Harvest Premium Yield 7-10 Year Treasury ETF

Interim Financial Statements (Unaudited)

June 30, 2026

Harvest Premium Yield 7-10 Year Treasury ETF

STATEMENT OF FINANCIAL POSITION (Unaudited)				
As at		**June 30, 2026**		**December 31, 2025**
Assets				
Current assets				
Investments (Note 8)	$	240,610,975	$	245,659,717
Cash		2,833,402		5,849,128
Distributions receivable from Underlying ETFs		46,959		35,622
Subscriptions receivable		758,235		-
Receivable for investments sold		22,927,354		-
Unrealized appreciation on foreign currency forward contracts (Note 6)		-		1,447,673
		267,176,925		**252,992,140**
Liabilities				
Current liabilities				
Payable for investments purchased		775,384		-
Distributions payable (Note 4)		1,785,865		1,881,530
Payable for option contracts written		562,813		365,538
Unrealized depreciation on foreign currency forward contracts (Note 6)		4,679,684		-
		7,803,746		**2,247,068**
Net assets attributable to holders of redeemable units	**$**	**259,373,179**	**$**	**250,745,072**
Net assets attributable to holders of redeemable units				
Class A	$	241,152,156	$	233,848,451
Class U (CAD)		18,221,023		16,896,621
Class U (USD)		12,828,545		12,310,386
Net assets attributable to holders of redeemable units per unit				
Class A	$	10.11	$	10.64
Class U (CAD)		14.87		15.02
Class U (USD)		10.47		10.94

The accompanying notes are an integral part of these financial statements.

Harvest Premium Yield 7-10 Year Treasury ETF

STATEMENT OF COMPREHENSIVE INCOME (LOSS) (Unaudited)				
For the period (Note 2) ended June 30,		**2026**		**2025**
Income				
Net gain (loss) on investments				
Dividends from Underlying ETFs	$	4,034,774	$	3,274,756
Net realized gain (loss) on sale of investments		38,758		(371,784)
Net change in unrealized appreciation (depreciation) of investments		4,091,252		(4,937,577)
Net gain (loss) on investments		8,164,784		(2,034,605)
Net gain (loss) on derivatives				
Net realized gain (loss) on option contracts		1,213,765		1,694,410
Net realized gain (loss) on foreign exchange		(3,249,914)		2,457,811
Net change in unrealized appreciation (depreciation) of option contracts		(264,845)		(368,237)
Net change in unrealized appreciation (depreciation) of foreign exchange		(6,100,856)		6,557,707
Net gain (loss) on derivatives		(8,401,850)		10,341,691
Other income		64,626		-
Total income (net)	**$**	**(172,440)**	**$**	**8,307,086**
Expenses (Note 5)				
Management fees	$	626,622	$	523,113
Withholding taxes		140		41,162
Unitholder reporting costs		20,110		38,455
Audit fees		13,312		11,256
Transfer agency fees		5,144		6,212
Custodian fees and bank charges		37,371		41,409
Independent Review Committee fees		1,088		1,509
Filing fees		20,035		17,736
Legal fees		15,693		-
Transaction costs (Note 11)		118,247		106,192
Total expenses	**$**	**857,762**	**$**	**787,044**
Expenses absorbed by Manager (Note 5)		(54,115)		(64,700)
Total expenses (net)	**$**	**803,647**	**$**	**722,344**
Increase (decrease) in net assets attributable to holders of redeemable units	**$**	**(976,087)**	**$**	**7,584,742**
Increase (decrease) in net assets attributable to holders of redeemable units				
Class A	$	(1,578,931)	$	7,718,666
Class U		602,844		(133,924)
Increase (decrease) in net assets attributable to holders of redeemable units per unit (Note 4)				
Class A	$	(0.07)	$	0.43
Class U		0.52		(0.16)

The accompanying notes are an integral part of these financial statements.

Harvest Premium Yield 7-10 Year Treasury ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Unaudited) ALL CLASSES				
For the period (Note 2) ended June 30,		**2026**		**2025**
Net assets attributable to holders of redeemable units beginning of the period	**$**	**250,745,072**	**$**	**188,221,630**
Increase (decrease) in net assets attributable to holders of redeemable units	**$**	**(976,087)**	**$**	**7,584,742**
Redeemable unit transactions				
Proceeds from issue of redeemable units		75,368,056		90,965,063
Redemption of redeemable units		(54,395,821)		(53,201,043)
Net redeemable unit transactions	**$**	**20,972,235**	**$**	**37,764,020**
Distributions to holders of redeemable units				
Net investment income		(5,065,603)		(3,278,581)
Capital gains		(3,556,789)		(777,904)
Return of capital		(2,745,649)		(5,266,230)
Total distributions to holders of redeemable units	**$**	**(11,368,041)**	**$**	**(9,322,715)**
Net assets attributable to holders of redeemable units end of the period	**$**	**259,373,179**	**$**	**224,247,677**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Unaudited) CLASS A				
For the period (Note 2) ended June 30,		**2026**		**2025**
Net assets attributable to holders of redeemable units beginning of the period	**$**	**233,848,451**	**$**	**178,328,556**
Increase (decrease) in net assets attributable to holders of redeemable units	**$**	**(1,578,931)**	**$**	**7,718,666**
Redeemable unit transactions				
Proceeds from issue of redeemable units		73,165,169		82,318,913
Redemption of redeemable units		(53,658,033)		(49,668,113)
Net redeemable unit transactions	**$**	**19,507,136**	**$**	**32,650,800**
Distributions to holders of redeemable units				
Net investment income		(4,718,534)		(3,088,804)
Capital gains		(3,298,416)		(597,882)
Return of capital		(2,607,550)		(5,083,315)
Total distributions to holders of redeemable units	**$**	**(10,624,500)**	**$**	**(8,770,001)**
Net assets attributable to holders of redeemable units end of the period	**$**	**241,152,156**	**$**	**209,928,021**

The accompanying notes are an integral part of these financial statements.

