



MANAGEMENT REPORT OF FUND PERFORMANCE

Harvest Clean Energy ETF

December 31, 2022



The Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure, can be obtained at your request, and at no cost, by calling us at 1-866-998-8298; by writing to us at Harvest Portfolios Group Inc., 610 Chartwell Road, Suite 204, Oakville, Ontario, L6J 4A5; by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

Harvest Clean Energy ETF

CORPORATE OVERVIEW

Harvest Portfolios Group Inc. (“Harvest” or the “Manager”) is a Canadian Investment Manager founded in 2009. Harvest is focused on developing investment products that follow three investment criteria.

We (i) endeavor to develop investment products that are clear in their mandate and easy for investors to understand, (ii) strive to be transparent so that our investors can review their financial reports and know exactly what they own and (iii) seek to provide investors with consistent monthly or quarterly income by investing the fund portfolios in well managed companies that have a steady cash flow and dividend-paying history.

INVESTMENT PRODUCT

The Harvest Clean Energy ETF (the “Fund”) invests in an equally weighted portfolio of Equity Securities¹ of 40 Clean Energy Issuers¹ chosen from the Clean Energy Investable Universe¹ that, immediately following each semi-annual reconstitution, rank in the top 40 issuers as measured by market capitalization on an equally weighted basis (in Canadian dollars based on the most recent month end value).

¹ As defined in the Fund’s prospectus dated November 1, 2022.

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PRESIDENT'S MESSAGE

Unitholder letter March 2023

Dear Valued Investor,

Thank you for taking the time to read about Harvest ETFs & Funds in 2022 and our look ahead to 2023.

The past year reminded us of key lessons as investors, advisors, and fund managers. At Harvest Portfolios Group Inc., we were reminded of the importance of our core philosophy for wealth creation and preservation: own great businesses, hold them for the long-term, and generate steady income.

2022 saw central banks hiking key interest rates higher and faster than we, and many others, expected. These were among the highest and fastest rate increases in modern history, driven largely by central banks' goal to tame high and persistent inflation.

It was also a year of high volatility. Interest rate increases played a role, as did geopolitical instability and global economic uncertainty.

In an environment of persistent inflation, rising rates and high volatility, our focus on leading businesses and selling covered call options remained highly effective. Our Equity Income ETFs' defensive characteristics and ability to monetize volatility to generate high yields proved attractive in a turbulent year.

With bonds and equities both underperforming, the reliability of attractive income became a key component of total returns for many investors.

Even as investors have found success with our strategies, there is still a great deal of uncertainty around markets. The U.S. Federal Reserve claims they are trying to combat inflation without pushing the economy into recession. History shows that goal is very rarely achieved, but perhaps lightening up on the brakes early in 2023 could achieve the desired results.

We know that these rate increases will plateau at some point, and we believe we are nearing the end of that cycle. When that time comes, markets will react appropriately and likely move higher. We expect that 2023 will finish positive as rate hikes end and markets process these changes in the economy.

Markets are forward looking indicators, and the economic impact of rate increases are often delayed. This generally means markets recover and begin a growth trajectory before their underlying economies do.

As optimists and believers in the longer-term value of great businesses, we will continue to do what we always have at Harvest. We construct ETFs that hold solid businesses in their sector and use active & flexible covered call strategies to generate income where appropriate. We do that because we believe owning great businesses in the long-term is the best way to build and preserve wealth.

On behalf of Harvest, I would like to thank you for your continued trust and investment in our products.

Sincerely,

Signed "Michael Kovacs"

Michael Kovacs

Founder
President and Chief Executive Officer

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

The annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. For your reference, the annual financial statements of the Fund are attached to the annual management report of fund performance. You may obtain additional copies of these documents at your request, and at no cost, by calling toll free at 1(866) 998-8298; by writing to us at Harvest Portfolios Group Inc., 610 Chartwell Road, Suite 204, Oakville, Ontario, L6J 4A5; or by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

INVESTMENT OBJECTIVES AND STRATEGY

The Fund's investment objective is to provide unitholders with the opportunity for capital appreciation. The Fund primarily invests in issuers that are engaged in clean energy related businesses that are listed on a regulated stock exchange in select North American, Asian or European countries.

In order to achieve its investment objectives, the Fund will invest in an equally weighted portfolio of Equity Securities of 40 Clean Energy Issuers chosen from the Clean Energy Investable Universe that, immediately following each semi-annual reconstitution, rank in the top 40 issuers as measured by market capitalization on an equally weighted basis (in Canadian dollars based on the most recent month end value) and in the determination of the Manager, have sufficient liquidity to meet the Fund's investment objectives. If, in the opinion of the Manager, there are not 40 Clean Energy Issuers that meet the investment criteria of the Fund, the Manager may invest in fewer than 40 Clean Energy Issuers.

