



# Harvest Premium Yield 7-10 Year Treasury ETF

Interim Management Report of Fund Performance

**June 30, 2026**



# Harvest Premium Yield 7-10 Year Treasury ETF

## CORPORATE OVERVIEW

Harvest Portfolios Group Inc. ("Harvest" or the "Manager") manages the Harvest ETFs and is a Canadian Investment Manager founded in 2009. Harvest is focused on developing investment products that follow three investment criteria.

We (i) endeavor to develop investment products that are clear in their mandate and easy for investors to understand, (ii) strive to be transparent so that our investors can review their financial reports and know exactly what they own, and (iii) seek to provide investors with consistent monthly income by investing in well-managed companies that have a steady cash flow and dividend-paying history.

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

The interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the Harvest Premium Yield 7-10 Year Treasury ETF (the "Fund"). You can obtain a copy of the interim financial statements upon request, and at no cost, by calling toll-free at 1-866-998-8298; by writing to us at Harvest Portfolios Group Inc., 610 Chartwell Rd, Suite 204, Oakville, Ontario, L6J 4A5; or by visiting our website at [www.harvestetfs.com](http://www.harvestetfs.com); or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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 invests in U.S. Treasury ETFs traded on a regulated stock exchange in North America 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.

To achieve its investment objective, the Fund invests in ETFs that primarily hold longer dated U.S. treasury bonds. The Fund seeks to maintain a weighted average duration that is less than 10 years, but may go lower than 7 years or higher than 10 years from time to time when it is beneficial to the Fund. The Fund's allocation to the Underlying ETF holdings will be driven by options liquidity, diversification, and duration.

## 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 six-month period ended June 30, 2026 (the "Period") that affected the overall level of risk of the Fund.

## RESULTS OF OPERATIONS

### Overall Performance

The Fund's return by Class compared to the Solactive US 7-10 Year Treasury Bond Index (Total Return) (USD)<sup>y</sup> for the Period is as follows:

|                                                                              | Return % |
|------------------------------------------------------------------------------|----------|
| Class A (CAD) – hedged                                                       | (0.69)   |
| Class U (USD) – unhedged                                                     | 0.03     |
| Solactive US 7-10 Year Treasury Bond Index (Total Return) (USD) <sup>y</sup> | 0.02     |

The primary reason for the divergence is that the index does not account for the use of covered calls compared to the Fund that has a covered call strategy that writes on up to 100% of the holdings each month. Therefore, monthly returns will vary versus the index and can compound over longer periods.

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.

### Factors Affecting Fund Results

The intermediate fixed-income segment recorded more moderate fluctuations during the Period, with the Fund ending with a slightly negative return over the Period. Mid-duration Treasury bonds were more stabilized relative to the highly volatile long end of the curve, but pressure from changes in the directionality of the next rate movement pressured short-end rates higher, and that bled into the middle part of the yield curve, although the impact on bond prices were more muted due to the lower duration characteristics.

Both the stickier inflation expectations and the shift to a potentially more hawkish Fed Chairman in Kevin Warsh, saw the expectations for interest rate cuts shift to at least one rate hike by Fall 2026 and potentially a second rate hike by early 2027. This created pressure on the bond prices, but they were tempered to some degree by the lower duration.

## RECENT DEVELOPMENTS

### Potential Impact for the Fund

Shifting intermediate yield dynamics will continue to be governed by the interplay between incoming domestic employment data and any hawkish posture associated with the new Federal Reserve leadership framework.

Because the 7-10 year Treasury segment is less sensitive to long-term fiscal deficit expansion premiums than 30-year bonds, it could navigate greater uncertainty if inflation remains sticky for longer due to global supply chain adjustments.



# Harvest Premium Yield 7-10 Year Treasury ETF

## Mid-Year Market Review

The first half of 2026 was characterized by heightened macroeconomic volatility, driven by a temporary but severe geopolitical disruption in the energy sector and shifting equity market concentration. Global equity markets demonstrated notable resilience amidst rising inflation and unemployment pressures in the first quarter. This transitioned into a broader market expansion during the second quarter as commodity pressures eased, and market leadership diversified.

These macroeconomic and geopolitical conditions were reflected across major indices, with the small-cap Russell 2000 leading equity performance with significant gains, making it a record first-half performance. The Nasdaq Composite advanced on the back of semiconductor hardware manufacturing, which offset weakness in mega-cap software names. Broad-market participation was further emphasized by equal-weighted indexes outperforming their market-cap-weighted counterparts, which faced headwinds from corrections among their largest technology constituents.

The Canadian equity market posted positive returns, supported heavily by an acceleration in financial stocks during the second quarter. In commodity markets, following the outbreak of the conflict in the Middle East, crude oil ultimately ended the first half of the year higher despite a sharp retreat in June. After making new highs to start the year, gold ultimately trended lower through most of the first half as investors contemplated the potential for interest rate hikes by central banks in response to new inflationary pressures related to higher energy prices.