Harvest Premium Yield 7-10 Year Treasury ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Unaudited) CLASS U				
For the period (Note 2) ended June 30,		**2026**		**2025**
Net assets attributable to holders of redeemable units beginning of the period	**$**	**16,896,621**	**$**	**9,893,074**
Increase (decrease) in net assets attributable to holders of redeemable units	**$**	**602,844**	**$**	**(133,924)**
Redeemable unit transactions				
Proceeds from issue of redeemable units		2,202,887		8,646,150
Redemption of redeemable units		(737,788)		(3,532,930)
Net redeemable unit transactions	**$**	**1,465,099**	**$**	**5,113,220**
Distributions to holders of redeemable units				
Net investment income		(347,069)		(189,777)
Capital gains		(258,373)		(180,022)
Return of capital		(138,099)		(182,915)
Total distributions to holders of redeemable units	**$**	**(743,541)**	**$**	**(552,714)**
Net assets attributable to holders of redeemable units end of the period	**$**	**18,221,023**	**$**	**14,319,656**

The accompanying notes are an integral part of these financial statements.

Harvest Premium Yield 7-10 Year Treasury ETF

STATEMENT OF CASH FLOWS (Unaudited)				
For the period (Note 2) ended June 30,		**2026**		**2025**
Operating activities				
Increase (decrease) in net assets attributable to holders of redeemable units	$	(976,087)	$	7,584,742
Add (deduct) items not affecting cash:				
Foreign exchange (gain) loss on cash		24,516		2,079
Net realized (gain) loss on sale of investments		(38,758)		371,784
Net realized (gain) loss on option contracts		(1,213,765)		(1,694,410)
Net change in unrealized (appreciation) depreciation of investments		(4,091,252)		4,937,577
Net change in unrealized (appreciation) depreciation of option contracts		264,845		368,237
Net change in unrealized (appreciation) depreciation of foreign exchange		6,100,856		(6,557,707)
Proceeds from sale of investments (Note 4)		10,617,977		20,072,372
Purchases of investments (Note 4)		(2,308,590)		(19,876,778)
Net change in non-cash assets and liabilities		15,164		1,832
Net cash flow provided by (used in) operating activities	**$**	**8,394,906**	**$**	**5,209,728**
Financing activities				
Proceeds from redeemable units issued (Note 4)		(419,819)		(505,990)
Redemption of redeemable units (Note 4)		497,409		(191,547)
Distributions paid to holders of redeemable units		(11,463,706)		(9,055,094)
Net cash flow provided by (used in) financing activities	**$**	**(11,386,116)**	**$**	**(9,752,631)**
Net increase (decrease) in cash during the period		(2,991,210)		(4,542,903)
Foreign exchange gain (loss) on cash		(24,516)		(2,079)
Cash, beginning of the period		5,849,128		7,667,214
Cash, end of the period	**$**	**2,833,402**	**$**	**3,122,232**
Supplemental disclosure of cash flow information				
Distributions from Underlying ETFs received during the period *	$	4,023,297	$	3,233,413

* included in operating activities as interest, dividends, capital gains or return of capital based on the character of the distributions paid by the Underlying ETFs

The accompanying notes are an integral part of these financial statements.

Harvest Premium Yield 7-10 Year Treasury ETF

SCHEDULE OF INVESTMENTS (Unaudited)			As at June 30, 2026
Number of Shares*	Security	Average Cost ($)	Fair Value ($)
	EQUITIES		
	Treasury Bond ETFs – 92.7%		
1,674,929	iShares 7-10 Year Treasury Bond ETF	221,386,992	224,648,014
95,439	Vanguard Intermediate-Term Treasury ETF	7,855,597	7,983,318
228,159	Schwab Intermediate-Term U.S. Treasury ETF	7,852,433	7,979,643
	Total equities – 92.7%	**237,095,022**	**240,610,975**
	WRITTEN OPTIONS		
	Treasury Bond ETFs – (0.2%)		
(73,700)	iShares 7-10 Year Treasury Bond ETF – Jul 10 2026 @ USD $94	(49,355)	(76,303)
(246,000)	iShares 7-10 Year Treasury Bond ETF – Jul 10 2026 @ USD $94.5	(137,696)	(97,689)
(276,500)	iShares 7-10 Year Treasury Bond ETF – Jul 24 2026 @ USD $95	(184,270)	(99,997)
(275,200)	iShares 7-10 Year Treasury Bond ETF – Jul 17 2026 @ USD $94	(187,054)	(288,824)
	Total written options – (0.2%)	**(558,375)**	**(562,813)**
	Total investments – 92.5%	**236,536,647**	**240,048,162**
	Foreign currency forward contracts (Note 6) – (1.8%)		**(4,679,684)**
	Other assets less liabilities – 9.3%		**24,004,701**
	Net assets attributable to holders of redeemable units – 100.0%		**259,373,179**

* For options, this represents the total number of shares of the equity position available for assignment under the terms of the option contracts.

Harvest Premium Yield 7-10 Year Treasury ETF

FUND SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

For an explanation of the following disclosures, please refer to the accompanying notes to these financial statements.

FUND DETAILS

The Harvest Premium Yield 7-10 Year Treasury ETF (the "Fund") is an open-ended investment fund established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated January 8, 2024, and as amended and restated, being the inception date. Harvest Portfolios Group Inc. is the Manager, Portfolio Manager and Trustee of the Fund and its head office is located at 610 Chartwell Road, Suite 204, Oakville, Ontario, L6J 4A5.

