

Harvest US Bank Leaders Income ETF

June 30, 2024

Interim Management Report of Fund Performance



Harvest US Bank Leaders Income ETF

CORPORATE OVERVIEW

Harvest Portfolios Group Inc. ("Harvest" or the "Manager") manages the Harvest ETFs and 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 interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the Harvest US Bank Leaders Income ETF (the "Fund"). You can get a copy of the interim 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; or on SEDAR at 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 invests in equity securities of the leading US Banks (as determined by the Manager of the Fund) and sells covered call options on up to 33% of its holdings with the investment objective to generate monthly cashflow for the unitholders and help lower the volatility of the Fund's overall return. In addition, the Fund provides unitholders with the opportunity to participate in capital appreciation.

To achieve its investment objective, the Fund will hold between 15 to 20 US bank stocks that are considered to be leaders in the US banking industry as determined by the Manager of the Fund. These US bank leaders have market capitalization of at least US\$10 billion at the time of investment; are listed on a US stock exchange and; pay a dividend. The Fund is rebalanced quarterly. The Fund will invest at least 75% of its net asset value in issuers that are classified as a Banks based on the Global Industry Classification Standards.

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 six-month period ended June 30, 2024 (the "Period") that affected the overall level of risk of the Fund.

RESULTS OF OPERATIONS

Overall Performance

The Fund's return by Class compared to the MSCI US Banks Net Total Return Index (USD)[±] for the Period is as follows:

	Return %
Class A (CAD) – hedged	11.19
Class U (USD) – unhedged	11.62
MSCI US Banks Net Total Return Index (USD) [±]	16.66

The primary reason for the divergence is that the index is market-capitalization weighted, is much more concentrated in money centre banks and has relatively small exposure towards US Regional Banks compared to the Fund that is equally weighted.

The performance returns between classes of the Fund will vary as a result of the Class A hedging its exposure to the U.S. dollar back to the Canadian dollar and the Class U being unhedged units.

Factors Affecting Fund Results

U.S. bank stocks performed well during the first half of 2024. Investor expectations for a transition from an interest rate hiking cycle to an easing cycle by the U.S. Federal Reserve led to brighter outlooks for bank fundamentals. A stabilization in deposit outflows, particularly at smaller regional banks, and expectations for lower rates in the near term gave investors greater confidence. Indeed, the issues that plagued the sector in 2023 and led to the failure of several regional banks were largely in the past. Banks are now expected to see a benefit from lower rates to their net interest margins, the spread between the interest rate earned on the banks assets and the interest rate charged to the bank on sources of funding such as customer deposits. As older loans and securities investments made at lower interest rates mature, banks will be able to make new loans and investments at higher rates. Meanwhile, this could lower rates paid on customer deposits. In addition to interest rate-based performance drivers, many banks also benefitted from improvements in capital market operations.

Broad strength across the large cap bank industry contributed to the Fund's performance on an absolute basis. Relative to its benchmark however, outperformance by mega-cap diversified banks, such as Citigroup Inc., Wells Fargo & Company, and JPMorgan Chase & Co. led to underperformance for the Fund due to its equal weighted approach, that translates into smaller positions in these names compared to the market capitalization weighted index.

RECENT DEVELOPMENTS

Potential Impact for the Fund

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

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Global geopolitical tensions remain elevated, although the markets seemed to be less sensitive to the geopolitical headlines this Period relative to previous periods. Notwithstanding, as the conflicts in Eastern Europe and the Middle East prolong, there remain potential threats to the world economies and the stock markets.

While valuations remain attractive for the U.S. banks compared to historical levels, there remains some headwinds with regards to slowing economic growth, leading to the potential for loan growth to remain subdued. While some new regulations have been imposed, following the events that transpired early in the Period, there also remains uncertainty surrounding potential future regulatory changes.

Mid-Year Market Review

For the Period, the broader U.S. equity markets recorded above average returns. This came on back of the momentum from 2023, when the U.S. markets also returned above average performance. This was partly aided by the new tone from the Federal Reserve in the United States (the "Fed") in the fall of 2023, suggesting that a pause in the interest rates hiking was warranted. In addition, the U.S. markets saw a few meaningful corrections in the review Period, unlike the significant market volatility of 2022 and 2023 that was the result of several global events.

