



# HARVEST TECH ACHIEVERS GROWTH & INCOME ETF

*August 2020*

**TSX HTA**

**TSX HTA.B | TSX HTA.U**

## The Future Promise of Technological Innovation

The promise of new technologies lies in their ability to transform the present and shape the future in a way that *improves* how we live and work. The companies developing these technologies will reap rewards as they create the new products and services we need.

The last two decades, we saw the rise of the personal computer, the Internet, social media and e-commerce. In this decade, we have seen the evolution of cloud computing, blockchain, augmented reality and the Internet of Things (IoT) which allow devices to interact with software to control heating and cooling in our homes, to Machine to Machine (M2M) direct communications, as well as new age pharmaceuticals and "swallowable" capsules that can detect and heal without invasive surgery. -- and its just the beginning.



### Technology is everywhere; creating new businesses

The tech race continues to heat up with technological innovations that are stretching the limits of human possibility. Imagine surgeons in the operating room utilizing virtual reality applications and artificial intelligence to operate on your heart with greater diagnostic accuracy and precision, or dozing off on your morning ride to work in a self-driving car?

But for the investor, how do you distinguish between investing in developing brands or mature companies? Developing brands catch headlines, but will they last? Leading tech firms like Apple or Microsoft still innovate, but they also have a base of products that have become entrenched in the market, capable of providing long-term revenue stability.



IBM's Watson helps health professionals with sophisticated analytics for diagnostics, genomics, oncology, radiology etc. Surgeons can interpret x-ray results using Artificial Intelligence (AI) for better accuracy in decision making, combined with design thinking robots that use machine learning to improve the precision of surgical procedures.



Google acquired Fitbit to gain a foothold in the Wearable OS market and access to data on users on the go. Predictably, wearable OS will evolve from wellness devices that monitor your exercise, sleep and heart rate, to include medical applications, such as detecting cardiac arrhythmia and sleep apnea. In a related field, Google's sister company Wing, is working on autonomous drone deliveries with potential applications in the delivery of organs to hospitals or medicines to consumers.



Microsoft InnerEye uses machine learning to analyze 3D radiological images. After a scan is done, it is encrypted and sent to the cloud. The machine learned how to mark up organs and tumors from images from past patients. Other uses: Predictive care, behavioral & analytics, telehealth, cost management security & compliance.



Nvidia has partnered with big name auto companies to use their GPU (deep learning AI) and cloud data centers for the production of driverless cars.



Cisco understands that speedy network performance and ubiquitous connectivity will be important when 5.3 billion users are on the Internet by 2023, each with an average of 3.6 networked devices. As demand for Internet of Things (IoT) and Machine 2 Machine (M2M) connectivity grows, Cisco is getting ready with 5G and Wi-Fi 6 technologies to improve network capacity with the ability to connect more devices. *Source: Cisco Annual Internet Report (2018-2023) January 2020*



Visa is driving innovation to make it easier to pay with tap to pay (in store) and click to pay (online) but also opening up new acceptance in underpenetrated segments and enabling new use cases; in North America alone, the opportunity size for new use cases include staggering numbers such as U\$570 billion in rent payments, U\$350 billion in tuition, US165 billion in sports wagering, and U\$ 26 billion in parking as examples. *Source: Visa 2020 Investor Day Segment 2*

## Investing in the dominant technological leaders

One way investors can navigate through these challenges is to focus on the companies that may be most affected by the changes. These are often global players who have today's dominant products and services – the things we know and use. They have the financial wherewithal to acquire startups, the money to invest in research and development, and the leeway to make mistakes. They are motivated to find solutions while relying on mainstream businesses to generate the profits to pay dividends today.

## Does HTA fit in your portfolio?

**Harvest Tech Achievers Growth & Income ETF (HTA)** is an equally weighted portfolio of 20 large-cap global technology companies, selected for their potential to provide attractive monthly income and long-term growth. In order to generate an enhanced monthly distribution yield, an active covered call strategy is engaged.

The companies are selected because they are leading technology firms, with strong businesses and a history of profitability. They are well positioned to benefit from developing trends and potentially increase their dividends over time..

- A globally diversified portfolio of technology leaders
- Companies with high recurring revenues; many with high and increasing dividends
- Active covered call strategy to enhance portfolio income and lower volatility
- Opportunity for capital appreciation
- Available in CAD hedged (HTA), CAD dollar unhedged (HTA.B) and USD unhedged (HTA.U)

### About Harvest

At Harvest, our guiding principles are premised on building wealth for our clients through ownership of strong businesses that have the potential to grow & generate steady income over the long term. Founded in 2009, Harvest offers a diversified portfolio of investment products designed to satisfy the long term growth and income needs of investors.

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Income happens here.

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*Please see [www.harvestportfolios.com](http://www.harvestportfolios.com) for additional information. The ETF is listed for trading on the TSX under the ticker symbol HTA, HTA.B, HTA.U.*