The Fund invests in U.S. Treasury ETFs traded on a regulated stock exchange in North America ("Underlying ETFs") and sells covered call options on up to 100% of its holdings with the investment objective to generate high monthly cash flows for the unitholders.

REDEEMABLE UNITS (Note 4)

The Fund offers Class A and Class U units. Class A units are offered in Canadian dollars. Class U units are offered in U.S. dollars. The Fund will hedge substantially all of the value of the portfolio attributable to Class A units' non-Canadian currency exposure back to the Canadian dollar at all times which is intended to reduce the direct exposure to foreign currency risk for holders of Class A units. The value of the Fund's portfolio attributable to Class U units, if any, will not be hedged. The performance returns between classes of the Fund will vary as a result of the Class A hedging its exposure to the U.S. dollar back to the Canadian dollar and the Class U being unhedged units.

The Class A units and Class U units trade on the TSX under the symbol HPYM and HPYM.U, respectively. The closing price per unit for each class was as follows:

	June 30, 2026	December 31, 2025
Class A	$10.10	$10.65
Class U (USD)	$10.49	$10.95

Subscriptions and Redemptions

The following units were issued and/or redeemed during the period:

	Class A	Class U
Total outstanding as at January 1, 2026	**21,975,000**	**1,125,000**
Redeemable units issued	7,050,000	150,000
Redeemable units redeemed	(5,175,000)	(50,000)
Total outstanding as at June 30, 2026	**23,850,000**	**1,225,000**
Weighted average number of units outstanding as at June 30, 2026	**22,555,525**	**1,168,232**

	Class A	Class U
Total outstanding as at January 1, 2025	**16,350,000**	**625,000**
Redeemable units issued	7,525,000	550,000
Redeemable units redeemed	(4,550,000)	(225,000)
Total outstanding as at June 30, 2025	**19,325,000**	**950,000**
Weighted average number of units outstanding as at June 30, 2025	**18,034,254**	**811,878**

The following table presents the amount of in-kind subscriptions and redemptions transactions that occurred during the period.

	June 30, 2026	June 30, 2025
Value of securities received ($)	75,029,640	91,199,460
Value of securities paid ($)	(54,893,230)	(53,009,496)

Other funds that are also managed by the Manager owned the following percentage of the NAV of the Fund:

	% net assets
June 30, 2026	2.2
December 31, 2025	1.4

RELATED PARTY TRANSACTIONS AND OTHER EXPENSES (Note 5)

Management fees

The Manager is entitled to a fee of 0.45% of the average daily NAV, plus applicable taxes, per annum of the Fund.

Other income

Other income includes a reimbursement of withholding tax expense on certain underlying investments by the Fund for the period ended June 30, 2026.

Other expenses

The following expenses are included in the unitholder reporting costs on the Statement of Comprehensive Income (Loss):

For the period ended	Amount ($)
June 30, 2026	9,315
June 30, 2025	17,645

Waivers and absorptions

There were no management fee waivers for the period ended June 30, 2026 or 2025. The Manager absorbed the following expenses:

For the period ended	Amount ($)
June 30, 2026	54,115
June 30, 2025	64,700

Other transactions

Officers, directors and related entities of the Manager invest in units of the Fund from time to time in the normal course of business and on the same basis as arm's length investors. As at June 30, 2026, officers and directors owned 1,700 units of the Fund (December 31, 2025 - 18,000).

FOREIGN CURRENCY FORWARD CONTRACTS (Note 6)

As at June 30, 2026 and December 31, 2025, the Fund had entered into the following foreign currency forward contracts:

June 30, 2026					
Counterparty / Credit Rating	**Settlement Date**	**Purchased Currency**	**Sold Currency**	**Unrealized gain(loss) ($)**	**Contract Price**
National Bank of Canada / A+	July 9, 2026	CAD $24,952,061	USD $17,660,000	(86,711)	0.7263
National Bank of Canada / A+	July 9, 2026	CAD $97,344,143	USD $70,700,000	(2,896,013)	0.7161
National Bank of Canada / A+	July 23, 2026	CAD $115,361,462	USD $82,612,000	(1,696,960)	0.7078
Total				**(4,679,684)**	

December 31, 2025					
Counterparty / Credit Rating	**Settlement Date**	**Purchased Currency**	**Sold Currency**	**Unrealized gain(loss) ($)**	**Contract Price**
National Bank of Canada / A+	January 22, 2026	CAD $90,467,822	USD $65,187,000	1,076,771	0.7206
National Bank of Canada / A+	February 5, 2026	CAD $141,482,321	USD $102,967,000	370,902	0.7278
Total				**1,447,673**	

Offsetting of foreign currency forward contracts

As at June 30, 2026 and December 31, 2025, the Fund did not have foreign exchange settlements for its foreign currency forward contracts that met the criteria for offsetting in the Statement of Financial Position.

The following tables present the recognized financial instruments that were not offset as at June 30, 2026 and December 31, 2025. There would be no further offsetting in the event of bankruptcy of the counterparty.

June 30, 2026			
Financial assets and liabilities	**Gross assets (liabilities) ($)**	**Amount eligible for offset ($)**	**Net offset amounts ($)**
Derivative liabilities	(4,679,684)	-	(4,679,684)

December 31, 2025			
Financial assets and liabilities	**Gross assets (liabilities) ($)**	**Amount eligible for offset ($)**	**Net offset amounts ($)**
Derivative assets	1,447,673	-	1,447,673

FINANCIAL INSTRUMENTS - RISK MANAGEMENT (Note 7)

The Fund invests primarily in the Underlying ETFs and is exposed indirectly to financial instrument risk of the Underlying ETFs. Accordingly the following tables present the Fund's direct risks and indirect exposure to the risks of the Underlying ETFs.

