



HARVEST Canadian Income & Growth Fund

**2010 Annual Management Report of Fund Performance
2010 Annual Financial Statements**

The Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure, can be obtained at your request, and at no cost, by calling us at 866 998 8298; by writing to us at HARVEST Portfolios Group Inc., 710 Dorval Drive, Suite 200, Oakville, Ontario, L6K 3V7; by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

HARVEST Canadian Income & Growth Fund

CORPORATE OVERVIEW

HARVEST Portfolios Group Inc. ("Harvest") is a Canadian Asset Management company focused on unique and long term income generating investment products. Harvest was founded by long term members of the investment management industry and is focused on developing income investment products that follow three main guidelines:

1. Clear and sound investment mandates
2. Transparent portfolio structures and holdings
3. Steady and consistent income.

INVESTMENT PRODUCT

The Harvest Canadian Income & Growth Fund (the "Fund") has been created to provide investors with income and the potential for capital appreciation over the course of the business cycle by investing primarily in dividend paying securities and income trust units of publicly-traded utilities, industrial, communications, real estate and retail issuers domiciled in Canada.

Should you require any additional information on this product, please review our information at www.harvestportfolios.com or on SEDAR at www.sedar.com, or call us at 866 998 8298.

PRESIDENT'S MESSAGE

Harvest Canadian Income & Growth Fund
Unitholder letter, February 2011.

Dear Valued Unitholder,

2010 completed Harvest's first full year as a Canadian Investment Manager and we are very proud of our achievements and performance over that time. We started the year on the heels of launching the Harvest Banks & Buildings Income Fund, followed by the Harvest Canadian Income & Growth Fund and finishing the year with the Harvest Sustainable Income Fund. Our total Assets Under Management pushed through \$100 million, which is a testament to quality, and well thought out Income generating funds that meet the needs of Canadian investors.

Our Funds are built of the investment principals of i) simple and understandable mandates ii) transparency and iii) income generation. In choosing Avenue Investment Management as the Investment Manager (IM) for these Fund, we felt we had uncovered an IM that was value based in their approach to finding securities and was in lock step with our principals of generating income from these investments without taking on undue risk.

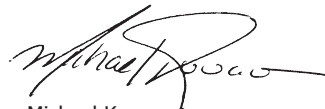
As we move forward into 2011, not only does the economy in Canada continue to show signs of improvement, but developed economies around the world are getting in control of their Fiscal houses. We are excited about the prospects for the developed and developing economies and believe that opportunities to build Global income generating investments for Canadian investors in a similar conservative manner will present themselves as we go forward.

As we start the New Year, interest rates in Canada continue to hover around historical lows while the Canadian dollar hovers above parity with the US dollar. We believe that interest rates will remain low which will leave few fixed income alternatives for investors. We also believe that the Canadian dollar may move higher, but is trading near its historical high which creates more opportunities for Canadians looking for investments abroad.

Your Fund will continue to be managed in a conservative manner, with a focus on quality long term securities and the generation of consistent income.

Thank you for your continued confidence in our Funds.

HARVEST Portfolios Group Inc.



Michael Kovacs
President and Chief Executive Officer

HARVEST Canadian Income & Growth Fund

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

December 31, 2010

The annual management report of fund performance contains financial highlights for the Fund. For your reference, the annual financial statements of the Fund are attached to the annual management report of fund performance. You may obtain additional copies of these documents at your request, and at no cost, by calling toll free at 866 998 8298; by writing to us at HARVEST Portfolios Group Inc., 710 Dorval Drive, Suite 200, Oakville, Ontario, L6K 3V7; by visiting our website at www.harvestportfolios.com; or on SEDAR at www.sedar.com.

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

The Fund's investment objectives are:

- i. to provide Unitholders with monthly distributions (initially targeted to be \$0.07 per Trust Unit (\$0.84 per annum) representing an annual cash distribution of 7.0% based on the \$12.00 per Unit issue price); and
- ii. to maximize long-term total return for Unitholders, while reducing volatility.

INVESTMENT STRATEGIES

The Fund has been created to provide investors with income and the potential for capital appreciation over the course of the business cycle by investing in an actively managed portfolio comprised primarily of dividend-paying securities and income trust units of publicly-traded utilities, industrial, communications, real estate and retail issuers domiciled in Canada. The Investment Manager will focus on the less cyclical segments of the Canadian equities market with the goal of reducing volatility by diversifying away from the main sectors (financials, energy and materials) that make up approximately 75% of the market capitalization on the TSX. The Investment Manager will invest primarily in issuers that it believes have: (i) proven long-term histories of earnings; (ii) established and experienced management; and (iii) business models that are not primarily dependent on commodity prices with a view to delivering:

1. Attractive income generation;
2. Opportunity for capital gains; and
3. Lower volatility relative to the overall S&P/TSX composite index.

RISK

The risks associated with investing in the Fund are as described in the simplified prospectus. There were no material changes to the Fund over its last completed financial period that affected the overall level of risk of the Fund.

RESULTS OF OPERATIONS

During the last six months of the year the fund benefited from the improved outlook of two significant concerns. First were the fears of a European sovereign debt collapse and the second was the double dip recession in the U.S. which continued to diminish. This positive tone improved investor appetite for risk which resulted in equity markets rallying through to the end of the year.

The Canadian economy continues to outpace the most optimistic expectations. We continue to believe that interest rates will remain low, that commodity price should remain high and this will lead to above average economic growth in Canada.

