

PROSPECTUS

Initial Public Offering

February 25, 2015



**Maximum \$100,000,000 (10,000,000 Class A and/or Class U Units)
\$10.00 per Class A Unit and US\$10.00 per Class U Unit**

US Buyback Leaders Fund (the “Fund”) is a closed-end investment fund established under the laws of the Province of Ontario. The Fund proposes to offer (the “Offering”) Class A Units at a price of \$10.00 per Class A Unit and Class U Units at a price of US\$10.00 per Class U Unit (the Class A Units and Class U Units are collectively referred to as the “Units”), and this prospectus qualifies the issuance of Units. The Class U Units are designed for investors who want to make their investment in U.S. dollars and will not be listed on a stock exchange, but are convertible into Class A Units on a monthly basis. See “Attributes of the Units – Conversion of Class U Units”.

The Fund’s investment objectives are to provide holders of units (the “Unitholders”) with (i) the opportunity for capital appreciation; and (ii) quarterly cash distributions.

The Fund will invest in an equally-weighted Portfolio of Equity Securities of the 25 issuers with the largest dollar amount of shares repurchased over the prior four quarters for which information is publicly available relative to the issuer’s current market capitalization that meet the following criteria: (i) are included in the S&P 500 Index; (ii) have a market capitalization that is at least US\$10 billion as determined at the time of investment; (iii) are incorporated in the United States of America; (iv) pay a dividend; and v) have bought back their shares within the prior four quarters as determined at the time of investment. See “Investment Objectives”.

Harvest Portfolios Group Inc. (the “Manager” or “Harvest”) will act as the trustee, manager, investment manager and promoter of the Fund and will provide all administrative and investment management services required by the Fund. See “Organization and Management Details of the Fund – The Manager”.

**Price: \$10.00 per Class A Unit and
US\$10.00 per Class U Unit
(Minimum Purchase: 200 Class A Units
or Class U Units)**

	Price to the Public ⁽¹⁾	Agents’ Fee	Net Proceeds to the Fund ⁽²⁾
Per Class A Unit.....	\$10.00	\$0.525	\$9.475
Per Class U Unit.....	US\$10.00	US\$0.525	US\$9.475
Total Minimum Offering ⁽³⁾	\$20,000,000	\$1,050,000	\$18,950,000
Total Maximum Offering ⁽⁴⁾	\$100,000,000	\$5,250,000	\$94,750,000

Notes:

- (1) The Offering price was established by negotiation between the Agents (as defined herein) and the Manager.
- (2) Before deducting the expenses of this issue (estimated at \$600,000) which, subject to a maximum of 1.5% of the gross proceeds of the Offering, will, together with the Agents’ fees, be paid out of the proceeds of the Offering.
- (3) There will be no closing unless a minimum of 2,000,000 Class A Units are sold. If subscriptions for a minimum of 2,000,000 Class A Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue without the consent of the securities authorities and those who have subscribed on or before such date. If subscriptions for a minimum of 25,000 Class U Units have not been received by the Closing Date (as defined herein), the Class U Units will not be issued. The Minimum Offering assumes that only Class A Units are sold.

- (4) The Fund has granted to the Agents an option (the “**Over-Allotment Option**”), exercisable in whole or in part for a period of 30 days following the closing of the Offering (the “**Closing**”), to purchase additional Class A Units in an amount up to 15% of the aggregate number of Class A Units issued at the closing of the Offering on the same terms set forth above (the “**Option Units**”). If the Over-Allotment Option is exercised in full, the total price to the public under the maximum offering will be \$115,000,000, the Agents’ fees will be \$6,037,500 and the net proceeds to the Fund will be \$108,962,500. The Maximum Offering assumes that only Class A Units are sold. This prospectus also qualifies the granting of the Over-Allotment Option and the distribution of Option Units that may be offered in relation to the Over-Allotment Option. A purchaser who acquires Option Units forming part of the Agents’ over allocation position acquires such Option Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

There are certain risk factors associated with an investment in Units including that the Fund may not be able to meet its Investment Objectives. See “Risk Factors” for a discussion of certain factors that should be considered by prospective purchasers of Units.

The TSX has conditionally approved the listing of the Class A Units. The listing is subject to the Fund fulfilling all of the requirements of the TSX on or before May 21, 2015. The Class A Units will be listed on the TSX under the symbol HUL.UN.

There is currently no market through which the Units may be sold.

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that Act or any other legislation.

BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., National Bank Financial Inc., Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., Desjardins Securities Inc., Dundee Securities Ltd., Global Securities Corporation, Industrial Alliance Securities Inc. and PI Financial Corp. (collectively, the “**Agents**”) conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund and accepted by the Agents in accordance with the conditions contained in the Agency Agreement (as defined herein), and subject to the approval of certain legal matters by Borden Ladner Gervais LLP, on behalf of the Fund and the Manager, and Blake, Cassels & Graydon LLP, on behalf of the Agents.

Subscriptions for Units will be received subject to acceptance or rejection in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about March 25, 2015 but no later than 90 days after a receipt for the final prospectus is issued (the “**Closing Date**”). The Offering will be conducted under the book entry only system; accordingly, a subscriber who purchases Units will receive a customer confirmation from the registered dealer from or through whom Units are purchased. CDS will record the CDS participants who hold Units on behalf of owners who have purchased or transferred Units in accordance with the book entry only system. Certificates evidencing Units will not be issued.

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GLOSSARY OF TERMS

In this prospectus, the following terms shall have the meanings set forth below, unless otherwise indicated.

“Agency Agreement” means the agency agreement dated as of February 25, 2015 among the Fund, the Manager and the Agents.

“Agents” means, collectively, BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., National Bank Financial Inc., Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., Desjardins Securities Inc., Dundee Securities Ltd., Global Securities Corporation, Industrial Alliance Securities Inc. and PI Financial Corp.

“Annual Redemption Date” means the second last Business Day of September in each year commencing in 2016.

“Business Day” means any day on which the TSX is open for trading.

“Buyback Ratio” means the amount obtained on a particular date by dividing: (i) the dollar amount spent by an issuer to repurchase its shares during the prior four quarters for which such information is publicly available; by (ii) the market capitalization of the issuer on that date. Reference to the “prior four quarters” refers to the preceding four quarters for which information with respect to share repurchases for a given issuer is available from Bloomberg, and accordingly the quarters used for purposes of such calculation will depend on when such information becomes available. The information for this calculation will be based solely on the information available to the Manager from Bloomberg or, if this information is no longer available, a similar service.

“CDS” means CDS Clearing and Depository Services Inc.

“CDS Participants” means participants in CDS.

“Class A Units” means the class of units of the Fund designated as the “Class A Units”.

“Class A Meeting” means a meeting of holders of Class A Units called in accordance with the Declaration of Trust.

“Class U Units” means the class of the Fund designated as the “Class U Units”.

“Class U Meeting” means a meeting of holders of Class U Units called in accordance with the Declaration of Trust.

“Closing” means the closing of the Offering on the Closing Date.

“Closing Date” means the date of the Closing, which is expected to be on or about March 25, 2015 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a receipt for the final prospectus is issued.

“Conversion Date” means the first Business Day of each month.

“CRA” means the Canada Revenue Agency.

“Custodian” means State Street Trust Company Canada, in its capacity as custodian under the Custodian Agreement.

“Declaration of Trust” means the declaration of trust dated February 25, 2015, as it may be amended from time to time.

“Distribution Payment Date” means the date that is on or before the 15th day of the month following the applicable distribution date.

“Equity Securities” means any securities that represent an interest in an issuer which includes common shares, and securities convertible into or exchangeable for common shares provided that the determination by the Manager that a security is an Equity Security shall be conclusive for all purposes herein.

“Extraordinary Resolution” means a resolution passed by the affirmative vote of at least two thirds of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“Fund” means US Buyback Leaders Fund, a closed-end investment fund established under the laws of Ontario pursuant to the Declaration of Trust.

“Indicative Distribution Amount” means the indicative distribution amount of the Fund, initially \$0.40 per Class A Unit and US\$0.40 per Class U Unit per annum for the first 12 months of the Fund, and thereafter as determined by the Manager annually.

“Indicative Portfolio” has the meaning ascribed thereto under “Investment Strategies – Indicative Portfolio”.

“Manager” or **“Harvest”** means the manager and investment manager of the Fund, Harvest Portfolios Group Inc.

“Market Price” has the meaning ascribed thereto under “Distribution Policy – Distribution Reinvestment Plan”.

“Monthly Redemption” means the monthly redemption of Units as described under “Redemption of Units – Monthly Redemption”.

“Monthly Redemption Date” means the last Business Day of each month in which Units are surrendered for a Monthly Redemption.

“NAV per Class A Unit” means, in respect of the Class A Units, the NAV of the Fund allocated to the Class A Units, divided by the number of Class A Units outstanding at the time the calculation is made.

“NAV per Class U Unit” means, in respect of the Class U Units, the NAV of the Fund allocated to the Class U Units, divided by the number of Class U Units outstanding at the time the calculation is made.

“NAV per Unit” means the NAV of the Fund divided by the number of Units outstanding at the time the calculation is made.

“NAV Valuation Time” means 4:15 p.m. (Toronto time) on each Business Day during the year, and any other time as may be determined by the Manager from time to time.

“Net Asset Value” or **“NAV”** means the net asset value of the Fund on a particular date, equal to (i) the aggregate fair value of the assets of the Fund, less (ii) the aggregate fair value of the liabilities of the Fund as more particularly set forth in the Declaration of Trust.

“NI 81-102” means National Instrument 81-102 *Investment Funds* of the Canadian Securities Administrators, as it may be amended from time to time.

“NI 81-106” means National Instrument 81-106 *Investment Fund Continuous Disclosure* of the Canadian Securities Administrators, as it may be amended from time to time.

“NI 81-107” means National Instrument 81-107 *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators, as it may be amended from time to time.

“Offering” means collectively, the offering of Class A Units at a price of \$10.00 per Class A Unit, the offering of Class U Units at a price of US\$10.00 per Class U Unit and the offering of additional Class A Units under the Over-Allotment Option at a price of \$10.00 per Class A Unit, all pursuant to this prospectus.

“Offering Price” means a price of \$10.00 per Class A Unit and a price of US\$10.00 per Class U Unit.

“Option Units” means Units issued under the Over-Allotment Option.

“Ordinary Resolution” means a resolution passed by the affirmative vote of at least a majority of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“Over-Allotment Option” means the option granted by the Fund to the Agents, exercisable for a period of 30 days following Closing, to purchase additional Class A Units in an amount up to 15% of the aggregate number of Units issued at Closing solely to cover over-allotments, if any.

“Plan Agent” has the meaning ascribed thereto under “Distribution Policy – Distribution Reinvestment Plan”.

“Plan Participant” has the meaning ascribed thereto under “Distribution Policy – Distribution Reinvestment Plan”.

“Portfolio” means the assets held by the Fund from time to time.

“Portfolio Securities” means the securities held in the Portfolio.

“Redemption Payment Date” means the date that is on or before the 15th Business Day after the Monthly Redemption Date or Annual Redemption Date, as applicable.

“Reference Exchange Rate” means the U.S. dollar/Canadian dollar WM/Reuters closing spot rate determined at 11:00 a.m. (Toronto time) as provided by the valuation agent of the Fund, or another widely available U.S. dollar/Canadian dollar exchange rate deemed appropriate by the Manager.

“Registrar and Transfer Agent” means Equity Financial Trust Company.

“Reinvestment Plan” has the meaning ascribed thereto under “Distribution Policy – Distribution Reinvestment Plan”.

“Reinvestment Plan Agency Agreement” has the meaning ascribed thereto under “Distribution Policy – Distribution Reinvestment Plan”.

“shares” when used in the context of “share buybacks” or “share repurchases” includes common shares, share purchase warrants, common share equivalents and other classes of shares.

“SIFT Rules” mean the provisions of the Tax Act providing for a tax on certain income distributed by a “SIFT trust”, as defined in the Tax Act.

“S&P 500 Index” means the index maintained by S&P Dow Jones Indices LLC commonly known as the ‘S&P 500’ or a successor index.

“Tax Act” means the *Income Tax Act* (Canada) as amended and the regulations thereunder.

“Trustee” means initially Harvest, in its capacity as trustee under the Declaration of Trust, and thereafter such successor as may be appointed trustee in accordance with the provisions of the Declaration of Trust.

“TSX” means the Toronto Stock Exchange.

“United States” or **“U.S.”** means the United States of America, its territories and possessions, any state thereof, and the District of Columbia.

“Unitholders” means holders of Units.

“Units” means the Class A Units and/or the Class U Units, as applicable.

“US\$” means United States dollars.

“US Buyback Leader” means an issuer selected from the US Buyback Leaders Investable Universe that ranks in the top 25 issuers in terms of highest Buyback Ratio, provided that the determination by the Manager that an issuer is a US Buyback Leader shall be conclusive for all purposes herein.

“US Buyback Leaders Investable Universe” means all issuers that meet the following characteristics: (i) are included in the S&P 500 Index; (ii) have a market capitalization that is at least US\$10 billion as determined at the time of investment; (iii) are incorporated in the United States of America; (iv) pay a dividend; and (v) have bought back their shares within the prior four quarters as determined at the time of investment.

“Valuation Time” means 4:15 p.m. (Toronto time) on each Thursday during the year (or, if a Thursday is not a Business Day, the Business Day following such Thursday) and on the last Business Day of each month, and any other time as may be determined by the Manager from time to time.

“\$” means Canadian dollars unless otherwise indicated.

INFORMATION REGARDING PUBLIC INFORMATION

Certain information contained in this prospectus relating to publicly traded securities and the issuers of those securities is taken from and based solely upon information published by those issuers. In addition, certain information contained in this prospectus was obtained from public sources. Neither the Manager, the Fund nor the Agents have independently verified the accuracy or completeness of any such information.

FORWARD LOOKING STATEMENTS

Certain statements included in this prospectus constitute forward looking statements or information, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to the Fund or the Manager. The forward looking statements and information are not historical facts but reflect the Fund’s and/or the Manager’s current expectations regarding future results or events. The prospectus includes, from a number of third party sources forward looking statements or information and although the Fund and/or the Manager believes such statements or information to be reliable, no assurance can be given that such forward looking statements or information will be accurate. These forward looking statements and information are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risk Factors” and in other sections of this prospectus. Accordingly, readers should not place undue reliance on forward looking statements and information. All forward looking statements and information is qualified by this cautionary statement.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

THE FUND

The Fund is a closed-end investment fund established under the laws of the Province of Ontario pursuant to the Declaration of Trust dated February 25, 2015.

THE OFFERING

Offering: The Offering consists of Class A Units and Class U Units. The Class U Units are designed for investors who want to make their investment in U.S. dollars and will not be listed on a stock exchange. Class U Units may be converted into Class A Units on a monthly basis. See “Attributes of the Units – Conversion of Class U Units.”

Amount: A minimum of \$20,000,000 of Class A Units (2,000,000 Class A Units), a minimum of US\$250,000 of Class U Units (25,000 Class U Units) and a maximum of \$100,000,000 of Class A Units and/or Class U Units (10,000,000 Class A Units and/or Class U Units).

Offering Price: \$10.00 per Class A Unit
US\$10.00 per Class U Unit

Minimum Purchase: 200 Units (\$2,000 or US\$2,000)

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

The Fund has been created to provide investors with exposure to an equally-weighted Portfolio of Equity Securities of the 25 issuers with the highest Buyback Ratio that meet the following criteria: (i) are included in the S&P 500 Index; (ii) have a market capitalization that is at least US\$10 billion as determined at the time of investment; (iii) are incorporated in the United States of America; (iv) pay a dividend; and (v) have bought back their shares within the prior four quarters as determined at the time of investment.

See “Investment Objectives”.

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

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

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

The Buyback Ratios for the issuers in the US Buyback Leaders Investable Universe will be calculated and the Portfolio will be reconstituted and rebalanced quarterly within 30 days following the last Business Day of March, June, September and December and may be reconstituted and rebalanced more frequently if a US Buyback Leader in the Portfolio is the subject of a merger or other fundamental corporate action that in the opinion of the Manager requires the US Buyback Leader to be removed from the Portfolio. The Manager will rely on

Bloomberg for the information to calculate the Buyback Ratio or, if this information is no longer available, a similar service.

See “Investment Strategies” and see “Risk Factors” for a discussion of risks relating to the Fund’s investment strategy.

Quarterly Distributions:

The Fund intends to make quarterly cash distributions payable to Unitholders of record on the last Business Day of each quarter and pay such cash distributions on or before the 15th day of the following month. Beginning in April 2016, the Fund will annually determine and announce the Indicative Distribution Amount for the following four quarters based upon the prevailing market conditions. The Indicative Distribution Amount will be \$0.10 per Class A Unit per quarter (\$0.40 per annum representing an annual cash distribution of 4% based on the \$10.00 per Class A Unit issue price) or US\$0.10 per Class U Unit per quarter (US\$0.40 per annum representing an annual cash distribution of 4% based on the US\$10.00 per Class U Unit issue price). The initial cash distribution will be pro-rated from the Closing Date and is anticipated to be payable on or before July 15, 2015 to Unitholders of record on June 30, 2015.

The current dividend yield on the securities comprising the Indicative Portfolio is approximately 1.67%, net of anticipated withholding taxes. Assuming an offering size of \$100 million and fees and expenses are as disclosed herein, the Portfolio would be required to generate an additional return of approximately 3.48% per annum, net of withholding taxes, including from capital appreciation and an increase in dividends or distributions, in order to allow the Fund to make quarterly cash distributions at the initial Indicative Distribution Amount and to maintain a stable NAV of the Fund. **If the return derived from the Portfolio is less than the amount necessary to fund the quarterly distributions and if the Manager chooses nevertheless to ensure that the quarterly distributions are paid to Unitholders at the initial Indicative Distribution Amount, this will result in a portion of the capital of the Fund being returned to Unitholders and the NAV per Unit being reduced.** In the event it does not do so in such circumstances, distributions will be reduced. It is expected that distributions to Unitholders will primarily be characterized as capital gains, but may also include foreign-source income, returns of capital and other income.

If, in any taxation year after such distributions, there would otherwise remain in the Fund additional net income or net realized capital gains, a special distribution of such portion of the net income and net realized capital gains as is necessary to ensure that the Fund will not be liable for income tax under the Tax Act will be automatically payable on the last day of that taxation year to Unitholders of record on that date.

There can be no assurance that the Fund will be able to achieve its quarterly distribution objective or make payments on any Distribution Payment Date. Amounts distributed on the Units that represent returns of capital are generally non-taxable to a Unitholder but reduce the Unitholder’s adjusted cost base of the Units for tax purposes. See “Income Tax Considerations” and “Distribution Policy”.

Distribution Reinvestment:

The Fund intends to provide Unitholders with the opportunity to reinvest quarterly cash distributions made by the Fund in additional Units through the distribution reinvestment plan of the Fund described under “Distribution Policy – Distribution Reinvestment Plan”.

Foreign Currency Hedging:

Harvest will hedge substantially all of the value of the Portfolio attributable to the Class A Units’ non-Canadian currency exposure back to the Canadian dollar at all times. The value of the Portfolio attributable to the Class U Units will not be hedged. See “Investment Strategies – Foreign Currency Hedging”.

Borrowing:

The Fund does not intend to borrow money or employ other forms of leverage.

Annual Redemption:

Commencing in 2016, Units may be surrendered for redemption during the period from the first Business Day of September to 5:00 p.m. (Toronto time) on the tenth Business Day prior to the second last Business Day in September, subject to the Fund’s right to suspend redemptions in certain circumstances. Units surrendered for redemption during this period will be redeemed on the applicable Annual Redemption Date and the Unitholder will receive payment on or before the 15th Business Day following the Annual Redemption Date equal to the NAV per Class A Unit or

the NAV per Class U Unit, as applicable, on the applicable Annual Redemption Date, less any costs and expenses associated with the redemption. Units are also redeemable on a monthly basis. See “Redemption of Units”.

