

# Harvest Banks & Buildings Income Fund

December 31, 2023

Management Report of Fund Performance



# Harvest Banks & Buildings Income Fund

## PRESIDENT'S MESSAGE

### Unitholder Letter March 2024

#### Dear Valued Investor,

Thank you for placing your trust and confidence in Harvest's investment products through 2023. We follow a philosophy that held strong in our ETFs and Funds in the past year, and one we will remain committed to going forward.

Harvest Portfolios Group Inc. and its growing group of Harvest ETFs have remained steadfast in making equity investments since our launch in 2009. This is by design to take advantage of the long-term growth in capital markets, the growth of industries and the growth of well-positioned and well-managed companies. We couple that philosophy with a finely tuned proprietary cover call option writing strategy that has proven to generate steady and attractive levels of consistent monthly cashflows for unitholders. We are proud to say that in the coming year we will surpass 10 years of option writing as part of our strategy.

In late September 2023 we added a new category to our product line up with the launch of the Harvest Premium Yield Treasury ETF (TSX: HPYT). This launch into the fixed income arena is due to what we believe is a topping of the interest rate cycle which pairs well with our option writing strategy to generate additional income. Investing in large and mega cap U.S. Treasury Bond ETFs enables us to capitalize on our option writing strategy on those securities.

The year was tough to navigate as rates pushed ever higher and markets reacted negatively. Other than cash assets, it was difficult for assets to get through the year unscathed. Throughout the year we continued to write options, which helped us manage through some choppy waters. Defensive areas like healthcare and utilities were hit harder than expected while some areas - like technology - did very well. As we rolled into the final months of 2023, the markets began to rebound as the US Federal Reserve softened their language on interest rates.

On a brighter note, Harvest Tech Achievers Growth & Income ETF (Class U) was named "**Best Sector Equity Fund over 5 years**" by Refinitiv Lipper Funds Awards Canada for the second year in a row (the Class A version of the ETF was also a winner last year). This was on top of a distribution increase, the third in that ETFs history.

As we look ahead to 2024, we remain steadfast in our philosophy of choosing long term growth industries or mega-trends. Our outlook on these industries is framed by our orientation towards high quality companies and long-term trends.

As an investment fund manager, we make investment decisions based on industry and business fundamentals. We do not let shorter-term economic indicators influence our view of a company and why it is in the portfolio. We choose the industry first, choose where we think the puck is going, then drill down and start to find the standout businesses that can expand in those industries.

Investing is not static, and we have to fine tune and make changes from time to time. In general, when we take a position, it is to hold for the longer term. That could mean holding a position for five years or more, especially in our equity income ETFs. Using this prudent and tactical approach helps us stick to our investment philosophy and deliver returns for unitholders in our ETFs and Funds.

Let me again thank you for your support and confidence in the Harvest team and our products. Let me assure you that we will remain steadfast in our management and development of products to meet the needs of investors for both income and growth.

Sincerely,

*Signed "Michael Kovacs"*

Michael Kovacs,

President and Chief Executive Officer

# Harvest Banks & Buildings Income Fund

## 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.

## 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 Harvest Banks & Buildings Income Fund (the "Fund"). You can get a copy of the annual financial statements at your request, and at no cost, by calling toll free at 1-866-998-8298; by writing to us at Harvest ETFs, 610 Chartwell Rd, Suite 204, Oakville, Ontario, L6J 4A5; or by visiting our website at [www.harvestetfs.com](http://www.harvestetfs.com); or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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 objectives are to generate monthly cashflow and to maximize total return by investing primarily in a portfolio of banking issuers, other financial issuers and real estate related companies and/or REITs listed on a recognized stock exchange in North America.

To achieve its investment objective, the Fund will invest primarily in securities of Canadian banking issuers, other financial issuers and real estate related companies and/or REITs, selected by the Manager of the Fund, based on various quantitative and qualitative factors. The Fund may invest up to 10% of its total value in securities of publicly-traded financial services issuers listed on a recognized stock exchange in North America other than banking issuers, other financial issuers or real estate issuers. The Fund may invest up to 25% its total value in securities outside of Canada.

## 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 year ended December 31, 2023 (the "Period") that affected the overall level of risk of the Fund.

