

## Canada's Top Growing Companies

# A straightforward approach is the key to success at Harvest Portfolios



Harvest Portfolios Group chief executive officer Michael Kovacs

**H**arvest Portfolios Group chief executive officer Michael Kovacs believes that investing doesn't need to be complicated to be successful.

Keeping it simple has been his approach since he founded investment fund company Harvest Portfolios Group in 2009, which issued its first exchange-traded funds as Harvest ETFs in 2016.

His investment company's focus is inspired by iconic investor Warren Buffett, who is known for his no-frills investment style.

"It's about keeping it simple, focusing on long-term growth, on great businesses, great companies and holding on to them for the long term," Mr. Kovacs says.

Harvest's philosophy is garnering attention. The independent firm's assets under management (AUM) have grown from nearly \$1-billion at the end of 2020 to more than \$2.4-billion at the end of June 2022.

"We've hit that inflection point where we have started to grow very quickly – we are one of those 10-year overnight success stories," he quips.

At current growth rates, the firm is expected to reach \$5-billion in AUM by the end

of 2024.

In mid-2022, Harvest was fifth on the list of firms in terms of ETF inflows, just behind some of Canada's largest ETF companies such as RBC iShares and Bank of Montreal, according to National Bank of Canada data. In June, as many companies saw funds flow out of their ETFs, Harvest pulled in \$131-million for a total of \$703-million of inflows for the first half of the year.

"We've been growing through these volatile markets," Mr. Kovacs says. "That's a testament to what we're doing."

The company also continues to launch new ETF products. In June, it introduced its Canadian Equity Income Leaders ETF, which invests in 30 of Canada's top large-cap companies and also uses a covered-call strategy.

Harvest is always "fine-tuning" its portfolio, Mr. Kovacs says. The company had 17 ETFs in its product portfolio as of mid-July, with more on the way.

"We are considering a number of products that are in the pipe for later this year and next year," he adds.

Mr. Kovacs cites a few ETFs he's most

proud of, including Harvest's largest, the Harvest Healthcare Leaders Income ETF, an equity income ETF with more than \$1-billion in AUM.

Two other top ETFs include the Harvest Brand Leaders Plus Income ETF, and the Harvest Tech Achievers Growth & Income ETF. "Both have the potential to be billion-dollar products," he says.

Another popular product is the Harvest Diversified Monthly Income ETF, which appeals to income-seeking retirees.

All these ETFs share a straightforward objective, a transparent portfolio of leading companies, and a track record of delivering income for investors.

Harvest "runs a tight ship," says Mr. Kovacs, with profits growing at a double-digit rate, no debt and 30 employees, with staff numbers potentially rising by 20 per cent over the coming years.

"You have to be patient and you have to stick with it for the long term, because you're always going to get volatility like we're seeing right now," he explains. "But at the end of the day, if you own quality, valuations will come back."

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