The primary catalyst for early-half volatility stemmed from escalating tensions in the Middle East, which led to open conflict between the U.S. and Iran. The impacts of the war resulted in a sudden supply-side shock to global energy markets. Crude oil prices spiked into triple digits, amplifying global inflation expectations and compressing equity market multiples. Following a ceasefire agreement, supply concerns systematically receded. By June, the stabilization of critical shipping corridors led to a substantial decline in crude from its quarterly peak, mitigating inflationary pressures for the broader economy but acting as a direct headwind for energy sector equities late in the Period.

Simultaneously, a distinct structural divergence emerged within the technology and digital infrastructure sectors regarding artificial intelligence expenditures. Early in the year, investor concern intensified over the intermediate return on investment for large-scale enterprise AI infrastructure, leading to capital outflows and notable stock corrections for prominent hyperscalers. Conversely, demand for physical infrastructure and semiconductor components accelerated. Aggregate capital expenditure forecasts for primary hyperscalers were upwardly revised significantly for the full year. This aggressive capital deployment drove substantial outperformance in hardware suppliers, highlighted by historic gains for the semiconductor sector in the second quarter, which provided the primary tailwind for market-cap-weighted equity benchmarks.

The end of the half marked a broader transition in equity market leadership away from high concentration in mega-cap technology names. While cap-weighted benchmarks underwent modest consolidations, underlying market breadth expanded significantly. Capital rotated into cyclical, value, and economically sensitive sectors, led by Industrials alongside notable defensive advances in Financials and Health Care. Retail and institutional flows increasingly favored equal-weighted strategies and small-cap benchmarks, which more accurately captured the stabilizing trends of the broader underlying economy.

Fixed income markets faced consistent pressure through the first half of the year as long-term treasury yields repeatedly tested elevated thresholds due to persistent headline inflation. The monetary policy framework underwent a fundamental transition under the leadership of Federal Reserve Chair Kevin Warsh. While the committee maintained its benchmark interest rate, it discontinued the practice of providing formal forward guidance.

## RECOMMENDATIONS OR REPORTS BY THE INDEPENDENT REVIEW COMMITTEE

The IRC tabled no special reports and made no extraordinary material recommendations to management of the Fund during the Period. A summary of related party transactions can be found in the Annual IRC Report to Securityholders, available on our website at [www.harvestetfs.com](http://www.harvestetfs.com); or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).



# Harvest Premium Yield 7-10 Year Treasury ETF

## 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 Period and past annual periods. This information is derived from the Fund's interim financial statements and past annual audited financial statements.

### Class A

| THE FUND'S NET ASSETS PER UNIT                               | 2026             | 2025             | 2024             |
|--------------------------------------------------------------|------------------|------------------|------------------|
| <b>Net assets - beginning of the period<sup>2</sup></b>      | <b>\$ 10.64</b>  | <b>\$ 10.91</b>  | <b>\$ 12.00</b>  |
| <b>Increase (decrease) from operations</b>                   |                  |                  |                  |
| Total revenue                                                | 0.17             | 0.40             | 0.45             |
| Total expenses                                               | (0.03)           | (0.07)           | (0.08)           |
| Realized gains (losses) for the period                       | (0.10)           | 0.21             | (0.60)           |
| Unrealized gains (losses) for the period                     | (0.11)           | 0.12             | (0.17)           |
| <b>Total increase (decrease) from operations<sup>1</sup></b> | <b>\$ (0.07)</b> | <b>\$ 0.66</b>   | <b>\$ (0.40)</b> |
| <b>Distributions<sup>3</sup></b>                             |                  |                  |                  |
| From net investment income                                   | (0.20)           | (0.33)           | (0.34)           |
| From capital gains                                           | (0.14)           | -                | -                |
| Return of capital                                            | (0.11)           | (0.63)           | (0.54)           |
| <b>Total annual distributions<sup>3</sup></b>                | <b>\$ (0.45)</b> | <b>\$ (0.96)</b> | <b>\$ (0.88)</b> |
| <b>Net assets - end of the period<sup>1</sup></b>            | <b>\$ 10.11</b>  | <b>\$ 10.64</b>  | <b>\$ 10.91</b>  |