The desire for yield in the present low inflation, low interest rate environment created an increased demand for companies that offered a consistent and growing dividend. The fund's exposure to the utility sector allowed it to perform strongly over the quarter as companies in this sector generally provide both consistent free cash flow and dividends.

We continue to believe that companies in the "non-cyclical" sectors offer attractive yield opportunities. The Canadian equity market continued to see the reallocation of capital from the income trust sector to dividend paying companies.

CHANGES IN FINANCIAL POSITION

The Fund commenced operations on June 29, 2010 with issuance of 2.9 million units at \$12.00 per unit, for total proceeds of \$35 million. On July 20, 2010, an over-allotment option was exercised for an additional 112 thousand units at a price of \$12.00 per Trust Unit for gross proceeds of \$1.3 million.

The Fund paid agents' commissions and issue costs of \$2.5 million. As at December 31, 2010, the Fund had an increase in assets due to operations of \$5.4 million before deduction of Agents' and issue costs and redemptions paid of \$236 thousand.

The Fund received approval from the Toronto Stock Exchange to undertake a normal course issuer bid program for the period from July 23, 2010 to July 26, 2011. Pursuant to the issuer bid, the Fund could purchase up to 302,812 trust units for cancellation when the Net Asset Value per unit exceeded its trading price. During the period ended December 31, 2010, the Fund purchased 20,500 trust units for cancellation by way of a normal course issuer bid through the facilities of the Toronto Stock Exchange (the "TSX").

RECENT DEVELOPEMENTS

There are no other recent developments to report.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the reporting period, except for management fees paid to Harvest.

HARVEST Canadian Income & Growth Fund

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

MANAGEMENT AND SERVICE FEES

The Fund pays its manager, Harvest Portfolios Group ("Harvest"), a management fee calculated daily and paid monthly in arrears, based on an annual rate of 1.25% of the net asset value of the Fund.

At its sole discretion, the Manager may waive management fees or absorb expenses of the Fund. The management expense ratios of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table below.

The Manager has retained Avenue Investment Management Inc. ("Avenue") to provide investment management services to the Fund and pays Avenue a fee for its portfolio advisory service, from the management fee received from the Fund, calculated on the basis of the Fund's net assets.

The Fund is also responsible for payment of all expenses relating to the operation of the Fund and the carrying on of its business. This includes, but is not limited to, legal, audit and custodial fees, taxes, brokerage fees, interest, operating and administrative fees, costs and expenses.

The Fund is also responsible for the fees, costs and expenses of financial and other reports and prospectuses required to comply with all regulatory requirements in connection with the distribution of securities of the Fund. Certain of these fees and expenses are initially paid for by the Manager, and then recovered from the Fund.

LOAN FACILITY

The Fund has established a loan facility with a Canadian chartered bank. The amount of the loan is not to exceed 25 per cent of total net asset value. The Fund has the option of borrowing at the prime rate plus 0.75 per cent of interest. In addition, the Fund is required to pay a standby fee based on the amount of unused borrowings during the period, which is calculated daily, payable quarterly and is included in "Interest expense" on the Statement of Operations. The amount drawn on the loan facility was \$8.5 million during the period from June 29, 2010 to December 31, 2010. There were no stand by fees applicable as the Fund is utilizing the full amount of the facility.

The initial interest paid on the drawdown or renewal of the Bankers Acceptance ("BA") is deferred and amortized over the term of the BA. The unamortized portion of the deferred interest is included under the "Prepaid Interest – loan facility" on the Statement of Financial Position. For the period from June 29, 2010 to December 31, 2010, the Fund recorded an interest expense of \$89 thousand.

The Loan function is to borrow for the purpose of making investments in accordance with its investment objectives and restrictions, and to pledge its assets to secure the borrowings.

Transition to International Financial Reporting Standards

In January 2011, the Canadian Accounting Standards Board ("AcSB") amended their mandatory requirement for all Canadian publicly accountable enterprises to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), permitting investment companies, which includes mutual funds, to defer the adoption of IFRS to fiscal years beginning on or after January 1, 2013.

The AcSB has deferred the mandatory IFRS adoption date to coincide with a new consolidation standard for investment companies that the IASB is scheduled to publish in the first quarter of 2012. Under the current IFRS guidance, investment companies are required to consolidate their controlled investments. The IASB has announced that they will propose that investment companies be exempted from consolidating their controlled investments and account for them at fair value. Canadian GAAP permits investment companies to fair value their investments regardless of whether those investments are controlled.

The Fund has elected to defer the adoption of IFRS to January 1, 2013. The Fund expects to report its financial results for the six month period ended June 30, 2013 prepared on an IFRS basis. The Fund will also provide comparative data on an IFRS basis, including an opening balance sheet as at January 1, 2013. Further revisions by the AcSB to the IFRS adoption date for investment companies are possible.

The Manager has not identified any changes that will impact NAV per unit as a result of the changeover to IFRS. However, this determination is subject to change as we finalize our assessment of potential IFRS differences and as new standards are issued by the IASB prior to the Fund's adoption of IFRS.

HARVEST Canadian Income & Growth Fund

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 from inception to December 31, 2010.