Conversion of Class U Units:

A holder of Class U Units may convert such Class U Units into Class A Units on a monthly basis and it is expected that liquidity for the Class U Units will be obtained primarily by means of conversion into Class A Units and the sale of such Class A Units. Class U Units may be converted in any month on the first Business Day of such month (the “Conversion Date”) by delivering a notice and surrendering such Class U Units not later than 5:00 pm (Toronto time) at least fifteen Business Days prior to the applicable Conversion Date. Based in part on the CRA’s administrative position, a conversion of Class U Units into whole Class A Units will likely constitute a disposition of such Class U Units for the purposes of the Tax Act.

For a holder’s Class U Units so converted, the holder will receive that number of whole Class A Units equal to the NAV per Class U Unit as at the close of trading on the Business Day immediately preceding the Conversion Date multiplied by the number of Class U Units so converted divided by the Net Asset Value per Class A Unit as at the close of trading on the Business Day immediately preceding the Conversion Date, expressed in Canadian dollars at the Reference Exchange Rate on the Business Day immediately preceding the Conversion Date. No fraction of a Class A Unit will be issued upon any conversion of Class U Units. Any remaining fraction of a Class U Unit will be redeemed for cash payment at the NAV per Class U Unit as of the close of trading on the Business Day immediately preceding the Conversion Date. The redemption of any fraction of a Class U Unit will result in a capital gain (or capital loss) to the redeeming Unitholder.

See “Attributes of the Units – Conversion of Class U Units” and “Income Tax Considerations – Taxation of Unitholders”.

Use of Proceeds:

The Fund will use the proceeds from the sale of Units as follows:

	<u>Minimum Offering⁽¹⁾</u>	<u>Maximum Offering⁽¹⁾</u>
Gross proceeds to the Fund	\$20,000,000	\$100,000,000
Agents’ fees	\$1,050,000	\$5,250,000
Expenses of issue	\$300,000	\$600,000
Net proceeds to the Fund	<u>\$18,650,000</u>	<u>\$94,150,000</u>

(1) The Minimum and Maximum Offering assumes that only Class A Units are sold.

See “Use of Proceeds”.

Manager & Investment Manager:

Harvest is responsible for providing or arranging for the provision of administration services required by the Fund. See “Organization and Management Details of the Fund – The Manager”. Harvest has taken the initiative in organizing the Fund and accordingly, may be a “Promoter” of the Fund within the meaning of applicable securities legislation. See “Organization and Management Details of the Fund – Promoter”.

Harvest will also provide investment management services to the Fund and reconstitute and rebalance the Portfolio of the Fund. See “Organization and Management Details of the Fund”.

Agents:

The Fund has engaged BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., National Bank Financial Inc., Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., Desjardins Securities Inc., Dundee Securities Ltd., Global Securities Corporation, Industrial Alliance Securities Inc. and PI Financial Corp. (collectively, the “Agents”) as agents to offer Units for sale to the public.

The Fund has granted to the Agents an Over-Allotment Option, exercisable for a period of 30 days from the Closing Date, to purchase additional Class A Units in an amount up to 15% of the Class A Units issued at the Closing at a price of \$10.00 per Class A Unit to cover over-allotments, if any. If the Over-Allotment Option is exercised in full under the maximum Offering, the total price to the public will be \$115,000,000, the Agents’ fees will be \$6,037,500 and the net proceeds to the Fund will be estimated to be \$108,962,500. This prospectus also

qualifies the grant of the Over-Allotment Option and the distribution of the Option Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Option Units forming part of the Over-Allotment Option acquires such Option Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

<u>Agents' Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	1,500,000 Class A Units	Within 30 days following the Closing Date	\$10.00 per Class A Unit

<u>Organization and Management of the Fund:</u>	<u>Management of the Fund</u>	<u>Name and Municipality of Residence</u>	<u>Services Provided to Fund</u>
	Trustee, Manager, Investment Manager and Promoter	Harvest Portfolios Group Inc. 710 Dorval Drive Suite 209 Oakville, Ontario L6K 3V7	Manages the overall business of the Fund and provides portfolio management services to the Fund
	Custodian and Valuation Agent	State Street Trust Company Canada 30 Adelaide Street East Toronto, Ontario M5C 3G6	Provides custody and valuation services to the Fund
	Auditor	PricewaterhouseCoopers LLP 18 York Street Suite 2600 Toronto, Ontario M5J 0B2	Provides audit services to the Fund
	Registrar and Transfer Agent	Equity Financial Trust Company 200 University Avenue Suite 400 Toronto, Ontario M5H 4H1	Maintains the security register and the register of transfers of securities

See “Organization and Management Details of the Fund”.

Termination of the Fund: The Fund does not have a fixed termination date. See “Termination of the Fund”. For details with respect to a Permitted Merger, see “Unitholder Matters”.

Eligibility for Investment: Provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, the Units, if issued on the date hereof, would be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax free savings accounts (each a “**plan trust**”). See “Income Tax Considerations – Status of the Fund” and “Income Tax Considerations – Taxation of Registered Plans”.

Notwithstanding the foregoing, if the Units are “prohibited investments” for the purposes of a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”) or a tax-free savings account (“**TFSA**”), the annuitant of the RRSP or RRIF or the holder of the TFSA will be subject to a penalty tax as set out in the Tax Act. A “prohibited investment” includes a unit of a trust (i) which does not deal at arm’s length with the annuitant or holder, or (ii) in which the annuitant or holder has a “significant interest”. In general terms, “significant interest” means the ownership of 10% or more of the value of a trust’s outstanding units or interests by the annuitant or holder, either alone or together with persons and partnerships with whom the annuitant or holder does not deal at arm’s length. In addition, the Units will not be a prohibited investment if the Units are “excluded property” as defined in the Tax Act for a trust governed by an RRSP, RRIF or TFSA. Annuitants or holders should consult their own tax advisors with respect to whether Units would be prohibited investments, including with respect to whether the Units would be excluded property. See “Income Tax Considerations – Taxation of Registered Plans”.

Income Tax Considerations:

A Unitholder who is resident in Canada will generally be required to include in computing income for a taxation year that part of the net income of the Fund, including net taxable capital gains, if any, that is paid or becomes payable to the Unitholder by the Fund in the year. To the extent that amounts payable to a Unitholder are designated by the Fund as the taxable portion of net realized capital gains and foreign source income, those amounts will retain their character and be treated as such in the hands of the Unitholder.

Distributions by the Fund to a Unitholder in excess of the Unitholder's share of the Fund's net income and net realized capital gains will generally not result in an income inclusion, but will reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit held as capital property would otherwise be less than zero, the Unitholder will be deemed to have realized a capital gain equal to such negative amount. A Unitholder who disposes of Units held as capital property (on a redemption or otherwise) will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are less than) the aggregate adjusted cost base of the Units disposed of and any reasonable costs of disposition.

Based in part on the CRA's administrative position, a conversion of Class U Units into Class A Units by a Unitholder will likely constitute a disposition of the Class U Units for the Unitholder.

Each investor should satisfy himself or herself as to the federal, provincial and territorial tax consequences of an investment in Units by obtaining advice from his or her tax advisor. See "Income Tax Considerations".

RISK FACTORS

An investment in Units is subject to various risk factors, including the following risks which prospective purchasers should consider before purchasing Units:

1. there being no assurance that the Fund will achieve its investment objectives;
2. the possible loss of investment;
3. there being no guaranteed return on investment;
4. investing in Equity Securities;
5. volatility in distributions;
6. composition of Portfolio;
7. fluctuations in value of US Buyback Leaders;
8. sensitivity to interest rate fluctuations;
9. passive management risk;
10. reliance on the Manager;
11. the possibility that the Class A Units will trade at a discount to the Net Asset Value per Class A Unit and risks relating to redemptions;
12. the fact that the Class U Units will not be listed on any stock exchange;
13. nature of the Units;
14. taxation of the Fund;
15. the fact that the Fund is not a mutual fund for securities law purposes and will not be subject to the Canadian policies and regulations that apply to open-end mutual funds;
16. the potential for conflicts of interest;
17. global financial developments;
18. the Fund's lack of operating history and the current absence of a public trading market for the Units;
19. the fact that the Fund is not a trust company;
20. changes in legislation; and
21. foreign currency exposure.

See "Risk Factors".

SUMMARY OF FEES AND EXPENSES PAYABLE BY THE FUND

<u>Type of Charge</u>	<u>Amount and Description</u>
Fees payable to the Agents:	\$0.525 (5.25%) per Class A Unit and US\$0.525 (5.25%) per Class U Unit.
Expenses of Issue:	The Fund will pay the expenses incurred in connection with the Offering of Units by the Fund, which are estimated to be \$600,000, subject to a maximum of 1.5% of the gross proceeds of the Offering.
Management Fee:	An annual management fee (the “ Management Fee ”) of 0.75% of the NAV plus applicable taxes, will be paid to the Manager. The Management Fee will be calculated and payable monthly in arrears based on the average NAV calculated at each Valuation Time during that month. The Management Fee will be paid in cash.
Operating Expenses:	<p>The Fund will pay for all ordinary expenses incurred in connection with its operation and administration and any applicable HST thereon. It is expected that the expenses for the Fund will include, without limitation: fees payable to the Custodian and other third party services providers, legal, accounting, audit and valuation fees and expenses, fees and expenses of the members of the Independent Review Committee (“IRC”), expenses related to compliance with NI 81-107 – <i>Independent Review Committee for Investment Funds</i>, fees and expenses relating to the voting of proxies by a third party, premiums for insurance coverage for the members of the IRC, costs of reporting to Unitholders, registrar, transfer and distribution agency costs, fees payable to the Plan Agent under the Reinvestment Plan for performing certain financial, record-keeping, Unitholder reporting and general administrative services and for acting as plan agent, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, website maintenance costs, taxes, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies including any costs associated with the printing and mailing costs of any documents that the securities regulatory authorities require be sent or delivered to investors in the Fund and extraordinary expenses that the Fund may incur. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Fund. The aggregate annual amount of these fees and expenses is estimated to be \$250,000. The Fund will also be responsible for all commissions and other costs of Portfolio transactions and any extraordinary expenses of the Fund which may be incurred from time to time.</p> <p>See “Fees and Expenses – Operating Expenses”.</p>

THE FUND

Overview of the Legal Structure of the Fund

The Fund is a closed-end investment fund established under the laws of the Province of Ontario pursuant to the Declaration of Trust dated February 25, 2015.

The principal office of the Fund and Harvest is located at 710 Dorval Drive, Suite 209, Oakville, Ontario L6K 3V7.

The beneficial interest in the net assets and net income of the Fund is divided into two classes, Class A Units and Class U Units. The Fund is authorized to issue an unlimited number of Units of each class. The Class A Units are designed for investors who want to make their investment in Canadian dollars and the Class U Units are designed for investors who want to make their investment in U.S. dollars.

The Fund is subject to the provisions of NI 81-102 applicable to non-redeemable investment funds.

INVESTMENT OBJECTIVES

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

The Fund has been created to provide investors with exposure to an equally-weighted Portfolio of Equity Securities of the 25 issuers with the highest Buyback Ratio that meet the following criteria: (i) are included in the S&P 500 Index; (ii) have a market capitalization that is at least US\$10 billion as determined at the time of investment; (iii) are incorporated in the United States of America; (iv) pay a dividend; and (v) have bought back their shares within the prior four quarters as determined at the time of investment.

INVESTMENT STRATEGIES

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

To seek to achieve its investment objectives, the Fund will invest in an equally-weighted Portfolio of Equity Securities of 25 US Buyback Leaders chosen from the US Buyback Leaders Investable Universe.

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

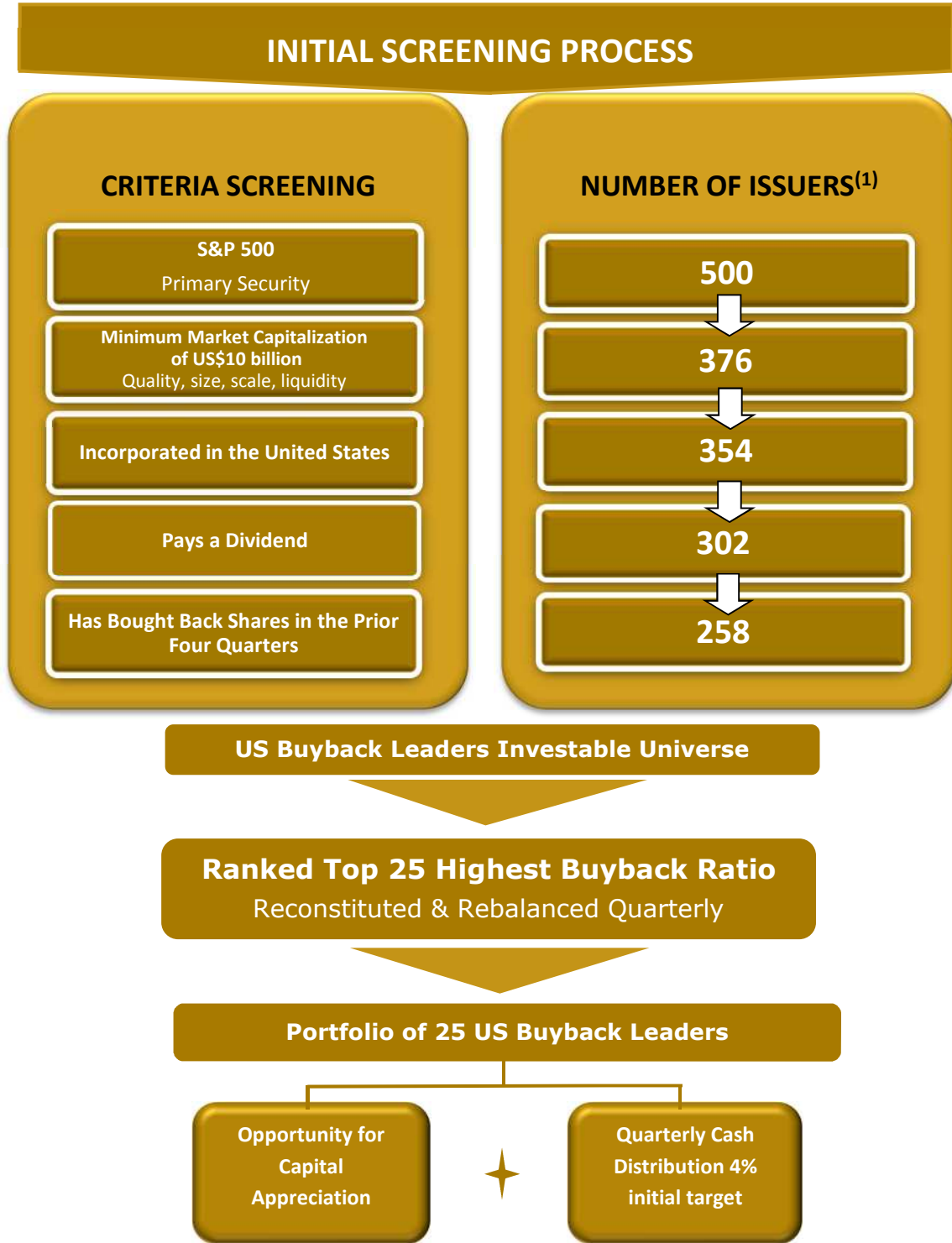
The Buyback Ratios for the issuers in the US Buyback Leaders Investable Universe will be calculated and the Portfolio will be reconstituted and rebalanced quarterly within 30 days following the last Business Day of March, June, September and December and may be reconstituted and rebalanced more frequently if a US Buyback Leader in the Portfolio is the subject of a merger or other fundamental corporate action that in the opinion of the Manager requires the US Buyback Leader to be removed from the Portfolio. The Manager will rely on Bloomberg for the information to calculate the Buyback Ratio or, if this information is no longer available, a similar service.

In order to facilitate distributions and/or pay expenses of the Fund, the Fund may sell Equity Securities at its discretion in which case the weighting of the Portfolio will be affected. To the extent that the Fund has excess cash at any time, at the Manager's discretion such excess cash may be invested by the Fund in Equity Securities of US Buyback Leaders in the Portfolio, generally targeting investment in Equity Securities of US Buyback Leaders in the Portfolio which have less than average weight in the Portfolio at the time. The Fund does not intend to borrow money or employ other forms of leverage.

Portfolio Selection Process

In acquiring the 25 US Buyback Leaders for the Portfolio, the Manager will follow the process set out below:

Portfolio selection Process Illustration



⁽¹⁾ As of January 6, 2015. Figures are subject to change.

Indicative Portfolio

If the Fund had been in existence on January 6, 2015, the Portfolio would have included the following securities (the “**Indicative Portfolio**”).

The information contained in this section is historical and is not intended to be, nor should it be construed to be, an indication as to the assets that will comprise the Portfolio from time to time. The Portfolio may or may not include the issuers included in the Indicative Portfolio and will include securities of issuers that are not included in the Indicative Portfolio, as such, the dollar amount Portfolio constituents allocate to buying back shares, their dividend yield and their Buyback Ratios will differ from the amounts set out below. The information is provided for illustrative purposes only and should not be construed as an indication of, a forecast or projection of the Fund’s performance. The Manager will manage the Portfolio to seek to meet the Fund’s investment objectives utilizing the Fund’s investment strategy as described herein.