Harvest Premium Yield 7-10 Year Treasury ETF

Other price risk

The percentage of the Fund's net assets attributable to holders of redeemable units that were traded on public stock exchanges was as follows:

	% net assets
June 30, 2026	92.5
December 31, 2025	97.9

If equity prices on these exchanges had increased or decreased by 5%, as at period end, with all other factors remaining constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately the following amounts:

	Amount ($)
June 30, 2026	12,002,408
December 31, 2025	12,264,709

Interest rate risk

As at June 30, 2026 and December 31, 2025, the Fund did not hold any bonds or material money market instruments; however, it did have indirect exposure to interest rate risk to the extent that the Underlying ETFs held bonds or material money market instruments.

Liquidity risk

As at June 30, 2026 and December 31, 2025, all the Fund's financial liabilities had maturities of less than three months or were payable on demand.

To maintain sufficient liquidity, the Fund primarily invests in securities that are actively traded in public markets and can be readily disposed of to raise liquidity and therefore, the Fund is not exposed to any significant liquidity risk.

Credit risk

As at June 30, 2026 and December 31, 2025, the Fund did not have significant credit risk exposure, however, the Fund did have an indirect exposure to credit risk to the extent that the Underlying ETFs held bonds or money market instruments.

Currency risk

The Fund's direct net exposure to currency risk is presented below; however, it may have indirect exposure to currency risk to the extent that the Underlying ETFs held foreign denominated investments that were not hedged. Amounts shown are based on the carrying value of monetary and non-monetary assets (including derivatives and the underlying principal (notional) amount of forward currency contracts attributable to Class A, if any).

As at June 30, 2026				
Currency	Currency exposure (CAD$)	Forward contracts (CAD$)	Net currency exposure (CAD$)	As a % of net assets
U.S. Dollar - Class A	247,059,589	242,337,351	4,722,238	1.8

As at December 31, 2025				
Currency	Currency exposure (CAD$)	Forward contracts (CAD$)	Net currency exposure (CAD$)	As a % of net assets
U.S. Dollar - Class A	231,912,626	230,502,470	1,410,156	0.6

The Class U units are denominated in U.S. dollars and therefore their currency exposure is immaterial.

The Fund's direct currency exposure is broken down between monetary and non-monetary as follows:

	June 30, 2026	December 31, 2025
Monetary ($) - Class A	23,874,863	3,147,755
Non-Monetary ($) - Class A	223,184,726	228,764,870

If the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other variables held constant, the Fund's net assets attributable to holders of redeemable units would have decreased or increased, respectively, approximately as follows:

	June 30, 2026	December 31, 2025
Amount of increase (decrease) ($)	236,112	70,508
Amount of increase (decrease) (%)	0.1	-

In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Harvest Premium Yield 7-10 Year Treasury ETF

Fair value of financial instruments

The tables below summarize the fair value of the Fund's financial instruments using the following fair value hierarchy:

Investments at fair value as at June 30, 2026				
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Financial Assets				
Exchange Traded Funds	240,610,975	-	-	240,610,975
Total Financial Assets	**240,610,975**	**-**	**-**	**240,610,975**
Financial Liabilities				
Derivatives				
Written Options	(562,813)	-	-	(562,813)
Foreign currency forward contracts	-	(4,679,684)	-	(4,679,684)
Total Financial Liabilities	**(562,813)**	**(4,679,684)**	**-**	**(5,242,497)**

Investments at fair value as at December 31, 2025				
	Level 1 ($)	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Financial Assets				
Exchange Traded Funds	245,659,717	-	-	245,659,717
Derivatives				
Foreign currency forward contracts	-	1,447,673	-	1,447,673
Total Financial Assets	**245,659,717**	**1,447,673**	**-**	**247,107,390**
Financial Liabilities				
Derivatives				
Written Options	(365,538)	-	-	(365,538)
Total Financial Liabilities	**(365,538)**	**-**	**-**	**(365,538)**

There were no Level 3 securities held by the Fund as at June 30, 2026 and December 31, 2025, and there were no transfers between Level 1 and Level 2 for the periods ended June 30, 2026 and December 31, 2025.

Concentration risk

The following is a summary of the Fund's direct concentration risk by market segment and/or by country of risk. The Fund was indirectly exposed to concentration risk through its investment in Underlying ETFs.

Geography:

	June 30, 2026	December 31, 2025
	% of net assets	**% of net assets**
United States	92.7	98.0
Cash and other assets and liabilities	9.3	1.5
Written options	(0.2)	(0.1)
Foreign currency forward contracts	(1.8)	0.6
Total	**100.0**	**100.0**

Market Segment:

	June 30, 2026	December 31, 2025
	% of net assets	**% of net assets**
Treasury Bonds ETFs	92.7	98.0
Cash and other assets and liabilities	9.3	1.5
Written options	(0.2)	(0.1)
Foreign currency forward contracts	(1.8)	0.6
Total	**100.0**	**100.0**

Harvest Premium Yield 7-10 Year Treasury ETF

INVESTMENTS IN UNCONSOLIDATED STRUCTURED ENTITIES (Note 8)

Below is a summary of the Underlying ETFs held by the Fund.

