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**INTERIM FINANCIAL STATEMENTS**  
**(Unaudited)**

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**Harvest Diversified Monthly Income ETF**

**June 30, 2022**



# Harvest Diversified Monthly Income ETF

<b>STATEMENT OF FINANCIAL POSITION</b>	
<b>(Unaudited)</b>	
<b>As at</b>	<b>June 30, 2022</b>
<b>Assets</b>	
<b>Current assets</b>	
Investments (Note 7)	\$ 144,645,110
Cash	56,065
Distributions receivable from underlying ETFs	974,416
Subscriptions receivable	840,310
	<b>146,515,901</b>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Loan payable (Note 8)	29,462,158
Interest payable (Note 8)	47,264
Distributions payable (Note 4)	980,580
	<b>30,490,002</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 116,025,899</b>
<b>Number of redeemable units outstanding (Note 4)</b>	<b>13,950,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 8.32</b>

The accompanying notes are an integral part of these financial statements.

# Harvest Diversified Monthly Income ETF

<b>STATEMENT OF COMPREHENSIVE INCOME (LOSS)</b>	
<b>(Unaudited)</b>	
<b>For the period from February 11, 2022 (commencement of operations) to June 30, 2022</b>	
	<b>2022</b>
<b>Income</b>	
Net gain (loss) on investments	
Dividends from underlying ETFs	\$ 396,140
Net realized gain (loss) on sale of investments	1,916,876
Net change in unrealized appreciation (depreciation) of investments	(14,418,772)
Net gain (loss) on investments	(12,105,756)
<b>Total income (net)</b>	<b>\$ (12,105,756)</b>
<b>Expenses (Note 5)</b>	
Unitholder reporting costs	\$ 10,415
Audit fees	13,617
Transfer agency fees	3,593
Custodian fees and bank charges	17,503
Filing fees	1,894
Legal fees	21,844
Interest expense (Note 8)	107,207
Transaction costs (Note 10)	12,703
<b>Total expenses</b>	<b>188,776</b>
Expenses absorbed by manager (Note 5)	(68,866)
<b>Total expenses (net)</b>	<b>\$ 119,910</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ (12,225,666)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit - (Note 4)</b>	<b>\$ (1.72)</b>

The accompanying notes are an integral part of these financial statements.

# Harvest Diversified Monthly Income ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Unaudited)		
For the period from February 11, 2022 (commencement of operations) to June 30, 2022		2022
Net assets attributable to holders of redeemable units beginning of period	\$	-
Increase (decrease) in net assets attributable to holders of redeemable units	\$	(12,225,666)
<b>Redeemable unit transactions</b>		
Proceeds from issue of redeemable units		130,964,975
<b>Net redeemable unit transactions</b>	<b>\$</b>	<b>130,964,975</b>
<b>Distributions to holders of redeemable units</b>		
Net investment income		(286,424)
Capital gains		(1,916,878)
Return of capital		(510,108)
<b>Total distributions to holders of redeemable units</b>	<b>\$</b>	<b>(2,713,410)</b>
<b>Net assets attributable to holders of redeemable units end of period</b>	<b>\$</b>	<b>116,025,899</b>

The accompanying notes are an integral part of these financial statements.

# Harvest Diversified Monthly Income ETF

## STATEMENT OF CASH FLOWS (Unaudited)

For the period from February 11, 2022 (commencement of operations) to  
June 30, 2022

2022

<b>Operating activities</b>	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (12,225,666)
<b>Add (deduct) items not affecting cash:</b>	
Change in unrealized (appreciation) depreciation of investments	14,418,772
Purchases of investments*	(28,939,217)
Net change in non-cash assets and liabilities	(927,152)
<b>Net cash flow provided by (used in) operating activities</b>	<b>\$ (27,673,263)</b>
<b>Financing activities</b>	
Net proceeds from redeemable units issued*	-
Net (repayment) borrowing of credit facility (Note 8)	29,462,158
Distributions paid to holders of redeemable units (net of reinvestments)	(1,732,830)
<b>Net cash flow provided by (used in) financing activities</b>	<b>\$ 27,729,328</b>
Net increase (decrease) in cash during the period	56,065
Cash, beginning of the period	-
<b>Cash, end of the period</b>	<b>\$ 56,065</b>
<b>Supplemental disclosure of cash flow information</b>	
Interest paid during the period**	\$ 59,943
Distributions from underlying ETFs received during the period**	1,338,600

