



MANAGEMENT REPORT OF FUND PERFORMANCE

Harvest US Equity Plus Income ETF (formerly US Equity Plus Income 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.

Harvest US Equity Plus Income ETF

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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 the investment philosophy of:

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 financial 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 US Equity Plus Income ETF (formerly US Equity Plus Income ETF) (the “Fund”) has investment objectives 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. As part of the investment strategy, the Fund will invest in an equally-weighted portfolio of equity securities of the 25 issuers selected from the top 100 issuers in the US Buyback Leaders Investable Universe with the highest Buyback Ratio and that have a market capitalization of at least US\$10 billion at the time of investment.

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PRESIDENT'S MESSAGE

Harvest US Equity Plus Income ETF

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

Harvest US Equity Plus Income ETF

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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 Fund has been established to provide investors with exposure to 25 issuers selected from the top 100 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 U.S.; (iv) pay a dividend; and v) have bought back their shares within the prior four quarters as determined at the time of investment.

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

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 selected from the top 100 Buyback Issuers in the US Buyback Investable Universe with the highest Buyback Ratio.

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 US Equity Plus Income ETF (formerly US Equity Plus Income ETF) returned -10.68% for Series A and -10.04% for Series U compared to the S&P 100 Total Return Index return of -4.47% in USD for the year ended December 31, 2018.

The US economy started 2018 with strong momentum following a strong finish to 2017. U.S equity markets also started strongly despite the fears that the world could be facing a trade war with potential tariffs the United States planned to impose. Volatility did pick up in the equity markets as political rhetoric surrounding trade tariffs increased. However, robust earnings seasons, domestic tax cuts and tax repatriation were key drivers for the broader markets to regain some ground through the third quarter. Late in the year, concerns surrounding the pace at which the global economies were slowing coupled with the rhetoric surrounding trade between the US & China was starting to impact the real economy was a source of unease for broader global equity markets. Uncertainty heading into the mid-term elections in the US was yet another macro concern. With the result in a divided congress, having Republicans maintaining control of the senate and the Democrats taking control of the house, resulting in growing expectations that gridlock is in the cards in Washington. US domestic politics surrounding the southern border wall that resulted in partial shut down in the US government added to the uncertainty. Despite the macro uncertainty, heightened volatility and ever-present political noise, the US corporate balance sheets remain in solid shape while quarterly profits have continued to grow. Share repurchases also remained robust during the period and remains a key attribute of the security selection process for the Fund. Sectors such as Utilities and REITs have traditionally not repurchased meaningful amounts of shares and are not eligible within the Universe. These traditionally more defensive sectors did perform relatively strongly during the heightened volatility and resulted in some divergence in the performance versus benchmark.

The Fund was invested in 25 issuers selected from issuers in the S&P 500 that pay a dividend, are U.S. incorporated, and rank within the top 100 issuers by their share repurchase ratios in accordance with its investment objectives and strategies.

Harvest US Equity Plus Income ETF

(formerly US Equity Plus Income ETF)

RECENT DEVELOPMENTS

On June 14, 2018, the Fund changed its name from US Equity Plus Income ETF to Harvest US Equity Plus Income ETF. No changes were made to the investment objective, strategies or management of the Fund.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the reporting year, 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 of 0.75%, 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. In 2018 and 2017, none of the Fund's operating expenses were absorbed by the Manager. 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 were \$15,876 for the year ended December 31, 2018 (2017 – \$37,375) and are included in the unitholder reporting costs on the Statements of Comprehensive Income (Loss).

RECOMMENDATIONS 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 year ended December 31, 2018.

Harvest US Equity Plus Income ETF

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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 year ended December 31, 2018 and past annual periods. This information is derived from the Fund's annual audited financial statements.