During the Period, the above average performance of the equity market was not uniform across sub-sectors nor individual stocks. The leadership role of technology companies and communications companies was once again re-enforced with both posting the best returns out of all sub-sectors for the Period. Even within these sub-sectors, returns were highly concentrated in a few large companies. This was borne out in market capitalization weighted indexes that were heavily influenced by above average performance in a relatively small number of mega-cap stocks, particularly those perceived as beneficiaries of investment on artificial intelligence ("AI") focused infrastructure. While select large companies were a key driver of the overall market performance, given their relatively very strong performance and their sizes, the breadth of participation across stocks and sub-sectors expanded over the course of the Period with 10 out of the 11 main sub-sectors in the U.S. all posting positive returns. Bond prices stabilized following the uptick in rates in April. However, longer dated bond yields remained highly sensitive to daily economic data sets as the Fed transitions from a hiking to easing environment and the market tries to pinpoint more accurately as to when it will eventually start to cut interest rates.

In the Fixed Income market, U.S. Treasury 10-Year Bond Yields moved modestly higher early in the year, seemingly bouncing from over-sold conditions coming into the end of 2023. During April, there were some concerns that the inflationary economic indicators were not subsiding sufficiently to warrant the Fed to pause on raising interest rates. This caused a shorter-term pull-back in both equity and bond prices as longer dated bond yields moved higher. However, for both bonds and equities, the pullback was short lived and prices started to recover as economic data that followed over the course of the following month suggested inflation is subsiding.

In Canada, the broader equity markets posted positive returns for the Period. In part due to the economic growth disparities and structural differences between the two markets, the Canadian equity markets lagged those of the U.S. and within the Canadian market's sub-sectors, just over half ended the Period with positive returns. With economic data moderating more quickly in Canada than the U.S., the Bank of Canada announced an interest rate cut in June, the first in four years and the first G7 country to do so this economic cycle.

Global geopolitical tensions remained elevated during the Period and provided some support to safe-haven assets such as gold and helped to keep global oil prices above where they closed in 2023. However, the markets were less sensitive to these geopolitical headlines (i.e. the wars in the Middle East and Europe, and tensions between U.S. and China) compared to previous years.

Other

On June 25, 2024, the Manager announced an increase to the monthly distribution amount from \$0.0833 per unit per month to \$0.0900 per unit per month commencing with distributions declared in July 2024. This change impacted all Classes of units of the Fund.

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 Fund pays the Manager an annual management fee of 0.75%, plus applicable taxes, based on a percentage of the average daily net asset value ("NAV") of the Fund charged daily and paid monthly.

The Manager may, in its discretion, agree to charge the Fund and/or certain unitholders a reduced management fee as compared with the management fee that it otherwise would be entitled to receive, provided that the amount of the reduced management fee is distributed periodically by the Fund to the unitholder as a management fee distribution. Any reduction will depend on a number of factors, including the amount of account activity. Any tax consequences of a management fee distribution will generally be borne by the unitholder who receives the distribution.

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 classes of each applicable fund. These expenses were \$11,328 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 for the Period. The Manager absorbed \$19,469 of expenses of the Fund for the Period. The Manager may cease doing so at any time without notice to unitholders.

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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 June 30, 2024 officers and directors owned 5,755 units of the Fund.

The management expense ratios of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table below.

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.

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

Class A

THE FUND'S NET ASSETS PER UNIT	2024	2023	2022	2021	2020	2019
Net assets - beginning of the period	\$ 11.23	\$ 13.45	\$ 17.09	\$ 14.05	\$ 17.10	\$ 14.37
Increase (decrease) from operations						
Total revenue	0.18	0.38	0.42	0.36	0.36	0.42
Total expenses	(0.07)	(0.13)	(0.16)	(0.19)	(0.19)	(0.26)
Realized gains (losses) for the period	0.09	(1.93)	(0.74)	1.17	0.16	(0.72)
Unrealized gains (losses) for the period	1.04	0.81	(1.75)	2.26	3.26	4.00
Total increase (decrease) from operations¹	\$ 1.24	\$ (0.87)	\$ (2.23)	\$ 3.60	\$ 3.59	\$ 3.44
Distributions²						
From net investment income	(0.12)	(0.25)	(0.22)	(0.17)	(0.15)	(0.17)
Return of capital	(0.38)	(0.75)	(0.78)	-	(0.85)	(0.83)
Total annual distributions²	\$ (0.50)	\$ (1.00)	\$ (1.00)	\$ (1.25)	\$ (1.00)	\$ (1.00)
Net assets - end of the period¹	\$ 11.97	\$ 11.23	\$ 13.45	\$ 17.09	\$ 14.05	\$ 17.10