Company	Ticker	Market Capitalization US\$ Billions	Buyback ⁽¹⁾ US\$ Billions	Dividend Yield ⁽²⁾	Buyback Ratio ⁽³⁾
Allstate Insurance Company	ALL	28.81	2.64	1.6%	9.2%
Anthem, Inc.	ANTM	33.73	3.11	1.4%	9.2%
Apache Corporation	APA	22.31	2.58	1.6%	11.6%
Caterpillar Inc.	CAT	52.35	4.24	3.0%	8.1%
CBS Corporation (Class B Non-Voting)	CBS	27.61	3.15	1.0%	11.4%
CF Industries Holdings, Inc.	CF	14.06	1.89	1.8%	13.4%
Coca-Cola Enterprises	CCE	10.40	0.92	2.3%	8.8%
Corning Incorporated	GLW	28.59	3.38	1.8%	11.8%
Deere & Company	DE	29.52	2.62	2.7%	8.9%
FedEx Corporation	FDX	48.10	5.06	0.4%	10.5%
Gap Inc.	GPS	17.62	1.46	2.1%	8.3%
Goldman Sachs Group Inc.	GS	83.07	7.05	1.2%	8.5%
The Hartford Financial Services Group, Inc.	HIG	17.36	1.72	1.6%	9.9%
Hess Corporation	HES	20.77	3.63	1.4%	17.5%
Illinois Tool Works Inc.	ITW	35.60	4.59	2.0%	12.9%
International Business Machines Corporation	IBM	154.46	19.34	2.7%	12.5%
Monsanto Company	MON	56.27	6.90	1.5%	12.3%
The Mosaic Company	MOS	16.91	2.51	2.2%	14.8%
Motorola Solutions, Inc.	MSI	15.53	1.49	2.0%	9.6%
NetApp, Inc.	NTAP	12.37	1.45	1.6%	11.7%
Northrop Grumman Corporation	NOC	29.12	2.77	1.9%	9.5%
Starwood Hotels & Resorts Worldwide Inc.	HOT	13.58	1.11	5.3%	8.1%

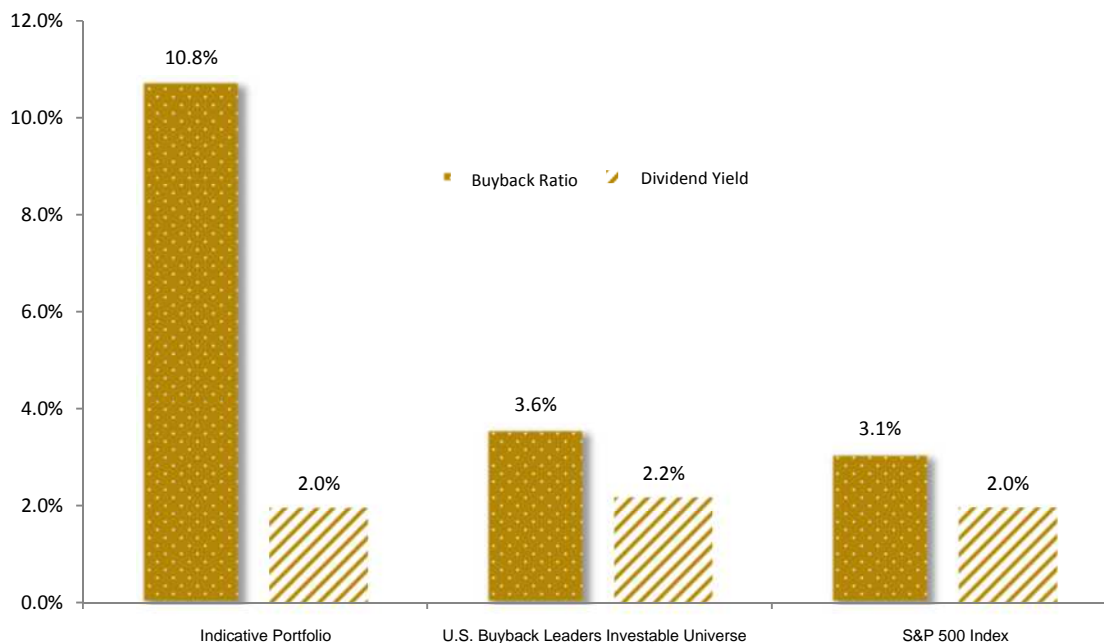
The Travelers Companies, Inc.	TRV	34.21	3.33	2.1%	9.7%
Viacom Inc. (Class B)	VIAB	29.50	3.53	1.8%	12.0%
Xerox Corporation	XRX	15.15	1.30	1.9%	8.6%
Indicative Portfolio Average		33.88		2.0%	10.8%
Indicative Portfolio Total			93.08		

Source: Bloomberg, January 6, 2015.

- (1) “Buyback” means the dollar amount of a company’s own shares that it has repurchased in the prior four quarters. Reference to the “prior four quarters” refers to the preceding four quarters for which information with respect to share repurchases for a given issuer is available from Bloomberg, and accordingly the quarters used for each issuer may be different depending on when such information becomes available. The information for this calculation will be based solely on the information available to the Manager from Bloomberg or, if this information is no longer available, a similar service.
- (2) “Dividend Yield” means the dollar amount returned to securityholders by a company during the prior 12 months in the form of a dividend divided by the market capitalization of the company. The Dividend Yield for the Indicative Portfolio (net of withholding taxes) is 1.67%.
- (3) “Buyback Ratio” means the dollar amount spent by an issuer to repurchase its shares during the prior four quarters divided by the market capitalization of the company. For example, Allstate Corp. spent US\$2.64 billion repurchasing its shares in the prior four quarters and had a market capitalization of US\$28.81 billion on the applicable calculation date and, accordingly, it has a Buyback Ratio of 9.2%.

Buyback Ratio + Dividend Yield

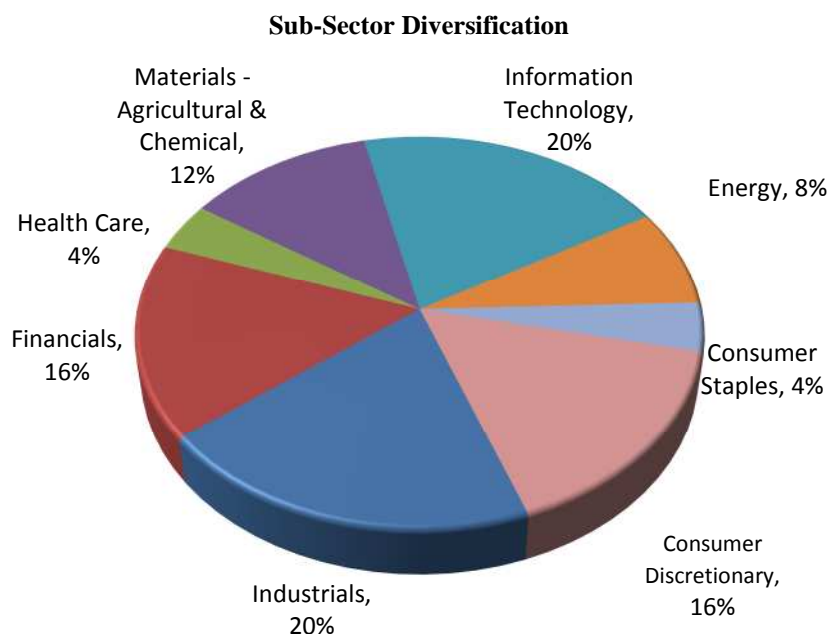
The chart below shows the Buyback Ratio and Dividend Yield comparisons of the Indicative Portfolio with US Buyback Leaders Investable Universe and the S&P 500 Index.



Source: Bloomberg, January 6, 2015.

Diversification

As the chart below highlights, the Indicative Portfolio has concentrated geographic exposure to the United States but is well-diversified by sector.



Source: Bloomberg, January 6, 2015.

Foreign Currency Hedging

All of the securities expected to make up the Portfolio will be denominated in U.S. dollars and expected dividends received will be in U.S. dollars. The Manager will take currency exposure into account in managing the Portfolio and will hedge substantially all of the value of the Portfolio attributable to the Class A Units' non-Canadian currency exposure back to the Canadian dollar at all times. The value of the Portfolio attributable to the Class U Units will not be hedged. It is not intended that the dividends on the Equity Securities comprising the Portfolio will be hedged back to the Canadian dollar. The Fund will not use derivative instruments other than for the purposes of currency hedging.

Borrowing

The Fund does not intend to borrow money or employ other forms of leverage.

OVERVIEW OF THE SECTOR THAT THE FUND INVESTS IN

The Fund has been established to provide investors with a unique investment in select large capitalization U.S. companies that are leaders in terms of share buybacks. An overlooked way for an issuer to share its cash with investors is through a buyback of its shares. Share buybacks are also known as "share repurchases" and occur when an issuer buys back its shares. Shares repurchased by an issuer have the effect of reducing the number of outstanding shares of the issuer, thereby increasing the relative ownership stake of each investor (i.e. all other things being equal, the issuer's earning per share should increase).

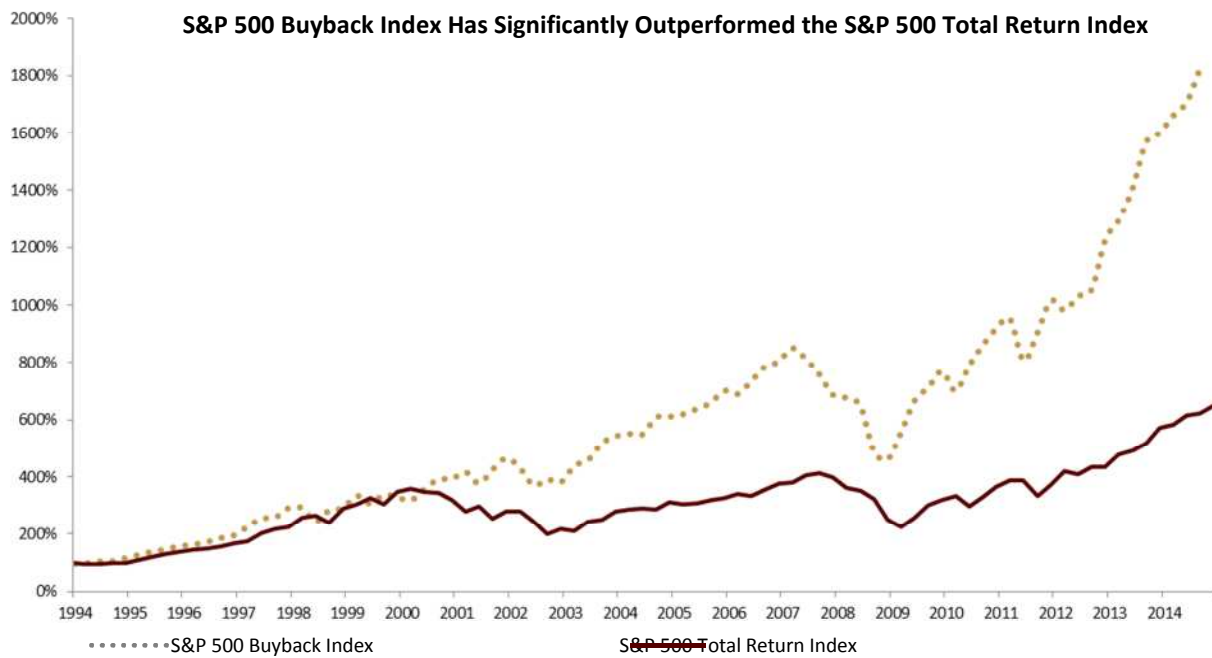
An issuer may buy back its shares for a number of reasons that include, but are not limited to, the following:

- (i) management of the issuer believes that the issuer's shares are undervalued;

- (ii) management believes that the best return for the issuer’s cash is to invest in itself versus other opportunities;
- (iii) it is generally a sign of a quality issuer since to facilitate a share buyback the issuer needs cash flow; and
- (iv) it provides liquidity for investors and in some cases may support an issuer’s share price.

The Fund will provide investors with exposure to a portfolio of large cap U.S. Equity Securities from issuers that significantly repurchase their shares. These issuers are included on the S&P 500 Index, have a market capitalization of at least US\$10 billion, are incorporated in the United States of America, pay dividends and have bought back their shares within the prior four quarters.

The S&P 500 Buyback Index is designed to measure the share price performance of the top 100 companies with the highest buyback ratio in the S&P 500 Index. As highlighted by the chart below, the S&P 500 Buyback Index has significantly outperformed the S&P 500 Total Return Index in recent years.



Annualized Return Comparison					
Index	1 Year	3 Years	5 Years	10 Years	Since Inception
S&P 500 Buyback Index Total Return ⁽¹⁾	16.61%	26.50%	20.74%	11.63%	14.57%
S&P 500 Total Return Index	13.69%	20.37%	15.45%	7.67%	8.38%

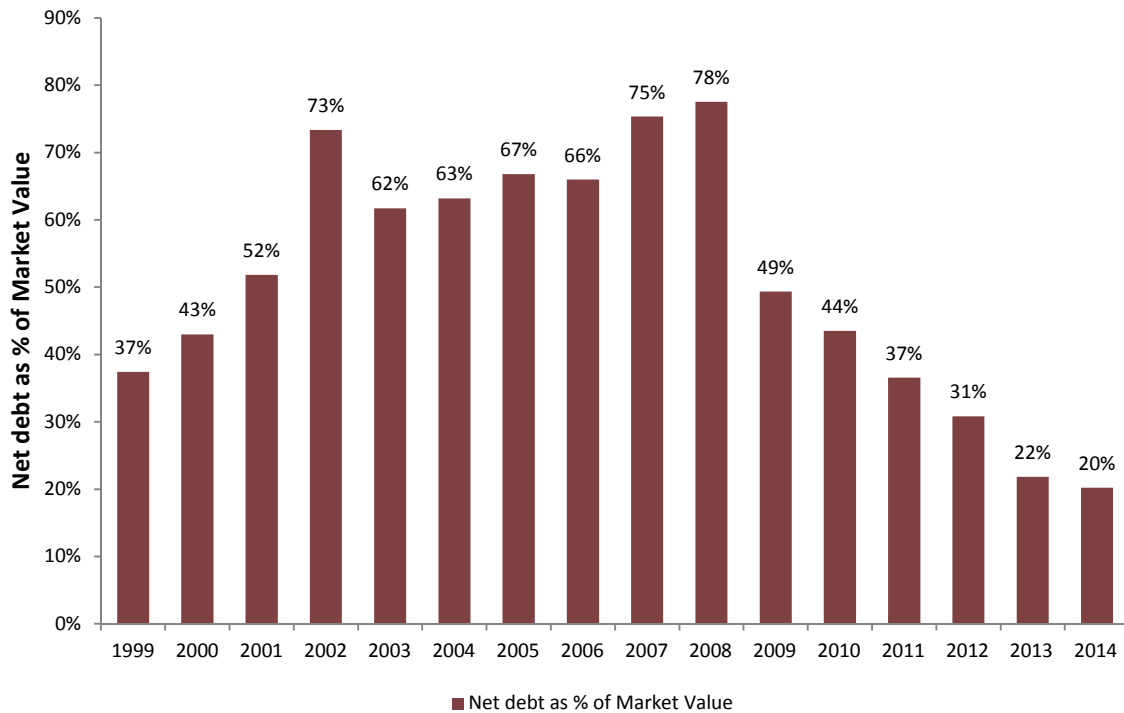
Source: Bloomberg, February 23, 2015, data as of December 31, 2014.

⁽¹⁾ The S&P 500 Buyback Index (the “**Index**”) is designed to measure the share price performance of the top 100 companies with the highest buyback ratio in the S&P 500 Index. Constituents are equally-weighted and the Index is rebalanced quarterly. The Index began on January 21, 1994. The above information is based on the version of the Index known as the total return index, which assumes dividends are reinvested into the Index on the ex-dividend date (and the comparative returns for the S&P 500 Total Return Index are also based on the reinvested dividends). The charts above are for illustrative purposes only and are not intended to reflect the past or future performance of the Fund.

Decreasing Corporate Debt

As highlighted in the chart below, corporate balance sheets in the United States have significantly improved over recent years. Based on the net debt to market values, balance sheets are in their healthiest state in recent history, given the continued hoarding of cash on corporate balance sheets. Accordingly, the Manager believes that many U.S. corporations are in a better position to make share repurchases.

US Corporate Balance Sheets In Excellent Shape



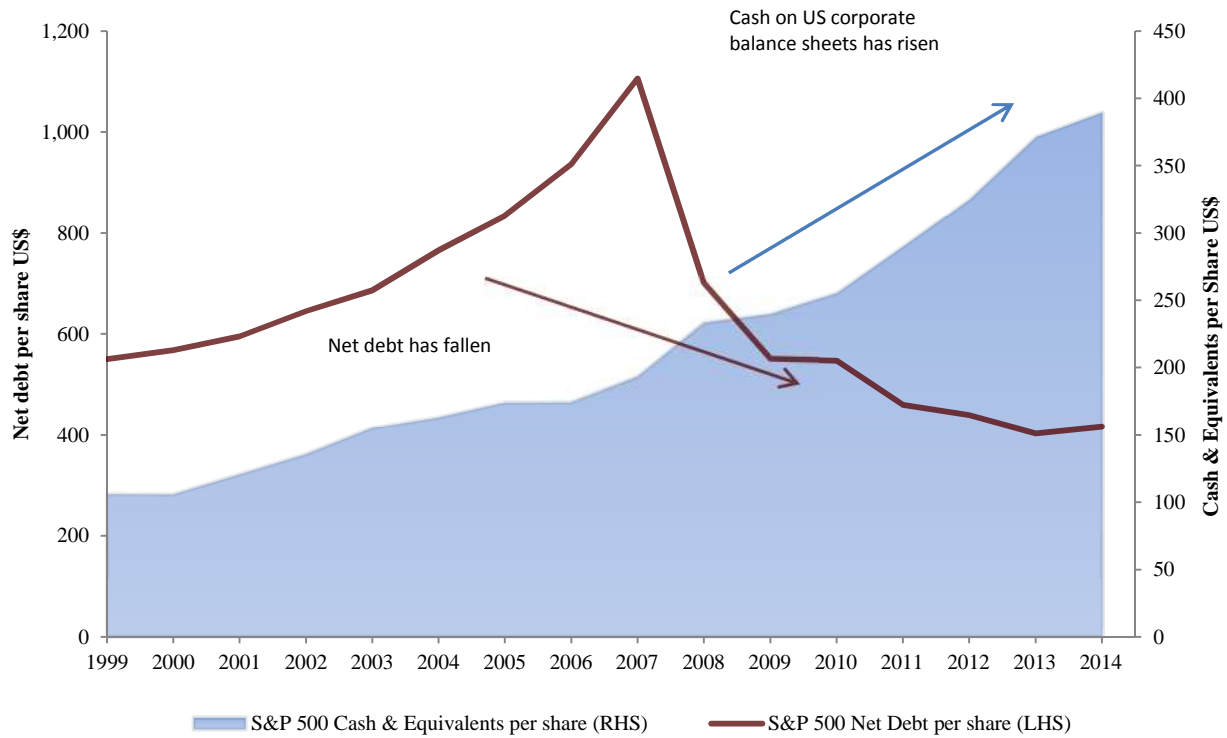
Source: Bloomberg, January 6, 2015.

Notes: Net debt based on the S&P 500 Index, calculated as the quotient of the net short and long term debt less cash and equivalents per share and the closing index price for the respective period.

Rising Corporate Cash Levels

Generally speaking, in recent years corporate cash levels have been steadily rising due to consistent earnings. As highlighted below, cash on corporate balance sheets in general is at historical record levels as net debt has continued to decline. The Manager believes that investors have become impatient with growing idle cash sitting on balance sheets of issuers given the relatively low interest rate environment. As a result, the Manager believes corporate management teams have taken to share buybacks as a method to reduce cash levels (which earn very little interest) while creating additional value for investors by reducing the numbers of shares outstanding, and therefore (all other things being equal) increasing earnings per share.

S&P 500 Index Cash Balance and Net Debt



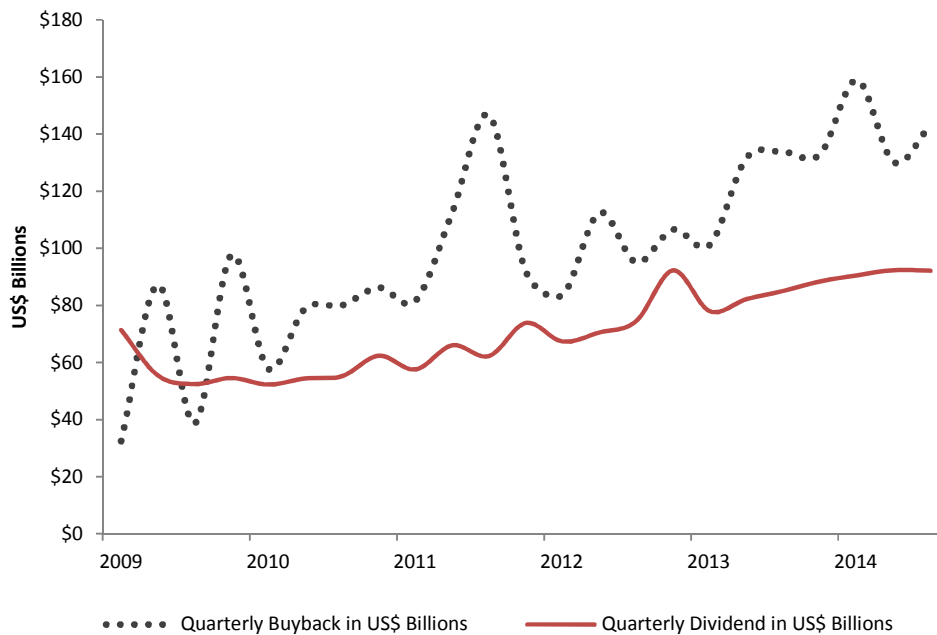
Source: Bloomberg, January 6, 2015.