\*excludes applicable trades that were not settled in cash (in-kind trades) of \$130,964,975

\*\*included in operating activities

The accompanying notes are an integral part of these financial statements.

# Harvest Diversified Monthly Income ETF

## SCHEDULE OF INVESTMENTS

(Unaudited)

As at June 30, 2022

Number of Shares	Security	Average Cost (\$)	Fair Value (\$)	% of Net Assets
<b>EXCHANGE TRADED FUNDS</b>				
2,869,365	Harvest Brand Leaders Plus Income ETF, Class A Units	30,636,541	27,517,210	23.7
1,697,701	Harvest Equal Weight Global Utilities Income ETF, Class A Units	32,994,593	31,848,871	27.5
3,916,740	Harvest Healthcare Leaders Income ETF, Class A Units	33,119,820	31,451,422	27.1
2,076,832	Harvest Tech Achievers Growth & Income ETF, Class A Units	31,245,458	26,708,060	23.0
2,020,078	Harvest US Bank Leaders Income ETF, Class A Units	31,067,470	27,119,547	23.4
<b>Total investments</b>		<b>159,063,882</b>	<b>144,645,110</b>	<b>124.7</b>
<b>Loan payable (Note 10)</b>			<b>(29,462,158)</b>	<b>(25.4)</b>
<b>Other assets less liabilities</b>			<b>842,947</b>	<b>0.7</b>
<b>Net assets attributable to holders of redeemable units</b>			<b>116,025,899</b>	<b>100.0</b>

# Harvest Diversified Monthly Income ETF

## NOTES TO THE INTERIM FINANCIAL STATEMENTS (Unaudited)

June 30, 2022

### 1. GENERAL INFORMATION

Harvest Diversified Monthly Income ETF (the "Fund") is an alternative investment fund established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated February 4, 2022 and as amended and restated, being the inception date. There was no significant activity in the Fund from the date of inception to commencement of operations on February 11, 2022. The address of the Fund's registered office is 610 Chartwell Road, Oakville, Ontario L6J 4A5.

The Fund's investment objectives are to provide unitholders with high monthly cash distributions and the opportunity for capital appreciation by investing, on a levered basis, in a portfolio of exchange traded mutual funds ("ETFs") managed by the Manager that are listed on a recognized Canadian stock exchange and that engage in covered call strategies.

### 2. BASIS OF ACCOUNTING

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. These interim financial statements were authorized for issue by Harvest Portfolios Group Inc. (the "Manager") on August 17, 2022.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at fair value through profit or loss ("FVTPL"). Transaction costs on financial assets and liabilities at FVTPL are expensed as incurred. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments and derivative assets and liabilities are measured at FVTPL based on its business model. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid. Carrying values of other financial assets and liabilities at amortized cost approximate their fair values due to the short term to maturity. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("NAV") for transactions with unitholders. As at June 30, 2022 there were no differences between the Fund's NAV per security and its net assets per security calculated in accordance with IFRS 9.

#### Fair value of investments and derivatives

Investments and derivatives that are traded in an active market are valued at their closing prices through recognized public stock exchanges or through recognized investment dealers on the valuation date. The Fund uses the last traded market price that falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. Investments held are represented by equities. Derivatives held include options and foreign currency forward contracts.