THE FUND'S NET ASSETS PER UNIT ¹	2010	RATIOS AND SUPPLEMENTAL DATA	2010
Net assets - beginning of period ³	<u>\$ 11.17</u>	Total net asset value (000's)	\$ 37,406
Increase / (decrease) from operations		Number of units outstanding (000's)	3,008
Total revenue	0.46	Management expense ratio ⁵	10.99%
Total expenses	(0.25)	Management expense ratio before waivers or absorptions ⁵	10.99%
Realized gains (losses) for the period	0.55	Trading expense ratio ⁶	0.35%
Unrealized gains for the period	<u>1.04</u>	Portfolio turnover rate ⁷	46.92%
Total increase from operations²	<u>1.80</u>	Net asset value per unit ¹	\$ 12.44
Distributions⁴		Closing market price (HCF.UN)	\$ 11.70
From income (excluding dividends)	-		
From dividends	-		
From capital gains	(0.55)		
Return of capital	<u>-</u>		
Total annual distributions⁴	<u>(0.55)</u>		
Net assets - end of period²	<u>\$ 12.42</u>		

Explanatory Notes:

- This information is derived from the Fund's audited annual financial statements. The Net Assets per unit presented in the financial statements differs from the Net Asset Value calculated for weekly Net Asset Value purposes. The difference is primarily a result of investments being valued at bid prices for financial statement purposes and closing prices for weekly Net Asset Value purposes. An explanation of these differences can be found in the Notes to Financial Statements.
- 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.
- Net assets, beginning of period of \$11.17 is net of agents' fees and costs of issue of \$0.83 per unit.
- Distributions were paid in cash.
- 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 daily average NAV during the period. Leverage costs include interest expense and borrowing costs. The MER for 2010 (the year of inception) was 10.99% and included agents' fees of \$1.9 million and costs of issue of \$615 thousand, which were treated as one-time expenses and therefore were not annualized.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the period.
- 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. These ratios are annualized.

HARVEST Canadian Income & Growth Fund

YEAR-BY-YEAR RETURNS

National Instrument 81-106, the regulatory guideline for Continuous Disclosure, does not permit reporting of performance for any investment fund that has been in existence less than one year.

SUMMARY OF INVESTMENT PORTFOLIO

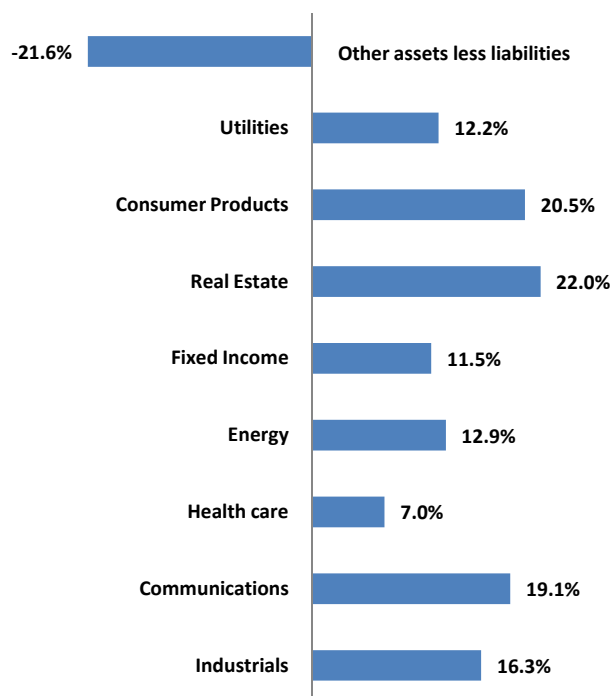
The Portfolio by category chart below provides a portfolio breakdown based on the total transactional net asset value of the Fund's portfolio holdings. A detailed breakdown of the Fund's holdings is available in the "Statement of Investments" section of the Fund's annual report.

AS AT DECEMBER 31, 2010

Top 25 holdings	% of Net Asset Value
TransAlta Corporation 6.40% Nov 18/19	8.7
Bell Aliant Regional Communications Income Fund	6.8
Davis + Henderson Income Fund	6.0
Pembina Pipeline Corporation	5.7
Inter Pipeline Fund L.P. Cl. A	5.2
Medical Facilities Corporation	4.9
Artis Real Estate Investment Trust	4.8
BCE Inc.	4.7
American Capital Agency Corporation	4.6
Capital Power Income LP	4.3
Rogers Sugar Income Fund	4.1
Liquor Stores Income Fund	4.1
Manitoba Telecom Services Inc.	3.9
Telefonica SA ADR	3.6
Cineplex Galaxy Income Fund	3.5
K-Bro Linen Income Fund	3.3
Atlantic Power Corporation	3.3
Corby Distilleries Ltd. Cl. A	3.1
The North West Company Fund	3.0
LeisureWorld Senior Care Corp.	2.9
Timbercreek Mortgage Investment Corp.	2.8
Bird Construction Income Fund	2.8
Just Energy Income Fund	2.8
Boralex Inc. 6.75% Jun 30/17	2.7
Extencicare Real Estate Investment Trust	2.5

SECTOR ALLOCATION

Total Net Assets (100%)



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 from HARVEST Portfolios Group Inc. at www.harvestportfolios.com.

HARVEST Canadian Income & Growth Fund

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 Canadian generally accepted accounting principles 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 2 to the financial statements.

PricewaterhouseCoopers LLP are the external auditors of the Fund. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is set out below.

On behalf of HARVEST Portfolios Group Inc.,



Michael Kovacs
President



Townsend Haines
Chief Financial Officer

Oakville, Canada
March 3, 2011

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of
Harvest Canadian Income and Growth Fund (the Fund)

We have audited the accompanying financial statements of the Fund, which comprise the statement of investments as at December 31, 2010, the statement of financial position as at December 31, 2010 and the statements of operations, cash flows, and changes in financial position for the period from June 29, 2010 (commencement of operations) to December 31, 2010, and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2010 and the results of its operations, its cash flows, and the changes in its financial position for the period from June 29, 2010 (commencement of operations) to December 31, 2010 in accordance with Canadian generally accepted accounting principles.



