



**US Equity Plus Income ETF
(formerly US Buyback Leaders ETF)**

**Interim Financial Statements
(Unaudited)**

June 30, 2017

US Equity Plus Income ETF

(formerly US Buyback Leaders ETF)

STATEMENT OF FINANCIAL POSITION			
(Unaudited)			
As at		June 30, 2017	December 31, 2016
Assets			
Current assets			
Investments	\$	19,777,737	\$ 22,815,984
Cash		714,690	722,765
Dividends receivable		13,333	33,575
Unrealized appreciation on foreign currency forward contracts (Note 6)		280,622	-
		20,786,382	23,572,324
Liabilities			
Current liabilities			
Distributions payable (Note 4)		242,760	276,257
Unrealized depreciation on foreign currency forward contracts (Note 6)		-	446,811
		242,760	723,068
Net assets attributable to holders of redeemable units	\$	20,543,622	\$ 22,849,256
Net assets attributable to holders of redeemable units			
Series A	\$	18,343,541	\$ 20,634,398
Series U (CAD)		2,200,081	2,214,858
Series U (USD)		1,694,064	1,651,585
Number of redeemable units outstanding (Note 4)			
Series A		2,171,723	2,496,723
Series U		195,850	195,850
Net assets attributable to holders of redeemable units per unit			
Series A	\$	8.45	\$ 8.26
Series U (CAD)		11.23	11.31
Series U (USD)		8.65	8.43

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

US Equity Plus Income ETF

(formerly US Buyback Leaders ETF)

STATEMENT OF COMPREHENSIVE INCOME (LOSS)		
(Unaudited)		
For the period ended June 30,	2017	2016
Income		
Net gain (loss) on investments		
Dividends	\$ 224,438	\$ 441,605
Net realized gain (loss) on sale of investments	1,202,639	(2,930,698)
Net change in unrealized appreciation (depreciation) of investments	(744,535)	(514,316)
Net gain (loss) on investments	682,542	(3,003,409)
Net gain (loss) on derivatives		
Net realized gain (loss) on foreign exchange	(207,812)	1,981,158
Net change in unrealized appreciation (depreciation) of foreign exchange	714,401	(26,887)
Net gain (loss) on derivatives	506,589	1,954,271
Total income (net)	\$ 1,189,131	\$ (1,049,138)
Expenses (Note 5)		
Management fees	91,292	164,444
Withholding taxes	36,177	66,711
Unitholder reporting costs	31,497	42,785
Audit fees	4,896	5,112
Transfer agency fees	8,053	5,831
Custodian fees and bank charges	28,573	21,729
Independent Review Committee fees	2,487	3,371
Filing fees	17,254	15,503
Legal fees	5,749	10,691
Transaction costs (Note 8)	12,944	36,404
Total expenses	238,922	372,581
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 950,209	\$ (1,421,719)
Increase (decrease) in net assets attributable to holders of redeemable units - Series A	\$ 913,190	\$ (1,193,325)
Increase (decrease) in net assets attributable to holders of redeemable units - Series U	37,019	(228,394)
Increase (decrease) in net assets attributable to holders of redeemable units per unit - Series A (Note 4)	\$ 0.39	\$ (0.24)
Increase (decrease) in net assets attributable to holders of redeemable units per unit - Series U (Note 4)	0.19	(0.95)

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

US Equity Plus Income ETF
(formerly US Buyback Leaders ETF)

STATEMENT OF CHANGES IN NET ASSETS			
ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			
ALL SERIES			
(Unaudited)			
For the period ended June 30,		2017	2016
Net assets attributable to holders of redeemable units beginning of period	\$	22,849,256	\$ 41,761,562
Increase (decrease) in net assets attributable to holders of redeemable units	\$	950,209	\$ (1,421,719)
Redeemable unit transactions			
Cancellation of redeemable units		-	(374,736)
Redemption of redeemable units		(2,747,202)	(822,850)
Payment to unitholders on fractional units on transfer from Series U to Series A		-	(20)
Net unitholders' transactions	\$	(2,747,202)	\$ (1,197,606)
Distributions to holders of redeemable units			
Net investment income		(508,641)	(1,043,722)
Total distributions to holders of redeemable units	\$	(508,641)	\$ (1,043,722)
Net assets attributable to holders of redeemable units end of period	\$	20,543,622	\$ 38,098,515