| RATIOS AND SUPPLEMENTAL DATA                                        | 2026              | 2025              | 2024              |
|---------------------------------------------------------------------|-------------------|-------------------|-------------------|
| <b>Total net asset value (000's)</b>                                | <b>\$ 241,152</b> | <b>\$ 233,848</b> | <b>\$ 178,329</b> |
| Number of units outstanding (000's)                                 | 23,850            | 21,975            | 16,350            |
| Management expense ratio <sup>4</sup>                               | 0.69%             | 0.69%             | 0.69%             |
| Management expense ratio before waivers or absorptions <sup>4</sup> | 0.73%             | 0.75%             | 0.85%             |
| Trading expense ratio <sup>5</sup>                                  | 0.09%             | 0.11%             | 0.14%             |
| Portfolio turnover rate <sup>6</sup>                                | 31.08%            | 97.18%            | 66.10%            |
| <b>Net asset value per unit</b>                                     | <b>\$ 10.11</b>   | <b>\$ 10.64</b>   | <b>\$ 10.91</b>   |
| <b>Closing Market Price (HPYM)</b>                                  | <b>\$ 10.10</b>   | <b>\$ 10.65</b>   | <b>\$ 10.90</b>   |

### Class U (CAD)

| THE FUND'S NET ASSETS PER UNIT                               | 2026             | 2025             | 2024             |
|--------------------------------------------------------------|------------------|------------------|------------------|
| <b>Net assets - beginning of the period<sup>2</sup></b>      | <b>\$ 15.02</b>  | <b>\$ 15.83</b>  | <b>\$ 16.08</b>  |
| <b>Increase (decrease) from operations</b>                   |                  |                  |                  |
| Total revenue                                                | 0.24             | 0.56             | 0.57             |
| Total expenses                                               | (0.05)           | (0.10)           | (0.11)           |
| Realized gains (losses) for the period                       | 0.09             | 0.30             | 0.19             |
| Unrealized gains (losses) for the period                     | 0.24             | (0.26)           | 0.59             |
| <b>Total increase (decrease) from operations<sup>1</sup></b> | <b>\$ 0.52</b>   | <b>\$ 0.50</b>   | <b>\$ 1.24</b>   |
| <b>Distributions<sup>3</sup></b>                             |                  |                  |                  |
| From net investment income                                   | (0.30)           | (0.47)           | (0.45)           |
| From capital gains                                           | (0.22)           | -                | -                |
| Return of capital                                            | (0.12)           | (0.87)           | (0.76)           |
| <b>Total annual distributions<sup>3</sup></b>                | <b>\$ (0.64)</b> | <b>\$ (1.34)</b> | <b>\$ (1.21)</b> |
| <b>Net assets - end of the period<sup>1</sup></b>            | <b>\$ 14.87</b>  | <b>\$ 15.02</b>  | <b>\$ 15.83</b>  |

| RATIOS AND SUPPLEMENTAL DATA                                        | 2026             | 2025             | 2024            |
|---------------------------------------------------------------------|------------------|------------------|-----------------|
| <b>Total net asset value (000's)</b>                                | <b>\$ 18,221</b> | <b>\$ 16,897</b> | <b>\$ 9,893</b> |
| Number of units outstanding (000's)                                 | 1,225            | 1,125            | 625             |
| Management expense ratio <sup>4</sup>                               | 0.69%            | 0.69%            | 0.69%           |
| Management expense ratio before waivers or absorptions <sup>4</sup> | 0.73%            | 0.75%            | 0.85%           |
| Trading expense ratio <sup>5</sup>                                  | 0.09%            | 0.11%            | 0.14%           |
| Portfolio turnover rate <sup>6</sup>                                | 31.08%           | 97.18%           | 66.10%          |
| <b>Net asset value per unit (CAD)</b>                               | <b>\$ 14.87</b>  | <b>\$ 15.02</b>  | <b>\$ 15.83</b> |
| <b>Net asset value per unit (USD)</b>                               | <b>\$ 10.47</b>  | <b>\$ 10.94</b>  | <b>\$ 11.01</b> |
| <b>Closing market price - USD (HPYM.U)</b>                          | <b>\$ 10.49</b>  | <b>\$ 10.95</b>  | <b>\$ 11.01</b> |

### 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.



## Harvest Premium Yield 7-10 Year Treasury ETF

2. Net assets, at the commencement of operations on January 11, 2024 was \$12.00 for Class A and \$12.00 USD for Class U.
3. Distributions, if any, are paid in cash. The Fund may pay additional year end distributions in the form of reinvested units that are subsequently consolidated. There is no impact on NAV per unit, however such reinvested distributions increase the cost base of units held outside of registered plans.
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 the daily average net asset value during the period.
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.



