

# HARVEST Banks & Buildings Income Fund

June 30, 2011

TSX symbol: HBB.UN

## 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 Details

Sub Advisor	Avenue Investment Management
Assets	\$53.0 million
NAV	\$12.78
Market Price	\$12.40
Current Yield	6.77%
Distribution	.07 cents per unit monthly

## Top 25 Holdings

Crombie REIT	5.99%
Artis REIT	5.55%
First Capital Realty Inc.	4.94%
Killam Properties Inc.	4.56%
Cash	4.29%
Timbercreek Mortgage Investment	4.11%
Cominar REIT	3.70%
Pure Industrial REIT	3.24%
Leisureworld Senior Care Corporation	3.06%
Lloyds Banking Group	2.94%
Manulife Financial Corporation	2.90%
Northern Property REIT	2.85%
CIBC	2.82%
Bank of Montreal	2.68%
Veresen Inc.	2.48%
Inter Pipeline Fund LP	2.45%
Pembina Pipeline Corporation	2.40%
Bank of American Corporation	2.38%
Pacific & Western Credit Corporation	2.37%
Royal Bank of Canada	2.15%
Calloway REIT	2.12%
Whiterock REIT	2.01%
Bank of Nova Scotia	1.95%
BTB Real Estate Investment	1.90%
Brookfield Office Properties	1.82%
<b>Total</b>	<b>77.66%</b>

## Performance (as % of NAV)

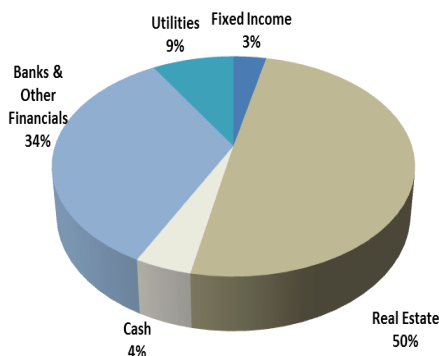
	1 Month	1 Year	Since Inception*
<b>HBB.UN</b>	-1.59%	15.58%	28.46% <sup>1</sup>
<b>Benchmark<sup>2</sup></b>	-1.22%	16.34%	26.58%

\*October 23, 2009

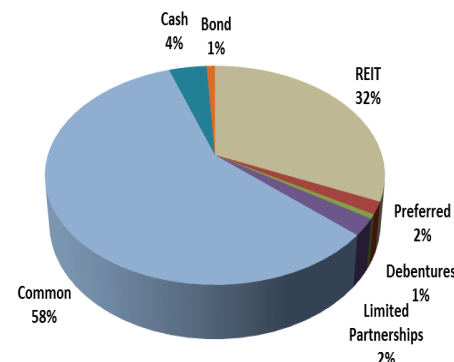
<sup>1</sup> Impacted by warrant dilution

<sup>2</sup> 50% weighting TSX Financials Index and 50% weighting TSX Real Estate Index

## Sector Allocation



## Investment Allocation



## Portfolio Geographic Allocation

Canadian	89%	US	11%
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## Distributions (per trust unit)

Since Inception, October 23, 2009	\$1.55
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## Mutual Fund Conversion

Date	October 18, 2011
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## Manager Discussion

During the second quarter markets encountered a number of issues ranging from the restructuring of Greek debt, to China's attempts at lowering inflation by raising interest rates, to the growing debate over the US debt ceiling limits. These issues continued to create uncertainty in the minds of investors, resulting in generally higher levels of volatility in stock markets.

Interest rates continue to remain low in Canada and the US, putting pressure on investors to purchase higher dividend paying investments such as financials, REITs and real estate companies. We believe capital will continue to flow towards these sectors as they are meeting expectations on profitability and cash flow.

Going forward we continue to believe that mid-to- long term interest rates will continue to remain relatively low, with the possibility of some upward pressure at the shorter end of the curve later in the year. That said, interest rates in historically low ranges will continue to underpin the demand for financials and real-estate investments.

With the Canadian Dollar continuing to remain strong and relatively inexpensive valuations on US financials, the fund's exposure to US financials at the end of the quarter remained at just under 11%.

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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