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## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

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### Harvest Travel & Leisure Index ETF

June 30, 2022



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 Travel & Leisure Index 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 Travel & Leisure Index ETF (the “Fund”) seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Travel & Leisure Index. The Fund primarily invests in large capitalization issuers that own or operate travel related business and are listed on a regulated stock exchange in North America.

# Harvest Travel & Leisure Index 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 seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Travel & Leisure Index (the "Index"). The Fund primarily invests in large capitalization issuers that own or operate travel related business and are listed on a regulated stock exchange in North America.

In order to achieve its investment objectives and to obtain direct or indirect exposure to the Constituent Securities<sup>1</sup> of the Index, the Fund may hold the Constituent Securities of the Index in approximately the same proportion as they are reflected in that Index or may hold securities of one or more exchange traded funds that replicate the performance of the Index, or a subset of such Index. The Fund will invest in its own portfolio comprised of various securities and instruments which may include, but are not limited to, equity and equity related securities. Equity related securities held by the Fund may include, but are not limited to, convertible debt, income trust units, single issuer equity options, preferred shares and warrants. If market conditions require, in order to preserve capital, the Fund may seek to invest a substantial portion of their respective assets in cash and cash equivalents.

## 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 -27.98% for Series A and -29.22% for Series U compared to the Solactive Travel & Leisure Gross Total Return Index of -27.42% for the period ended June 30, 2022.

The travel & leisure sector captured by the Fund has been volatile during the 1st half of 2022. The Fund started off the year trading down due to concerns about the Omicron variant, but as that dissipated towards the end of January the Fund reversed course to go positive in February. However, the stay in positive territory was cut short by Russia's invasion of Ukraine. Investors traded the sector down as risk-off sentiment prevailed and stocks with European exposure underperformed the travel sector as a whole. However, things started to look better as airline and hotel companies started seeing strong summer demand for travel – mostly as a result of vacationers making up for lost trips in 2020 and 2021 due to the pandemic. Travel sector stocks ended April almost flat, but resumed their downward trend in May which has continued until the close of the 1st half of 2022.

Investors have chosen to look past near-term demand and are concerned about the impact of tightening monetary policy by the U.S. Federal Reserve as well as persistent inflation. As inflation continues to print higher (9.1% year-over-year for June 2022), the U.S. Federal Reserve is more determined to fight it, resulting in strong guidance to hike interest rates further in conjunction with balance sheet reduction. The expectations of resulting tightening in financial conditions and continued inflationary impulse has hit consumer confidence. The Google search volume for term "recession" has also been trending higher recently. This has led to expectations for travel and leisure being reined in vs. the high-flying summer demand expected earlier. As a result, travel and leisure related stocks have underperformed the broader market recently. Even though price action has been on the negative side, there remains some positive developments in high frequency data for the sector – across sub-segments the growth in demand remained at the end of the period and many metrics across the sub-sectors reached near or surpassed pre-pandemic levels. For example, corporate travel bookings, airline transactions, and fares in premium categories had been trending higher in recent months while hotel occupancy was almost at pre-pandemic levels in North America.

The Fund tracks the Solactive Travel & Leisure Gross Total Return Index which is an index of market-cap weighted portfolio of 30 North American listed Issuers selected from airlines, hotels resorts & lodging, casinos & gaming, cruise lines, and travel booking sites sub-sectors.

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<sup>1</sup> As defined in the Fund's prospectus dated November 1, 2021.

# Harvest Travel & Leisure Index ETF

## RECENT DEVELOPMENTS

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.

## 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 0.40%, 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 \$34,855 for the period ended June 30, 2022 (2021 - \$34,728) and are included in the unitholder reporting costs on the Statement 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, 2022 or 2021. 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, 2022.

# Harvest Travel & Leisure Index 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, 2022 and past annual periods. This information is derived from the Fund's interim financial statements and past annual audited financial statements.

