

HARVEST Canadian Income & Growth Fund

TSX symbol: HCF.UN
HCF.WT

June 30, 2011

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 Details

Sub Advisor	Avenue Investment Management
Assets	\$38.6 million
NAV (undiluted)	\$13.05
NAV (diluted)	\$12.39
Market Price	\$11.89
Current Yield	7.06%
Distribution	.07 cents per unit monthly

Top 25 Holdings

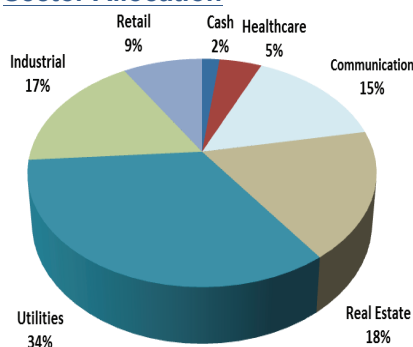
Transalta Corporation	6.34%
Pembina Pipeline Corporation	5.36%
Bell Aliant Inc.	4.75%
Davis & Henderson Income Corporation	4.71%
Inter Pipeline Fund LP	4.39%
Artis REIT	4.09%
BCE Inc.	4.03%
Parkland Fuel Corporation	3.72%
Capital Power Income LP	3.58%
Manitoba Telecom	3.60%
American Capital Agency Corporation	3.59%
Cineplex Galaxy Inc.	3.30%
Medical Facilities Corporation	3.29%
Rogers Sugar Inc.	3.27%
Liquor Stores Fund	3.17%
K Bro Linen Inc.	3.07%
Telefonica S.A.	3.02%
Atlantic Power Corporation	2.60%
Corby Distilleries Ltd. Class A	2.42%
North West Company Inc.	2.33%
Leisureworld Senior Care Corporation	2.31%
Timbercreek Mortgage Investment	2.29%
Extendicare REIT	2.22%
Boralex Inc.	2.18%
Bird Construction Income Fund	2.09%
Total	85.72%

Performance (as % of Diluted NAV)

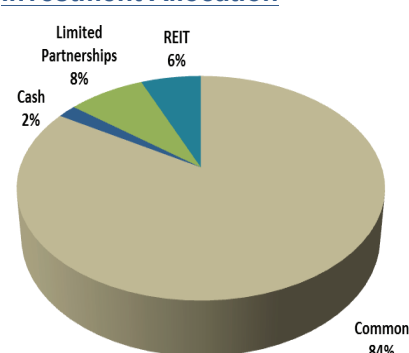
	1 Month	YTD	Since Inception*
HCF.UN	-0.82%	5.76%	20.34%
S&P/TSX Index	-3.64%	-1.06%	18.08%

* June 29, 2010

Sector Allocation



Investment Allocation



Portfolio Geographic Allocation

Canadian 87% US 13%

Distributions (per trust unit)

Since Inception, June 29, 2010 \$0.968

Warrant Exercise

Date Monthly until November 30, 2011

Mutual Fund Conversion

Date June 20, 2012

Manager Discussion

During the second quarter, investors continued to contend with the prospect of a full scale restructuring of the Greek debt, China's attempts to lower inflation by raising interest rates to contain the rapid pace of economic activity, and the debate over the US government debt ceiling. These issues continued to create uncertainty in the minds of investors, resulting generally in higher levels of volatility in stock markets.

Historic low interest rates in Canada continue to attract investors to purchase higher dividend paying investments such as utilities and real estate companies. We believe the capital flows for these types of investments should remain strong as these companies continue to meet profitability and cash flow expectations. These factors should assist the fund in outperforming the more volatile sectors.

The "non-cyclical" sectors represented in the fund continue to offer Canadians attractive yield opportunities. We believe the Canadian market will continue to benefit from the low interest rate environment as investors seek higher yielding investments in dividend paying equities.

The risks associated with investing in Investment Trusts 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 Trust under normal market conditions when considering the Trust'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 in the Fund. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments and/or the use of an asset allocation service. Please read the prospectus before investing including the prospectus of any mutual funds that may be in an asset allocation service. The indicated rates of return as of June 30, 2011 are the historical annual compounded total returns including changes in trust unit value, reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any investor that would have reduced returns. Mutual 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.



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