



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Brand Leaders Income Fund

June 30, 2020



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.

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.

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 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.

Brand Leaders Income Fund

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., 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 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 -9.47% compared to the S&P 100 Total Return Index (USD) of -0.33% for the period ended June 30, 2020. The primary reason for the divergence in performance compared to the S&P 100 Total Return Index was the strong performance of select mega-capitalization names such as Apple Inc., Microsoft Corp. and Amazon.com Inc. which constitute a sizable proportion of the index and have had a significant influence on overall index returns.

The global pandemic that quickly erupted through the end of February caused significant disruptions to the markets and equally caused volatility levels, both realized and implied, to expand to extreme levels in many cases not seen even during the financial crisis of 2008. Uncertainty over the systemic disruptions and timing of any return to normalcy kept volatility at extreme levels for several months. The volatility and uncertainty were met swiftly with significant and in many countries, unprecedented stimulus, both monetary and fiscal. This allowed credit markets to stay fluid and provided some stability to the broader economic systems and resulted in overall extreme volatility subsiding toward early summer. However, uncertainty remains as to the duration and longer-term economic impact of the pandemic and systemic shutdowns. This

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

Brand Leaders Income Fund

coincides with volatility levels that remain elevated compared to recent years, but below the peaks that were seen early in the pandemic.

There have been several key areas of the market that have been hit relatively hard by the pandemic. Tourism, brick & mortar retail and travel related businesses have been particularly hard hit. However, some areas of the market have proven more resilient and are well positioned for the current environment as we look towards the near to medium term. The technology sector, which the fund has an overweight position in, has had the most apparent impact from the global pandemic, driven by work from home, online consumerism and increased security needs.

During the period the Fund's performance relative to the index was positively impacted by strong stock selection in the financials and industrials sectors. This was more than offset by slight underweight positions in the technology and consumer discretionary sectors relative to the index. Exceptionally strong performance by a select few names in these sectors had a negative impact on relative performance as the funds equally weighted methodology lead to a larger impact from stocks that have temporarily lagged.

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 is amongst the leading global brands. Companies with solid global brands can benefit from strong customer loyalty, have reduced competitive threats and many have proven resilience across many economic cycles.

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

RECENT DEVELOPMENTS

The recent spread of the coronavirus ("COVID-19") has caused volatility in the global financial markets and a slowdown in the global economy and may have a continued adverse impact on the financial performance of the Fund's investments. The extent of the overall impact to financial markets and the economy are highly uncertain and cannot be predicted as they will depend on the duration and renewed spread of the outbreak along with further government restrictions. 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 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 public offering and other obligations. These expenses are allocated by the Manager on a reasonable basis, across all the Harvest Portfolios Group Inc. funds, and series of each applicable fund. These expenses were \$1,597 for the period ended June 30, 2020 (2019 - \$1,868) 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, 2020 or 2019. The management expense

Brand Leaders Income Fund

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, 2020.

Brand Leaders 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 period ended June 30, 2020 and past annual periods. This information is derived from the Fund's interim financial statements and past annual audited financial statements.

THE FUND'S NET ASSETS PER UNIT						
	2020	2019	2018	2017	2016	2015
Net assets - beginning of period²	\$ 11.76	\$ 10.17	\$ 11.57	\$ 10.96	\$ 10.83	\$ 12.26
Increase (decrease) from operations						
Total revenue	0.10	0.23	0.19	0.21	0.26	0.31
Total expenses	(0.23)	(0.48)	(0.46)	(0.36)	(0.29)	(0.25)
Realized gains (losses) for the period	0.91	0.39	2.59	2.92	3.84	(0.10)
Unrealized gains (losses) for the period	(1.87)	2.23	(2.65)	(1.36)	(4.02)	(0.71)
Total increase (decrease) from operations¹	\$ (1.09)	\$ 2.37	\$ (0.33)	\$ 1.41	\$ (0.21)	\$ (0.75)
Distributions³						
From net investment income	(0.39)	-	-	-	-	-
Return of capital	-	(0.78)	(0.78)	(0.78)	(0.78)	(0.78)
Total annual distributions³	\$ (0.39)	\$ (0.78)	\$ (0.78)	\$ (0.78)	\$ (0.78)	\$ (0.78)
Net assets - end of period¹	\$ 10.25	\$ 11.76	\$ 10.17	\$ 11.57	\$ 10.96	\$ 10.83

