



---

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

---

### Harvest Equal Weight Global Utilities Income ETF

June 30, 2021



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](http://www.harvestportfolios.com); or on SEDAR at [www.sedar.com](http://www.sedar.com).

# Harvest Equal Weight Global Utilities Income ETF

## 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 Harvest Equal Weight Global Utilities Income ETF (the “Fund”) invests in an equally weighted portfolio of Equity Securities<sup>1</sup> of 30 Global Utility Issuer’s<sup>1</sup> chosen from the Global Utility Issuer’s Investable Universe<sup>1</sup> that, immediately following each quarterly reconstitution, rank in the top 30 issuers as measured by market capitalization on an equally weighted basis (in Canadian dollars based on the most recent month end value) and that have call options available.

---

<sup>1</sup> As defined in the Fund’s prospectus dated January 7, 2021.

# Harvest Equal Weight Global Utilities Income ETF

## 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](http://www.harvestportfolios.com); or on SEDAR at [www.sedar.com](http://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 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 Global Utility Issuers directly.

To achieve its investment objectives, the Fund will invest in an equally weighted portfolio of Equity Securities of 30 Global Utility Issuer's chosen from the Global Utility Issuer's Investable Universe that, immediately following each quarterly reconstitution, rank in the top 30 issuers as measured by market capitalization on an equally weighted basis (in Canadian dollars based on the most recent month end value) and that have call options available. If, in the opinion of the Manager, there are not 30 Global Utility Issuers that meet the investment criteria of the Fund, the Manager may invest in fewer than 30 Global Utility 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 year that affected the overall level of risk of the Fund.

## RESULTS OF OPERATIONS

The Fund returned 9.12% compared to the MSCI World Utilities Gross Total Return Index (the "Benchmark") of 1.14% for the period ended June 30, 2021.

While defensive utilities and telecom stocks were cushioned from the broad market selloff during 2020, the downside impacts were not escapable due to the global demand slowdown and energy pipelines were more impacted by the abrupt decline in commodity prices. Meanwhile, traditional utilities sectors have only slowly participated in the market recovery recently due to their slower, mostly regulated model of business growth. The renewable energy focused power companies, saw much stronger gains on the back of global trends toward clean energy in 2020, but the early 2021 pullback from the highest growth stocks to more value biased stocks saw the Global Utilities Benchmark pulled down negatively, while the Fund, by design, is focused on the more stable, higher dividend payers in regulated utilities. Additionally, the Fund benefitted from its exposure into Energy Pipelines, which caught a rebound in sentiment for Energy Stocks in general, alongside the move higher in crude oil prices.

The Fund was invested in a portfolio of 30 Global Utilities Issuers selected from a diverse universe of companies in the Utilities, Telecommunication Services, Oil & Gas Storage and Transportation sub-sectors. The portfolio is equally weighted and follows a systematic process in selecting the top 30 largest Global Utility Issuers measured by market capitalization that meet specific dividend characteristics from the Universe. The Fund used covered calls to generate additional income.

## RECENT DEVELOPMENTS

The spread of the coronavirus ("COVID-19") has caused volatility in the global financial markets and a slowdown in the global economy. Uncertainty on the impact and the strength of the economic recovery continues with the spread of variants. Although financial markets have been strong over the past year, this uncertainty may have a continued adverse impact on the financial performance of the Fund's investments. If there is renewed spread of COVID-19, the duration and resulting government restrictions could continue to impact the overall economy for an extended period and the Fund's future investment results may be materially adversely affected.

# Harvest Equal Weight Global Utilities Income ETF

## 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

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 0.50%, 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.

### 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 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 \$11,399 for the period ended June 30, 2021 (2020 - \$8,029) 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 for the period ended June 30, 2021 or 2020. The Manager absorbed \$42,001 of expenses of the Fund for the period ended June 30, 2021 (2020 - \$65,938). The Manager may cease doing so at any time without notice to unitholders. The management expense ratios of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table below.

## 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 June 30, 2021.

# Harvest Equal Weight Global Utilities Income ETF

## 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, 2021 and past annual periods. This information is derived from the Fund's interim financial statements and annual audited financial statements.

THE FUND'S NET ASSETS PER UNIT			
	2021	2020	2019
<b>Net assets - beginning of period<sup>2</sup></b>	<b>\$ 18.07</b>	<b>\$ 21.89</b>	<b>\$ 20.00</b>
<b>Increase (decrease) from operations</b>			
Total revenue	0.53	0.89	0.86
Total expenses	(0.09)	(0.19)	(0.22)
Realized gains (losses) for the period	0.63	(1.29)	1.02
Unrealized gains (losses) for the period	0.44	(1.56)	1.02
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ 1.51</b>	<b>\$ (2.15)</b>	<b>\$ 2.68</b>
<b>Distributions<sup>3</sup></b>			
From net investment income	(0.32)	(0.49)	(0.26)
From dividends	-	(0.16)	(0.10)
From capital gains	(0.14)	-	(0.49)
Return of capital	(0.24)	(0.76)	(0.32)
<b>Total annual distributions<sup>3</sup></b>	<b>\$ (0.70)</b>	<b>\$ (1.41)</b>	<b>\$ (1.17)</b>
<b>Net assets - end of period<sup>1</sup></b>	<b>\$ 18.99</b>	<b>\$ 18.07</b>	<b>\$ 21.89</b>