## RESULTS OF OPERATIONS

### Overall Performance

The Fund's return by Series compared to the custom benchmark index comprised of 50% weighting of the S&P/TSX Financials Total Return Index and a 50% weighting of the S&P/TSX Real Estate Total Return Index for the Period is as follows:

	Return %
Series R	4.86
Series A	3.88
Series F	5.35
Series D	5.36
50% S&P/TSX Financials Total Return Index and 50% S&P/TSX Real Estate Total Return Index	(0.85)

The primary reason for the divergence is that the index is market-capitalization weighted and is passively managed compared to the Fund that is active. The allocation towards US securities in the real estate segment added to the relative performance during the Period.

The performance returns between series of the Fund will vary as a result of the different fee rates applicable to individual series. Details of these fees are outlined further in "Management and Other Fees" below.

### Factors Affecting Fund Results

As highlighted in the "2023 Market Review" below, there were periods of heightened uncertainty both economically and geopolitically during the Period that caused significant volatility in the broader equity markets.

For 2023, the REITs sector lagged the broader equity market performance. Rising interest rates, as discussed in the "2023 Market Review" below, continued to have a negative impact on the sector. Within the sub-sectors, generally anything tied into the office real estate, where the Fund has relatively low direct exposure, underperformed. Meanwhile, the position in US listed Alexandria Real Estate Equities, Inc., which holds campus style medical & technology real estate generally unavailable in the Canadian market, performed strongly within the real estate segment of the portfolio. As highlighted in the "2023 Market Review" section below, there was significant uncertainty during the early part of the year some US Banks that elevated volatility. That volatility flowed through to the Canadian banks, notwithstanding the Canadian banks and insurance companies held in the portfolio closed the year higher. Despite having a positive impact on the Fund's performance, it also elevated the volatility for Funds return during the Period.

# Harvest Banks & Buildings Income Fund

## RECENT DEVELOPMENTS

### Potential Impact for the Fund

In the shorter-term, the macro environment (both economic and geopolitical), while appearing to be stabilizing, continues to have some uncertainty. Inflationary pressures appear to be subsiding and expectations that central banks will not increase rates further have continued to be a source of reprieve for the broader markets. Nonetheless, inflationary pressures and potential for interest rate increases can change quickly based on economic data.

Global geopolitical tensions remain elevated through the end of the Period and remain as a source of uncertainty for broader markets. The conflict in Eastern Europe following the Russian invasion of Ukraine in February 2022 continued during the Period. Also, in October of 2023, a Hamas led Palestinian militant group attacked Israel triggering a major and ongoing conflict that continued through the end of the Period. This will continue to be a key driver for equity markets going forward.

### 2023 Market Review

To combat inflation, central banks around the world aggressively started raising interest rates in 2022 to rates well above what the markets were expecting. This along with the geopolitical instability that occurred during the Period, resulted in the significant negative returns that the broader global and U.S. equity markets experienced in the previous year, 2022.

At the turn of 2023, the US equity markets offered some initial reprieve and ultimately finished 2023 with strong positive returns. During this Period, the market was significantly volatile and saw returns highly concentrated in a few large companies. The latter did not bode well for diversified investors and sometimes gave the feeling of a bear market. While select large companies were a key driver of the overall market performance given their relatively very strong performance, the breadth of participation across stocks and sub-sectors expanded over the course of the Period with the overall market returns finishing above average.

The significant volatility experienced by markets came from a wide variety of economic and geopolitical factors as well as sector specific turmoil within the banking sector. Notably, there were two short periods in which returns for the S&P 500 fell by double digits.

The first happened in March when depositors of Silicon Valley Bank (“SVB”) began withdrawing their funds forcing the bank to realize significant losses on its investments in securities and together set off further withdrawals. This eventually led to the failure of SVB and triggered a flurry of withdrawals at another large regional bank, Signature Bank of New York (SBNY). Investors became altered to the risk of contagion, which produced much uncertainty and pressured the stock returns of both banks and insurance companies throughout the remainder of the Period, with some modest reprieve toward the end.

There were echoes of the Great Financial Crisis of the past that temporarily depressed sentiment in the broader markets through March. This later retreated as investor excitement over the promise of artificial intelligence (“AI”) abounded. Notably, ChatGPT-3 became a topic of focus among investors and media alike. A string of new “generative AI” focused product announcements from several major software companies and culminating with a strong earnings reports ignited a buying frenzy for stocks of companies perceived to be beneficiaries of the AI theme. This marked a pivot for sentiment in the broader equity markets and inspired optimism for technology and more consumer growth focused areas, such as travel related companies, that generally continued through the Period.

