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**INTERIM MANAGEMENT REPORT OF FUND  
PERFORMANCE**

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**Harvest Travel & Leisure Index ETF**

**June 30, 2023**



# Harvest Travel & Leisure Index 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 Solactive Travel & Leisure Index GTR<sup>Y</sup> (the “Index”). The Fund primarily invests in large capitalization issuers that own or operate travel related business and are listed on a regulated stock exchange in North America.

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

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 Solactive Travel & Leisure Index GTR<sup>Y</sup> for the six-month period ending June 30, 2023 are as follows:

Series	Return %
Series A (CAD) – unhedged	25.05
Series U (USD) - unhedged	27.81
Solactive Travel & Leisure Index GTR <sup>Y</sup>	25.44

The travel & leisure sector captured by the Fund has outperformed the broader market in the first half of 2023. The Fund started off the year strong as investors expected the reopening of China following strict COVID-19 lockdowns may help to heighten demand in the sector and ultimately incremental revenue and profits for the Fund’s investments.

Within the portfolio, allocations towards cruise line focused companies had a very significant impact with the top performing stocks up over 100% each during the first six months as signs of improvements in cruise line fundamentals, for example the number of cruises being booked, continued and resulted in a rebound in the stocks following their relatively weak performance in 2022. Only 4 out of the 30 stocks in the Fund were negative during the six-month period and had a relatively small impact on the Fund’s performance given their moderate weights.

Fundamental sector data continue to exhibit a consistent upward trend in demand for travel across the sub-sectors. The U.S. saw increased demand from Chinese outbound travellers as China continues to relax its COVID-19 restrictions. There has also been a resurgence in international and corporate travel. While that is somewhat difficult to quantify, corporate bookings appear to be continuing to recover from the lows of the COVID-19 shutdowns. The passenger volume through U.S. airport security gates has been consistently trending higher vs. 2019 levels and this adds to the thesis of a strong demand recovery in the shorter term.

A near shock to the broader economic system occurred midway through the six-month period as select regional U.S. banks were faced with significant cash withdrawals in a very short period that put their operations under pressure and very quickly resulted in bankruptcies and

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forced asset sales. This caused significant volatility in equity markets, with spikes up and down in a short period across stocks as concerns that the regional bank failures would inspire contagion across the banking sector and potentially lead to a broader financial crisis. This added to the volatility in the Fund's positions during this six-month period. The contagion risk was quickly subdued as the U.S. government intervened to ensure financial stability within the banking sector.

We remain optimistic on the secular growth trends within the travel and leisure industry in the long term; and believe that travel spending should remain resilient vs. the broader economy. However, investors need to keep in mind that if the economy drags into deep recession the sector could trade lower along with the broader market. The Fund provides a one stop solution for diversified exposure towards the travel related sub-sectors and reduces individual stock specific risks. The Fund tracks the Solactive Travel & Leisure Index GTR which is an index of market-cap weighted portfolio (subject to a 10% maximum in any one holding) of 30 North American listed issuers selected from airlines, hotels resorts & lodging, casinos & gaming, cruise lines, and travel booking sites sub-sectors.

## 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 0.40%, 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	21,296
June 30, 2022	34,855

### 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.

## 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.

### Series A

THE FUND'S NET ASSETS PER UNIT	2023	2022	2021
<b>Net assets - beginning of the period<sup>2</sup></b>	<b>\$ 17.49</b>	<b>\$ 21.35</b>	<b>\$ 20.00</b>
<b>Increase (decrease) from operations</b>			
Total revenue	0.08	0.11	0.03
Total expenses	(0.06)	(0.12)	(0.14)
Realized gains (losses) for the period	(0.30)	(1.59)	(0.89)
Unrealized gains (losses) for the period	4.79	(2.43)	(0.46)
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ 4.51</b>	<b>\$ (4.03)</b>	<b>\$ (1.46)</b>
<b>Distributions<sup>3</sup></b>			
From net investment income	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
<b>Total annual distributions<sup>3</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net assets - end of the period<sup>1</sup></b>	<b>\$ 21.88</b>	<b>\$ 17.49</b>	<b>\$ 21.35</b>

