HarvestETFs

# Harvest Premium Yield Enhanced ETF

Interim Management Report of Fund Performance

**June 30, 2026**

# Harvest Premium Yield Enhanced 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 Enhanced 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**; or on SEDAR+ at **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's investment objective is to provide unitholders with semi-monthly cash flows and an opportunity for long-term capital appreciation with the use of leverage by investing a portfolio of equity securities that are listed on a North American stock exchange and have a market capitalization of at least $10 billion USD at the time of investment. To achieve lower overall volatility of portfolio returns and generate monthly premiums, the Fund will write covered call and/or covered put options on the equity securities held in its portfolio.

To achieve its investment objectives, the Fund will invest directly or indirectly in a portfolio of equity securities that have a market capitalization of at least $10 billion USD at time of investment and are listed on a North American stock exchange and sells covered call options and put options. The Fund will use a combination of written puts and cash borrowing to achieve leverage exposure. The Fund may also purchase put options on exchange traded mutual funds for the purposes of hedging.

The Fund is considered an alternative mutual fund within the meaning of NI 81-102 and is 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, the Fund may use strategies generally prohibited for conventional mutual funds, including investing in other alternative mutual funds; investing more than 10% of its NAV in a single issuer; using leverage through the use of cash borrowings, short sales and/or derivatives; and having an increased ability to invest in commodities. While these strategies will be used in accordance with the Fund’s investment objectives and strategies, they may, under certain market conditions, accelerate the rate at which an investment decreases in value.

## 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 from January 16, 2026 to June 30, 2026 (the "Period") that affected the overall level of risk of the Fund.

## RESULTS OF OPERATIONS

### Overall Performance
The Fund commenced operations on January 16, 2026 with 400,000 Class A units at $12.00 for proceeds of $4,800,000 and began trading following the listing of its units on January 21, 2026. Performance information is not available for periods less than one year.

### Factors Affecting Fund Results
The Fund provided better than market total performance over the Period, with downside moves seemingly less than broad U.S. stock markets, while still providing total returns that were higher than the broader indices on the upside, by the end of the Period. The Fund’s performance in the first half of 2026 was shaped by an eventful, two-phase environment in the U.S. stock market. Early in the year, high energy prices caused by conflicts in the Middle East sparked global inflation fears and dragged stock prices down. During this rocky period, investor concern also spiked over the massive spending on artificial intelligence, leading to a pull-back in prominent mega-cap technology and software companies. Fortunately, steady defensive sectors like Health Care and Consumer Staples, anchored by key holdings like AbbVie Inc. and Walmart Inc., offered vital protection. By the second quarter, inflation fears eased, and a massive market rotation began. Capital moved aggressively into cyclical and economically sensitive sectors, such as Industrials, lifting the broader market.

The Fund aims to generate high, twice-monthly cash income by selling both call options and put options on dominant U.S. companies. The Manager may employ a combination of written put options and cash borrowing, generating leveraged exposure in order to enhance the monthly cash flows generated by the Fund. The use of leverage may amplify the volatility of the portfolio compared to a similar portfolio that does not employ leverage. The use of written put options positions the Fund to increase equity ownership if the underlying share prices fall below the predetermined option strike price. Conversely, the Fund may be forced to reduce equity share ownership if the underlying stock price rises above the strike price of written call options. The Fund held shares of Harvest Canadian T-Bill ETF as collateral for written put positions.

## RECENT DEVELOPMENTS

### Potential Impact for the Fund
As we enter the second half of 2026, the Fund is well-positioned to take advantage of any ongoing market swings. Higher volatility in U.S. equities allows the Manager to collect richer premium payments from the options we write.

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The Manager will actively adjust the balance between call and put options to navigate changing market sentiment. If the U.S. market continues its transition away from tech concentration into a broader, more balanced expansion, this environment should favour the Fund's equal-weight structure. However, because the combination of put options and borrowing could add extra sensitivity to the downside, any sharp and sustained correction in the U.S. equity market could cause the Fund's value to decline with greater speed than a non-levered broad U.S. market fund.

The Fund also actively employs a small market movement hedging component, in which the Fund is selling downside put option spreads to offset losses on downside market movements in the U.S. stock market. More specifically, the Fund has purchased longer dated out of the money ("OTM") puts on a U.S. equity index ETF and funded some of the cost of this hedging through selling even further OTM puts for the same maturity. This allows the hedge to gain in value (on a U.S. market selloff) up to the deepest OTM put strike, where hedging gains will be capped. The uncovered portion of the put options purchased will not have gains capped.