RATIOS AND SUPPLEMENTAL DATA	2024	2023	2022	2021	2020	2019
Total net asset value (000's)	\$ 112,212	\$ 92,950	\$ 79,048	\$ 28,201	\$ 15,103	\$ 3,420
Number of units outstanding (000's)	9,375	8,275	5,875	1,650	1,075	200
Management expense ratio ³	0.99%	0.99%	0.98%	0.99%	1.30%	1.59%
Management expense ratio before waivers or absorptions ³	1.02%	1.05%	1.14%	1.32%	2.40%	3.69%
Trading expense ratio ⁴	0.18%	0.23%	0.17%	0.21%	0.36%	0.22%
Portfolio turnover rate ⁵	19.01%	57.13%	43.70%	61.28%	69.84%	80.40%
Net asset value per unit	\$ 11.97	\$ 11.23	\$ 13.45	\$ 17.09	\$ 14.05	\$ 17.10
Closing market price (HUBL)	\$ 11.96	\$ 11.24	\$ 13.46	\$ 17.07	\$ 13.97	\$ 17.06

Class U (CAD)

THE FUND'S NET ASSETS PER UNIT	2024	2023	2022	2021	2020	2019
Net assets - beginning of the period	\$ 16.44	\$ 19.74	\$ 23.00	\$ 18.77	\$ 22.33	\$ 19.53
Increase (decrease) from operations						
Total revenue	0.27	0.56	0.57	0.48	0.51	0.55
Total expenses	(0.10)	(0.19)	(0.24)	(0.26)	(0.28)	(0.35)
Realized gains (losses) for the period	0.51	(2.65)	0.94	2.06	(2.13)	(1.07)
Unrealized gains (losses) for the period	1.87	1.02	(2.72)	2.85	0.29	5.13
Total increase (decrease) from operations¹	\$ 2.55	\$ (1.26)	\$ (1.45)	\$ 5.13	\$ (1.61)	\$ 4.26
Distributions²						
From net investment income	(0.18)	(0.39)	(0.29)	(0.24)	(0.21)	(0.24)
From capital gains	-	-	-	(0.96)	-	-
Return of capital	(0.50)	(0.96)	(0.90)	(0.06)	(1.13)	(1.11)
Total annual distributions²	\$ (0.68)	\$ (1.35)	\$ (1.19)	\$ (1.26)	\$ (1.34)	\$ (1.35)
Net assets - end of the period¹	\$ 18.24	\$ 16.44	\$ 19.74	\$ 23.00	\$ 18.77	\$ 22.33

RATIOS AND SUPPLEMENTAL DATA	2024	2023	2022	2021	2020	2019
Total net asset value (000's)	\$ 8,207	\$ 7,400	\$ 6,908	\$ 5,749	\$ 3,284	\$ 2,233
Number of units outstanding (000's)	450	450	350	250	175	100
Management expense ratio ³	0.99%	0.99%	0.98%	0.99%	1.31%	1.59%
Management expense ratio before waivers or absorptions ³	1.02%	1.04%	1.10%	1.32%	2.60%	3.69%
Trading expense ratio ⁴	0.18%	0.23%	0.17%	0.21%	0.36%	0.22%
Portfolio turnover rate ⁵	19.01%	57.13%	43.70%	61.28%	69.84%	80.40%
Net asset value per unit	\$ 18.24	\$ 16.44	\$ 19.74	\$ 23.00	\$ 18.77	\$ 22.33
Net asset value per unit (USD)	\$ 13.33	\$ 12.41	\$ 17.20	\$ 16.50	\$ 21.60	\$ 17.20
Closing market price - USD (HUBL.U)	\$ 13.32	\$ 12.42	\$ 14.58	\$ 18.21	\$ 14.66	\$ 17.34

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Explanatory Notes:

