



**INTERIM MANAGEMENT REPORT OF FUND
PERFORMANCE**

Harvest Banks & Buildings Income Fund

June 30, 2023



Harvest Banks & Buildings Income Fund

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 Banks & Buildings Income Fund (the “Fund”) invests primarily in the Canadian banking, other financial and real estate sectors. The banking, other financial and real estate sectors represent significant components of the Canadian economy. As the Canadian economy generally expands, Harvest believes that a diversified portfolio invested across these sectors will provide investors with an attractive yield and strong capital appreciation potential.

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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; or on SEDAR at 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's investment objectives are:

- i. to provide unitholders with monthly distributions; and
- ii. to maximize total return for unitholders.

To achieve the investment objectives, the Fund invests in an actively managed portfolio that consists primarily of banking issuers, other financial issuers and real estate issuers. It is the investment manager's view that in this environment, dividend paying companies in the financial and real estate sectors will continue to maintain their dividends or distributions. The issuers in the Canadian banking, other financial and real estate industries have capital ratios and leverage ratios that are conservative in nature and therefore justify consistent dividend payout policies.

A combination of top-down, macro analysis is used to evaluate and identify the most attractive companies and types of securities in the sectors mentioned above. A value-based, bottom-up fundamental analysis is also used to identify issuers based on the quality of their assets and the strength of their balance sheets and cash flows. Generally, each company or investment held in the portfolio will have consistent dividend payout history and offers a yield component that will help aid the objectives of the Fund. The investment manager seeks to acquire securities that it believes have strong free cash flow metrics and will not defer future dividend or interest payments and will focus on issuers that it believes offer high levels of income and potential for capital appreciation, and that it believes provide the most attractive total return, relative to risk.

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 return for the six-month period ended June 30, 2023 was -1.44% for Series R, -1.91% for Series A, -1.22% for Series F and -1.22% for Series D versus the custom benchmark index comprised of 50% weighting of the S&P/TSX Financials Total Return Index and a 50% weighting of the S&P/Real Estate Total Return Index return of -5.90%. The Fund continued to be in a diversified portfolio of financial issuers and real estate issuers at the end of the six-month period.

The Fund's largest weight is in the Canadian financials sector, and that was the area that performed the best in relative terms, with slightly positive gains. Much of this can be attributed to the insurance exposure that the Fund holds, which outperformed the traditional bank exposure. The Fund's holdings in the U.S. financials, which consist of a few of the largest U.S. banks were a negative drag on performance, given the banking issues that flared up in March, but were quickly addressed by the U.S. government.

On the real estate side, the Fund's holding of Digital Realty was helped tremendously by the sentiment around large capitalization technology and the excitement about artificial intelligence that drove stocks exposed to those areas meaningfully higher. That translated into spillover effects for the need of increased data center footprints. Additionally, the industrial REIT space, namely Prologis, was helped by the continued secular theme of e-commerce and omni-channel commerce growth, and the subsequent need for warehouse and logistics space. Alexandria REIT was caught up in concerns surrounding the overall longer-term need for commercial office space given the trends in work from home. Alexandria, however, has a very focused healthcare and innovation campus-style tenant base, versus the traditional office REITs exposed to big, expensive markets with net migration of people outflows, like San Francisco and New York City. This narrative also impacted office REITs in Canada, with Allied Properties, also witnessing a decline during the six-month period, as Toronto also has its own issues in getting the workforce to re-adopt full-time downtown office working models.

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At the sector level, higher interest rates generally have a negative impact on REITs due to the amount of debt they carry and the fixed cashflow they earn from rents, which are generally long-term contracts and cannot be raised in a timely manner.

In 2022 central banks around the world raised interest rates rapidly to slow the pace of inflation. This made the macro environment challenging for REIT stocks. Coming into 2023 the macroeconomic environment stabilized somewhat, and many areas of the stock market experienced a recovery. While REITs have not fully participated in that rally, their prices have stabilized and generally traded flat for the first half of 2023.

Uncertainty remains around where, when, and for how long interest rates will peak and whether the global economy will experience a recession or a soft landing. This has left REITs in an uncertain space with investors unsure of which direction to take. Higher interest rates have raised questions about banks' willingness to refinance expiring debt on more levered properties, especially U.S. regional banks which had been rattled by a banking crisis earlier in 2023. While that crisis was quickly addressed, questions remain around many REITs – especially those with exposure to U.S. commercial office space in expensive downtown cores that have seen net migration outflow and continue to grapple with changing work from home dynamics.