Chartered Accountants, Licensed Public Accountants

Toronto, Ontario
March 3, 2011

HARVEST Canadian Income & Growth Fund

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2010

In thousands (\$000's), except per unit figures	
Assets	
Investments, at fair value (Cost - \$42,179)	\$ 45,415
Cash and cash equivalents	303
Dividends and interest receivable	370
Prepaid interest - loan facility (Note 8)	59
	46,147
Liabilities	
Loan payable (Note 8)	8,500
Distributions payable	296
	8,796
Net assets representing unitholders' equity	\$ 37,351
Unitholders' equity (Note 3)	
Unitholders' capital	33,233
Warrants	363
Retained earnings	3,755
Unitholders' equity	\$ 37,351
Number of units outstanding	
	3,008
Number of warrants outstanding	
	3,029
Net assets per unit	\$ 12.42
Diluted Net assets per unit	\$ 12.06

STATEMENT OF OPERATIONS

FOR THE PERIOD FROM COMMENCEMENT OF OPERATIONS
June 29, 2010 TO DECEMBER 31, 2010

In thousands (\$000's), except per unit figures	
Investment income	
Dividends	\$ 623
Interest	795
Less: Foreign withholding taxes	(41)
	1,377
Expenses (Note 4)	
Management fees	259
Service fees	73
Unitholder reporting costs	146
Audit fees	20
Legal fees	67
Filing fees	42
Transfer agency fees	13
Custodian fees and bank charges	15
Independent review committee fees	20
Interest expense (Note 8)	89
	744
Net investment income (loss)	633
Realized gain /(loss) on sale of investments	1,699
Transaction costs	(126)
Net realized foreign exchange gain /(loss)	(23)
Net unrealized foreign exchange gain /(loss)	(1)
Unrealized appreciation/ (depreciation) of investments	3,236
Net gain /(loss) on investments	4,785
Increase/ (decrease) in net assets from operations	\$ 5,418
Increase/ (decrease) in net assets from operations per unit	\$ 1.80
Increase / (decrease) in net assets from operations - diluted per unit	\$ 1.80

The accompanying notes are an integral part of the financial statements

HARVEST Canadian Income & Growth Fund

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE PERIOD FROM COMMENCEMENT OF OPERATIONS
June 29, 2010 TO DECEMBER 31, 2010

In thousands (\$000's), except per unit figures	
Net assets, beginning of period	\$ -
Increase /(decrease) in net assets from operations	5,418
Unitholder transactions	
Proceeds from issue of units	36,340
Cost of units redeemed	(236)
Agents' fees	(1,902)
Costs of issue	(615)
Net unitholder transactions	33,587
Distributions to unitholders	
Net investment income	-
Capital gains	(1,654)
Return of capital	-
Total distributions to unitholders	(1,654)
Net assets, end of period	\$ 37,351

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM COMMENCEMENT OF OPERATIONS
June 29, 2010 TO DECEMBER 31, 2010

In thousands (\$000's), except per unit figures	
Operating Activities	
Increase /(decrease) in net assets from operations	\$ 5,418
Add (deduct) items not affecting cash:	
Realized gain on sale of investments	(1,699)
Unrealized appreciation of investments	(3,236)
Proceeds from sale of investments	14,039
Purchases of investments	(54,519)
Total operating activities	(39,997)
Net change in non-cash assets and liabilities	(429)
Financing Activities	
Borrowing from loan facility (Note 8)	8,500
Proceeds from units issued	36,340
Cost of units redeemed	(236)
Agents' fees	(1,902)
Issuance costs	(615)
Distributions to Unitholders	(1,358)
Total financing activities	40,729
Net increase / (decrease) in cash and cash equivalents during the period	303
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	303
Supplemental disclosure of cash flow information	
Amount of interest paid during the period - included in net investment income	\$ 89

