



ANNUAL FINANCIAL STATEMENTS

Harvest Travel & Leisure Index ETF

December 31, 2022



Harvest Travel & Leisure Index ETF

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by Harvest Portfolios Group Inc. in its capacity as Manager of the Fund and approved by the Board of Directors of the Manager. The Fund's Manager is responsible for the information and representation contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments made by the Manager. The significant accounting policies, which the Manager believes are appropriate, are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP is the external auditor of the Fund. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is included as an integral part of the financial statements.

On behalf of Harvest Portfolios Group Inc.,

Signed "Michael Kovacs"

Michael Kovacs
President and Chief Executive Officer

Signed "Daniel Lazzer"

Daniel Lazzer
Chief Financial Officer

Oakville, Canada
March 15, 2023



Independent auditor's report

To the Unitholders and Trustee of Harvest Travel & Leisure Index ETF (the Fund)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2022 and 2021 and its financial performance and its cash flows for the year ended December 31, 2022 and for the period from January 11, 2021 (commencement of operations) to December 31, 2021 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2022 and 2021;
- the statements of comprehensive income (loss) for the year ended December 31, 2022 and for the period from January 11, 2021 (commencement of operations) to December 31, 2021;
- the statements of changes in net assets attributable to holders of redeemable units for the year ended December 31, 2022 and for the period from January 11, 2021 (commencement of operations) to December 31, 2021;
- the statements of cash flows for the year ended December 31, 2022 and for the period from January 11, 2021 (commencement of operations) to December 31, 2021; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Other information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Christopher Pitts.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 15, 2023

Harvest Travel & Leisure Index ETF

STATEMENTS OF FINANCIAL POSITION		
As at December 31,	2022	2021
Assets		
Current assets		
Investments	\$ 134,995,704	\$ 187,174,760
Cash	667,740	547,124
Dividends receivable	235,906	47,946
Receivable for investments sold	436,419	2,297,366
	136,335,769	190,067,196
Liabilities		
Current liabilities		
Redemptions payable	435,833	2,294,023
	435,833	2,294,023
Net assets attributable to holders of redeemable units	\$ 135,899,936	\$ 187,773,173
Net assets attributable to holders of redeemable units		
Series A	\$ 126,400,680	\$ 173,454,020
Series U (CAD)	9,499,256	14,319,153
Series U (USD)	7,015,699	11,319,936
Number of redeemable units outstanding (Note 4)		
Series A	7,225,000	8,125,000
Series U	425,000	525,000
Net assets attributable to holders of redeemable units per unit		
Series A	\$ 17.49	\$ 21.35
Series U (CAD)	22.35	27.27
Series U (USD)	16.51	21.56

The accompanying notes are an integral part of these financial statements.

Harvest Travel & Leisure Index ETF

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)				
For the year ended December 31, 2022 and from January 11, 2021 (commencement of operations) to December 31, 2021				
	2022		2021	
Income				
Net gain (loss) on investments				
Dividends	\$	1,138,134	\$	244,501
Net realized gain (loss) on sale of investments		(13,724,734)		(6,505,411)
Net realized gain (loss) on foreign exchange		18,558		(10,462)
Net change in unrealized appreciation (depreciation) of investments		(21,330,505)		(5,583,577)
Net change in unrealized appreciation (depreciation) of foreign exchange		(19,580)		64
Net gain (loss) on investments		(33,918,127)		(11,854,885)
Total income (net)	\$	(33,918,127)	\$	(11,854,885)
Expenses (Note 5)				
Management fees	\$	719,144	\$	714,840
Withholding taxes		146,873		53,960
Unitholder reporting costs		131,202		155,824
Audit fees		30,570		30,161
Transfer agency fees		8,394		8,624
Custodian fees and bank charges		74,708		77,639
Independent Review Committee fees		5,235		4,429
Filing fees		31,886		2,228
Legal fees		10,972		2,690
Transaction costs (Note 8)		77,540		92,022
Total expenses		1,236,524		1,142,417
Increase (decrease) in net assets attributable to holders of redeemable units	\$	(35,154,651)	\$	(12,997,302)
Increase (decrease) in net assets attributable to holders of redeemable units - Series A	\$	(32,419,362)	\$	(9,751,025)
Increase (decrease) in net assets attributable to holders of redeemable units - Series U		(2,735,289)		(3,246,277)
Increase (decrease) in net assets attributable to holders of redeemable units per unit - Series A (Note 4)	\$	(4.03)	\$	(1.46)
Increase (decrease) in net assets attributable to holders of redeemable units per unit - Series U (Note 4)		(5.59)		(5.06)

The accompanying notes are an integral part of these financial statements.

