

A smiling couple is featured in the foreground. The man, on the left, is bald and wearing a purple button-down shirt over a white t-shirt. The woman, on the right, has voluminous curly hair and is wearing a blue denim jacket. She has her right arm raised in a celebratory gesture. In the background, the Eiffel Tower is visible under a cloudy sky.

*H*ARVEST  
ETFs

**TRVI**

**Harvest  
Travel & Leisure  
Income ETF**

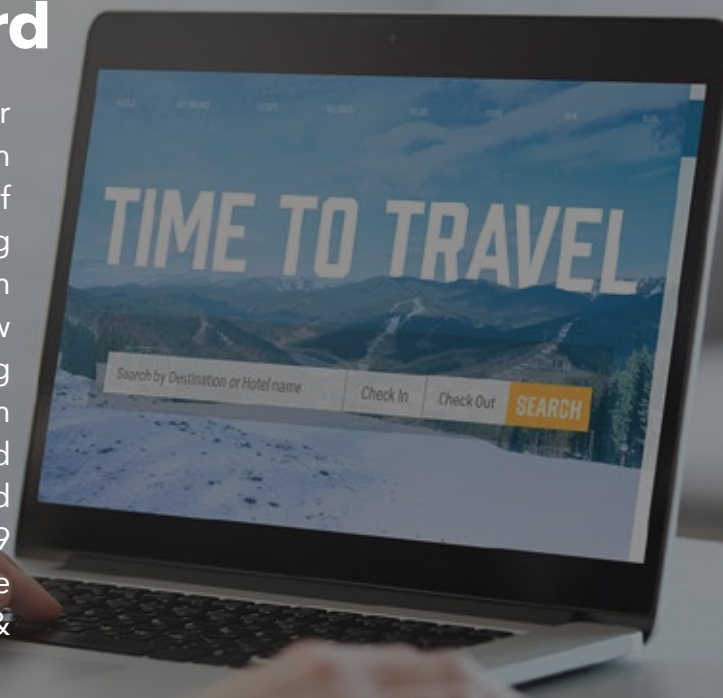
**TRVL**

**Harvest  
Travel & Leisure  
Index ETF**

**October 2023**

# Looking forward

The global travel & leisure sector comes with strong growth prospects. A combination of rising prosperity in developing economies, baby boomers in mature economies and new technologies, including booking platforms and online vacation rental marketplaces have fueled this rapid expansion. As the world has emerged from the COVID-19 pandemic we have seen these forces powering the travel & leisure sector once again.



Travel is here to stay. Tourism is a driver of global economic growth and plays a pivotal role in many countries. People crave adventure, they daydream about travel and saving rates are soaring. We have already seen how the pent up demand for travel created by the pandemic could overcome short-term issues like rising fuel costs and inflation.

## Outlook Part 1: Long term drivers

### 1. Rising global affluence & shifting demographics

Global tourism has been experiencing strong rates of growth and deepening diversification to become one of the fastest growing economic sectors in the world. A rising global affluence, a 65+ aging demographic with savings and time, as well as more efficient travel options and better priced options meant that an ever-increasing number of households were able to enjoy international travel.

### 2. Aging demographics

A study by VISA\*, stated that the 65+ demographic, the so called, “prime traveling population” was accounting for 1 in 8 international trips globally. In this report, they assert that older travelers can afford bigger trips and are more focused on comfort and health than saving money.

\*Source: Visa, Mapping the Future of Global Travel and Tourism

### 3. Technological innovation

Digital connectivity has fostered greater spontaneity in travel by offering a broader array of personal travel options at your fingertips. These innovations have made travel planning easier for the consumer. All you need is Internet connectivity to research travel products, book flights, hotels, cars, packages and other services through powerful cloud-based travel booking engines complete with destination guides and spend reports. Travel companies are also reaping the benefits of technological innovation through improved operational efficiencies.



## Outlook Part 2: Shorter term catalysts

### 1. Post-pandemic demand

The lifting of pandemic restrictions in many parts of the world revealed just how strong the pent up demand for travel was. 2022 saw a number of key metrics such as traveller volumes, hotel bookings, and cruiseline bookings meet or exceed their 2019 levels, despite the onset of high inflation and fuel costs. After years of restrictions, people want to travel.

### 2. Travel sector forecasted to exceed 2019 record highs

The World Travel & Tourism Council May 2023 forecasts predict a robust U.S. travel sector, surpassing 2019's pre-pandemic highs. Anticipated to contribute \$2.24 trillion to the economy this year, TRVL is a cost-effective ETF positioned to benefit from continued strength in corporate and leisure travel in the shorter term, while benefitting from favorable travel growth dynamics in the long term driven by demographics & technological innovation.

## 30 large cap travel stocks diversified across All five travel related sectors

#### Pre-pandemic & Long Term Drivers

- Rising global affluence
- Demographics – aging
- Technological innovation

#### Shorter Term Catalysts Risk / Reward

- Sectors disproportionately hit
- Positioned to benefit from recovery
- Timing



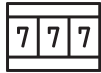
**Airlines**



**Hotels & Resorts**



**Cruise Lines**



**Casinos & Gaming**



**Bookings**

## The Harvest Travel & Leisure Index ETF

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The Harvest Travel & Leisure Index ETF is another first in Canada for Harvest ETFs and will provide investors with access to some of the most prominent Travel and Leisure companies in the world. Designed to replicate the performance of the Solactive Travel + Leisure Index GTR.

## The Harvest Travel & Leisure Income ETF

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The Harvest Travel & Leisure Income ETF (TRVI) offers access to travel for yield-seeking investors. This ETF accesses the same index portfolio as TRVL, but applies Harvest ETFs' active & flexible covered call option strategy to generate high monthly income. It launched with a high initial target yield of 10.40%.

TRVI will write covered calls on up to 33% of its holdings on a monthly basis, with flexibility to write at lower levels, allowing for upside capture where appropriate. Writing covered calls earns the ETF premiums which are bundled with any dividends from the ETF's holdings and generates the cashflow paid to investors as monthly income.



# About Harvest

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Founded in 2009, Harvest Portfolios Group Inc. is an independent Canadian Investment Fund Manager. 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 income over the long term. Harvest has an established track record with its stable of equity ETFs. Now, in 2023, Harvest has expanded its income philosophy to introduce Fixed Income ETFs to our innovative lineup. Harvest now offers exposure to the highest rated bonds like US Treasuries, coupled with its covered call strategy that provides high yields to increase monthly income.

To learn more about these ETFs, please visit [harvestportfolios.com/etf/trvl](https://harvestportfolios.com/etf/trvl) and [harvestportfolios.com/etf/trvi](https://harvestportfolios.com/etf/trvi).

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The ETFs are listed for trading on the TSX under the ticker symbols TRVL and TRVI.

Please see [www.harvestportfolios.com](https://www.harvestportfolios.com) for additional information.

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