RISK

The risks associated with investing in the Fund are as described in the prospectus. There were no material changes to the Fund over the period that affected the overall level of risk of the Fund.

RESULTS OF OPERATIONS

The Fund return for the year ended December 31, 2022 was -15.03% compared to the custom benchmark index comprised of 50% weighting of the S&P Global Clean Energy Index and a 50% weighting of the MSCI World Utilities Gross Total Return Index (the "Benchmark") return of -2.65%.

Note, the Fund is not currency hedged, which can skew the comparison between the Fund and the Benchmark returns in USD and the breakdown of the World Utilities Index skews more toward regulated traditional utilities companies, which can also skew the comparison.

The negative performance of the Fund has been tied into short-term narratives. Firstly, disappointment continued into the early part of the year with regards to the Biden administration initially unable to push through sweeping climate spending initiatives. These would have helped to accelerate near-term targets for many of the clean energy companies. Secondly, the market entered a broad-based market selloff, as inflation moved sharply higher, central banks embarked on rapidly raising interest rates from ultra-low levels and worries about an economic slowdown had grown. Also, particularly negative for the clean energy space, has been a style shift of the market out of growth stocks (particularly those with "long duration" profiles), which had been favored for years.

Then, in August, the clean energy complex caught a bit of a welcome surprise, with the Democratic Party in the US finally able to pass the Inflation Reduction Act, which included nearly \$400 billion, with tax breaks and incentives that would help to re-accelerate the energy transition in the US. Unfortunately, the market woes once again dragged growth-style stocks lower again in the back half of 2022, especially after the COP27 conference failed to deliver much more in the way of headline grabbing attention for clean energy companies.

Nonetheless, Harvest believes that the changing landscape toward renewable energy production and investment represents a necessary long-term structural change and is an environment that the clean energy sub-sectors are well positioned to benefit from over the long term, despite the shorter-term volatility.

The Fund invests in a portfolio of the 40 largest Clean Energy Issuers selected from the Clean Energy Investable Universe. The universe includes equity securities listed on select North American, European and developed Asian stock exchanges that are categorized as renewable energy or renewable energy generation.

The portfolio is equally weighted and follows a systematic process in selecting the top 40 largest Clean Energy Issuers measured by market capitalization and is reconstituted and rebalanced semi-annually.

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RECENT DEVELOPMENTS

The spread of the coronavirus (“COVID-19”) over the last couple of years has had a significant impact on the global economy. Although COVID-19 continues to exist, most countries have largely lifted COVID-19 related restrictions and the world has returned to a more normal level of activity. The lasting impact of COVID-19 has been significant supply chain issues which have begun to subside however persist in some industries, and a significant rise in inflation. Inflationary pressures have been exacerbated by the war in Ukraine and continue to impact global commodity supplies and costs. Central banks globally have quickly raised interest rates to address inflation although increasing the likelihood for a global recession. The above factors continue to impact global economies and financial markets, and uncertainty of the impact on financial performance of the Fund’s investments persists. The Fund’s future investment results may be materially adversely affected as a result.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the reporting period, except for management fees and other expense reimbursements paid to Harvest, as noted below in Management and Other Fees.

MANAGEMENT AND OTHER FEES

Harvest Portfolios Group Inc. is the Manager of the Fund and is responsible for managing the Fund’s overall business and operations and provides key management personnel to the Fund. The Fund pays the Manager an annual management fee of 0.40%, plus applicable taxes, based on a percentage of the average daily net asset value (“NAV”) of the Fund.

Operating expenses

The Fund is responsible for operating expenses relating to the carrying on of its business, including custodial services, interest, taxes, legal, audit fees, transfer agency services relating to the issue and redemption of units, and the cost of financial and other reports, costs and expenses for the Fund’s Independent Review Committee (“IRC”), including fees and expenses of the IRC members and compliance with applicable laws, regulations and policies. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest, and is then reimbursed by the Fund.