The second period of meaningful volatility occurred towards the end of the summer period as concerns around persistent inflation resurfaced. Concerns about headline inflation remaining elevated fueled interest rate increases globally by central banks and specifically the Federal Reserve in the United States (the “Fed”) and resulted in accelerated rises in government bond yields across maturities. Despite many leading indicators, such as supply chain congestion indicators, suggesting that the trend was towards normalizing inflation levels, longer dated U.S. Treasury bond yields continued to move higher amidst speculation that the inflation was not yet under control. During this Period, longer dated U.S. Treasury Bond yields gapped higher through 5% in a very short period, causing what appeared to be some dislocation in the fixed income markets, and that flowed through to causing uncertainty around how high rates may go and served as a further catalyst for equity market volatility.

During the Fall, the tone of the Fed on carrying out further interest increases shifted as economic data including inflation, showed signs that the previous interest hikes in the past 18 months began to take effect. The Fed’s new tone suggested a pause was warranted given the economic data. This caused the broader equity markets to stabilize and start to recover through the end of the Period. Treasury bond yields halted the seemingly unstoppable upward trajectory and started to retrace lower, providing much needed reprieve to the dislocated fixed income markets.

Some of the sectors that outperformed during the bear market of 2022, such as Utilities and Health Care, lagged during the Period with investors continuing to shift back towards higher growth areas of the market. The Energy sector also saw negative returns during the Period as signs of slowing global economic growth and fading headlines about energy security due to the war in Ukraine led to a fall in oil prices. Geopolitical tensions continued to escalate in the latter part of the year, resulting in new threats of potential supply disruptions; commodity prices reversing course; and a slowdown in demand fundamentals that seemingly outweighed potential supply disruptions. Other sectors such as Information Technology, on the other hand, significantly outperformed the market during the Period.

## 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. Each series of units pays the Manager an annual management fee, plus applicable taxes, based on a percentage of the average daily net asset value (“NAV”) of the Fund attributable to that applicable series (the “Management Fee”).

Dealers may be paid a servicing fee in connection with Series A and Series R units for ongoing services they provide to investors, including investment advice, account statements and newsletters. Generally, the servicing fees, plus applicable taxes, are payable monthly in arrears based on the total client assets invested in each series of units of the Fund held by all of a Dealer’s clients throughout the month. The Manager can change or cancel servicing fees at any time.

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The fees differ among the series of units of the Fund as set out in the chart below:

Fund Series	Annual Management Fee	Dealer Service Fee	Total Fees
R	1.10%	0.40%	1.50%
A	1.10%	1.25%	2.35%
F	1.10%	0.00%	1.10%
D	1.10%	0.00%	1.10%

Effective May 1, 2022 the Fund no longer pays service fees on Series D units. Prior to this change, the Fund paid a servicing fee of 0.25% to dealers based on the total client assets invested in Series D units. If the service fee had been charged to the entire year, the MER for 2022 would have been higher by 0.19% and would have been 4.97%.

## 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 \$46,802 for the Period and are included in the unitholder reporting costs on the Statement 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 or expense absorptions for the Period. The management expense ratios of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table below.

## Other transactions

Officers, directors and related entities of the Manager invest in units of the Fund from time to time in the normal course of business and on the same basis as arm's length investors. As at December 31, 2023 officers and directors owned 2,272 units of the Fund.

## RECOMMENDATIONS OR REPORTS BY THE INDEPENDENT REVIEW COMMITTEE

The IRC tabled no special reports and made no extraordinary material recommendations to management of the Fund during the Period.

# Harvest Banks & Buildings Income Fund

## 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 Period and past annual periods. This information is derived from the Fund's annual audited financial statements.