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.

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. Each series of units pays the Manager an annual management fee, plus applicable taxes, based on a percentage of the average daily net asset value ("NAV") of the Fund attributable to that applicable series (the "Management Fee").

Dealers may be paid a servicing fee in connection with Series A and Series R units for ongoing services they provide to investors, including investment advice, account statements and newsletters. Generally, the servicing fees, plus applicable taxes, are payable monthly in arrears based on the total client assets invested in each series of units of the Fund held by all of a Dealer's clients throughout the month. The Manager can change or cancel servicing fees at any time.

The fees differ among the series of units of the Fund as set out in the chart below:

Fund Series	Annual Management Fee	Dealer Service Fee	Total Fees
R	1.10%	0.40%	1.50%
A	1.10%	1.25%	2.35%
F	1.10%	0.00%	1.10%
D	1.10%	0.00%	1.10%

Effective May 1, 2022 the Fund no longer pays service fees on Series D units. Prior to this change, the Fund paid a servicing fee of 0.25% to dealers based on the total client assets invested in Series D units. If the service fee had been charged to the entire year, the MER for 2022 would have been higher by 0.19% and would have been 4.97%.

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.

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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 \$23,402 for the six-month period ended June 30, 2023 (2022 - \$20,777) and are included in the unitholder reporting costs on the Statements 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 six-month period ended June 30, 2023 or 2022. 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 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 – SERIES R						
	2023	2022	2021	2020	2019	2018
Net assets - beginning of period	\$ 11.01	\$ 14.54	\$ 11.92	\$ 13.84	\$ 12.58	\$ 14.40
Increase (decrease) from operations						
Total revenue	0.25	0.44	0.41	0.45	0.43	0.37
Total expenses	(0.32)	(0.63)	(0.60)	(0.52)	(0.52)	(0.49)
Realized gains (losses) for the period	0.24	0.56	0.47	0.43	0.90	1.33
Unrealized gains (losses) for the period	(0.32)	(3.05)	3.17	(1.64)	1.37	(2.15)
Total increase (decrease) from operations¹	\$ (0.15)	\$ (2.68)	\$ 3.45	\$ (1.28)	\$ 2.18	\$ (0.94)
Distributions²						
From capital gains	-	-	-	-	-	(0.47)
Return of capital	(0.42)	(0.84)	(0.84)	(0.84)	(0.84)	(0.37)
Total annual distributions²	\$ (0.42)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)
Net assets - end of period¹	\$ 10.44	\$ 11.01	\$ 14.54	\$ 11.92	\$ 13.84	\$ 12.58

THE FUND'S NET ASSETS PER UNIT – SERIES A						
	2023	2022	2021	2020	2019	2018
Net assets - beginning of period	\$ 9.56	\$ 12.87	\$ 10.74	\$ 12.68	\$ 11.69	\$ 13.58
Increase (decrease) from operations						
Total revenue	0.21	0.39	0.37	0.41	0.40	0.36
Total expenses	(0.33)	(0.66)	(0.65)	(0.57)	(0.61)	(0.59)
Realized gains (losses) for the period	0.22	0.48	0.41	0.39	0.84	1.24
Unrealized gains (losses) for the period	(0.22)	(2.69)	2.88	(1.51)	1.27	(2.03)
Total increase (decrease) from operations¹	\$ (0.12)	\$ (2.48)	\$ 3.01	\$ (1.28)	\$ 1.90	\$ (1.02)
Distributions²						
From capital gains	-	-	-	-	-	(0.33)
Return of capital	(0.42)	(0.84)	(0.84)	(0.84)	(0.84)	(0.51)
Total annual distributions²	\$ (0.42)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)
Net assets - end of period¹	\$ 8.97	\$ 9.56	\$ 12.87	\$ 10.74	\$ 12.68	\$ 11.69