Other expenses

The Manager will be reimbursed by the Fund for all reasonable costs, expenses and liabilities incurred by the Manager for performance of services on behalf of the Fund in connection with the discharge by the Manager of its duties hereunder. Such costs and expenses may include, without limitation: mailing and printing expenses for reports to unitholders and other unitholder communications; a reasonable allocation of salaries and benefits; and other administrative expenses and costs incurred in connection with the Fund’s continuous public offering and other obligations. These expenses are allocated by the Manager on a reasonable basis, across all the Harvest Portfolios Group Inc. funds, and series of each applicable fund. These expenses were \$19,372 for the year ended December 31, 2022 (2021 - \$26,335) and are included in the unitholder reporting costs on the Statements of Comprehensive Income (Loss) in the financial statements.

Waivers and absorptions

At its sole discretion, the Manager may waive management fees or absorb expenses of the Fund. There were no management fee waivers for the year ended December 31, 2022 or 2021. The Manager absorbed \$68,871 of expenses of the Fund for the year ended December 31, 2022 (2021 - \$54,174). The Manager may cease doing so at any time without notice to unitholders. The management expense ratios of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table below.

RECOMMENDATION OR REPORTS BY THE INDEPENDENT REVIEW COMMITTEE

The Independent Review Committee tabled no special reports and made no extraordinary material recommendations to management of the Fund during the year ended December 31, 2022.

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FINANCIAL HIGHLIGHTS

The following tables present selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the year ended December 31, 2022 and past annual periods. This information is derived from the Fund's annual audited financial statements.

| THE FUND'S NET ASSETS PER UNIT | | |
|--|------------------|------------------|
| | 2022 | 2021 |
| Net assets – beginning of year² | \$ 14.86 | \$ 20.00 |
| Increase (decrease) from operations | | |
| Total revenue | 0.22 | 0.23 |
| Total expenses | (0.09) | (0.12) |
| Realized gains (losses) for the year | (3.20) | (1.01) |
| Unrealized gains (losses) for the year | 0.77 | (2.68) |
| Total increase (decrease) from operations¹ | \$ (2.30) | \$ (3.58) |
| Distributions³ | | |
| From net investment income (excluding dividends) | (0.09) | (0.05) |
| From dividends | (0.05) | (0.04) |
| Total annual distributions³ | \$ (0.14) | \$ (0.09) |
| Net assets – end of year¹ | \$ 12.63 | \$ 14.86 |

| RATIOS AND SUPPLEMENTAL DATA | | |
|---|----------------------|----------------------|
| | 2022 | 2021 |
| Total net asset value | \$ 49,252,884 | \$ 65,842,699 |
| Number of units outstanding | 3,900,000 | 4,430,000 |
| Management expense ratio ⁴ | 0.69% | 0.69% |
| Management expense ratio before waivers or absorptions ⁴ | 0.82% | 0.78% |
| Trading expense ratio ⁵ | 0.15% | 0.31% |
| Portfolio turnover rate ⁶ | 48.65% | 44.05% |
| Net asset value per unit | \$ 12.63 | \$ 14.86 |
| Closing market price (HCLN) | \$ 12.62 | \$ 14.88 |

Explanatory Notes:

- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the reporting period. It is not intended that the Fund's net assets per unit table act as a continuity of opening and closing net assets per unit.
- Net assets, at the commencement of operations on January 11, 2021 was \$20.00.
- Distributions, if any, are paid in cash. The Fund may pay additional year end distributions in the form of reinvested units that are subsequently consolidated. There is no impact on NAV per unit, however such reinvested distributions increase the cost base of units held. Included in the above amounts is the reinvested distribution of \$0.14 per unit paid to unitholders of record on December 31, 2022 (2021 - \$0.09 per unit).
- Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) of the stated period and is expressed as an annualized percentage of the daily average net asset value during the period.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate, the greater the trading costs payable by the Fund and the greater the chance of an investor receiving taxable capital gains. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

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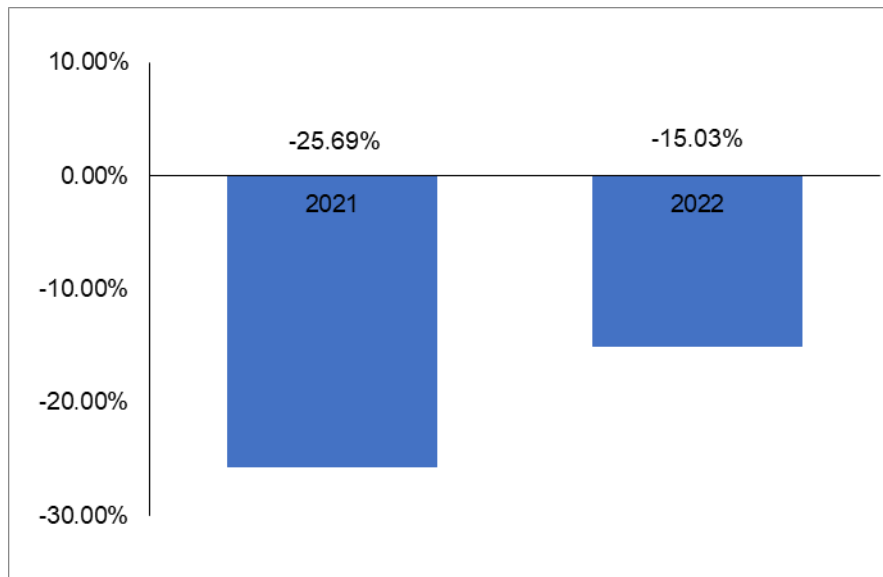
Past Performance