RATIOS AND SUPPLEMENTAL DATA			
	2021	2020	2019
<b>Total net asset value</b>	<b>\$ 55,085,276</b>	<b>\$ 30,722,607</b>	<b>\$ 18,608,401</b>
Number of units outstanding	2,900,000	1,700,000	850,000
Management expense ratio <sup>4</sup>	0.79%	0.79%	0.97%
Management expense ratio before waivers or absorptions <sup>4</sup>	0.98%	1.25%	2.39%
Trading expense ratio <sup>5</sup>	0.34%	0.45%	0.40%
Portfolio turnover rate <sup>6</sup>	25.53%	79.92%	93.87%
<b>Net asset value per unit</b>	<b>\$ 18.99</b>	<b>\$ 18.07</b>	<b>\$ 21.89</b>
<b>Closing market price (HUTL)</b>	<b>\$ 19.14</b>	<b>\$ 18.11</b>	<b>\$ 21.86</b>

### 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 January 10, 2019 was \$20.00.
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 the 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. In 2020 the calculation was modified to include certain transaction costs charged by the custodian. The trading expense ratio in prior period was not re-stated.
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.

# Harvest Equal Weight Global Utilities Income ETF

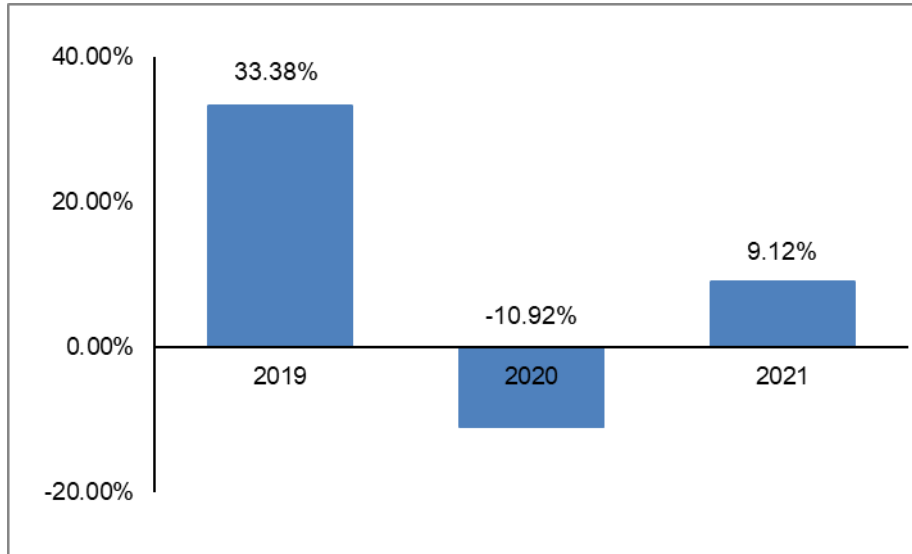
## Past Performance

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. 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 except for 2021 which represents the interim period.

## Fund Performance



2019 represents the period from January 10 to December 31

# Harvest Equal Weight Global Utilities Income ETF

## 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, 2021

Top 25 Holdings	% of Net Asset Value
Uniper SE	3.5
Edison International	3.4
Telia Company AB	3.4
Swisscom AG	3.4
Deutsche Telekom AG	3.4
BCE Inc.	3.3
Verizon Communications Inc.	3.3
National Grid PLC	3.3
Koninklijke KPN NV	3.3
Kinder Morgan, Inc.	3.3
TELUS Corporation	3.3
SSE PLC	3.3
FirstEnergy Corp.	3.3
Avangrid, Inc.	3.3
Duke Energy Corporation	3.3
PPL Corporation	3.3
AT&T Inc.	3.3
TC Energy Corporation	3.3
E.ON SE	3.3
Telenor ASA	3.3
Emera Incorporated	3.3
Fortis Inc.	3.3
Orange S.A.	3.3
Vodafone Group PLC	3.3
Fortum Oyj	3.2
<b>Total</b>	<b>83.0</b>

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](http://www.harvestportfolios.com).

# Harvest Equal Weight Global Utilities Income ETF

## SECTOR ALLOCATION

Sector	% of Net Asset Value
Electric Utilities	42.3
Diversified Telecommunication	33.3
Multi-Utilities	9.7
Oil, Gas & Consumable Fuels	6.6
Independent Power and Renewables	3.5
Wireless Telecommunication Services	3.3
Cash and other assets and liabilities	2.0
Options	(0.1)
Foreign currency forward contracts	(0.6)
<b>Total</b>	<b>100.0</b>

## GEOGRAPHIC ALLOCATION

Country of Risk	% of Net Asset Value
United States	36.0
Canada	16.5
Germany	10.2
United Kingdom	9.9
Spain	6.2
Sweden	3.4
Switzerland	3.4
Netherlands	3.3
Norway	3.3
France	3.3
Finland	3.2
Cash and other assets and liabilities	2.0
Options	(0.1)
Foreign currency forward contracts	(0.6)
<b>Total</b>	<b>100.0</b>





### **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](mailto: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.