As at June 30, 2026	Carrying value of Underlying ETF ($)	Ownership percentage of Underlying ETF (%)
iShares 7-10 Year Treasury Bond ETF	224,648,014	0.3
Vanguard Intermediate-Term Treasury ETF	7,983,318	-
Schwab Intermediate-Term U.S. Treasury ETF	7,979,643	-

As at December 31, 2025	Carrying value of Underlying ETF ($)	Ownership percentage of Underlying ETF (%)
iShares 7-10 Year Treasury Bond ETF	226,598,355	0.4
Schwab Intermediate-Term U.S. Treasury ETF	9,530,746	0.1
Vanguard Intermediate-Term Treasury ETF	9,530,616	-

SECURITIES LENDING TRANSACTIONS (Note 9)

The Fund did not engage in any securities lending transactions during the period ended June 30, 2026 and 2025.

TAXATION (Note 10)

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). For tax purposes, the Fund has a December 15 year end.

As at the last taxation year end, the Fund had the following capital losses which can be carried forward indefinitely and applied against future capital gains.

	Amount ($)
Capital Losses	2,033,396

As at the last taxation year, the Fund had the following non-capital losses available to offset against income in future years.

	Amount ($)	Year of expiry
Non-Capital Losses	-	-

SOFT DOLLAR COMMISSIONS (Note 11)

The value of such research services included in commissions paid to brokers for the period ended June 30, 2026 and 2025 amounted to $nil.

Notes to Financial Statements (Unaudited)

June 30, 2026

1. BASIS OF ACCOUNTING

The interim financial statements have been prepared in accordance with International Financial Reporting Standard as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. These interim financial statements were authorized for issue by Harvest Portfolios Group Inc. (the "Manager") on August 18, 2026.

2. REPORTING PERIOD

The Statement of Financial Position is as of June 30, 2026 with comparative information as of December 31, 2025 if the Fund was in existence at that time. The Statement of Comprehensive Income (Loss), Statement of Changes in Net assets Attributable to Holders of Redeemable Units and Statement of Cash Flows are for the period from January 1, 2026 or commencement of operations, whichever is later, to June 30, 2026 with comparative information for the period from January 1, 2025 or commencement of operations, whichever is later, to June 30, 2025 if the Fund existed at that time. Except for Funds established during 2025 or 2026, the term period represents a six-month period. Date of formation and commencement of operations are found in the Fund Specific Notes "Fund Details".

3. MATERIAL ACCOUNTING POLICY INFORMATION

Financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at fair value through profit or loss ("FVTPL"). Transaction costs on financial assets and liabilities at FVTPL are expensed as incurred. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments and derivative assets and liabilities, as applicable, are measured at FVTPL based on its business model. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid. Carrying values of other financial assets and liabilities at amortized cost approximate their fair values due to the short term to maturity. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("NAV") for transactions with unitholders. As at June 30, 2026 and December 31, 2025 (as applicable), there were no differences between the Fund's NAV per unit and its net assets per unit calculated in accordance with IFRS Accounting Standards 9.

Fair value of investments and derivatives

Investments and derivatives that are traded in an active market are valued at their closing prices through recognized public stock exchanges or through recognized investment dealers on the valuation date. The Fund uses the last traded market price that falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. Investments held are represented by equities or exchange traded funds. Derivatives held include options and foreign currency forward contracts.

Investments and derivatives held that are not traded in an active market are valued using valuation techniques, on such basis and in such a manner established by the Manager. The value of any security for which, in the opinion of the Manager, the published market quotations are not readily available shall be the fair value as determined by the Manager. The fair values of certain securities may be determined using valuation models that are based, in part, on assumptions that are not supported by observable market inputs. These methods and procedures may include, but are not limited to, performing comparisons with prices of comparable or similar securities, obtaining valuation related information from issuers and/or other analytical data relating to the investment and using other available indicators of value. These values are independently assessed internally to ensure that they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair values for the aforementioned securities and interests may be materially different from the values that would be used had a ready market for that security existed. The fair values of such securities are affected by the perceived credit risks of the issuer, predictability of cash flows and length of time to maturity.

Classification of redeemable units

Under IFRS Accounting Standards, IAS 32 Financial Instruments – Presentation requires that units or shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as a financial liability unless certain criteria are met. The Fund's units include different redemption rights and in some instances are redeemable at 95% of market value of the units on the exchange. As a result, the Fund's units contain multiple contractual obligations and are presented as financial liabilities as they do not meet the criteria for classification as equity.

Cash

Cash is comprised of cash on deposit.

Loan payable

Funds structured as alternative mutual funds may utilize borrowing for investment purposes. Loan payable amounts accrue interest at negotiated rates with such interest being expensed as incurred. The principal loan payable balance owing at the end of the period is presented on the Statement of Financial Position as "Loan payable". Interest owing but not yet paid at the end of the period is presented as "Interest payable" on the Statement of Financial Position. Interest incurred during the period is presented as "Interest expense" on the Statement of Comprehensive Income (Loss). Interest is payable on any borrowings at a variable rate of interest that is calculated daily and payable monthly. At initial recognition, a loan payable is measured at fair value which equates to the cash received, adjusted for any transaction costs directly attributable to the issuance of the loan. Thereafter, the loan payable is measured at amortized cost, recognizing interest expense over the period of the loan, calculated using the effective interest rate. Adjusting the carrying amount of the loan for interest payments made and any amortization of transaction costs.

Investment transactions and income recognition

Net realized gain (loss) on sale of investments and net change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Dividend income is accounted for on the ex-dividend date. Interest for distribution purposes includes interest on cash balances and any coupon interest received by a Fund is accounted for on an accrual basis. Securities lending income is recognized when earned. The cost of investments is determined using the average cost method.