Notes: Calculation based on cash and short term investments per share; net debt is calculated based upon short and long term debt less cash and short term investments.

Cash Buybacks and Dividends

The Manager believes that many corporations will continue to increase the amount of share buybacks as cash levels continue to increase. As highlighted by the chart below, the amount of cash being used by corporations to buy back their own shares has increased significantly since 2009. Since 2009, the amount of cash deployed to buy back shares has been greater than the amount of cash paid out in dividends. This is not a minor difference; for example, in the third quarter of 2014, the corporate capital deployed for share buybacks by U.S. corporations included in the S&P 500 Index was over US\$143 billion, over 55% more than corporate cash paid out as dividends.

**Cash Used for Buybacks is Significantly More Than Dividends
In Q3 of 2014 - Over \$143 Billion or over 55% more than dividends**



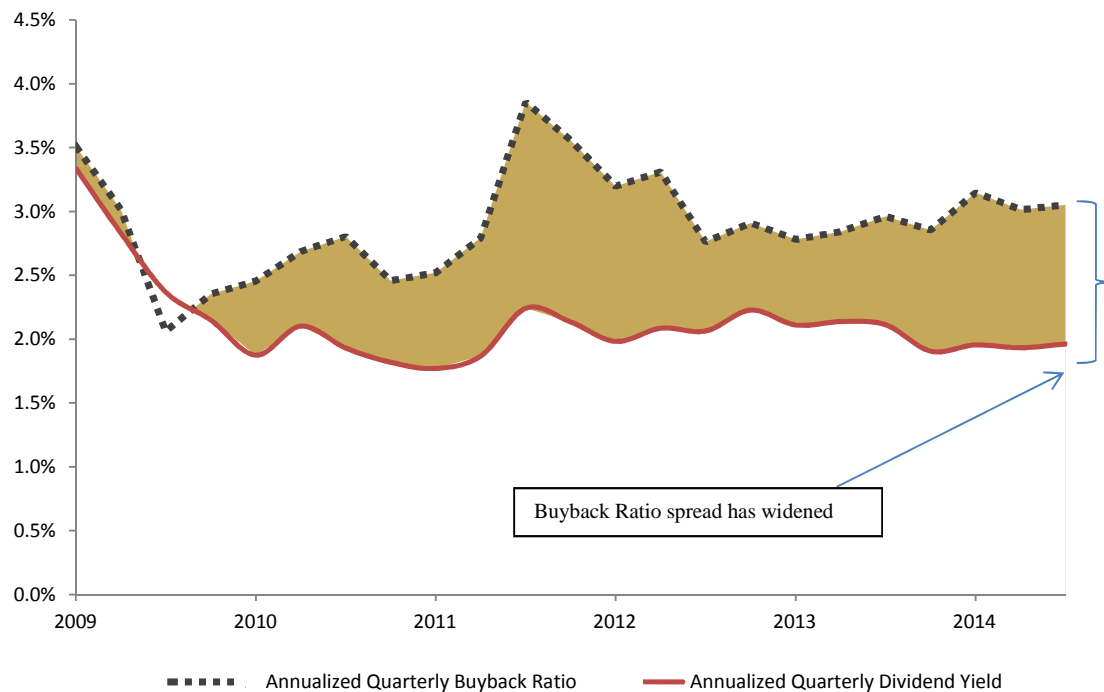
Source: Bloomberg, January 6, 2015.

Notes: Based on the S&P 500 Index; Buybacks in the third quarter of 2014 totaled US\$143 billion.

The Manager believes that share buybacks can be comparatively measured as a method in which corporations return cash to securityholders and will have an impact on the total return. For example, the dividend yield is a widely recognized and measurable figure which shows how much cash is being paid to securityholders. The Buyback Ratio is a measure to quantify the amount of cash paid to securityholders through buying back an issuer's own shares.

The Manager believes comparing the dividend yield to the Buyback Ratio provides investors insight into how total cash is being returned to securityholders. As of the third quarter of 2014 the Buyback Ratio of 3.05% has exceeded the dividend yield of 1.96%, a gap that has widened significantly since 2009 and accordingly it is becoming a more widely used method of returning capital to shareholders because, the Manager believes, it is both flexible and can contribute to share price performance.

Buyback Ratio has been Significantly Higher than Dividend Yield



Source: Bloomberg, January 6, 2015.

Notes: Based on the S&P 500 Index.

INVESTMENT RESTRICTIONS

The Fund is subject to the investment restrictions set out in NI 81-102 that are applicable to non-redeemable investment funds. In addition, the Declaration of Trust contains investment restrictions to the effect that on and after the initial investment of assets, the Fund may not:

- (a) purchase any security issued by any issuer (other than short term debt securities issued or guaranteed by the Government of Canada or any Canadian province or municipality) if as a result more than 10% of the Fund's total assets would consist of securities issued by such issuer;
- (b) purchase securities other than Equity Securities of US Buyback Leaders (except as contemplated by (d));
- (c) borrow money or employ any other forms of leverage;
- (d) use derivative instruments, other than for the purposes of currency hedging, in a manner consistent with the Fund's investment strategy;
- (e) own securities of a "subject entity" (as defined for the purposes of the SIFT Rules) that have a total fair market value that is greater than 10% of the "equity value" (as defined for the purposes of the SIFT Rules) of the subject entity;
- (f) invest in any securities of an entity that would be a foreign affiliate of the Fund within the meaning of the Tax Act;
- (g) invest for the purposes of exercising control over management of any issuer in the Portfolio;
- (h) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Fund (or the partnership) would be required to include any significant amounts in income pursuant

to section 94.1 of the Tax Act, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (iii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an “exempt foreign trust” for the purposes of section 94 of the Tax Act;

- (i) invest in any security that is a tax shelter investment within the meaning of the Tax Act;
- (j) act as an underwriter except to the extent that the Fund may be deemed to be an underwriter in connection with the sale of securities in its Portfolio;
- (k) make any investment or conduct any activity that would result in the Fund failing to qualify as a “unit trust” or a “mutual fund trust” within the meaning of the Tax Act; and
- (l) make or hold any investments that would result in the Fund itself being subject to the tax for SIFT trusts as provided for in the SIFT Rules.

If a percentage restriction on investment or use of assets set forth above is adhered to at the time of the transaction, later changes to the market value of the investment or the total assets of the Fund will not be considered a violation of the restriction (except for the restrictions in paragraphs (e) or (l)). Investment restrictions that do not provide for a percentage restriction must be adhered to at all times. If the Fund receives from an issuer subscription rights to purchase securities of that issuer, and if the Fund exercises such subscription rights at a time when the Fund’s Portfolio holdings of securities of that issuer would otherwise exceed the limits set forth above, it will not constitute a violation if, prior to receipt of securities upon exercise of such rights, the Fund has sold at least as many securities of the same class and value as would result in the restriction being complied with.

The foregoing investment restrictions may not be changed without the approval of the Unitholders, by an Extraordinary Resolution, unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time. See “Unitholder Matters”.

FEES AND EXPENSES

Initial Expenses

The expenses of the Offering (including the costs of creating the Fund, the costs of printing and preparing this prospectus, legal expenses of the Fund, marketing expenses and legal and other out of pocket expenses incurred by the Agents and certain other expenses) will, together with the Agents’ fees, be paid from the gross proceeds of the Offering. The Offering expenses are estimated to be \$600,000. The Manager has agreed to pay all expenses incurred in connection with the Offering, other than the Agents’ fees, that exceed 1.5% of the gross proceeds of the Offering.

Management Fee

Pursuant to the Declaration of Trust, the Manager is entitled to a management fee at an annual rate of 0.75% of NAV plus applicable taxes (including HST). Fees payable to Harvest will be calculated and payable monthly in arrears based on the average NAV calculated at each Valuation Time during that month. The Management Fee will be paid in cash. The management fee is paid in consideration of the Manager providing management and portfolio management services to the Fund. These services include but are not limited to: the making of investment portfolio decisions (including screening for the US Buyback Leader Investable Universe and rebalancing and reconstituting the Portfolio), the execution of Portfolio transactions, services related to ongoing administration, marketing and oversight and compliance matters for the Fund.

Ongoing Fees and Expenses

The Fund will pay for all ordinary expenses incurred in connection with its operation and administration and any applicable HST thereon. It is expected that the expenses for the Fund will include, without limitation: fees payable to the Custodian and other third party services providers, legal, accounting, audit and valuation fees and expenses, fees and expenses of the members of the IRC, expenses related to compliance with NI 81-107 – *Independent Review Committee for Investment Funds*, fees and expenses relating to the voting of proxies by a third party, premiums for insurance coverage for the members of the IRC, costs of reporting to Unitholders, registrar, transfer and distribution agency costs, fees payable to the Plan Agent under the Reinvestment Plan for performing certain financial, record-keeping, Unitholder reporting and general administrative services and for acting as plan

agent, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, website maintenance costs, taxes, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies including any costs associated with the printing and mailing costs of any documents that the securities regulatory authorities require be sent or delivered to investors in the Fund and extraordinary expenses that the Fund may incur. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Fund. The aggregate annual amount of these fees and expenses is estimated to be \$250,000. The Fund will also be responsible for all commissions and other costs of Portfolio transactions and any extraordinary expenses of the Fund which may be incurred from time to time.

Any arrangements for additional services between the Fund and the Manager, or any affiliate thereof, that have not been described in this prospectus will be on terms approved by the Fund's IRC that are no less favourable to the Fund than those available from arm's length persons (within the meaning of the Tax Act) for comparable services and the Fund will pay all expenses associated with such additional services.

RISK FACTORS

Certain risk factors relating to the Fund and the Units are described below. Additional risks and uncertainties not currently known to the Manager, or that are currently considered immaterial, may also impair the operations of the Fund. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Fund and the ability of the Fund to make distributions on the Units could be materially adversely affected.

No Assurances on Achieving Investment Objectives

There is no assurance that the Fund will be able to achieve its Investment Objectives. Furthermore, there is no assurance that the Fund will be able to pay distributions in the short or long term, nor is there any assurance that the Net Asset Value will appreciate or be preserved. Changes in the weightings of Portfolio Securities held by the Fund resulting from stock price movements can affect the overall yield to Unitholders.

Loss of Investment

Investment in the Fund carries with it the possibility that the investor will experience an investment loss or that distribution will not be made for any period of time.

No Guaranteed Return

There is no guarantee that an investment in the Fund will earn any positive return in the short or long term.

The Fund will be subject to the risks inherent in investments in Equity Securities, including the risk that the financial condition of the issuers in which the Fund invests may become impaired or that the general condition of the stock markets may deteriorate. Equity Securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change. In addition, issuers of Equity Securities may reduce or eliminate dividends.

Equity Securities Risk

Equity Securities such as common shares or units of income trusts give the holder part ownership in the issuer. The value of an Equity Security changes with the fortunes of the issuer that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. Further continued volatility or illiquidity could impair materially the profitability of these issuers.

Volatility in Distributions

The amount of distributions may fluctuate from quarter to quarter and there can be no assurance that the Fund will make any distribution in any particular month. The current dividend yield on the securities comprising the Indicative Portfolio is approximately 1.67%, net of anticipated withholding taxes. The Portfolio would be required to generate an additional return of approximately 3.48% per annum, net of withholding taxes, including from capital appreciation and an increase in dividends or distributions, in order to allow the Fund to pay the initial cash distributions of \$0.40 per Class A Unit per year and US\$0.40 per Class U Unit per year (assuming an offering size of \$100 million and fees and expenses are as disclosed herein).

Composition of Portfolio

The composition of the Fund's Portfolio may vary widely from time to time and may from time to time be concentrated by type of industry or geography, resulting in the Portfolio being less diversified than anticipated.

Fluctuations in Value of US Buyback Leaders

The value of the Units will vary according to the value of the securities of the US Buyback Leaders included in the Portfolio, which will depend, in part, upon the performance of such US Buyback Leaders. The performance of the US Buyback Leaders included in the Portfolio will be influenced by a number of factors which are not within the control of the Fund or the Manager including materials and other commodity prices, operational risks relating to the specific business activities of the US Buyback Leaders, industry competition, uncertainty and costs of funding capital projects, development of new technology, protection of intellectual property, risks relating to infringement of third party intellectual property, interest rates, exchange rates, environmental, health and safety risks, political and economic risks, issues relating to government regulation and risks relating to operating in foreign jurisdictions.

Sensitivity to Interest Rate Fluctuations

It is anticipated that the market price for Units and the value of the Portfolio Securities at any given time will be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the market price of the Units. Unitholders who wish to redeem or sell their Units may, therefore, be exposed to the risk that the redemption price or sale price of the Units will be negatively affected by interest rate fluctuations.

Passive Management Risk

An investment in Units should be made with an understanding that the value of the Portfolio Securities may fluctuate in accordance with the financial condition of the US Buyback Leaders from time to time, the value of the securities generally and other factors. Because it is the Fund's intention to invest in the Portfolio Securities on a passive basis, the Portfolio will not be actively managed by traditional methods and, accordingly, will not be repositioned to attempt to take defensive positions in declining markets. The adverse financial condition of a US Buyback Leader will not necessarily result in the removal of its securities from the Portfolio.

Reliance on the Manager

The Manager is responsible for providing, or arranging for the provision of, management and administrative services including investment and portfolio management services required by the Fund. The Manager is also responsible for reconstituting, rebalancing and hedging the Portfolio. The Manager has discretion in the composition and reconstitution of the Portfolio. As such, there is inherent risk in the Portfolio selection process. In addition, the Buyback Ratio calculations will be based solely on information available to the Manager on Bloomberg or, if this information is no longer available, a similar service. To the extent this information is not correct or is no longer available it will impact the final ranking and ultimately the holdings in the Portfolio. This may have a negative impact on the Portfolio. Investors who are not willing to rely on the Manager should not invest in Units.

Trading at a Discount and Risks Relating to Redemptions

The Class A Units may trade in the market at a discount to the Net Asset Value per Unit and there can be no assurance that the Class A Units will trade at a price equal to the Net Asset Value per Class A Unit. Class A Units will be redeemable at 100% of the Net Asset Value per Class A Unit on an Annual Redemption Date. The purpose of the annual redemption right is to reduce the discount at which Class A Units trade to the Net Asset Value per Class A Unit and to provide investors with the right to eliminate entirely any trading discount once per year. While the redemption right provides investors the option of annual liquidity, there can be no assurance that it will reduce trading discounts. If a significant number of Class A Units are redeemed, the trading liquidity of the Class A Units could be significantly reduced. In addition, the expenses of the Fund would be spread among fewer Class A Units resulting in a potentially lower distribution per Class A Unit. The Manager has the ability to terminate the Fund if, in its opinion, it would be in the best interests of the Unitholders to do so. The Manager may also suspend the redemption of Units in the circumstances described under "Redemption of Units – Suspension of Redemptions and Purchases".

No Market for Class U Units

The Class U Units will not be listed on any stock exchange. It is expected that liquidity for Class U Units will be obtained primarily by means of conversion of Class U Units into Class A Units and the subsequent sale of Class A Units. Class U Units will only be converted to Class A Units on a monthly basis.

Nature of the Units

The Units share certain attributes common to both Equity Securities and debt instruments. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. The Units represent a fractional interest in the assets of the Fund. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions.

Taxation of the Fund

If the Fund fails or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Income Tax Considerations” would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders.

In determining its income for tax purposes, the Fund will treat gains or losses in respect of Portfolio Securities as capital gains and losses. In addition, subject to the derivative forward agreement rules discussed below, gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in the Portfolio will likely constitute capital gains or capital losses to the Fund if the Portfolio Securities are capital property to the Fund and there is sufficient linkage, and designations with respect to its income and capital gains will be made and reported to Unitholders on this basis. CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these dispositions or transactions of the Fund are determined not to be on capital account, the net income of the Fund for tax purposes and the taxable component of distributions to Unitholders could increase. Any such redetermination by the CRA may result in the Fund being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV or NAV per Unit.

The Tax Act contains rules (the “derivative forward agreement rules”) regarding certain financial arrangements that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The derivative forward agreement rules are broad in scope and could apply to other agreements or transactions (including certain forward currency contracts). If the derivative forward agreement rules were to apply in respect of derivatives to be utilized by the Fund, the gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains. Counsel understand that, in response to inquiries from industry participants, the Department of Finance (Canada) is considering clarifications to the derivative forward agreement rules as regards their potential application to currency hedges.

The SIFT Rules will apply to a mutual fund trust that is a SIFT trust. The Fund should not be a SIFT trust for the purposes of these rules because, at any time that a class of Units are listed or traded on a stock exchange or other public market as defined in the Tax Act, the Fund should not hold “non-portfolio property” based on its investment objectives and investment restrictions. If the SIFT Rules were to apply to the Fund, they may have an adverse impact on the Fund including on the distributions received by Unitholders.

The Fund intends to invest in securities of U.S. issuers. The U.S. preserves its right under domestic tax laws and the Canada-United States Tax Convention (1980) (as amended) (the “**Treaty**”) to impose tax on dividends paid or credited to persons who are not resident in the U.S. While the Fund intends to make its investments in such a manner as to mitigate the amount of U.S. taxes incurred under U.S. tax laws and subject to the Treaty, investments in securities of U.S. issuers may subject the Fund to U.S. taxes on dividends paid or credited to the Fund or any gains realized on the disposition of such securities. Any U.S. taxes incurred by the Fund will generally reduce the value of the Fund and amounts payable to Unitholders. To the extent that such U.S. tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its net income for the purposes of the Tax Act. To the extent that such U.S. tax paid does not exceed 15% of such amount and has not been deducted in computing the Fund’s income and the Fund designates its

income from a foreign source in respect of a Unitholder of the Fund, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder's proportionate share of foreign taxes paid by the Fund in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder is subject to the detailed rules in the Tax Act.

Status of the Fund

As the Fund will not be a mutual fund as defined under Canadian securities laws, the Fund is not subject to certain of the Canadian policies and regulations that apply to open-end mutual funds.

Potential Conflicts of Interest

The Manager its directors and officers and its affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts which invest primarily in the securities held by the Fund in the Portfolio. Although none of the directors and officers of the Manager will devote his or her full time to the business and affairs of the Fund, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Fund or the Manager.

Global Financial Developments

Global financial markets have experienced a sharp increase in volatility in the last several years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments have worked to restore much needed liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. No assurance can be given that this stimulus will continue or that, if it continues, it will be successful or these economies will not be adversely affected by the inflationary pressures resulting from such stimulus or central banks' efforts to slow inflation. Further, continued market concerns about the European sovereign debt crisis, economic growth in China, military conflicts in the Middle East, a reduction in quantitative easing by the U.S. Federal Reserve and matters related to the U.S. government debt limits, may adversely impact global equity markets. Some of these economies have experienced significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and further volatility or illiquidity in capital markets may also adversely affect the prospects of the Fund and the value of the Portfolio Securities.

Operating History

The Fund is a newly organized investment fund with no previous operating history. There is currently no public market for Units and there can be no assurance that an active public market will develop or be sustained after completion of the Offering.

Not a Trust Company

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Shares are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of that Act or any other legislation.

Changes in Legislation

There can be no assurance that certain laws applicable to the Fund, including income tax laws, government incentive programs and the treatment of mutual fund trusts under the Tax Act, will not be changed in a manner which adversely affects the Fund or the Unitholders.