### Series A

THE FUND'S NET ASSETS PER UNIT	2022	2021
<b>Net assets - beginning of period<sup>2</sup></b>	<b>\$ 21.35</b>	<b>\$ 20.00</b>
<b>Increase (decrease) from operations</b>		
Total revenue	0.04	0.03
Total expenses	(0.06)	(0.14)
Realized gains (losses) for the period	(0.47)	(0.89)
Unrealized gains (losses) for the period	(5.61)	(0.46)
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ (6.10)</b>	<b>\$ (1.46)</b>
<b>Distributions<sup>3</sup></b>		
From net investment income	-	-
<b>Total annual distributions<sup>3</sup></b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net assets - end of period<sup>1</sup></b>	<b>\$ 15.38</b>	<b>\$ 21.35</b>

RATIOS AND SUPPLEMENTAL DATA	2022	2021
<b>Total net asset value (\$000's)</b>	<b>\$ 129,158</b>	<b>\$ 173,454</b>
Number of units outstanding (000's)	8,400	8,125
Management expense ratio <sup>4</sup>	0.62%	0.63%
Management expense ratio before waivers or absorptions <sup>4</sup>	0.62%	0.63%
Trading expense ratio <sup>5</sup>	0.05%	0.06%
Portfolio turnover rate <sup>6</sup>	26.58%	88.48%
<b>Net asset value per unit</b>	<b>\$ 15.38</b>	<b>\$ 21.35</b>
<b>Closing market price (TRVL)</b>	<b>\$ 15.38</b>	<b>\$ 21.41</b>

# Harvest Travel & Leisure Index ETF

Series U (CAD)

THE FUND'S NET ASSETS PER UNIT	2022	2021
<b>Net assets - beginning of period<sup>2</sup></b>	\$ 27.27	\$ 25.55
<b>Increase (decrease) from operations</b>		
Total revenue	0.04	0.03
Total expenses	(0.08)	(0.18)
Realized gains (losses) for the period	(0.59)	(0.91)
Unrealized gains (losses) for the period	(7.07)	(4.00)
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ (7.70)</b>	<b>\$ (5.06)</b>
<b>Distributions<sup>3</sup></b>		
From net investment income	-	-
<b>Total annual distributions<sup>3</sup></b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net assets - end of period<sup>1</sup></b>	<b>\$ 19.64</b>	<b>\$ 27.27</b>

RATIOS AND SUPPLEMENTAL DATA	2022	2021
<b>Total net asset value (\$000's)</b>	<b>\$ 9,822</b>	<b>\$ 14,319</b>
Number of units outstanding (000's)	500	525
Management expense ratio <sup>4</sup>	0.62%	0.63%
Management expense ratio before waivers or absorptions <sup>4</sup>	0.62%	0.63%
Trading expense ratio <sup>5</sup>	0.05%	0.06%
Portfolio turnover rate <sup>6</sup>	26.58%	88.48%
<b>Net asset value per unit</b>	<b>\$ 19.64</b>	<b>\$ 27.27</b>
<b>Closing market price - USD (TRVL.U)</b>	<b>\$ 15.22</b>	<b>\$ 21.60</b>

## Explanatory Notes:

- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the reporting period. It is not intended that the Fund's net assets per unit table act as a continuity of opening and closing net assets per unit.
- Net assets, at the commencement of operations on January 11, 2021 was \$20.00 for Class A and \$20.00 USD for Class U.
- Distributions, if any, are paid in cash or reinvested in additional units of the Fund. The Fund may pay additional year end distributions in the form of reinvested units that are subsequently consolidated. There is no impact on NAV per unit, however such reinvested distributions increase the cost base of units held.
- Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) of the stated period and is expressed as an annualized percentage of the daily average net asset value during the period.
- The 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.
- 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.
- The USD amount of the net assets at the end of the period was \$15.26 USD.

# Harvest Travel & Leisure Index ETF

## Past Performance

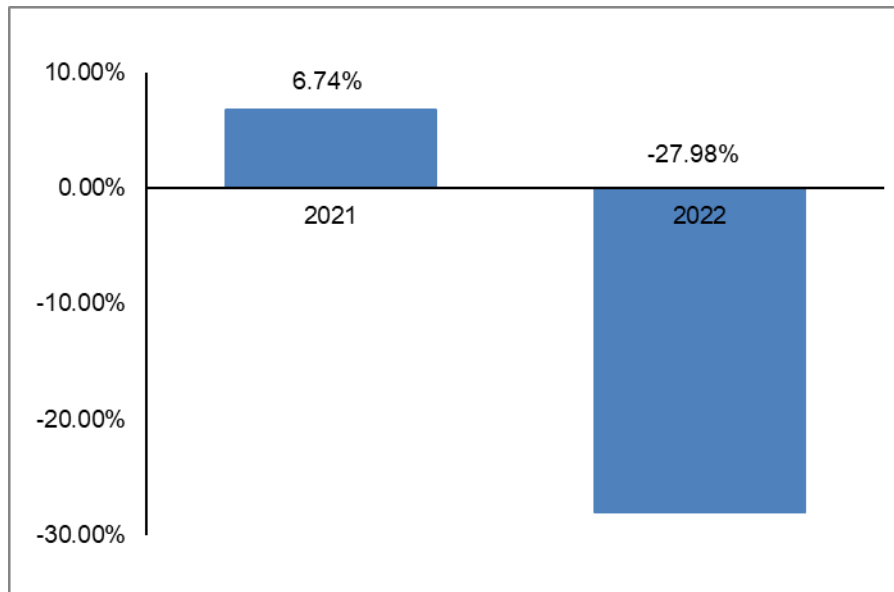
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, or other charges that would have reduced returns or affected performance. 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 2022 which represents the interim period.

