



Harvest Canadian Income & Growth Fund

December 31, 2011

Fund Details

Assets: \$49.2 million
NAV: \$12.46
TSX Symbol: HCF.UN
Market Price: \$12.09
Current Yield: 6.95%
Distribution: \$0.07 per unit monthly
Subadvisor: Avenue Investment Management

Top 25 Holdings (%)

Davis + Henderson Income Corporation	7.0
Inter Pipeline Fund LP, Class A	5.7
Atlantic Power Corporation	5.6
Pembina Pipeline Corporation	5.3
Bell Aliant, Inc.	5.3
BCE Inc.	5.1
Artis Real Estate Investment Trust	4.5
American Capital Agency Corp.	4.1
Rogers Sugar Inc.	3.8
Manitoba Telecom Services Inc.	3.8
Bird Construction Inc.	3.7
Medical Facilities Corporation	3.7
Liquor Stores NA Ltd.	3.5
K-Bro Linen Inc.	3.4
Parkland Fuel Corporation	3.3
Leisureworld Senior Care Corporation	3.1
The North West Company, Inc.	2.8
Yellow Media Inc., 7.30% February 02/15	2.7
Altria Group, Inc.	2.6
Brookfield Infrastructure Partners LP	2.6
Northland Power Inc.	2.2
Keyera Corp.	2.2
Annaly Capital Management, Inc.	2.2
Veresen Inc.	2.1
Corby Distilleries Limited, Class A	2.1
Total	92.4

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, comprising primarily dividend-paying securities.

Manager Discussion

The Fund was up 7.38% for the three months ended December 31, 2011, outperforming its S&P/TSX Index benchmark, which was up 2.85%. For the year ended December 31, 2011, the Fund outperformed the S&P/TSX benchmark with a return of 8.70% versus (11.07%).

The Fund saw strong positive returns from all sectors with industrials having the greatest impact, followed by utilities and real estate. Generally, these sectors have benefited from lower interest rates and strong balance sheets as they are well capitalized and continue to show good free cash flow growth. We continue to believe that high-quality companies with strong balance sheets that can maintain and grow their dividends will outperform in volatile markets.

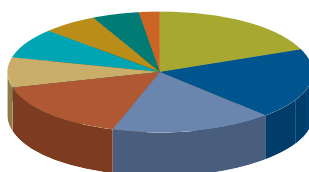
Going into 2012, we believe inflation will remain subdued and interest rates in the developed world will remain low.

Performance (as % of Diluted NAV)**

	3 Month	6 Month	1 Year	Inception*
HCF.UN	7.38%	4.01%	8.70%	23.97%
S&P/TSX Composite Index	2.85%	(10.12%)	(11.07%)	6.14%

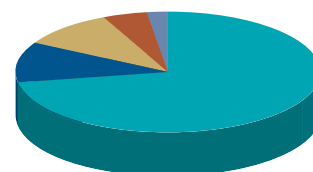
*June 29, 2010

Sector Allocation (%)



Real Estate Issuers	19%	Utility Issuers	8%
Energy Issuers	19%	Consumer Discretionary Issuers	6%
Industrial Issuers	17%	Fixed Income	5%
Telecommunication Services Issuers	16%	Health Care Issuers	2%
Consumer Staples Issuers	8%		

Investment Allocation (%)



Common	73%	Debentures	4%
REITs	11%	ADR	2%
Limited Partnerships	10%		

Portfolio Geographic Allocation	Canada 86% USA 12% Europe 2%
Distributions (per trust unit)	\$1.39 since inception (June 29, 2010)

**The management and servicing fees will increase from 1.65% to 2.25% annually of the NAV when the Fund converts to an open-end mutual fund on June 20, 2012. If the Fund had already converted, since inception performance would be 23.52%.

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The risks associated with investing in investment funds are outlined in each Fund's prospectus, specifically in the section entitled "Risk Factors." These risks are based upon the Fund's investment objectives and strategies and describe the material risks of investing in that Fund under normal market conditions when considering the Fund's portfolio as a whole, not each individual investment within the portfolio. You should discuss the risks of investing in the Fund with your financial advisor before making an investment. Commissions, trailing commissions, management fees and expenses may be associated with investment fund investments. Please read the prospectus before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. Certain statements included herein constitute forward-looking statements and are not historical facts, but reflect on the investment management's current expectations regarding future results or events and are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations.