



# Harvest Shopify Enhanced High Income Shares ETF

Annual Financial Statements

**December 31, 2025**



# Harvest Shopify Enhanced High Income Shares 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, as issued by the International Accounting Standards Board 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 shareholders 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  
Chief Executive Officer

*Signed "Daniel Lazzer"*  
Daniel Lazzer  
Chief Financial Officer

Oakville, Canada  
March 19, 2026





# Independent auditor's report

To the Shareholders Harvest Shopify Enhanced High Income Shares ETF (the Fund)

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## 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, 2025 and its financial performance and its cash flows for the period from August 19, 2025 to December 31, 2025 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

## What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at December 31, 2025;
- the statement of comprehensive income (loss) for the period from August 19, 2025 to December 31, 2025;
- the statement of changes in net assets attributable to holders of redeemable shares for the period from August 19, 2025 to December 31, 2025;
- the statement of cash flows for the period from August 19, 2025 to December 31, 2025; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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## 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.

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

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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### **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.

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### **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 Accounting Standards, 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.

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## **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 Patrizia Ferrari.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 19, 2026

# Harvest Shopify Enhanced High Income Shares ETF

STATEMENT OF FINANCIAL POSITION	
As at December 31,	2025
<b>Assets</b>	
<b>Current assets</b>	
Investments	\$ 14,171,404
Cash	23,538
Receivable for investments sold	264,810
	<b>14,459,752</b>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Loan payable (Note 10)	3,030,005
Distributions payable (Note 4)	212,500
Payable for options contracts written	42,891
Interest payable (Note 10)	6,771
	<b>3,292,167</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>\$ 11,167,585</b>
<b>Net assets attributable to holders of redeemable shares per share</b>	<b>\$ 13.14</b>

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



# Harvest Shopify Enhanced High Income Shares ETF

<b>STATEMENT OF COMPREHENSIVE INCOME (LOSS)</b>	
<b>For the period (Note 1) ended December 31,</b>	<b>2025</b>
<b>Income</b>	
Net gain (loss) on investments	
Net realized gain (loss) on sale of investments	\$ 696,236
Net change in unrealized appreciation (depreciation) of investments	213,745
Net gain (loss) on investments	909,981
Net gain (loss) on derivatives	
Net realized gain (loss) on options written	(32,276)
Net change in unrealized appreciation (depreciation) of options written	137,324
Net gain (loss) on derivatives	105,048
<b>Total income (net)</b>	<b>\$ 1,015,029</b>
<b>Expenses (Note 5)</b>	
Management fees	\$ 13,117
Shareholder reporting costs	11,419
Audit fees	16,878
Transfer agency fees	4,708
Custodian fees and bank charges	23,290
Independent Review Committee fees	34
Filing fees	3,326
Interest expense (Note 10)	21,776
Transaction costs (Note 9)	3,647
<b>Total expenses</b>	<b>\$ 98,195</b>
Expenses absorbed by Manager (Note 5)	(39,407)
<b>Total expenses (net)</b>	<b>\$ 58,788</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares</b>	<b>\$ 956,241</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares per share (Note 4)</b>	<b>\$ 1.63</b>

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



# Harvest Shopify Enhanced High Income Shares ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES	
For the period (Note 1) ended December 31,	2025
Net assets attributable to holders of redeemable shares beginning of the period	\$ -
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 956,241
<b>Redeemable share transactions</b>	
Proceeds from issue of redeemable shares	19,537,187
Redemption of redeemable shares	(8,607,093)
<b>Net redeemable share transactions</b>	<b>\$ 10,930,094</b>
<b>Distributions to holders of redeemable shares</b>	
Net investment income	(448,397)
Capital gains	(270,353)
<b>Total distributions to holders of redeemable shares</b>	<b>\$ (718,750)</b>
<b>Net assets attributable to holders of redeemable shares end of period</b>	<b>\$ 11,167,585</b>

