

## NEWS RELEASE

**For Immediate Release**

### **Harvest Canadian Income & Growth Fund closes its \$35 million Initial Public Offering**

TORONTO, June 29, 2010 – Harvest Portfolios Group Inc. is pleased to announce that the Harvest Canadian Income & Growth Fund (the “Fund”) has completed today its initial public offering (the “Offering”) of 2,916,667 Units at a price of \$12.00 per Unit for aggregate gross proceeds of \$35,000,004. The Fund has granted the agents an over-allotment option exercisable in whole or in part for a period of 30 days following the closing of the Offering to acquire up to an additional 437,500 Units.

Each Unit consists of one transferable trust unit (“Trust Unit”) and one Trust Unit purchase warrant (“Warrant”). The Units will separate into Trust Units and Warrants upon the earlier of the closing of the Over-Allotment Option and the 30th day following the closing of the Offering. Each Warrant entitles the holder to purchase one Trust Unit at the subscription price of \$12.00 per Trust Unit during the period between the first business day and 5:00 p.m. (Toronto time) on the tenth business day of any calendar month starting once the Units separate (up to and including November 2011) (the “Warrant Notice Period”) and before 5:00 p.m. (Toronto time) on November 30, 2011. Such Warrants will be exercised, in the case of Warrants exercised during a Warrant Notice Period, at 5:00 p.m. (Toronto time) on the tenth business day of the applicable month and, in the case of Warrants that are exercised on November 30, 2011, 5:00 p.m. (Toronto time) on November 30, 2011 (the “Warrant Expiry Date”). Warrants not exercised by 5:00 p.m. (Toronto time) on the Warrant Expiry Date will be void and of no value. The Units are now trading on the Toronto Stock Exchange under the symbol HCF.A. Once separated, the Trust Units and the Warrants will trade on the Toronto Stock Exchange independently under the symbols: HCF.UN and HCF.WT.

The Fund’s investment objectives are:

- (i) to provide holders of Units (“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.

The net proceeds of the Offering will be invested 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.

Avenue Investment Management Inc. (the “Investment Manager”) will be responsible for the execution of the Fund’s overall investment strategy, including managing the composition of the portfolio of the Fund.

The syndicate of agents is being co-led by BMO Capital Markets, CIBC World Markets Inc. and RBC Capital Markets and includes Scotia Capital Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Dundee Securities Corporation, Raymond James Ltd., Canaccord Genuity Corp., Macquarie Capital Markets (Canada) Ltd., Wellington West Capital Markets Inc., Desjardins Securities Inc. and Industrial Alliance Securities Inc. (collectively, the “Agents”).

Counsel on behalf of the Fund and the Manager is Borden Ladner Gervais LLP and counsel on behalf of the Agents is Blake, Cassels & Graydon LLP.

*Certain statements included in this news release constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect", "intend", "will" and similar expressions to the extent they relate to the Fund, the Manager and/or the Investment Manager. The forward-looking statements are not historical facts but reflect the Fund's, the Manager and/or the Investment Manager's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Although the Fund, the Manager and/or the Investment Manager believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. The Fund, the Manager and/or the Investment Manager undertakes no obligation to update publicly or otherwise revise any forward-looking statement or information whether as a result of new information, future events or other such factors which affect this information, except as required by law.*

**All capitalized terms noted herein but not defined are as defined in the prospectus dated May 31, 2010.**

For further information: please contact Michael Kovacs at Harvest Portfolios Group Inc. at [mkovacs@harvestportfolios.com](mailto:mkovacs@harvestportfolios.com) or at 1-866-998-8298; or for additional information, please contact your registered financial advisor.