Foreign Currency Exposure

As the Portfolio may include securities traded in foreign currencies, and because a large proportion of the operating costs, revenue or assets of US Buyback Leaders may be valued in foreign currencies, the Net Asset Value, when measured in Canadian dollars, will be affected by changes in the value of the foreign currencies relative to the Canadian dollar. The Manager cannot hedge against operating costs or revenue of the US Buyback Leaders included in the Portfolio that are denominated in foreign currencies. Accordingly, no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates. As the Portfolio will include securities of

issuers exposed to foreign currencies, the Net Asset Value and distributable cash (which will not be hedged in any circumstances), when measured in Canadian dollars, will be affected by changes in the value of these currencies relative to the Canadian dollar.

Substantially all of the non-Canadian priced Portfolio securities attributable to the Class A Units will be hedged to Canadian dollars. It is not intended that the dividends on the Equity Securities comprising the Portfolio will be hedged back to the Canadian dollar. The use of hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the assessment of certain market movements is incorrect, the risk that the use of hedges could reduce total returns or result in losses greater than if the hedging had not been used. The costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

DISTRIBUTION POLICY

The Fund intends to make quarterly cash distributions payable to Unitholders of record on the last Business Day of each quarter and pay such cash distributions on or before the 15th day of the following month. Beginning in April 2016, the Fund will annually determine and announce the Indicative Distribution Amount for the following four quarters based upon the prevailing market conditions. The initial Indicative Distribution Amount will be \$0.10 per Class A Unit per quarter (\$0.40 per annum representing an annual cash distribution of 4.0% based on the \$10.00 per Class A Unit issue price) or US\$0.10 per Class U Unit per quarter (US\$0.40 per annum representing an annual cash distribution of 4.0% based on the US\$10.00 per Class U Unit issue price). The initial cash distribution will be pro-rated from the Closing Date and is anticipated to be payable on or before July 15, 2015 to Unitholders of record on June 30, 2015.

The current dividend yield on the securities comprising the Indicative Portfolio is approximately 1.67%, net of anticipated withholding taxes. Assuming an offering size of \$100 million and fees and expenses are as disclosed herein, the Portfolio would be required to generate an additional return of approximately 3.48% per annum, net of withholding taxes, including from capital appreciation and an increase in dividends or distributions, in order to allow the Fund to pay distributions at the initial Indicative Distribution Amount. **If the return derived from the Portfolio is less than the amount necessary to fund the quarterly distributions and if the Manager chooses nevertheless to ensure that the quarterly distributions are paid to Unitholders at the initial Indicative Distribution Amount, this will result in a portion of the capital of the Fund being returned to Unitholders and the NAV per Unit being reduced.** In the event it does not do so in such circumstances, distributions will be reduced. It is expected that distributions to Unitholders will primarily be characterized as capital gains, but may also include foreign-source income, returns of capital and other income.

If, in any taxation year after such distributions, there would otherwise remain in the Fund additional net income or net realized capital gains, a special distribution (either in cash or Units) of such portion of the net income and net realized capital gains as is necessary to ensure that the Fund will not be liable for income tax under the Tax Act will be automatically payable on the last day of that taxation year to Unitholders of record on that date. Immediately after a pro rata distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution. See “Income Tax Considerations”.

There can be no assurance that the Fund will be able to achieve its quarterly distribution objective or make payments on any Distribution Payment Date. Amounts distributed on the Units that represent returns of capital are generally non-taxable to a Unitholder but reduce the Unitholder’s adjusted cost base of the Units for tax purposes. See “Income Tax Considerations”.

Distribution Reinvestment Plan

Subject to obtaining any necessary regulatory approvals, the Fund will make available to Unitholders the opportunity to reinvest quarterly distributions from the Fund in additional Class A Units and/or Class U Units (as the case may be) by participating in a distribution reinvestment plan (the “**Reinvestment Plan**”) which will provide that cash distributions made by the Fund, if any, shall, at the election of a Unitholder, be automatically reinvested in additional Class A Units or Class U Units (as the case may be) on such Unitholder’s behalf in accordance with the terms of such plan (as described below) and the reinvestment plan agency agreement (the “**Reinvestment Plan**”).

Agency Agreement”) to be entered into by the Manager on behalf of the Fund, the Manager and a Canadian plan agent (the “**Plan Agent**”) appointed to establish the Reinvestment Plan. Notwithstanding the foregoing, Unitholders who are not residents of Canada for the purposes of the Tax Act will not be able to participate in the Reinvestment Plan and Unitholders who cease to be residents of Canada will be required to terminate such Unitholders’ participation in the Reinvestment Plan.

Subject to the foregoing, cash distributions will, at the election of the Unitholder, be automatically reinvested in additional Class A Units or Class U Units (as the case may be) on behalf of those Unitholders who are residents of Canada for the purposes of the Tax Act (each such Unitholder being a “**Plan Participant**”). Such distributions due to Plan Participants will be paid to the Plan Agent and applied to the purchase of Class A Units or Class U Units (as the case may be) on behalf of Plan Participants in the following manner. For the Class A Units, if the trading price of the Class A Units on the TSX (or such other exchange or market on which the Class A Units are then listed and primarily traded) (the “**Market Price**”) on the relevant Distribution Payment Date plus estimated brokerage fees and commissions is below the NAV per Class A Unit determined on the Business Day immediately prior to the Distribution Payment Date, the Plan Agent will purchase the Class A Units on the TSX (or such other exchange or market on which the Units are trading) except the Plan Agent will endeavour to terminate purchases in the open market and cause the Fund to issue the remaining Class A Units from treasury if, following commencement of the purchases, the Market Price, plus brokerage fees and commissions, exceeds the NAV per Class A Unit determined on the Business Day immediately prior to the Distribution Payment Date. Provided the Plan Agent can terminate purchases on the open market, the remaining Class A Units will be issued by the Fund from treasury at a price equal to the greater of (i) the NAV per Class A Unit on the relevant Distribution Payment Date or (ii) 95% of the closing Market Price on the Distribution Payment Date. It is possible that the average purchase price per Class A Unit paid by the Plan Agent may exceed the Market Price at the relevant Distribution Payment Date, resulting in the purchase of fewer Class A Units than if the distribution had been paid entirely by Class A Units issued by the Fund. Applicable brokerage fees and commissions incurred in connection with purchases of Class A Units made in the market pursuant to the Reinvestment Plan will be paid and deducted from the distributions due to the Plan Participants. For the Class U Units, the Class U Units shall be purchased from the Fund’s treasury at a price equal to the NAV per Class U Unit as at the Distribution Payment Date, pursuant to the Reinvestment Plan.

The Class A Units purchased in the market or from the Fund (as applicable) and the Class U Units purchased from the Fund will be allocated on a pro rata basis to the Plan Participants. The Plan Agent will credit a Plan Participant’s account in respect of Units acquired on behalf of such Plan Participant under the Reinvestment Plan. While the Fund will not issue fractional Units, a cash payment for any fractional Units that would otherwise be issuable under the Reinvestment Plan relating to a distribution will be paid by the Plan Agent to the relevant Plan Participants shortly after the payment date for such distribution. No certificates representing the Units issued or purchased pursuant to the Reinvestment Plan will be issued. The automatic reinvestment of the distributions under the Reinvestment Plan will not relieve Plan Participants of any income tax applicable to such distributions under the Tax Act. See “Income Tax Considerations”.

If the Class A Units are thinly traded, purchases in the market under the Reinvestment Plan may significantly affect the market price. Depending on market conditions, direct reinvestment of cash distributions by Unitholders in the market may be more, or less, advantageous than the reinvestment arrangements under the Reinvestment Plan. The Plan Agent’s fees for administering the Reinvestment Plan will be paid by the Fund.

To participate in the Reinvestment Plan, beneficial holders may elect to participate under the Reinvestment Plan by notifying their investment advisor, or any other broker, dealer, bank or trust company through which they hold their Units. A CDS Participant will then complete and sign an authorization form notifying the Plan Agent that a beneficial holder intends to participate under the Reinvestment Plan. The authorization form directs the Plan Agent to reinvest all of the participating holder’s cash distributions in the purchase of additional Units on behalf of the holder. Following receipt by the Fund of a duly completed authorization form, participating in the Reinvestment Plan becomes effective on the next distribution record date for any distribution declared on the Units. Unitholders will be able to terminate their participation in the Reinvestment Plan by providing, or by causing to be provided, written notice to the Manager at least 10 Business Days’ prior to a distribution record date for a distribution. Such notice, if actually received by the Manager no later than 10 Business Days prior to a distribution record date for a distribution, will have effect in respect of the distribution to be made as of such date. Thereafter, quarterly distributions to such holders will be in cash.

The Manager will be able to terminate the Reinvestment Plan, in its sole discretion, upon not less than 30 days' notice to the Plan Participants and the Plan Agent. The Manager will also be able to amend, modify or suspend the Reinvestment Plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to Unitholders, which notice may be given by the Fund by issuing a press release or by publishing an advertisement containing a summary description of the amendment in at least one major daily newspaper of general and regular paid circulation in Canada, or in any other manner the Manager determines to be appropriate. The Fund will not be required to issue Units into any jurisdiction where that issuance would be contrary to applicable laws.

PURCHASES OF SECURITIES

Prospective purchasers may subscribe for Units through any one of the Agents or any member of a sub-agency group that the Agents may form. Closing of the Offering will take place on or about March 25, 2015, or such later date that is on or before 90 days after a receipt for the final prospectus is issued, as may be agreed upon by the Fund and the Agents. The distribution price was determined by negotiation between the Agents and the Fund. See "Plan of Distribution".

REDEMPTION OF UNITS

Annual Redemption

Commencing in 2016, Units may be surrendered for redemption ("**Annual Redemption**") during the period from the first Business Day of September to 5:00 p.m. (Toronto time) on the tenth Business Day prior to the second last Business Day in September (the "**Annual Redemption Notice Period**"), subject to the Fund's right to suspend redemptions in certain circumstances. Units surrendered for redemption during the applicable Annual Redemption Notice Period will be redeemed on the second last Business Day of September (the "**Annual Redemption Date**") and the Unitholder will receive payment on the applicable Redemption Payment Date equal to the NAV per Class A Unit or the NAV per Class U Unit, as applicable, on the Annual Redemption Date (the "**Annual Redemption Price**").

Monthly Redemption

Class A Units may be surrendered for redemption at any time prior to 5:00 p.m. (Toronto time) on the tenth Business Day before the last Business Day of the applicable month (the "**Monthly Redemption Notice Period**") by Unitholders thereof ("**Monthly Redemption**"). Upon receipt by the Fund of the redemption notice, in the manner described below, a Class A Unitholder shall be entitled to receive a price per Class A Unit (the "**Monthly Redemption Price**") equal to the lesser of:

- (i) 95% of the "market price" of the Class A Units on the principal market on which the Class A Units are quoted for trading during the 20 trading day period ending immediately before the Monthly Redemption Date; and
- (ii) 100% of the "closing market price" on the principal market on which the Class A Units are quoted for trading on the Monthly Redemption Date.

Notwithstanding the Monthly Redemption Price formula above, at no time will the Fund pay out redemption proceeds greater than the NAV per Class A Unit as determined on the Monthly Redemption Date for each Class A Unit being redeemed on such Monthly Redemption Date.

For the purposes of this calculation, "market price" will be an amount equal to the weighted average of the closing price of the Class A Units for each of the trading days on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Class A Units traded on a particular day, the "market price" shall be an amount equal to the average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than 10 of the 20 trading days, the "market price" shall be the average of the following prices established for each of the 20 trading days: the average of the last bid and last asking prices of the Class A Units for each day there was no trading; the closing price of the Class A Units for each day that there was trading if the exchange or market provides a closing price; and the average of the highest and lowest prices of the Class A Units for each day that there was trading if the market provides only the highest and lowest prices of Class A Units traded on a particular day. The "closing market price" shall be an amount equal to the

closing price of the Class A Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the average of the highest and lowest prices of the Class A Units if there was trading and the exchange or other market provides only the highest and lowest prices of the Class A Units traded on a particular day; or the average of the last bid and last asking prices of the Class A Units if there was no trading on that date.

The Monthly Redemption Price payable by the Fund in respect of any Class A Units surrendered for redemption shall be satisfied by way of cash payment on the Redemption Payment Date, provided that the entitlement of Unitholders to receive cash upon the redemption of their Class A Units may be suspended as set out under “Suspension of Redemptions and Purchases” below.

The Class U Units may be surrendered for Monthly Redemption on the same terms as described above, provided that Unitholders surrendering a Class U Unit for redemption will receive in U.S. dollars an amount equal to the U.S. dollar equivalent product of (i) the Monthly Redemption Price; and (ii) a fraction, the numerator of which is the NAV per Class U Unit on the applicable Monthly Redemption Date expressed in Canadian dollars at the Reference Exchange Rate and the denominator of which is the NAV per Class A Unit on the applicable Monthly Redemption Date. **Notwithstanding the Monthly Redemption Price formula above, at no time will the Fund pay out redemption proceeds greater than the NAV per Class U Unit as determined on the Monthly Redemption Date for each Class U Unit being redeemed on such Monthly Redemption Date.**

It is anticipated that the Monthly Redemption will not be the primary mechanism for Unitholders to dispose of their Units.

Exercise of Redemption Privilege

The Monthly Redemption privilege or the Annual Redemption privilege must be exercised by causing written notice (the “**Redemption Notice**”) to be given within the Monthly Redemption Notice Period or Annual Redemption Notice Period, as applicable, in the manner described below. Such surrender will be irrevocable upon the delivery of the Redemption Notice to CDS through a CDS Participant, except with respect to those Units which are not paid for by the Fund on the relevant Redemption Payment Date.

A Unitholder who desires to exercise redemption privileges must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto), on behalf of the Unitholder, the Redemption Notice. A Unitholder who desires to redeem Units should ensure that the CDS Participant is provided with the Redemption Notice of his or her intention to exercise his or her redemption privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver the Redemption Notice to CDS and so as to permit CDS to deliver notice to the Registrar and Transfer Agent, in advance of the required time. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the Unitholder exercising the redemption privilege.

Except as provided under “Suspension of Redemptions and Purchases” below, by causing a CDS Participant to deliver to CDS a notice of the Unitholder’s intention to redeem Units, a Unitholder shall be deemed to have irrevocably surrendered his or her Units for redemption and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise. Any Redemption Notice delivered by a CDS Participant regarding a Unitholder’s intent to redeem which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the Unitholder’s instructions will not give rise to any obligations or liability on the part of the Fund to the CDS Participant or to the Unitholder. Pursuant to the Declaration of Trust, the Fund may allocate and designate as payable capital gains realized by the Fund as a result of any disposition of property of the Fund undertaken to permit or facilitate the redemption of Units to a Unitholder whose Units are being redeemed. Any such allocations will reduce the redemption price otherwise payable to the redeeming Unitholder.

Suspension of Redemptions and Purchases

The Manager may direct the Trustee to suspend the Monthly Redemption and the Annual Redemption of Units or payment of redemption proceeds (i) for the whole or part of a period during which normal trading is suspended on a stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and posted for trading, or on which specified derivatives are traded, if those securities or specified

derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the Fund without allowance for liabilities and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund, or (ii) with the prior permission of a regulator for any period not exceeding 30 days. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Business Day following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, counsel to the Fund, and Blake, Cassels & Graydon LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this prospectus. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with and is not affiliated with the Fund and holds Units as capital property. Generally, the Units will be considered to be capital property to a purchaser provided that the purchaser does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" as defined in the Tax Act owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Unitholder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units.

This summary also assumes that the Fund will comply with its investment restrictions at all relevant times, that none of the issuers of the Portfolio Securities will be foreign affiliates of the Fund or of any Unitholders and that none of the Portfolio Securities will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act.

Further, this summary assumes that none of the Portfolio Securities will be an "offshore investment fund property" (or an interest in a partnership that holds such property) that would require the Fund (or the partnership) to include significant amounts in income pursuant to section 94.1 of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or an interest in a non-resident trust (or a partnership which holds such an interest) other than an "exempt foreign trust" as defined in section 94 of the Tax Act.

This summary is based on the facts set out in this Prospectus, the current provisions of the Tax Act, counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the "**Tax Proposals**") and relies upon advice from the Manager and the Agents as to certain factual matters. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations or changes to the administrative policies and assessing practices of the CRA. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary is also based on the assumption that the Fund will at no time be a "SIFT trust" as defined in the SIFT Rules. Provided that the Fund complies with its investment restrictions such that it does not hold "non-portfolio property" as defined in the SIFT Rules, it will not be a SIFT trust. If the Fund were to become a SIFT trust within the meaning of the SIFT Rules, the income tax considerations discussed herein could be materially and adversely different.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Status of the Fund

This summary is based on the assumptions that the Fund will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act, that the Fund will validly elect under the Tax Act to be a mutual fund trust from the date it was established and that the Fund has not been established and will not be maintained primarily for the benefit of non-residents.

To qualify as a mutual fund trust (i) the Fund must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or a real right in an immovable) that is capital property of the Fund, or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of a particular class of Units (the “**minimum distribution requirements**”). In this connection, (i) the Manager intends to cause the Fund to qualify as a unit trust throughout the life of the Fund, (ii) the Fund's undertaking conforms with the restrictions for mutual fund trusts, and (iii) the Manager has advised counsel that it has no reason to believe that, following the Closing, the Fund will not comply with the minimum distribution requirements at all material times. The Manager has advised counsel that it intends to ensure that the Fund will meet the requirements necessary for it to qualify as a mutual fund trust no later than the Closing Date and at all times thereafter and to file the necessary election so that the Fund will qualify as a mutual fund trust throughout its first taxation year.

If the Fund were not to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different.

Provided that the Fund qualifies and continues at all times to qualify as a “mutual fund trust” within the meaning of the Tax Act the Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts (each a “**plan trust**”). For certain consequences of holding Units in a plan trust, see “Income Tax Considerations – Taxation of Registered Plans”.

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. The Manager has advised counsel that the Fund intends to make distributions payable to Unitholders and to deduct, in computing its income in each taxation year, such amount as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each year other than such tax on net realized capital gains that will be recoverable by the Fund in respect of such year by reason of the capital gains refund mechanism. In certain circumstances, losses of the Fund may be suspended or restricted, and therefore would be unavailable to shelter income or capital gains of the Fund.

The Fund will be required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a Portfolio Security.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income, in accordance with the detailed rules in the Tax Act. The Fund may generally deduct the costs and expenses of this Offering paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund's taxation year is less than 365 days. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act.

Upon the actual or deemed disposition of a security included in the Portfolio, the Fund will realize a capital gain (or capital loss) to the extent the proceeds of disposition net of any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Fund were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Fund has acquired the security in a transaction or transactions considered to be an adventure in the nature of trade. The Manager has advised counsel that the Fund will purchase Portfolio Securities with the objective of receiving dividends, distributions and income thereon and will take the position that gains and losses realized on the disposition thereof are capital gains and capital losses.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale or other disposition of Portfolio Securities in connection with the redemption of Units.

One-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Fund in a taxation year on the disposition of Portfolio Securities that are capital property of the Fund must be included in computing the Fund’s income for the year, and one-half of the amount of any capital loss (an “**allowable capital loss**”) realized by the Fund in a taxation year must be deducted against any taxable capital gains realized by the Fund in the year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may be carried back and deducted by the Fund in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains in accordance with the provisions of the Tax Act.

The Fund will enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of Portfolio Securities. The cost and proceeds of disposition of securities and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by the Fund may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Subject to the derivative forward agreement rules, which are discussed below, gains or losses in respect of currency hedges entered into in respect of amounts invested in the Portfolio will likely constitute capital gains and capital losses to the Fund if the Portfolio Securities are capital property to the Fund, and provided that the hedge is sufficiently linked.

