

HARVEST Banks & Buildings Income Fund

TSX symbol: HBB.UN
HBB.WT

December 31, 2010

Investment Objectives

The investment objectives are to provide Unitholders with monthly distributions and maximize total return by investing in an actively managed portfolio comprised primarily of Banking Issuers, Other Financial Issuers and Real Estate Issuers.

Fund Facts

Sub Advisor	Avenue Investment Management
Assets	\$28.9 million
Market Price	\$12.65
NAV (undiluted)	\$13.69
NAV (diluted)	\$12.69
Current Yield	6.64 %
Distribution	.07 cents per unit monthly

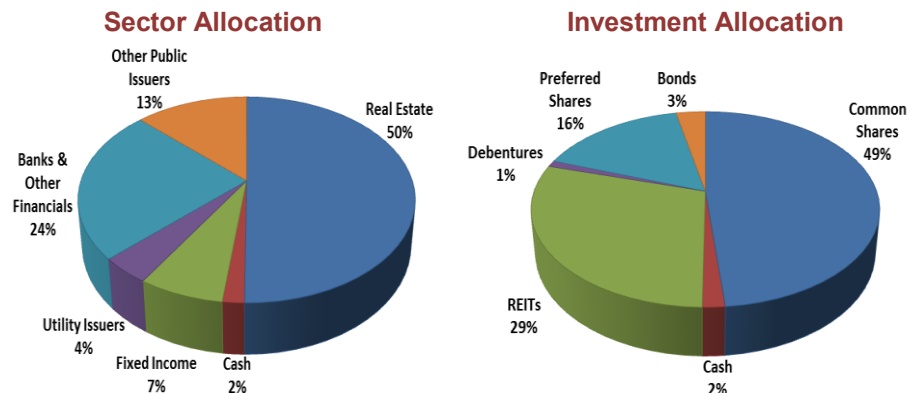
Top 25 Holdings

Crombie Real Estate Investment Trust	4.99%
Artis Real Estate Investment Trust	4.50%
First Capital Realty Inc.	3.91%
Killam Properties Inc.	3.81%
Whiterock Real Estate Investment	3.81%
Timbercreek Mortgage Investment	3.63%
Great West Lifeco 7.13% 2018	3.25%
Plazacorp Retail Properties	3.23%
Dundee Corporation Series 1 Preferred	3.10%
Dundee Wealth Management	3.03%
Cominar Real Estate	3.02%
Pure Industrial Real Estate	2.96%
E L Financial Preferred , Series 2	2.93%
E L Financial Preferred , Series 1	2.81%
BTB Real Estate Investment	2.62%
Leisureworld Senior Care	2.60%
Bank of America Corporation	2.57%
Manulife Financial Corporation	2.54%
CIBC	2.50%
Annaly Capital Management	2.44%
American Capital Agency	2.40%
Extendicare Real Estate Investment	2.39%
Borlex Inc.	2.33%
Northern Property Real Estate	2.32%
Bank of Montreal	2.17%
Total	75.86%

Performance (as % of NAV)

	1 YEAR	Since Inception
HBB.UN	22.95%	32.95%
Benchmark*	16.30%	20.69%

*50% weighting TSX Financials Index and 50% weighting TSX Real Estate Index



Portfolio Geographic Allocation

Canadian	88%	US	12%
Distributions (per trust unit)			
Since Inception, October 23, 2009		\$1.10	
Warrant Exercise Conversion			
Date		April 15, 2011	
Mutual Fund Conversion			
Date		October 18, 2011	

Commentary:

During the Fourth quarter market sentiment continued to improve despite fears of a European sovereign debt crisis and chronic growth of the US deficit. The year ended on a strong note for equities with better tone and confidence in the market. Investors continued to place capital into dividend paying companies that have stable balance sheets, which both the Canadian Financial and Real Estate sectors provide.

Interest rates have increased slightly but are still historically low. The combination of a strong Canadian dollar and weaker domestic economic activity should allow interest rates to remain low for the foreseeable future.

We continue to believe that the Canadian Financial and Real Estate sectors have balance sheets that are notably healthier than many other sectors. It is our view that dividend increases in the banking sector are possible and could materialize sometime in the New Year due to present high capital ratios.

The fund will continue to stay invested and seek further opportunities in the banking, insurance and real estate sectors in Canada.

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Disclaimer – The risks associated with investing in Investment Trusts are outline 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. Commission, trailing commission, 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 December 31, 2010 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.