The accompanying notes are an integral part of the financial statements

HARVEST Canadian Income & Growth Fund

STATEMENT OF INVESTMENTS

AS AT DECEMBER 31, 2010

Number of Shares	Security	Average Cost (\$000's)	Fair Value (\$000's)	% of Net Assets
Consumer Discretionary Issuers (11.2%)				
58,000	Cineplex Galaxy Income Fund	1,106	1,299	3.5
38,000	Futuremed Healthcare Income Fund	242	239	0.6
100,000	Liquor Store Income Fund	1,509	1,518	4.1
54,000	The North West Company Fund	1,064	1,114	3.0
		<u>3,921</u>	<u>4,170</u>	<u>11.2</u>
Consumer Staples Issuers (9.4%)				
33,000	Altria Group Inc.	729	807	2.2
70,000	Corby Distilleries Ltd.	1,165	1,169	3.1
286,000	Rogers Sugar Income Fund	1,380	1,524	4.1
		<u>3,274</u>	<u>3,500</u>	<u>9.4</u>
Energy Issuers (12.9%)				
130,000	Inter Pipeline Fund L.P. Cl. A	1,876	1,938	5.2
66,000	Parkland Income Fund	745	755	2.0
99,000	Pembina Pipeline Corporation	1,775	2,139	5.7
		<u>4,396</u>	<u>4,832</u>	<u>12.9</u>
Health Care Issuers (7.0%)				
70,000	CML Healthcare Income Fund	720	799	2.1
170,000	Medical facilities Corporation	1,484	1,819	4.9
		<u>2,204</u>	<u>2,618</u>	<u>7.0</u>
Industrial Issuers (16.3%)				
28,000	Bird Construction Income Fund	879	1,030	2.7
35,000	Brookfield Infrastructure Partners LP	627	732	1.9
112,500	Davis + Henderson Income Fund	1,925	2,231	6.0
67,000	K-Bro Linen Income Fund	1,101	1,227	3.3
80,000	Superior Plus Corporation	1,046	886	2.4
		<u>5,578</u>	<u>6,106</u>	<u>16.3</u>
Real Estate Issuers (22.0%)				
60,000	American Capital Agency Corporation	1,715	1,714	4.6
48,000	Annaly Capital Management Inc.	902	854	2.3
136,500	Artis Real Estate Investment Trust	1,412	1,803	4.8
100,000	Extencare Real Estate Investment Trust	902	917	2.4
100,000	Leisure World Senior care Corp.	1,030	1,069	2.9
100,000	Timbercreek mortgage Investment Corp.	1,000	1,045	2.8
40,000	Whiterock Real Estate Investment Trust	484	806	2.2
		<u>7,445</u>	<u>8,208</u>	<u>22.0</u>
Telecommunication Services Issuers (19.1%)				
50,000	BCE Inc.	1,565	1,767	4.7
97,700	Bell Aliant Regional Communications Income fund	2,552	2,539	6.8
51,700	Manitoba Telecom Services Inc.	1,499	1,473	4.0
20,000	Telefonica SA ADR	1,312	1,360	3.6
		<u>6,928</u>	<u>7,139</u>	<u>19.1</u>
Utilities Issuers (12.2%)				
28,000	Atlantic Power Corporation	1,085	1,225	3.3
90,000	Capital power Income Fund LP	1,527	1,617	4.3
69,000	Just Energy Income Fund	889	1,032	2.8
44,100	Northland Power Income Fund	593	691	1.8
		<u>4,094</u>	<u>4,565</u>	<u>12.2</u>
FIXED INCOME (11.5%)				
1,000,000	Boralex Inc. 6.75% Jun 30/17	1,035	1,014	2.7
3,000,000	TransAlta Corporation 6.40% Nov 18/19	3,304	3,263	8.8
		<u>4,339</u>	<u>4,277</u>	<u>11.5</u>
	Total investments (121.6%)	42,179	45,415	121.6
	Liabilities less other assets (-21.6%)		(8,064)	(21.6)
	Net Assets (100.0%)		37,351	100.0

NOTES TO STATEMENT OF INVESTMENTS

AS AT DECEMBER 31, 2010

(In thousands (\$000's), except per unit figures)

Management of Financial Instrument Risk

Investment Objectives

The Fund's investments are exposed to a variety of financial risks: market risk, interest rate risk, credit risk and liquidity risk. The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's financial results.

The undertaking of the Fund is to own a portfolio of securities and to derive income and capital gains from these securities and maximize total return for Unitholders.

The Fund's investment objectives are:

- to provide Unitholders with monthly distributions (initially targeted to be \$0.07 per Trust Unit (\$0.84 per annum) representing an annual cash distribution of 7.0% based on the \$12.00 per Unit issue price); and
- to maximize total return for Unitholders while reducing volatility.

Other price risk

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.

As at December 31, 2010, 110.1% of the Fund's portfolio investments were traded on public stock exchanges. If equity prices on these exchanges had increased or decreased by 5%, as at period end, with all other factors remaining constant, net assets would have increased or decreased by approximately \$2,057.

In practice, the actual trading results may differ and the difference could be material.

Currency risk

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.

As at December 31, 2010, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively, by approximately \$279 or 0.7% of total net assets. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Currency	Currency exposure (\$000's)*	As a % of net assets (%)
U.S. Dollars	5,580	14.9%

The accompanying notes are an integral part of the financial statements

HARVEST Canadian Income & Growth Fund

NOTES TO STATEMENT OF INVESTMENTS

AS AT DECEMBER 31, 2010

(In thousands (\$000's), except per unit figures)

Interest rate risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are falling, the value of these investments rise. Moreover, fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates. If interest rates were to change by 1.0%, the increase / (decrease) in interest earned by the Fund would change by \$43. 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. As at December 31, 2010, the Fund had a loan facility of \$8,500. If interest rates were to change by 1.0%, the interest expense could increase / (decrease) by \$85.

The table below summarizes the Fund's exposure to interest rate risks by either remaining term to maturity or contractual repricing.

Debt Instruments	Fair value	% of Net Assets
Less than 1 year	-	-
1 to 3 years	-	-
3 to 5 years	-	-
Greater than 5 years	4,277	11.5
Total	4,277	11.5

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 primarily invests in securities that are actively traded in public markets and can be readily disposed of to raise liquidity.

The table below analyzes the Fund's financial liabilities into groupings based on the remaining period at the period end date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At December 31, 2010	Less than 1 month	1-3 months	No stated maturity
Loan facility	-	*8,500	-
Distributions payable	296	-	-
Total financial liabilities	296	8,500	-

*Maturity March 14, 2011

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 the Fund. The Fund has exposure to credit risk in its trading of listed securities. The Fund minimizes the concentration of credit risk by trading with a large number of brokers and counterparties on recognized and reputable exchanges. The risk of default is considered minimal as all transactions are settled and paid for upon delivery using approved brokers.

