



MANAGEMENT REPORT OF FUND PERFORMANCE

Blockchain Technologies ETF

December 31, 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.

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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 Blockchain Technologies ETF (the “Fund”) seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Harvest Blockchain Technologies Index. The Fund invests in equity securities of issuers exposed, directly or indirectly, to the development and implementation of blockchain and distributed ledger technologies.

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PRESIDENT'S MESSAGE

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Unitholder letter March 2019

Dear Valued Investor,

Like 2017, 2018 proved to be a year of unexpected surprises, though this time with considerably more volatility and global markets ending the year in negative territory.

Should we really be that surprised? As we break into the tenth year since the financial crisis when the market put in a bottom in March 2009, we can point to three additional periods of market disruption: 1) in 2011, 2) late 2015 to early 2016, and 3) most of 2018. I have heard people referring to the current situation as a trader's market while investors have been sidelined. Though the volatility is tough to endure, remaining focused on long term growth by staying invested in great businesses will prove itself now as it has in the past.

A stockholder or unitholder never thinks of himself/herself as a business owner, though in the case of equity investing, that's what you are. You own a piece of many businesses through your ETF or Fund holdings, and if you like what you own and feel comfortable with the underlying companies its best to ignore noise and stay with the program. In short periods of time, interest rates, inflation, analyst reports and media articles can move a company's share price around, but over longer time horizons the trendline economics of the underlying business will override short term price fluctuations with the true direction of the stock price.

One thing we do know is that our investment philosophy at Harvest doesn't change, markets will change, and we accept that, we will fine tune portfolios when the dynamics for a company change, but we maintain our long-term thesis. Option writing, in our Leaders ETFs, allows us to reduce some of the shorter-term risk of a portfolio and monetize that portion of return for income generation. Most of the portfolio will remain long due to our positive bias towards the businesses we hold.

Early in 2018 Harvest launched its first specialty index ETF, the Blockchain Technologies ETF, as a long-term proxy on the transformational Blockchain technology. We truly believe this technology will change the way businesses and consumers transact, track and verify goods and services in a secure and non-corruptible manner. The sell off in crypto currencies early in the year washed through the burgeoning Blockchain technology sector due to its close association to cryptos as Blockchain provides the framework for the crypto currencies to transact upon. As tough as the inaugural year was, we hold steadfast in our belief that it is still early days for Blockchain technology, and it will continue to emerge as the go to transactional technology of the future.

As we look towards 2019, we expect to see some of the macro trade issues resolved and a relatively flat trend for interest rates, it wouldn't surprise us to see markets end the year on a positive note, but to predict how much or how we will get there is like trying to predict the weather. Plan your picnic, just keep an umbrella in the car.

On behalf of Harvest, I would like to thank you for your trust and investment in our products.

Sincerely,

Signed "Michael Kovacs"

Michael Kovacs
President and Chief Executive Officer

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ANNUAL MANAGEMENT DISCUSSION OF FUND PERFORMANCE

The annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. For your reference, the annual financial statements of the Fund are attached to the annual 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 Blockchain Technologies ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Harvest Blockchain Technologies Index. The Fund invests in equity securities of issuers exposed, directly or indirectly, to the development and implementation of blockchain and distributed ledger technologies.

In order to achieve its investment objective and to obtain direct or indirect exposure to the Constituent Securities of the Index, the Fund may hold the Constituent Securities of the Index in approximately the same proportion as they are reflected in that Index or may hold securities of one or more exchange traded funds that replicate the performance of the applicable Index, or a subset of such Index. The Fund will invest in its own portfolio comprised of various securities and instruments which may include, but are not limited to, equity and equity related securities. Equity related securities held by the Fund may include, but are not limited to, convertible debt, income trust units, single issuer equity options, preferred shares and warrants. If market conditions require, in order to preserve capital, the Fund may seek to invest a substantial portion of its assets in cash and cash equivalents.

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 Fund began trading following the listing of its units on February 7, 2018 consisting of 100,000 units of Class A units at \$10.00 for proceeds of \$1,000,000.00. Performance information is not available for periods less than one year.

