

HarvestETFs

Harvest Industrial Leaders Income ETF

Interim Management Report of Fund Performance

June 30, 2025



Harvest Industrial 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 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 Industrial 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 companies that are determined by the Manager of the Fund to be leaders in the industrials sector and sells covered call options on up to 33% of its holdings with the investment objective to generate monthly cash flows 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 invests, with equal weighting as a percentage of its net asset value, in 20 equity securities of industrial issuers where each issuer has market capitalization of at least US\$10 billion and have a strong exchange traded options market.

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, 2025 (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 USA IMI/Industrials Gross Total Return Index (USD)[±] for the Period is as follows:

	Return %
Class A	3.35
MSCI USA IMI/Industrials Gross Total Return Index (USD) [±]	11.20

The primary reason for the divergence is that the index is market-capitalization weighted, has larger number of holdings, and holds companies that do not have liquid options, compared to the Fund that is equally weighted, requires that the holdings have liquid options in order to execute its covered call option strategy and employs a dynamic currency hedging strategy.

The Fund is expected to be unhedged initially, however, some or all of the foreign currency exposure of the portion of the portfolio of the Harvest Industrial Leaders Income ETF that is attributable to the Class A Units may, at the discretion of the Manager, be hedged back to the Canadian dollar.

Factors Affecting Fund Results

The Fund commenced the year with robust performance in January, buoyed by positive economic indicators and initial optimism surrounding a new U.S. administration. However, this momentum was challenged in February and March, as escalating trade policy uncertainties and concerns over a potential global trade war introduced considerable market volatility and led to declines in industrial stocks. A notable reversal occurred from April through June, characterized by a strong rebound. This recovery was primarily driven by a de-escalation of tariff concerns and a pronounced shift in investor focus on the potential economic stimulus emanating from the "One Big Beautiful Bill" Act. Throughout this dynamic Period, the Fund consistently applied its covered call strategy, a core component of its mandate designed to supplement income.

Key drivers influencing the Fund's performance included the evolving landscape of U.S. trade policy, which transitioned from initial threats and market shock to a 90-day pause and a subsequent reduction in the probability of the most severe tariff scenarios. Concurrently, domestic policy, particularly the "One Big Beautiful Bill", emerged as a significant positive catalyst, promising tax cuts and capital expenditure incentives directly beneficial to the industrial sector. The prevailing economic narrative consistently pointed towards a "soft landing" followed by an anticipated reacceleration of economic activity, underpinned by ongoing investment in critical infrastructure, communications, and the expansion of the U.S. electric grid. While generative artificial intelligence ("AI") initially introduced volatility in broader technology markets, its foundational demand for computing power and electricity consistently reinforced the "rebuilding" pillar for industrials, driving demand for electrical components and construction.



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Among the Fund's constituents, shares of United Parcel Service, Inc. weighed on performance with concerns of tariff impacts hampering turnaround efforts for the company while share of automotive auction provider Copart, Inc. fell sharply following its first quarter earnings report as competitive concerns began to surface. Shares of Delta Air Lines, Inc. also fell as investors grew concerned that travel demand was coming under pressure. Offsetting these decliners was strong performance from Uber Technologies, Inc., which was able to shake off competitive concerns related to expanding robo-taxi launches. Shares of General Electric Company also continued to perform well as airlines continued to maintain aging fleets, driving demand for aftermarket parts and services. Geopolitical uncertainty propelled shares of defense contractor RTX Corporation higher during the Period as well.

In accordance with its investment objectives, the Fund continued to implement an active covered call strategy to provide unitholders with consistent monthly cash distributions.

RECENT DEVELOPMENTS

Potential Impact for the Fund

Looking forward, the full economic impact of the "One Big Beautiful Bill Act", particularly its provision for permanent immediate expensing of capital expenditures, is expected to provide continued tailwinds for machinery and construction companies within the industrial sector. Upcoming corporate earnings announcements in July and August will be crucial for setting the tone for the remainder of the year, offering further clarity on fundamental performance amidst the evolving policy landscape. While the direst tariff scenarios appear unlikely, the ongoing evolution of U.S. trade policy, especially with China, will remain a factor to monitor for potential economic and corporate fundamental impacts. Nevertheless, the long-term investment themes of infrastructure modernization, the reshoring of manufacturing capacity, and the foundational demand driven by AI development are expected to continue supporting the industrial sector's growth trajectory.

A significant animating force of uncertainty and volatility during the Period was the rapidly evolving U.S. trade policy, particularly concerning tariffs. The announcement of ultra-high reciprocal tariffs by the U.S. in early April caused a sharp market reaction, highlighting the sensitivity of global markets to trade protectionism. There were pullbacks in some of the proposed tariff initiatives, but they have not fully gone away.

Ongoing conflicts in Eastern Europe and the Middle East continued to be a source of headline risks. These tensions provided some support to safe-haven assets like gold but have contributed to high volatility in global oil prices.

