



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

HARVEST Banks & Buildings Income ETF

June 30, 2018



The Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure, can be obtained at your request, and at no cost, by calling us at 1-866-998-8298; by writing to us at Harvest Portfolios Group Inc., 710 Dorval Drive, Suite 209, Oakville, Ontario, L6K 3V7; by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

Harvest Banks & Buildings Income ETF

CORPORATE OVERVIEW

Harvest Portfolios Group Inc. (“Harvest”) is a Canadian Investment Manager founded in 2009. Harvest is focused on developing investment products that follow three investment criteria:

1. Clear investment objectives
2. Transparency
3. Consistent income and growth

Harvest endeavours to develop investment products that are clear in their mandate and easy for our investors to understand. We strive to be transparent, so that our investors can open their reports and know exactly what they own. Our funds are invested to provide investors with consistent monthly or quarterly income; therefore, we seek to invest our fund portfolios in well managed companies that have a history of steady cash flow and pay dividends.

INVESTMENT PRODUCT

The Harvest Banks & Buildings Income ETF (the “Fund”) invests primarily in the Canadian banking, other financial and real estate sectors. The banking, other financial and real estate sectors represent significant components of the Canadian economy. As the Canadian economy generally expands, Harvest believes that a diversified portfolio invested across these sectors will provide investors with an attractive yield and strong capital appreciation potential.

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

The interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the Fund. For your reference, the interim financial statements of the Fund are attached to the interim management report of fund performance. You may obtain additional copies of these documents at your request, and at no cost, by calling toll free at 1(866) 998-8298; by writing to us at Harvest Portfolios Group Inc., 710 Dorval Drive, Suite 209, Oakville, Ontario, L6K 3V7; or by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

INVESTMENT OBJECTIVES AND STRATEGY

The Harvest Banks & Buildings Income ETF (the "Fund") invests in a portfolio that consists primarily of Canadian banking issuers, other financial issuers and real estate related companies and/or REITs.

The Manager may invest up to 10% of the total value of the Fund's portfolio in securities of publicly-traded financial services issuers listed on a recognized stock exchange in North America other than banking issuers, other financial issuers or real estate issuers. The Manager may invest up to 25% of the total value of the Fund in securities outside of Canada.

The Manager will use a combination of top-down, macro analysis to evaluate and identify the most attractive companies and types of securities in the sectors mentioned above. The Manager will also employ a value-based, bottom-up fundamental analysis to identify issuers based on the quality of their assets and the strength of their balance sheets and cash flows. Generally, each company or investment held in the Fund will have consistent dividend payout history and offer a yield component that will help aid the objective of the Fund. The Manager will seek to acquire securities that it believes have strong free cash flow metrics and will not defer future dividend or interest payments.

The capital structure will be considered when investing in any issuer. The Manager will focus not only on yield potential but will also look at risk adjusted rates of returns. At times, the issuer's debt instruments will be purchased with the intent of receiving equity-like returns with the benefits of lower price volatility due to the nature of the bond market.

The Manager may choose to deviate from its investment strategies by temporarily investing most or all of its assets in cash or fixed income securities when it believes that there is greater than usual risk of market downturn or for other reasons.

The Fund's investment objectives are:

- (i) generate monthly income; and
- (ii) maximize total returns by investing primarily in a portfolio of banking issuers, other financial issuers and real estate related companies and/or REITs listed on a recognized stock exchange in North America

RISK

The risks associated with investing in the Fund are as described in the prospectus. There were no material changes to the Fund over the period that affected the overall level of risk of the Fund.

RESULTS OF OPERATIONS

The Harvest Banks & Buildings Income ETF began trading following the listing of its units on March 29, 2018 consisting of 100,000 units of Class A Shares at \$20.00 per unit for gross proceeds of \$2,000,000. Performance information is not available for periods less than one year.

The Fund's overweight exposure to the Financial sectors versus REITs had a negative impact on the performance for the Fund, in the first half of 2018, as the REIT sector both in Canada and the US was strong. This is despite many forecasters projecting that the US Federal Funds Rate hikes would be detrimental to yield sensitive sectors such as REITs. The Financials sub-sector lagged even as earnings continue to grow, although mortgage growth in Canada has slowed from the robust Canadian housing market of early 2017. However, supportive factors can be found for Financials from financial de-regulation in the United States, and continued rising rates at a measured pace, which helps net interest margins.

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RECENT DEVELOPMENTS

The Fund was established on January 26, 2018 and commenced operations on March 26, 2018 and trades under the symbol HCBB.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the reporting period, except for management fees and other expense reimbursements paid to Harvest, as noted below in “Management and Other Fees”.