Harvest Travel & Leisure Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ALL SERIES			
For the year ended December 31, 2022 and from January 11, 2021 (commencement of operations) to December 31, 2021			
		2022	2021
Net assets attributable to holders of redeemable units beginning of year	\$	187,773,173	\$ -
Increase (decrease) in net assets attributable to holders of redeemable units	\$	(35,154,651)	\$ (12,997,302)
Redeemable unit transactions			
Proceeds from issue of redeemable units		37,881,630	292,828,350
Redemption of redeemable units		(54,600,216)	(92,057,875)
Net redeemable unit transactions	\$	(16,718,586)	\$ 200,770,475
Net assets attributable to holders of redeemable units end of year	\$	135,899,936	\$ 187,773,173

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Harvest Travel & Leisure Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS SERIES A			
For the year ended December 31, 2022 and from January 11, 2021 (commencement of operations) to December 31, 2021			
	2022		2021
Net assets attributable to holders of redeemable units beginning of year	\$	173,454,020	\$ -
Increase (decrease) in net assets attributable to holders of redeemable units	\$	(32,419,362)	\$ (9,751,025)
Redeemable unit transactions			
Proceeds from issue of redeemable units		35,325,570	251,693,310
Redemption of redeemable units		(49,959,548)	(68,488,265)
Net redeemable unit transactions	\$	(14,633,978)	\$ 183,205,045
Net assets attributable to holders of redeemable units end of year	\$	126,400,680	\$ 173,454,020

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS SERIES U			
For the year ended December 31, 2022 and from January 11, 2021 (commencement of operations) to December 31, 2021			
	2022		2021
Net assets attributable to holders of redeemable units beginning of year	\$	14,319,153	\$ -
Increase (decrease) in net assets attributable to holders of redeemable units	\$	(2,735,289)	\$ (3,246,277)
Redeemable unit transactions			
Proceeds from issue of redeemable units		2,556,060	41,135,040
Redemption of redeemable units		(4,640,668)	(23,569,610)
Net redeemable unit transactions	\$	(2,084,608)	\$ 17,565,430
Net assets attributable to holders of redeemable units end of year	\$	9,499,256	\$ 14,319,153

The accompanying notes are an integral part of these financial statements.

Harvest Travel & Leisure Index ETF

STATEMENTS OF CASH FLOWS			
For the year ended December 31, 2022 and from January 11, 2021 (commencement of operations) to December 31, 2021			
	2022		2021
Operating activities			
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (35,154,651)	\$	(12,997,302)
Add (deduct) items not affecting cash:			
Foreign exchange (gain) loss of cash	(19,318)		651
Realized (gain) loss on sale of investments	13,724,734		6,505,411
Change in unrealized (appreciation) depreciation of investments	21,330,505		5,583,577
Change in unrealized (appreciation) depreciation of foreign exchange	19,580		(64)
Proceeds from sale of investments*	29,111,065		42,238,009
Purchases of investments*	(28,719,666)		(40,766,565)
Net change in non-cash assets and liabilities	(207,540)		(47,882)
Net cash flow provided by (used in) operating activities	\$ 84,709	\$	515,835
Financing activities			
Net proceeds from redeemable units issued*	(40,550)		(13,259)
Net redemption of redeemable units*	57,139		45,199
Net cash flow provided by (used in) financing activities	\$ 16,589	\$	31,940
Net increase (decrease) in cash during the year	101,298		547,775
Foreign exchange gain (loss) on cash	19,318		(651)
Cash, beginning of the year	547,124		-
Cash, end of the year	\$ 667,740	\$	547,124
Supplemental disclosure of cash flow information			
Dividends received, net of withholding taxes**	\$ 803,301	\$	142,595

*excludes applicable trades that were not settled in cash (in-kind trades)

**included in operating activities

The accompanying notes are an integral part of these financial statements.