The derivative forward agreement rules are targeted at financial arrangements that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The derivative forward agreement rules are broad in scope and could apply to other agreements or transactions (including certain forward currency contracts). If the derivative forward agreement rules were to apply in respect of derivatives to be utilized by the Fund the gains in respect of which would otherwise be capital gains, the gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains. Counsel understand that, in response to inquiries from industry participants, the Department of Finance (Canada) is considering clarifications to the derivative forward agreement rules as regards their potential application to currency hedges.

The Fund will derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Fund’s income, the Fund may designate in respect of a Unitholder a portion of its foreign source income which can reasonably be considered to be part of the Fund’s income distributed to such Unitholder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund’s net income for the taxation year computed in Canadian dollars, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year. The non-taxable portion of

the Fund's net realized capital gains, the taxable portion of which was designated to a Unitholder in a taxation year, that is paid or payable to the Unitholder in that taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of the Unitholder's share of the Fund's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income, but will generally reduce the adjusted cost base of the Unitholder's Units. In addition, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year in order to enable the Fund to utilize, in the taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. Such amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder's income. However, the adjusted cost base of the Unitholder's Units will be reduced by such amount. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain to zero. Any losses of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Provided that appropriate designations are made by the Fund, such portion of (i) the net realized taxable capital gains of the Fund, and (ii) the income of the Fund from foreign sources, as is paid or becomes payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that the Fund so designates its income from a foreign source in respect of a Unitholder, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder's proportionate share of foreign taxes paid by the Fund in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits in respect of foreign source income designated to a Unitholder by the Fund is subject to the foreign tax credit rules under the Tax Act and the Unitholder's particular circumstances. Investors should consult their own tax advisors in this regard.

On the disposition or deemed disposition of a Unit or a fraction of a Unit (whether on a sale, redemption or otherwise), the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any capital gains allocated and designated as payable by the Fund to the Unitholder on the redemption) exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Based in part on the CRA's administrative position, a conversion of Class U Units into whole Class A Units by a Unitholder will likely constitute a disposition of the Class U Units for the Unitholder. If, at any time, the Fund delivers securities from the Portfolio to any Unitholder upon a redemption of a Unitholder's Units on the termination of the Fund, the Unitholder's proceeds of disposition of the Units will generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the Fund on the disposition of such distributed property. The cost of any property distributed by the Fund *in specie* will generally be equal to the fair market value of such property at the time of the distribution. Such securities may or may not be qualified investments for plan trusts. If such securities are not qualified investments for plan trusts, such plan trusts (and, in the case of certain plan trusts, the annuitants, subscribers or beneficiaries thereunder or holders thereof) may be subject to adverse tax consequences including, in the case of registered education savings plans, revocation of such plan trusts.

For the purpose of determining the adjusted cost base of Units of a particular class to a Unitholder, when Units of that class are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units of that class owned by the Unitholder as capital property immediately before that time. The cost of Units acquired as a distribution of income or capital gains from the Fund will generally be equal to the amount of the distribution. If a Unitholder participates in the Reinvestment Plan and the Unitholder acquires a Unit from the Fund at a price that is less than fair market value of the Unit, it is the administrative position of the CRA that the Unitholder must include the difference in income and that the cost of the Unit will be correspondingly increased. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units. See "Attributes of the Units – Units".

Pursuant to the Declaration of Trust, the Fund may allocate and designate as payable any capital gains realized by the Fund as a result of any disposition of property of the Fund undertaken to permit or facilitate the redemption of Units to a Unitholder whose Units are being redeemed. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder and, therefore, the Unitholder's proceeds of disposition.

Generally, one half of any capital gain (a "**taxable capital gain**") realized on the disposition of Units, or designated in respect of a Unitholder, will be included in the Unitholder's income and one half of any capital loss

(an “allowable capital loss”) realized may be deducted from taxable capital gains of the Unitholder for that year. Allowable capital losses for a taxation year in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act. All Unitholders, including holders of Class U Units, will be required to compute all amounts, including the adjusted cost base of Units and the proceeds of disposition, in Canadian dollars for the purposes of the Tax Act using the appropriate exchange rates determined in accordance with detailed rules in the Tax Act in that regard and may as a result realize foreign exchange gains or losses.

In general terms, net income of the Fund paid or payable to a Unitholder that is designated as taxable dividends from taxable Canadian corporations or as net realized taxable capital gains as well as taxable capital gains realized by the Unitholders on the disposition of Units may increase the Unitholder’s liability for alternative minimum tax.

Taxation of Registered Plans

Amounts of income and capital gains included in a plan trust’s income are generally not taxable under Part I of the Tax Act, provided that the Units are qualified investments for the plan trust. See “Income Tax Considerations – Status of the Fund”. Unitholders should consult their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a plan trust.

Notwithstanding the foregoing, if the Units are “prohibited investments” for the purposes of a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”) or a tax-free savings account (“TFSA”), the annuitant of the RRSP or RRIF or the holder of the TFSA will be subject to a penalty tax as set out in the Tax Act. A “prohibited investment” includes a unit of a trust (i) which does not deal at arm’s length with the annuitant or holder, or (ii) in which the annuitant or holder has a “significant interest”. In general terms, “significant interest” means the ownership of 10% or more of the value of a trust’s outstanding units or interests by the annuitant or holder, either alone or together with persons and partnerships with whom the annuitant or holder does not deal at arm’s length. In addition, the Units will not be a prohibited investment if the Units are “excluded property” as defined in the Tax Act for a trust governed by an RRSP, RRIF or TFSA. Annuitants or holders should consult their own tax advisors with respect to whether Units would be prohibited investments, including with respect to whether the Units would be excluded property.

Tax Implications of the Fund’s Distribution Policy

The NAV per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time Units are acquired. A Unitholder who acquires Units, including pursuant to the Reinvestment Plan, may become taxable on the Unitholder’s share of income and gains of the Fund that accrued before the Units were acquired notwithstanding that such amounts may have been reflected in the price paid by the Unitholder for the Units. Since the Fund intends to make quarterly distributions as described under “Distribution Policy”, the consequences of acquiring Units late in a calendar year will generally depend on the amount of quarterly distributions throughout the year and whether one or more special distributions to Unitholders are necessary late in the calendar year to ensure that the Fund will not be liable for non-refundable income tax on such amounts under the Tax Act.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

The Manager and Portfolio Adviser

Harvest is a Canadian investment fund manager that was founded by long term members of the investment management industry in 2009. Harvest is focused on developing income investment products and its guiding principles are to provide investment products that are clear and understandable, transparent in portfolio structure and seek to generate consistent income. Harvest is the manager of Harvest Banks & Buildings Income Fund and Harvest Canadian Income & Growth Fund which are mutual funds and the Global Advantaged Telecom & Utilities Income Fund, Brand Leaders Income Fund, Brand Leaders Plus Income Fund, Energy Leaders Income Fund, Energy Leaders Plus Income Fund, Australian REIT Income Fund and Healthcare Leaders Income Fund which are investment funds that publicly trade on the TSX under the symbols HGI.UN, HBL.UN, HBF.UN, HEN.UN, HPF.UN, HRR.UN and HHL.UN, respectively.

The Manager will perform the management functions of the Fund pursuant to the Declaration of Trust. Harvest is also the portfolio adviser of the Fund. The Manager is a company incorporated pursuant to the laws of Ontario. The municipal address of the Manager where it principally provides services to the Fund is located at 710 Dorval Drive, Suite 209, Oakville, Ontario L6K 3V7.

Paul MacDonald is the Chief Investment Officer, Portfolio Manager and Chief Compliance Officer of the Manager. Paul will be principally responsible for the day-to-day management of the Portfolio and implementing strategies for the Fund.

Duties and Services to be Provided by the Manager

Pursuant to the Declaration of Trust, Harvest is the manager of the Fund and is responsible for all investment decisions of the Fund in accordance with the investment objectives, strategy and restrictions and for arranging for the execution of all Portfolio transactions, and for managing and administering the day-to-day business and affairs of the Fund. The Manager may delegate certain of its powers to third parties, where, in the discretion of the Manager, it would be in the best interests of the Fund to do so. The Manager's duties include, without limitation: authorizing the payment of operating expenses incurred on behalf of the Fund; preparing financial statements and financial and accounting information as required by the Fund; ensuring that Unitholders are provided with financial statements (including semi-annual and annual financial statements) and other reports as are required by applicable law from time to time; ensuring that the Fund complies with regulatory requirements and applicable stock exchange listing requirements; preparing or causing to be prepared the reports of the Fund to Unitholders and the Canadian securities regulatory authorities; as applicable, determining the timing and amount of distributions to be made by the Fund; and negotiating contractual agreements with third party providers of services, including registrars, transfer agents, auditors and printers.

Pursuant to the Declaration of Trust, the Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. The Declaration of Trust provides that the Manager will not be liable in any way for any default, failure or defect in the Portfolio held by the Fund if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care or by any material breach or default by it of its obligations under the Declaration of Trust.

Unless the Manager resigns or is removed as described below, the Manager will continue as manager of the Fund until the termination of the Fund. The Manager may resign if the Fund is in material breach or default of the provisions of the Declaration of Trust and if capable of being cured, any such breach or default has not been cured within 30 days' notice of such material breach or default to the Fund. The Manager is deemed to have resigned if the Manager: (i) becomes bankrupt or insolvent; (ii) ceases to be resident in Canada for the purposes of the Tax Act or carry out its functions of managing the Fund in Canada; or (iii) no longer holds the licenses, registrations or other authorizations necessary to carry out its obligations and is unable to obtain them within a reasonable period after their loss. The Manager may resign as manager of the Fund upon 60 days' notice to the Unitholders. The Manager may not be removed other than by a meeting of the Unitholders, as described under the heading "Unitholder Matters". In the event that the Manager is in material breach or default of the provisions of the Declaration of Trust and, if capable of being cured, any such breach or default has not been cured within 30 days' notice of such breach or default to the Manager, the Trustee shall give notice thereof to Unitholders and Unitholders may direct the Trustee to remove the Manager and appoint a successor manager of the Fund.

The Manager will be reimbursed by the Fund for all reasonable costs and expenses incurred by the Manager on behalf of the Fund as described under "Fees and Expenses". In addition, the Manager and each of its directors, officers and employees will be indemnified by the Fund for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced, or other claim that is made against the Manager, or any of its directors, officers or employees, in the exercise of its duties as Manager, except those resulting from the Manager's wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care or material breach or default by the Manager of its obligations under the Declaration of Trust.

Officers and Directors of the Manager

The name and municipality of residence of each of the directors, applicable officers and senior management of the Manager and their principal occupation are as follows:

<u>Name and Municipality of Residence</u>	<u>Office</u>	<u>Principal Occupation</u>
Michael Kovacs Oakville, Ontario	President and Chief Executive Officer, Chairman of the Board of Directors and Corporate Secretary	President and Chief Executive Officer, Harvest Portfolios Group Inc.
Daniel Lazzer Toronto, Ontario	Chief Financial Officer	Chief Financial Officer, Harvest Portfolios Group Inc.
Mary Medeiros Oakville, Ontario	Chief Operating Officer and Director	Chief Operating Officer, Harvest Portfolios Group Inc.
Paul MacDonald Mississauga, Ontario	Chief Investment Officer, Portfolio Manager and Chief Compliance Officer	Chief Investment Officer, Portfolio Manager and Chief Compliance Officer , Harvest Portfolios Group Inc.
David Balsdon Mississauga, Ontario	Vice President, Compliance	Vice President, Compliance, Harvest Portfolios Group Inc.
Townsend Haines Toronto, Ontario	Director	Director, Harvest Portfolios Group Inc.
Nick Bontis Ancaster, Ontario	Director	Associate Professor, Strategic Management & Director, Undergraduate Programs, DeGroote School of Business, McMaster University

The following is a brief description of the background of the key management of Harvest.

Michael Kovacs, President and Chief Executive Officer

Michael is President and Chief Executive Officer of Harvest Portfolios Group Inc. Michael founded Harvest in 2009 and is responsible for the long term vision and business development of the firm. Since 1991, Michael has held senior management positions in a number of investment management businesses which include Guardian Capital Group, AIC Funds, ING Funds and Sentry Investments and has been a Senior Officer since 2002. Michael began his career in 1985 as an investment advisor and is a strong believer in providing quality investment products for long term growth and income. Michael is the Chairman of Harvest Portfolios Group Inc.

Daniel Lazzer, Chief Financial Officer

Daniel joined Harvest in 2013 and serves as the Chief Financial Officer. Prior to his current position Daniel was Vice President of Finance from March 2013 to December 2014. Previously Daniel spent over 12 years in public accounting and close to 10 years with PricewaterhouseCoopers LLP (PwC) in the Audit and Assurance practice. For over half of his tenure at PwC he specialized in the investment management industry where he provided audit services to a diverse client base which included mutual fund companies, asset managers, hedge funds and brokers. Prior to this he serviced various clients in the consumer products and real estate industries. Daniel was also actively involved at PwC through instructing educational programs for partners and staff. Daniel holds a Bachelor of Business Administration degree from the Schulich School of Business at York University and is a Chartered Accountant.

Mary Medeiros, Chief Operating Officer and Director

Mary joined Harvest in 2009 as the Vice President of Operations and has overseen the successful growth of the firm's operations, systems, and administration and key service provider relationships since inception.

Ms. Medeiros has over 19 years of industry experience and managed national administration and sales systems for a Canadian mutual fund company and branch operations for an investment dealer. She was licensed as an advisor in 1997, working directly with retail investors until joining a Canadian investment fund manager in 2000. Mary serves on the Board of Directors.

Paul MacDonald, Chief Investment Officer, Portfolio Manager and Chief Compliance Officer

Paul serves as the Chief Investment Officer, Portfolio Manager and Chief Compliance Officer for Harvest. Paul joined Harvest in January 2013 as Vice President of Investments and previously had over 13 years' experience in the investment business. Paul was Vice President and Portfolio Manager at Creststreet Asset Management where he was responsible for the management of portfolios with a focus on the Canadian and resource markets and was involved in developing several closed end and tax efficient fund structures. Paul also spent five years at a Canadian investment management firm where he focused on specialty tax investments and was the lead manager of an award winning Canadian natural resource fund. Paul spent three years as an investment associate with a major North American investment firm. Paul obtained a Bachelor of International Finance degree from Griffith University in Australia and holds a CFA charter.

David Balsdon, Vice President, Compliance

David joined Harvest in January 2015 and brings over 25 years of experience through a progressive career in the investment fund management business. During much of the past 10 years, David has held positions of Chief Operating Officer, Chief Compliance Officer, Secretary-Treasurer and Director at two investment management firms. During his career, David has worked in the areas of operations, financial reporting, compliance, client service and fund product development. David has spent time sitting on investment fund industry committees and boards of investment funds in various capacities. David has successfully completed senior Canadian Securities Institute courses such as the Partner, Directors and Officers Qualifying Exam and the Chief Compliance Officers Qualifying Exam.

Townsend Haines, Director

Townsend serves as a member of Harvest's Board of Directors bringing over 35 years of experience in the investment management business. Townsend first joined Harvest as a Board member in 2009 and later served for 5 years as the Managing Director and CFO. Townsend has extensive experience in sales, sales management, product development and strategic planning in the investment industry. Townsend was also previously Vice President of Sales at AGF, Guardian Group of Funds, Franklin Templeton and was Executive Director of Global Strategy. Townsend's board and committee memberships have included the University of Western Ontario Senate and Board of Governors and the Investment Funds Institute of Canada. He is currently a member of the Investment Committee of the Board of Regents of Victoria University at University of Toronto and a member of the Board of Trustees of the Toronto School of Theology at University of Toronto.

Dr. Nick Bontis, Director

Dr. Nick Bontis is a tenured professor of strategic management at the DeGroot School of Business, McMaster University. He received both his Bachelor of Arts in 1992 (Honours Business Administration) and his PhD from the Ivey School of Business at The University of Western Ontario in 1999. His doctoral dissertation on the mutual fund industry went on to become the #1 selling thesis in Canada. He has won over a dozen major teaching awards and the faculty researcher of the year twice. Maclean's magazine has rated him as one of McMaster's most popular professors for six years. He is also a 3M National Teaching Fellow, an honour bestowed upon the top university professors in the country. Prior to his career in academia, Dr. Bontis was a securities analyst at CIBC Securities Inc.

In September 2013, Michael Kovacs, President and Chief Executive Officer of the Manager, entered into a settlement agreement and order with the Ontario Securities Commission (the "OSC") with respect to certain personal trades and failing to file insider trading reports in connection with a fund managed by the Manager. Pursuant to the settlement agreement reached between the OSC and Mr. Kovacs, he agreed to an order which included that all of his trades be pre-cleared by the chief compliance officer of the Manager for a period of one year following the date of the settlement agreement. Pursuant to the settlement agreement, Mr. Kovacs paid a voluntary payment of \$15,000 and paid an administrative penalty and costs of the OSC's investigation in the amount of \$15,000. A copy of the settlement agreement and order of the OSC is available on the OSC's website at www.osc.gov.on.ca.

Conflicts of Interest

The management services of Harvest under the Declaration of Trust are not exclusive and nothing in the Declaration of Trust prevents Harvest from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Fund) or from engaging in other activities. Investments in securities purchased by the Manager on behalf of the Fund and other investment funds or trusts managed by the Manager, will be allocated to the Fund and such other investment funds or trusts on a pro rata basis according to the size of the order and the applicable investment restrictions and policies of the Fund and the other investment funds or trusts.

The Declaration of Trust acknowledges that the Trustee and the Manager may provide services to the Fund in other capacities, provided that the terms of any such arrangements are no less favourable to the Fund than those which would be obtained from parties which are at arm's length for comparable services. The Trustee may act as trustee of, and provide services to, issuers of securities, including issuers of securities in which the Fund has invested or may invest.

Independent Review Committee

In accordance with NI 81-107, the Manager has appointed an IRC for the Fund and the investment funds managed by it. The IRC is composed of three individuals, each of whom is independent of the Manager, the Fund and entities related to the Manager. The members of the IRC are Don Hathaway, Adam Conyers and Karen Fisher. The Manager is required to identify conflict of interest matters inherent in its management of the Fund and request input from the IRC in respect of how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest. The IRC has adopted a written charter that it follows when performing its functions and is subject to requirements to conduct regular assessments. The mandate and responsibilities of the IRC are to consider and make a recommendation or approval, as applicable, with respect to any conflict of interest matter referred to it by the Manager. The IRC will prepare, at least annually, a report of its activities for Unitholders. This report will be available on the Harvest's website at www.harvestportfolios.com or at the Unitholder's request, at no cost, by contacting Harvest at 1-866-998-8298. Information contained on the Manager's website is not part of this prospectus and is not incorporated by reference.

The members of the IRC will be indemnified by the Manager and the Fund in accordance with NI 81-107. The IRC members will not be responsible for the investments made by the Fund or for the performance of the Fund. The members of the IRC may serve in a similar capacity in respect of other funds managed by the Manager. The Fund's pro rata share of all fees and expenses of the IRC (which is currently anticipated to be \$11,000 per annum) will be paid by the Fund, and the regular fees and expenses of the IRC (based on the amounts agreed by the Manager for the first year) have been included in the Fund's estimated annual operating expenses (see "Fees and Expenses"). In future years the IRC members will set their own compensation in accordance with NI 81-107. In addition, the IRC has the authority, pursuant to NI 81-107 to retain independent counsel or other advisors, at the expense of the Fund, if the members deem it necessary to do so.

The Trustee

The Manager is the trustee of the Fund pursuant to the Declaration of Trust and is responsible for certain aspects of the day-to-day administration of the Fund. The address of the Trustee where it principally provides services to the Fund is at 710 Dorval Drive, Suite 209, Oakville, Ontario L6K 3V7.

