



**US Buyback Leaders ETF
(formerly US Buyback Leaders 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.

US Buyback Leaders ETF (formerly US Buyback Leaders 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 the investment philosophy of:

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

The US Buyback Leaders ETF (formerly US Buyback Leaders Fund) (the “Fund”) has investment objectives to provide unitholders with quarterly cash distributions, the opportunity for capital appreciation and provide investors with exposure to select large capitalization U.S. companies that are leaders in terms of share repurchase programs or “buybacks”. As part of the investment strategy, the Fund will invest in an equally-weighted portfolio of equity securities of the top 25 ranked US Buyback Leaders that have a market capitalization of at least US\$10 billion at the time of investment.

US Buyback Leaders ETF (formerly US Buyback Leaders Fund)

PRESIDENT'S MESSAGE

US Buyback Leaders 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

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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 has been established to provide investors with exposure to select large capitalization U.S. companies that are leaders in terms of share repurchase programs or "buybacks". Share buybacks by an issuer (i) are often an indicator of successful companies that generate free cash flow, (ii) may indicate that management believes that the issuer's shares are undervalued or a good investment of the issuer's capital relative to other investment opportunities; (iii) are generally accretive to earnings per share; and (iv) provide additional liquidity and bid support to an issuer's shares in the market.

The Fund's investment objectives are to provide Unitholders with (i) the opportunity for capital appreciation; and (ii) quarterly cash distributions.

To achieve its investment objectives, the Fund invests in an equally-weighted Portfolio of Equity Securities of 25 US Buyback Leaders chosen from the US Buyback Leaders Investable Universe, being those issuers who have spent the most money to buy back their shares, as a percentage of their market capitalization.

The Manager will select the Equity Securities for the Portfolio and will quarterly reconstitute and rebalance the Portfolio such that the Portfolio, at the time of the initial investment and immediately following each quarterly reconstitution and rebalancing, will include an equal - weighting of the 25 issuers selected from the top 100 Buyback Issuers in the US Buyback Investable Universe with the highest Buyback Ratio.

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 US Buyback Leaders ETF returned 12.13% for Series A and 13.19% for Series U compared to the S&P 500 Total Return Index return of 11.96% 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. As a result, those positions in the Fund exposed to the domestic U.S. economy, performed strongly. This resulted in a very strong finish for the year.

The Fund was invested in 25 US Buyback Leaders selected from the top 100 Buyback Issuers, in accordance with its investment objectives and strategy.

RECENT DEVELOPMENTS

On September 19, 2016, unitholders approved the conversion of the Series A and Series U 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 HUL and the Series U units began trading under the symbol HUL.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.

US Buyback Leaders ETF (formerly US Buyback Leaders Fund)

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 492,035 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, 54,300 (2015 – 200,400) Series A units were purchased for cancellation for \$381,513 (2015 - \$1,674,205).

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.

At its sole discretion, the Manager may waive management fees or absorb expenses of the Fund. 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 \$70,620 for the year ended December 31, 2016 (2015 – \$69,709) 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, 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.

US Buyback Leaders ETF (formerly US Buyback Leaders 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.

Series A

THE FUND'S NET ASSETS PER UNIT		
	2016	2015
Net assets - beginning of the period²	\$ 7.76	\$ 9.33
Increase (decrease) from operations		
Total revenue	0.15	0.13
Total expenses	(0.10)	(0.10)
Realized gains (losses) for the period	(0.32)	(0.98)
Unrealized gains (losses) for the period	0.75	(0.35)
Total increase (decrease) from operations¹	\$ 0.48	\$ (1.30)
Distributions³		
Return of capital	(0.40)	(0.30)
Total annual distributions³	\$ (0.40)	\$ (0.30)
Net assets - end of the period¹	\$ 8.26	\$ 7.76

RATIOS AND SUPPLEMENTAL DATA		
	2016	2015
Total net asset value	\$ 20,634,398	\$ 39,001,565
Number of units outstanding	2,496,723	5,025,054
Management expense ratio ⁴	1.39%	8.48%
Management expense ratio before waivers or absorptions ⁴	1.39%	8.48%
Trading expense ratio ⁵	0.21%	0.20%
Portfolio turnover rate ⁶	123.37%	64.30%
Net asset value per unit	\$ 8.26	\$ 7.76
Closing market price (HUL)*	\$ 8.43	\$ 7.56