Investments and derivatives held that are not traded in an active market are valued using valuation techniques, on such basis and in such a manner established by the Manager. The value of any security for which, in the opinion of the Manager, the published market quotations are not readily available shall be the fair value as determined by the Manager. The fair values of certain securities may be determined using valuation models that are based, in part, on assumptions that are not supported by observable market inputs. These methods and procedures may include, but are not limited to, performing comparisons with prices of comparable or similar securities, obtaining valuation related information from issuers and/or other analytical data relating to the investment and using other available indication of value. These values are independently assessed internally to ensure that they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair values for the aforementioned securities and interests may be materially different from the values that would be used had a ready market for the security existed. The fair values of such securities are affected by the perceived credit risks of the issuer, predictability of cash flows and length of time to maturity.

#### Classification of redeemable units

Under IFRS, IAS 32 Financial Instruments – Presentation requires that units or shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as a financial liability unless certain criteria are met. The Fund's units include different redemption rights and in some instances are at 95% of market value of the units on the exchange. As a result, the Fund's units contain multiple contractual obligations and are presented as financial liabilities as they do not meet the criteria for classification as equity.

# Harvest Diversified Monthly Income ETF

## Cash

Cash is comprised of cash on deposit.

## Investment transactions and income recognition

Net realized gain (loss) on sale of investments and net change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Dividend income is accounted for on the ex-dividend date. The cost of investments is determined using the average cost method.

Distributions received from investment trusts are recorded as income, capital gains or a return of capital, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information. Distributions from investment trusts treated as a return of capital reduce the average cost of the underlying investment trust.

## Foreign currency translation

The Fund's subscriptions and redemptions are predominately denominated in Canadian dollars which is also the Fund's functional and presentation currency. Purchases and sales of investments denominated in foreign currencies and foreign currency dividend and interest income are translated into Canadian dollars at the rate of exchange prevailing at the time of the transactions. Realized and unrealized foreign currency gains or (losses) on investments are included in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on sale of investments" and "Net change in unrealized appreciation (depreciation) of investments", respectively. Realized and unrealized foreign currency gains or (losses) on options are included in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on options written" and "Net change in unrealized appreciation (depreciation) of options written", respectively. Realized and unrealized foreign currency gains or losses on assets and liabilities, other than investments and options, denominated in foreign currencies are included in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on foreign exchange" and "Net change in unrealized appreciation (depreciation) of foreign exchange", respectively. Foreign currency assets and liabilities in the Statement of Financial Position are translated into Canadian dollars on the statement date.

## Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

## Redeemable units valuation

The NAV on a particular date will be equal to the aggregate value of the assets of the Fund less the aggregate value of the liabilities of the Fund, expressed in Canadian dollars at the applicable exchange rate on such date. The NAV and NAV per unit will be calculated on any day on which the Toronto Stock Exchange ("TSX") is open for trading ("Business Day").

## Increase (decrease) in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" in the Statement of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable units, divided by the weighted average units outstanding for the financial period.

## Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

- a) Fair value measurement of derivatives and securities not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Refer to Note 7 for further information about the fair value measurement of the Fund's financial instruments.

- b) Classification and measurement of investments and derivatives under IFRS 9

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about the business model in which the portfolio of investments and derivatives is held. The Manager has determined that the Fund's business model is one in which its portfolio is managed and performance evaluated on a fair value basis under IFRS 9.



# Harvest Diversified Monthly Income ETF

## 4. REDEEMABLE UNITS

The authorized capital of the Fund consists of an unlimited number of transferable units of one class representing an equal, undivided interest in the net assets of the Fund. Except as provided in the Declaration of Trust, all units have equal rights and privileges. Each unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally in any and all distributions made by the Fund. The units trade on the TSX under the symbol HDIF. As at June 30, 2022, the closing price of the units was \$8.29 per unit.

### Subscriptions and Redemptions

On any Business Day, a designated broker or underwriter may place a subscription or redemption order for an integral multiple of the prescribed number of units of the ETF.