Harvest Travel & Leisure Index ETF

SCHEDULE OF INVESTMENTS				
As at December 31, 2022				
Number of Shares	Security	Average Cost (\$)	Fair Value (\$)	% of Net Assets
EQUITIES				
Airlines				
86,711	Air Canada	2,107,237	1,681,326	1.2
30,217	Alaska Air Group, Inc.	2,271,494	1,756,839	1.3
153,737	American Airlines Group Inc.	3,832,239	2,647,794	1.9
151,903	Delta Air Lines, Inc.	8,235,230	6,758,535	5.0
140,661	Southwest Airlines Co.	9,226,621	6,412,620	4.7
77,410	United Airlines Holdings, Inc.	4,779,394	3,951,456	2.9
		30,452,215	23,208,570	17.0
Casinos & Gaming				
17,543	Boyd Gaming Corporation	1,328,064	1,295,263	0.9
50,734	Caesars Entertainment, Inc.	5,031,711	2,857,664	2.1
7,883	Churchill Downs Incorporated	2,170,819	2,256,715	1.7
78,503	Las Vegas Sands Corp.	4,997,979	5,109,508	3.8
74,385	MGM Resorts International	3,699,761	3,377,051	2.5
36,905	PENN Entertainment, Inc.	3,895,531	1,484,090	1.1
22,676	Red Rock Resorts, Inc., Class A	1,076,225	1,228,439	0.9
24,594	Wynn Resorts, Limited	3,189,734	2,746,274	2.0
		25,389,824	20,355,004	15.0
Hotel & Resort REITs				
167,120	Host Hotels & Resorts, Inc.	3,548,030	3,631,802	2.7
13,072	Ryman Hospitality Properties, Inc.	1,504,970	1,447,464	1.0
		5,053,000	5,079,266	3.7
Hotels, Resorts & Cruise Lines				
87,251	Airbnb, Inc., Class A	17,626,410	10,100,787	7.4
5,519	Booking Holdings Inc.	15,825,168	15,059,635	11.1
239,588	Carnival Corporation	5,622,059	2,614,681	1.9
37,268	Expedia Group, Inc.	7,524,779	4,420,373	3.2
64,078	Hilton Worldwide Holdings Inc.	10,349,983	10,963,197	8.1
25,416	Hyatt Hotels Corporation, Class A	2,848,598	3,112,680	2.3
62,707	Marriott International, Inc., Class A	11,745,425	12,641,547	9.3
8,662	Marriott Vacations Worldwide Corporation	1,750,175	1,578,518	1.2
99,576	Norwegian Cruise Line Holdings Ltd.	2,968,325	1,650,269	1.2
52,224	Royal Caribbean Cruises Ltd.	5,016,429	3,495,259	2.6
21,155	Wyndham Hotels & Resorts, Inc.	1,930,292	2,042,594	1.5
		83,207,643	67,679,540	49.8
Leisure Facilities				
9,516	Vail Resorts, Inc.	3,531,273	3,071,060	2.3
		3,531,273	3,071,060	2.3
Residential REITs				
28,906	Sun Communities, Inc.	6,319,515	5,596,837	4.1
		6,319,515	5,596,837	4.1

Harvest Travel & Leisure Index ETF

SCHEDULE OF INVESTMENTS (continued)				
As at December 31, 2022				
Number of Shares	Security	Average Cost (\$)	Fair Value (\$)	% of Net Assets
EQUITIES (continued)				
Specialized REITs				
228,072	VICI Properties Inc.	7,956,316	10,005,427	7.4
		7,956,316	10,005,427	7.4
Total investments		161,909,786	134,995,704	99.3
Other assets less liabilities			904,232	0.7
Net assets attributable to holders of redeemable units			135,899,936	100.0

Harvest Travel & Leisure Index ETF

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

December 31, 2022

1. GENERAL INFORMATION

Harvest Travel & Leisure Index ETF (the "Fund") is an investment fund established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated January 7, 2021 and as amended and restated, being the inception date. There was no significant activity in the Fund from the date of inception to commencement of operations on January 11, 2021. The address of the Fund's registered office is 610 Chartwell Road, Oakville, Ontario L6J 4A5.

The Fund's investment objective is to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Travel & Leisure Index GTR (the "Index"). The Fund primarily invests in large capitalization issuers that own or operate travel related business and are listed on a regulated stock exchange in North America. As part of the investment strategy, the Fund will hold the Constituent Securities¹ of the Index in approximately the same proportion as they are reflected in that Index or may hold securities of one or more exchange traded funds that replicate the performance of the applicable Index, or a subset of such Index. The Fund will invest in its own portfolio comprised of various securities and instruments which may include, but are not limited to, equity and equity related securities. If market conditions require, in order to preserve capital, the Fund may seek to invest a substantial portion of its assets in cash and cash equivalent.

2. BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). These financial statements were authorized for issue by Harvest Portfolios Group Inc. (the "Manager") on March 15, 2023.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at fair value through profit or loss ("FVTPL"). Transaction costs on financial assets and liabilities at FVTPL are expensed as incurred. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments and derivative assets and liabilities are measured at FVTPL based on its business model. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid. Carrying values of other financial assets and liabilities at amortized cost approximate their fair values due to the short term to maturity. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("NAV") for transactions with unitholders. As at December 31, 2022 and 2021, there were no differences between the Fund's NAV per security and its net assets per security calculated in accordance with IFRS 9.

Fair value of investments and derivatives

Investments and derivatives that are traded in an active market are valued at their closing prices through recognized public stock exchanges or through recognized investment dealers on the valuation date. The Fund uses the last traded market price that falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. Investments held are represented by equities.

Investments and derivatives held that are not traded in an active market are valued using valuation techniques, on such basis and in such a manner established by the Manager. The value of any security for which, in the opinion of the Manager, the published market quotations are not readily available shall be the fair value as determined by the Manager. The fair values of certain securities may be determined using valuation models that are based, in part, on assumptions that are not supported by observable market inputs. These methods and procedures may include, but are not limited to, performing comparisons with prices of comparable or similar securities, obtaining valuation related information from issuers and/or other analytical data relating to the investment and using other available indication of value. These values are independently assessed internally to ensure that they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair values for the aforementioned securities and interests may be materially different from the values that would be used had a ready market for the security existed. The fair values of such securities are affected by the perceived credit risks of the issuer, predictability of cash flows and length of time to maturity.

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

Harvest Travel & Leisure Index ETF

Classification of redeemable units

Under IFRS, IAS 32 Financial Instruments – Presentation requires that units or shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as a financial liability unless certain criteria are met. The Fund's units include different redemption rights and in some instances are at 95% of market value of the units on the exchange. As a result, the Fund's units contain multiple contractual obligations and are presented as financial liabilities as they do not meet the criteria for classification as equity.

Cash

Cash is comprised of cash on deposit.

Investment transactions and income recognition

Net realized gain (loss) on sale of investments and net change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Dividend income is accounted for on the ex-dividend date. The cost of investments is determined using the average cost method.

Allocation of income and expense, and realized and unrealized capital gains and losses

Management fees directly attributable to a series are charged to that series. The Fund's shared operating expenses, income, and realized and unrealized capital gains and losses are generally allocated proportionately to each series based upon the relative net assets attributable to holders of redeemable units of each series.

Foreign currency translation

The Fund's subscriptions and redemptions are predominately denominated in Canadian dollars which is also the Fund's functional and presentation currency. Purchases and sales of investments denominated in foreign currencies and foreign currency dividend and interest income are translated into Canadian dollars at the rate of exchange prevailing at the time of the transactions. Realized and unrealized foreign currency gains or (losses) on investments are included in the Statements of Comprehensive Income (Loss) in "Net realized gain (loss) on sale of investments" and "Net change in unrealized appreciation (depreciation) of investments", respectively. Realized and unrealized foreign currency gains or losses on assets and liabilities, other than investments, denominated in foreign currencies are included in the Statements of Comprehensive Income (Loss) in "Net realized gain (loss) on foreign exchange" and "Net change in unrealized appreciation (depreciation) of foreign exchange", respectively. Foreign currency assets and liabilities in the Statements of Financial Position are translated into Canadian dollars on the statement date.

Redeemable units valuation

The NAV of each series on a particular date will be equal to each series' proportionate share of the assets of the Fund less each series' proportionate share of the liabilities of the Fund expressed in Canadian dollars at the applicable exchange rate on such date. The NAV and NAV per unit will be calculated on any day on which the Toronto Stock Exchange ("TSX") is open for trading ("Business Day").

Increase (decrease) in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" in the Statements of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable units per series, divided by the weighted average units outstanding for the financial period for the respective series.

Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

- a) Fair value measurement of derivatives and securities not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Refer to Note 6 for further information about the fair value measurement of the Fund's financial instruments.