THE FUND'S NET ASSETS PER UNIT – SERIES F						
	2023	2022	2021	2020	2019	2018
Net assets - beginning of period	\$ 11.99	\$ 15.68	\$ 12.75	\$ 14.67	\$ 13.23	\$ 15.04
Increase (decrease) from operations						
Total revenue	0.27	0.48	0.45	0.48	0.46	0.40
Total expenses	(0.33)	(0.63)	(0.58)	(0.50)	(0.49)	(0.45)
Realized gains (losses) for the period	0.27	0.61	0.50	0.45	0.95	1.40
Unrealized gains (losses) for the period	(0.28)	(3.30)	3.42	(1.55)	1.51	(2.25)
Total increase (decrease) from operations¹	\$ (0.07)	\$ (2.84)	\$ 3.79	\$ (1.12)	\$ 2.43	\$ (0.90)
Distributions²						
From capital gains	-	-	-	-	-	(0.57)
Return of capital	(0.42)	(0.84)	(0.84)	(0.84)	(0.84)	(0.27)
Total annual distributions²	\$ (0.42)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)
Net assets - end of period¹	\$ 11.44	\$ 11.99	\$ 15.68	\$ 12.75	\$ 14.67	\$ 13.23

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THE FUND'S NET ASSETS PER UNIT – SERIES D						
	2023	2022	2021	2020	2019	2018
Net assets - beginning of period	\$ 11.62	\$ 15.23	\$ 12.44	\$ 14.37	\$ 13.01	\$ 14.85
Increase (decrease) from operations						
Total revenue	0.26	0.47	0.44	0.46	0.45	0.40
Total expenses	(0.32)	(0.62)	(0.61)	(0.52)	(0.52)	(0.48)
Realized gains (losses) for the period	0.25	0.60	0.48	0.50	0.97	1.37
Unrealized gains (losses) for the period	(0.42)	(3.41)	3.27	(1.90)	1.03	(2.35)
Total increase (decrease) from operations¹	\$ (0.23)	\$ (2.96)	\$ 3.58	\$ (1.46)	\$ 1.93	\$ (1.06)
Distributions²						
From capital gains	-	-	-	-	-	(0.49)
Return of capital	(0.42)	(0.84)	(0.84)	(0.84)	(0.84)	(0.35)
Total annual distributions²	\$ (0.42)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)
Net assets - end of period¹	\$ 11.07	\$ 11.62	\$ 15.23	\$ 12.44	\$ 14.37	\$ 13.01

Series R

RATIOS AND SUPPLEMENTAL DATA						
	2023	2022	2021	2020	2019	2018
Total net asset value	\$ 2,019,715	\$ 2,169,675	\$ 3,105,610	\$ 2,612,821	\$ 3,495,465	\$ 3,576,737
Number of units outstanding	193,401	197,092	213,627	219,148	252,521	284,397
Management expense ratio ³	5.91%	5.07%	4.43%	4.40%	3.79%	3.54%
Management expense ratio before waivers or absorptions ³	5.91%	5.07%	4.43%	4.40%	3.79%	3.54%
Trading expense ratio ⁴	0.03%	0.01%	0.03%	0.03%	0.01%	0.05%
Portfolio turnover rate ⁵	0.00%	0.00%	4.66%	2.03%	5.43%	7.30%
Net asset value per unit	\$ 10.44	\$ 11.01	\$ 14.54	\$ 11.92	\$ 13.84	\$ 12.58

Series A

RATIOS AND SUPPLEMENTAL DATA						
	2023	2022	2021	2020	2019	2018
Total net asset value	\$ 1,624,780	\$ 1,900,211	\$ 2,978,622	\$ 2,716,729	\$ 3,721,136	\$ 3,849,072
Number of units outstanding	181,106	198,774	231,428	253,027	293,483	329,139
Management expense ratio ³	6.85%	6.04%	5.39%	5.36%	4.75%	4.50%
Management expense ratio before waivers or absorptions ³	6.85%	6.04%	5.39%	5.36%	4.75%	4.50%
Trading expense ratio ⁴	0.03%	0.01%	0.03%	0.03%	0.01%	0.05%
Portfolio turnover rate ⁵	0.00%	0.00%	4.66%	2.03%	5.43%	7.30%
Net asset value per unit	\$ 8.97	\$ 9.56	\$ 12.87	\$ 10.74	\$ 12.68	\$ 11.69

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Series F

RATIOS AND SUPPLEMENTAL DATA	2023	2022	2021	2020	2019	2018
Total net asset value	\$ 659,738	\$ 736,253	\$ 999,215	\$ 818,357	\$ 963,301	\$ 1,057,466
Number of units outstanding	57,662	61,381	63,709	64,184	65,664	79,923
Management expense ratio ³	5.46%	4.63%	3.98%	3.95%	3.33%	3.09%
Management expense ratio before waivers or absorptions ³	5.46%	4.63%	3.98%	3.95%	3.33%	3.09%
Trading expense ratio ⁴	0.03%	0.01%	0.03%	0.03%	0.01%	0.05%
Portfolio turnover rate ⁵	0.00%	0.00%	4.66%	2.03%	5.43%	7.30%
Net asset value per unit	\$ 11.44	\$ 11.99	\$ 15.68	\$ 12.75	\$ 14.67	\$ 13.23