RATIOS AND SUPPLEMENTAL DATA	2023	2022	2021
<b>Total net asset value (\$000's)</b>	<b>\$ 126,339</b>	<b>\$ 126,401</b>	<b>\$ 173,454</b>
Number of units outstanding (000's)	5,775	7,225	8,125
Management expense ratio <sup>4</sup>	0.62%	0.62%	0.63%
Management expense ratio before waivers or absorptions <sup>4</sup>	0.62%	0.62%	0.63%
Trading expense ratio <sup>5</sup>	0.03%	0.05%	0.06%
Portfolio turnover rate <sup>6</sup>	7.46%	42.27%	88.48%
<b>Net asset value per unit</b>	<b>\$ 21.88</b>	<b>\$ 17.49</b>	<b>\$ 21.35</b>
<b>Closing market price (TRVL)</b>	<b>\$ 21.88</b>	<b>\$ 17.48</b>	<b>\$ 21.41</b>

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## Series U (CAD)

THE FUND'S NET ASSETS PER UNIT	2023	2022	2021
<b>Net assets - beginning of the period<sup>2</sup></b>	<b>\$ 22.35</b>	<b>\$ 27.27</b>	<b>\$ 25.55</b>
<b>Increase (decrease) from operations</b>			
Total revenue	0.10	0.14	0.03
Total expenses	(0.08)	(0.16)	(0.18)
Realized gains (losses) for the period	(0.40)	(1.97)	(0.91)
Unrealized gains (losses) for the period	5.69	(3.60)	(4.00)
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ 5.31</b>	<b>\$ (5.59)</b>	<b>\$ (5.06)</b>
<b>Distributions<sup>3</sup></b>			
From net investment income	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
<b>Total annual distributions<sup>3</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net assets - end of the period<sup>1</sup></b>	<b>\$ 27.95</b>	<b>\$ 22.35</b>	<b>\$ 27.27</b>

RATIOS AND SUPPLEMENTAL DATA	2023	2022	2021
<b>Total net asset value (\$000's)</b>	<b>\$ 7,686</b>	<b>\$ 9,499</b>	<b>\$ 14,319</b>
Number of units outstanding (000's)	275	425	525
Management expense ratio <sup>4</sup>	0.62%	0.62%	0.63%
Management expense ratio before waivers or absorptions <sup>4</sup>	0.62%	0.62%	0.63%
Trading expense ratio <sup>5</sup>	0.03%	0.05%	0.06%
Portfolio turnover rate <sup>6</sup>	7.46%	42.27%	88.48%
<b>Net asset value per unit (CAD)</b>	<b>\$ 27.95</b>	<b>\$ 22.35</b>	<b>\$ 27.27</b>
<b>Net asset value per unit (USD)</b>	<b>\$ 21.10</b>	<b>\$ 16.50</b>	<b>\$ 21.60</b>
<b>Closing market price - USD (TRVL.U)</b>	<b>\$ 21.12</b>	<b>\$ 9,499</b>	<b>\$ 14,319</b>

### Explanatory Notes:

- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the reporting period. It is not intended that the Fund's net assets per unit table act as a continuity of opening and closing net assets per unit.
- Net assets, at the commencement of operations on January 11, 2021 were \$20.00 for Series A and \$20.00 USD for Series U.
- 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.
- Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) of the stated period and is expressed as an annualized percentage of the daily average net asset value during the period.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate, the greater the trading costs payable by the Fund and the greater the chance of an investor receiving taxable capital gains. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

