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**INTERIM MANAGEMENT REPORT OF FUND  
PERFORMANCE**

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**Blockchain Technologies ETF**

**June 30, 2023**



# Blockchain Technologies ETF

## CORPORATE OVERVIEW

Harvest Portfolios Group Inc. (“Harvest” or the “Manager”) manages the Harvest ETFs and 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.

## 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. You can get a copy of the interim financial statements at your request, and at no cost, by calling toll free at 1-866-998-8298; by writing to us at Harvest ETFs, 610 Chartwell Rd, Suite 204, Oakville, Ontario, L6J 4A5; or by visiting our website at [www.harvestetfs.com](http://www.harvestetfs.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 Harvest Blockchain Technologies Index (the “Index”). The Fund invests in equity securities of issuers exposed, directly or indirectly, to the development and implementation of blockchain and distributed ledger technologies.

In order to achieve its investment objective and to obtain direct or indirect exposure to the Constituent Securities 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 applicable 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 its assets in cash and cash equivalents.

Further information including defined terms can be found 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).

## 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 returns compared to the Harvest Blockchain Technologies Index for the six-month period ending June 30, 2023 are as follows:

Series	Return %
Series A	30.53
Harvest Blockchain Technologies Index	31.06

The Fund tracks the Index which consists of two components: The dedicated blockchain segment and the large-cap segment. The design of the Index is such that over time and as the industry matures, a growing proportion of the Fund’s allocations will be towards the dedicated blockchain companies. The exact trigger points for the progression are detailed in the index methodology.

The Fund started the year in Stage 2 - 65% allocated to the dedicated blockchain segment and 35% to the large-cap segment - with 31 companies in the dedicated blockchain segment of the portfolio and ended the six-month period still in stage 2 with 25 companies in the dedicated blockchain segment (plus a holding we received in lieu of a spin-off, which we intend to sell post settlement of transaction in July 2023). The large-cap segment is fixed at 10 companies until it moves to zero when the Index has over 50 investible companies in the dedicated segment.

The Fund’s investment holdings had selective divergent performers – crypto mining companies, effectively the data validators for many blockchain related transactions, were the top performers, and most notable detractor from performance was Silvergate Capital, with significant exposure to the crypto ecosystem and was among the few companies caught in the banking crisis that were wound down.

So far, 2023 has been a positive year for areas of the market that are more economically sensitive, often considered “risk assets”, as the broader equity markets along with cryptocurrencies performed positively after some of the sources of uncertainty in 2022 that led to relatively weak markets appeared to abate. Specifically, central banks had been raising interest rates in the U.S. aggressively and it appears as that the increases may have peaked in 2023.

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However, equity prices haven't risen in a straight line. Both equities and cryptocurrencies dipped as news of a potential banking crisis in the U.S. emerged. However, the government put in various emergency liquidity facilities that significantly reduced the risk that there would be broader contagion and reduced the risk of a more broad-based financial crisis. This provided more fuel for risk assets and they came back since end-March to post a positive return.

We continue to focus on blockchain technology and not cryptocurrencies; because we believe that companies adding value through blockchain implementation or utilization across industries can create wealth for investors. Blockchain technology is now in the late exploration – early growth stage and has immense potential for growth over the long-term.

## RECENT DEVELOPMENTS

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.

## RELATED PARTY TRANSACTIONS

There were no related party transactions during the six-month 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

The Manager 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 0.65%, plus applicable taxes, based on a percentage of the average daily net asset value ("NAV") of the Fund charged daily and paid monthly.

The Manager may, in its discretion, agree to charge the 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 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. The following expenses are included in the unitholder reporting costs on the Statement of Comprehensive Income (Loss):

For the six-month period ended	Amount (\$)
June 30, 2023	2,931
June 30, 2022	8,059

### 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 six-month period ended June 30, 2023 or 2022. The Manager absorbed the following expenses and may cease doing so at any time without notice to unitholders:

For the six-month period ended	Amount (\$)
June 30, 2023	50,273
June 30, 2022	67,340

The management expense ratios of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table below.

## RECOMMENDATIONS 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 six-month period ended June 30, 2023.

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## 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 six-month period ended June 30, 2023 and past annual periods. This information is derived from the Fund's interim financial statements and past annual audited financial statements.

THE FUND'S NET ASSETS PER UNIT	2023	2022	2021	2020	2019	2018
<b>Net assets - beginning of the period<sup>2</sup></b>	\$ 8.47	\$ 22.47	\$ 15.85	\$ 6.35	\$ 5.24	\$ 10.00
<b>Increase (decrease) from operations</b>						
Total revenue	0.05	0.05	0.12	0.06	0.05	0.06
Total expenses	(0.05)	(0.14)	(0.25)	(0.15)	(0.13)	(0.16)
Realized gains (losses) for the period	(4.23)	(7.15)	6.04	4.20	(0.52)	(3.24)
Unrealized gains (losses) for the period	6.80	(7.30)	(5.00)	4.88	1.77	(2.15)
<b>Total increase (decrease) from operations<sup>1</sup></b>	\$ 2.57	\$ (14.54)	\$ 0.91	\$ 8.99	\$ 1.17	\$ (5.49)
<b>Distributions<sup>3</sup></b>						
From capital gains	-	-	(3.83)	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	\$ -	\$ -	\$ (3.83)	\$ -	\$ -	\$ -
<b>Net assets - end of the period<sup>1</sup></b>	\$ 11.05	\$ 8.47	\$ 22.47	\$ 15.85	\$ 6.35	\$ 5.24

