



MANAGEMENT REPORT OF FUND PERFORMANCE

Global Telecom & Utilities Income Fund

December 31, 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., 610 Chartwell Road, Suite 204, Oakville, Ontario, L6J 4A5; by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

Global Telecom & Utilities 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.

We (i) endeavor to develop investment products that are clear in their mandate and easy for investors to understand, (ii) strive to be transparent so that our investors can review their financial reports and know exactly what they own and (iii) seek to provide investors with consistent monthly or quarterly income by investing the fund portfolios in well managed companies that have a steady cash flow and dividend-paying history.

INVESTMENT PRODUCT

The Global Telecom & Utilities Income Fund (the “Fund”) provides investors with exposure to an actively managed portfolio comprised primarily of Equity Securities¹ of Global Telecom Issuers¹ and Global Utilities Issuers¹.

¹ As defined in the Fund’s prospectus dated February 25, 2011.

Global Telecom & Utilities Income Fund

PRESIDENT'S MESSAGE

Global Telecom & Utilities Income Fund

Unitholder letter March 2020

Dear Valued Investor,

"In the business world, the rear-view mirror is always clearer than the windshield"

- Warren Buffet

As a long time follower of Warren Buffett, I think this particular quote makes sense when looking back at the previous year of activity in markets, what is difficult is looking ahead and trying to adjust your investments accordingly. To that end I hold steadfast in my belief that owning quality and steady streams of earnings will provide the confidence one needs as an investor looking ahead.

The immediate challenges of 2020 circle around the U.S. election, global trade issues, Middle East tensions, negative interest rates and, at the time of writing, the coronavirus. These are all important issues that will affect shorter term movements in markets, but like the Vietnam war in the 60's, the oil embargo of the 70s, the market crash of 1987 and many other events through the decades, they become blips on an overall long term trend of growth and increasing value and global GDP.

For a saver, retired investor or those approaching retirement, a more pressing concern is the record low interest rates that persist today and look to remain for some time. I believe this is another compelling reason to own quality companies through our ETFs. As an investor in equities, one must be willing to accept the risk that is associated with market volatility and we believe methods of mitigating that market risk is through time and quality of investment.

Our first objective is to position in growth industries or mega trends that we see continuing for many years if not decades to come. The second criteria is to select companies that are leaders in their respective fields, are making money now and generate steady dividends. Thirdly, we write (sell) call options across the portfolio to generate additional income for our investors. Throughout this process we continue to monitor, analyse and rebalance the positions which also results in portfolio constituent changes from time to time.

I read a number of Annual Reports that simply look through the rear-view mirror at the previous year to explain what happened due to various events as no one can predict the future with any degree of certainty. That said, what we can be sure of is disruptions, recessions and natural disasters will occur but will be overcome while more goods and services are consumed. Global GDP will continue to expand and throughout we will focus on businesses that we believe provide the best outcome due to their track records of success.

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

Global Telecom & Utilities Income Fund

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., 610 Chartwell Road, Suite 204, Oakville, Ontario, L6J 4A5; 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's investment objectives are to provide unitholders with:

- (i) monthly distributions; and
- (ii) capital appreciation.

The Fund has been established to provide investors with exposure to an actively managed portfolio comprised primarily of Equity Securities of Global Telecom Issuers and Global Utilities Issuers. The Manager believes that this strategy will provide investors with the opportunity for both long term capital growth and attractive income that it anticipates from Global Telecom Issuers and the stable returns that it anticipates from Global Utilities Issuers.

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 9.93% for the year ended December 31, 2019 compared to the custom benchmark index comprised of 50% weighting of the MSCI Daily Total Return World Utilities Net USD Index and a 50% weighting of the MSCI Daily Total Return World Communication Services Net USD Index, in Canadian dollars, return of 19.21%.

Growing concerns early in the year surrounding global economic growth coupled with heightened trade relations between China and the United States resulted in broader market volatility early in the year. This resulted in the reduced expectations for interest rate increases in the United States and towards the end of the period, expectations had quickly shifted toward the potential for interest rate cuts. This resulted in investors seeking traditionally more defensive sectors like telecom & utilities and this had a positive impact on the sectors that the Fund invests in. European Telecom Issuers tended to lag while the Utilities in both North American and Europe, continued to gain momentum through the end of the period.

Some of the Fund's relative performance versus the Benchmark can be pinpointed to the lack of exposure in the Non-Telecom sub-industries of the Telecom Services Sector, namely Interactive Media & Services, Movies & Entertainment, and Cable & Satellite.