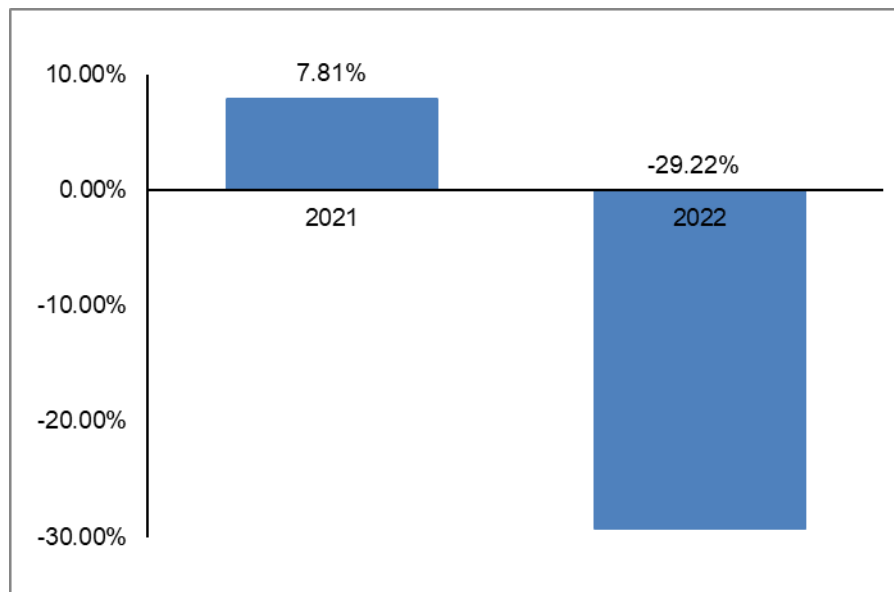
## Fund Performance

### Series A



2021 represents the period from January 11 to December 31

### Series U (USD)



2021 represents the period from January 11 to December 31

# Harvest Travel & Leisure Index 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, 2022

Top 25 Holdings	% of Net Asset Value
Booking Holdings Inc.	10.9
Marriott International, Inc., Class A	9.9
Hilton Worldwide Holdings Inc.	8.1
VICI Properties Inc.	7.6
Airbnb, Inc., Class A	6.9
Southwest Airlines Co.	5.7
Delta Air Lines, Inc.	4.9
Sun Communities, Inc.	4.8
Expedia Group, Inc.	3.8
United Airlines Holdings, Inc.	3.1
Las Vegas Sands Corp.	3.0
Host Hotels & Resorts, Inc.	2.9
MGM Resorts International	2.8
Vail Resorts, Inc.	2.3
American Airlines Group Inc.	2.2
Caesars Entertainment, Inc.	2.1
Carnival Corporation	2.1
Royal Caribbean Cruises Ltd.	2.0
Churchill Downs Incorporated	1.7
Wynn Resorts, Limited	1.6
Wyndham Hotels & Resorts, Inc.	1.6
Penn National Gaming, Inc.	1.3
Alaska Air Group, Inc.	1.3
Norwegian Cruise Line Holdings Ltd.	1.2
Marriott Vacations Worldwide Corporation	1.2
<b>Total</b>	<b>95.0</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 Travel & Leisure Index ETF

## SECTOR ALLOCATION

Sector	% of Net Asset Value
Hotels, Resorts & Cruise Lines	48.8
Airlines	18.4
Casinos & Gaming	13.6
Specialized REITs	7.6
Residential REITs	4.8
Hotel & Resort REITs	4.0
Leisure Facilities	2.3
Cash and other assets and liabilities	0.5
<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)

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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.