RATIOS AND SUPPLEMENTAL DATA	2023	2022	2021	2020	2019	2018
<b>Total net asset value (\$000's)</b>	\$ 21,110	\$ 17,612	\$ 57,290	\$ 13,950	\$ 7,234	\$ 7,022
Number of units outstanding (000's)	1,910	2,080	2,550	880	1,140	1,340
Management expense ratio <sup>4</sup>	0.98%	0.98%	0.98%	1.59%	1.99%	1.49%
Management expense ratio before waivers or absorptions <sup>4</sup>	1.48%	1.41%	1.09%	2.63%	2.87%	2.49%
Trading expense ratio <sup>5</sup>	0.36%	0.25%	0.32%	0.70%	0.48%	0.74%
Portfolio turnover rate <sup>6</sup>	27.04%	64.34%	140.80%	102.54%	87.26%	121.58%
<b>Net asset value per unit</b>	\$ 11.05	\$ 8.47	\$ 22.47	\$ 15.85	\$ 6.35	\$ 5.24
<b>Closing market price (HBLK)</b>	\$ 11.00	\$ 8.42	\$ 22.50	\$ 15.86	\$ 6.32	\$ 5.22

### 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 February 2, 2018 was \$10.00.
- Distributions, if any, are paid in cash. 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 outside of registered plans. Included in the above amounts is the reinvested distribution of \$3.83 per unit paid to unitholders of record on December 31, 2021.
- 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. In 2020 the calculation was modified to include certain transaction costs charged by the custodian. The trading expense ratio in prior periods was not re-stated.
- 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.

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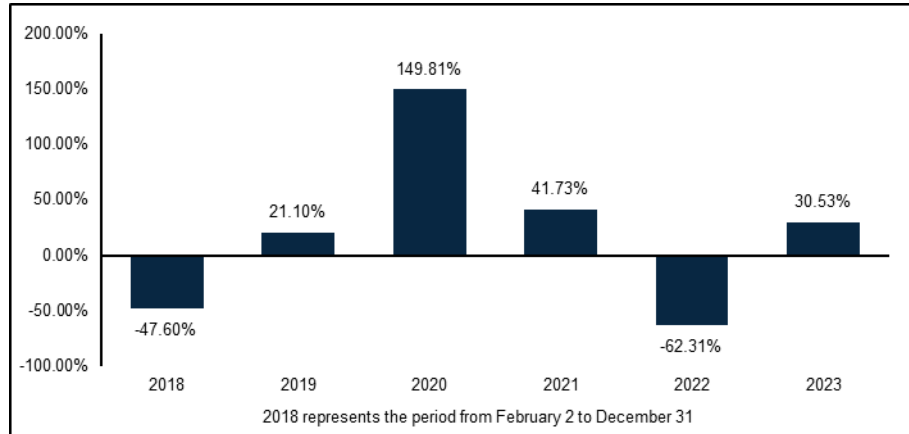
## Past Performance

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 2023 which represents the interim period.

### Fund Performance



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## 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, 2023

Top 25 Holdings	% of Net Asset Value
Marathon Digital Holdings, Inc.	8.3
Overstock.com, Inc.	7.4
Coinbase Global, Inc., Class A	6.7
Block, Inc.	6.7
Riot Platforms, Inc.	6.1
EPAM Systems, Inc.	5.4
Nuvei Corporation	4.9
Oracle Corporation	3.7
Conduent Incorporated	3.5
Intel Corporation	3.4
Accenture PLC, Class A	3.4
Microsoft Corporation	3.3
International Business Machines Corporation	3.3
Hut 8 Mining Corp.	3.3
Infosys Limited ADR	3.2
SAP SE ADR	3.2
Mastercard Incorporated, Class A	3.1
Visa Inc., Class A	3.1
Wipro Limited ADR	3.1
Cleantech, Inc.	1.9
HIVE Digital Technologies Ltd.	1.9
Galaxy Digital Holdings Ltd.	1.8
Paysafe Limited	1.7
Bitfarms Ltd.	1.6
Bit Digital, Inc.	1.3
<b>Total</b>	<b>95.3</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.harvesteffs.com](http://www.harvesteffs.com).

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## SECTOR ALLOCATION

Sector	% of Net Asset Value
Information Technology	59.7
Financials	28.5
Consumer Discretionary	7.4
Industrials	3.5
Cash and other assets and liabilities	0.9
<b>Total</b>	<b>100.0</b>

## INDEX ALLOCATION

Sector	% of Net Asset Value
Emerging Blockchain	66.3
Large Cap Blockchain	32.8
Cash and other assets and liabilities	0.9
<b>Total</b>	<b>100.0</b>

## GEOGRAPHIC ALLOCATION

Country of Risk	% of Net Asset Value
United States	74.6
Canada	12.2
India	6.3
Germany	3.2
China	1.3
Australia	1.1
Cash and other assets and liabilities	0.9
United Kingdom	0.4
<b>Total</b>	<b>100.0</b>

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## Disclaimers

### 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 a 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.





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