1. 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.
2. 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 outside of registered plans. Included in the above amounts is the reinvested distribution of \$0.25 per unit paid to Class A unitholders of record on December 31, 2021.
3. 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.
4. 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.
5. 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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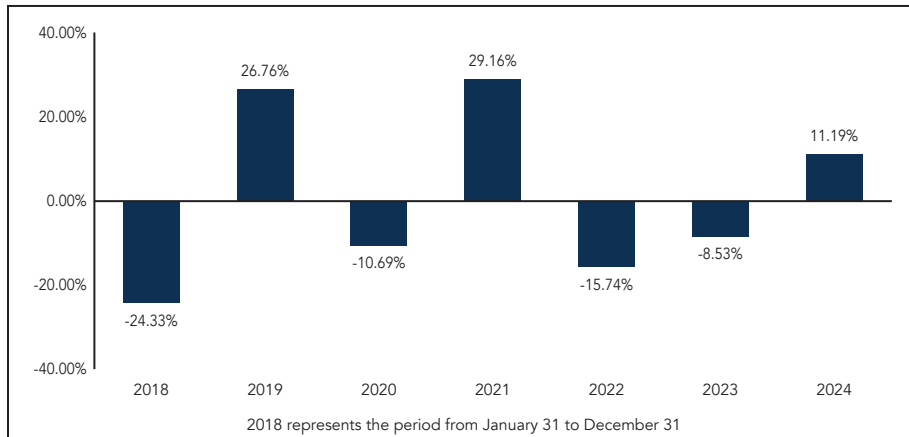
PAST PERFORMANCE

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.

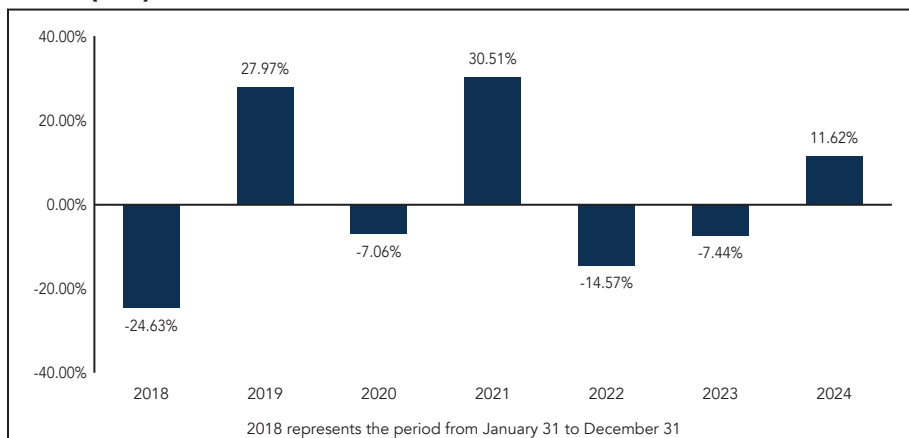
Year-by-Year Returns

The following charts present the Fund's performance for each of the years shown and illustrate how the Fund's performance varied for Class A and Class U. 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 except for 2024 which represents the Period.

Class A



Class U (USD)



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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 interim financial statements.

As at June 30, 2024

Top Holdings	% of Net Asset Value
JPMorgan Chase & Co.	6.9
Regions Financial Corporation	6.8
Bank of America Corporation	6.8
M&T Bank Corporation	6.7
The PNC Financial Services Group, Inc.	6.7
Citizens Financial Group, Inc.	6.7
Truist Financial Corporation	6.6
Citigroup Inc.	6.6
Wells Fargo & Company	6.5
U.S. Bancorp	6.5
The Goldman Sachs Group, Inc.	6.5
Fifth Third Bancorp	6.5
Morgan Stanley	6.5
First Citizens BancShares, Inc., Class A	6.4
Huntington Bancshares Incorporated	6.3
Cash and other assets and liabilities	1.1
Foreign currency forward contracts	0.2
Harvest Canadian T-Bill ETF, Class A Unit	0.2
Options	(0.5)
Total	100.0

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 at www.harvestetfs.com.

SECTOR ALLOCATION

Sector	% of Net Asset Value
Banks	86.0
Diversified Financials	13.0
Cash and other assets and liabilities	1.1
Money Market ETF	0.2
Foreign currency forward contracts	0.2
Options	(0.5)
Total	100.0

GEOGRAPHIC ALLOCATION

Country of Risk	% of Net Asset Value
United States	99.0
Cash and other assets and liabilities	1.1
Canada	0.2
Foreign currency forward contracts	0.2
Options	(0.5)
Total	100.0

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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.

* Source: MSCI. Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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The logo features a large, stylized white 'H' in a script font. To its right, the word 'ARVEST' is written in a white, all-caps serif font. Below 'ARVEST', the letters 'ETFs' are written in a smaller, white, all-caps sans-serif font. A thin white horizontal line is positioned below the 'ARVEST' and 'ETFs' text.

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