Series D

RATIOS AND SUPPLEMENTAL DATA	2023	2022	2021	2020	2019	2018
Total net asset value	\$ 655,840	\$ 586,587	\$ 461,608	\$ 337,932	\$ 369,005	\$ 222,028
Number of units outstanding	59,254	50,496	30,305	27,170	25,673	17,062
Management expense ratio ³	5.47%	4.78%	4.26%	4.21%	3.63%	3.38%
Management expense ratio before waivers or absorptions ³	5.47%	4.78%	4.26%	4.21%	3.63%	3.38%
Trading expense ratio ⁴	0.03%	0.01%	0.03%	0.03%	0.01%	0.05%
Portfolio turnover rate ⁵	0.00%	0.00%	4.66%	2.03%	5.43%	7.30%
Net asset value per unit	\$ 11.07	\$ 11.62	\$ 15.23	\$ 12.44	\$ 14.37	\$ 13.01

Explanatory Notes:

1. 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.
2. Distributions may be paid in cash or automatically reinvested into additional units.
3. 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.
4. 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.
5. 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.

Harvest Banks & Buildings Income Fund

Past Performance

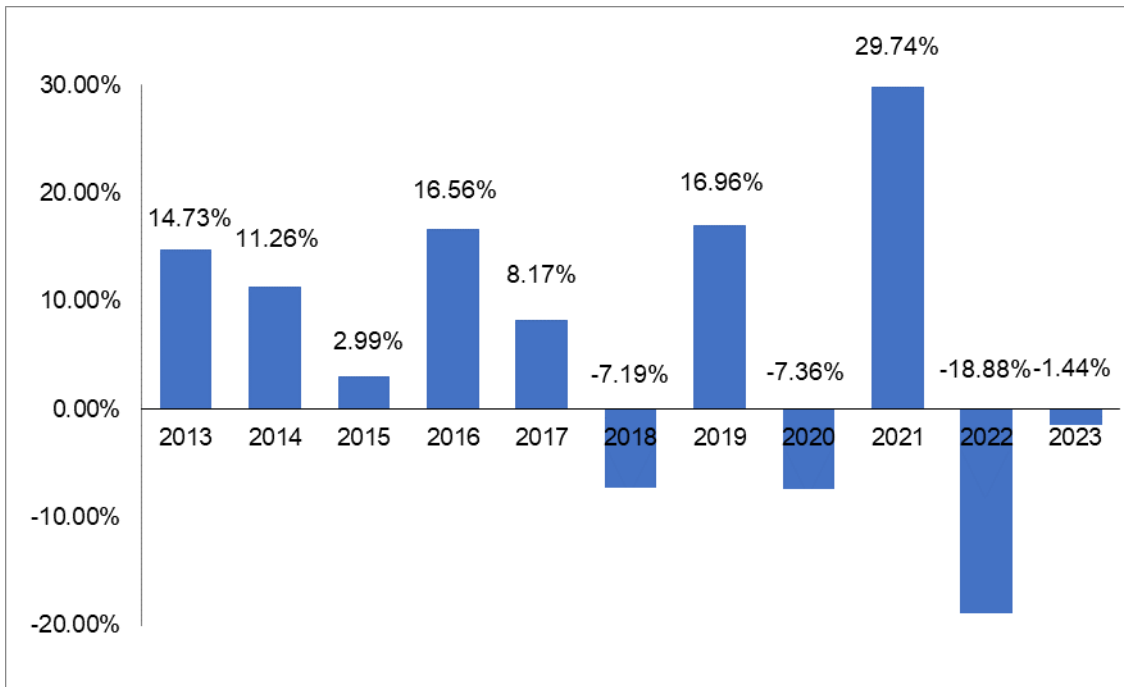
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, or other charges that would have reduced returns or affected performance. Past performance of the Fund is not necessarily indicative of how it will perform in the future.

YEAR-BY-YEAR RETURNS

The following charts present the Fund's performance for each of the years shown and illustrate how the Fund's performance varied for Series R, Series A, Series F and Series D. The charts show, 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.