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

US Equity Plus Income ETF
(formerly US Buyback Leaders ETF)

STATEMENT OF CHANGES IN NET ASSETS			
ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			
SERIES A			
(Unaudited)			
For the period ended June 30,		2017	2016
Net assets attributable to holders of redeemable units beginning of period	\$	20,634,398	\$ 39,001,565
Increase (decrease) in net assets attributable to holders of redeemable units	\$	913,190	\$ (1,193,325)
Redeemable unit transactions			
Cancellation of redeemable units		-	(374,736)
Redemption of redeemable units		(2,747,202)	(734,444)
Transfer of redeemable units from Series U		-	173,281
Net unitholders' transactions	\$	(2,747,202)	\$ (935,899)
Distributions to holders of redeemable units			
Net investment income		(456,845)	(982,429)
Total distributions to holders of redeemable units	\$	(456,845)	\$ (982,429)
Net assets attributable to holders of redeemable units end of period	\$	18,343,541	\$ 35,889,912

STATEMENT OF CHANGES IN NET ASSETS			
ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			
SERIES U			
(Unaudited)			
For the period ended June 30,		2017	2016
Net assets attributable to holders of redeemable units beginning of period	\$	2,214,858	\$ 2,759,997
Increase (decrease) in net assets attributable to holders of redeemable units	\$	37,019	\$ (228,394)
Redeemable unit transactions			
Redemption of redeemable units		-	(88,406)
Transfer of redeemable units to Series A		-	(173,301)
Net unitholders' transactions	\$	-	\$ (261,707)
Distributions to holders of redeemable units			
Net investment income		(51,796)	(61,293)
Total distributions to holders of redeemable units	\$	(51,796)	\$ (61,293)
Net assets attributable to holders of redeemable units end of period	\$	2,200,081	\$ 2,208,603

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

US Equity Plus Income ETF

(formerly US Buyback Leaders ETF)

STATEMENT OF CASH FLOWS		
(Unaudited)		
For the period ended June 30,	2017	2016
Operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 950,209	\$ (1,421,720)
Add (deduct) items not affecting cash		
Realized gain (loss) on sale of investments	(1,202,639)	2,930,698
Change in unrealized (appreciation) depreciation of investments	744,535	514,316
Change in unrealized (appreciation) depreciation of foreign exchange	(714,401)	26,887
Proceeds from sale of investments	12,050,942	20,972,273
Purchases of investments	(11,301,793)	(20,267,946)
Net change in non-cash assets and liabilities	7,210	35,916
Net cash flow provided by (used in) operating activities	\$ 534,063	\$ 2,790,424
Financing activities**		
Payment to unitholders on fractional units on transfer from Series U to Series A	-	(20)
Cancellation of redeemable units	-	(374,736)
Redemption of redeemable units	-	(822,850)
Distributions paid to holders of redeemable units (net of reinvested distributions)	(542,138)	(1,062,371)
Net cash flow provided by (used in) financing activities	\$ (542,138)	\$ (2,259,977)
Net increase (decrease) in cash during the period	(8,075)	530,447
Cash, beginning of the period	722,765	286,649
Cash, end of the period	\$ 714,690	\$ 817,096
Supplemental disclosure of cash flow information		
Dividends received, net of withholding taxes*	\$ 208,503	\$ 407,534

*included in operating activities

**net cash inflows (outflows) excludes trades that were not settled in cash (in-kind trades).

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



US Equity Plus Income ETF

(formerly US Buyback Leaders ETF)