Distributions received from income trusts or Underlying ETFs that are managed by the Manager are recorded as income, capital gains or a return of capital, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information. Distributions from investment trusts or Underlying ETFs that are return of capital reduce the average cost of the investment trust and are presented as "Other adjustments to cost of investments" on the Statement of Cash Flows. Distributions from investment trusts or Underlying ETFs that are capital gains are included in "Net realized gain (loss) on sale of investments" on the Statement of Comprehensive Income (Loss).

Allocation of income and expense, and realized and unrealized capital gains and losses
When a Fund has multiple classes of units, management fees directly attributable to a class are charged to that class, as applicable. The Fund's shared operating expenses, income, and realized and unrealized capital gains and losses are generally allocated proportionately to each class, as applicable, based upon the relative net assets attributable to holders of redeemable units of each class. Realized and unrealized gains and losses from foreign currency forward contracts are allocated to Class A only, where Class A is hedged to a foreign currency.

Foreign currency translation
The Fund's subscriptions and redemptions are predominately denominated in Canadian dollars which is also the Fund's functional and presentation currency. Purchases and sales of investments denominated in foreign currencies and foreign currency dividend and interest income are translated into Canadian dollars at the rate of exchange prevailing at the time of the transactions. Realized and unrealized foreign currency gains or losses on investments are included in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on sale of investments" and "Net change in unrealized appreciation (depreciation) of investments", respectively. Realized and unrealized foreign currency gains or losses on options are included in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on option contracts" and "Net change in unrealized appreciation (depreciation) of option contracts", respectively. Realized and unrealized foreign currency gains or losses on assets and liabilities, other than investments and options, denominated in foreign currencies are included in the Statement of Comprehensive Income (Loss) in ''Net realized gain (loss) on foreign exchange'' and ''Net change in unrealized appreciation (depreciation) of foreign exchange'', respectively. Foreign currency assets and liabilities in the Statement of Financial Position are translated into Canadian dollars on the statement date.

Foreign currency forward contracts
When a Fund enters into foreign currency forward contracts to hedge against exposure to foreign currency fluctuations, the fair value of these contracts is based on the difference between the contract rate and current forward market rate for the underlying currency at the measurement date applied to the contract's notional amount and adjusted for counterparty risk. Upon closing of a contract, the gain or loss is included in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on foreign exchange". The unrealized gains or losses on forward contracts are included in the Statement of Comprehensive Income (Loss) in "Net change in unrealized appreciation (depreciation) of foreign exchange" and are allocated to Class A only until closed out or partially settled.

Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Redeemable units valuation
The NAV of each class on a particular date will be equal to each class's proportionate share of the assets of the Fund less each class's proportionate share of the liabilities of the Fund except for foreign currency forward contracts which are only attributed to Class A, expressed in Canadian dollars at the applicable exchange rate on such date. The NAV and NAV per unit will be calculated on any day on which the Toronto Stock Exchange or CBOE Canada (collectively the "Designated Stock Exchange"), as applicable, are open for trading ("Business Day").

Options
The Fund may engage in written or purchased option contract transactions if applicable to its investment strategies. An option is a contractual arrangement that gives one party the right, but not the obligation, either to buy or sell by a set date or during a set period, a specific number of securities or a financial instrument at a pre-determined price. The holder receives a premium from the purchaser in consideration for the assumption of a future securities price.

The premium received upon writing an option is recorded at cost as a liability as "Payable for option contracts written" in the Statement of Financial Position. The premium paid for purchasing option contracts is recorded at cost as an asset in "Receivable for option contracts purchased". As long as the position of the option is maintained, the options are revalued at an amount equal to the current market value of the option. Any gain or loss resulting from revaluation is reflected in the Statement of Comprehensive Income (Loss) in "Net change in unrealized appreciation (depreciation) of option contracts".

The gain or loss on sale or expiry of options is reflected in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on option contracts".

Increase (decrease) in net assets attributable to holders of redeemable units per unit
"Increase (decrease) in net assets attributable to holders of redeemable units per unit" in the Statement of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable units per class, divided by the weighted average units outstanding for the financial period for the respective class.

Critical accounting estimates and judgments
The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

a) Fair value measurement of derivatives and securities not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes obtained from the pricing sources may be indicative and not executable or binding.

b) Classification and measurement of investments and derivatives under IFRS Accounting Standards 9

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about the business model in which the portfolio of investments and derivatives is held. The Manager has determined that the Fund's business model is one in which its portfolio is managed, and performance evaluated on a fair value basis under IFRS Accounting Standards 9.

Accounting standards issued not yet effective
The International Accounting Standards Board ("IASB") issued IFRS 18, Presentation and Disclosure in Financial Statements on April 9, 2024, which will replace IAS 1, Presentation of Financial Statements. This new standard, effective for annual periods beginning on or after January 1, 2027, aims to improve financial statement comparability and transparency by introducing a more structured statement of comprehensive income. Key changes include new categories for income and expenses (operating, investing, and financing), defined subtotals like operating profit, and requirements for management-defined performance measures. It is anticipated the Fund's classification of income and expenses, particularly within the operating category, will be impacted. The Manager is actively assessing the implications of IFRS 18 and its impact on the Fund's financial statements and disclosures.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments
In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. The amendments are effective for periods beginning on or after January 1, 2026 and adoption of these amendments did not have any effect on the Fund's financial statements. For financial liabilities settled in cash using a qualifying electronic payment systems, we did not apply the election to deem these financial liabilities to be discharged before the settlement date.

4. REDEEMABLE UNITS

The authorized capital of the Fund consists of an unlimited number of transferable units of each class, each of which represents an equal, undivided interest in their respective class's net assets of the Fund. Except as provided in the Declaration of Trust, all units have equal rights and privileges. Each unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally in any and all distributions made by the Fund.

