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

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**Harvest Energy Leaders Plus Income ETF**

**June 30, 2023**



# Harvest Energy Leaders Plus Income ETF

<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>(Unaudited)</b>			
<b>As at</b>	<b>June 30,</b>		<b>December 31,</b>
	<b>2023</b>		<b>2022</b>
<b>Assets</b>			
<b>Current assets</b>			
Investments	\$	43,163,578	\$ 46,848,729
Cash		301,398	933,795
Dividends receivable		238,189	161,545
Subscription receivable		81,283	-
Receivable for investments sold		214,129	-
Unrealized appreciation on foreign currency forward contracts (Note 6)		268,477	337,497
		<b>44,267,054</b>	<b>48,281,566</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payable for investments purchased		81,235	-
Redemptions payable		212,553	-
Distributions payable (Note 4)		326,739	322,531
Payable for option contracts written		438,089	392,394
		<b>1,058,616</b>	<b>714,925</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>43,208,438</b>	<b>\$ 47,566,641</b>
<b>Net assets attributable to holders of redeemable units</b>			
Series A	\$	40,014,440	\$ 44,859,526
Series U (CAD)		3,193,998	2,707,115
Series U (USD)		2,411,019	1,999,347
<b>Net assets attributable to holders of redeemable units per unit</b>			
Series A	\$	3.27	\$ 3.65
Series U (CAD)		5.23	5.88
Series U (USD)		3.95	4.34

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

# Harvest Energy Leaders Plus Income ETF

<b>STATEMENT OF COMPREHENSIVE INCOME (LOSS)</b>			
<b>(Unaudited)</b>			
<b>For the period ended June 30,</b>	<b>2023</b>		<b>2022</b>
<b>Income</b>			
Net gain (loss) on investments			
Dividends	\$	1,023,979	\$ 721,146
Net realized gain (loss) on sale of investments		2,541,775	2,899,199
Net change in unrealized appreciation (depreciation) of investments		(7,149,747)	2,820,256
<b>Net gain (loss) on investments</b>		<b>(3,583,993)</b>	<b>6,440,601</b>
Net gain (loss) on derivatives			
Net realized gain (loss) on options written		400,621	(221,507)
Net realized gain (loss) on foreign exchange		567,815	(475,511)
Net change in unrealized appreciation (depreciation) of options written		38,420	89,888
Net change in unrealized appreciation (depreciation) of foreign exchange		(72,843)	25,905
<b>Net gain (loss) on derivatives</b>		<b>934,013</b>	<b>(581,225)</b>
<b>Total income (net)</b>	<b>\$</b>	<b>(2,649,980)</b>	<b>\$ 5,859,376</b>
<b>Expenses (Note 5)</b>			
Management fees	\$	210,343	\$ 165,665
Withholding taxes		102,714	66,093
Unitholder reporting costs		21,718	17,984
Audit fees		15,381	16,779
Transfer agency fees		5,849	5,854
Custodian fees and bank charges		26,939	23,988
Independent Review Committee fees		452	467
Filing fees		14,332	11,832
Legal fees		6,894	7,053
Transaction costs (Note 11)		42,830	35,615
<b>Total expenses</b>	<b>\$</b>	<b>447,452</b>	<b>\$ 351,330</b>
Expenses absorbed by manager (Note 5)		(12,364)	(22,197)
<b>Total expenses (net)</b>		<b>435,088</b>	<b>329,133</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>(3,085,068)</b>	<b>\$ 5,530,243</b>
Increase (decrease) in net assets attributable to holders of redeemable units			
<b>Series A</b>	<b>\$</b>	<b>(2,825,582)</b>	<b>\$ 4,949,599</b>
<b>Series U</b>		<b>(259,486)</b>	<b>580,644</b>
Increase (decrease) in net assets attributable to holders of redeemable units per unit (Note 4)			
<b>Series A</b>	<b>\$</b>	<b>(0.23)</b>	<b>\$ 0.53</b>
<b>Series U</b>		<b>(0.44)</b>	<b>0.97</b>