Overall, the broader markets have demonstrated a degree of resilience, becoming less sensitive to daily headlines compared to previous years. However, the above macro uncertainties remain sources of unpredictability going forward with regards to their impacts on the broader markets.

Mid-Year Market Review

For the Period, global financial markets continued to navigate a complex landscape characterized by evolving monetary policy, persistent geopolitical tensions, and shifting trade dynamics. In the early part of the Period, the markets' momentum from 2024 continued. However, uncertainties around new trade policies emerged. That gave rise to heightened volatility across global markets.

In the U.S., the broader equity markets recorded positive returns for the Period, reaching all-time highs in mid-February and again in late June. This represented a continuation of strong performances from 2023 and 2024, despite heightened market volatility, particularly in the spring season. In April, there were meaningful short-term corrections when the markets dropped over 10% in just four trading sessions, nearly falling into bear market territory (characterized as a 20% or more correction). This was primarily due to the announcement of new ultra-high reciprocal tariffs by the U.S. administration. Markets recovered strongly with the subsequent pause in tariffs, signaling that sky-high tariff rates were unlikely to be broadly implemented.

Like previous periods, the strong performance was not uniform across sectors or individual stocks. Notwithstanding, the breadth of participation progressively expanded during the Period and ended with nine of the 11 main sectors in the U.S. posting positive returns.

Industrials was the top performing sector for the Period, aided by strength in the Aerospace & Defense sub-sectors while the tech-like Communication Services sector continued to be very strong. Notably, the Utilities sector was one of the top performing areas of the broader market influenced by the companies perceived as beneficiaries of investment in artificial intelligence ("AI") focused infrastructure given the significant expected power demand increases over the coming decade. Consumer Discretionary was the worst performing sub-sector, however, was heavily influenced by Tesla, Inc. given its weight and negative performance. Health Care was the only other sector with negative returns, driven by increased political and policy initiative scrutiny and financial weakness from select managed care companies.

In the Fixed Income market, U.S. Treasury 10-Year Bond Yields experienced significant fluctuations during the Period. Yields moved higher in April following the tariff announcements, which raised concerns about inflation. The reciprocal tariff package led to over 50 basis points (0.5%) rise in U.S. 10-year Treasury Yields over 5 trading days between April 7 and April 11. This period also saw a downgrade of the U.S. sovereign credit rating by Moody's, further contributing to volatility and fiscal concerns, particularly for longer-dated Treasuries and resulted in bond prices selling off meaningfully in this short period.

As trade tensions eased and inflation data showed some moderation with the U.S. Consumer Price Index drifted from 2.9% at the beginning of the Period, to 2.4% by May 2025, bond markets generally recovered modestly. Despite a volatile period, U.S. Treasury Yields remained largely range-bound in aggregate over the quarter, although the curve steepened, longer date rates moved higher compared to shorter term rates, as the market digested the implications of the "One Big Beautiful Bill Act," which is expected to add significantly to U.S. Federal Reserve debt. This put some upward pressure on longer-dated interest rates, with the markets expectations for significant U.S. Federal Reserve rate cuts being materially reduced.

In Canada, broader equity markets, hit all-time highs at the end of the Period. The initial optimism at the start of the year, which saw the Canadian market reach its all-time high initially on January 30, was tempered by rising political tensions and evolving tariff discussions with the U.S.

The Canadian market's advance had 10 of the 11 sectors posting positive returns with only Health Care posting negative returns. Materials was the strongest performing sector, due to a significant surge in gold prices as investors looked for safe havens amidst the growing geopolitical environment.



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With economic data moderating more quickly in Canada than the U.S. and persistent uncertainty surrounding U.S. tariff policies, the Bank of Canada ("BoC") continued its accommodative stance. After a series of rate cuts in late 2024, the BoC maintained its target for the overnight rate at 2.75% in April and June 2025. This marked a pause in the cutting cycle following 2.25 percentage points of cuts since June 2024, bringing the rate to its theoretical 'neutral rate'. The BoC's decision to hold reflected a need to gain more information on U.S. trade policy and its impacts, considering the downside risks to growth and upward pressures on inflation from higher costs and uncertain tariff outcomes. Comparatively, in the U.S., the effective federal funds target rate was cut by 100 basis points from September 2024 to December 2024, and held steady in the first half of 2025, highlighting the significant differences in economic and fiscal policy positioning.

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. However, if applicable, the Fund may invest in an underlying ETF that will pay management fees and incur operating and trading expenses. If the Fund invests in ETFs that are managed by the Manager, no management fees or incentive fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by such underlying ETFs for the same service. The underlying ETFs in which the Fund invests will pay applicable management fees, and reimburse the Fund accordingly with a Management Fee Distribution.

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 fees, interest, taxes, legal, audit fees, transfer agency fees 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 \$4,221 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 \$32,301 of expenses of the Fund for the Period. The Manager may cease doing so at any time without notice to unitholders.