### Series R

THE FUND'S NET ASSETS PER UNIT	2023	2022	2021	2020	2019
<b>Net assets - beginning of the period</b>	\$ 11.01	\$ 14.54	\$ 11.92	\$ 13.84	\$ 12.58
<b>Increase (decrease) from operations</b>					
Total revenue	0.49	0.44	0.41	0.45	0.43
Total expenses	(0.66)	(0.63)	(0.60)	(0.52)	(0.52)
Realized gains (losses) for the period	0.71	0.56	0.47	0.43	0.90
Unrealized gains (losses) for the period	(0.17)	(3.05)	3.17	(1.64)	1.37
<b>Total increase (decrease) from operations<sup>1</sup></b>	\$ 0.37	\$ (2.68)	\$ 3.45	\$ (1.28)	\$ 2.18
<b>Distributions<sup>2</sup></b>					
Return of capital	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)
<b>Total annual distributions<sup>2</sup></b>	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)
<b>Net assets - end of the period<sup>1</sup></b>	\$ 10.66	\$ 11.01	\$ 14.54	\$ 11.92	\$ 13.84

RATIOS AND SUPPLEMENTAL DATA	2023	2022	2021	2020	2019
<b>Total net asset value (000's)</b>	\$ 1,741	\$ 2,170	\$ 3,106	\$ 2,613	\$ 3,495
Number of units outstanding (000's)	163	197	214	219	253
Management expense ratio <sup>3</sup>	6.19%	5.07%	4.43%	4.40%	3.79%
Management expense ratio before waivers or absorptions <sup>3</sup>	6.19%	5.07%	4.43%	4.40%	3.79%
Trading expense ratio <sup>4</sup>	0.04%	0.01%	0.03%	0.03%	0.01%
Portfolio turnover rate <sup>5</sup>	-	-	4.66%	2.03%	5.43%
<b>Net asset value per unit</b>	\$ 10.66	\$ 11.01	\$ 14.54	\$ 11.92	\$ 13.84

### Series A

THE FUND'S NET ASSETS PER UNIT	2023	2022	2021	2020	2019
<b>Net assets - beginning of the period</b>	\$ 9.56	\$ 12.87	\$ 10.74	\$ 12.68	\$ 11.69
<b>Increase (decrease) from operations</b>					
Total revenue	0.42	0.39	0.37	0.41	0.40
Total expenses	(0.65)	(0.66)	(0.65)	(0.57)	(0.61)
Realized gains (losses) for the period	0.64	0.48	0.41	0.39	0.84
Unrealized gains (losses) for the period	(0.05)	(2.69)	2.88	(1.51)	1.27
<b>Total increase (decrease) from operations<sup>1</sup></b>	\$ 0.36	\$ (2.48)	\$ 3.01	\$ (1.28)	\$ 1.90
<b>Distributions<sup>2</sup></b>					
Return of capital	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)
<b>Total annual distributions<sup>2</sup></b>	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)	\$ (0.84)
<b>Net assets - end of the period<sup>1</sup></b>	\$ 9.05	\$ 9.56	\$ 12.87	\$ 10.74	\$ 12.68

RATIOS AND SUPPLEMENTAL DATA	2023	2022	2021	2020	2019
<b>Total net asset value (000's)</b>	\$ 1,594	\$ 1,900	\$ 2,979	\$ 2,717	\$ 3,721
Number of units outstanding (000's)	176	199	231	253	293
Management expense ratio <sup>3</sup>	7.14%	6.04%	5.39%	5.36%	4.75%
Management expense ratio before waivers or absorptions <sup>3</sup>	7.14%	6.04%	5.39%	5.36%	4.75%
Trading expense ratio <sup>4</sup>	0.04%	0.01%	0.03%	0.03%	0.01%
Portfolio turnover rate <sup>5</sup>	-	-	4.66%	2.03%	5.43%
<b>Net asset value per unit</b>	\$ 9.05	\$ 9.56	\$ 12.87	\$ 10.74	\$ 12.68

# Harvest Banks & Buildings Income Fund

## Series D

THE FUND'S NET ASSETS PER UNIT	2023	2022	2021	2020	2019
<b>Net assets - beginning of the period</b>	\$ 11.62	\$ 15.23	\$ 12.44	\$ 14.37	\$ 13.01
<b>Increase (decrease) from operations</b>					
Total revenue	0.58	0.47	0.44	0.46	0.45
Total expenses	(0.65)	(0.62)	(0.61)	(0.52)	(0.52)
Realized gains (losses) for the period	0.73	0.60	0.48	0.50	0.97
Unrealized gains (losses) for the period	(0.20)	(3.41)	3.27	(1.90)	1.03
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ 0.46</b>	<b>\$ (2.96)</b>	<b>\$ 3.58</b>	<b>\$ (1.46)</b>	<b>\$ 1.93</b>
<b>Distributions<sup>2</sup></b>					
Return of capital	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)
<b>Total annual distributions<sup>2</sup></b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>
<b>Net assets - end of the period<sup>1</sup></b>	<b>\$ 11.35</b>	<b>\$ 11.62</b>	<b>\$ 15.23</b>	<b>\$ 12.44</b>	<b>\$ 14.37</b>