The Fund's greatest concentration of credit risk is in its holdings of fixed income debt instruments. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. This risk is largely mitigated by the high quality standards used to select corporate investments. Ongoing credit assessments are performed on all the Fund's holdings and the exposure level is managed through careful diversification across industry sectors and individual issuers, which helps to minimize this risk. The maximum credit risk of these investments is their fair value at December 31, 2010.

At December 31, 2010, the Fund was invested in debt securities with the following credit ratings:

Debt Securities by Credit Rating*	% of Total Debt Instruments	% of Net Assets
A+	-	-
A - BBB	76.3	8.8
Not Rated	23.7	2.7
Total	100.0	11.5

*Excludes cash & cash equivalents; Credit ratings are obtained from Standard & Poor's, Moody's and/or, DBRS. Where more than one rating is obtained for a security, the lowest rating has been used.

The accompanying notes are an integral part of the financial statements

HARVEST Canadian Income & Growth Fund

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2010

(In thousands (\$000's), except per unit figures)

1. ORGANIZATION

HARVEST Canadian Income & Growth Fund (the "Fund") is an investment trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated May 31, 2010, being the inception date. There was no significant activity in the Fund from the date of Inception, May 31, 2010 to commencement of operations on June 29, 2010. On June 29, 2010, the Fund completed an initial public offering of 2,917 Units at \$12.00 per Unit for gross proceeds of \$35,000. Each Unit consists of one trust unit ("Trust Unit") and one warrant ("Warrant"). Each whole Warrant entitles the holder to purchase one Trust Unit at a subscription price of \$12.00 on or before 5:00 p.m. (Toronto time) on, and only on, November 30, 2011 (the "Warrant Expiry Time"). Warrants not exercised by the Warrant Expiry Time will be void and of no value. On July 20, 2010, an over-allotment option was exercised for an additional 112 Trust Units at a price of \$12.00 per Trust Unit for gross proceeds of \$1,340.

The Fund will become an open-end mutual fund on June 20, 2012. On and after the Conversion, the Units will be redeemable at NAV per Unit on a daily basis, at such time the Units will become subject to NI 81-102. The Fund will provide all Unitholders with written notice at least 60 days prior to the Conversion Date.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are presented in Canadian dollars. The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions. Such estimates and assumptions affect reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

Valuation of investments

The fair value of investments as at the financial reporting date is as follows:

- a) Investments are categorized as held for trading in accordance with CICA Handbook Section 3855. Investments held that are traded on an active market are valued at their bid prices through recognized public stock exchanges or through recognized investment dealers on the valuation date. Investments held include equities, listed warrants, short-term notes, treasury bills, bonds and other debt instruments. Investments held with no available bid prices are valued at their closing sale price.
- b) Investments held that are not traded on 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 in accordance with CICA Handbook Section 3855 methodologies. The fair values of certain securities are 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 indication 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 the 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. At December 31, 2010, there were no securities that required pricing using assumptions.

Cost of investments

The cost of investments represents the amount paid, net of transactions costs, for each security, and is determined on an average cost basis.

Cash and cash equivalents

Cash is comprised of cash on deposit. Cash equivalents are comprised of highly liquid investments having terms to maturity of 90 days or less. Cash and cash equivalents are held for trading and carried at fair market value.

Other assets and liabilities

For the purposes of categorization in accordance with CICA Handbook Section 3862, accrued interest and dividends, prepaid interest, receivable for securities issued, amounts due from brokers, the Manager, and other Funds, and other assets are designated as loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accrued expenses and other liabilities are designated as other financial liabilities and reported at cost or amortized cost, which approximates fair value.

Transaction costs

Transaction costs, such as brokerage commissions, incurred on the purchase and sale of securities by the Fund are recognized in the Statement of Operations in the period in which they are incurred.

Investment transactions and income recognition

Investment transactions are accounted for on the trade date. Realized gains/(losses) from the sale of investments and unrealized appreciation/(depreciation) of investments are calculated on an average cost basis.

Investment income is recorded on an accrual basis. Interest income is recorded on an accrual basis and dividend income is recorded on the ex-dividend date.

Distributions received from investment trusts are recorded as income, capital gains or a return of capital, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information. Distributions from investment trusts treated as a return of capital reduce the average cost of the underlying investment trust. Distributions received from mutual funds are recognized in the same form in which they are received from the underlying funds.

HARVEST Canadian Income & Growth Fund

NOTES TO FINANCIAL STATEMENTS, continued

Securities Classification: As at December 31, 2010

FOR THE PERIOD ENDED DECEMBER 31, 2010

(In thousands (\$000's), except per unit figures)

Foreign currency translation

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 Operations in "Realized gain (loss) on sale of investments" and "Unrealized appreciation (depreciation) of investments", respectively. Realized and unrealized foreign currency gains or losses on assets, liabilities, and income, other than investments denominated in foreign currencies, are included in the Statement of Operations in "Net realized foreign exchange gain/(loss)" and "Unrealized foreign exchange gain (loss)". Balance sheet assets and liabilities are translated into Canadian dollars on the balance sheet date.

Securities valuation

The NAV on a particular date will be equal to the aggregate value of the assets of the Fund less the aggregate value of the liabilities of the Fund, expressed in Canadian dollars at the applicable exchange rate on such date. The NAV and NAV per Trust Unit ("NAV") will be calculated as of 4:00 p.m. (Toronto time) or such other time as the Manager or its agent deem appropriate (the valuation time) every business day (valuation date). A valuation date is each day on which the Toronto Stock Exchange is open for business.

