

A photograph of several smooth, light-colored stones stacked on a wooden beam, set against a clear blue sky. The stones are arranged in a balanced, artistic stack, with a large stone at the base, a long wooden beam balanced on it, and several smaller stones stacked on top of the beam. A larger, rounded stone is also balanced on top of the beam.

# Harvest Balanced Income ETFs

Balanced Growth and Income with Covered Calls

**HBIG**

**Harvest Balanced  
Income & Growth ETF**

**HBIE**

**Harvest Balanced Income  
& Growth Enhanced ETF**

May 2024

## The Traditional Balanced Portfolio

---

According to IFIC, mutual fund assets totalled \$2.01 trillion at the end of February 2024. That was up 2.9% from January. Balanced mutual funds make up \$923 billion out of that total. Focused on broadening investors' choice, Harvest now offers a balanced solution in the form of an exchange-traded fund (ETF) that seeks to provide monthly income through a covered call strategy.

The traditional balanced portfolio has sought to offer its investors capital appreciation with a 60% exposure to equities as well as the preservation of capital with 40% in fixed income/bonds (60/40%). Blending this traditional portfolio with our established covered writing strategy, we have designed a new balanced investment path, the "Smart Balanced".



## The Impact of the Harvest Covered Call Strategy

---

Harvest ETFs is a market leader in covered call option ETFs, establishing itself as a leader in this space in the 15 years since its foundation.

Covered call ETFs generate additional cash flows for unitholders by writing call options on securities held in their portfolios. We launched our first Covered Call ETFs in 2016 and have established ourselves as one of the top option writing firms in Canada. Harvest uses an active and flexible call option strategy to build high-yielding ETFs that pay monthly distributions and still capture the opportunity for market growth.