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

US Buyback Leaders ETF (formerly US Buyback Leaders Fund)

Series U (CAD)

THE FUND'S NET ASSETS PER UNIT				
	2016		2015	
Net assets - beginning of the period ²	\$	10.89	\$	11.66
Increase (decrease) from operations				
Total revenue		0.20		0.17
Total expenses		(0.14)		(0.13)
Realized gains (losses) for the period		(0.89)		(0.14)
Unrealized gains (losses) for the period		1.45		(0.50)
Total increase (decrease) from operations¹	\$	0.62	\$	(0.60)
Distributions³				
Return of capital		(0.53)		(0.40)
Total annual distributions³	\$	(0.53)	\$	(0.40)
Net assets - end of the period¹	\$	11.31	\$	10.89

RATIOS AND SUPPLEMENTAL DATA				
	2016		2015	
Total net asset value	\$	2,214,858	\$	2,759,997
Number of units outstanding		195,850		253,500
Management expense ratio ⁴		1.39%		9.05%
Management expense ratio before waivers or absorptions ⁴		1.39%		9.05%
Trading expense ratio ⁵		0.21%		0.20%
Portfolio turnover rate ⁶		123.37%		64.30%
Net asset value per unit	\$	11.31	\$	10.89
Closing market price - USD (HUL.U)*	\$	8.59	\$	N/A

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

Explanatory Notes:

1. 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.
2. Net assets, at the commencement of operations on March 25, 2015 was \$9.33, net of agents' commissions and issuance costs of \$0.67 per unit for Series A and net assets, at the beginning of the period was \$11.66 (\$9.33 USD), net of agents' commissions and issuance costs of \$0.80 (\$0.67 USD) per unit for Series U.
3. Distributions were paid in cash or reinvested in additional units of the Fund.
4. 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 2015 (the year of inception) the year of inception, included agents' fees of \$2,705,788 and issue costs of \$571,677 for Series A and agents' fees of \$204,626 and issue costs of \$44,184 for Series U, which were treated as a one-time expenses and therefore were not annualized. The MER without these costs is 1.47% for Series A and 1.47% for Series U.
5. 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.
6. 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.

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Past Performance

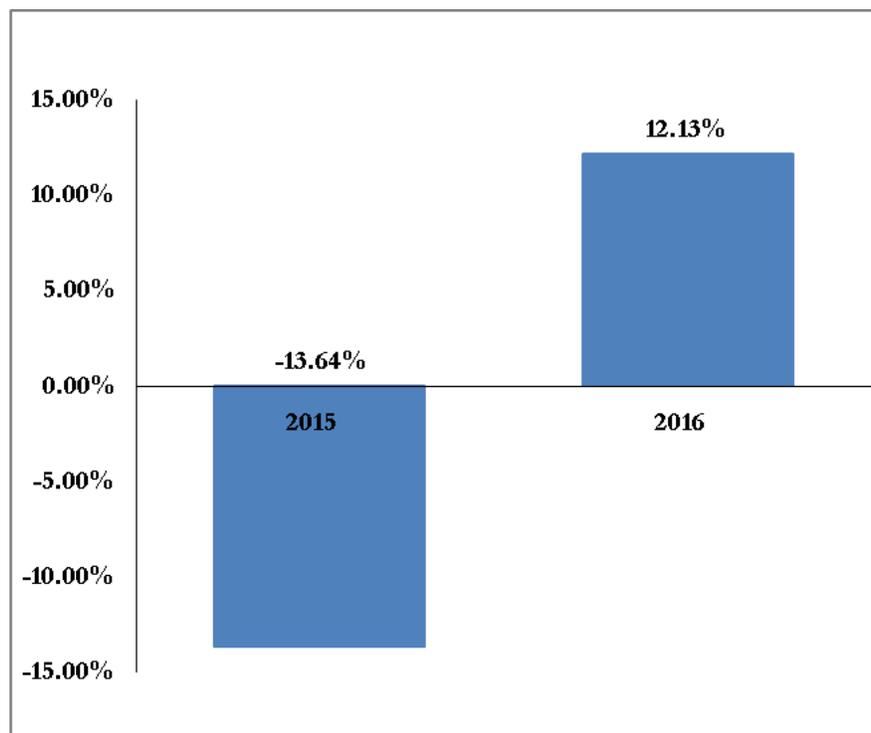
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, or other charges that would have reduced returns or affected performance.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