# Harvest Premium Yield 7-10 Year Treasury ETF

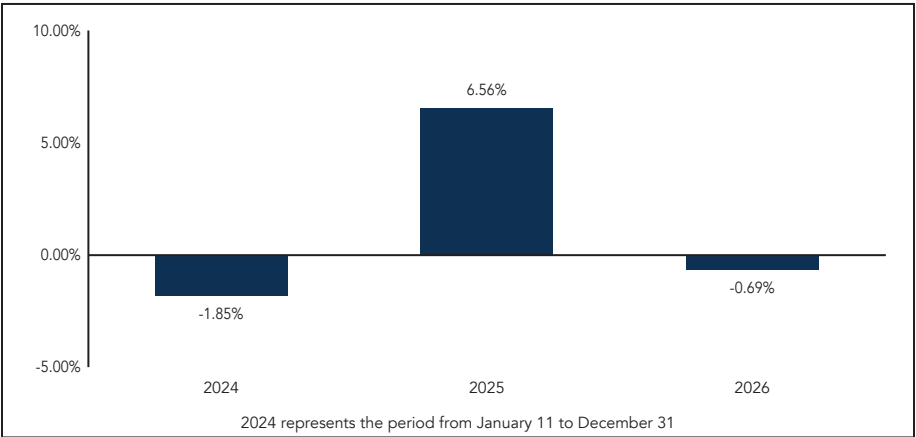
## PAST PERFORMANCE

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.

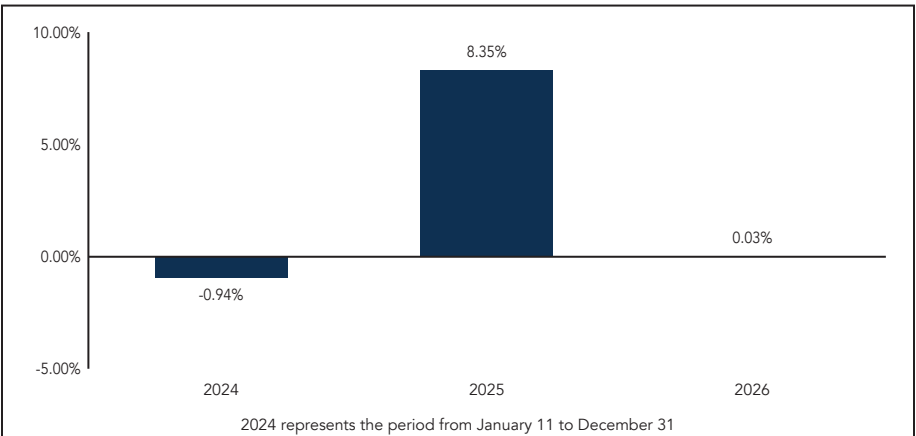
### Year-by-Year Returns

The following charts present the Fund's performance for each of the years shown and illustrate how the Fund's performance varied for Class A and Class U. 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, except for 2026 which represents the Period.

#### Class A



#### Class U (USD)



# Harvest Premium Yield 7-10 Year Treasury ETF

## SUMMARY OF INVESTMENT PORTFOLIO

The major portfolio categories and top holdings of the Fund at the end of the Period are indicated in the following tables. A detailed breakdown of the Fund's holdings is available in the "Schedule of Investments" section of the Fund's interim financial statements.

As at June 30, 2026

| Top Holdings                               | % of Net Asset Value |
|--------------------------------------------|----------------------|
| iShares 7-10 Year Treasury Bond ETF        | 86.6                 |
| Vanguard Intermediate-Term Treasury ETF    | 3.1                  |
| Schwab Intermediate-Term U.S. Treasury ETF | 3.0                  |
| Cash and other assets and liabilities      | 9.3                  |
| Written options                            | (0.2)                |
| Foreign currency forward contracts         | (1.8)                |
| <b>Total</b>                               | <b>100.0</b>         |

## SECTOR ALLOCATION

| Sector                                | % of Net Asset Value |
|---------------------------------------|----------------------|
| Treasury Bonds ETFs                   | 92.7                 |
| Cash and other assets and liabilities | 9.3                  |
| Written options                       | (0.2)                |
| Foreign currency forward contracts    | (1.8)                |
| <b>Total</b>                          | <b>100.0</b>         |

## GEOGRAPHIC ALLOCATION

| Country of Risk                       | % of Net Asset Value |
|---------------------------------------|----------------------|
| United States                         | 92.7                 |
| Cash and other assets and liabilities | 9.3                  |
| Written options                       | (0.2)                |
| Foreign currency forward contracts    | (1.8)                |
| <b>Total</b>                          | <b>100.0</b>         |

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 at [www.harvestetfs.com](http://www.harvestetfs.com).



# Harvest Premium Yield 7-10 Year Treasury ETF

## Disclaimers

### 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 a 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.

- <sup>y</sup> The Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index Price at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Manager, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the financial instrument. Neither publication of the Index by Solactive AG nor the licensing of the Index or Index trade mark for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in said Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in this financial instrument.





## **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](mailto:info@harvestetfs.com)

**[harvestetfs.com](http://harvestetfs.com)**