If the subscription or redemption order is accepted, the ETF will issue or redeem units to/from the designated broker or underwriter generally by the second trading day after the date on which the subscription or redemption order is accepted. For each prescribed number of units issued or redeemed, a designated broker or underwriter must deliver or receive payment consisting of:

- (a) A basket of applicable securities and cash in an amount sufficient so that the value of the securities, and the cash received is equal to the NAV of the units issued or redeemed; or
- (b) Cash in the amount equal to the NAV of the units issued or redeemed.

On any trading day, unitholders may redeem units for cash or exchange units for baskets of securities and cash. Units redeemed for cash may be redeemed at a redemption price per unit equal to 95% of the closing price for the units on the TSX on the effective day of the redemption, subject to a maximum redemption price per unit equal to NAV. Units exchanged for baskets of securities will be exchanged at a price equal to the NAV of the units on the effective date of the exchange request, payable by delivery of baskets of securities and cash. The units will be redeemed in the exchange.

The following units were issued and/or redeemed during the period:

	Units outstanding
<b>Initial issuance, February 11, 2022</b>	<b>300,000</b>
Redeemable units issued	13,650,000
<b>Total outstanding as at June 30, 2022</b>	<b>13,950,000</b>

The weighted average number of units outstanding during the period ended June 30, 2022 was 7,126,429 units.

### Distributions

The Fund intends to make monthly cash distributions to unitholders of record on the last Business Day of each month and pay such cash distributions on or before the 15th day of the following month. The distribution amount was \$2,713,410 for the period ended June 30, 2022.

The Fund made available to unitholders the opportunity to reinvest monthly distributions from the Fund in additional units, as applicable, by participating in a distribution reinvestment plan which would provide that cash distributions made by the Fund, at the election of a unitholder, be automatically reinvested in additional units, as applicable, on such unitholder's behalf in accordance with the terms of the plan. Reinvestment of distributions occur through market purchases only.

## 5. RELATED PARTY TRANSACTIONS AND OTHER EXPENSES

The Fund pays management fees and other expense reimbursements to Harvest, as noted below in Management Fees, Operating Expenses and Other Expenses sections. The Fund also buys and sells units of underlying ETFs that are also managed by Harvest and are therefore related parties. The Fund does not pay any commission to Harvest or the underlying ETFs on these transactions. The following table outlines the net amount of units of each related underlying ETF purchased (sold) by the Fund during the period.

## Harvest Diversified Monthly Income ETF

	Net Buys/(Sells) of underlying ETF
Harvest Equal Weight Global Utilities Income ETF, Class A Units	\$33,347,418
Harvest Healthcare Leaders Income ETF, Class A Units	\$33,248,031
Harvest Brand Leaders Plus Income ETF, Class A Units	\$30,636,925
Harvest US Bank Leaders Income ETF, Class A Units	\$31,073,647
Harvest Tech Achievers Growth & Income ETF, Class A Units	\$31,248,330

The Fund included the following distribution amounts from related underlying ETFs in its results of operations for the period ending June 30, 2022.

	Distributions from underlying ETF
Harvest Equal Weight Global Utilities Income ETF, Class A Units	\$577,657
Harvest Healthcare Leaders Income ETF, Class A Units	\$666,356
Harvest Brand Leaders Plus Income ETF, Class A Units	\$502,403
Harvest US Bank Leaders Income ETF, Class A Units	\$458,023
Harvest Tech Achievers Growth & Income ETF, Class A Units	\$588,848

### Management fees

The Manager is responsible for managing the Fund's overall business and operations and provides key management personnel to the Fund. The management fees paid directly to the Manager by the Fund are nil. However, the underlying ETFs held by the Fund will pay management fees and incur trading expenses. The Fund intends to invest in ETFs that are managed by the Manager. With respect to such investments, no management fees or incentive fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by such underlying ETF for the same service. The underlying ETFs in which the Fund invests will pay applicable management fees. As a result, the actual aggregate management fees indirectly payable to the Manager in respect of an investment in the Fund will be greater than nil.