SCHEDULE OF INVESTMENTS (Unaudited)				
As at June 30, 2017				
Number of Shares	Security	Average Cost (\$)	Carrying Value (\$)	% of Net Assets
EQUITIES				
Banking and Other Financial Issuers				
12,576	Bank of New York Mellon Corporation	742,104	833,282	4.1
6,760	JPMorgan Chase & Co.	757,330	802,420	3.9
7,340	The Allstate Corporation	650,371	843,050	4.1
2,683	The Goldman Sachs Group, Inc.	631,328	773,191	3.8
6,536	Visa Inc. Class A	714,964	796,033	3.9
		3,496,097	4,047,976	19.8
Consumer Discretionary Issuers				
9,337	CBS Corporation Class B	696,602	773,394	3.8
5,746	The Walt Disney Company	826,613	792,872	3.9
		1,523,215	1,566,266	7.7
Consumer Staples Issuers				
15,900	ConAgra Foods, Inc.	858,426	738,420	3.6
10,685	General Mills, Inc.	875,656	768,764	3.7
		1,734,082	1,507,184	7.3
Energy Issuers				
9,195	Valero Energy Corporation	730,417	805,577	3.9
		730,417	805,577	3.9
Health Care Issuers				
9,000	AbbVie Inc.	795,769	847,519	4.1
8,698	Gilead Sciences, Inc.	1,027,425	799,537	3.9
5,614	Quest Diagnostics Incorporated	682,634	810,457	3.9
		2,505,828	2,457,513	11.9
Industrials Issuers				
3,951	Cummins Inc.	665,414	832,377	4.1
20,182	General Electric Company	788,719	707,942	3.4
4,263	Illinois Tool Works Inc.	710,901	793,083	3.9
2,388	Northrop Grumman Corporation	712,784	796,133	3.9
5,529	Union Pacific Corporation	663,571	782,030	3.8
5,500	United Parcel Service, Inc. Class B	800,651	789,928	3.8
4,960	United Technologies Corporation	667,373	786,578	3.8
		5,009,413	5,488,071	26.7
Information Technology Issuers				
4,135	Apple Inc.	641,512	773,405	3.8
20,545	Corning Incorporated	521,275	801,788	3.9
8,684	Microsoft Corporation	701,279	777,387	3.8
7,658	Texas Instruments Incorporated	771,601	765,103	3.7
		2,635,667	3,117,683	15.2
Real Estate Issuers				
18,100	Weyerhaeuser Company	842,174	787,467	3.8
		842,174	787,467	3.8
Total investments		18,476,893	19,777,737	96.3
Foreign currency forward contracts (Note 6)			280,622	1.4
Other assets less liabilities			485,263	2.3
Net assets attributable to holders of redeemable units			20,543,622	100.0

US Equity Plus Income ETF (formerly US Buyback Leaders ETF)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (Unaudited)

June 30, 2017

1. GENERAL INFORMATION

US Equity Plus Income ETF (formerly the US Buyback Leaders ETF) (the “Fund”) is an investment fund established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated February 25, 2015, being the inception date. There was no significant activity in the Fund from the date of inception, February 25, 2015 to commencement of operations on March 25, 2015. On March 25, 2015, the Fund completed an initial public offering of 5,000,000 Series A units at \$10.00 per unit for gross proceeds of \$50,000,000 and 311,500 Series U units at \$10.00 USD per unit for gross proceeds of \$3,115,000 USD (\$3,897,644 CAD). On April 23, 2015, an overallotment option was exercised for an additional 153,882 Series A units at a price of \$10.00 per unit for gross proceeds of \$1,538,820. The address of the Fund’s registered office is 710 Dorval Drive, Oakville, Ontario, L6K 3V7.

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

On September 19, 2016, unitholders approved the conversion of the Series A and Series U units of the Fund into an Exchange Traded Fund (“ETF”) effective October 24, 2016 and the name changed to US Buyback Leaders ETF. The Series A units began trading as an ETF under the symbol HUL and the Series U units began trading under the symbol HUL.U. The Series U units are designed for investors who want to make their investment in U.S. dollars and were not traded prior to conversion.

On June 22, 2017, the Fund changed its name from US Buyback Leaders ETF to US Equity Plus Income ETF. No changes were made to the investment objective, strategies or management of the Fund.

2. BASIS OF PRESENTATION

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting and should be read in conjunction with the annual financial statements for the period ended December 31, 2016 which have been prepared in accordance with IFRS. These interim financial statements were authorized for issue by Harvest Portfolios Group Inc. (the “Manager”) on August 24, 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at fair value through profit or loss (FVTPL). Transaction costs on financial assets and liabilities at FVTPL are expensed as incurred. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund’s investments and derivative assets and liabilities are measured at fair value through profit or loss (FVTPL), including investments which have been designated at FVTPL. Derivative assets and liabilities are classified as held-for-trading (HFT). The Fund’s obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract’s effective interest rate. Carrying values of other financial assets and liabilities at amortized cost approximate their fair values due to the short term to maturity. The Fund’s accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value (NAV) for transactions with unitholders. As at June 30, 2017 and December 31, 2016, there were no differences between the Fund’s NAV per security and its net assets per security calculated in accordance with IFRS.

