

# **Annual Report of the Independent Review Committee** **of the Harvest Portfolios Group of Funds**

February 26, 2025

## **The IRC's Annual Report to Securityholders of the Harvest Portfolios Group of Funds**

Dear Securityholder,

In accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds*** ("NI 81-107" or the "Instrument"), Harvest Portfolios Group Inc. ("the Manager") established an Independent Review Committee (the "Committee" or "IRC") for the Funds in September 2009 (the "Funds"). The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is independent of the Funds, of the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to securityholders, covering the period from January 1, 2024 to December 31, 2024 (the "Reporting Period").

### **Mandate of the IRC**

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager on conflicts of interest to which the Manager may be subject when managing the Funds listed at the end of this Report. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Funds, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures, (hereinafter referred to as the "Conflict of Interest Matters manual").

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC's prior approval, in most cases the IRC will provide a decision to the Manager as to whether, in the opinion of the IRC, the Manager's proposed action provides a fair and reasonable result for the Funds. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions ("SIs"). The SIs enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, provided the Manager deals with the conflicts in accordance with the SIs.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict of interest matter to it. In those cases, the IRC has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Funds.

The IRC has engaged Independent Review Inc. to assist it in its duties in accordance with the provisions of the Instrument and the IRC's written charter, to provide certain administrative and record keeping functions, and to act as the IRC's independent secretariat.

## **Composition of the IRC**

The current members of the IRC and their principal occupations are as follows:

<i>Name and municipality of residence</i>	<i>Principal Occupation</i>	<i>Effective Term of Office</i>
Chair, Edna A. Chu <sup>1</sup> , Toronto, Ontario	Lawyer, Compliance Consultant	Appointed on January 1, 2020.  Re-appointed effective January 1, 2023 for three years until December 31, 2025
Karen McRae <sup>2</sup> , Toronto, Ontario	Corporate director and pension fund trustee	Appointed on July 1, 2018.  Retired effective December 31, 2024.
Neil Gross <sup>3</sup> , Mississauga, Ontario	Lawyer and independent public policy consultant	Appointed on October 27, 2021 until December 31, 2023.  Re-appointed effective January 1, 2024 for three years until December 31, 2026.
Pat Dunwoody, Toronto, Ontario	Financial Services Executive	Initially appointed on January 1, 2025 for a period of three years.

Karen McRae's term ended on December 31, 2024. The IRC followed its succession plan and interviewed a number of candidates, having regard to the criteria agreed upon. On August 15, 2024, the IRC appointed Pat Dunwoody to the IRC to replace Ms. McRae with effect from January 1, 2025 for a three-year term.

## **Compensation and Indemnification**

### **Review of Compensation**

At least annually, the IRC reviews its compensation giving consideration to the following:

- the best interest of the funds;
- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member;
- the number of meetings required by the IRC, including special meetings to consider conflict issues brought to the Committee;
- industry best practices, including industry averages and surveys on IRC compensation; and,
- the complexity of the conflict issues brought to the IRC;
- the IRC's most recent self-assessment, as well as any recommendations concerning the IRC's compensation made by the Manager.

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<sup>1</sup> Edna Chu also sits on the independent review committee of investment funds that are reporting issuers managed by C.S.T. Consultants Inc.

<sup>2</sup> Karen McRae also sits on the independent review committee of investment funds that are reporting issuers managed by IA Clarington Investments Inc.

<sup>3</sup> Neil Gross also sits on the independent review committee of investment funds that are reporting issuers managed by Accelerate Financial Technologies Inc, the independent review committee of investment funds that are reporting issuers managed by PIMCO Canada (effective January 1, 2025), the independent review committee of investment funds that are reporting issuers managed by Educators Financial Group (effective January 1, 2025) and the independent review committee of investment funds that are reporting issuers managed by Goodwood Group of Funds.

After a review of the above factors, the IRC determined that its compensation was adequate.

### **Members' Fees**

In aggregate, the IRC members were paid \$36,750 in 2024, plus applicable taxes.

### **Indemnities Granted**

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81 - 107. No payments were paid to the IRC Members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

### **Disclosure of IRC Members' Holdings**

As of December 31, 2024, the IRC Members did not beneficially own, directly or indirectly:

- any material number of units of any of the Harvest Funds;
- any material interest in the Manager; or,
- any material interest in a company or person that provides services to the Manager or the Funds.

### **Decisions and Approvals**

The IRC did not render any decisions or approvals during the Reporting Period

### **Standing Instructions Approved**

The IRC has approved three (3) SIs. These SIs constitute a written approval or decision from the IRC that permits the Manager to proceed with the specific action(s) set out in each SI on an ongoing basis. It may do so without having to refer the conflict of interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. In each case, the SI requires the Manager to comply with its related policy and procedures and to report periodically to the IRC.

#### **Standing Instruction No. 1: Omnibus**

This SI deals with a number of conflicts of interest matters including:

1. Fees and Expenses Chargeable to the Funds
2. Investor Activity
3. Trade Allocations
4. Portfolio Pricing Issues
5. Correcting Portfolio NAV Errors
6. Correcting Other Material Securityholder Account Errors Including Trade Errors
7. Broker Selection
8. Soft Dollar Arrangements
9. Sales Practices
10. Showing Favouritism
11. Voting Proxies or Taking Other Corporate Action
12. Outsourcing to Third-Party Service Providers
13. Personal Trading and the Acceptance of Gifts
14. Client Complaints
15. Capacity Issues

The Manager relied on SI No. 1 during the Reporting Period.

**Standing Instruction No. 2: Inter-fund Trades**

The Manager did not rely on SI No. 2 during the Reporting Period.

**Standing Instruction No. 3: A Fund Undertakes a Future Fund Offering on a Closed-end Fund**

The Manager relied on SI No. 3 during the Reporting Period.

**Manager's Report on its Standing Instructions**

In accordance with the Instrument, the Manager provided a written report to the IRC describing its reliance on the SIs during the Reporting Period. The Manager relied on SI No. 1 and SI No. 3 as there were secondary offerings by the Manager during the Reporting Period. The Manager did not rely on SI No. 2 as there were no inter-fund trades by the Manager during the Reporting Period.

**Funds Served by the IRC**

Harvest Banks & Buildings Income Fund  
Harvest Canadian Income & Growth Fund  
Big Pharma Split Corp  
Harvest Brand Leaders Plus Income ETF  
Harvest Energy Leaders Plus Income ETF  
Harvest Healthcare Leaders Income ETF  
Harvest Tech Achievers Growth & Income ETF  
Harvest Global REIT Leaders Income ETF  
Harvest US Bank Leaders Income ETF  
Blockchain Technologies ETF  
Harvest Global Gold Giants Index ETF  
Harvest Equal Weight Global Utilities Income ETF  
Harvest Clean Energy ETF  
Harvest Travel & Leisure Index ETF  
Harvest Diversified Monthly Income ETF  
Harvest Canadian Equity Income Leaders ETF  
Harvest Healthcare Leaders Enhanced Income ETF  
Harvest Brand Leaders Enhanced Income ETF (terminated June 26, 2024)  
Harvest Tech Achievers Enhanced Income ETF  
Harvest Equal Weight Global Utilities Enhanced Income ETF  
Harvest Canadian Equity Enhanced Income Leaders ETF (terminated June 26, 2024)  
Harvest Travel & Leisure Income ETF  
Harvest Diversified Equity Income ETF  
Harvest Premium Yield Treasury ETF  
Harvest Premium Yield 7-10 Year Treasury ETF (listed January 16, 2024)  
Harvest Canadian T-Bill ETF (listed January 16, 2024)  
Harvest Balanced Income & Growth ETF (listed April 15, 2024)  
Harvest Balanced Income & Growth Enhanced ETF (listed April 15, 2024)  
Harvest Industrial Leaders Income ETF (listed April 15, 2024)  
Harvest Eli Lilly High Income Shares ETF (listed August 21, 2024)  
Harvest Amazon High Income Shares ETF (listed August 21, 2024)  
Harvest Microsoft High Income Shares ETF (listed August 21, 2024)  
Harvest NVIDIA High Income Shares ETF (listed August 21, 2024)  
Harvest Eli Lilly Enhanced High Income Shares ETF (listed August 21, 2024)  
Harvest Amazon Enhanced High Income Shares ETF (listed August 21, 2024)  
Harvest Microsoft Enhanced High Income Shares ETF (listed August 21, 2024)  
Harvest NVIDIA Enhanced High Income Shares ETF (listed August 21, 2024)

This report is available on the Manager's website at <https://www.harvestportfolios.com> or you may request a copy, at no cost to you, by contacting the Manager at 416-649-4541 or toll free at 1-866-998-8298 or by emailing the Funds at [info@harvestportfolios.com](mailto:info@harvestportfolios.com). This document and other information about the Funds are available on [www.sedarplus.com](http://www.sedarplus.com)

Yours truly,

*“Edna A. Chu”*

Edna A. Chu, Chair