### 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 \$6,573 for the period ended June 30, 2022 and are included in the unitholder reporting costs on the Statement of Comprehensive Income (Loss).

### 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, 2022. The Manager absorbed \$68,866 of expenses of the Fund and \$242,160 of expenses of the underlying ETFs for the period ended June 30, 2022. The Manager may cease doing so at any time without notice to unitholders.

## 6. FINANCIAL RISK MANAGEMENT

Investment activities of the Fund expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). The Manager seeks to minimize these risks by employing experienced portfolio managers that will manage the security portfolios of the Fund on a daily basis according to market events and the investment objectives of the Fund. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities

## Harvest Diversified Monthly Income ETF

regulations. In addition to the risks described below, the Fund could be exposed to indirect risk to the extent that the underlying ETFs held financial instruments that were subject to the below risks.

The Fund is considered an alternative mutual fund within the meaning of NI 81-102 and is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. As an alternative mutual fund, under NI 81-102, the Fund is permitted to use strategies generally prohibited by conventional mutual funds, including the ability to invest in other alternative mutual funds, borrow cash to use for investment purposes and increased ability to invest in commodities. While these specific strategies will be used in accordance with the Fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which an investment decreases in value.

### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The value of securities in the Fund's portfolio may be affected by the stock market conditions rather than each company's performance. Developments in the market are affected by general economic and financial conditions. Political, social and environmental factors can also affect the value of any investment. The spread of the coronavirus has caused volatility in the global financial markets and impacted the global economy. Locally and globally restrictions have eased and appear to be less likely in the future however the lasting effects of the previous restrictions have impacted the economy with rising inflation and resulting rising interest rates. In addition to this, the war in Ukraine has further contributed to rising inflation and has added to the economic and financial markets instability. Both events have significantly impacted global economies and financial markets and there is uncertainty as to how long this will last or the impact on the financial performance of the Fund's investments and the Fund's future investments.

As at June 30, 2022, 124.7% of the Fund's net assets attributable to holders of redeemable units were traded on public stock exchanges. If equity prices on these exchanges had increased or decreased by 5%, as at period end, with all other factors remaining constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$7,232,256.

In practice, the actual trading results may differ and the difference could be material.

### Currency risk

Currency risk is the risk that the value of investments denominated in currencies other than the functional currency of the Fund will fluctuate as a result of changes in foreign exchange rates. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavorably, it could reduce the value of the Fund's investment. The Fund has no significant direct currency risk exposure as at June 30, 2022. The Fund may have indirect exposure to currency risk to the extent the underlying ETFs invest in financial instruments that are denominated in foreign currencies.

### Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments.

A fund that has an interest-bearing liability is exposed to risks associated with the effects of fluctuations in interest rates on its cash flows. As at June 30, 2022 the Fund had \$29,462,158 of interest-bearing liabilities in the form of a margin loan with a prime broker. If interest rates had doubled during the period, the total amount of interest expense and related cash flows would have been higher by \$106,611.

The Fund does not have significant indirect exposure to interest rate risk because the underlying ETFs do not have interest-bearing financial instruments.

### Liquidity risk

Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to redemption of units as described in Note 4. Settlement of redemptions is primarily by delivery of securities and cash.

In addition, the Fund has margin borrowing that is repayable on demand. The margin loan is secured with collateral in accordance with Investment Industry Regulatory Organization of Canada rules, such collateral consisting of the underlying ETFs held by the Fund in accordance with its investment strategies.

To maintain sufficient liquidity, the Fund primarily invests in securities that are actively traded in public markets and can be readily disposed of to raise liquidity and therefore, the Fund is not exposed to any significant liquidity risk.

As at June 30, 2022, all the Fund's financial liabilities have maturities of less than three months.

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## Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at June 30, 2022, the Fund did not have significant credit risk exposure. All cash held by the fund is held with a reputable and regulated financial institution.