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



# Harvest Shopify Enhanced High Income Shares ETF

<b>STATEMENT OF CASH FLOWS</b>	
<b>For the period (Note 1) ended December 31,</b>	<b>2025</b>
<b>Operating activities</b>	
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 956,241
<b>Add (deduct) items not affecting cash:</b>	
Realized (gain) loss on sale of investments	(696,236)
Realized (gain) loss on options written	32,276
Net change in unrealized (appreciation) depreciation of investments	(213,745)
Net change in unrealized (appreciation) depreciation of options written	(137,324)
Proceeds from sale of investments (Note 4)	3,951,446
Purchases of investments (Note 4)	(7,441,544)
Net change in non-cash assets and liabilities	6,771
<b>Net cash flow provided by (used in) operating activities</b>	<b>\$ (3,542,115)</b>
<b>Financing activities</b>	
Proceeds from redeemable shares issued (Note 4)	787,462
Redemption of redeemable shares (Note 4)	254,436
Net borrowing (repayment) of loan payable (Note 10)	3,030,005
Distributions paid to holders of redeemable shares	(506,250)
<b>Net cash flow provided by (used in) financing activities</b>	<b>\$ 3,565,653</b>
Net increase (decrease) in cash during the period	23,538
Cash, beginning of the period	-
<b>Cash, end of the period</b>	<b>\$ 23,538</b>
<b>Supplemental disclosure of cash flow information</b>	
Interest paid during the period*	\$ 15,005

\* included in operating activities

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



# Harvest Shopify Enhanced High Income Shares ETF

SCHEDULE OF INVESTMENTS		As at December 31, 2025	
Number of Shares*	Security	Average Cost (\$)	Fair Value (\$)
<b>EQUITIES</b>			
<b>Information Technology – 126.9%</b>			
64,124	Shopify Inc., Class A	13,957,659	14,171,404
<b>Total equities – 126.9%</b>		<b>13,957,659</b>	<b>14,171,404</b>
<b>OPTIONS</b>			
<b>Information Technology – (0.4%)</b>			
(7,200)	Shopify Inc. – Jan 2026 @ CAD \$224	(57,600)	(17,820)
(13,700)	Shopify Inc. – Jan 2026 @ CAD \$238	(122,615)	(25,071)
<b>Total options – (0.4%)</b>		<b>(180,215)</b>	<b>(42,891)</b>
<b>Total investments – 126.5%</b>		<b>13,777,444</b>	<b>14,128,513</b>
<b>Loan payable (Note 10) – (27.1%)</b>			<b>(3,030,005)</b>
<b>Other assets less liabilities – 0.6%</b>			<b>69,077</b>
<b>Net assets attributable to holders of redeemable shares – 100.0%</b>			<b>11,167,585</b>

\* For options, this represents the total number of shares of the equity position available for assignment under the terms of the option contracts.



# Harvest Shopify Enhanced High Income Shares ETF

## FUND SPECIFIC NOTES TO THE FINANCIAL STATEMENTS

For an explanation of the following disclosures please refer to the accompanying notes to these financial statements.

### FUND DETAILS

Harvest High Income Shares ETF Corp. (the "Company") is a multi-class open ended mutual fund corporation established under the laws of the province of Ontario pursuant to Articles of Incorporation dated August 6, 2025, being the inception date of the Company. Each corporate class ETF is a class of shares of the Company. The inception date of the Harvest Shopify Enhanced High Income Shares ETF of the Harvest High Income Shares ETF Corp. (the "Fund") was August 14, 2025 and the Fund commenced operations on August 19, 2025. Harvest Portfolios Group Inc. is the Manager and Portfolio Manager of the Company. The address of the Company's registered office is 610 Chartwell Road, Suite 204, Oakville, Ontario, L6J 4A5.

As an alternative mutual fund, the Fund may use leverage. In accordance with applicable securities regulations, leverage may be created by an alternative mutual fund through the use of cash borrowings, short sales and/or derivatives. Such securities regulations provide that an alternative mutual fund, such as the Fund, may borrow cash up to 50% of its net asset value ("NAV") and may sell securities short, whereby the aggregate market value of the securities sold short will be limited to 50% of its NAV. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 50% of its NAV. In addition, securities regulations provides that an alternative mutual fund's aggregate gross exposure, to be calculated as the sum of the following, must not exceed 300% of its NAV: (i) the aggregate market value of cash borrowing; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of specified derivatives excluding any specified derivatives used for hedging purposes. Leverage will be calculated in accordance with the methodology prescribed by securities laws, or any exemptions there from.