The Fund tracks the Harvest Blockchain Technologies Index consisting of two components: The Emerging Blockchain segment and the Large Cap Blockchain segment. Following the launch of the Fund, the Emerging segment was quite volatile with downward pressure on many of the smaller capitalization companies driven in part by concerns over regulation and potential security threats. Crypto currencies such as Bitcoin were also under significant pressure. While the Fund does not invest directly in crypto currencies, several of the Emerging Blockchain companies were affected by the decline in crypto-currencies, particularly the segment often referred to as the crypto miners. While the broader emerging segment was under pressure during the period, it is worth noting that there had been a number of changes as several companies fell below the minimum threshold for investment while several new companies have entered both the broader universe of Emerging companies and select new positions came into the portfolio. Following the period end, one of the new portfolio constituents was subject to a takeover offer at a substantial premium.

The Index continued to be at stage 1 of the growth progression of the Emerging constituents. As the number of companies that meet the criteria for inclusion in the index increase, the weighting of the exposure towards the more dedicated Emerging companies will also progressively increase at predefined levels.

RECENT DEVELOPMENTS

The Fund was established on January 31, 2018 and commenced operations on February 2, 2018 and trades under the symbol HBLK.

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".

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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 of 0.65%, plus applicable taxes, 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 December 31, 2018 the Manager absorbed \$91,166 of expenses of the Fund. The Manager may cease doing so at any time without notice to unitholders. The management expense ratios 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 \$9,797 for the period ended December 31, 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 December 31, 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 December 31, 2018. This information is derived from the Fund's annual financial statements.

THE FUND'S NET ASSETS PER UNIT	2018
Net assets - beginning of period²	\$ 10.00
Increase (decrease) from operations	
Total revenue	0.06
Total expenses	(0.16)
Realized gains (losses) for the period	(3.24)
Unrealized gains (losses) for the period	(2.15)
Total increase (decrease) from operations¹	\$ (5.49)
Distributions³	
From net investment income	-
Total annual distributions³	\$ -
Net assets - end of period¹	\$ 5.24

RATIOS AND SUPPLEMENTAL DATA	2018
Total net asset value	\$ 7,021,524
Number of units outstanding	1,340,000
Management expense ratio ⁴	1.49%
Management expense ratio before waivers or absorptions ⁴	2.49%
Trading expense ratio ⁵	0.74%
Portfolio turnover rate ⁶	121.58%
Net asset value per unit	\$ 5.24
Closing market price (HBLK)	\$ 5.22

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 February 2, 2018 was \$10.00.
3. Distributions, if any, are 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.

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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.

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.

ANNUAL COMPOUND 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 annual financial statements.

As at December 31, 2018

Top Holdings	% of Net Asset Value
Virtusa Corporation	6.6
Net 1 UEPS Technologies, Inc.	6.0
Luxoft Holding, Inc., Class A	5.8
Pareteum Corporation	5.6
Mastercard Incorporated, Class A	5.1
Wipro Limited ADR	5.1
Mogo Finance Technology Inc.	5.1
Intel Corporation	5.1
Overstock.com, Inc.	5.0
Visa Inc., Class A	5.0
Microsoft Corporation	5.0
SAP SE ADR	5.0
International Business Machines Corporation	4.9
Oracle Corporation	4.7
Cognizant Technology Solutions Corporation, Class A	4.7
HIVE Blockchain Technologies Ltd.	4.7
Accenture PLC, Class A	4.6
Galaxy Digital Holdings Ltd.	4.1
Xunlei Ltd. ADR	4.1
Hut 8 Mining Corp.	3.5
Cash and other assets and liabilities	0.3
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
Information Technology	79.9
Financials	9.2
Communication Services	5.6
Consumer Discretionary	5.0
Cash and other assets and liabilities	0.3
Total	100.0

GEOGRAPHIC ALLOCATION

Country of Issue	% of Net Asset Value
United States of America	82.5
Canada	17.5
Total	100.0



Head Office

710 Dorval Drive, Suite 209
Oakville, Ontario 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.