- b) Classification and measurement of investments and derivatives under IFRS 9

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about the business model in which the portfolio of investments and derivatives is held. The Manager has determined that the Fund's business model is one in which its portfolio is managed, and performance evaluated on a fair value basis under IFRS 9.

Harvest Travel & Leisure Index ETF

4. REDEEMABLE UNITS

The authorized capital of the Fund consists of an unlimited number of transferable units of each series, each of which represents an equal, undivided interest in their respective series' net assets of the Fund. Except as provided in the Declaration of Trust, all units have equal rights and privileges. Each unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally in any and all distributions made by the Fund. The Series A and Series U units trade on the TSX under the symbol TRVL and TRVL.U. As at December 31, 2022, the closing prices for Series A and Series U units were \$17.48 and \$16.50 USD per unit, respectively (December 31, 2021 - Series A \$21.41; Series U \$21.60 USD).

Subscriptions and Redemptions

On any Business Day, a designated broker or underwriter may place a subscription or redemption order for an integral multiple of the prescribed number of units of the ETF.

If the subscription or redemption order is accepted, the ETF will issue or redeem units to/from the designated broker or underwriter generally by the second trading day after the date on which the subscription or redemption order is accepted. For each prescribed number of units issued or redeemed, a designated broker or underwriter must deliver or receive payment consisting of:

- (a) A basket of applicable securities and cash in an amount sufficient so that the value of the securities, and the cash received is equal to the NAV of the units issued or redeemed; or
- (b) Cash in the amount equal to the NAV of the units issued or redeemed.

On any trading day, unitholders may redeem units for cash or exchange units for baskets of securities and cash. Units redeemed for cash may be redeemed at a redemption price per unit equal to 95% of the closing price for the units on the TSX on the effective day of the redemption, subject to a maximum redemption price per unit equal to NAV. Units exchanged for baskets of securities will be exchanged at a price equal to the NAV of the units on the effective date of the exchange request, payable by delivery of baskets of securities and cash. The units will be redeemed in the exchange.

The following units were issued and/or redeemed during the year:

	Series A	Series U
Initial issuance, January 11, 2021	50,000	50,000
Redeemable units issued	11,350,000	1,375,000
Redeemable units redeemed	(3,275,000)	(900,000)
Total outstanding as at December 31, 2021	8,125,000	525,000
Redeemable units issued	1,800,000	100,000
Redeemable units redeemed	(2,700,000)	(200,000)
Total outstanding as at December 31, 2022	7,225,000	425,000

The weighted average number of units outstanding during the year ended December 31, 2022 was 8,056,370 units for Series A (2021 – 6,686,620 units) and 490,205 for Series U (2021 – 642,183 units).

Distributions

The Fund is required to pay distributions in an amount not less than the amount necessary to ensure the Fund will not be liable for income taxes on realized capital gains, dividends and interest. A distribution, if any, will be paid at the end of the year and may be paid either in cash or 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.

5. RELATED PARTY TRANSACTIONS AND OTHER EXPENSES

Management fees

The Manager is responsible for managing the Fund's overall business and operations and provides key management personnel to the Fund. The Manager is entitled to a fee of 0.40% of the average daily NAV, plus applicable taxes, per annum 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

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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 \$57,494 for the year ended December 31, 2022 (2021 - \$66,340) and are included in the unitholder reporting costs on the Statements of Comprehensive Income (Loss).

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 or expense absorptions for the year ended December 31, 2022 or 2021.

6. FINANCIAL RISK MANAGEMENT

Investment activities of the Fund expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). The Manager seeks to minimize these risks by employing experienced portfolio managers that will manage the security portfolios of the Fund on a daily basis according to market events and the investment objectives of the Fund. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The value of securities in the Fund's portfolio may be affected by the stock market conditions rather than each company's performance. Developments in the market are affected by general economic and financial conditions. Political, social and environmental factors can also affect the value of any investment. 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.

As at December 31, 2022, 99.3% (December 31, 2021 – 99.7%) of the Fund's net assets attributable to holders of redeemable units were traded on public stock exchanges. If equity prices on these exchanges had increased or decreased by 5%, as at year end, with all other factors remaining constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$6,749,785 (December 31, 2021 - \$9,358,738).