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

# Harvest Energy Leaders Plus Income ETF

<b>STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ALL SERIES (Unaudited)</b>			
<b>For the period ended June 30,</b>	<b>2023</b>		<b>2022</b>
<b>Net assets attributable to holders of redeemable units beginning of period</b>	<b>\$</b>	<b>47,566,641</b>	<b>\$ 27,815,278</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>(3,085,068)</b>	<b>\$ 5,530,243</b>
<b>Redeemable unit transactions</b>			
Proceeds from issue of redeemable units		4,344,292	11,994,708
Redemption of redeemable units		(3,665,811)	(4,201,880)
<b>Net redeemable unit transactions</b>	<b>\$</b>	<b>678,481</b>	<b>\$ 7,792,828</b>
<b>Distributions to holders of redeemable units</b>			
Net investment income		(683,288)	(381,828)
Return of capital		(1,268,328)	(559,209)
<b>Total distributions to holders of redeemable units</b>	<b>\$</b>	<b>(1,951,616)</b>	<b>\$ (941,037)</b>
<b>Net assets attributable to holders of redeemable units end of period</b>	<b>\$</b>	<b>43,208,438</b>	<b>\$ 40,197,312</b>
<b>STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS SERIES A (Unaudited)</b>			
<b>For the period ended June 30,</b>	<b>2023</b>		<b>2022</b>
<b>Net assets attributable to holders of redeemable units beginning of period</b>	<b>\$</b>	<b>44,859,526</b>	<b>\$ 25,539,606</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>(2,825,582)</b>	<b>\$ 4,949,599</b>
<b>Redeemable unit transactions</b>			
Proceeds from issue of redeemable units		2,040,914	10,501,238
Redemption of redeemable units		(2,230,703)	(2,908,803)
<b>Net redeemable unit transactions</b>	<b>\$</b>	<b>(189,789)</b>	<b>\$ 7,592,435</b>
<b>Distributions to holders of redeemable units</b>			
Net investment income		(638,019)	(346,232)
Return of capital		(1,191,696)	(525,848)
<b>Total distributions to holders of redeemable units</b>	<b>\$</b>	<b>(1,829,715)</b>	<b>\$ (872,080)</b>
<b>Net assets attributable to holders of redeemable units end of period</b>	<b>\$</b>	<b>40,014,440</b>	<b>\$ 37,209,560</b>

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

# Harvest Energy Leaders Plus Income ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS SERIES U (Unaudited)				
For the period ended June 30,	2023		2022	
Net assets attributable to holders of redeemable units beginning of period	\$	2,707,115	\$	2,275,672
Increase (decrease) in net assets attributable to holders of redeemable units	\$	(259,486)	\$	580,644
<b>Redeemable unit transactions</b>				
Proceeds from issue of redeemable units		2,303,378		1,493,470
Redemption of redeemable units		(1,435,108)		(1,293,077)
<b>Net redeemable unit transactions</b>	<b>\$</b>	<b>868,270</b>	<b>\$</b>	<b>200,393</b>
<b>Distributions to holders of redeemable units</b>				
Net investment income		(45,269)		(35,596)
Return of capital		(76,632)		(33,361)
<b>Total distributions to holders of redeemable units</b>	<b>\$</b>	<b>(121,901)</b>	<b>\$</b>	<b>(68,957)</b>
<b>Net assets attributable to holders of redeemable units end of period</b>	<b>\$</b>	<b>3,193,998</b>	<b>\$</b>	<b>2,987,752</b>

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

# Harvest Energy Leaders Plus Income ETF

<b>STATEMENT OF CASH FLOWS</b>			
<b>(Unaudited)</b>			
<b>For the period ended June 30,</b>	<b>2023</b>		<b>2022</b>
<b>Operating activities</b>			
Increase (decrease) in net assets attributable to holders of redeemable units	\$	(3,085,068)	\$ 5,530,243
<b>Add (deduct) items not affecting cash:</b>			
Foreign exchange (gain) loss of cash		(1,227)	5,900
Realized (gain) loss on sale of investments		(2,541,775)	(2,899,199)
Realized (gain) loss on options written		(400,621)	221,507
Change in unrealized (appreciation) depreciation of investments		7,149,747	(2,820,256)
Change in unrealized (appreciation) depreciation of options written		(38,420)	(89,888)
Change in unrealized (appreciation) depreciation of foreign exchange		72,843	(25,905)
Proceeds from sale of investments*		7,843,378	7,415,509
Purchases of investments*		(7,683,630)	(6,433,163)
Net change in non-cash assets and liabilities		(80,467)	(50,418)
<b>Net cash flow provided by (used in) operating activities</b>	<b>\$</b>	<b>1,234,760</b>	<b>\$ 854,330</b>
<b>Financing activities</b>			
Net proceeds from redeemable units issued*		62,383	(42,079)
Net redemption of redeemable units*		16,641	29,197
Distributions paid to holders of redeemable units		(1,947,408)	(908,073)
<b>Net cash flow provided by (used in) financing activities</b>	<b>\$</b>	<b>(1,868,384)</b>	<b>\$ (920,955)</b>
Net increase (decrease) in cash during the period		(633,624)	(66,625)
Foreign exchange gain (loss) on cash		1,227	(5,900)
Cash, beginning of the period		933,795	831,194
<b>Cash, end of the period</b>	<b>\$</b>	<b>301,398</b>	<b>\$ 758,669</b>
<b>Supplemental disclosure of cash flow information</b>			
Dividends received, net of withholding taxes**	\$	844,621	\$ 598,514

