



**HARVEST**  
EXCHANGE TRADED FUNDS



**ESG**

# HARVEST US INVESTMENT GRADE BOND PLUS ETF

*October 2020*

*Active US Corporate Bond ETF for Stability, Yield & ESG*

CONFIDENCE  
MUST BE EARNED

**Amundi**  
ASSET MANAGEMENT

*Sub-Advisor*

**TSX** **HUIB**

1.866.998.8298

[WWW.HARVESTETF.COM](http://WWW.HARVESTETF.COM)

## Why A High-Quality Income Solution Might Be Right For You

*Investment grade corporate bonds can play an important role in a portfolio, especially in today's late-cycle market environment.*

A bond ETF can be an essential part of an investment portfolio because they provide a predictable income stream and can offer peace of mind in uncertain market conditions.

In an ultra-low yield environment, a US Investment Grade Corporate Bond ETF, such as the **Harvest US Investment Grade Bond Plus ETF** (Ticker: HUIB) can be an attractive option for the Canadian investor for a variety of reasons:

Investment  
Grade

Stable  
Income

Competitive  
Yield

### Quality Issuers for Stability & Security

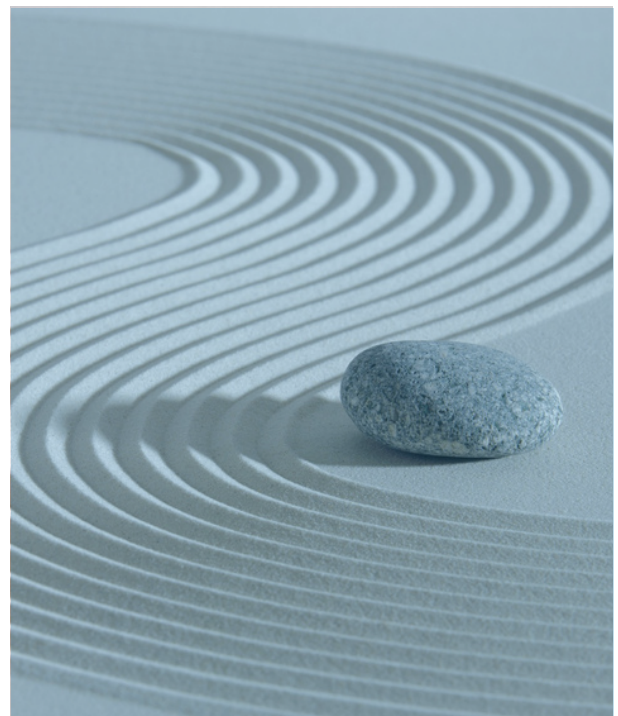
Investment-grade corporate issuers include many of the U.S.'s largest and most creditworthy companies.

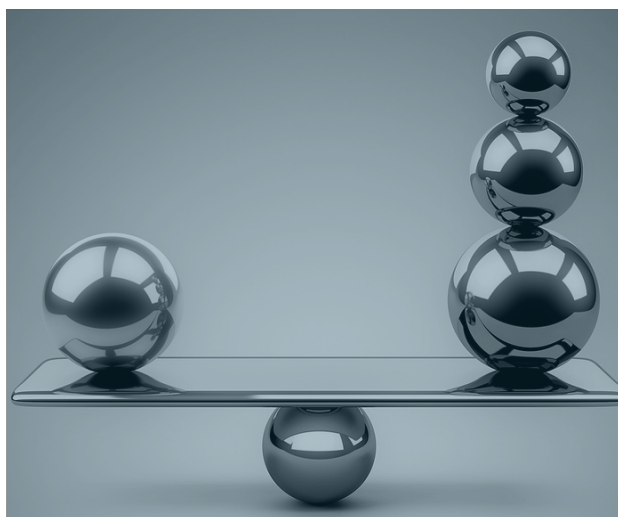
### Steady Income & Higher Yield Opportunity

A bond ETF holds a portfolio of interest paying bonds in one basket. This can generate a steady, predictable income stream in an investment portfolio. Most importantly, corporate bonds offer higher return potential than government bonds, money market fund or GICs. High quality "investment-grade" bonds are typically issued from leading companies, like major banks, telecommunications, utilities and mega-tech companies. They are a popular option for those who need to live off their investment income.

### Diversification for Competitive Income & Principal Preservation

The US corporate bond market offers scale and diversification. This means, opportunities exist for finding higher yielding issuers across sub-sectors and capital structures. Bonds in general are considered less risky because they offer a promise of foreseeable returns, making them a solid choice for investors with a shorter time horizon to recoup losses after a market dip. Hence, their ability to play defense and preserve capital in times of economic uncertainty is an important consideration if you are dependent on regular income.





### Preparing for late cycle investing

In an era of negative global yields, a slowdown in global growth, with moderated inflation and dovish central banks (less likely to implement aggressive rate hikes to prevent excessive inflation), is a trend that, in our view, is going to persist.

Against this backdrop, considering a diversified “quality” bond ETF as a core part of your portfolio is important to deliver attractive risk/adjusted returns and to seek protection and effective diversification in phases of market uncertainty.

### Why the U.S. Corporate Debt Market?

The US Corporate Debt Market is predominately rated investment grade (BBB- or higher), and a large portion of this debt is from non-financial issuers. Investment-grade issuers include many of the U.S.'s largest and most creditworthy companies, which have high capacities to meet their financial obligations.

Non-financial sectors with the largest amounts of rated corporate debt are high technology, utilities, and telecommunications. Debt associated with the high technology sector has grown steadily in recent years, and the majority is investment grade, and this includes debt from some of the largest companies in the U.S., such as Apple Inc., and Microsoft Corp.

### Making an Impact with Responsible Investing

Responsible investing is the integration of **e**nvironmental, **s**ocial and **g**overnance (ESG) factors into investment processes and decision-making. ESG factors cover issues that traditionally are not part of financial assessment, yet may have financial consequences.

For example, how do these companies respond to climate change, are their health and safety policies effective, how exposed are they to geopolitical conflicts in their supply chains, how well do they manage relationships with their workforce, and have they built a corporate culture that builds trust and promotes innovation, which can potentially lead to higher and more returns over the long term.

HUIB is designed with specific ESG factors that help provide the corporate quality investors are seeking today.



## Who is HUIB designed for?

HUIB is designed for advisors or individuals looking for a low risk rating, good quality, monthly paying, fixed income product. Harvest is confident that integrating ESG into the investment process is the right thing to do; delivering value by filtering out companies that are not sustainable or those that may pose a risk due to poor governance, as well as aligning with investor values.

- **Core Fixed Income Solution**
- **Actively Managed by Leading Global Asset Manager (Amundi; Amundi Pioneer)**
- **Award Winning Global ESG Strategy Integration**
- **Competitive 3.18% Distribution Yield, paid monthly** (as at August 31, 2020)
- **Management Fee: 0.48%**
- **Low Risk Rating (ETF Facts Risk Classification)**

### 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.

### About Amundi



Amundi is Europe's largest asset manager by assets under management and ranks among the top 10 globally (Source: IPE "Top 400 Asset Managers", published in June 2019, based on AUM at December 2018). Headquartered in Paris, Amundi was listed on the Euronext stock exchange in November 2015.

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HarvestETFs.com

Income happens here.

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