RATIOS AND SUPPLEMENTAL DATA	2023	2022	2021	2020	2019
<b>Total net asset value (000's)</b>	<b>\$ 686</b>	<b>\$ 587</b>	<b>\$ 462</b>	<b>\$ 338</b>	<b>\$ 369</b>
Number of units outstanding (000's)	60	50	30	27	26
Management expense ratio <sup>3</sup>	5.77%	4.78%	4.26%	4.21%	3.63%
Management expense ratio before waivers or absorptions <sup>3</sup>	5.77%	4.78%	4.26%	4.21%	3.63%
Trading expense ratio <sup>4</sup>	0.04%	0.01%	0.03%	0.03%	0.01%
Portfolio turnover rate <sup>5</sup>	-	-	4.66%	2.03%	5.43%
<b>Net asset value per unit</b>	<b>\$ 11.35</b>	<b>\$ 11.62</b>	<b>\$ 15.23</b>	<b>\$ 12.44</b>	<b>\$ 14.37</b>

## Series F

THE FUND'S NET ASSETS PER UNIT	2023	2022	2021	2020	2019
<b>Net assets - beginning of the period</b>	\$ 11.99	\$ 15.68	\$ 12.75	\$ 14.67	\$ 13.23
<b>Increase (decrease) from operations</b>					
Total revenue	0.54	0.48	0.45	0.48	0.46
Total expenses	(0.67)	(0.63)	(0.58)	(0.50)	(0.49)
Realized gains (losses) for the period	0.82	0.61	0.50	0.45	0.95
Unrealized gains (losses) for the period	(0.04)	(3.30)	3.42	(1.55)	1.51
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ 0.65</b>	<b>\$ (2.84)</b>	<b>\$ 3.79</b>	<b>\$ (1.12)</b>	<b>\$ 2.43</b>
<b>Distributions<sup>2</sup></b>					
Return of capital	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)
<b>Total annual distributions<sup>2</sup></b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>
<b>Net assets - end of the period<sup>1</sup></b>	<b>\$ 11.75</b>	<b>\$ 11.99</b>	<b>\$ 15.68</b>	<b>\$ 12.75</b>	<b>\$ 14.67</b>

RATIOS AND SUPPLEMENTAL DATA	2023	2022	2021	2020	2019
<b>Total net asset value (000's)</b>	<b>\$ 670</b>	<b>\$ 736</b>	<b>\$ 999</b>	<b>\$ 818</b>	<b>\$ 963</b>
Number of units outstanding (000's)	57	61	64	64	66
Management expense ratio <sup>3</sup>	5.75%	4.63%	3.98%	3.95%	3.33%
Management expense ratio before waivers or absorptions <sup>3</sup>	5.75%	4.63%	3.98%	3.95%	3.33%
Trading expense ratio <sup>4</sup>	0.04%	0.01%	0.03%	0.03%	0.01%
Portfolio turnover rate <sup>5</sup>	-	-	4.66%	2.03%	5.43%
<b>Net asset value per unit</b>	<b>\$ 11.75</b>	<b>\$ 11.99</b>	<b>\$ 15.68</b>	<b>\$ 12.75</b>	<b>\$ 14.67</b>

