



**INTERIM MANAGEMENT REPORT OF FUND
PERFORMANCE**

Brand Leaders Income Fund

June 30, 2019



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.

Brand Leaders Income Fund

CORPORATE OVERVIEW

Harvest Portfolios Group Inc. (“Harvest” or the “Manager”) 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 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 Brand Leaders Income Fund (the “Fund”) invests in an equally weighted portfolio of fifteen of the world’s top one hundred rated brand companies, each with a market capitalization of at least US\$10 billion. As the US and global economy generally expands, Harvest believes that a diversified portfolio invested in these blue-chip companies 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 Fund has been created to provide investors with exposure to a portfolio ("Portfolio") of Equity Securities¹ of issuers selected from the world's top 100 rated brand companies, as recognized by Interbrand in its annual study of the best global brands.

The Fund's investment objectives are to provide unitholders with:

- (i) monthly cash distributions;
- (ii) the opportunity for capital appreciation; and
- (iii) lower overall volatility of Portfolio returns than would otherwise be experienced by owning Equity Securities of the Brand Leaders¹ directly.

To achieve its investment objectives, the Fund invests in an equally weighted portfolio of equity securities of 15 Brand Leaders from the Brand Leaders Investable Universe¹ that have a market capitalization of at least US\$10 billion at the time of investment and meet the investment characteristics described below. In order to seek to generate additional returns, the Manager will sell "at-the-money" call options each month on Equity Securities held in the Portfolio. Harvest will not sell call options on more than 25% of the Equity Securities of each Brand Leader held in the Fund.

Harvest will annually rebalance the Portfolio such that, at the time of the initial investment and immediately following each annual rebalancing, the Portfolio will have the following investment characteristics:

- Growth** – An average 5-year Annual Compound Earnings per Share growth rate greater than the average for the Brand Leaders Investable Universe;
- Value** – An average Price-to-Earnings ratio lower than the average for the Brand Leaders Investable Universe;
- Quality** – An average 5-year Return on Equity growth greater than the average for the Brand Leaders Investable Universe; and
- Yield** – An average Yield greater than the average for the Brand Leaders Investable Universe.

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 returned 12.44% compared to the S&P 100 Index Total Return in USD of 17.34% for the period ended June 30, 2019.

The US equity market performed well during the first half of 2019 following a period of high volatility in the fourth quarter of 2018. The US economy also continued to perform well in the first half of 2019, accompanied by a strong labour market and a slightly lower than expected inflation. The market experienced some volatility during the first half of 2019 as the trade negotiations between the U.S. and China deteriorated, however a more dovish tone by the U.S. Federal Reserve had a positive impact on the U.S. stock market in general. While earnings growth slowed during the period, results generally exceeded market expectations and companies have thus far largely avoided reductions in full year earnings guidance compared to their initial outlooks.

¹ As defined in the Fund's prospectus dated June 29, 2011.

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The Fund benefited from an overweight allocation to the Information Technology sector and an underweight allocation to Health Care, relative to the benchmark, as the former performed well in the first half of 2019 while the latter lagged the broader market during the period.

The Fund performed in line with expectations during the period given the underlying holdings and structure of the Portfolio. The nature of the companies within the broader Universe are amongst the leading global brands. Companies with solid global brands can benefit from strong customer loyalty, have reduced competitive threats and many have proven resiliency across many economic cycles.

The Fund sold call options on underlying holdings held in the Portfolio during the year in order to meet its investment and income objectives. The Fund was invested in 15 Brand Leaders during the period.

RECENT DEVELOPMENTS

There were no recent developments during the reporting period.

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

The Fund pays the Manager a management fee calculated based on the average weekly net asset value ("NAV") and paid monthly in arrears, based on an annual rate of 0.90%, plus applicable taxes, of the NAV of the Fund. The Fund also pays service fees to registered dealers at the rate on 0.40% of the average weekly NAV, plus applicable taxes, per annum of the Fund. Service fees are accrued daily and paid monthly to the Manager, who in turn pays the dealers quarterly.

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 and benefits; and other administrative expenses and costs incurred in connection with the Fund's continuous public offering and other obligations. These expenses were \$1,868 for the period ended June 30, 2019 (2018 - \$3,349) and are included in the unitholder reporting costs on the Statements of Comprehensive Income (Loss) in the financial statements.

Waivers and absorptions

At its sole discretion, the Manager may waive management fees or absorb expenses of the Fund. There were no management fee waivers or expense absorptions for the period ended June 30, 2019 or 2018. The management expense ratios of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table below.

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 period ended June 30, 2019.

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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, 2019 and past annual periods. This information is derived from the Fund's interim financial statements and past audited annual financial statements.

THE FUND'S NET ASSETS PER UNIT						
	2019	2018	2017	2016	2015	2014
Net assets - beginning of the period	\$ 10.17	\$ 11.57	\$ 10.96	\$ 10.83	\$ 12.26	\$ 12.43
Increase (decrease) from operations						
Total revenue	0.12	0.19	0.21	0.26	0.31	0.29
Total expenses	(0.24)	(0.46)	0.36)	(0.29)	(0.25)	(0.32)
Realized gains (losses) for the period	0.01	2.59	2.92	3.84	(0.10)	0.42
Unrealized gains (losses) for the period	1.36	(2.65)	(1.36)	(4.02)	(0.71)	0.41
Total increase (decrease) from operations¹	\$ 1.25	\$ (0.33)	\$ 1.41	\$ (0.21)	\$ (0.75)	\$ 0.80
Distributions³						
From income	(0.39)	-	-	-	-	-
Return of capital	-	(0.78)	(0.78)	(0.78)	(0.78)	(0.78)
Total annual distributions²	\$ (0.39)	\$ (0.78)	\$ (0.78)	\$ (0.78)	\$ (0.78)	\$ (0.78)
Net assets - end of the period¹	\$ 11.03	\$ 10.17	\$ 11.57	\$ 10.96	\$ 10.83	\$ 12.26