**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.

## LEVERAGE

The Fund has entered into prime broker agreements with wholly owned subsidiaries of Canadian chartered banks (the "Prime Brokers") in order to facilitate leverage in the form of cash borrowing, short selling and/or derivatives for the purpose of investing in accordance with its investment strategy. The Fund may borrow against collateral on deposit with the Prime Brokers with such borrowing being repayable on demand.

During the period ended June 30, 2026, the Fund utilized leverage in the form of cash borrowing and derivatives. The minimum and maximum level of aggregate exposure to these sources of leverage was 100.4% to 142.1%, predominantly through the use of written put options.

## 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**; or on SEDAR+ at **www.sedarplus.ca**.

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## 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. This information is derived from the Fund's interim financial statements.

| THE FUND'S NET ASSETS PER UNIT | | 2026 |
|---|---|---|
| **Net assets - beginning of the period[2]** | **$** | **12.00** |
| **Increase (decrease) from operations** | | |
| Total revenue | | 0.07 |
| Total expenses | | (0.07) |
| Realized gains (losses) for the period | | 0.88 |
| Unrealized gains (losses) for the period | | 1.01 |
| **Total increase (decrease) from operations[1]** | **$** | **1.89** |
| **Distributions[3]** | | |
| From net investment income (excluding dividends) | | (0.01) |
| From capital gains | | (0.62) |
| Return of capital | | (0.14) |
| **Total annual distributions[3]** | **$** | **(0.77)** |
| **Net assets - end of the period[1]** | **$** | **12.55** |

| RATIOS AND SUPPLEMENTAL DATA | | 2026 |
|---|---|---|
| **Total net asset value ($000's)** | **$** | **34,823** |
| Number of units outstanding (000's) | | 2,775 |
| Management expense ratio[4] | | 0.96% |
| Management expense ratio before waivers or absorptions[4] | | 1.26% |
| Trading expense ratio[5] | | 0.42% |
| Portfolio turnover rate[6] | | 81.05% |
| **Net asset value per unit** | **$** | **12.55** |
| **Closing Market Price (HPYE)** | **$** | **12.56** |

### 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 January 16, 2026 was $12.00.

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.

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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 Fund’s performance is not shown as National Instrument 81-106, the regulatory guideline for Continuous Disclosure, does not permit reporting of performance for any investment fund that has been in existence less than one year.

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### 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 |
|---|---|
| Harvest Canadian T-Bill ETF, Class A Units | 34.7 |
| AbbVie Inc. | 6.6 |
| Walmart Inc. | 5.5 |
| Exxon Mobil Corporation | 5.5 |
| Applied Materials, Inc. | 5.3 |
| McDonald's Corporation | 5.3 |
| Microsoft Corporation | 5.2 |
| Meta Platforms, Inc., Class A | 3.5 |
| General Electric Company | 3.3 |
| Caterpillar Inc. | 2.8 |
| Eli Lilly and Company | 2.7 |
| Palo Alto Networks, Inc. | 2.7 |
| The Goldman Sachs Group, Inc. | 2.6 |
| Bank of America Corporation | 2.5 |
| Amazon.com, Inc. | 2.2 |
| JPMorgan Chase & Co. | 2.1 |
| Broadcom Inc. | 2.0 |
| NVIDIA Corporation | 1.9 |
| Alphabet Inc., Class A | 1.8 |
| Apple Inc. | 1.7 |
| Oracle Corporation | 1.2 |
| Purchased options | 0.4 |
| Cash and other assets and liabilities | 0.4 |
| Written options | (1.9) |
| **Total** | **100.0** |

### SECTOR ALLOCATION

| Sector | % of Net Asset Value |
|---|---|
| Money Market ETF | 34.7 |
| Information Technology | 20.0 |
| Health Care | 9.3 |
| Consumer Discretionary | 7.5 |
| Financials | 7.2 |
| Industrials | 6.1 |
| Energy | 5.5 |
| Consumer Staples | 5.5 |
| Communication Services | 5.3 |
| Purchased options | 0.4 |
| Cash and other assets and liabilities | 0.4 |
| Written options | (1.9) |
| **Total** | **100.0** |

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**GEOGRAPHIC ALLOCATION**

| Country of Risk | % of Net Asset Value |
|---|---|
| United States | 66.4 |
| Canada | 34.7 |
| Purchased options | 0.4 |
| Cash and other assets and liabilities | 0.4 |
| Written options | (1.9) |
| **Total** | **100.0** |

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available at **www.harvestetfs.com**.

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**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.

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