### 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.
- Distributions may be paid in cash or automatically reinvested into additional units.
- 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. In 2020 the calculation was modified to include certain transaction costs charged by the custodian. The trading expense ratio in prior periods was not re-stated.
- 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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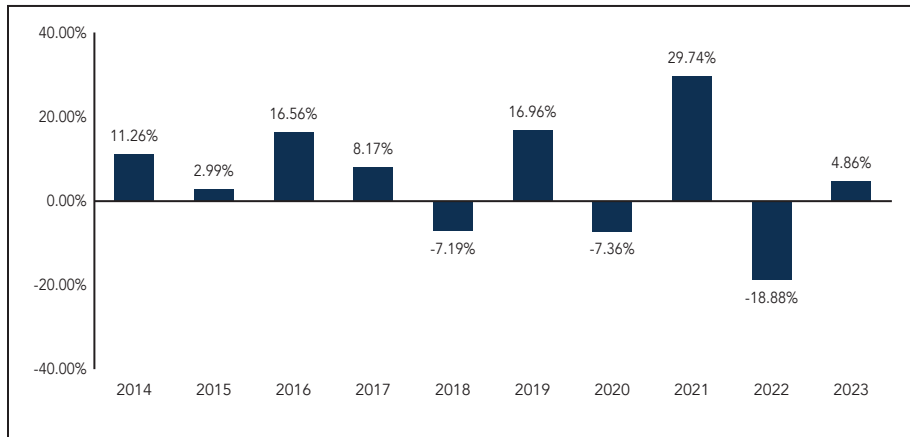
## PAST PERFORMANCE

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.

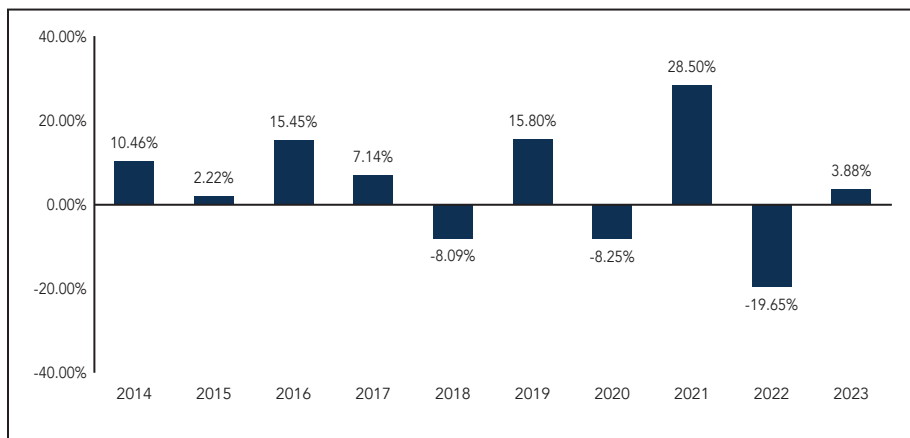
### Year-by-Year Returns

The following charts present the Fund's performance for each of the years shown and illustrate how the Fund's performance varied for Series R, Series A, Series F, and Series D. 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.