Series A

THE FUND'S NET ASSETS PER UNIT	2018	2017	2016	2015
Net assets - beginning of the year²	\$ 9.34	\$ 8.26	\$ 7.76	\$ 9.33
Increase (decrease) from operations				
Total revenue	0.15	0.15	0.15	0.13
Total expenses	(0.20)	(0.16)	(0.10)	(0.10)
Realized gains (losses) for the year	0.93	0.96	(0.32)	(0.98)
Unrealized gains (losses) for the year	(1.68)	0.47	0.75	(0.35)
Total increase (decrease) from operations¹	\$ (0.80)	\$ 1.42	\$ 0.48	\$ (1.30)
Distributions³				
Return of capital	(0.40)	(0.40)	(0.40)	(0.30)
Total annual distributions³	\$ (0.40)	\$ (0.40)	\$ (0.40)	\$ (0.30)
Net assets - end of the year¹	\$ 7.97	\$ 9.34	\$ 8.26	\$ 7.76

RATIOS AND SUPPLEMENTAL DATA	2018	2017	2016	2015
Total net asset value	\$ 7,745,323	\$ 17,707,612	\$ 20,634,398	\$ 39,001,565
Number of units outstanding	971,723	1,896,723	2,496,723	5,025,054
Management expense ratio ⁴	2.20%	1.86%	1.39%	8.48%
Management expense ratio before waivers or absorptions ⁴	2.20%	1.86%	1.39%	8.48%
Trading expense ratio ⁵	0.06%	0.10%	0.21%	0.20%
Portfolio turnover rate ⁶	78.13%	99.87%	123.37%	64.30%
Net asset value per unit	\$ 7.97	\$ 9.34	\$ 8.26	\$ 7.76
Closing market price (HUL)*	\$ 7.96	\$ 9.42	\$ 8.43	\$ 7.56

* On conversion to an ETF, Series A traded under the symbol HUL. Prior to conversion Series A traded under the symbol HUL.UN as a closed end fund.

Harvest US Equity Plus Income ETF

(formerly US Equity Plus Income ETF)

Series U (CAD)

THE FUND'S NET ASSETS PER UNIT								
	2018		2017		2016		2015	
Net assets - beginning of the year²	\$	12.00	\$	11.31	\$	10.89	\$	11.66
Increase (decrease) from operations								
Total revenue		0.20		0.19		0.20		0.17
Total expenses		(0.27)		(0.21)		(0.14)		(0.13)
Realized gains (losses) for the year		1.68		1.21		(0.89)		(0.14)
Unrealized gains (losses) for the year		(1.76)		0.09		1.45		(0.50)
Total increase (decrease) from operations¹	\$	(0.15)	\$	1.28	\$	0.62	\$	(0.60)
Distributions³								
Return of capital		(0.53)		(0.52)		(0.53)		(0.40)
Total annual distributions³	\$	(0.53)	\$	(0.52)	\$	(0.53)	\$	(0.40)
Net assets - end of the year^{1,7}	\$	11.26	\$	12.00	\$	11.31	\$	10.89

RATIOS AND SUPPLEMENTAL DATA								
	2018		2017		2016		2015	
Total net asset value	\$	1,924,217	\$	2,651,280	\$	2,214,858	\$	2,759,997
Number of units outstanding		170,850		220,850		195,850		253,500
Management expense ratio ⁴		2.23%		1.86%		1.39%		9.05%
Management expense ratio before waivers or absorptions ⁴		2.23%		1.86%		1.39%		9.05%
Trading expense ratio ⁵		0.06%		0.10%		0.21%		0.20%
Portfolio turnover rate ⁶		78.13%		99.87%		123.37%		64.30%
Net asset value per unit	\$	11.26	\$	12.00	\$	11.31	\$	10.89
Closing market price - USD (HUL.U)*	\$	8.22	\$	9.51	\$	8.59	\$	N/A

* On conversion to an ETF, Series U traded under the symbol HUL.U. Prior to conversion Series U units did not trade.