RECENT DEVELOPMENTS

The recent spread of the coronavirus ("COVID-19") and its impact on the financial performance of the Fund's investments will depend on the duration and spread of the outbreak and related advisories and restrictions. The overall impact to financial markets and the economy are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Fund's future investment results may be materially adversely affected.

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 from the Fund of 1.25% per annum of the applicable average weekly net asset value ("NAV") calculated and payable monthly in arrears, plus applicable taxes.

Global Telecom & Utilities Income Fund

The Fund also pays service fees to registered dealers at the rate on 0.40%, plus applicable taxes, of the average weekly NAV 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 which are paid directly by the Fund, 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 public offering and other obligations. These expenses were \$2,942 for the year ended December 31, 2019 (2018 - \$4,259) and are included in the unitholder reporting costs in the Statements of Comprehensive Income 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 year ended December 31, 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.

BORROWINGS

The Fund established a revolving margin with its Prime Broker, a Canadian chartered bank. Interest charged at floating rates is included in "Interest expense" on the Statements of Comprehensive Income (Loss). The Fund has the facility in place to borrow up to 25 percent of its total assets or 33.3% of the Fund's NAV. The overdraft function is to borrow for the purpose of making investments in accordance with its investment objectives and restrictions, and to pledge its assets to secure the borrowings. The borrowing is a revolving margin that is due on demand with no fixed repayment terms.

The Fund repaid its borrowings during the year with no further drawdown at December 31, 2019 (December 31, 2018 - \$50,949 or 1.4% of net assets attributable to holders of redeemable units). For the year ended December 31, 2019 the Fund recorded interest expense of \$155 (2018 - \$1,059). The amount of borrowings ranged between \$nil and \$51,080 during the year ended December 31, 2019 (2018 - between \$nil and \$50,949) and represented 0.0% to 1.4% of the Fund's net assets attributable to holders of redeemable units during the year ended December 31, 2019 (2018 - 0.0% to 1.4%).

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 year ended December 31, 2019.

Global Telecom & Utilities Income Fund

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

THE FUND'S NET ASSETS PER UNIT	2019	2018	2017	2016	2015
Net assets - beginning of year	\$ 8.52	\$ 9.26	\$ 9.94	\$ 11.59	\$ 10.72
Increase (decrease) from operations					
Total revenue	0.37	0.31	0.28	0.43	0.02
Total expenses	(0.39)	(0.38)	(0.40)	(0.39)	(0.39)
Realized gains (losses) for the year	0.11	0.15	0.11	(0.52)	6.24
Unrealized gains (losses) for the year	0.72	(0.10)	0.10	(0.56)	(4.28)
Total increase (decrease) from operations¹	\$ 0.81	\$ (0.02)	\$ 0.09	\$ (1.04)	\$ 1.59
Distributions³					
Return of capital	(0.72)	(0.72)	(0.72)	(0.72)	(0.72)
Total annual distributions²	\$ (0.72)	\$ (0.72)	\$ (0.72)	\$ (0.72)	\$ (0.72)
Net assets - end of year¹	\$ 8.61	\$ 8.52	\$ 9.26	\$ 9.94	\$ 11.59

RATIOS AND SUPPLEMENTAL DATA	2019	2018	2017	2016	2015
Total net asset value	\$ 3,464,417	\$ 3,538,132	\$ 3,972,145	\$ 5,591,022	\$ 10,524,382
Number of units outstanding	402,384	415,484	429,184	562,445	907,709
Management expense ratio ³	4.58%	4.35%	4.03%	3.72%	5.46%
Management expense ratio before waivers or absorptions ³	4.58%	4.35%	4.03%	3.72%	5.46%
Trading expense ratio ⁴	0.01%	0.01%	0.03%	0.09%	0.00%
Portfolio turnover rate ⁵	4.26%	0.21%	14.28%	10.74%	133.04%
Net asset value per unit	\$ 8.61	\$ 8.52	\$ 9.26	\$ 9.94	\$ 11.59
Closing market price (HGI.UN)	\$ 9.21	\$ 8.12	\$ 9.32	\$ 9.41	\$ 10.66

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. Distributions were paid in cash.
3. Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs), of the Fund. In prior years, the MER included expenses of the Fund and the GTU Trust. On December 16, 2015, the Forward Agreement between the Fund and the GTU Trust was settled and the GTU Trust was terminated. The 2015 MER includes the expenses of the GTU Trust up to December 16, 2015. The MER without the GTU Trust was 3.48%.
4. The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value during the period.
5. 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 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.