As an alternative mutual fund, under NI 81-102, the Fund is permitted to use strategies generally prohibited by conventional mutual funds, including the ability to invest in other alternative mutual funds, more than 10% of its NAV in securities of a single issuer, the ability to borrow cash to use for investment purposes and short selling beyond the limits prescribed for conventional mutual funds, as well as increased ability to invest in commodities.

The Fund currently anticipates achieving its investment objective and creating leverage through the use of cash borrowing of, at least initially, approximately 25% of NAV and it is anticipated that the Fund will maintain a leverage ratio within this range and not exceeding 33% of NAV. Portfolio assets of the Fund may be pledged and/or delivered to the prime broker or prime brokers that lend cash to the Fund for this purpose under agreements which permit the prime brokers to rehypothecate or use such portfolio assets as part of their securities business. As a result, at any given time, it is generally expected that a substantial portion of the portfolio of the Fund may be held by one or more prime brokers.

The Fund's investment objective is to provide shareholders with high monthly cash flows and an opportunity for long-term capital appreciation on a levered basis by investing in the common stock of Shopify Inc. ("Shopify").

### REDEEMABLE SHARES (Note 4)

The Fund offers ETF shares that are offered in Canadian dollars and the Fund will not be hedged.

The ETF shares trade on the TSX under the symbol SHPE. The closing price per ETF share was as follows:

	December 31, 2025
ETF Shares	\$13.15

### Subscriptions and Redemptions

The following shares were issued and/or redeemed during the period:

	Class A
<b>Initial issuance, August 19, 2025</b>	<b>100,000</b>
Redeemable shares issued	1,375,000
Redeemable shares redeemed	(625,000)
<b>Total outstanding as at December 31, 2025</b>	<b>850,000</b>
<b>Weighted average number of shares outstanding as at December 31, 2025</b>	<b>586,852</b>

The following table presents the amount of in-kind subscriptions and redemptions transactions that occurred during the period.

	December 31, 2025
Value of securities received (\$)	18,749,725
Value of securities paid (\$)	(8,861,529)

### RELATED PARTY TRANSACTIONS AND OTHER EXPENSES (Note 5)

#### Management fees

The Manager is entitled to a fee of 0.40% of the average daily NAV, plus applicable taxes, per annum of the Fund.

#### Other expenses

The following expenses are included in the securityholder reporting costs on the Statement of Comprehensive Income (Loss):

For the period ended	Amount (\$)
December 31, 2025	359



# Harvest Shopify Enhanced High Income Shares ETF

## Waivers and absorptions

There were no management fee waivers for the period ended December 31, 2025. The Manager absorbed the following expenses:

For the period ended	Amount (\$)
December 31, 2025	39,407

## Other transactions

Officers, directors and related entities of the Manager invest in shares 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, 2025, officers and directors did not own shares of the Fund.

## FINANCIAL INSTRUMENTS - RISK MANAGEMENT (Note 6)

### Other price risk

Investments traded on public stock exchanges represented the following percentages of the Fund's net assets attributable to redeemable shares:

	% net assets
December 31, 2025	126.5

If equity prices on these exchanges had increased or decreased by 5%, as at period end, with all other factors remaining constant, net assets attributable to holders of redeemable shares would have increased or decreased by approximately the following amounts:

	Amount (\$)
December 31, 2025	706,426

### Interest rate risk

As at December 31, 2025, the Fund did not hold any bonds or material money market instruments; therefore, the Fund had no significant exposure to interest rate risk.

A fund that has an interest-bearing liability is exposed to risks associated with the effects of fluctuations in interest rates on its cash flows.

The amount of interest-bearing liabilities in the form of a margin loan with prime brokers is as follows:

	Amount (\$)
December 31, 2025	3,030,005

If interest rates were to increase or decrease by 1 percentage point, the total amount of interest expense on an annualized basis and related cash flows would be higher or lower by the following:

For the period ended	Amount (\$)
December 31, 2025	30,300

### Liquidity risk

As at December 31, 2025, all the Fund's financial liabilities had maturities of less than three months or were payable on demand.

In addition, the Fund had a margin loan that is repayable on demand. The margin loan is secured with collateral in accordance with the Canadian Investment Regulatory Organization rules, such as collateral consisting of the underlying portfolio of securities held by the Fund in accordance with its investment strategies.

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.

### Credit risk

As at December 31, 2025, the Fund did not have significant credit risk exposure.