\*excludes applicable trades that were not settled in cash (in-kind trades)

\*\*included in operating activities

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

# Harvest Energy Leaders Plus Income ETF

<b>SCHEDULE OF INVESTMENTS</b>			
<b>(Unaudited)</b>			
<b>As at June 30, 2023</b>			
<b>Number of Shares*</b>	<b>Security</b>	<b>Average Cost (\$)</b>	<b>Fair Value (\$)</b>
<b>EQUITIES</b>			
<b>Energy - 99.9%</b>			
45,036	Murphy Oil Corporation	1,974,241	2,285,033
58,884	Equinor ASA ADR	2,077,677	2,278,572
44,874	Ovintiv Inc.	2,132,564	2,263,141
16,430	ConocoPhillips	1,747,466	2,255,138
41,902	TC Energy Corporation	2,485,511	2,243,433
27,481	Shell PLC ADR	1,703,428	2,198,161
14,025	Valero Energy Corporation	1,670,216	2,179,389
14,283	EOG Resources, Inc.	1,787,915	2,165,366
55,479	Suncor Energy Inc.	2,372,203	2,155,914
51,547	Pembina Pipeline Corporation	2,079,561	2,146,933
16,831	Phillips 66	1,843,082	2,126,675
55,621	Eni S.p.A. ADR	1,840,237	2,121,360
14,906	Exxon Mobil Corporation	1,604,219	2,117,836
46,716	APA Corporation	2,772,754	2,114,680
27,068	Occidental Petroleum Corporation	2,298,900	2,108,470
10,053	Chevron Corporation	1,648,477	2,095,542
28,121	Canadian Natural Resources Limited	1,597,366	2,094,452
42,445	Enbridge Inc.	2,149,108	2,089,992
44,109	BP PLC ADR	1,690,374	2,062,115
26,996	TotalEnergies SE ADR	1,759,388	2,061,376
<b>Total equities - 99.9%</b>		<b>39,234,687</b>	<b>43,163,578</b>
<b>OPTIONS</b>			
<b>Energy - (1.0%)</b>			
(18,500)	Equinor ASA - Jul 2023 @ USD \$30.91	(13,461)	(3,676)
(13,400)	TC Energy Corporation - Jul 2023 @ CAD \$54	(6,432)	(7,102)
(13,600)	Enbridge Inc. - Jul 2023 @ CAD \$49	(9,656)	(8,840)
(14,400)	Murphy Oil Corporation - Jul 2023 @ USD \$40	(14,287)	(11,446)
(17,400)	Suncor Energy Inc. - Jul 2023 @ CAD \$39	(16,530)	(14,790)
(8,800)	TotalEnergies SE - Jul 2023 @ USD \$57.5	(18,044)	(15,155)
(14,000)	BP PLC - Jul 2023 @ USD \$35	(17,780)	(16,692)
(16,600)	Pembina Pipeline Corporation - Jul 2023 @ CAD \$41	(11,288)	(16,766)
(8,600)	Shell PLC - Jul 2023 @ USD \$60	(19,346)	(17,089)
(5,500)	Phillips 66 - Jul 2023 @ USD \$95	(19,645)	(18,580)
(3,200)	Chevron Corporation - Jul 2023 @ USD \$155	(14,352)	(18,653)
(5,400)	ConocoPhillips - Jul 2023 @ USD \$103	(18,359)	(21,604)
(14,800)	APA Corporation - Jul 2023 @ USD \$34	(22,747)	(24,508)
(8,900)	Occidental Petroleum Corporation - Jul 2023 @ USD \$57.5	(19,191)	(25,585)
(8,900)	Canadian Natural Resources Limited - Jul 2023 @ CAD \$72	(11,926)	(29,815)
(16,800)	Eni S.p.A. - Jul 2023 @ USD \$27.5	(22,225)	(32,271)
(4,700)	Exxon Mobil Corporation - Jul 2023 @ USD \$103	(19,275)	(32,501)
(4,700)	EOG Resources, Inc. - Jul 2023 @ USD \$110	(22,383)	(35,490)
(4,600)	Valero Energy Corporation - Jul 2023 @ USD \$112	(25,558)	(41,743)
(14,400)	Ovintiv Inc. - Jul 2023 @ USD \$37	(25,940)	(45,783)
<b>Total options - (1.0%)</b>		<b>(348,425)</b>	<b>(438,089)</b>