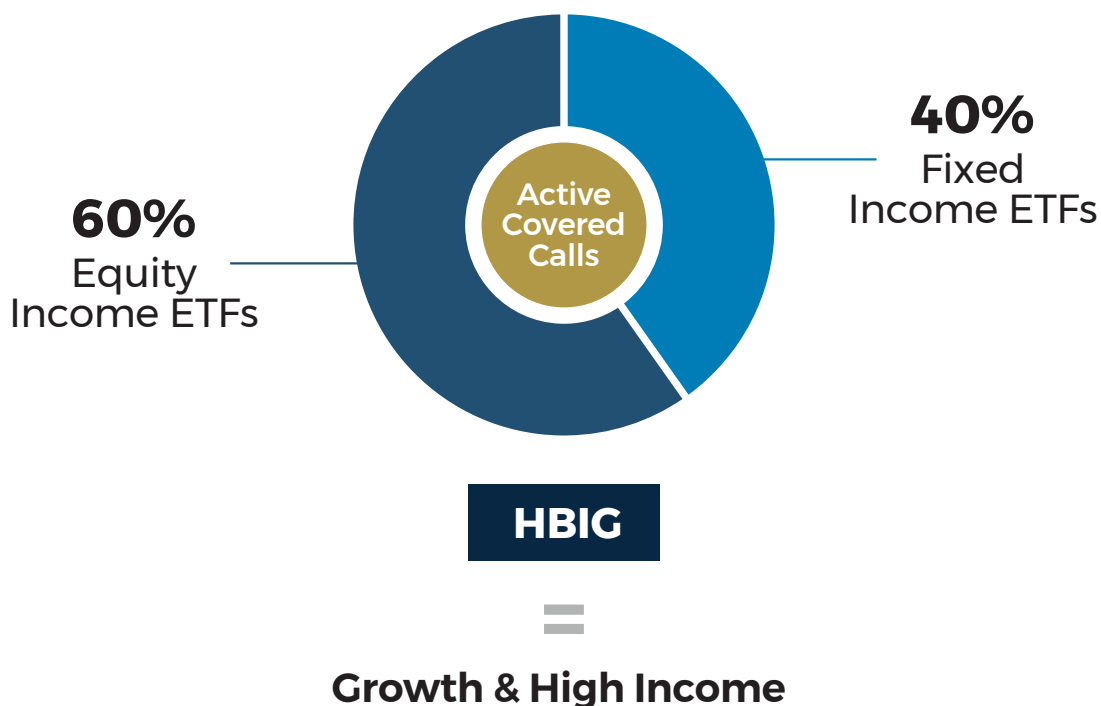
# A Smart Balanced Portfolio

The Harvest Balanced Income & Growth ETF (HBIG:TSX) augments the traditional 60/40 portfolio with the use of Harvest covered call ETFs. Overall, HBIG will invest up to 75% of its net asset value in ETFs that use a covered call strategy. That way, HBIG is designed as a balanced portfolio that seeks to deliver growth, and high monthly cash distributions tied to an active covered call strategy. This is what Harvest believed to be the Smart Balanced Portfolio.

This Smart Balanced Portfolio, HBIG, will invest 60% of its assets under management in Harvest Equity Income ETFs that use a covered call strategy to generate income. HBIG, for example, will invest in ETFs like the Harvest Healthcare Leaders Income ETF (HHL:TSX), which has paid out monthly distributions that totalling over \$400 million to date. This portfolio has up to 33% covered call writing.

Meanwhile, 40% of the portfolio covers Fixed Income ETFs, and includes at least 25% that use a covered call strategy. HBIG, for example, will invest in the Harvest Premium Yield Treasury ETF (HPYT: TSX). HPYT is a portfolio of ETFs that hold longer dated US Treasury bonds that are secured by the full faith and credit of the US government. This portfolio can write covered call on up to 100% of its holdings to generate maximum cash flow.

Furthermore, the portfolio manager will make tactical allocation by adjusting the allocation to Equity Income and Fixed Income ETFs to meet the investment objective of HBIG. In doing so the portfolio manager has the ability to take the equity allocation up to 70% and fixed income allocation up to 50%, while still being focused on the longer-term allocation of 60/40%.