MANAGEMENT AND OTHER FEES

Harvest Portfolios Group Inc. is the Manager of the Fund and is responsible for managing the Fund’s overall business and operations and provides key management personnel to the Fund. The Fund pays the Manager an annual management fee, plus applicable taxes, of 0.85% based on a percentage of the average daily net asset value (“NAV”) of the Fund.

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.

The Manager may, in some cases, absorb a portion of the Fund’s operating expenses. For the period ended June 30, 2018 the Manager absorbed \$20,821 of expenses of the Fund. The Manager may cease doing so at any time without notice to unitholders. The management expense ratio of the Fund with and without the absorptions are reported in the Ratios and Supplemental Data table.

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 Inc. Funds, and series of each applicable fund. These expenses were \$609 for the period ended June 30, 2018 and are included in the unitholder reporting costs on the Statement of Comprehensive Income (Loss) in the financial statements.

RECOMMENDATION OR REPORTS BY THE INDEPENDENT REVIEW COMMITTEE

The Independent Review Committee tabled no special reports and made no extraordinary material recommendations to management of the Fund during the period ended June 30, 2018.

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FINANCIAL HIGHLIGHTS

The following tables present selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2018 and past periods. This information is derived from the Fund's interim financial statements.

THE FUND'S NET ASSETS PER UNIT		2018
Net assets - beginning of period²		\$ 20.00
Increase (decrease) from operations		
Total revenue		0.25
Total expenses		(0.08)
Realized gains (losses) for the period		0.01
Unrealized gains (losses) for the period		0.23
Total increase (decrease) from operations¹		\$ 0.41
Distributions³		
Net investment income		(0.27)
Total annual distributions³		\$ (0.27)
Net assets - end of period¹		\$ 20.13

RATIOS AND SUPPLEMENTAL DATA		2018
Total net asset value		\$ 2,013,086
Number of units outstanding		100,000
Management expense ratio ⁴		1.43%
Management expense ratio before waivers or absorptions ⁴		5.36%
Trading expense ratio ⁵		0.00%
Portfolio turnover rate ⁶		1.39%
Net asset value per unit		\$ 20.13
Closing market price (HCBB)		\$ 20.31

Explanatory Notes:

1. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the reporting period. It is not intended that the Fund's net assets per unit table act as a continuity of opening and closing net assets per unit.
2. Net assets, at the commencement of operations on March 26, 2018 was \$20.00.
3. Distributions were paid in cash.
4. Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) of the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
5. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
6. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate, the greater the trading costs payable by the Fund and the greater the chance of an investor receiving taxable capital gains. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Past Performance

The performance information presented herein assumes all dividends of the Fund during the years presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, or other charges that would have reduced returns or affected performance. Past performance of the Fund is not necessarily indicative of how it will perform in the future.

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YEAR-BY-YEAR RETURNS

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

SUMMARY OF INVESTMENT PORTFOLIO

The Portfolio by category chart below provides a portfolio breakdown based on the total transactional net asset value of the Fund's portfolio holdings. A detailed breakdown of the Fund's holdings is available in the "Schedule of Investments" section of the Fund's interim financial statements.

As at June 30, 2018

Top Holdings	% of Net Asset Value
Royal Bank of Canada	6.5
Bank of Montreal	6.2
The Toronto-Dominion Bank	6.1
Canadian Imperial Bank of Commerce	6.1
First Capital Realty Inc.	5.9
SmartCentres Real Estate Investment Trust	5.8
Sun Life Financial Inc.	5.6
Killam Apartment Real Estate Investment Trust	5.5
The Bank of Nova Scotia	5.5
Chartwell Retirement Residences	5.0
Manulife Financial Corporation	4.9
Cash and other assets and liabilities	4.9
JPMorgan Chase & Co.	4.8
Wells Fargo & Company	4.2
Digital Realty Trust, Inc.	4.1
Bank of America Corporation	4.1
Morgan Stanley	3.8
Alexandria Real Estate Equities, Inc.	3.2
Crombie Real Estate Investment Trust	3.1
Allied Properties Real Estate Investment Trust	2.8
Timbercreek Financial Corp.	1.9
Total	100.0

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available from Harvest Portfolios Group Inc. at www.harvestportfolios.com.

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SECTOR ALLOCATION

Sector	% of Net Asset Value
Financials	59.7
Real Estate	35.4
Cash and other assets and liabilities	4.9
Total	100.0

GEOGRAPHIC ALLOCATION

Country of Issue	% of Net Asset Value
Canada	74.6
United States of America	25.4
Total	100.0



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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.