The Trustee may resign upon 60 days' notice to Unitholders. The Trustee shall be removed if the Trustee is no longer resident in Canada for purposes of the Tax Act, ceases to carry on its functions of managing the Fund in Canada, or ceases to exercise the main powers and discretions of the trustee in respect of the Fund in Canada, and the Trustee may be removed with the approval of a simple majority vote cast at a meeting of Unitholders, called for such purpose or by the Manager (if the Manager is not then the Trustee), if the Trustee has committed certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Declaration of Trust which breach has not been cured within 30 days after notice thereof has been given to the Trustee. Any such resignation or removal shall become effective only upon the acceptance of appointment by a successor. If the Trustee resigns, its successor may be appointed by the Manager. The successor must be approved by Unitholders if the Trustee is removed by Unitholders. If no successor has been appointed within 60 days, the Trustee or any Unitholder may apply to a court of competent jurisdiction for the appointment of a successor.

The Declaration of Trust will provide that the Trustee shall not be liable in carrying out its duties under the Declaration of Trust except where it is in breach of its obligations under the Declaration of Trust or where the Trustee fails to act honestly and in good faith, and in the best interests of Unitholders to the extent required by laws applicable to trustees, or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Declaration of Trust will contain other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of its officers, directors, employees or agents, in respect of certain liabilities incurred by it in carrying out its duties.

The Custodian

State Street Trust Company Canada will be appointed as the custodian (the “**Custodian**”) and valuation agent of the Fund pursuant to separate custodian and valuation agreements between the Fund and the Custodian. The custodian’s principal place of business in respect of the Fund is Toronto, Ontario. In accordance with the terms of the custodian agreement (the “**Custodian Agreement**”), the Custodian will be responsible for the safekeeping of all of the investments and other assets of the Fund delivered to it but not those assets of the Fund not directly controlled or held by the Custodian as the case may be. In the event that any portfolio assets are acquired by the Fund that cannot be held in Canada, the Custodian may appoint sub custodians who are qualified to act as such.

In carrying out its duties, the Custodian is required to exercise:

- (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances, or
- (b) at least the same degree of care which it gives to its own property of a similar kind under its custody, if this is a higher degree of care than in paragraph (a) above.

Except to the extent the Custodian has not complied with its standard of care, the Custodian will not be liable for any act or omission in the course of, or connected to, rendering services under the Custodian Agreement or for loss to, or diminution of, the Fund’s property. In no event shall the Custodian be liable for any consequential or special damages. The Fund shall indemnify and save harmless the Custodian and its affiliates, subsidiaries and agents, and their directors, officers, and employees from and against all legal fees, judgments and amounts paid in settlement incurred by such indemnified parties in connection with custodial services provided under the Custodian Agreement except to the extent incurred as a result of breach of the above standard of care.

The Custodian Agreement provides that it may be terminated by either party at any time on 60 days written notice unless a different period is agreed to. Either party may terminate the Custodian Agreement immediately in the event that either party is declared bankrupt or shall be insolvent, the assets or the business of either party shall become liable to seizure or confiscation by a public or governmental authority, or the Manager’s powers and authorities to act on behalf of or represent the Fund have been revoked or terminated.

In addition, the Custodian will be responsible for providing valuation services to the Fund and will calculate the NAV of the Fund and the NAV per Unit pursuant to the terms of a separate valuation service agreement. See “Calculation of Net Asset Value”.

The Custodian will receive fees for custodial and valuation services provided to the Fund as described above.

Promoter

Harvest has taken the initiative in organizing the Fund and accordingly may be considered to be a “promoter” of the Fund within the meaning of the securities legislation of certain provinces of Canada. Harvest will not receive any fees from the Fund in its capacity as promoter. Harvest will receive management fees from the Fund and will be entitled to reimbursement of expenses incurred in relation to the Fund as described under “Fees and Expenses”.

Auditor

The Fund’s auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, at its principal office located at Suite 2600, 18 York Street, Toronto, Ontario, M5J 0B2.

Registrar and Transfer Agent

Equity Financial Trust Company will be appointed the registrar and transfer agent for the Units. Equity Financial Trust Company is located at 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1.

CALCULATION OF NET ASSET VALUE

The NAV of the Fund on a particular date will be equal to the aggregate fair value of the assets of the Fund less the aggregate fair value of the liabilities of the Fund, expressed in Canadian dollars at the Reference Exchange Rate on such date (or U.S. dollars in the case of the Class U Units). The NAV of the Fund will be calculated using the fair value of the Fund's assets and liabilities based on the policies and procedures described below.

The NAV per Unit on any day will be obtained by dividing the NAV of the Fund allocated to the Units of such class, divided by the number of Units of such class then outstanding at the time the calculation is made.

Valuation Policies and Procedures of the Fund

Unless otherwise required by law, in determining the NAV of the Fund the Manager will take into account:

- (a) the value of any cash on hand or on deposit, demand notes, accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to Unitholders of record on a date before the date as of which the net asset value is being determined), and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Manager determines that any such asset is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;
- (b) bonds, debentures, notes, money market instruments and other debt securities shall be valued by taking the bid price at the NAV Valuation Time;
- (c) any security that is listed or dealt in on a stock exchange shall be valued at the sale price applicable to a board lot last reported at the NAV Valuation Time on the principal stock exchange on which such security is traded, or if no sale price is available at that time, the last closing price quoted for the security, but if bid and ask quotes are available, at the average of the latest bid and ask price rather than the last quoted closing price;
- (d) the value of any security, the resale of which is restricted or limited by reason of a representation, undertaking or agreement by the Fund or by the predecessor in title of the Fund shall be the lesser of (i) the value based on reported quotation in common use and (ii) that percentage of the market value of securities of the same class, the resale of which is not restricted or limited by reasons of any representation, undertaking or agreement, equal to the percentage that the acquisition cost of the Fund was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made when the date on which the restrictions will be lifted is known;
- (e) any security purchased, the purchase price of which has not been paid, shall be included for valuation purposes as a security held, and the purchase price, including brokers' commissions and other expenses, shall be treated as a liability of the Fund;
- (f) any security sold but not delivered, pending receipt of the proceeds, shall be valued at the net sale price;
- (g) if any date on which the NAV is determined is not a Business Day, then the securities comprising the Portfolio and other property of the Fund will be valued as if such date were the preceding Business Day;
- (h) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation as it considers fair and reasonable;
- (i) the value of all assets of the Fund quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to the Fund in foreign currency and the value of all liabilities and contractual obligations payable by the Fund in foreign currency shall be

determined using the applicable rate of exchange current as quoted by customary banking sources at, or as nearly as practicable to, the applicable date on which the NAV is determined; and

- (j) the estimated operating expenses of the Fund shall be accrued to the date as of which the NAV is being determined.

Harvest may suspend the calculation of the NAV when the right to redeem a Unit is suspended. See “Redemption of Units – Suspension of Redemptions and Purchases”. During any period of suspension, there will be no calculation of the NAV and the Fund will not be permitted to issue or redeem Units. The calculation of the NAV will resume when the right to redeem a Unit resumes.

Effective January 1, 2014, the net asset value per unit of investment funds for financial statement purposes will be calculated in accordance with International Financial Reporting Standards (“IFRS”). Under IFRS, an investment fund’s accounting policies for measuring the fair value of its investments and derivatives for financial statement purposes are expected to be aligned with those used in measuring its net asset value for transactions with Unitholders.

Reporting of Net Asset Value

The NAV and the NAV per Unit of a class will be calculated on each Business Day based on valuations as of 4:15 p.m. (Toronto time). The NAV and the NAV per Unit of a class is published each Thursday (or if a Thursday is not a Business Day, the Business Day following such Thursday) and on the last Business Day of each month and provided by the Manager to the Unitholders on request by calling toll-free 1-866-998-8298 or via the internet at www.harvestportfolios.com, as applicable.

ATTRIBUTES OF THE UNITS

Units

The beneficial interests in the net assets and net income of the Fund are divided into units of two classes, Class A Units and Class U Units. The Fund is authorized to issue an unlimited number of units of each class. The Class A Units are designed for investors who want to make their investment in Canadian dollars and the Class U Units are designed for investors who want to make their investment in U.S. dollars. The Class U Units will not be listed on a stock exchange and will not be hedged.

Except as provided under “Unitholder Matters – Non-Resident Unitholders”, all Units have equal rights and privileges. Each Unit is entitled to one vote at all meetings of Unitholders, except for meetings where only Unitholders of another class are entitled to vote separately as a class, and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, if any, and distributions upon the termination of the Fund. On the redemption based on NAV per class of the Units, however, the Fund may in its sole discretion, designate payable to the redeeming Unitholders any capital gains realized by the Fund as a result of any disposition of property of the Fund undertaken to permit or facilitate the redemption of Units. Units are issued only as fully paid and are non-assessable. Units will only be issued through the book-entry only system administered by CDS as described below.

Immediately after a pro rata distribution of Units to all Unitholders of a class in satisfaction of any non-cash distribution, the number of outstanding Units of the applicable class will be consolidated such that each Unitholder will hold after the consolidation the same number of Units of the applicable class as the Unitholder held before the non-cash distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution. Further details with respect to the modification, amendment or variation of any rights attached to the Units are described in the section “Unitholder Matters”.

Registration of interests in and transfers of the Units will be made only through the book-entry only system of CDS. As a result, the Fund will deliver to CDS a certificate evidencing the aggregate number of Units of each class immediately following the closing of the Offering. Units must be purchased, transferred and surrendered for retraction only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS and the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest in such Units.

Neither the Fund, the Trustee, the Custodian, the Manager, nor the Agents will have any liability for (i) records maintained by CDS relating to the beneficial interests in the Units or the book-entry only accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Units through the book-entry only system in which case certificates for Units in fully registered form would be issued to beneficial owners of such securities or to their nominees.

On termination or liquidation of the Fund, the Unitholders of record are entitled to receive on a pro rata basis per class all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund.

Conversion of Class U Units

A holder of Class U Units may convert such Class U Units into Class A Units on a monthly basis and it is expected that liquidity for the Class U Units will be obtained primarily by means of conversion into Class A Units and the sale of such Class A Units. Class U Units may be converted in any month on the first Business Day of such month (the "**Conversion Date**") by delivering a notice and surrendering such Class U Units not later than 5:00 pm (Toronto time) at least fifteen Business days prior to the applicable Conversion Date. Based in part on the CRA's administrative position, a conversion of Class U Units into whole Class A Units will likely constitute a disposition of such Class U Units for the purposes of the Tax Act. For a holder's Class U Units so converted, the holder will receive that number of whole Class A Units equal to the NAV per Class U Unit as at the close of trading on the Business Day immediately preceding the Conversion Date multiplied by the number of Class U Units so converted divided by the Net Asset Value per Class A Unit as at the close of trading on the Business Day immediately preceding the Conversion Date, expressed in Canadian dollars at the Reference Exchange Rate on the Business Day immediately preceding the Conversion Date. No fraction of a Class A Unit will be issued upon any conversion of Class U Units. Any remaining fraction of a Class U Unit will be redeemed for a cash payment at the NAV per Class U Unit as of the close of trading on the Business Day immediately preceding the Conversion Date. The redemption of any fraction of a Class U Unit will result in a capital gain (or capital loss) to the redeeming Unitholder. See "Income Tax Considerations – Taxation of Unitholders".

Purchase for Cancellation

The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Class A Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager's assessment that such purchases are accretive to Unitholders, in all cases at a price per Class A Unit not exceeding the most recently calculated Net Asset Value per Unit of a Class A Unit immediately prior to the date of any such purchase of Class A Units. It is expected that these purchases will be made as normal course issuer bids through the facilities and under the rules of the TSX or such other exchange or market on which the Class A Units are then listed.

Take-over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for the Class A Units and not less than 90% of the aggregate of the Class A Units (but not including any Class A Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Class A Units held by the Unitholders who did not accept the take-over bid on the terms offered by the offeror.

The Declaration of Trust also provides that, if prior to the termination of the Fund, a formal bid (as defined in the *Securities Act* (Ontario)) is made for all of the Class U Units and such bid would constitute a formal bid for all Class A Units if the Class U Units had been converted to Class A Units immediately prior to such bid and the other offer does not include a concurrent identical take-over bid, including in terms of price (relative to the Net Asset Value of the class), for the Class A Units then the Fund shall provide the holders of Class A Units the right to convert all or a part of their Class A Units into whole Class U Units and to tender such Class U Units to the offer. In

the circumstances described above, the Fund shall by press release provide written notice to the holders of the Class A Units that such an offer has been made and of the right of such holders to convert all or a part of their Class A Units into whole Class U Units and to tender such Class U Units to the offer.

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of Unitholders may be convened by the Trustee or the Manager at any time and must be convened if requisitioned by the holders of not less than 25% of the Units then outstanding (whether Class A Units and/or Class U Units) by a written requisition specifying the purpose of the meeting. Unitholders may request to change the Manager only if the Manager is in breach under the Declaration of Trust. Not less than 21 days and not more than 50 days' notice will be given of any meeting of Unitholders. The Manager may convene a Class A Meeting or a Class U Meeting if the nature of the business to be transacted at that meeting is only relevant to Unitholders of the applicable class. The quorum at any meeting of all Unitholders is two Unitholders present in person or by proxy except for the purpose of any meeting called by Unitholders to consider item (c) under "Unitholder Matters – Matters Requiring Unitholder Approval" in which case the quorum shall be Unitholders holding 25% of the outstanding Units. The quorum for a Class A Meeting is two or more holders of Class A Units present in person or represented by proxy holding not less than 25% of the Class A Units then outstanding. The quorum for a Class U Meeting is two or more holders of Class U Units present in person or represented by proxy holding not less than 25% of the Class U Units then outstanding. If no quorum is present at any meeting when called, the meeting, if called on the requisition of Unitholders, will be terminated and otherwise will be adjourned for not less than 10 days and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum. At any meeting of Unitholders, each Unitholder will be entitled to one vote for each Unit registered in the Unitholder's name.

The Fund does not intend to hold annual meetings of Unitholders.

Matters Requiring Unitholder Approval

The Fund is required to obtain Unitholder approval for certain matters as set out in Part 5 of NI 81-102 that are applicable to non-redeemable investment funds. In addition to such requirements, any matter to be considered at a meeting of Unitholders, other than certain matters requiring the approval by Extraordinary Resolution as set out below, require the approval of Unitholders by Ordinary Resolution. Pursuant to the Declaration of Trust, the following matters require approval by Extraordinary Resolution:

- (a) a change of the manager of the Fund, other than to an affiliate of the Manager; or
- (b) a termination of the Fund, other than as described under "Termination of the Fund".

In addition, the Manager may, without obtaining Unitholder approval, merge the Fund (a "**Permitted Merger**") with another fund or funds in accordance with applicable laws. If the Manager determines that a merger is a Permitted Merger, the Manager can effect the merger, including any required changes to the Declaration of Trust, without seeking Unitholder approval for the merger or such amendments. If a decision is made to merge, the Manager will send Unitholders written notice at least 60 days prior to the proposed effective date thereof disclosing details of the proposed merger. While the funds to be merged will have similar investment objectives, the funds may have different investment strategies, guidelines and restrictions and, accordingly, the units of the merged funds will be subject to different risk factors.

The Unitholders will also be permitted to vote on any modification, amendment, alteration or deletion of rights, privileges or restrictions attaching to the Units which would have a material adverse effect on the interest of the Unitholders. No amendment may be made to the Declaration of Trust which would have the effect of reducing the expenses reimbursable to the Manager or terminating the Manager unless the Manager, in its sole discretion, consents.

Amendments to the Declaration of Trust

The Trustee at the request of the Manager may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein, including to:

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting the Fund;
- (b) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (c) bring the Declaration of Trust into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities industry, provided that any such amendment does not adversely affect the pecuniary value of the interests of the Unitholders;
- (d) maintain the status of the Fund as a “mutual fund trust” for the purposes of the Tax Act or to respond to amendments to such Act or to the interpretation thereof;
- (e) change the name of the Fund;
- (f) provide added protection or benefit to Unitholders;
- (g) divide the capital of the Fund into one or more series of Units and to establish the attributes of each series, provided that the rights of existing Unitholders are not changed in an adverse manner;
- (h) create one or more new class or classes of units of the Fund having rights or privileges inferior to or equal to the outstanding units of any class and make amendments to the Declaration of Trust related thereto, provided that the rights of existing Unitholders are not changed in an adverse manner;
- (i) terminate the Fund without Unitholder approval as set forth under the heading "Termination of the Fund"; and
- (j) make any changes to effect a Permitted Merger.

Except for changes to the Declaration of Trust that require the approval of Unitholders or changes described above that do not require approval of or prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Trustee, at the request of the Manager, upon not less than 30 days prior written notice to Unitholders.

Reporting to Unitholders

The Fund will prepare, file and send to Unitholders unaudited semi-annual and audited annual financial statements of the Fund and other documents in accordance with NI 81-106.

TERMINATION OF THE FUND

The Fund does not have a fixed termination date. However, the Fund may be terminated at any time upon not less than 90 days’ written notice by the Trustee provided that the prior approval of Unitholders has been obtained by Extraordinary Resolution at a meeting of Unitholders called for that purpose; provided, however, that the Trustee may, in its discretion, on 60 days’ notice to Unitholders, terminate the Fund without the approval of Unitholders if, in the opinion of the Trustee, the NAV of the Fund is reduced as a result of redemptions or otherwise so that it is no longer economically feasible to continue the Fund (such date being, the “**Termination Date**”). The Fund will issue a press release not earlier than 15 days and not later than 90 days prior to the Termination Date setting forth the details of the termination including the fact that, upon termination, the net assets of the Fund allocated to a class will be distributed to Unitholders on a *pro rata* basis.

Immediately prior to the termination of the Fund, including on the Termination Date, the Trustee and the Manager, as applicable, will, to the extent possible, convert the assets of the Fund to cash and after paying or making adequate provision for all of the Fund’s liabilities, distribute the net assets of the Fund to the Unitholders as soon as practicable after the date of termination, subject to compliance with any securities or other laws applicable to such distributions.

USE OF PROCEEDS

The Fund will use the proceeds from the sale of Units as follows (excluding the Class A Units sold pursuant to the exercise of the Over-Allotment Option):

	Minimum Offering⁽¹⁾	Maximum Offering⁽¹⁾
Gross proceeds to the Fund	\$20,000,000	\$100,000,000
Agents' fees	\$1,050,000	\$5,250,000
Expenses of issue	\$300,000	\$600,000
Net proceeds to the Fund	\$18,650,000	\$94,150,000

(1) The Minimum and Maximum Offering assumes that only Class A Units are sold.

The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) to invest in securities in accordance with the investment objectives and restrictions of the Portfolio as described herein. See "Investment Objectives" and "Investment Restrictions". Harvest anticipates that the net proceeds of the Offering will be substantially invested within 30 days from the Closing Date. Pending such investment, the cash portion of the net proceeds will be invested in money market instruments.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement among the Agents, the Manager and the Fund, the Agents have agreed to offer the Units for sale, as agents of the Fund, on a best efforts basis, if, as and when issued by the Fund. The Agents will receive a fee equal to \$0.525 (5.25%) for each Class A Unit sold or US\$0.525 (5.25%) for each Class U Unit sold and will be reimbursed for reasonable out of pocket expenses incurred by them. The Agents may form a sub agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase Units that are not sold.