Subscriptions and Redemptions
On any Business Day, a designated broker or underwriter may place a subscription or redemption order for an integral multiple of the prescribed number of units of the Fund.

If the subscription or redemption order is accepted, the Fund will issue or redeem units to/from the designated broker or underwriter generally by the next trading day after the date on which the subscription or redemption order is accepted. For each prescribed number of units issued or redeemed, a designated broker or underwriter must deliver or receive payment consisting of:

a) A basket of applicable securities and/or cash in an amount sufficient so that the value of the securities, and the cash received is equal to the NAV of the units issued or redeemed; or

b) Cash in the amount equal to the NAV of the units issued or redeemed.

On any Business Day, unitholders may redeem units for cash or exchange units for baskets of securities and cash. Units redeemed for cash may be redeemed at a redemption price per unit equal to 95% of the closing price for the units on the applicable Designated Stock Exchange on the effective day of the redemption, subject to a maximum redemption price per unit equal to NAV. Units exchanged for baskets of securities will be exchanged at a price equal to the NAV of the units on the effective date of the exchange request, payable by delivery of baskets of securities and cash. The units will be redeemed in the exchange.

The portion of subscriptions and redemptions that are settled with baskets of securities are referred to as in-kind transactions. In accordance with IAS 7, the Funds exclude non-cash transactions from operating and financing activities within the Statement of Cash Flows. The primary difference between amounts issued and redeemed within the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and the Statement of Cash Flows relate to in-kind transactions. Similarly, "Purchases of investments" and "Proceeds from sale of investments" within the Statement of Cash Flows appropriately exclude in-kind transactions.

Distributions
The Fund is required to pay distributions in an amount not less than the amount necessary to ensure it will not be liable for income taxes on realized capital gains, dividends and interest.

The Fund may pay periodic distributions or additional year-end distributions which can be in the form of reinvested units that are subsequently consolidated. In the latter case, there is no impact to NAV per unit, however, such reinvested distributions increase the cost base of units held outside of registered plans.

If applicable, the Fund made available to unitholders the opportunity to reinvest monthly distributions from the Fund in additional Class A, Class B and/or Class U units, as applicable, by participating in a distribution reinvestment plan which would provide that cash distributions made by the Fund, at the election of a unitholder, be automatically reinvested in additional Class A, Class B or Class U units, as applicable, on such unitholder's behalf in accordance with the terms of the plan. Reinvestment of monthly distributions occurs through market purchases only.

5. RELATED PARTY TRANSACTIONS AND OTHER EXPENSES

Management fees
The Manager is responsible for managing the Fund's overall business and operations and provides key management personnel to the Fund. The Manager is entitled to a fee charged daily and paid monthly at an annualized percentage of the NAV of the Fund, plus applicable taxes.

Funds invested in Underlying ETFs that are managed by the Manager pay no management fees directly to the Manager. However, the Underlying ETFs held by such Funds will pay management fees and incur operating and trading expenses. With respect to such investments, no management fees or incentive fees are payable by the Funds that, to a reasonable person, would duplicate a fee payable by such Underlying ETF for the same service. As a result, the actual aggregate management fees indirectly payable to the Manager by the Fund will be greater than nil.

The Manager, in its discretion, may agree to charge a Fund and/or certain unitholders a reduced management fee as compared with the management fee that it otherwise would be entitled to receive, provided that the amount of the reduced management fee is distributed periodically by the Fund to the unitholder as a management fee distribution. Any reduction will depend on a number of factors, including the amount of account activity. Any tax consequences of a management fee distribution will generally be borne by the unitholder who receives the distribution.

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 each Fund.

Other expenses
The Manager may be reimbursed by the Fund for all reasonable costs, expenses and liabilities incurred by the Manager for the 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 and benefits; and other administrative expenses and costs incurred in connection with the Fund's continuous public offering and other obligations. These expenses are allocated by the Manager on a reasonable basis, across all funds managed by Harvest and/or class/series of each applicable fund. These expenses are included in the unitholder reporting costs on the Statement of Comprehensive Income (Loss).

Waivers and absorptions
At its sole discretion, the Manager may waive management fees or absorb expenses of the Fund and may cease doing so at any time without notice to unitholders.

6. FOREIGN CURRENCY FORWARD CONTRACTS

The Fund may enter into foreign currency forward contracts to hedge assets and liabilities denominated in foreign currencies. Foreign currency forward contracts entered into by the Fund represent a firm commitment to buy or sell a currency at a specified value and point in time based upon an agreed or contracted quantity. The value of each foreign currency forward contract is the difference between the contract rate and the current forward rate at the measurement date applied to the contract's notional amount and adjusted for counterparty risk.

Offsetting of foreign currency forward contracts
When the Fund's foreign currency forward contracts meet the criteria, the amount of assets and liabilities associated with the contracts must be offset and presented at the net amount in the Statement of Financial Position.

7. FINANCIAL RISK MANAGEMENT

Investment activities of the Fund expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). The Manager seeks to minimize these risks by employing experienced portfolio managers that will manage the security portfolios of the Fund on a daily basis according to market events and the investment objectives of the Fund. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations. If the Fund is invested in Underlying ETFs that are managed by the Manager, in addition to the risks described below, the Fund could be exposed to indirect risk to the extent that the Underlying ETFs held financial instruments that were subject to the below risks. The Fund Specific Notes to these financial statements present information about direct risks and pro rata exposure to risks of Underlying ETFs managed by Harvest, as applicable.

Funds that utilized leverage are considered alternative mutual funds within the meaning of NI 81-102 and are permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. As an alternative mutual fund, under NI 81-102, such Funds are permitted to use strategies generally prohibited by conventional mutual funds, including the ability to invest in other alternative mutual funds, borrow cash to use for investment purposes and increased ability to invest in commodities. While these specific strategies will be used in accordance with the Fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which an investment decreases in value.