The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, or other charges that would have reduced returns or affected performance. Past performance of the Fund is not necessarily indicative of how it will perform in the future.

YEAR-BY-YEAR RETURNS

The following chart presents the Fund's performance for each of the years shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Fund Performance



2021 represents the period from January 11 to December 31

ANNUAL COMPOUND RETURNS

The following table shows the annual compound returns for the Fund. All returns are in Canadian dollars unless otherwise indicated, on a total return basis, net of fees.

For comparison purposes, a blended benchmark is used comprised of a 50% sector weighting of the S&P Global Clean Energy Index and a 50% sector weighting of the MSCI World Utilities Gross Total Return Index.

While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. The return of the Index is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses. Please see the "Results of Operations" section of this report for a discussion on recent performance.

| Investment Return % | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception* |
|--|--------|---------|---------|----------|------------------|
| Fund Performance | -15.03 | - | - | - | -20.80 |
| 50% S&P Global Clean Energy Index, 50% MSCI World Utilities Gross Total Return Index | -2.65 | - | - | - | -7.61 |

*Since inception January 11, 2022

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SUMMARY OF INVESTMENT PORTFOLIO

The major portfolio categories and top holdings of the Fund at the end of the year are indicated in the following tables. A detailed breakdown of the Fund's holdings is available in the "Schedule of Investments" section of the Fund's annual financial statements.

As at December 31, 2022

| Top 25 Holdings | % of Net Asset Value |
|---|----------------------|
| First Solar, Inc. | 5.2 |
| Shoals Technologies Group, Inc., Class A | 3.6 |
| Vestas Wind Systems A/S | 3.3 |
| RWE AG | 3.2 |
| Enphase Energy, Inc. | 3.2 |
| VERBIO Vereinigte BioEnergie AG | 3.2 |
| Infratil Limited | 3.1 |
| Meridian Energy Limited | 3.0 |
| SunPower Corporation | 2.9 |
| Contact Energy Limited | 2.8 |
| Ormat Technologies, Inc. | 2.7 |
| ERG S.p.A. | 2.7 |
| Sunrun Inc. | 2.7 |
| Encavis AG | 2.6 |
| Neoen S.A. | 2.6 |
| Mercury NZ Limited | 2.6 |
| Corporación Acciona Energías Renovables, S.A. | 2.6 |
| Drax Group PLC | 2.6 |
| SolarEdge Technologies, Inc. | 2.5 |
| Clearway Energy, Inc., Class A | 2.5 |
| EDP Renováveis S.A. | 2.4 |
| China Everbright Environment Group Limited | 2.3 |
| Northland Power Inc. | 2.3 |
| Cash and other assets and liabilities | 2.3 |
| Boralex, Inc., Class A | 2.2 |
| Total | 71.1 |

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available from Harvest Portfolios Group Inc. at www.harvestportfolios.com.

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SECTOR ALLOCATION

| Sector | % of Net Asset Value |
|---------------------------------------|----------------------|
| Utilities | 58.1 |
| Information Technology | 17.8 |
| Industrials | 16.6 |
| Energy | 5.2 |
| Cash and other assets and liabilities | 2.3 |
| Total | 100.0 |

GEOGRAPHIC ALLOCATION

| Country of Risk | % of Net Asset Value |
|---------------------------------------|----------------------|
| United States | 31.0 |
| China | 13.1 |
| New Zealand | 11.5 |
| Spain | 9.3 |
| Germany | 9.0 |
| Canada | 8.3 |
| Denmark | 5.5 |
| Italy | 2.7 |
| France | 2.6 |
| United Kingdom | 2.6 |
| Cash and other assets and liabilities | 2.3 |
| Austria | 2.1 |
| Total | 100.0 |



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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest and the risks detailed from time to time in the Fund's prospectus or offering memorandum. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Fund does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.