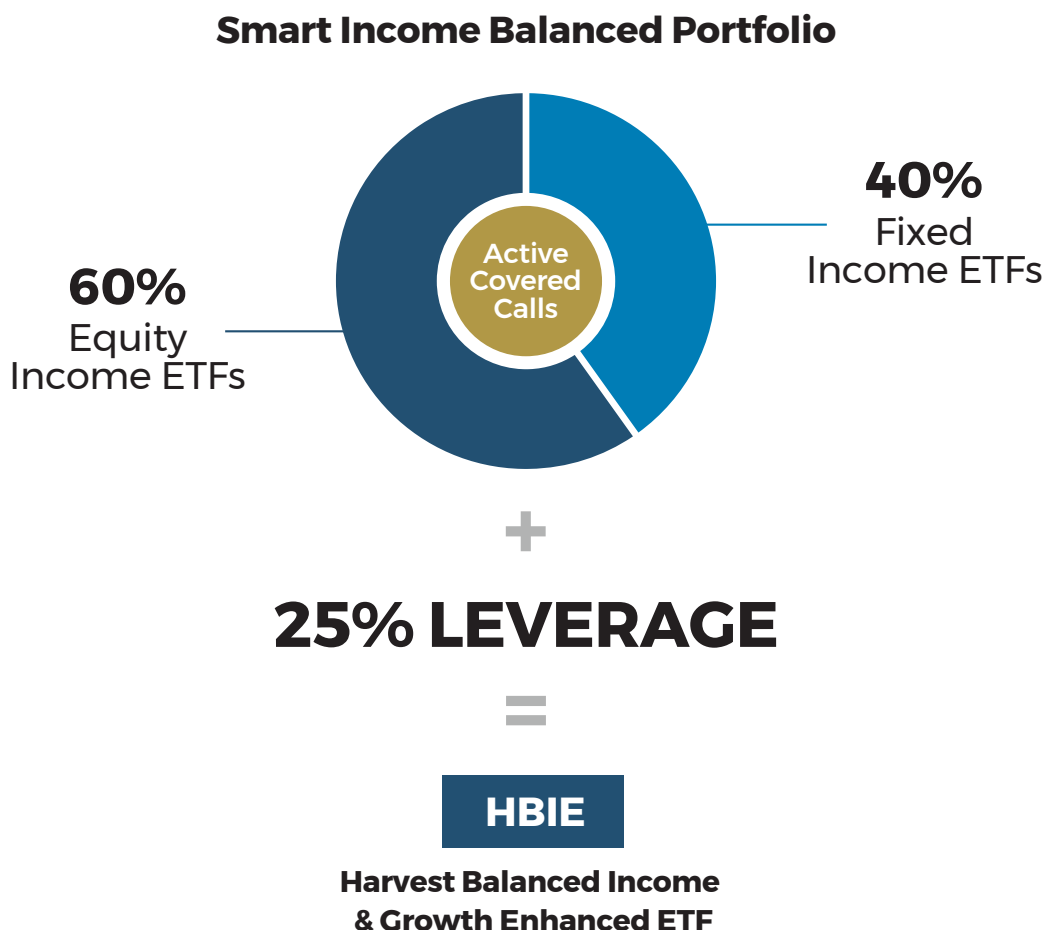


## Investment Highlights

- Simple and efficient way to invest in a 60/40 portfolio
- High monthly cashflows from covered calls in a balanced portfolio
- Diversified portfolio of high quality large-cap equities and investment grade bonds
- Tactical asset allocation that can take equity up to 70% or fixed income up to 50%
- Low-Medium Risk

## An Enhanced Balanced Strategy

Our Enhanced Equity Income ETFs are built to deliver these benefits to investors. They offer leveraged exposure to select Harvest Equity Income ETFs. Through the application of approximately 25% leverage, these ETFs deliver high monthly cashflows. They have an elevated risk-return profile, but also offer heightened access to market growth opportunities. We apply the same investment approach to create HBIE (the Harvest Balanced Income & Growth Enhanced ETF). This ETF replicates the portfolio of HBIG and applies a 25% leverage to amplify exposure, growth, and income.



# About Harvest

---

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 and Fixed Income ETFs. In 2024, Harvest has expanded its income philosophy to introduce Balanced Income ETFs to our innovative lineup. These portfolios are invested in ETFs listed on a recognized North American stock exchange that provide exposure towards large capitalization equity securities, investment grade bonds or money market instruments issued by corporations or governments and will include ETFs that engage in covered call strategies.

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

---

## Disclaimer

For Information Purposes Only. Commissions, management fees and expenses all may be associated with investing in HARVEST Exchange Traded Funds managed by Harvest Portfolios Group Inc. (the "Funds" or "ETFs"). Please read the relevant prospectus before investing. The Funds are not guaranteed, their values change frequently, and past performance may not be repeated. This communication should not be considered as advice and/or a recommendation to purchase or sell the mentioned securities or used to engage in personal investment strategies. Tax, investment and all other decisions should be made with guidance from a qualified professional.

Distributions are paid to you in cash unless you request, pursuant to your participation in a distribution reinvestment plan, that they be reinvested into Class A units of the Fund. If the Fund earns less than the amounts distributed, the difference is a return of capital.

Certain statements included in this communication constitute forward-looking statements ("FLS"), including, but not limited to, those identified by the expressions "expect", "intend", "will" and similar expressions to the extent they relate to the Fund. The FLS are not historical facts but reflect Harvest's, the Manager of the Fund, current expectations regarding future results or events. These FLS statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Although Harvest, the Manager of the Fund, believes that the assumptions inherent in the FLS are reasonable, FLS are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. Harvest, the Manager of the Fund, undertakes no obligation to update publicly or otherwise revise any FLS or information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

The ETFs are listed for trading on the TSX under the ticker symbols HBIG and HBIE. Please see [www.harvestportfolios.com](https://www.harvestportfolios.com) for additional information.