### Currency risk

The Fund had no significant direct or indirect currency risk exposure as at December 31, 2025.



# Harvest Shopify Enhanced High Income Shares ETF

## Fair value of financial instruments

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

Investments at fair value as at December 31, 2025				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>Financial Assets</b>				
<b>Equities</b>				
Common Stock	14,171,404	-	-	14,171,404
<b>Total Financial Assets</b>	<b>14,171,404</b>	<b>-</b>	<b>-</b>	<b>14,171,404</b>
<b>Financial Liabilities</b>				
<b>Derivatives</b>				
Options	(42,891)	-	-	(42,891)
<b>Total Financial Liabilities</b>	<b>(42,891)</b>	<b>-</b>	<b>-</b>	<b>(42,891)</b>

There were no Level 3 securities held by the Fund as at December 31, 2025, and there were no transfers between Level 1 and Level 2 for the period ended December 31, 2025.

## Concentration risk

The Fund's investment objective is to invest up to 100% of total assets in Shopify and participate in an active covered call strategy of Shopify. The Fund is not expected to have exposure to any other investments or assets, other than cash. The Fund is subject to concentration risk as the Fund will invest substantially all of its total assets in Shopify.

## SECURITIES LENDING TRANSACTIONS (Note 7)

The Fund did not engage in any securities lending transactions during the period ended December 31, 2025.

## TAXATION (Note 8)

The Fund is a corporate class ETF of the Company, and the Company qualifies as a mutual fund corporation under the Income Tax Act (Canada). For tax purposes, the Company has a December 31 year end. The Company has not accrued any income taxes payable for the period ended December 31, 2025.

As at the last taxation year end, the Company had the following capital losses which can be carried forward indefinitely and applied against future capital gains.

	Amount (\$)
Capital Losses	-

As at the last taxation year, the Company had the following non-capital losses available to offset against income in future years.

	Amount (\$)	Year of expiry
Non-Capital Losses	-	-

## SOFT DOLLAR COMMISSIONS (Note 9)

The value of such research services included in commissions paid to brokers for the period ended December 31, 2025 amounted to \$nil.

## LOAN PAYABLE (Note 10)

The Fund has entered into prime broker agreements with wholly owned subsidiaries of Canadian chartered banks (the "Prime Brokers") in order to facilitate borrowing for the purpose of investing in accordance with its investment strategy. The Fund may borrow against collateral on deposit with the Prime Brokers with such borrowing being repayable on demand. Interest is payable on any borrowings at a variable rate of interest that is calculated daily and payable monthly. The interest incurred during the period is presented as interest expense on the Statement of Comprehensive Income (Loss) in the financial statements.

The table below summarizes the minimum and maximum amount borrowed under the agreement, the interest incurred, and the range of variable rate of interest during the period:

For the period ended	December 31, 2025
Minimum amount borrowed	-
Maximum amount borrowed	\$3,030,005
Interest expense	\$21,776
Range of variable rate of interest	2.80% - 3.30%



## Harvest Shopify Enhanced High Income Shares ETF

The Fund may borrow up to 33% but intends to borrow approximately 25% of its net asset value at any given time. The amount of borrowing and the percentage of the net asset value of the Fund is as follows:

<b>As at</b>	<b>December 31, 2025</b>
Amount of borrowing	\$3,030,005
Amount borrowed as % of net assets	27.1%
Market value of investments held as collateral at Prime Broker	\$7,735,000



# Notes to Financial Statements

December 31, 2025

## 1. GENERAL INFORMATION

Harvest High Income Shares ETF Corp. (the "Company"), is a mutual fund corporation established under the laws of the Province of Ontario pursuant to Articles of Incorporation dated August 6, 2025, being the inception date. Harvest Portfolios Group Inc. ("Harvest" or the "Manager") is the manager and portfolio manager of the Company. The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares and one class of voting shares designated as "Class J Shares". Each Fund is a class of shares of the Company and is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. The financial statements of each Fund of the Company present financial information of each class as its own reporting entity. As the Company as a whole is liable for the expenses and obligations of all classes, there exists the possibility that if a class cannot satisfy its own obligations, they may be satisfied using assets attributable to other classes within the same Company. The Manager, however, believes that the risk of cross class liability is remote and is diligent to minimize such liability.