# Harvest Energy Leaders Plus Income ETF

<b>SCHEDULE OF INVESTMENTS (continued)</b>			
<b>(Unaudited)</b>			
<b>As at June 30, 2023</b>			
<b>Number of Shares*</b>	<b>Security</b>	<b>Average Cost (\$)</b>	<b>Fair Value (\$)</b>
	<b>Total investments - 98.9%</b>	<b>38,886,262</b>	<b>42,725,489</b>
	<b>Foreign currency forward contracts (Note 6) - 0.6%</b>		<b>268,477</b>
	<b>Other assets less liabilities - 0.5%</b>		<b>214,472</b>
	<b>Net assets attributable to holders of redeemable units - 100.0%</b>		<b>43,208,438</b>

\* For options, this represents the total number of shares of the equity position available for assignment under the terms of the option contracts.



# Harvest Energy Leaders Plus Income ETF

## FUND SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

For an explanation of the following disclosures please refer to the accompanying notes to these financial statements.

### FUND DETAILS

The Fund is an open-ended investment fund established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated September 24, 2014, 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 October 21, 2014. Harvest Portfolios Group Inc. is the Manager, Portfolio Manager and Trustee of the Fund and its head office is located at 610 Chartwell Rd, Suite 204, Oakville, Ontario, L6J 4A5.

The Fund's investment objectives are to provide unitholders with monthly cash distributions, the opportunity for capital appreciation and lower overall volatility of portfolio returns than would otherwise be experienced by owning Equity Securities of the Energy Leaders directly. As part of the investment strategy, the Fund will invest in an equally weighted portfolio of Equity Securities of 20 Energy Leaders from the Energy Leaders Investable Universe that have a market capitalization of at least \$5 billion at the time of investment. In order to generate additional returns, the Fund employs a covered call strategy on a portion of its portfolio.

Capitalized terms are defined in the Fund's most recent prospectus which is located at [www.harvestetfs.com](http://www.harvestetfs.com); or on SEDAR at [www.sedar.com](http://www.sedar.com).

### REDEEMABLE UNITS (Note 4)

The Fund offers Series A and Series U units. Series A units are offered in Canadian dollars. Series U units are offered in US dollars. The Fund will hedge substantially all of the value of the portfolio attributable to Series A units' non-Canadian currency exposure back to the Canadian dollar at all times which is intended to reduce the direct exposure to foreign currency risk for holders of Series A units. The value of the Fund's portfolio attributable to Series U units, if any, will not be hedged.

The Series A units and Series U units trade on the TSX under the symbol HPF and HPF.U, respectively. The closing price per unit for each series was as follows:

As at	June 30, 2023	December 31, 2022
Series A	\$3.28	\$3.65
Series U	\$3.95	\$4.34

### Subscriptions and Redemptions

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

	Series A	Series U
<b>Total outstanding as at January 1, 2022</b>	<b>9,027,271</b>	<b>535,770</b>
Redeemable units issued	3,000,000	300,000
Redeemable units redeemed	(875,000)	(250,000)
<b>Total outstanding as at June 30, 2022</b>	<b>11,152,271</b>	<b>585,770</b>
<b>Weighted average number of units outstanding</b>	<b>9,417,464</b>	<b>601,654</b>

	Series A	Series U
<b>Total outstanding as at January 1, 2023</b>	<b>12,277,271</b>	<b>460,770</b>
Redeemable units issued	600,000	425,000
Redeemable units redeemed	(650,000)	(275,000)
<b>Total outstanding as at June 30, 2023</b>	<b>12,227,271</b>	<b>610,770</b>
<b>Weighted average number of units outstanding</b>	<b>12,194,674</b>	<b>583,836</b>

### MANAGEMENT FEES AND OTHER EXPENSES (Note 5)

#### Management fees

The Manager is entitled to a fee of 0.85% of the average daily NAV, plus applicable taxes, per annum of the Fund.

#### Other expenses

The following expenses are included in the unitholder reporting costs on the Statement of Comprehensive Income (Loss):

For the period ended	Amount (\$)
June 30, 2023	6,774
June 30, 2022	6,305

# Harvest Energy Leaders Plus Income ETF

## Waivers and absorptions

There were no management fee waivers for the period ended June 30, 2023 or 2022. The Manager absorbed the following expenses:

For the period ended	Amount (\$)
June 30, 2023	12,364
June 30, 2022	22,197

## FOREIGN CURRENCY FORWARD CONTRACTS (Note 6)

As at June 30, 2023 and December 31, 2022, the Fund had entered into the following foreign currency forward contracts:

As at June 30, 2023					
Counterparty	Settlement date	Purchased currency	Sold currency	Unrealized gain (loss)	Contract price
Royal Bank of Canada credit rating AA-	August 16, 2023	CAD \$14,839,656	USD \$11,105,000	\$137,564	0.7483
National Bank of Canada credit rating A	August 16, 2023	CAD \$14,833,004	USD \$11,105,000	\$130,913	0.7487
<b>Total</b>				<b>\$268,477</b>	