Other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The value of securities in the Fund's portfolio may be affected by the stock market conditions rather than each company's performance. Developments in the market are affected by general economic and financial conditions. Political, social and environmental factors can also affect the value of any investment. The Fund's future investment results may be materially adversely affected as a result.

Currency risk
Currency risk is the risk that the value of investments denominated in currencies other than the functional currency of the Fund will fluctuate as a result of changes in foreign exchange rates. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavorably, it could reduce the value of the Fund's investment.

Funds may enter into a foreign currency forward contract on some or substantially all of the value of their portfolio investments in order to mitigate the risk to changes in foreign exchange rates against the Canadian dollar.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments.

Liquidity risk
Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to redemption of units as described in Note 4, which are settled by the delivery of securities or cash. The Fund is not exposed to significant liquidity risk when settlement is with the delivery of securities. In order to settle redemptions by delivery of cash it may be necessary for the Fund to dispose of securities to meet its obligations. The Fund maintains sufficient liquidity by primarily investing in securities that are actively traded in public markets and can be readily disposed of. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

Credit risk
Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with a Fund.

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Funds may enter into foreign currency forward contracts which are exposed to credit risk. The maximum credit risk exposure is the unrealized gain on the forward contracts.

All cash held by the Fund is held with a reputable and regulated financial institution.

Fair value of financial instruments
The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1:Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

Concentration Risk
Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry, sector or counterparty type.

8. INVESTMENTS IN UNCONSOLIDATED STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

If the Fund is invested in Underlying ETFs that are managed by the Manager, the investment in the Underlying ETFs is an unconsolidated structured entity since decision making about the Underlying ETFs' activities is generally not governed by voting or similar rights held by the Fund and other investors in the Underlying ETFs. Therefore, the fair value of investments in the Underlying ETFs is included in the Schedule of Investments and included in "Investments" in the Fund's Statement of Financial Position. The change in fair value of the investment held in the Underlying ETFs is included in "Net change in unrealized appreciation (depreciation) of investments" in the Statement of Comprehensive Income (Loss). The Fund does not provide, nor has it committed to provide any additional significant financial or other support to the Underlying ETFs.

9. SECURITIES LENDING

The Fund may enter into securities lending arrangements. These transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities on demand. Income is earned from these transactions in the form of fees paid by the counterparty. Income earned from these transactions is included in "Securities lending income" in the Statement of Comprehensive Income (Loss). A reconciliation of the gross amount generated from securities lending transactions to the amount of lending fees earned is disclosed in the Fund Specific Notes of the Fund. The aggregate market value of all securities loaned by a fund is not permitted to exceed 50% of the NAV of that fund.

The minimum allowable collateral is 102% of the current value of the loaned securities as per the requirements of National Instrument 81-102 (NI 81-102). Collateral received are qualified securities and have designated ratings (where applicable) within the meaning of NI 81-102 and may be comprised of (A) evidence of indebtedness that is issued, or fully and unconditionally guaranteed as to principal and interest by (i) the government of Canada or any province or territory of Canada, (ii) the government of the United States of America or any state thereof, (iii) the government of another sovereign state or a permitted supranational agency within the meaning of National Instrument 81-102, (iv) a bank, loan corporation, trust company, insurance company, treasury branch, credit union or caisse populaire that is authorized to carry on business in Canada or in a province or territory of Canada or the Confederation des caisse populaires et d'economie Desjardins du Quebec, (v) a financial institution that is not incorporated or organized under the laws of Canada or a province or territory of Canada, provided the evidences of indebtedness of that issuer or guarantor that are rated as short term debt by a designated rating organization have a designated rating each within the meaning of NI 81-102; (B) commercial paper that has a term to maturity of 365 days or less that was issued by a person or company other than a government or permitted supranational agency within the meaning of NI 81-102; or (C) securities that are immediately convertible into or exchangeable for the same or a greater number of securities of the same issuer, class or type, and the same term if applicable as the loaned securities.

The fair value of securities on loan and collateral received are presented in the Fund Specific Notes of the Fund.

10. TAXATION

The Fund is required to distribute to unitholders all of its net income for tax purposes and sufficient net capital gains realized in any period such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be carried forward for 20 years and applied against future taxable income.

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statement of Comprehensive Income (Loss).

As the Manager is a resident of Ontario, the expenses paid by the Fund excluding interest on a loan facility, generally include HST of 13%. HST is calculated using the residency of unitholders in the Fund at specific times, rather than the physical location of the Manager. A blended rate refund is filed with the Canada Revenue Agency on behalf of the Fund, in arrears, using each province's HST rate or GST rate in the case of non-participating provinces.

11. SOFT DOLLAR COMMISSIONS

Brokerage commissions paid to certain brokers may, in addition to paying for the cost of brokerage services in respect of security transactions, also provide for the cost of investment research services provided to the investment manager.

12. PRIME BROKERS

If the Fund is structured as an alternative mutual fund as described in the Fund Specific Notes, it may utilize leverage for investment purposes in the form of cash borrowing, short selling and/or derivatives. In order to facilitate leverage, the Fund has entered into prime broker agreements with wholly owned subsidiaries of Canadian chartered banks (the "Prime Brokers"). The Fund may borrow against collateral on deposit with the Prime Brokers with such borrowing being repayable on demand.

Head Office

610 Chartwell Rd, Suite 204 Oakville, Ontario L6J 4A5
Phone Number: 416.649.4541
Toll Free: 866.998.8298
Fax Number: 416.649.4542
Email: info@harvestetfs.com

harvestetfs.com