### Reporting Period

The Statement of Financial Position is as of December 31, 2025. The Statement of Comprehensive Income (Loss), Statement of Changes in Net assets Attributable to Holders of Redeemable Shares and Statement of Cash Flows are for the period from August 19, 2025 (commencement of operations) to December 31, 2025.

## 2. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standard as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These financial statements were authorized for issue by Harvest on March 19, 2026.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

### 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, as applicable, are measured at FVTPL based on its business model. The Fund's obligation for net assets attributable to holders of redeemable shares 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 shareholders. As at December 31, 2025, there were no differences between the Fund's NAV per share and its net assets per share calculated in accordance with IFRS Accounting Standards 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 or exchange traded funds. Derivatives held include options and foreign currency forward contracts.

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 indicators 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 that 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.

### Classification of redeemable shares

Under IFRS Accounting Standards, IAS 32 Financial Instruments – Presentation requires that 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 shares include different redemption rights and in some instances are redeemable at 95% of market value of the shares on the exchange. As a result, the Fund's shares 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. Interest for distribution purposes includes interest on cash balances and any coupon interest received by the Fund is accounted for on an accrual basis. Securities lending income is recognized when earned. The cost of investments is determined using the average cost method.

### Foreign currency translation

The Fund's subscriptions and redemptions are 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 Statement 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 options are included in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on options written" and "Net change in unrealized appreciation (depreciation) of options written", respectively. Realized and unrealized foreign currency gains or losses on assets and liabilities, other than investments and options, denominated in foreign currencies are included in the Statement 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 Statement of Financial Position are translated into Canadian dollars on the statement date.



# Notes to Financial Statements

December 31, 2025

## Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

## Redeemable shares valuation

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

## Options

The Fund may engage in option contract transactions if applicable to its investment strategies. An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific number of securities or a financial instrument at a pre-determined price. The seller receives a premium from the purchaser in consideration for the assumption of a future securities price.

The premium received upon writing an option is recorded at cost as "Payable for option contracts written" in the Statement of Financial Position. As long as the position of the written option is maintained, the liability for written options is revalued at an amount equal to the current market value of the option. Any gain or loss resulting from revaluation is reflected in the Statement of Comprehensive Income (Loss) in "Net changes in unrealized appreciation (depreciation) of options written".

The gain or loss on sale or expiry of options is reflected in the Statement of Comprehensive Income (Loss) in "Net realized gain (loss) on options written".

## Increase (decrease) in net assets attributable to holders of redeemable shares per share

"Increase (decrease) in net assets attributable to holders of redeemable shares per share" in the Statement of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable shares, divided by the weighted average shares outstanding for the financial period.

## 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 obtained from the pricing sources may be indicative and not executable or binding.

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

## Accounting standards issued not yet effective

The International Accounting Standards Board ("IASB") issued IFRS 18, Presentation and Disclosure in Financial Statements on April 9, 2024, which will replace IAS 1, Presentation of Financial Statements. This new standard, effective for annual periods beginning on or after January 1, 2027, aims to improve financial statement comparability and transparency by introducing a more structured statement of comprehensive income. Key changes include new categories for income and expenses (operating, investing, and financing), defined subtotals like operating profit, and requirements for management-defined performance measures. It is anticipated the Fund's classification of income and expenses, particularly within the operating category, will be impacted. The Manager is actively assessing the implications of IFRS 18 and its impact on the Fund's financial statements and disclosures.

In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 related to classification and measurement of financial instruments. The amendments include clarifying the date of recognition and derecognition of some financial assets and liabilities, further guidance on assessing the sole payments of principal and interest condition criterion, and new disclosures for certain instruments. The effective date for these amendments is for annual periods beginning on or after January 1, 2026. At this time, the Manager is evaluating the implications of these changes for the Fund's financial statements and disclosures.

## 4. REDEEMABLE SHARES

The authorized capital of the Fund consists of an unlimited number of transferable shares, each of which represents an equal, undivided interest in the net assets of the Fund. Except as provided in the articles of incorporation, as applicable, all shares have equal rights and privileges. Each share is entitled to participate equally in any and all distributions made by the Fund.