Increase / (decrease) in net assets from operations per unit

"Increase / (decrease) in net assets from operations per unit" in the Statement of Operations represents the increase / (decrease) in net assets from operations, divided by the weighted average units outstanding for the financial period. The "increase / (decrease) in net assets from operations per share – diluted" takes into account the dilutive impact of issuing shares from warrants outstanding when the price that it trades at is higher than the exercise price of \$12.00.

Fair value of financial instruments

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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).

Level 3: Inputs for the asset or liability that are not based on observable market data.

Additional quantitative disclosures are required for Level 3 securities.

There were no Level 3 securities held by the Fund as at December 31, 2010. There were no transfers between Level 1 and Level 2 for the period ended December 31, 2010.

	Level 1	Level 2	Level 3	Totals
Investment In Securities (\$000's)				
Assets at Fair Value				
EQUITIES				
Common Stock	12,249	-	-	12,249
Common Stock Units	19,755	-	-	19,755
Depository receipts	1,360	-	-	1,360
Limited Partnership Units	2,349	-	-	2,349
Mutual Funds	1,045	-	-	1,045
Real Estate Inv. Trusts	4,380	-	-	4,380
TOTAL EQUITIES	41,138	-	-	41,138
FIXED INCOME				
Convertible Bonds	-	1,014	-	1,014
Corporate Bonds	-	3,263	-	3,263
TOTAL FIXED INCOME	-	4,277	-	4,277
TOTAL INVESTMENTS	41,138	4,277	-	45,415
IN SECURITIES				

Transition to International Financial Reporting Standards

In January 2011, the Canadian Accounting Standards Board ("AcSB") amended their mandatory requirement for all Canadian publicly accountable enterprises to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), permitting investment companies, which includes mutual funds, to defer the adoption of IFRS to fiscal years beginning on or after January 1, 2013.

The AcSB has deferred the mandatory IFRS adoption date to coincide with a new consolidation standard for investment companies that the IASB is scheduled to publish in the first quarter of 2012. Under the current IFRS guidance, investment companies are required to consolidate their controlled investments. The IASB has announced that they will propose that investment companies be exempted from consolidating their controlled investments and account for them at fair value. Canadian GAAP permits investment companies to fair value their investments regardless of whether those investments are controlled.

The Fund has elected to defer the adoption of IFRS to January 1, 2013. The Fund expects to report its financial results for the six month period ended June 30, 2013 prepared on an IFRS basis. The Fund will also provide comparative data on an IFRS basis, including an opening balance sheet as at January 1, 2013. Further revisions by the AcSB to the IFRS adoption date for investment companies are possible.

The Manager has not identified any changes that will impact NAV per unit as a result of the changeover to IFRS. However, this determination is subject to change as we finalize our assessment of potential IFRS differences and as new standards are issued by the IASB prior to the Fund's adoption of IFRS.

3. UNITHOLDERS' EQUITY

The authorized capital of the Fund consists of an unlimited number of transferable, Trust Units of one class, each of which represents an equal, undivided interest in the net assets of the Fund. Except as provided in the Declaration of Trust, all Trust Units have equal rights and privileges. Each whole Trust Unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally in any and all distributions made by the Fund.

HARVEST Canadian Income & Growth Fund

NOTES TO FINANCIAL STATEMENTS, continued

FOR THE PERIOD ENDED DECEMBER 31, 2010

(In thousands (\$000's), except per unit figures)

If the price for the redemption of Trust Units is lower than the original average cost per unit, the difference is included in "contributed surplus" on the Statement of Financial Position. If the price is greater than the average cost per unit, the difference is charged to "contributed surplus" until the entire amount is eliminated, and the remaining amount is charged to "retained earnings / (deficit)".

Monthly Redemption

Prior to the Conversion Date, Trust Units may be surrendered prior to 5:00 p.m. (Toronto time) on the 10th Business Day before the last Business Day of the applicable month by the holders thereof for Monthly Redemption. Upon receipt by the Fund of the redemption notice, in the manner described below under the heading "Redemption of Trust Units — Exercise of Redemption Right", the holder of a Trust Unit shall be entitled to receive a price per Trust Unit (the "Monthly Redemption Price") equal to the lesser of:

- (a) 95% of the "market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading during the 20 trading day period ending immediately before the Monthly Redemption Date; and
- (b) 100% of the "closing market price" on the principal market on which the Trust Units are quoted for trading on the Monthly Redemption Date.

If the price for the redemption of Trust Units is lower than the original issue price, the difference is included in "contributed surplus" on the Statement of Financial Position. If the price is greater than the original issue price, the difference is charged to "contributed surplus" until the entire amount is eliminated, and the remaining amount is charged to "retained earnings / (deficit)".

The Fund received approval from the Toronto Stock Exchange to undertake a normal course issuer bid program for the period from July 27, 2010 to July 26, 2011. Pursuant to the issuer bid, the Fund could purchase up to 302,812 of its units for cancellation when the Net Asset Value per unit exceeded its trading price. During the period ended December 31, 2010, 21 units were purchased for cancellation.