The Fund has granted the Agents an Over-Allotment Option, exercisable in whole or in part at any time and from time to time during the period of 30 days following the Closing, to purchase additional Class A Units in an amount up to 15% of the aggregate number of Class A Units issued at the Closing on the same terms set forth above. To the extent that the Over-Allotment Option is exercised, the Option Units will be purchased at the Offering Price and the Agents will be entitled to a fee of \$0.525 per Option Unit in respect of each Option Unit purchased. This prospectus also qualifies the granting of the Over-Allotment Option and the distribution of the Option Units that may be offered in relation to the Over-Allotment Option. A purchaser who acquires Option Units forming part of the Agents' over-allocation position acquires such Option Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The TSX has conditionally approved the listing of the Class A Units. The listing is subject to the Fund fulfilling all the requirements of the TSX on or before May 21, 2015. The Class A Units will be listed on the TSX under the symbol HUL.U.N.

If subscriptions for a minimum of 2,000,000 Class A Units have not been received within 90 days following the date of issuance of a final receipt for the prospectus, the Offering may not continue without the consent of the securities authorities and those who have subscribed for Units on or before such date. If subscriptions for a minimum of 25,000 Class U Units have not been received by the Closing Date, the Class U Units will not be issued. Under the terms of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. Cash proceeds from subscriptions will be held by the Agents until Closing. If the minimum Offering is not achieved and the necessary consents are not obtained or if the Closing does not occur for any reason, subscription proceeds received from prospective purchasers will be returned to such purchasers promptly without interest or deduction. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing is expected to take place on or about March 25, 2015, or such later date that is on or before 90 days after a receipt for the final prospectus is issued, as may be agreed upon by the Fund and the Agents.

Pursuant to policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. Such exceptions include a bid or purchase permitted under applicable laws and rules of the relevant self-regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Agents may over allot and may effect transactions to cover their over allotted position. Such transactions, if commenced, may be discontinued at any time.

Non-Resident Unitholders

The Fund was not established and shall not be maintained primarily for the benefit of one or more non-resident persons within the meaning of the Tax Act. At no time may non-residents of Canada and partnerships (other than “Canadian partnerships” as defined in the Tax Act) be the beneficial owners of more than 50% of the units of the Fund (on a number of units or fair market value basis) and the Trustee shall inform the Registrar and Transfer Agent of this restriction. The Trustee may require a declaration as to the jurisdiction in which a beneficial owner of units of the Fund is resident and, if a partnership, as to its status as a “Canadian partnership”. If the Trustee becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% or more of the units of the Fund then outstanding (on a number of units or fair market value basis) are, or may be, non-residents and/or partnerships (other than “Canadian partnerships”), or that such a situation is imminent, the Trustee may make a public announcement thereof and the Trustee may send a notice to such non-resident persons and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Trustee may consider equitable and practicable, requiring them to dispose of their units of the Fund or a portion thereof to residents of Canada within a specified period of not less than 30 days. If the persons receiving such notice have not disposed of the specified number of units of the Fund or provided the Trustee with satisfactory evidence that they are not non-residents or partnerships (other than “Canadian partnerships”) within such period, the Trustee may redeem or, on behalf of such persons, dispose of such units of the Fund. Upon such redemption or sale, the affected persons shall cease to be beneficial owners of units of the Fund and their rights shall be limited to receiving the redemption price or the net proceeds of sale of such units of the Fund.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Fund as a mutual fund trust for purposes of the Tax Act.

Tax Information Reporting

Pursuant to the Canada-United States Enhanced Tax Information Exchange Agreement entered into between Canada and the United States on February 5, 2014 (the “IGA”) and related Canadian legislation found in Part XVIII of the Tax Act, the dealers through which Unitholders hold their Units are required to report certain information with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), and certain other “U.S. Persons”, as defined under the IGA (excluding plan trusts), to the CRA. The CRA is expected to provide the information to the U.S. Internal Revenue Service.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Harvest will receive the fees described under “Fees and Expenses” for its services to the Fund and will be reimbursed by the Fund for all expenses incurred in connection with the operation and administration of the Fund.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The proxies associated with securities held by the Fund will be voted in accordance with the best interests of Unitholders determined at the time the vote is cast. The Manager maintains policies and procedures that are designed to be guidelines for the voting of proxies; however, each vote is ultimately cast on a case-by-case basis, taking into consideration the relevant facts and circumstances at the time of the vote. Any conflict of interest will be resolved in a way that most benefits Unitholders.

The Manager's proxy voting policies and procedures set out various considerations that the Manager will address when voting, or refraining from voting, proxies, including that:

- (a) the Manager will generally vote with management on routine matters such as electing corporate directors, appointing external auditors and adopting or amending management compensation plans unless it is determined that supporting management's position would not be in the best interests of Unitholders;
- (b) the Manager will address on a case-by-case basis, non-routine matters, including those business issues specific to the issuer or those raised by holders of securities of the issuer with a focus on the potential impact of the vote on the Fund's NAV; and
- (c) the Manager has the discretion whether or not to vote on routine or non-routine matters. In cases where the Manager determines that it is not in the best interests of Unitholders to vote, the Manager will not be required to vote.

The Manager's proxy voting policies and procedures include procedures to ensure that Portfolio Securities held by the Fund are voted in accordance with the Fund's instructions. The Manager will post the proxy voting record annually at www.harvestportfolios.com. The Fund will send the most recent proxy voting policies and procedures and proxy voting record, without charge, to any Unitholder upon a request made by the Unitholder.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

- (a) the Declaration of Trust described under "Organization and Management Details of the Fund";
- (b) the Agency Agreement described under "Plan of Distribution"; and
- (c) the Custodian Agreement described under "Organization and Management Details of the Fund".

Copies of the foregoing agreements, after the execution thereof, may be inspected during business hours at the principal office of the Fund during the course of distribution of the Units offered hereby. Any of the foregoing contracts that are not executed prior to the filing of this prospectus will be filed with the securities regulatory authorities forthwith after such contract is entered into.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

In September 2013, Michael Kovacs, President and Chief Executive Officer of the Manager, entered into a settlement agreement and order with the OSC with respect to certain personal trades and failing to file insider trading reports in connection with a fund managed by the Manager. Pursuant to the settlement agreement reached between the OSC and Mr. Kovacs, he agreed to an order which included that all of his trades be pre-cleared by the chief compliance officer of the Manager for a period of one year following the date of the settlement agreement. Pursuant to the settlement agreement, Mr. Kovacs paid a voluntary payment of \$15,000 and paid an administrative penalty and costs of the OSC's investigation in the amount of \$15,000. A copy of the settlement agreement and order of the OSC is available on the OSC's website at www.osc.gov.on.ca.

EXPERTS

Borden Ladner Gervais LLP and Blake, Cassels & Graydon LLP have prepared the opinion as to certain tax matters as described under "Income Tax Considerations".

The Fund's auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, who has prepared an independent auditor's report dated February 25, 2015 in respect of the Fund's statement of financial position as at February 25, 2015. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Fund within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

None of these professional firms has any registered or beneficial interest, direct or indirect, in the securities of the Fund or of an associate or affiliate of the Fund.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

INDEPENDENT AUDITOR'S REPORT

To the Unitholder and Trustee of US Buyback Leaders Fund (the "**Fund**")

We have audited the accompanying statement of financial position of the Fund as at February 25, 2015 and the related notes which comprise of a summary of significant accounting policies and other explanatory information (the "**financial statement**").

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with those requirements of International Financial Reporting Standards relevant to preparing such a financial statement, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Fund as at February 25, 2015 in accordance with those requirements of International Financial Reporting Standards relevant to preparing such a financial statement.

Toronto, Canada
February 25, 2015

(*SIGNED*) PricewaterhouseCoopers LLP
Chartered Professional Accountants
Licensed Public Accountants

**US BUYBACK LEADERS FUND
STATEMENT OF FINANCIAL POSITION**

February 25, 2015

ASSETS

Current Assets

Cash	\$10
Total Assets	<u>\$10</u>

Net Assets Attributable to the Holder of Redeemable Units

1 Class A Unit (Notes 1 and 4)	<u>\$10</u>
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Net Assets Attributable to the Holder of Redeemable Units per unit	<u>\$10</u>
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Approved by the Board of Directors of Harvest Portfolios Group Inc.:

(SIGNED) MICHAEL KOVACS
Director

(SIGNED) MARY MEDEIROS
Director

The accompanying notes are an integral part of this financial statement.

US BUYBACK LEADERS FUND
NOTES TO STATEMENT OF FINANCIAL POSITION

1. NATURE OF OPERATIONS

US Buyback Leaders Fund (the “**Fund**”) is a closed-end investment fund governed by the laws of the Province of Ontario pursuant to a declaration of trust (the “**Declaration of Trust**”) dated February 25, 2015 by Harvest Portfolios Group Inc. (“**Harvest**” or the “**Manager**”), as manager and trustee of the Fund. Pursuant to the Declaration of Trust, Harvest in its capacity as trustee of the Fund, is holding in trust the sum of \$10.00 which Harvest has contributed and which constitutes the initial trust property of the Fund, and as such is the Fund’s ultimate parent as of that date. Harvest will also serve as the investment manager for the Fund. The registered head office of the Fund is 710 Dorval Drive, Oakville, Ontario.

The Fund’s investment objectives are to provide Unitholders with (i) the opportunity for capital appreciation; and (ii) quarterly cash distributions. The Fund will issue Class A Units and Class U Units and will hedge substantially all of the value of the Class A Units back to the Canadian dollar at all times. The Class U Units will not be hedged.

The statement of financial position was authorized for issue by the Board of Directors of the trustee of the Fund on February 25, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the statement of financial position are set out below.

Basis of presentation

The financial statement of the Fund is prepared in accordance with International Financial Reporting Standards (“**IFRS**”), as published by the International Accounting Standards Board (IASB) relevant to preparing a statement of financial position. The statement of financial position has been prepared under the historical cost convention.

Functional and presentation currency

The financial statement is presented in Canadian dollars, which is the Fund’s functional and presentation currency.

Financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date.

Cash is held by counsel in trust.

The Fund’s obligation for net assets attributable to the holder of redeemable units is presented at the redemption amount.

Securities valuation

The net asset value (“**NAV**”) of the Fund on a particular date will be equal to the aggregate fair value of the assets of the Fund less the aggregate fair value of the liabilities of the Fund, expressed in Canadian dollars on such date. Net assets are determined in accordance with IFRS.

Net assets attributable to holders of redeemable units per unit

The NAV per Unit on any day will be obtained by dividing the NAV of the Fund divided by the number of Units then outstanding at the time the calculation is made.

Redeemable units

The Fund’s outstanding redeemable units are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 Financial Instruments: Presentation.

3. FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of cash and the Fund's obligation for net assets attributable to the holder of redeemable units approximate their fair values.

4. REDEEMABLE UNITS

The authorized capital of the Fund consists of an unlimited number of transferable units, units of Class A and Class U units, each of which represents an equal, undivided interest in the 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.

The Fund intends to make quarterly cash distributions to Unitholders of record on the last Business Day of each month and to pay such cash distributions on or before the 15th day of the following month. The Indicative Distribution Amount (as defined herein) will be \$0.10 per Class A Unit per quarter (\$0.40 per annum representing an annual cash distribution of 4% based on \$10.00 per Class A Unit issue price) or US\$0.10 per Class U Unit per month (US\$0.40 per annum representing an annual cash distribution of 4% based on US\$10.00 per Class U issue price). The initial cash distribution will be pro-rated from the Closing Date and is anticipated to be payable on or before July 15, 2015 to Unitholders of record on June 30, 2015. Beginning in January 2016, the Manager will at least annually determine and announce the Indicative Distribution Amount for the following four quarters based upon, among other factors, income received from the Fund's investments and the prevailing market conditions. The Fund will also make available to Unitholders the opportunity to reinvest distributions from the Fund in additional Class A Units and/or Class U Units (as the case may be) by participating in a distribution reinvestment plan.

All issued redeemable units are fully paid. In accordance with the objectives outlined in Note 1, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of securities held where necessary.

Redemptions

Class A Units may be surrendered for redemption at any time prior to 5:00 p.m. (Toronto time) on the 10th business day before the last business day of the applicable month by the holders for monthly redemption. Upon receipt by the Fund of the redemption notice, the holder of a Class A Unit shall be entitled to receive a price per unit (the "**Monthly Redemption Price**") equal to the lesser of:

- (a) 95% of the "market price" of the Class A Units on the principal market on which the Class A Units are quoted for trading during the 20 trading day period ending immediately before the monthly redemption date; and
- (b) 100% of the "closing market price" on the principal market on which the Class A Units are quoted for trading on the monthly redemption date.

Notwithstanding the Monthly Redemption Price formula above, at no time will the Fund pay out redemption proceeds greater than the NAV per Class A Unit or NAV per Class U Unit, as applicable, as determined on the Monthly Redemption Date for each unit being redeemed on such Monthly Redemption Date.

The Class U Units may be surrendered for monthly redemption on the same terms as described above, provided that the Unitholders surrendering a Class U Unit for redemption will receive in U.S. dollars an amount equal to the U.S. dollar equivalent product of (i) the monthly redemption price for the Class A Units; and (ii) a fraction, the numerator of which is the NAV per Class U Unit on the applicable monthly redemption date expressed in Canadian dollars and the denominator of which is the NAV per Class A Unit on the applicable monthly redemption date.

In accordance with the Fund prospectus, in addition to the monthly redemption rights, on an annual basis, commencing in September 2016, units may be surrendered for redemption at the Fund's NAV per Unit, subject to the required redemption notice period, by the second last business day of September and the unitholder will receive payment on or before the 15th business day of the following month.

Conversion

A holder of Class U Units may convert such Class U Units into Class A Units on a monthly basis and it is expected that liquidity for the Class U Units will be obtained primarily by means of conversion into Class A Units and the sale of such Class A Units. Class U Units may be converted in any month on the first Business Day of such month (the “**Conversion Date**”) by delivering a notice and surrendering such Class U Units not later than 5:00 pm (Toronto time) at least fifteen Business Days prior to the applicable Conversion Date. For a holder’s Class U Units so converted, the holder will receive that number of whole Class A Units equal to the NAV per Class U Unit as at the close of trading on the Business Day immediately preceding the Conversion Date multiplied by the number of Class Units so converted divided by the Net Asset Value per Class A Unit as at the close of trading on the Business Day immediately preceding the Conversion Date, expressed in Canadian dollars at the Reference Exchange Rate on the Business Day immediately preceding the Conversion Date. No fraction of a Class A Unit will be issued upon any conversion of Class U Units. Any remaining fraction of a Class U Unit will be redeemed for cash payment at the NAV per Class U Unit as of the close of trading on the Business Day immediately preceding the Conversion Date. The redemption of any fraction of a Class U Unit will result in a capital gain (or capital loss) to the redeeming Unitholder.

5. MANAGEMENT FEES AND OTHER EXPENSES

Harvest is responsible for providing or arranging for required general and administrative services to the Fund.

Pursuant to the Declaration of Trust, the Manager is entitled to a management fee at an annual rate of 0.75% of NAV (the “**Management Fee**”) plus applicable taxes. Fees payable to Harvest will be calculated and payable monthly in arrears based on the average NAV calculated at each Valuation Time during that month. The Management Fee will be paid in cash.

State Street Trust Company Canada (the “**Custodian**”) acts as custodian of the assets of the Fund and is also responsible for certain aspects of the Fund’s day to day operations. In consideration for the services provided by the Custodian, the Fund will pay a monthly fee to be agreed upon between the Custodian and Harvest.

In consideration for the services provided by the trustee of the Fund (except when the Manager is the trustee of the Fund), the Fund will pay a monthly fee to be agreed upon between the trustee of the Fund and Harvest.

The Fund will pay for all ordinary expenses incurred in connection with its operation and administration and any applicable HST thereon. It is expected that the expenses for the Fund will include, without limitation: fees payable to the Custodian and other third party services providers, legal, accounting, audit and valuation fees and expenses, fees and expenses of the members of the Independent Review Committee (“**IRC**”), expenses related to compliance with NI 81-107 – Independent Review Committee for Investment Funds, fees and expenses relating to the voting of proxies by a third party, premiums for insurance coverage for the members of the IRC, costs of reporting to Unitholders, registrar, transfer and distribution agency costs, fees payable to the Plan Agent under the Reinvestment Plan for performing certain financial, record-keeping, Unitholder reporting and general administrative services and for acting as plan agent, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, website maintenance costs, taxes, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies including any costs associated with the printing and mailing costs of any documents that the securities regulatory authorities require be sent or delivered to investors in the Fund and extraordinary expenses that the Fund may incur. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Fund. The Fund will also be responsible for all commissions and other costs of Portfolio transactions and any extraordinary expenses of the Fund which may be incurred from time to time.

The Fund will pay the expenses incurred in connection with the Offering of Units by the Fund, subject to a maximum of 1.5% of the gross proceeds of the Offering. The expenses of the Offering, together with the Agent’s fees, payable by the Fund, will be reflected as a reduction of net assets attributable to the holder of redeemable units.

Any arrangements for additional services between the Fund and the Manager, or any affiliate thereof, that have not been described in this prospectus will be on terms approved by the Fund’s IRC that are no less favourable to the Fund than those available from arm’s length persons (within the meaning of the Tax Act) for comparable services and the Fund will pay all expenses associated with such additional services.

6. AGENCY AGREEMENT

The Fund and the Manager have entered into an agency agreement with BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., National Bank Financial Inc., Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., Desjardins Securities Inc., Dundee Securities Ltd., Global Securities Corporation, Industrial Alliance Securities Inc. and PI Financial Corp. (collectively, the “**Agents**”) dated as of February 25, 2015 pursuant to which the Fund has agreed to create, issue and sell, and the Agents have agreed to offer for sale to the public, a minimum of Class A Units and a maximum of Class A Units and/or Class U Units at \$10.00 per Class A Unit and US\$10.00 per Class U Unit. The Agents’ fee will be \$0.525 (5.25%) for each Class A Unit sold or US\$0.525 (5.25%) for each Class U Unit sold.

The Fund has granted to the Agents an option exercisable for a period of 30 days following the closing of the Offering to purchase additional Class A Units in an amount up to 15% of the aggregate number of Units issued at the closing of the Offering on the same terms as the offering of Units to cover over-allotments, if any.

CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER

Dated: February 25, 2015

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each province and territory of Canada.

Harvest Portfolios Group Inc.
(as Manager and Promoter of the Fund)

(*SIGNED*) MICHAEL KOVACS
Chief Executive Officer and President

(*SIGNED*) DANIEL LAZZER
Chief Financial Officer

On behalf of the Board of Directors of Harvest Portfolios Group Inc.
(as Manager and Promoter of the Fund)

(*SIGNED*) TOWNSEND HAINES
Director

(*SIGNED*) MARY MEDEIROS
Director

CERTIFICATE OF THE AGENTS

Dated: February 25, 2015

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by their prospectus as required by the securities legislation of each province and territory of Canada.

BMO NESBITT BURNS INC.

**CIBC WORLD MARKETS
INC.**

SCOTIA CAPITAL INC.

(SIGNED) ROBIN G. TESSIER

(SIGNED) MICHAEL D. SHUH

(SIGNED) RAJIV BAHL

NATIONAL BANK FINANCIAL INC.

(SIGNED) TIMOTHY EVANS

CANACCORD GENUITY CORP.

GMP SECURITIES L.P.

**RAYMOND
JAMES LTD.**

(SIGNED) RON SEDRAN

(SIGNED) ANDREW KIGUEL

(SIGNED) J. GRAHAM FELL

**DESJARDINS
SECURITIES INC.**

**DUNDEE SECURITIES
LTD.**

**GLOBAL
SECURITIES
CORPORATION**

**INDUSTRIAL
ALLIANCE
SECURITIES INC.**

**PI FINANCIAL
CORP.**

(SIGNED) BETH SHAW

(SIGNED) AARON
UNGER

(SIGNED) ADAM
GARVIN

(SIGNED) FREDERIC
PAQUETTE

(SIGNED) RICK
VERNON



US Buyback
Leaders Fund