## Fair value of financial instruments

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

**Level 3:** Inputs for the asset or liability that are not based on observable market data.

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

Securities classification:

Investments at fair value as at June 30, 2022				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Totals (\$)
<b>Financial Assets</b>				
Exchange Traded Funds	144,645,110	-	-	144,645,110
<b>Total Financial Assets</b>	<b>144,645,110</b>	-	-	<b>144,645,110</b>

There were no Level 3 securities held by the Fund as at June 30, 2022 and there were no significant transfers between Level 1 and Level 2 for the period ended June 30, 2022.

The value of the exchange traded funds is based on quoted prices.

## Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry, sector or counterparty type. The following is a summary of the Fund's concentration risk by country and industry in which the companies held in the portfolio operate. The Fund was indirectly exposed to concentration risk through its investment in underlying ETFs.

Market Segment:

As at	June 30, 2022
	% net assets
Utilities	27.5
Health Care	27.1
Diversified	23.7
US Banks	23.4
Technology	23.0
Net other liabilities	(24.7)
<b>Total</b>	<b>100.0</b>

# Harvest Diversified Monthly Income ETF

## 7. INVESTMENTS IN UNCONSOLIDATED STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The investments into underlying ETFs are unconsolidated structured entities since decision making about the underlying ETFs' activities is generally not governed by voting or similar rights held by the Fund and other investors in any underlying ETFs. The Fund does not provide, nor has it committed to provide any additional significant financial or other support to the underlying ETFs.

Below is a summary of the underlying ETFs held by the Fund.

As at June 30, 2022	Carrying value of the underlying ETF (\$)	Ownership percentage in underlying ETF (%)
Harvest Brand Leaders Plus Income ETF	27,517,210	7.2
Harvest Equal Weight Global Utilities Income ETF	31,848,871	25.0
Harvest Healthcare Leaders Income ETF	31,451,422	3.0
Harvest Tech Achievers Growth & Income ETF	26,708,060	10.5
Harvest US Bank Leaders Income ETF	27,119,547	47.7
<b>Total</b>	<b>144,645,110</b>	

## 8. LOAN FACILITY

The Fund has entered into a prime broker agreement with a wholly owned subsidiary of a Canadian chartered bank (the "Prime Broker") in order to facilitate borrowing for the purpose of investing in accordance with its investment strategy. The Fund may borrow against collateral on deposit with the Prime Broker with such borrowing being repayable on demand. Interest is payable on any borrowings at a variable rate of interest that has ranged from 1.00% to 2.05% during the period and is calculated daily and payable monthly. During the period the minimum amount borrowed under the agreement was \$nil and the maximum amount borrowed was \$29,462,158. The Fund incurred \$106,611 of interest which is presented as interest expense on the statement of comprehensive income.

The Fund may borrow up to 33% of its net asset value at any given time. As at June 30, 2022 the amount of borrowing was \$29,462,158 which is equal to 25.4% of the net asset value of the Fund on that date.

## 9. TAXATION

The Fund has until March 15, 2023 to qualify as a mutual fund trust under the Income Tax Act (Canada). For tax purposes, the Fund intends to elect in 2022 to have a December 15 year end. All the Fund's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be carried forward for 20 years and applied against future taxable income.

As the Manager is a resident of Ontario, the expenses paid by the Fund generally include HST of 13%. HST is calculated using the residency of unitholders in the Fund as at specific times, rather than the physical location of the Manager. A blended rate refund is filed with the Canada Revenue Agency on behalf of the Fund, in arrears, using each province's HST rate or GST rate in the case of non-participating provinces.

## 10. SOFT DOLLAR COMMISSIONS

Brokerage commissions paid to certain brokers may, in addition to paying for the cost of brokerage services in respect of security transactions, also provide for the cost of investment research services provided to the investment manager. The value of such research services included in commissions paid to brokers for the period ended June 30, 2022 amounted to \$nil.



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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.