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## Past Performance

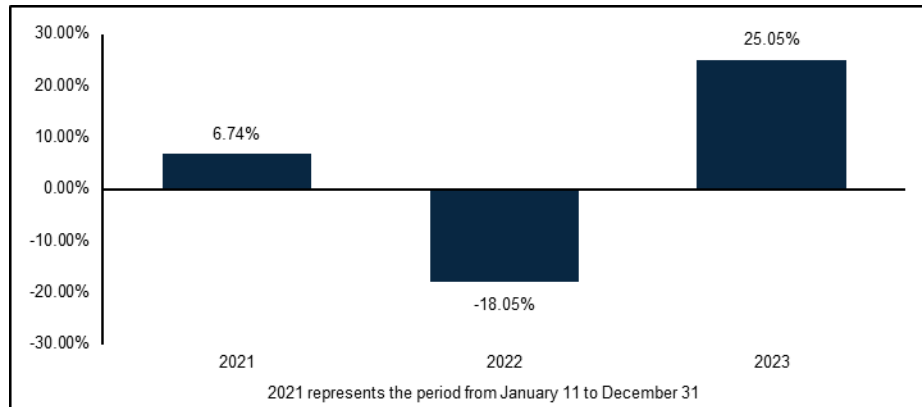
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, or other charges that would have reduced returns or affected performance.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

## YEAR-BY-YEAR RETURNS

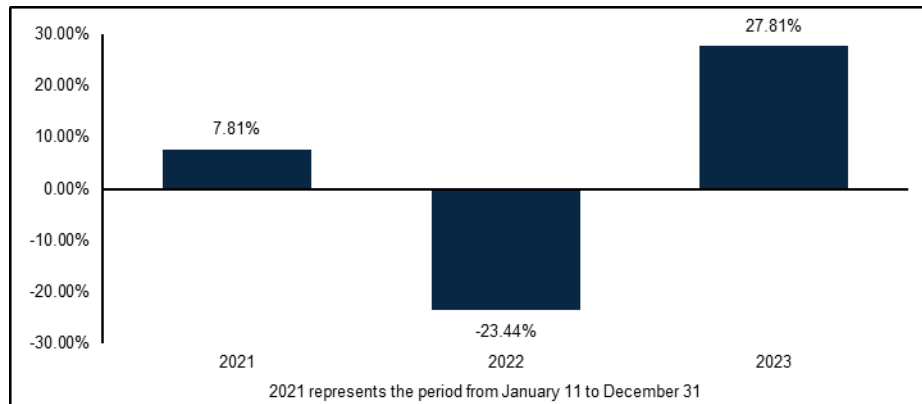
The following charts present the Fund's performance for each of the years shown and illustrate how the Fund's performance varied for Series A and Series U. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year except for 2023 which represents the interim period.

### Fund Performance

#### Series A



#### Series U (USD)



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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
Booking Holdings Inc.	9.4
Marriott International, Inc., Class A	9.4
Airbnb, Inc., Class A	9.2
Hilton Worldwide Holdings Inc.	7.4
VICI Properties Inc.	6.1
Delta Air Lines, Inc.	5.9
Royal Caribbean Cruises Ltd.	4.5
Southwest Airlines Co.	4.2
Las Vegas Sands Corp.	3.7
Carnival Corporation	3.6
United Airlines Holdings, Inc.	3.5
Expedia Group, Inc.	3.3
Sun Communities, Inc.	3.1
MGM Resorts International	2.6
Hyatt Hotels Corporation, Class A	2.3
Host Hotels & Resorts, Inc.	2.3
American Airlines Group Inc.	2.2
Caesars Entertainment, Inc.	2.0
Wynn Resorts, Limited	2.0
Vail Resorts, Inc.	2.0
Norwegian Cruise Line Holdings Ltd.	1.8
Alaska Air Group, Inc.	1.3
Air Canada	1.3
Wyndham Hotels & Resorts, Inc.	1.1
Boyd Gaming Corporation	1.0
<b>Total</b>	<b>95.2</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.harvestetfs.com](http://www.harvestetfs.com).

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## SECTOR ALLOCATION

Sector	% of Net Asset Value
Hotels, Resorts & Cruise Lines	53.5
Passenger Airlines	19.3
Casinos & Gaming	12.1
Specialized REITs	6.1
Hotel & Resort REITs	3.3
Residential REITs	3.1
Leisure Facilities	2.0
Cash and other assets and liabilities	0.6
<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.

<sup>y</sup> The Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index Price at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Manager, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the financial instrument. Neither publication of the Index by Solactive AG nor the licensing of the Index or Index trade mark for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in said Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in this financial instrument.



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