RATIOS AND SUPPLEMENTAL DATA						
	2019	2018	2017	2016	2015	2014
Total net asset value	\$ 4,385,381	\$ 4,403,174	\$ 8,478,952	\$ 10,640,447	\$ 24,065,966	\$ 35,085,601
Number of units outstanding	397,638	433,051	732,582	971,029	2,222,285	2,862,717
Management expense ratio ³	4.37%	4.01%	3.17%	2.68%	2.15%	3.27%
Management expense ratio before waivers or absorptions ³	4.37%	4.01%	3.17%	2.68%	2.15%	3.27%
Trading expense ratio ⁴	0.11%	0.12%	0.13%	0.14%	0.08%	0.12%
Portfolio turnover rate ⁵	6.12%	23.35%	73.71%	25.79%	10.45%	47.72%
Net asset value per unit	\$ 11.03	\$ 10.17	\$ 11.57	\$ 10.96	\$ 10.83	\$ 12.26
Closing market price (HBL.UN)	\$ 10.72	\$ 9.88	\$ 11.50	\$ 10.78	\$ 10.78	\$ 12.22

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.
- Distributions were paid in cash.
- 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 the daily average net asset value during the period. The MER for the year December 31, 2014 includes agents' fees and issue costs of \$210,849 related to the warrants issued. These costs are treated as one-time expenses and therefore were not annualized. The MER without these costs is 2.57% for 2014.
- 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 year.
- 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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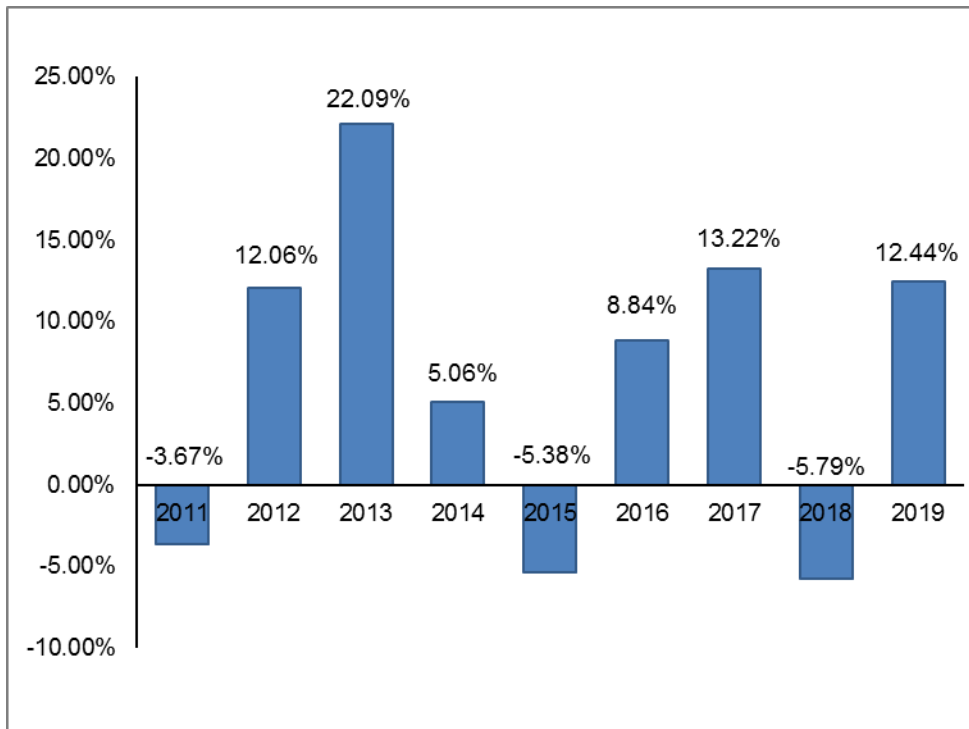
Past Performance

The performance information presented herein assumes all dividends of the Fund during the 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 periods shown and illustrate how the Fund's performance varied. The charts show, 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 except for 2019 which represents the interim period.

Fund Performance



2011 represents the period from July 19 to December 31

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SUMMARY OF INVESTMENT PORTFOLIO

The major portfolio categories and top holdings of the Fund at the end of the period are indicated in the following tables. 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, 2019

Top Holdings	% of Net Asset Value
The Walt Disney Company	7.4
Visa Inc., Class A	7.3
McDonald's Corporation	7.1
Apple Inc.	7.0
PepsiCo, Inc.	6.9
Royal Dutch Shell PLC ADR	6.8
JPMorgan Chase & Co.	6.6
Johnson & Johnson	6.6
Kimberly-Clark Corporation	6.4
Morgan Stanley	6.4
Intel Corporation	6.3
Microsoft Corporation	6.2
Alphabet Inc., Class A	6.1
Caterpillar Inc.	5.2
United Parcel Service, Inc., Class B	5.1
Foreign currency forwards contracts	2.5
Cash and other assets and liabilities	0.4
Options	(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.

SECTOR ALLOCATION

Sector	% of Net Asset Value
Information Technology	32.9
Consumer Discretionary	14.5
Consumer Staples	13.3
Financials	13.0
Industrials	10.3
Energy	6.8
Health Care	6.6
Foreign currency forward contracts	2.5
Cash and other assets and liabilities	0.4
Options	(0.3)
Total	100.0

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GEOGRAPHIC ALLOCATION

Country of Risk	% of Net Asset Value
United States	90.6
Netherlands	6.8
Foreign currency forward contracts	2.5
Cash and other assets and liabilities	0.4
Options	(0.3)
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.