As at December 31, 2022					
Counterparty	Settlement date	Purchased currency	Sold currency	Unrealized gain (loss)	Contract price
National Bank of Canada credit rating A	February 14, 2023	CAD \$17,225,876	USD \$12,600,000	\$169,939	0.7315
Royal Bank of Canada credit rating AA-	February 14, 2023	CAD \$17,223,494	USD \$12,600,000	\$167,558	0.7316
<b>Total</b>				<b>\$337,497</b>	

## Offsetting of foreign currency forward contracts

As at June 30, 2023 and December 31, 2022, the Fund did not have any foreign exchange settlements for its foreign currency forward contracts that met the criteria for offsetting in the Statement of Financial Position.

The following tables present the recognized financial instruments that were not offset as at June 30, 2023 and December 31, 2022. There would be no further offsetting in the event of bankruptcy of the counterparty.

June 30, 2023			
Financial assets and liabilities	Gross assets (liabilities)	Amounts eligible for offset	Net offset amounts
Derivative assets	\$268,477	-	\$268,477
Derivative liabilities	-	-	-

December 31, 2022			
Financial assets and liabilities	Gross assets (liabilities)	Amounts eligible for offset	Net offset amounts
Derivative assets	\$337,497	-	\$337,497
Derivative liabilities	-	-	-

## FINANCIAL INSTRUMENTS - RISK MANAGEMENT (Note 7)

### Other price risk

The percentage of the Fund's net assets attributable to holders of redeemable units that were traded on public stock exchanges was as follows:

As at	% of net assets
June 30, 2023	98.9
December 31, 2022	97.7

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 the following amounts:

# Harvest Energy Leaders Plus Income ETF

As at	Amount (\$)
June 30, 2023	2,136,274
December 31, 2022	2,322,817

## Interest rate risk

As at June 30, 2023 and December 31, 2022, the Fund did not hold any bonds or money market instruments; therefore, the Fund had no significant exposure to interest rate risk.

## Liquidity risk

As at June 30, 2023 and December 31, 2022, all the Fund's financial liabilities had maturities of less than three months.

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.

## Credit risk

As at June 30, 2023 and December 31, 2022, the Fund did not have significant credit risk exposure.

## Currency risk

The tables below summarize the Fund's net exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets (including derivatives and the underlying principal (notional) amount of forward currency contracts, if any).

As at June 30, 2023				
Currency	Currency exposure*	Forward contracts*	Net currency exposure*	As a % of net assets
U.S. Dollar	\$32,255,242	\$29,404,183	\$2,851,059	6.6

\*In Canadian dollars

As at December 31, 2022				
Currency	Currency exposure*	Forward contracts*	Net currency exposure*	As a % of net assets
U.S. Dollar	\$35,982,977	\$34,111,873	\$1,871,104	3.9

\*In Canadian dollars

The Fund's currency exposure is broken down between monetary and non-monetary as follows:

As at	Monetary	Non-Monetary
June 30, 2023	\$183,163	\$32,072,079
December 31, 2022	\$706,586	\$35,276,391

If the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other variables held constant, the Fund's net assets attributable to holders of redeemable units would have decreased or increased, respectively, approximately as follows:

As at	Amount (\$)	% Increase (decrease)
June 30, 2023	142,553	0.3%
December 31, 2022	93,555	0.2%

In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

As all the securities in the portfolio investments are denominated in foreign currency and related dividends and premiums from call options received, if applicable, are in foreign currency, the Fund enters into foreign currency forward contracts on substantially all of the value of the proportionate share of Series A portfolio investments back to the Canadian dollar at all times.

## Fair value of financial instruments

The tables below summarize the fair value of the Fund's financial instruments using the following fair value hierarchy:

# Harvest Energy Leaders Plus Income ETF

Investments at fair value as at June 30, 2023				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Totals (\$)
<b>Financial Assets</b>				
<b>Equities</b>				
Common Stock	32,441,994	-	-	32,441,994
ADR	10,721,584	-	-	10,721,584
<b>Derivatives</b>				
Foreign currency forward contracts	-	268,477	-	268,477
<b>Total Financial Assets</b>	<b>43,163,578</b>	<b>268,477</b>	<b>-</b>	<b>43,432,055</b>
<b>Financial Liabilities</b>				
<b>Derivatives</b>				
Options	(438,089)	-	-	(438,089)
<b>Total Financial Liabilities</b>	<b>(438,089)</b>	<b>-</b>	<b>-</b>	<b>(438,089)</b>