Fair value of investments and derivatives

Investments and derivatives that are traded in an active market are valued at their closing prices through recognized public stock exchanges or through recognized investment dealers on the valuation date. The Fund uses the last traded market price that falls

US Equity Plus Income ETF (formerly US Buyback Leaders ETF)

within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. Investments held are represented by equities. Derivatives held include foreign currency forward contracts.

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

Classification of redeemable units

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

Cash

Cash is comprised of cash on deposit.

Investment transactions and income recognition

Net realized gain (loss) on investments and net change in unrealized appreciation (depreciation) on investments are determined on an average cost basis. Dividend income is accounted for on the ex-dividend date.

Allocation of income and expense, and realized and unrealized capital gains and losses

Management fees directly attributable to a series are charged to that series. The Fund's shared operating expenses, income, and realized and unrealized capital gains and losses are generally allocated proportionately to each series based upon the relative net assets attributable to holders of redeemable units of each series. Realized and unrealized gains and losses from foreign currency forward contracts are allocated to Series A only.

Foreign currency translation

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

Foreign currency forward contracts

The Fund will enter into foreign currency forward contracts to hedge against exposure to foreign currency fluctuations. The fair value of these contracts is based on the difference between the contract rate and current forward market rate for the underlying currency at the measurement date applied to the contract's notional amount and adjusted for counterparty risk. Upon closing of a contract, the gain or loss is recorded as a net realized gain or loss on foreign exchange.

Redeemable units valuation

The NAV of each series on a particular date will be equal to each series' proportionate share of the assets of the Fund less each series' proportionate share of the liabilities of the Fund except for forwards which are only attributed to Series A, expressed in

US Equity Plus Income ETF (formerly US Buyback Leaders ETF)

Canadian dollars at the applicable exchange rate on such date. The NAV and NAV per unit will be calculated on each Business Day. “Business Day” means any day on which the TSX is open for trading.

Increase (decrease) in net assets attributable to holders of redeemable units per unit

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

Income and other taxes

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). For tax purposes, the Fund has a December 31 year end. All of the Fund’s net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the statement of financial position as a deferred income tax asset. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be carried forward for 20 years and applied against future taxable income. As at the last taxation year end, the Fund had \$957,591 of non-capital losses and \$3,860,921 of net capital losses available to be carried forward for income tax purposes.

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense.

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

Critical accounting estimates and judgments

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

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

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Refer to Note 7 for further information about the fair value measurement of the Fund’s financial instruments.

- b) Classification and measurement of investment and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, Financial Instruments – Recognition and Measurement (IAS 39). The most significant judgments made include the determination that certain investments are held-for trading and that the fair value option can be applied to those which are not.

Accounting standards issued but not yet adopted

IFRS 9, Financial Instruments

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments – Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity’s own credit risk

US Equity Plus Income ETF (formerly US Buyback Leaders ETF)

on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however, is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Manager continues to assess the impact of IFRS 9 by analyzing the Fund's business model. The Manager does not expect any change in the measurement of the financial assets and liabilities of the Fund.

4. REDEEMABLE UNITS

The authorized capital of the Fund consists of an unlimited number of transferable units of each class, each of which represents an equal, undivided interest in 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. Series A and Series U units trade on the TSX under the symbol HUL and HUL.U respectively. Prior to conversion to an ETF, the Series U units did not trade. As at June 30, 2017, the closing price for Series A and Series U units were \$8.46 and \$8.67 USD per unit respectively (December 31, 2016 – Series A \$8.43 Series U \$8.59).

Upon conversion to an ETF, the Fund cancelled its normal course issuer bid program. Prior to conversion the Fund was allowed to purchase up to 492,035 Series A units of the Fund for cancellation by way of a normal course issuer bid through the facilities of the Toronto Stock Exchange and other Canadian markets. During the period ended June 30, 2016, 53,400 Series A units were purchased for cancellation for \$374,736.