RATIOS AND SUPPLEMENTAL DATA						
	2020	2019	2018	2017	2016	2015
Total net asset value	\$ 3,812,324	\$ 4,676,189	\$ 4,403,174	\$ 8,478,952	\$ 10,640,447	\$ 24,065,966
Number of units outstanding	371,986	397,638	433,051	732,582	971,029	2,222,285
Management expense ratio ³	3.99%	4.30%	4.01%	3.17%	2.68%	2.15%
Management expense ratio before waivers or absorptions ³	3.99%	4.30%	4.01%	3.17%	2.68%	2.15%
Trading expense ratio ⁴	0.40%	0.09%	0.12%	0.13%	0.14%	0.08%
Portfolio turnover rate ⁵	31.87%	11.08%	23.35%	73.71%	25.79%	10.45%
Net asset value per unit	\$ 10.25	\$ 11.76	\$ 10.17	\$ 11.57	\$ 10.96	\$ 10.83
Closing market price (HBL.UN)	\$ 10.05	\$ 11.54	\$ 9.88	\$ 11.50	\$ 10.78	\$ 10.78

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 stated period and is expressed as an annualized percentage of the daily average net asset value during the period.
4. 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. In 2020 the calculation was modified to include certain transaction costs charged by the custodian. The trading expense ratio in prior periods was not re-stated.
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 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.

Brand Leaders Income Fund

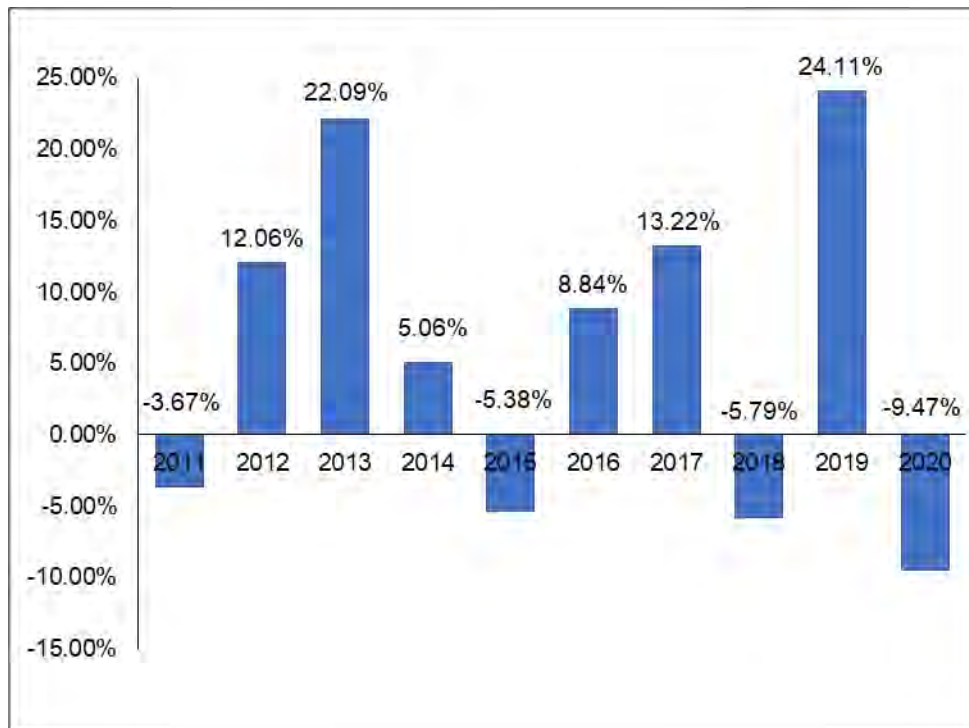
Past Performance

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 charts present the Fund's performance for each of the years 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 2020 which represents the interim period.

Fund Performance



2011 represents the period from July 19 to December 31

Brand Leaders 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 interim financial statements.

As at June 30, 2020

Top Holdings	% of Net Asset Value
Apple Inc.	7.4
Alphabet Inc., Class A	7.4
Morgan Stanley	7.0
United Parcel Service, Inc., Class B	7.0
Microsoft Corporation	6.6
McDonald's Corporation	6.6
The Procter & Gamble Company	6.3
Caterpillar Inc.	6.3
Visa Inc., Class A	6.2
Intel Corporation	6.2
Royal Dutch Shell PLC ADR	6.2
JPMorgan Chase & Co.	6.1
PepsiCo, Inc.	6.0
The Walt Disney Company	5.9
Johnson & Johnson	5.4
Foreign currency forward contracts	2.2
Cash and other assets and liabilities	1.5
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	26.4
Communication Services	13.3
Industrials	13.3
Financials	13.1
Consumer Staples	12.3
Consumer Discretionary	6.6
Energy	6.2
Health Care	5.4
Foreign currency forward contracts	2.2
Cash and other assets and liabilities	1.5
Options	(0.3)
Total	100.0

Brand Leaders Income Fund

GEOGRAPHIC ALLOCATION

Country of Risk	% of Net Asset Value
United States	90.4
Netherlands	6.2
Foreign currency forward contracts	2.2
Cash and other assets and liabilities	1.5
Options	(0.3)
Total	100.0



Head Office

610 Chartwell Road, Suite 204
Oakville, Ontario L6J 4A5

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.