YEAR-BY-YEAR RETURNS

The following charts present the Fund's performance for each of the years shown. The chart shows, 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

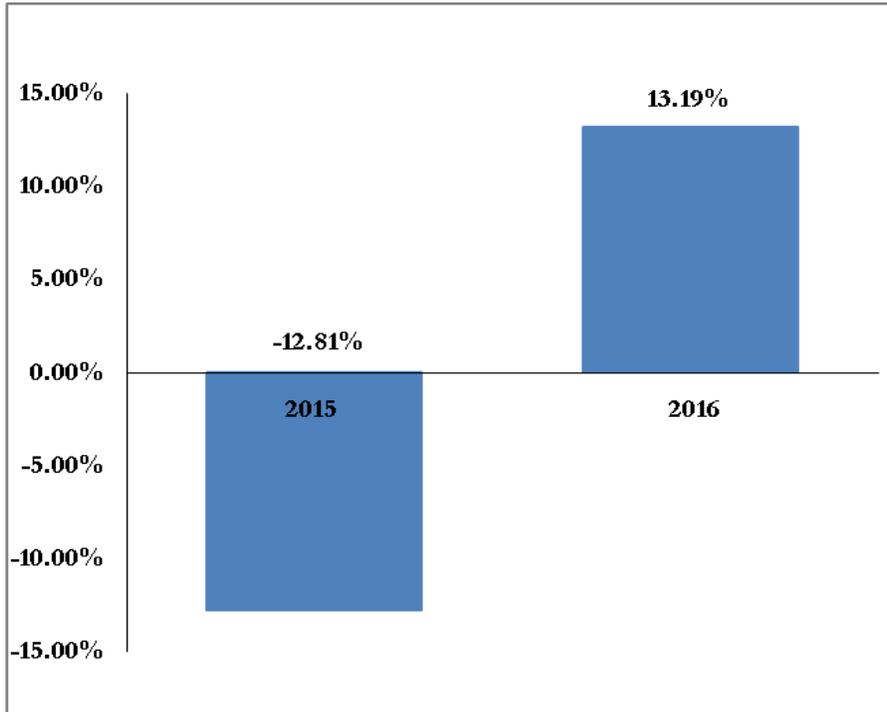
Series A



2015 represents the period from March 25 to December 31

US Buyback Leaders ETF (formerly US Buyback Leaders Fund)

Series U (USD)



2015 represents the period from March 25 to December 31

US Buyback Leaders ETF (formerly US Buyback Leaders 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 500 Total Return Index (USD) (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	12.13	-	-	-	(1.80)
Fund Performance – Series U (USD)	13.19	-	-	-	(0.75)
S&P 500 Total Return Index (USD)	11.96	-	-	-	7.09

*Since inception March 25, 2015

US Buyback Leaders ETF (formerly US Buyback Leaders 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 25 Holdings	% of Net Asset Value
Host Hotels & Resorts Inc.	4.6
The Goldman Sachs Group, Inc.	4.6
Marriott International, Inc. Class A	4.5
Bank of America Corporation	4.4
Valero Energy Corporation	4.2
Northrop Grumman Corporation	4.2
The Travelers Companies, Inc.	4.2
Union Pacific Corporation	4.1
Motorola Solutions, Inc.	4.1
CBS Corporation Class B	4.0
The Boeing Company	4.0
AbbVie Inc.	3.9
The Allstate Corporation	3.9
United Technologies Corporation	3.9
General Electric Company	3.9
Cummins Inc.	3.9
McDonald's Corporation	3.9
American International Group, Inc.	3.8
Twenty-First Century Fox, Inc. Class A	3.8
Corning Incorporated	3.8
Microsoft Corporation	3.8
Macy's, Inc.	3.7
Apple Inc.	3.7
QUALCOMM Incorporated	3.5
Gilead Sciences, Inc.	3.5
Total	99.9

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.

US Buyback Leaders ETF (formerly US Buyback Leaders Fund)

SECTOR ALLOCATION

Sector	% of Net Asset Value
Industrials Issuers	24.0
Banking and Other Financial Issuers	20.9
Consumer Discretionary Issuers	19.9
Information Technology Issuers	18.9
Health Care Issuers	7.4
Real Estate Issuers	4.6
Energy Issuers	4.2
Cash and other assets and liabilities	2.1
Foreign currency forward contracts	(2.0)
Total	100.0

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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.