Global Telecom & Utilities Income Fund

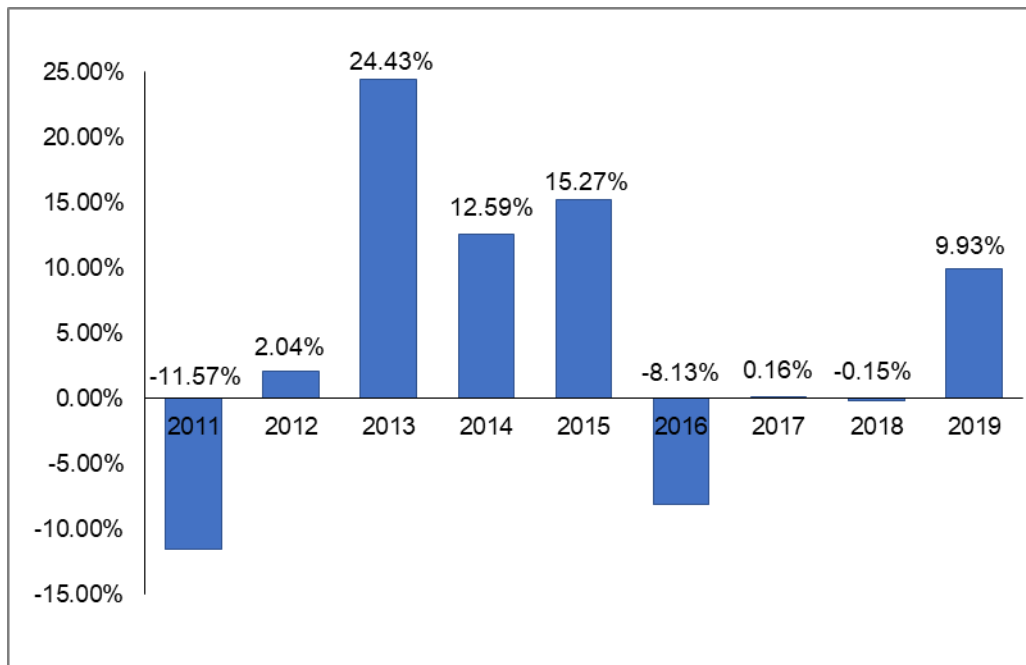
Past Performance

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

Fund performance



2011 represents the period from March 23 to December 31

ANNUAL COMPOUND RETURNS

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

For comparison purposes, a benchmark comprised of a blended index of 50% weighting of the MSCI Daily Total Return World Utilities Net USD Index and a 50% weighting of the MSCI Daily Total Return World Communication Services Net USD Index, in Canadian dollars (the "Index"), 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.

Investment Return %	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance	9.93	3.21	3.09	-	4.51
Index Performance	19.21	8.41	8.89	-	10.30

Global Telecom & Utilities Income Fund

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 annual financial statements.

As at December 31, 2019

Top 25 Holdings	% of Net Asset Value
Veolia Environnement S.A.	4.8
Terna S.p.A.	4.7
EDP - Energias de Portugal, S.A.	4.7
Verizon Communications Inc.	4.6
Vivendi S.A.	4.5
TC Energy Corporation	4.4
Spark New Zealand Limited	4.3
National Grid PLC	4.3
AT&T Inc.	4.2
Iberdrola, S.A.	4.2
Endesa S.A.	4.2
Naturgy Energy Group, S.A.	4.1
United Utilities Group PLC	4.0
Deutsche Telekom AG	3.8
PPL Corporation	3.8
Ameren Corporation	3.7
Duke Energy Corporation	3.6
RWE AG	3.5
SSE PLC	3.3
TELUS Corporation	2.9
Mediaset S.p.A.	2.3
Cash and other assets and liabilities	2.2
Vodafone Group PLC	2.1
ProSiebenSat.1 Media SE	1.9
Telia Company AB	1.8
Total	91.9

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.

Global Telecom & Utilities Income Fund

SECTOR ALLOCATION

Sector	% of Net Asset Value
Utilities	56.2
Communication Services	35.5
Energy	6.1
Cash and other assets and liabilities	2.2
Total	100.0

GEOGRAPHIC ALLOCATION

Country of Risk	% of Net Asset Value
United States	19.9
Spain	14.2
United Kingdom	13.7
Germany	10.9
France	10.9
Canada	9.0
Italy	8.4
Portugal	4.7
New Zealand	4.3
Cash and other assets and liabilities	2.2
Sweden	1.8
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.