Investments at fair value as at December 31, 2022				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Totals (\$)
<b>Financial Assets</b>				
<b>Equities</b>				
Common Stock	34,347,467	-	-	34,347,467
ADR	12,501,262	-	-	12,501,262
<b>Derivatives</b>				
Foreign currency forward contracts	-	337,497	-	337,497
<b>Total Financial Assets</b>	<b>46,848,729</b>	<b>337,497</b>	<b>-</b>	<b>47,186,226</b>
<b>Financial Liabilities</b>				
<b>Derivatives</b>				
Options	(392,394)	-	-	(392,394)
<b>Total Financial Liabilities</b>	<b>(392,394)</b>	<b>-</b>	<b>-</b>	<b>(392,394)</b>

There were no Level 3 securities held by the Fund as at June 30, 2023 and December 31, 2022, and there were no transfers between Level 1 and Level 2 for the period ended June 30, 2023 and 2022.

## Concentration Risk

The following is a summary of the Fund's concentration risk by country and industry in which the companies held in the portfolio operate.

Geography:

As at	June 30, 2023	December 31, 2022
	% of net assets	% of net assets
United States	50.2	48.5
Canada	24.8	23.7
Norway	5.3	5.1
Netherlands	5.1	5.4
Italy	4.9	5.2
United Kingdom	4.8	5.3
France	4.8	5.3
Foreign currency forward contracts	0.6	0.7
Cash and other assets and liabilities	0.5	1.6
Options	(1.0)	(0.8)
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>

# Harvest Energy Leaders Plus Income ETF

Market Segment:

As at	June 30, 2023	December 31, 2022
	% of net assets	% of net assets
Energy	99.9	98.5
Foreign currency forward contracts	0.6	0.7
Cash and other assets and liabilities	0.5	1.6
Options	(1.0)	(0.8)
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## INVESTMENTS IN UNCONSOLIDATED STRUCTURED ENTITIES (Note 8)

The Fund does not hold any investments that are considered structured entities.

## SECURITIES LENDING TRANSACTIONS (Note 9)

The Fund did not engage in any securities lending transactions during the period.

## TAXATION (Note 10)

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). For tax purposes, the Fund has a December 15 year end.

As at the last taxation year end, the Fund had the following capital losses, which can be carried forward indefinitely and applied against future capital gains.

	Amount (\$)
Capital Losses	16,091,234

As at the last taxation year, the Fund had the following non-capital losses available to offset against income in future years.

	Amount (\$)	Year of expiry
Non-Capital Losses	-	-

## SOFT DOLLAR COMMISSIONS (Note 11)

The value of such research services included in commissions paid to brokers for the period ended June 30, 2023 and 2022 amounted to \$nil.

# Notes to Financial Statements (Unaudited)

June 30, 2023

## 1. BASIS OF ACCOUNTING

The 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 15, 2023.

## 2. REPORTING PERIOD

The Statement of Financial Position is as of June 30, 2023 with comparative information as of December 31, 2022 if the Fund was in existence at that time. The Statement of Comprehensive Income (Loss), Statement of Changes in Net Assets and Statement of Cash Flows are for the period from January 1, 2023 or commencement of operations, whichever is later, and June 30, 2023 with comparative information for the period from January 1, 2022 or commencement of operations, whichever is later, and June 30, 2022 if the Fund existed at that time.

## 3. 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, as applicable, 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, 2023 and December 31, 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 or exchange traded funds. 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 indicators 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.

### 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. Securities lending income is recognized when earned. The cost of investments is determined using the average cost method.

Distributions received from income trusts or Underlying ETFs that are managed by the Manager 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 or Underlying ETFs that are return of capital reduce the average cost of the investment trust. Distributions from investment trusts or Underlying ETFs that are capital gains are included in “Net realized gain (loss) on sale of investments” on the Statement of Comprehensive Income.

### Allocation of income and expense, and realized and unrealized capital gains and losses

When a Fund has multiple series of units, management fees directly attributable to a series are charged to that series, as applicable. The Fund’s shared operating expenses, income, and realized and unrealized capital gains and losses are generally allocated proportionately to each series, as applicable based upon the relative net assets attributable to holders of redeemable units of each series. Realized and unrealized gains and losses from foreign currency forward contracts are allocated to Series A only, where Series A is hedged to a foreign currency.

# Notes to Financial Statements (Unaudited)

June 30, 2023

## 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.

## Foreign currency forward contracts

When a Fund enters into foreign currency forward contracts to hedge against exposure to foreign currency fluctuations, the fair value of these contracts is based on the difference between the contract rate and current forward market rate for the underlying currency at the measurement date applied to the contract's notional amount and adjusted for counterparty risk. Upon closing of a contract, the gain or loss is included in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on foreign exchange". The unrealized gains or losses on forward contracts are included in the Statement of Comprehensive Income (Loss) in "Net change in unrealized appreciation (depreciation) of foreign exchange" and are allocated to Series A only until closed out or partially settled.

