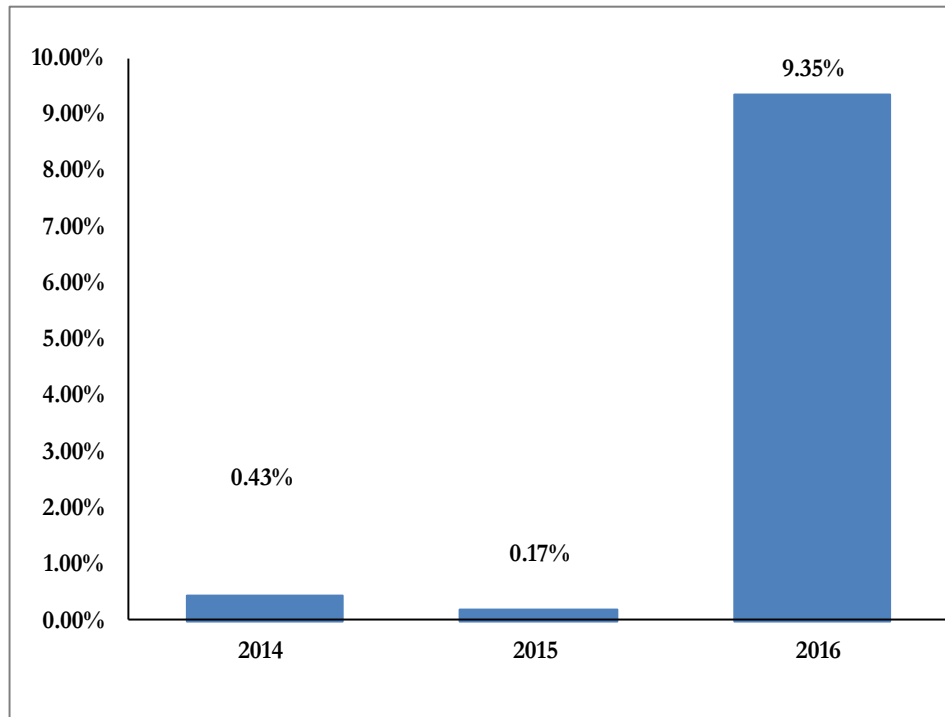
Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund)

YEAR-BY-YEAR RETURNS

The following charts present the Fund's performance for each of the years shown and illustrate how the Fund's performance varied for Series A and Series U. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Fund Performance

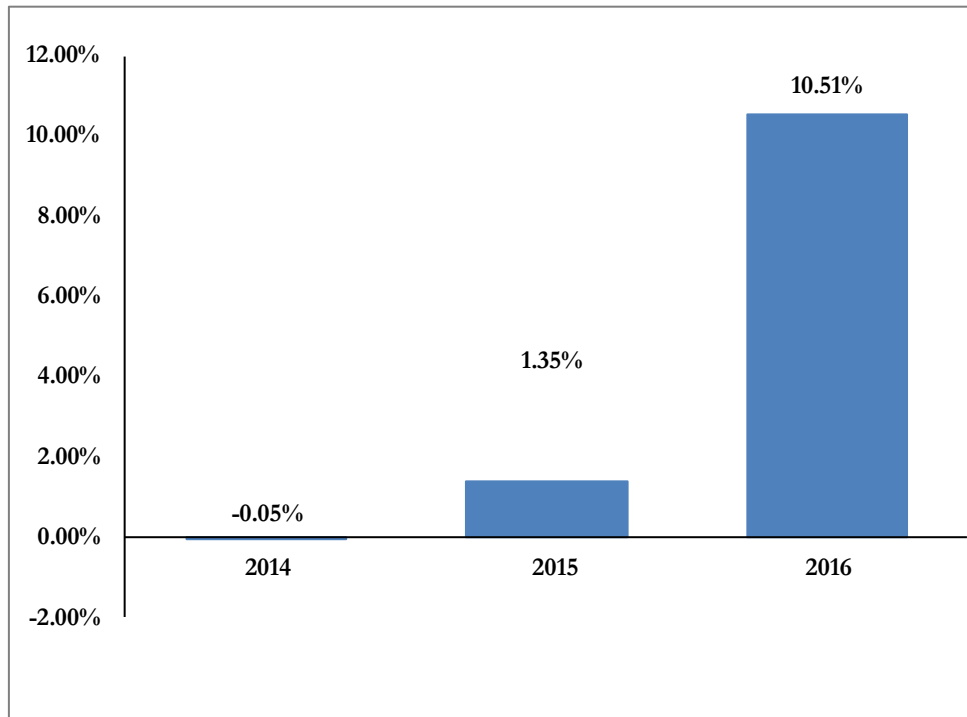
Series A



2014 represents the period from July 24 to December 31

Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund)

