

HPYT

Harvest Premium Yield Treasury ETF



As at October 31, 2023

US Treasury Income, High Yield Through Covered Calls

Fund Facts

TSX Ticker:	HPYT
Management Style:	Active Covered Calls
Asset Class:	Fixed Income
Inception Date:	2023/09/28
Currency:	CAD Hedged
Distribution Frequency:	Monthly
Distribution Method:	Cash or DRIP
Management Fee:	0.45%
Risk Rating:	Low to Medium

Portfolio Metrics

Current Yield*:	15.96%
Average Credit Rating:	AA+
Modified Duration**:	16.1 Years
Weighted Maturity:	25.1 Years
Yield to Maturity:	5.20%
Treasury Bond ETF Holdings:	5
Recent Cash Distribution per Unit:	\$0.1500
Average Market Capitalization:	CA\$40B
Average Dividend Yield:	4.23%

Investment Highlights

The **Harvest Premium Yield Treasury ETF** – A portfolio of ETFs, which hold longer dated US Treasury bonds that are secured by the full faith and credit of the US government, employing up to 100% covered call writing to generate a higher yield and maximize monthly cash flow.

- Exposure to high quality US Treasury Bonds through US listed ETFs
- Covered call strategy increases yields and lowers volatility on underlying holdings
- Experienced active covered call specialists – Harvest ETFs
- Currency hedged with attractive tax efficient income
- Distribution paid monthly, no leverage
- Competitive management fee 0.45%

Investment Goal

HPYT will seek to provide high monthly cash distributions to Unitholders by investing, on a non-levered basis, in a portfolio of exchange traded funds, selected by the Manager, that provide exposure primarily to longer-dated U.S. treasury bonds and are listed on a regulated stock exchange in North America. HPYT will generally write covered call options on up to 100% of the portfolio securities. The level of call option writing may vary based on market volatility and other factors.

Key Benefits



Tax Efficient Income

Tax efficient income above bond yields generated from covered calls.



Downside Protection

A higher income can cushion returns during bond prices fall in shorter periods.



Single Ticket Solution

Access multiple ETFs with issuer diversification for optimal option price targeting.



Portfolio Diversification

Low correlation with equities with a portfolio of longer-dated treasuries & high income.

Fixed Income Investment Process

1	Portfolio: US Treasury ETFs	US listed Treasury ETFs selected for liquidity, options and long duration
2	Active Covered Calls	Using Harvest's covered call strategy, target a 75% baseline write level and adjusting to market conditions for set distributions
3	Ongoing Monitoring	Constantly assess premium capture, early cover chances, and rate-driven upside, while stress-testing distribution for sustainability metrics.
4	Monthly Income	Tax efficient distributions paid monthly.

Holdings

Tickers	ETF Names	Weight
TLT US	iShares 20+ Year Treasury Bond ETF	68.0%
VGLT US	Vanguard Long-Term Treasury ETF	15.4%
SPTL US	SPDR Portfolio Long Term Treasury ETF	10.0%
TLH US	iShares 10-20 Year Treasury Bond ETF	4.8%
EDV US	Vanguard Extended Duration Treasury ETF	4.6%
	Cash and other assets and liabilities	(0.3)%
	Market value of options	(1.0)%
	Foreign currency forwards	(1.4)%

* The current yield represents an annualized amount that is comprised of 12 unchanged monthly distributions multiplied by 12 as a percentage of the closing market price.

** Based on weighted average portfolio of underlying US Treasury Bond ETF holdings. Generally, modified duration can be defined as a measure that assesses a bond's interest rate sensitivity. It is a time-weighted measure that estimates the percentage change in a bond's price for a 1% change in yield. Average credit rating source Bloomberg, based on weighted average credit ratings of underlying bonds.

Commissions, management fees and expenses all may be associated with investing in HARVEST Exchange Traded Funds managed by Harvest Portfolios Group Inc. (the "Funds" or a "Fund"). Please read the relevant prospectus before investing. The Funds' returns are not guaranteed, their values change frequently, and past performance may not be repeated. Tax investment and all other decisions should be made with guidance from a qualified professional.

Distributions are paid to you in cash unless you request, pursuant to your participation in a distribution reinvestment plan, that they be reinvested into Class A units of the Fund. If a Fund earns less than the amounts distributed, the difference is a return of capital.

Certain statements included in this communication constitute forward-looking statements ("FLS", including, but not limited to, those identified by the expressions "expect", "intend", "will" and similar expressions to the extent they relate to the Funds. The FLS are not historical facts but reflect the Harvest's and the portfolio manager of the Funds current expectations regarding future results or events. These FLS are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Although Harvest and the portfolio manager of the Funds believe that the assumptions inherent in the FLS are reasonable, FLS are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. The Funds, Harvest and the portfolio manager of the Funds undertake no obligation to update publicly or otherwise revise any FLS or information whether as a result of new information, future events or other such factors which affect this information, except as required by law.