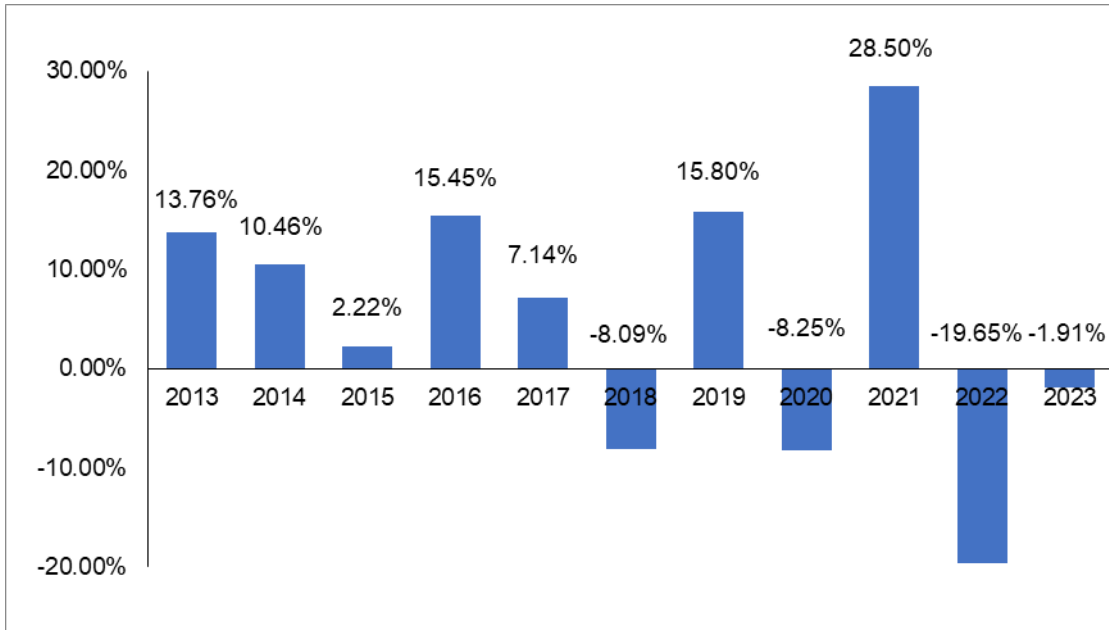
Fund Performance

Series R

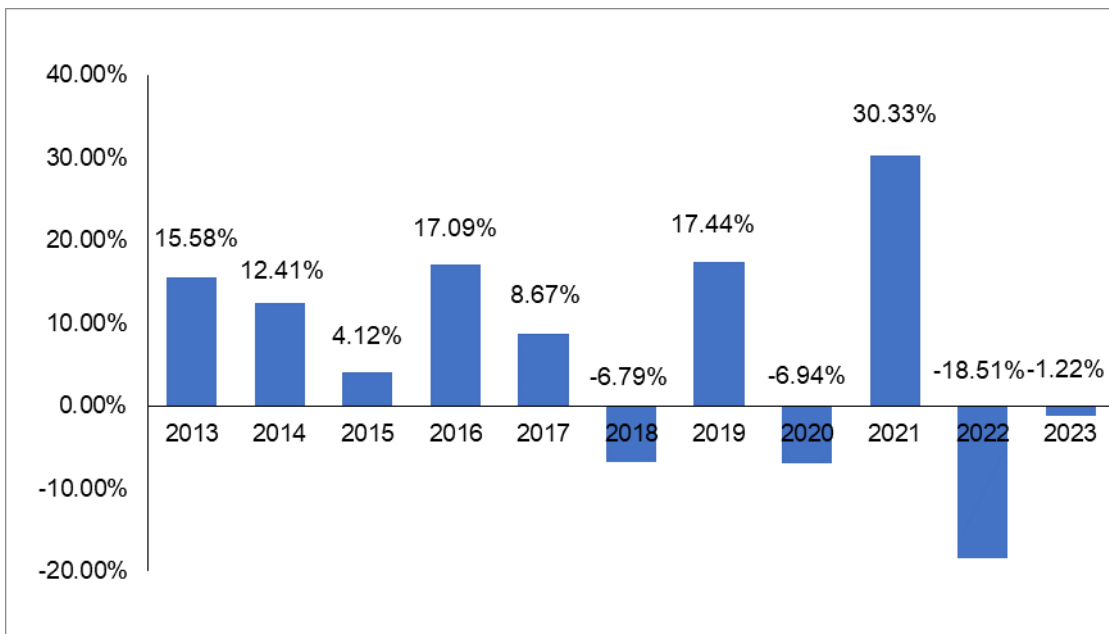


Harvest Banks & Buildings Income Fund

Series A

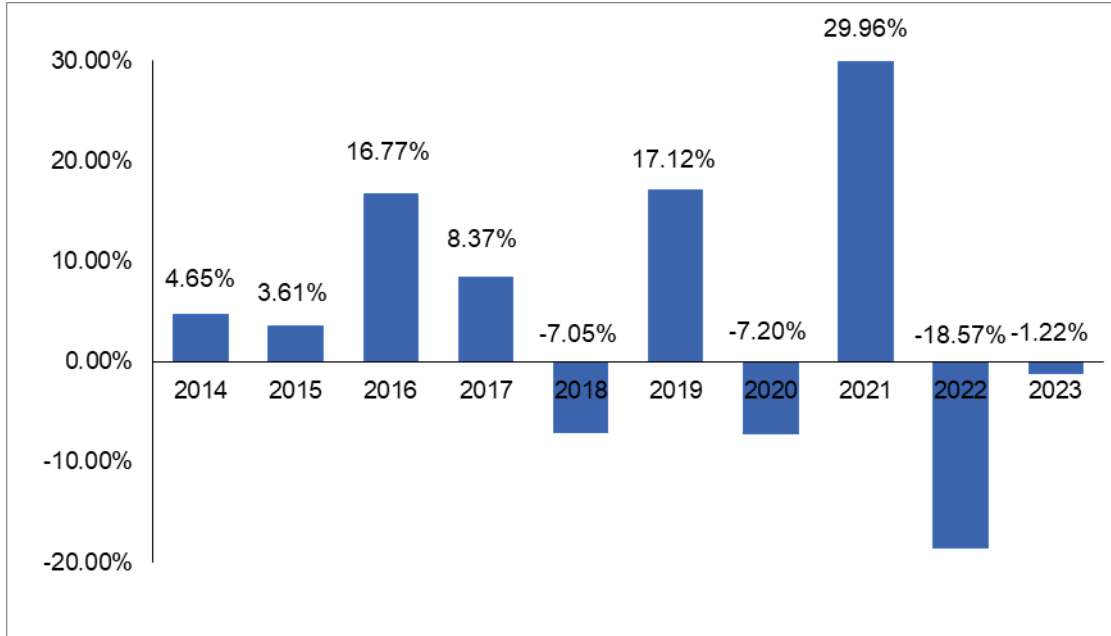


Series F



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Series D



2014 represents the period from July 9 to December 31.

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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 Holdings	% of Net Asset Value	Yield (%)
Sun Life Financial Inc.	8.2	4.34 %
The Bank of Nova Scotia	7.5	6.40 %
Royal Bank of Canada	7.5	4.27 %
Bank of Montreal	7.4	4.91 %
Canadian Imperial Bank of Commerce	7.3	6.15 %
Manulife Financial Corporation	7.2	5.83 %
The Toronto-Dominion Bank	7.2	4.68 %
JPMorgan Chase & Co.	5.4	2.75 %
Choice Properties Real Estate Investment Trust	5.0	5.53 %
Morgan Stanley	4.6	3.63 %
Digital Realty Trust, Inc.	4.4	4.29 %
Killam Apartment Real Estate Investment Trust	4.2	3.96 %
Bank of America Corporation	4.1	3.07 %
InterRent Real Estate Investment Trust	4.0	2.81 %
Prologis, Inc.	3.5	2.84 %
Timbercreek Financial Corp.	3.0	9.26 %
Alexandria Real Estate Equities, Inc.	2.6	4.37 %
Allied Properties Real Estate Investment Trust	2.5	8.29 %
SmartCentres Real Estate Investment Trust	2.5	7.62 %
Cash and other assets and liabilities	1.9	-
Total	100.0	

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.

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SECTOR ALLOCATION

Sector	% of Net Asset Value
Financials	69.4
Real Estate	28.7
Cash and other assets and liabilities	1.9
Total	100.0

GEOGRAPHIC ALLOCATION

Country of Risk	% of Net Asset Value
Canada	73.5
United States	24.6
Cash and other assets and liabilities	1.9
Total	100.0

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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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