

The Harvest option strategy draws upon years of extensive experience in option writing and equity investing. The number one purpose of the strategy is to create tax advantaged income for a fund through an active covered call writing process. The tax advantage is due to the premium income created by the call writing being treated as capital gains.

A second peripheral benefit of the call option writing strategy is a reduction of the fund's volatility since the portion of equities that have been written on, have the downside protection of the premium collected. For example, when the fund buys a stock at \$50 per share and sells a call option that pays a premium of \$2 per share, if the stock price declines, the fund is \$2 per share better off than the fund that did not to write calls.

## Active and Flexible

There are four components to the Harvest call writing strategy which are important in helping the fund achieve its income objective while leaving as much "upside" potential as possible for capital appreciation. It is Harvest's objective to ensure the fund has a long bias at all times due to our underlying philosophy that wealth is created over the long term by owning great businesses, growing with them over time and collecting dividends. In order to generate attractive income, Harvest will write options to supplement the dividends being collected and pay that income out to the unitholders on a consistent basis.

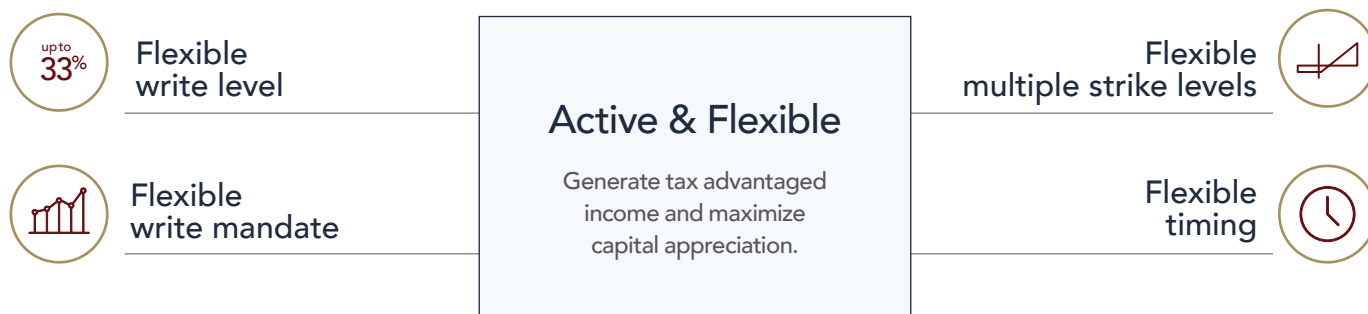
**1. Flexible Write Mandate:** Harvest may choose to write on all names, a select few or none if market conditions warrant, which is rarely expected to be the case. Not all equities move in unison and at times specific news related to a corporate announcement or expected announcement can move an equity's price. In specific sectors we observe this type of individual price movement and therefore can avoid writing on an equity if warranted.

**2. Flexible Write Level:** Harvest can write up to 33% on any individual equity in the fund. Harvest can choose to write less on an individual position, this flexibility gives the portfolio manager the ability to judge the current volatility of the individual equities in the portfolio.

**3. Flexible Multiple Strike Levels:** Harvest can write several options on an individual equity at different strike prices through the month. This is usually implemented when an equity is experiencing strong short term upward price movement providing higher premium income and an opportunity for the fund to capitalize on a short term pull back on the price of the equity.

**4. Flexible Timing:** Harvest is not required to enter into new option positions immediately following the latest expiry. Instead, the strategy allows positions to be entered into, in whole or in part, at any time during the expiry period. In conjunction with the use of multiple strike levels this allows for a tactical approach to maximizing capital appreciation while receiving option premiums.

## Option Writing Strategy



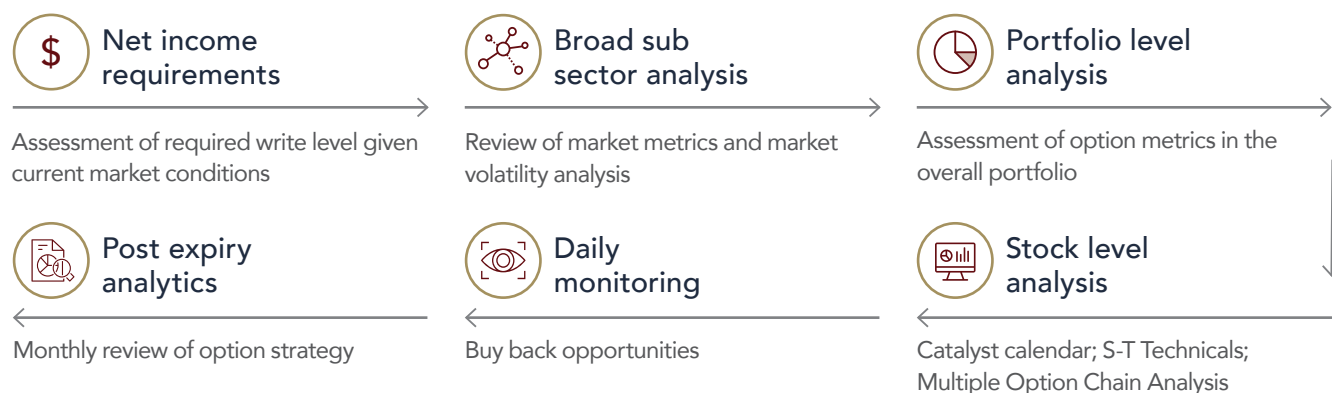
# Income happens here.

2020



## Monetizing Returns

### Monthly Option Process



The objective of the Harvest covered call strategy is to provide the necessary income required to meet the monthly distribution obligations for the fund. The portfolio manager (PM), using proprietary models, will assess the cash flow needs based on the required monthly distribution less current dividend yields. At this point the PM will assess the various positions, events that are in play, the volatility on the individual positions and corresponding premiums in order to write the required amount of options to generate the premium income.

The positions will be monitored, in some cases bought back when short term profits can be attained, left to expire and in cases where the market is very strong, possibly get called away on a position. The offset to getting called away is that the underlying position has moved up considerably and the premium remains in the fund. If the position rolls back, the options will expire worthless allowing the fund to maintain both the stock position and premium received.

### Schedule of Harvest ETFs with Call Options Strategies:

- Harvest Brand Leaders Plus Income ETF (HBF, HBF.U)
- Harvest Healthcare Leaders Income ETF (HHL, HHL.U)
- Harvest Tech Achievers Growth & Income ETF (HTA, HTA.U)
- Harvest Energy Leaders Plus Income ETF (HPF, HPF.U)
- Harvest Global REIT Leaders Income ETF (HGR)
- Harvest US Bank Leaders Income ETF (HUBL, HUBL.U)
- Harvest Equal Weight Global Utilities Income ETF (HUTL)

Harvest's active covered call strategy generates attractive income by enhancing the natural dividend yield of the portfolio and may reduce some of the volatility associated with equity investing. The maximum 33% write level ensures that the majority of the portfolio remains exposed to the market and tethered to the growth of great businesses.

Commissions, management fees and expenses all may be associated with investing in Harvest investment funds. The funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the relevant prospectus before investing. Tax, investment and all other decisions would be made with guidance from a qualified professional. The above is for general information purposes only and does not constitute advice or a solicitation to buy or sell the securities referred to within.