

HARVEST Canadian Income & Growth Fund

December 31, 2010

TSX symbol: HCF.UN
HCF.WT

Investment Objectives

The investment objectives are to provide Unitholders with monthly distributions 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.

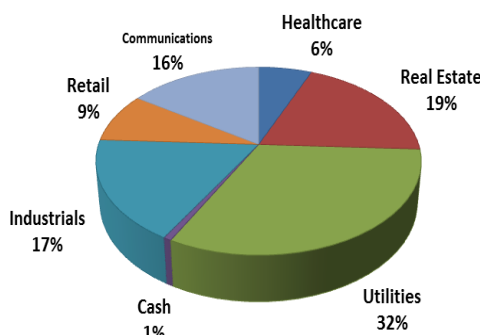
Fund Facts

Sub Advisor	Avenue Investment Management
Assets	\$37.4 million
NAV (undiluted)	\$12.44
NAV (diluted)	\$12.07
Market Price	\$11.70
Current Yield	7.18%
Distribution	.07 cents per unit monthly

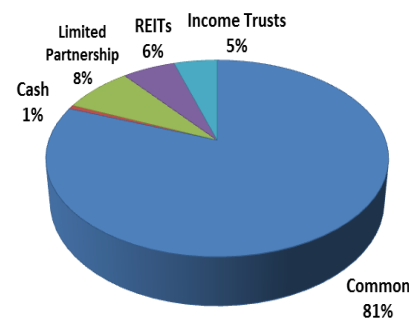
Top 25 Holdings

Transalta Corporation	7.15%
Bell Aliant Regional Communication	5.55%
Davis & Henderson Income Fund	4.87%
Pembina Pipeline Income Trust	4.67%
Inter Pipeline Fund	4.24%
Medical Facilities Corporation	3.99%
Artis Real Estate Investment	3.94%
BCE Inc.	3.86%
American Capital Agency Corporation	3.74%
Capital Power Income	3.53%
Rogers Sugar Inc.	3.34%
Liquor Stores Fund	3.32%
Manitoba Telecom	3.22%
Telefonica Sa	2.97%
Cineplex Galaxy Inc.	2.84%
K Bro Linen Income Fund	2.68%
Atlantic Power Corporation	2.68%
Corby Distilleries Ltd. Class A	2.57%
North West Company Inc.	2.43%
Leisureworld Senior Care Corporation	2.34%
Timbercreek Mortgage Investments	2.28%
Bird Construction Income Fund	2.27%
Just Energy Income Fund	2.26%
Boralex Inc.	2.24%
Extendicare Real Estate Investment	2.01%
Total	84.99%

Sector Allocation



Investment Allocation



Portfolio Geographic Allocation

Canadian	88%	US	12%
----------	-----	----	-----

Distributions (per trust unit)

Since Inception, June 29, 2010	\$0.52
--------------------------------	--------

Warrant Exercise Conversion

Date	Monthly until November 30, 2011
------	---------------------------------

Mutual Fund Conversion

Date	June 20, 2012
------	---------------

Commentary:

The fund benefited this quarter due to the improved outlook of two significant concerns; the fear of a European sovereign debt collapse and an immediate double dip recession in the U.S. The diminishment of these concerns improved investor appetite which resulted in equity markets rallying through to the end of the year.

The desire for yield in the present low inflationary environment created an increased demand for companies that offer a consistent and growing dividend. The fund's exposure to the utility sector allowed it to perform strongly over the quarter as companies in these sectors generally provide both consistent free cash flow and dividends. These characteristics make them very attractive to investors seeking income.

We continue to believe that Canadian companies in "non-cyclical" sectors offer attractive yield opportunities. The Canadian market continues to experience a reallocation of capital as Income Trust companies convert to dividend paying corporations and investors reallocate from Income Trusts to dividend paying equities.

The fund will continue to stay invested and look for Canadian companies primarily in utilities, communications, retail and real estate sectors.

<p>Western Canada Office 1155 West Pender Street, Suite 708 Vancouver, BC V6E 2P4</p>	<p>Head Office 710 Dorval Drive, Suite 200 Oakville, ON L6K 3Y4 1.866.998.8298</p>	<p>Eastern Canada Office 1250 René Lévesque Blvd. West, Suite 2200 Montreal, Quebec H3B 4W8</p>
--	---	--

Disclaimer - Certain statements included above constitute forward-looking statements ("FLS"), including, but not limited to, those identified by the expressions "believe", "will" and similar expressions. The FLS are not historical facts but reflect the manager's current expectations regarding future results or events including, but not limited to, the development of the Canadian economy. These FLS are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Although the manager believes that the assumptions inherent in the FLS are reasonable, FLS are not guarantees of future performance. Readers are cautioned not to place undue reliance on such statements. For a complete disclosure record of the Fund, please visit the Fund's profile at www.sedar.com. The manager undertakes no obligation to update publicly or otherwise revise any FLS or information except as required by law.