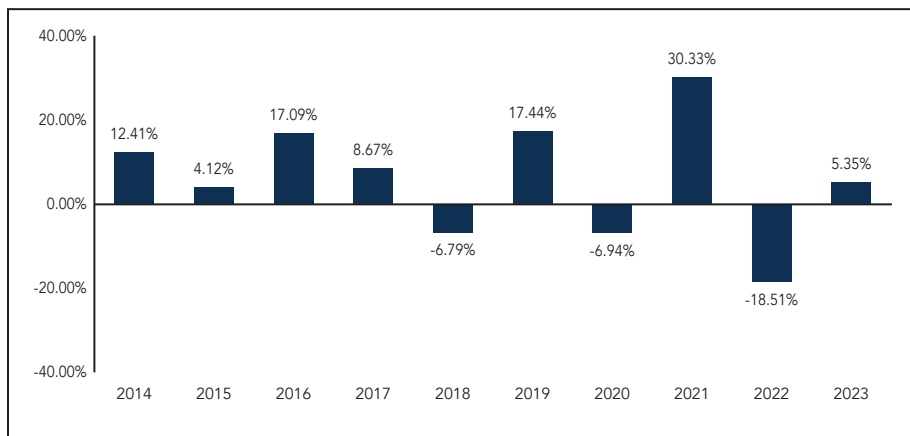
#### Series R



#### Series A



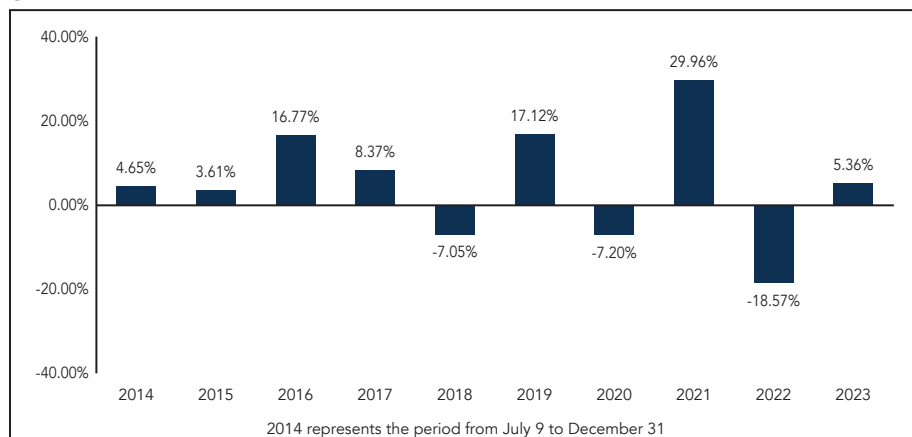
#### Series F





# Harvest Banks & Buildings Income Fund

## Series D



## Annual Compound Returns

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

For comparison purposes, a blended benchmark is used comprised of a sector weighting of 50% S&P/TSX Financials Total Return Index and 50% S&P/TSX Real Estate Total Return Index.

While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of this benchmark. As a result, the Fund may experience periods when its performance is not aligned with this benchmark, either positively or negatively. The return of this benchmark 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 <sup>‡</sup>
Fund Performance Series R	4.86	3.34	3.64	4.83	6.85
50% S&P/TSX Financials Total Return Index and 50% S&P/TSX Real Estate Total Return Index	-0.85	5.41	6.16	6.91	8.99
Fund Performance Series A	3.88	2.36	2.65	3.88	5.86
50% S&P/TSX Financials Total Return Index and 50% S&P/TSX Real Estate Total Return Index	-0.85	5.41	6.16	6.91	8.18
Fund Performance Series F	5.35	3.82	4.11	5.44	7.43
50% S&P/TSX Financials Total Return Index and 50% S&P/TSX Real Estate Total Return Index	-0.85	5.41	6.16	6.91	8.18
Fund Performance Series D	5.36	3.69	3.92	-	4.67
50% S&P/TSX Financials Total Return Index and 50% S&P/TSX Real Estate Total Return Index	-0.85	5.41	6.16	-	6.33

<sup>‡</sup> Since inception dates are: Series R – October 23, 2009; Series A – October 22, 2011; Series F – October 27, 2011; Series D – July 9, 2014

# Harvest Banks & Buildings Income Fund

## SUMMARY OF INVESTMENT PORTFOLIO

The major portfolio categories and top holdings of the Fund at the end of the Period 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 audited financial statements.

As at December 31, 2023

Top Holdings	% of Net Asset Value	Yield (%)
Canadian Imperial Bank of Commerce	8.0	5.65
The Toronto-Dominion Bank	7.8	4.77
Sun Life Financial Inc.	7.6	4.54
Royal Bank of Canada	7.5	4.12
Manulife Financial Corporation	7.5	4.99
Bank of Montreal	7.5	4.56
The Bank of Nova Scotia	7.4	6.57
JPMorgan Chase & Co.	5.0	2.47
Choice Properties Real Estate Investment Trust	5.0	5.38
Bank of America Corporation	4.9	2.85
Morgan Stanley	4.7	3.65
InterRent Real Estate Investment Trust	4.1	2.86
Killam Apartment Real Estate Investment Trust	3.7	3.90
Digital Realty Trust, Inc.	3.2	3.63
Prologis, Inc.	3.2	2.61
Alexandria Real Estate Equities, Inc.	3.0	4.01
Cash and other assets and liabilities	2.8	-
SmartCentres Real Estate Investment Trust	2.7	7.43
Allied Properties Real Estate Investment Trust	2.5	8.92
Timbercreek Financial Corp.	1.9	10.34
<b>Total</b>	<b>100.0</b>	

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.harvestetfs.com](http://www.harvestetfs.com).

## SECTOR ALLOCATION

Sector	% of Net Asset Value
Financials	69.8
Real Estate	27.4
Cash and other assets and liabilities	2.8
<b>Total</b>	<b>100.0</b>

## GEOGRAPHIC ALLOCATION

Country of Risk	% of Net Asset Value
Canada	73.1
United States	24.1
Cash and other assets and liabilities	2.8
<b>Total</b>	<b>100.0</b>

# Harvest Banks & Buildings Income Fund

## Disclaimers

### 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 a 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.

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