The following units were issued and redeemed during the periods indicated:

At December 31, 2010	Units outstanding	Warrants outstanding	Unitholders' capital
Initial Issuance, June 29, 2010	2,917	2,917	32,576
Over allotment	112	112	1,247
Redemptions	(21)	-	(227)
Total outstanding as at December 31, 2010	3,008	3,029	33,596

Issue costs

Certain offering expenses such as costs of creating the Fund, the cost of printing and preparing the prospectus, legal expenses of the Fund and other out-of-pocket expenses incurred by the agents together with the agents' fees payable by the Fund are reflected as a reduction of Unitholders' Equity. The expenses paid are shown in the Statement of Changes in Net Assets.

Warrants

Each whole Warrant entitles the holder to purchase one Trust Unit at a subscription price of \$12.00 on or before 5:00 p.m. (Toronto time) on, and only on, November 30, 2011 (the "Warrant Expiry Time"). Warrants not exercised by the Warrant Expiry Time will be void and of no value. Holders of Warrants who exercise the Warrants will become holders of Trust Units issued through the exercise of the Warrants. Upon the exercise of a Warrant, the Fund will pay a fee equal to \$0.18 per Warrant to the registered dealer whose client is exercising the Warrant and \$0.12 per Warrant to the Agents.

The warrants trade on the TSX under the symbol HCF.WT. At December 31, 2010 the closing price was \$0.11.

Distributions

The Fund intends to make monthly cash distributions to Unitholders of record on the last Business Day of each month and pay such cash distributions on or before the 15th day of the following month. Beginning in June 2011, the Fund will annually determine and announce the indicative distribution amount for the following year based upon the prevailing market conditions. The Indicative Distribution Amount will be \$0.07 per Trust Unit per month (\$0.84 per annum) for the first 12 months of the Fund.

If, in any year after such distributions, there would otherwise remain in the Fund, additional net income or net realized capital gains, a special distribution of such portion of the net income and net realized capital gains as is necessary to ensure that the Fund will not be liable for income tax under the Tax Act will be automatically payable on the last day of that taxation year to Unitholders of record on that date.

4. EXPENSES

Management and service fees

HARVEST Portfolios Group Inc. is the Manager of the Fund and is responsible for managing or arranging for managing the Fund's overall business and operations. The Manager has retained Avenue Investment Management Inc. ("Avenue") to provide investment management services to the Fund and pays Avenue a fee for its portfolio advisory service, from the management fee received from the Fund, calculated on the basis of the Fund's net assets.

The Manager is entitled to a fee of 1.25 per cent of net assets payable monthly. The Fund pays service fees to registered dealers at the rate on 0.40 per cent of the daily net asset value of the Fund. Service fees are accrued daily and paid monthly to the manager, who in turn pays the dealers.

Other expenses

The Manager will be reimbursed by the Fund for all reasonable costs, expenses and liabilities incurred by the Manager for performance of extraordinary 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, benefits and consulting fees; independent directors of the Manager and other administrative expenses and costs incurred in connection with the Fund's continuous public filing and other obligations. These expenses were \$146 for the period ended December 31, 2010.

HARVEST Canadian Income & Growth Fund

NOTES TO FINANCIAL STATEMENTS, continued

FOR THE PERIOD ENDED DECEMBER 31, 2010

(In thousands (\$000's), except per unit figures)

5. 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.

The value of such research services included in commissions paid to brokers for the period ended December 31, 2010 amounted to \$NIL.

6. INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada). The Fund is subject to tax on net income and net realized capital gains during the period which are not paid or payable to unitholders during the year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so the Fund will not be subject to income taxes.

Capital losses may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be applied against future taxable income.

As at the Fund's 2010 taxation year the Fund did not have any tax losses.

Harmonized sales tax

Effective July 1, 2010, goods and services tax ("GST") was replaced by the harmonized sales tax ("HST") in certain provinces and is imposed at higher rates than the GST. Since the applicable HST is being paid by the Fund, it has resulted in an overall increase in expenses incurred by the Fund since the effective date of implementation.

7. NET ASSET VALUE AND NET ASSETS

CICA Handbook Section 3855 requires that the fair value of financial instruments which are actively traded be measured based on the bid price for long positions held and the asking price for short positions held.

The NAV per unit for purposes of unitholder transactions (i.e. purchases, switches, redemptions) and net assets per unit calculated in accordance with CICA Handbook Section 3855 are shown below:

Per Unit (\$):		
	Net asset value (\$)	Net asset (\$)
As at December 31, 2010	12.44	12.42

8. LOAN FACILITY

The Fund has established a loan facility with a Canadian chartered bank. The amount of the loan is not to exceed 25 per cent of total net asset value. The Fund has the option of borrowing at the prime rate plus 0.75 per cent of interest. In addition, the Fund is required to pay a standby fee based on the amount of unused borrowings during the period, which is calculated daily, payable quarterly and is included in "Interest expense" on the Statement of Operations. The amount drawn on the loan facility was \$8,500 throughout the period ended December 31, 2010. There was no stand by fee applicable as the Fund is utilizing the full amount of the facility.

The initial interest paid on the drawdown or renewal of the Bankers Acceptance ("BA") is deferred and amortized over the term of the BA. The current BA of \$8,500 will mature on March 14, 2011. The unamortized portion of the deferred interest is included under the "Prepaid Interest – loan facility" on the Statement of Financial Position. For the period from June 29, 2010 to December 31, 2010, the Fund recorded interest expense of \$89.

The Loan facility is utilized for the purpose of making investments in accordance with its investment objectives and restrictions, and to pledge its assets to secure the borrowings.

HARVEST Canadian Income & Growth Fund

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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 simplified 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 the 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.