Explanatory Notes:

- 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.
- Net assets, at the commencement of operations on March 25, 2015 was \$9.33, net of agents' commissions and issuance costs of \$0.67 per unit for Series A and net assets, at the beginning of the period was \$11.66 (\$9.33 USD), net of agents' commissions and issuance costs of \$0.80 (\$0.67 USD) per unit for Series U.
- Distributions were paid in cash or reinvested in additional units of the Fund.
- 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. The MER for 2015 (the year of inception) the year of inception, included agents' fees of \$2,705,788 and issue costs of \$571,677 for Series A and agents' fees of \$204,626 and issue costs of \$44,184 for Series U, which were treated as one-time expenses and therefore were not annualized. The MER without these costs is 1.47% for Series A and 1.47% for Series U.
- 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.
- 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.
- The USD amount of the net assets at the end of the year was \$8.25 USD.

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Past Performance

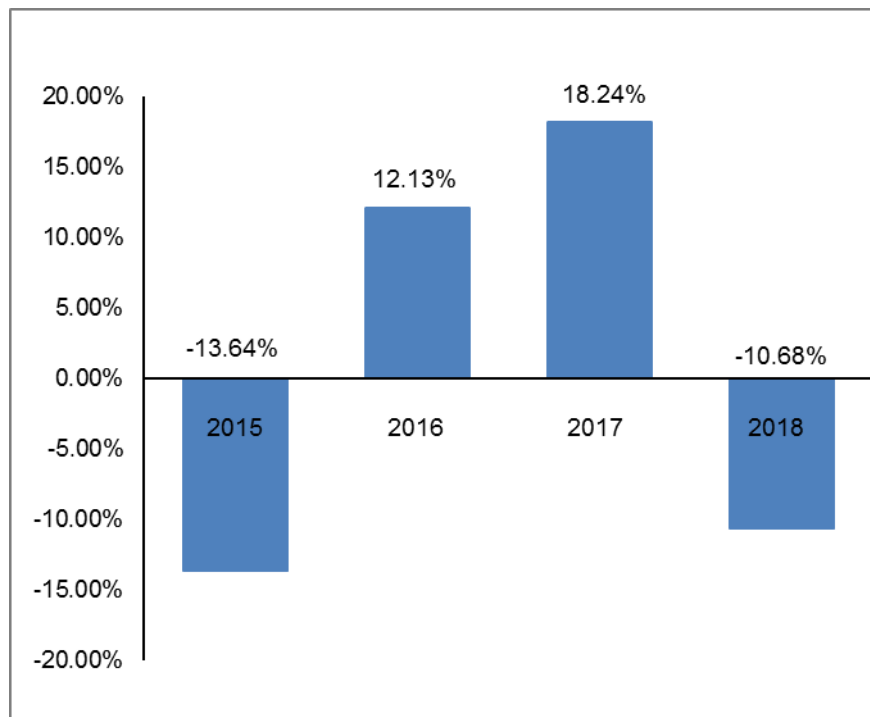
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, or other charges that would have reduced returns or affected performance.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

YEAR-BY-YEAR RETURNS

The following charts present the Fund's performance for each of the years shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Fund Performance