In practice, the actual trading results may differ, and the difference could be material.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies other than the functional currency of the Fund will fluctuate as a result of changes in foreign exchange rates. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavorably, it could reduce the value of the Fund's investment.

The tables below summarize the Fund's net exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary net assets (including derivatives and the underlying principal (notional) amount of forward currency contracts, if any).

As at December 31, 2022		
Currency	Currency exposure*	As a % of net assets
U.S. Dollar	\$133,844,838	98.5

*In Canadian dollars

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As at December 31, 2021		
Currency	Currency exposure*	As a % of net assets
U.S. Dollar	\$184,751,257	98.4

*In Canadian dollars

The non-monetary currency exposure was \$133,314,378 (December 31, 2021 - \$184,293,959) and the monetary currency exposure was \$530,460 (December 31, 2021 - \$457,298).

As at December 31, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other variables held constant, the Fund's net assets attributable to holders of redeemable units would have decreased or increased, respectively, by approximately \$6,692,242 (December 31, 2021 - \$9,237,563) or 4.9% (December 31, 2021 - 4.9%) based on the net currency exposure. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. As at December 31, 2022 and 2021, the Fund did not hold any bonds or money market instruments; therefore, the Fund has no significant exposure to interest rate risk.

Liquidity risk

Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to redemption of units as described in Note 4. Settlement of redemptions is primarily by delivery of securities and cash. In order to maintain sufficient liquidity, the Fund primarily invests in securities that are actively traded in public markets and can be readily disposed of to raise liquidity and therefore, the Fund is not exposed to any significant liquidity risk. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

As at December 31, 2022 and 2021, all the Fund's financial liabilities had maturities of less than three months.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at December 31, 2022 and 2021, the Fund did not have significant credit risk exposure. All cash held by the fund is held with a reputable and regulated financial institution.

Fair value of financial instruments

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data.

The tables below summarize the fair value of the Fund's financial instruments using the following fair value hierarchy:

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

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Securities classification:

Investments at fair value as at December 31, 2022				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Totals (\$)
Financial Assets				
Equities				
Common Stock	114,314,174	-	-	114,314,174
REIT	20,681,530	-	-	20,681,530
Total Financial Assets	134,995,704	-	-	134,995,704

Investments at fair value as at December 31, 2021				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Totals (\$)
Financial Assets				
Equities				
Common Stock	178,343,844	-	-	178,343,844
REIT	8,830,916	-	-	8,830,916
Total Financial Assets	187,174,760	-	-	187,174,760

There were no Level 3 securities held by the Fund as at December 31, 2022 and 2021, and there were no significant transfers between Level 1 and Level 2 for the year ended December 31, 2022 and 2021.

The value of the equities is based on quoted prices.

Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry, sector or counterparty type. The following is a summary of the Fund's concentration risk by industry in which the companies held in the portfolio operate.

Market Segment:

As at December 31,	2022	2021
	% of net assets	% of net assets
Hotels, Resorts & Cruise Lines	49.8	56.7
Airlines	17.0	19.2
Casinos & Gaming	15.0	16.4
Specialized REITs	7.4	-
Residential REITs	4.1	-
Hotel & Resort REITs	3.7	4.7
Leisure Facilities	2.3	2.7
Cash and other assets and liabilities	0.7	0.3
Totals	100.0	100.0

7. TAXATION

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). For tax purposes, the Fund has a December 15 year end. All the Fund's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be carried forward for 20 years and applied against future taxable income.

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As at the last taxation year end, the Fund had \$5,467,637 of capital losses, which can be carried forward indefinitely and applied against future capital gains. Non-capital losses are available to offset against income in future years and have been carried forward as follows:

Year of Expiry	Amount (\$)
2041	58,920
2042	151,303

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income (Loss).

As the Manager is a resident of Ontario, the expenses paid by the Fund generally include HST of 13%. HST is calculated using the residency of unitholders in the Fund as at specific times, rather than the physical location of the Manager. A blended rate refund is filed with the Canada Revenue Agency on behalf of the Fund, in arrears, using each province's HST rate or GST rate in the case of non-participating provinces.

8. SOFT DOLLAR COMMISSIONS

Brokerage commissions paid to certain brokers may, in addition to paying for the cost of brokerage services in respect of security transactions, also provide for the cost of investment research services provided to the investment manager. The value of such research services included in commissions paid to brokers for the year ended December 31, 2022 and 2021 amounted to \$nil.



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