Series U (USD)



2014 represents the period from July 24 to December 31

Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund)

ANNUAL COMPOUND RETURNS

The following table shows the annual compound returns for the Fund. All returns are in Canadian dollars unless otherwise indicated, on a total return basis, net of fees.

For comparison purposes the S&P 100 Index, in US dollars (the “Index”) is used. While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. The return of the Index is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses. Please see the “Results of Operations” section of this report for a discussion on recent performance.

| Investment Return % | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|-----------------------------------|---------------|----------------|----------------|-----------------|------------------------|
| Fund Performance – Series A | 9.35 | - | - | - | 3.99 |
| Fund Performance – Series U (USD) | 10.51 | - | - | - | 4.74 |
| S&P 100 Index, in U.S. dollars | 10.59 | - | - | - | 6.50 |

Brand Leaders Plus Income ETF (formerly Brand Leaders Plus Income Fund)

SUMMARY OF INVESTMENT PORTFOLIO

The Portfolio by Sector chart below provides a portfolio breakdown based on the total transactional net asset value of the Fund's portfolio holdings. A detailed breakdown of the Fund's holdings is available in the "Schedule of Investments" section of the Fund's annual financial statements.

As at December 31, 2016

| Top Holdings | % of Net Asset Value |
|---|----------------------|
| Deere & Company | 5.7 |
| JPMorgan Chase & Co. | 5.5 |
| Citigroup Inc. | 5.3 |
| General Electric Company | 5.3 |
| International Business Machines Corporation | 5.3 |
| McDonald's Corporation | 5.3 |
| Royal Dutch Shell PLC ADR | 5.2 |
| HSBC Holdings PLC ADR | 5.1 |
| Microsoft Corporation | 5.1 |
| Starbucks Corporation | 5.0 |
| Intel Corporation | 5.0 |
| The Walt Disney Company | 4.9 |
| United Parcel Service, Inc. Class B | 4.9 |
| Accenture PLC Class A | 4.9 |
| Johnson & Johnson | 4.8 |
| Apple Inc. | 4.8 |
| PepsiCo, Inc. | 4.7 |
| Kimberly-Clark Corporation | 4.7 |
| Alphabet Inc. Class A | 4.5 |
| Anheuser-Busch InBev NV ADR | 4.0 |
| Cash and other assets and liabilities | 2.2 |
| Options | (0.2) |
| Foreign currency forward contracts | (2.0) |
| Total | 100.0 |

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available from Harvest Portfolios Group Inc. at www.harvestportfolios.com.

Brand Leaders Plus Income ETF
(formerly Brand Leaders Plus Income Fund)

SECTOR ALLOCATION

| Sector | % of Net Asset Value |
|---------------------------------------|-----------------------------|
| Information Technology Issuers | 29.6 |
| Financials Issuers | 15.9 |
| Industrials Issuers | 15.9 |
| Consumer Discretionary Issuers | 15.2 |
| Consumer Staples Issuers | 13.4 |
| Energy Issuers | 5.2 |
| Health Care Issuers | 4.8 |
| Cash and other assets and liabilities | 2.2 |
| Options | (0.2) |
| Foreign currency forward contracts | (2.0) |
| Total | 100.0 |

Brand Leaders Plus Income ETF
(formerly Brand Leaders Plus Income Fund)

Head Office

710 Dorval Drive, Suite 209
Oakville, ON L6K 3V7
Phone Number: 416.649.4541
Toll Free: 866.998.8298
Fax Number: 416.649.4542
Email: info@harvestportfolios.com

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest and the risks detailed from time to time in the Fund's prospectus or offering memorandum. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Fund does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.