Subscriptions and Redemptions

On any trading day, a designated broker or underwriter may place a subscription or redemption order for an integral multiple of the prescribed number of units of the ETF. A trading day is each day on which the TSX is opened for business.

If the subscription or redemption order is accepted, the ETF will issue or redeem units to/from the designated broker or underwriter by no later than the third trading day after the date on which the subscription or redemption order is accepted. For each prescribed number of units issued or redeemed, a designated broker or underwriter must deliver or receive payment consisting of:

- (a) A basket of applicable securities and cash in an amount sufficient so that the value of the securities, and the cash received is equal to the NAV of the units redeemed; or
- (b) Cash in the amount equal to the NAV of the units redeemed.

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

Prior to conversion to an ETF, unitholders had the option to surrender, prior to 5:00 p.m. (Toronto time) on the 10th business day before the last business day of the applicable month, for monthly redemption. Upon receipt by the Fund of the redemption notice, the unitholder was entitled to receive a price per unit equal to the lesser of:

- (a) 95% of the "market price" of the units on the principal market on which the 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 units are quoted for trading on the monthly redemption date.

Also, prior to conversion, Series U units could be redeemed or converted to Series A units on a monthly basis on the same terms as the Series A units. During the period ended June 30, 2016 9,200 Series U units were redeemed and cancelled for \$88,406 and 17,250 Series U units were converted into 23,364 Series A units for \$173,281.

Prior to conversion and in accordance with the Fund prospectus, in addition to the monthly redemption rights, on an annual basis, commencing in September 2016, units could be surrendered for redemption at the Fund's NAV per unit, subject to the required redemption notice period, for the second last business day of September and the unitholder will receive payment on or before the 15th business day of the following month. On September 30, 2016, 2,319,908 Series A units were redeemed and cancelled for \$17,420,189 and 26,200 Series U units were redeemed and cancelled for \$263,071.

US Equity Plus Income ETF (formerly US Buyback Leaders ETF)

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

	Series A	Series U
Total outstanding as at January 1, 2016	5,025,054	253,500
Cancellation of redeemable units	(53,400)	-
Redemption of redeemable units	(102,487)	(9,200)
Transfer between Series	23,364	(17,250)
Total outstanding as at June 30, 2016	4,892,531	227,050
Total outstanding as at January 1, 2017	2,496,723	195,850
Redemption of redeemable units	(325,000)	-
Total outstanding as at June 30, 2017	2,171,723	195,850

The weighted average number of units outstanding during the period ended June 30, 2017 was 2,314,679 (2016 – 4,926,615) units for Series A and 195,850 (2016 – 240,212) for Series U.

Distributions

The Fund intends to make quarterly cash distributions 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 distribution amount for the following year based upon the prevailing market conditions. The total distribution amount was \$508,641 (Series A \$456,845 and Series U \$51,796) for the period ended June 30, 2017 (2016 – Series A \$982,429; Series U \$61,293).

Prior to conversion, the Fund made available to unitholders the opportunity to reinvest quarterly distributions from the Fund in additional Series A units and/or Series U units, as applicable, by participating in a distribution reinvestment plan which would provide that cash distributions made by the Fund, at the election of a unitholder, be automatically reinvested in additional Series A units or Series U units, as applicable, on such unitholder's behalf in accordance with the terms of the plan. Reinvestment of distributions for Series A occurred either through market purchases or units issued from treasury depending on whether the trading price of the Series A units is above or below NAV and if units are available for purchase on the market. Reinvestment of distributions for Series U units occurred through units issued from treasury at NAV. During the period ended June 30, 2016, no reinvested Series A units were issued from treasury and all other reinvestments were from market purchases. No Series U units were enrolled in the reinvestment plan. Upon conversion, the distribution reinvestment plan was discontinued. On July 5, 2017, a new distribution reinvestment plan was established by the Fund.

5. RELATED PARTY TRANSACTIONS AND OTHER EXPENSES

Management and service fees

Harvest Portfolios Group Inc. is the Manager and Investment Manager of the Fund and is responsible for managing or arranging for managing the Fund's overall business and operations and provides key management personnel to the Fund. The Manager is entitled to a fee of 0.75% of the average daily NAV, plus applicable taxes, per annum of the Fund paid monthly in arrears. Prior to conversion, the calculation was based on the average weekly NAV.