## 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 of each series on a particular date will be equal to each series' proportionate share of the assets of the Fund less each series' proportionate share of the liabilities of the Fund except for foreign currency forward contracts which are only attributed to Series A, 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").

## Options

The Fund may engage in option contract transactions if applicable to its investment strategies. An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a pre-determined price. The seller receives a premium from the purchaser in consideration for the assumption of a future securities price.

The premium received upon writing an option is recorded at cost as "Payable for option contracts written" in the Statement of Financial Position. As long as the position of the written option is maintained, the liability for written options is revalued at an amount equal to the current market value of the option. Any gain or loss resulting from revaluation is reflected in the Statement of Comprehensive Income (Loss) in "Net changes in unrealized appreciation (depreciation) of options written".

The gain or loss on sale or expiry of options is reflected in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on options written".

## 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 per series, divided by the weighted average units outstanding for the financial period for the respective series.

## 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 obtained from the pricing sources may be indicative and not executable or binding.

- 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.

## 4. REDEEMABLE UNITS

The authorized capital of the Fund consists of an unlimited number of transferable units of each series, each of which represents an equal, undivided interest in their respective series' net assets of the Fund. Except as provided in the Declaration of Trust, all units have equal rights

# Notes to Financial Statements (Unaudited)

June 30, 2023

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.

## 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 Fund.

If the subscription or redemption order is accepted, the Fund 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/or 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 Business 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.

## Distributions

The Fund is required to pay distributions in an amount not less than the amount necessary to ensure it will not be liable for income taxes on realized capital gains, dividends and interest.

The Fund may pay periodic distributions or additional year-end distributions which can be in the form of reinvested units that are subsequently consolidated. In the latter case, there is no impact to NAV per unit, however such reinvested distributions increase the cost base of units held outside of registered plans.

If applicable, the Fund made available to unitholders the opportunity to reinvest monthly distributions from the Fund in additional Series A, Series B and/or Series U 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 Series A, Series B or Series U units, as applicable, on such unitholder's behalf in accordance with the terms of the plan. Reinvestment of distributions occurs through market purchases only.

## 5. RELATED PARTY TRANSACTIONS AND OTHER EXPENSES

### Management fees

The Manager is responsible for managing the Fund's overall business and operations and provides key management personnel to the Fund. The Manager is entitled to a fee charged daily and paid monthly at an annualized percentage of the NAV of the Fund, plus applicable taxes. Funds invested in Underlying ETFs that are managed by the Manager pay no management fees directly to the Manager. However, the Underlying ETFs held by such Funds will pay management fees and incur operating and trading expenses. With respect to such investments, no management fees or incentive fees are payable by the Funds that, to a reasonable person, would duplicate a fee payable by such Underlying ETF for the same service. As a result, the actual aggregate management fees indirectly payable to the Manager by the Fund will be greater than nil.

The Manager, in its discretion, may agree to charge a Fund and/or certain unitholders a reduced management fee as compared with the management fee that it otherwise would be entitled to receive, provided that the amount of the reduced management fee is distributed periodically by the Fund to the unitholder as a management fee distribution. Any reduction will depend on a number of factors, including the amount of account activity. Any tax consequences of a management fee distribution will generally be borne by the unitholder who receives the distribution.

### 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 each Fund.

### Other expenses

The Manager may 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 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 and may cease doing so at any time without notice to unitholders.



# Notes to Financial Statements (Unaudited)

June 30, 2023

## 6. FOREIGN CURRENCY FORWARD CONTRACTS

The Fund may enter into foreign currency forward contracts to hedge assets and liabilities denominated in foreign currencies. Foreign currency forward contracts entered into by the Fund represent a firm commitment to buy or sell a currency at a specified value and point in time based upon an agreed or contracted quantity. The value of each foreign currency forward contract is the difference between the contract rate and the current forward rate at the measurement date applied to the contract's notional amount and adjusted for counterparty risk.

### Offsetting of foreign currency forward contracts

When the Fund's foreign currency forward contracts meet the criteria, the amount of assets and liabilities associated with the contracts must be offset and presented at the net amount in the Statement of Financial Position.

## 7. 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 regulations. If the Fund is invested in Underlying ETFs that are managed by the Manager, 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 Specific Notes to these financial statements present information about direct risks and pro rata exposure to risks of Underlying ETFs, as applicable.