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

Other transactions

Officers, directors and related entities of the Manager invest in units of the Fund from time to time in the normal course of business and on the same basis as arm's length investors. As at June 30, 2025 officers and directors did not own units of the Fund.

Other funds that are also managed by the Manager owned the following percentage of the NAV of the Fund:

	% net assets
June 30, 2025	51.8

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.

THE FUND'S NET ASSETS PER UNIT	2025	2024
Net assets - beginning of the period²	\$ 11.81	\$ 12.00
Increase (decrease) from operations		
Total revenue	0.07	0.12
Total expenses	(0.06)	(0.10)
Realized gains (losses) for the period	0.17	(0.10)
Unrealized gains (losses) for the period	0.20	0.44
Total increase (decrease) from operations¹	\$ 0.38	\$ 0.36
Distributions³		
From net investment income	(0.02)	-
From capital gains	(0.11)	(0.08)
Return of capital	(0.29)	(0.48)
Total annual distributions³	\$ (0.42)	\$ (0.56)
Net assets - end of the period¹	\$ 11.78	\$ 11.81

RATIOS AND SUPPLEMENTAL DATA	2025	2024
Total net asset value (000's)	\$ 54,779	\$ 45,781
Number of units outstanding (000's)	4,650	3,875
Management expense ratio ⁴	0.98%	0.99%
Management expense ratio before waivers or absorptions ⁴	1.11%	1.35%
Trading expense ratio ⁵	0.11%	0.21%
Portfolio turnover rate ⁶	22.31%	26.00%
Net asset value per unit	\$ 11.78	\$ 11.81
Closing market price (HIND)	\$ 11.79	\$ 11.81

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. Net assets, at the commencement of operations on April 10, 2024 was \$12.00.
3. 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.
4. 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.
5. 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.
6. 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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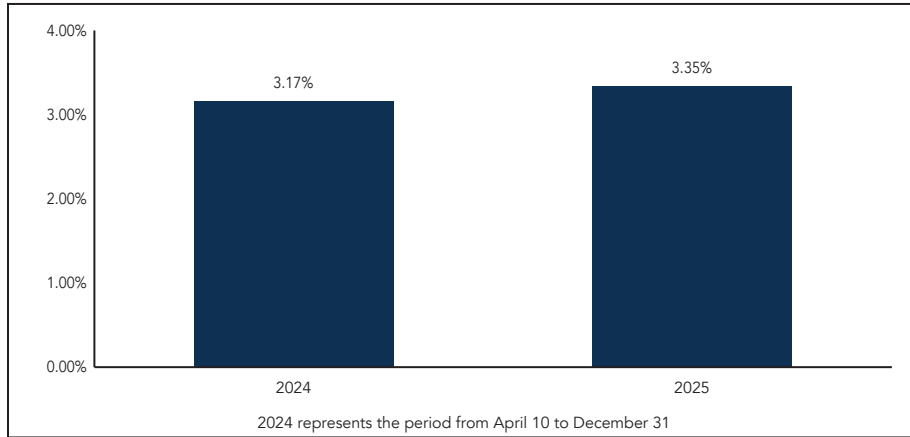
PAST PERFORMANCE

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 chart presents the Fund's performance for each of the years shown. 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 2025 which represents the Period.

Class A



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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, 2025

Top Holdings	% of Net Asset Value
Eaton Corporation PLC	5.1
United Rentals, Inc.	5.1
RTX Corporation	5.1
Fastenal Company	5.0
Copart, Inc.	5.0
Caterpillar Inc.	5.0
Parker-Hannifin Corporation	5.0
General Electric Company	5.0
Union Pacific Corporation	5.0
Canadian Pacific Kansas City Limited	5.0
Delta Air Lines, Inc.	4.9
Deere & Company	4.9
United Parcel Service, Inc., Class B	4.9
AMETEK, Inc.	4.9
Uber Technologies, Inc.	4.9
Republic Services, Inc.	4.9
General Dynamics Corporation	4.9
Lockheed Martin Corporation	4.9
Textron Inc.	4.9
Ingersoll Rand Inc.	4.9
Cash and other assets and liabilities	0.8
Foreign currency forward contracts	0.6
Options	(0.7)
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
Aerospace & Defense	24.8
Machinery	14.9
Ground Transportation	14.9
Trading Companies & Distributors	10.1
Electrical Equipment	10.0
Commercial Services & Supplies	9.9
Agriculture & Farm Machinery	4.9
Air Freight & Logistics	4.9
Passenger Airlines	4.9
Cash and other assets and liabilities	0.8
Foreign currency forward contracts	0.6
Options	(0.7)
Total	100.0



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GEOGRAPHIC ALLOCATION

Country of Risk	% of Net Asset Value
United States	94.3
Canada	5.0
Cash and other assets and liabilities	0.8
Foreign currency forward contracts	0.6
Options	(0.7)
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.

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