### 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 shares of the Fund.

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

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

On any Business Day, shareholders may redeem shares for cash or exchange shares for baskets of securities and cash. Shares redeemed for cash may be redeemed at a redemption price per shares equal to 95% of the closing price for the shares on the TSX on the effective day of the redemption, subject to a maximum redemption price per share equal to NAV. Shares exchanged for baskets of securities will be exchanged at a price equal to the NAV of the shares on the effective date of the exchange request, payable by delivery of baskets of securities and cash. The shares will be redeemed in the exchange.



# Notes to Financial Statements

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The portion of subscriptions and redemptions that are settled with baskets of securities are referred to as in-kind transactions. In accordance with IAS 7, the Fund excludes non-cash transactions from operating and financing activities within the Statement of Cash Flows. The primary difference between amounts issued and redeemed within the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares and the Statement of Cash Flows relate to in-kind transactions. Similarly, "Purchases of investments" and "Proceeds from sale of investments" within the Statement of Cash Flows appropriately exclude in-kind transactions.

## Distributions

The Fund intends to make monthly cash distributions to shareholders of record on the last Business Day of each month and pay such cash distributions on or before the 6<sup>th</sup> Business Day of the following month. The Fund does not have a fixed dividend or distribution amount. The amount of monthly dividends or distributions may fluctuate from monthly, quarterly or annually, as applicable, and there can be no assurance that the Fund will make any dividend payment or distribution in any particular period or periods.

## 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 charged daily and paid monthly at an annualized percentage of the NAV of the Fund, plus applicable taxes.

The Manager, in its discretion, may agree to charge a Fund and/or certain shareholders 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 shareholder as a management fee rebate. Any reduction will depend on a number of factors, including the amount of account activity. Any tax consequences of a management fee rebate will generally be borne by the shareholder 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 shares, 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 each Fund.

### Other expenses

The Manager may 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 shareholders and other shareholder 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 funds managed by Harvest and/or class/series of each applicable fund. These expenses are included in the shareholder reporting costs on the Statement of Comprehensive Income (Loss).

For the year ended December 31, 2025, fees paid or payable to PricewaterhouseCoopers LLP and other PwC Network firms for audit services to public interest entity funds managed by Harvest were \$1.0 million (2024 - \$0.6 million). Fees for other services were \$0.7 million (2024 - \$0.5 million).

### Waivers and absorptions

At its sole discretion, the Manager may waive management fees or absorb expenses of the Fund and may cease doing so at any time without notice to shareholders.

## 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. The Fund Specific Notes to these financial statements present information about direct risks, as applicable.

As the Fund may utilize leverage, it is considered an alternative mutual fund within the meaning of NI 81-102 and is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. As an alternative mutual fund, under NI 81-102, the Fund is permitted to use strategies generally prohibited by conventional mutual funds, including the ability to invest in other alternative mutual funds, borrow cash to use for investment purposes and increased ability to invest in commodities. While these specific strategies will be used in accordance with the Fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which an investment decreases in value.

### 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 Fund's future investment results may be materially adversely affected as a result.

### 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.

### 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.



# Notes to Financial Statements

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## 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 shares as described in Note 4, which are settled by the delivery of securities or cash. The Fund is not exposed to significant liquidity risk when settlement is with the delivery of securities. In order to settle redemptions by delivery of cash it may be necessary for the Fund to dispose of securities to meet its obligations. The Fund maintains sufficient liquidity by primarily investing in securities that are actively traded in public markets and can be readily disposed of. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

## 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 a 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.

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.

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

## 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.

## 7. SECURITIES LENDING

The Fund may enter into securities lending arrangements. These transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities on demand. Income is earned from these transactions in the form of fees paid by the counterparty. Income earned from these transactions is included in "Securities lending income" in the Statement of Comprehensive Income (Loss). A reconciliation of the gross amount generated from securities lending transactions to the amount of lending fees earned is disclosed in the Fund Specific Notes of the Fund. The aggregate market value of all securities loaned by a fund is not permitted to exceed 50% of the NAV of that fund.