Funds that utilized leverage are considered alternative mutual funds within the meaning of NI 81-102 and are 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, such Funds are 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. COVID-19 and the war in Ukraine have had significant impacts to the global economy over the last few years and have contributed to the current inflationary pressures. The significant increase in interest rates globally by central banks to address inflation has increased the likelihood of a global recession impacting financial markets and global economies which may impact the financial performance of the Fund's investments. The Fund's future investment results may be materially adversely affected as a result.

### 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.

Funds may enter into a foreign currency forward contract on some or substantially all of the value of their portfolio investments in order to mitigate the risk to changes in foreign exchange rates against the Canadian dollar.

### 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.

### 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, which are settled by the delivery of securities or cash. The Fund is not exposed to significant liquidity risk when settlement is with the delivery of securities. In order to settle redemptions by delivery of cash it may be necessary for the Fund to dispose of securities to meet its obligations. The Fund maintains sufficient liquidity by primarily investing in securities that are actively traded in public markets and can be readily disposed of. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

### 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 a 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.

Funds may enter into foreign currency forward contracts which are exposed to credit risk. The maximum credit risk exposure is the unrealized gain on the forward contracts.

All cash held by the Fund is held with a reputable and regulated financial institution.

# Notes to Financial Statements (Unaudited)

June 30, 2023

## 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.

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

## 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.

## 8. 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.

If the Fund is invested in Underlying ETFs that are managed by the Manager, the investment in the Underlying ETFs is an unconsolidated structured entity 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 the Underlying ETFs. Therefore, the fair value of investments in the Underlying ETFs is included in the Schedule of Investments and included in "Investments" in the Fund's Statement of Financial Position. The change in fair value of the investment held in the Underlying ETFs is included in "Net change in unrealized appreciation (depreciation) of investments" in the Statement of Comprehensive Income. The Fund does not provide, nor has it committed to provide any additional significant financial or other support to the Underlying ETFs.

## 9. SECURITIES LENDING

The Fund may enter into securities lending arrangements. These transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities on demand. Income is earned from these transactions in the form of fees paid by the counterparty. Income earned from these transactions is included in "Securities lending income" in the Statement of Comprehensive Income (Loss). A reconciliation of the gross amount generated from securities lending transactions to the amount of lending fees earned is disclosed in the Fund Specific Notes of the Fund. The aggregate market value of all securities loaned by a fund is not permitted to exceed 50% of the NAV of that fund.

The minimum allowable collateral is 102% of the current value of the loaned securities as per the requirements of National Instrument 81-102 (NI 81-102). Collateral received are qualified securities and have designated ratings (where applicable) within the meaning of NI 81-102 and may be comprised of (A) evidence of indebtedness that is issued, or fully and unconditionally guaranteed as to principal and interest by (i) the government of Canada or any province or territory of Canada, (ii) the government of the United States of America or any state thereof, (iii) the government of another sovereign state or a permitted supranational agency within the meaning of National Instrument 81-102, (iv) a bank, loan corporation, trust company, insurance company, treasury branch, credit union or caisse populaire that is authorized to carry on business in Canada or in a province or territory of Canada or the Confederation des caisses populaires et d'économie Desjardins du Québec, (v) a financial institution that is not incorporated or organized under the laws of Canada or a province or territory of Canada, provided the evidences of indebtedness of that issuer or guarantor that are rated as short term debt by a designated rating organization have a designated rating each within the meaning of NI 81-102; (B) commercial paper that has a term to maturity of 365 days or less that was issued by a person or company other than a government or permitted supranational agency within the meaning of NI 81-102; or (C) securities that are immediately convertible into or exchangeable for the same or a greater number of securities of the same issuer, class or type, and the same term if applicable as the loaned securities.

The fair value of securities on loan and collateral received are presented in the Fund Specific Notes of the Fund.

## 10. TAXATION

The Fund is required to distribute to unitholders all of its net income for tax purposes and sufficient net capital gains realized in any period 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.

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statement of Comprehensive Income (Loss).

As the Manager is a resident of Ontario, the expenses paid by the Fund excluding interest on a loan facility, generally include HST of 13%. HST is calculated using the residency of unitholders in the Fund 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.

# Notes to Financial Statements (Unaudited)

June 30, 2023

## 11. 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.

## 12. LOAN FACILITY

Funds may utilize borrowing for investment purposes. Such borrowings accrue interest at negotiated rates with such interest being expensed as incurred. The principal balance owing at the end of the period is presented on the Statement of Net Assets as "Loan payable". Interest owing but not yet paid at the end of the period is presented as "Interest payable" on the Statement of Net Assets. Interest incurred during the period is presented as "Interest expense" on the Statement of Comprehensive Income/(Loss).



**Head Office**

610 Chartwell Rd, 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)