Operating expenses

The Fund is responsible for operating expenses relating to the carrying on of its business, including custodial services, interest, taxes, legal, audit fees, transfer agency services relating to the issue and redemption of units, and the cost of financial and other reports, costs and expenses for the Fund's Independent Review Committee ("IRC"), including fees and expenses of the IRC members and compliance with applicable laws, regulations and policies. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest, and is then reimbursed by the Fund.

Other expenses

The Manager will be reimbursed by the Fund for all reasonable costs, expenses and liabilities incurred by the Manager for performance of services on behalf of the Fund in connection with the discharge by the Manager of its duties hereunder. Such costs and expenses may include, without limitation: mailing and printing expenses for reports to unitholders and other unitholder communications; a reasonable allocation of salaries, benefits and consulting fees; independent directors of the Manager and other administrative expenses and costs incurred in connection with the Fund's continuous public offering and other obligations. These expenses are allocated by the Manager on a reasonable basis, across all of the Harvest Portfolios Group

US Equity Plus Income ETF (formerly US Buyback Leaders ETF)

Inc. funds, and series of each applicable fund. These expenses were \$22,880 for the period ended June 30, 2017 (2016 – \$43,132) and are included in the unitholder reporting costs on the Statement of Comprehensive Income (Loss).

6. FOREIGN CURRENCY FORWARD CONTRACTS

The Fund enters into foreign currency forward contracts to hedge assets and liabilities denominated in foreign currencies of Series A only. Foreign currency forward contracts entered into by the Fund represent a firm commitment to buy or sell a currency at a specified value and point in time based upon an agreed or contracted quantity. The value of the foreign currency forward contract is the difference between the contract rate and the current forward rate at the measurement date applied to the contract's notional amount and adjusted for counterparty risk. The unrealized gains or losses on the forward contract are reported as part of the change in unrealized appreciation or depreciation of foreign exchange in the Statement of Comprehensive Income (Loss) and allocated to Series A only until it is closed out or partially settled.

At June 30, 2017 and December 31, 2016, the Fund had entered into the following foreign currency forward contracts:

As at June 30, 2017					
Counterparty	Settlement Date	Purchased currency	Sold currency	Unrealized gain (loss)	Contract Price
The Bank of Nova Scotia credit rating A+	August 23, 2017	CDN \$18,122,926	USD \$13,750,000	\$280,622	0.7587

As at December 31, 2016					
Counterparty	Settlement Date	Purchased currency	Sold currency	Unrealized gain (loss)	Contract Price
The Bank of Nova Scotia credit rating A+	January 20, 2017	CDN \$19,932,702	USD \$15,200,000	(\$446,811)	0.7626

7. FINANCIAL RISK MANAGEMENT

Investment activities of the Fund expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). The Manager seeks to minimize these risks by employing experienced portfolio managers that will manage the security portfolios of the Fund on a daily basis according to market events and the investment objectives of the Fund. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

Other price risk

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

As at June 30, 2017, 96.3% (December 31, 2016 – 99.9%) of the Fund's net assets attributable to holders of redeemable units were traded on public stock exchanges. If equity prices on these exchanges had increased or decreased by 5%, as at period end, with all other factors remaining constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$988,887 (December 31, 2016 - \$1,140,799).

In practice, the actual trading results may differ and the difference could be material.

Currency risk

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

US Equity Plus Income ETF (formerly US Buyback Leaders ETF)

The table below summarizes the Fund's net exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary net assets (including derivatives and the underlying principal (notional) amount of forward currency contracts, if any).

As at June 30, 2017				
Currency	Currency exposure*	Forward contracts*	Net currency exposure*	As a % of net assets
U.S. Dollars	\$20,011,803	\$17,842,304	\$2,169,499	10.6

*In Canadian dollars

As at December 31, 2016				
Currency	Currency exposure*	Forward contracts*	Net currency exposure*	As a % of net assets
U.S. Dollars	\$22,904,002	\$20,379,514	\$2,524,488	11.0

*In Canadian dollars

The non-monetary currency exposure is \$19,777,737 (December 31, 2016 - \$22,815,984) and the monetary currency exposure is \$234,066 (December 31, 2016 - \$88,018).