Series A

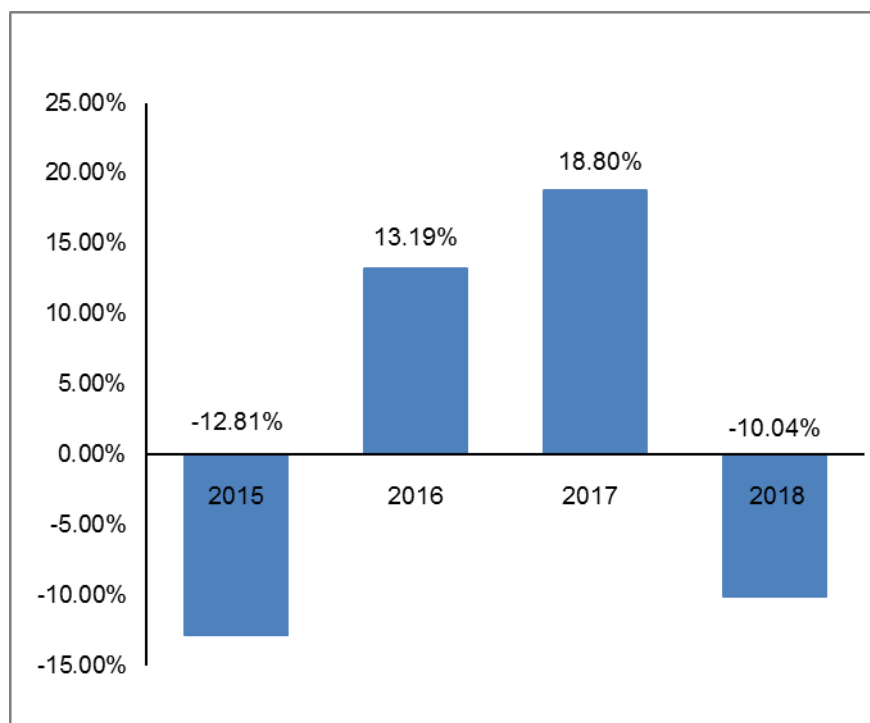


2015 represents the period from March 25 to December 31

Harvest US Equity Plus Income ETF

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Series U (USD)



2015 represents the period from March 25 to December 31

ANNUAL COMPOUND RETURNS

The following table shows the annual compound returns for the Fund. All returns are in Canadian dollars unless otherwise indicated, on a total return basis, net of fees.

For comparison purposes, the S&P 100 Total Return Index (USD) is used. While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. The return of the Index is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses. Please see the “Results of Operations” section of this report for a discussion on recent performance.

In prior periods, the S&P 500 Total Return Index (USD) was used as the comparison benchmark. During the year, the S&P 100 Total Return Index (USD) was selected to be used in the Fund’s prospectus and ETF Facts as a result of regulatory changes affecting those documents and is being used below for consistency.

Investment Return %	1 Year	3 Years	5 Years	10 Years	Since Inception*
Fund Performance – Series A	-10.68	5.80	-	-	0.60
Fund Performance – Series U (USD)	-10.04	6.55	-	-	1.42
S&P 100 Total Return Index (USD)	-4.47	8.58	-	-	7.43
S&P 500 Total Return Index (USD)	-4.38	9.26	-	-	7.54

*Since inception March 25, 2015

Harvest US Equity Plus Income ETF

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SUMMARY OF INVESTMENT PORTFOLIO

The Portfolio by Sector 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 25 Holdings	% of Net Asset Value
NIKE, Inc., Class B	4.5
Amgen Inc.	4.4
Texas Instruments Incorporated	4.4
The Walt Disney Company	4.3
YUM! Brands, Inc.	4.3
The Bank of New York Mellon Corporation	4.3
Eastman Chemical Company	4.2
Corning Incorporated	4.2
The Boeing Company	4.2
The Procter & Gamble Company	4.2
McDonald's Corporation	4.2
Union Pacific Corporation	4.1
ConocoPhillips	4.1
HCA Healthcare, Inc.	4.1
Humana Inc.	4.0
Bank of America Corporation	4.0
Cisco Systems, Inc.	4.0
JPMorgan Chase & Co.	4.0
Mid-America Apartment Communities, Inc.	4.0
Textron Inc.	3.9
The Allstate Corporation	3.9
Valero Energy Corporation	3.7
The Goldman Sachs Group, Inc.	3.4
Best Buy Co., Inc.	3.4
Apple Inc.	3.2
Total	101.0

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	19.6
Consumer Discretionary	16.4
Information Technology	15.8
Health Care	12.5
Industrials	12.2
Energy	7.8
Communication Services	4.3
Materials	4.2
Consumer Staples	4.2
Real Estate	4.0
Cash and other assets and liabilities	0.6
Foreign currency forward contracts	(1.6)
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.