The minimum allowable collateral is 102% of the current value of the loaned securities as per the requirements of National Instrument 81-102 (NI 81-102). Collateral received are qualified securities and have designated ratings (where applicable) within the meaning of NI 81-102 and may be comprised of (A) evidence of indebtedness that is issued, or fully and unconditionally guaranteed as to principal and interest by (i) the government of Canada or any province or territory of Canada, (ii) the government of the United States of America or any state thereof, (iii) the government of another sovereign state or a permitted supranational agency within the meaning of National Instrument 81-102, (iv) a bank, loan corporation, trust company, insurance company, treasury branch, credit union or caisse populaire that is authorized to carry on business in Canada or in a province or territory of Canada or the Confederation des caisses populaires et d'économie Desjardins du Québec, (v) a financial institution that is not incorporated or organized under the laws of Canada or a province or territory of Canada, provided the evidences of indebtedness of that issuer or guarantor that are rated as short term debt by a designated rating organization have a designated rating each within the meaning of NI 81-102; (B) commercial paper that has a term to maturity of 365 days or less that was issued by a person or company other than a government or permitted supranational agency within the meaning of NI 81-102; or (C) securities that are immediately convertible into or exchangeable for the same or a greater number of securities of the same issuer, class or type, and the same term if applicable as the loaned securities.

The fair value of securities on loan and collateral received are presented in the Fund Specific Notes of the Fund.

## 8. TAXATION

The Company qualifies as a mutual fund corporation under the Income Tax Act (Canada) (the "Act"). Each Fund is a class of shares of the Company. The Company as a whole is liable for the expenses and obligations of all classes. The Company is subject to income tax in each taxation year on the amount of its net income for the taxation year, including net realized taxable capital gains, if any, at the rate applicable to mutual fund corporations. The general income tax rules associated with a public corporation also apply to a mutual fund corporation with the exception that taxes payable on net realized capital gains are refundable on a formula basis when its shares are redeemed or when it pays capital gains dividends out of its capital gains dividend account to its shareholders.

A mutual fund corporation is permitted to flow through certain income to investors in the form of dividends, specifically capital gains and dividends from taxable Canadian corporations. However, a mutual fund corporation cannot flow through most other income including income realized in respect of derivative transactions that are not otherwise treated as capital gains, interest, trust income and foreign income, including most foreign source dividends. If this type of income, calculated for the Company as a whole, is greater than the expenses or other deductions from income or taxable income available to the Company (including any available losses and loss carryforwards to the extent deductible), the Company would generally become taxable. The Manager will track the income and expenses of each class or series of shares of the Company separately, so that if the Company becomes taxable, the Manager may allocate the Company's tax liability to those classes or series whose taxable income exceeded available expenses or other deductions.

Interest and foreign income are taxed at normal corporate rates applicable to mutual fund corporations and can be reduced by permitted deductions for tax purposes. All the expenses including management fees, administration fees and operating expenses will be taken into account in determining its overall tax liability.



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As a mutual fund corporation, taxable dividends received from taxable Canadian corporations are subject to a Part IV tax of 38 1/3%. Such taxes are fully refundable upon payment of taxable dividends to its shareholders on a basis of \$1.15 for every \$3.00 of dividends paid. Any such tax paid is reported as an amount receivable until recovered through the payment of eligible dividends to shareholders.

All tax on net taxable realized capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders, while the Company qualifies as a mutual fund corporation.

As a result of the capital gains refund mechanism and Part IV tax refunds, the Company recovers any Canadian income taxes paid in respect of its capital gains and taxable Canadian dividends.

As the Manager is a resident of Ontario, the expenses paid by the Fund excluding interest on a loan facility, generally include HST of 13%. HST is calculated using the residency of shareholder in the Fund 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.

## 9. 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.

## 10. LOAN PAYABLE

The Fund may utilize borrowing for investment purposes. Loan payable amounts accrue interest at negotiated rates with such interest being expensed as incurred. The principal Loan payable balance owing at the end of the period is presented on the Statement of Financial Position as "Loan payable". Interest owing but not yet paid at the end of the period is presented as "Interest payable" on the Statement of Financial Position. Interest incurred during the period is presented as "Interest expense" on the Statement of Comprehensive Income (Loss). At initial recognition, a loan payable is measured at fair value which equates to the cash received, adjusted for any transaction costs directly attributable to the issuance of the loan. Thereafter, the loan payable is measured at amortized cost, recognizing interest expense over the period of the loan, calculated using the effective interest rate. Adjusting the carrying amount of the loan for interest payments made and any amortization of transaction costs.





**Harvest**  
HIGH INCOME SHARES™

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