As at June 30, 2017, if the Canadian dollar had strengthened or weakened by 5% in relation to U.S. dollars, with all other variables held constant, the Fund's net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately \$108,475 (December 31, 2016 - \$126,224) or 0.5% (December 31, 2016 - 0.6%) based on the net currency exposure. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

The Fund enters into a forward currency contract on substantially all of the value of the proportionate share of Series A portfolio investments back to the Canadian dollar at all times.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund does not hold any bonds or money market instruments; therefore, the Fund has no significant exposure to interest rate risk.

Liquidity risk

Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to redemption of units as described in Note 4. Since the settlement of redemptions is primarily by delivery of securities, the ETF is not exposed to any significant liquidity risk. Therefore in order to maintain sufficient liquidity, the Fund primarily invests in securities that are actively traded in public markets and can be readily disposed of to raise liquidity. In addition, the ETF retains sufficient cash and cash equivalent positions to maintain liquidity.

As at June 30, 2017 and December 31, 2016, all of the Fund's financial liabilities, had maturities of less than three months.

Credit risk

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

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

The Fund enters into foreign currency forward contracts which are exposed to credit risk. The maximum credit risk exposure is the unrealized gain (loss) on the forward contracts.

As at June 30, 2017 and December 31, 2016, the Fund did not have significant credit risk exposure. All cash held by the fund is held with a reputable and regulated financial institution.

US Equity Plus Income ETF (formerly US Buyback Leaders ETF)

Fair value of financial instruments

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

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

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

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

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

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

Securities classification:

Investments at fair value as at June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Totals (\$)
Financial Assets				
Equities				
Common Stock	19,777,737	-	-	19,777,737
Derivatives				
Foreign currency forward contract	-	280,622	-	280,622
Total Financial Assets	19,777,737	280,622	-	20,058,359

Investments at fair value as at December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Totals (\$)
Financial Assets				
Equities				
Common Stock	22,815,984	-	-	22,815,984
Total Financial Assets	22,815,984	-	-	22,815,984
Financial Liabilities				
Derivatives				
Foreign currency forward contract	-	(446,811)	-	(446,811)
Total Financial Liabilities	-	(446,811)	-	(446,811)

There were no Level 3 securities held by the Fund as at June 30, 2017 and December 31, 2016 and there were no significant transfers between Level 1 and Level 2 for the period ended June 30, 2017 and 2016.

The value of the equities is based on quoted prices. The value of the foreign currency forward contract is determined as the difference between the contract rate and the current forward rate at the measurement date applied to the contract's notional amount and adjusted for counterparty risk.

Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry, sector or counterparty type. The following is a summary of the Fund's concentration risk by geography and segment.

US Equity Plus Income ETF (formerly US Buyback Leaders ETF)

Geography:

As at	June 30, 2017	
Country of Issue	\$*	% of net assets
United States of America	19,777,737	96.3
Totals	19,777,737	96.3

As at	December 31, 2016	
Country of Issue	\$*	% of net assets
United States of America	22,815,984	99.9
Totals	22,815,984	99.9

*Stated in Canadian dollars

Market Segment (percentage of net assets attributable to holders of redeemable units):

	June 30, 2017	December 31, 2016
	% of net assets	% of net assets
EQUITIES		
Industrial Issuers	26.7	24.0
Banking and Other Financial Issuers	19.8	20.9
Information Technology Issuers	15.2	18.9
Health Care Issuers	11.9	7.4
Consumer Discretionary Issuers	7.7	19.9
Consumer Staples Issuers	7.3	-
Energy Issuers	3.9	4.2
Real Estate Issuers	3.8	4.6
Total	96.3	99.9

8. SOFT DOLLAR COMMISSIONS

Brokerage commissions paid to certain brokers may, in addition to paying for the cost of brokerage services in respect of security transactions, also provide for the cost of investment research services provided to the investment manager. The value of such research services included in commissions paid to brokers for the period ended June 30, 2017 and 2016 amounted to \$nil.

US Equity Plus Income ETF
(formerly US Buyback Leaders ETF)

Head Office

710 Dorval Drive, Suite 209
Oakville, ON L6K 3V7
Phone Number: 416.649.4541
Toll Free: 866.998.8298
Fax Number: 416.649.4542
Email: info@harvestportfolios.com

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest and the risks detailed from time to time in the Fund's prospectus or offering memorandum. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Fund does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.