



PURPOSE
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

PURPOSE EMERGING MARKETS DIVIDEND FUND
(FORMERLY REDWOOD EMERGING MARKETS DIVIDEND FUND)
FOR THE FINANCIAL PERIOD ENDED JUNE 30, 2018

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This interim management report of fund performance (“MRFP”) contains financial highlights but does not contain interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by visiting our website at www.purposeinvest.com or SEDAR at www.sedar.com, by calling or by writing to us at Purpose Investments Inc., 130 Adelaide Street West, Suite 1700, P.O. Box 83, Toronto, Ontario M5H 3P5.

In addition, unitholders may also contact us using one of these methods to request copies of the Fund’s annual financial report, proxy voting policies and procedures, proxy voting disclosure records, and quarterly portfolio disclosures.

For more information on the Fund’s current and historical net asset value per share, please visit www.purposeinvest.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties, and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events. We stress that the abovementioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions, and urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

The management report of fund performance presents the views of the portfolio management team concerning significant factors and developments that have affected the Fund's performance and outlook.

Please read the caution on the inside of the cover page regarding forward-looking statements.

Redwood Asset Management Inc. ("Redwood") was amalgamated into Purpose Investments Inc. ("Purpose"). The Fund changed its name to Purpose Emerging Markets Dividend Fund effective May 2, 2018.

INVESTMENT OBJECTIVES AND STRATEGIES

The investment objective of the Fund is to generate long-term capital growth by investing in securities of companies around the world.

RISK

The risks of investing in the Fund are disclosed in the Fund's prospectus and there have been no significant changes during the period that affected the overall level of risk associated with the Fund.

RESULTS OF OPERATIONS

The net asset value per unit as at:

Class	June 30, 2018 (\$)	December 31, 2017 (\$)
Class ETF	19.88	20.99
Class A	11.33	12.03
Class F	12.32	13.01

During the period ended June 30, 2018 the Fund paid distributions as follows:

Month	ETF Units	Class A	Class F
January	0.0403	0.0231	0.0249
February	0.0403	0.0231	0.0250
March	0.0403	0.0230	0.0250
April	0.0403	0.0230	0.0250
May	0.0403	0.0230	0.0250
June	0.0403	0.0230	0.0250
Total	0.2418	0.1382	0.1499

Markets during the first half of 2018 have been characterized by resilient earnings and economic momentum, overlaid with increasing market volatility as the market grapples with a variety of heightened macroeconomic concerns. In Q1, worries about the direction of US interest rates were the primary basis of investor fears as inflation began to show signs of heating up. The focus has subsequently shifted to rising trade tensions between the US and the rest of the world, where tariff implementation has an impact on product demand and the potential to meaningfully disrupt global supply chains.

Global equity markets have been generally positive in aggregate over the first half of 2018, led by growth and momentum names while value has lagged. US markets have gained modestly, while most other geographies have lagged. Europe has been impacted by heightened political uncertainty, while changing relative interest rate expectations and the follow-through impact on currencies has been a key driver of relative market performance across the board.

Emerging markets outperformed in Q1, predominantly due to US dollar weakness against most local currencies, but then sold off sharply on a reversal of this dynamic in Q2. Of course, escalating trade tensions have exacerbated weakness, particularly in those economies that are most export-dependent.

The Fund traded largely in step with these dynamics, gaining ground through March before selling off persistently through April, May and June. More recent negative performance has been due to macro trends such as the imposition of sanctions on Russia and escalation of the trade war with China, both of which boil down to the unpredictability of US foreign policy.

There have been no material changes to the Fund's strategy during the first half of the year, and no significant changes to the Fund's composition outside normal rebalancing. The manager retains conviction in the fundamental rationales underlying its positioning.

Redwood Asset Management Inc. ("Redwood") was amalgamated into Purpose Investments Inc. ("Purpose"). The Fund changed its name to Purpose Emerging Markets Dividend Fund effective May 2, 2018.

RECENT DEVELOPMENTS

The members of the Independent Review Committee as at December 31, 2017 were Douglas G. Hall (Chair), Randall C. Barnes, and Michael Hollend. On February 5, 2018 Michael Hollend ceased being a member of the Independent Review Committee. The vacant position was filled by Jean M. Fraser on May 18, 2018.

RELATED PARTY TRANSACTIONS

Purpose Asset Management Inc. is deemed to be a related party as Manager of the Fund. Please refer below to the "Management Fee" section for fees paid to Purpose. Purpose has also appointed an Independent Review Committee ("IRC") as required by National Instrument 81-107 *Independent Review Committee for Investment Funds*. The mandate of the IRC is to review, and provide input on, the Manager's written policies and procedures that deal with conflict of interest matters in respect of the Funds. IRC members receive fees and reimbursement of expenses for services provided to the Fund and other Purpose managed funds and such costs are allocated among all the Funds on a fair and reasonable basis. The fees for services rendered to the Funds are reported in the Statements of Comprehensive Income. There are no other related party transactions for the Fund.

INDEPENDENT REVIEW COMMITTEE

The Manager is required to comply with the policies and procedures presented to the IRC with respect to various potential conflicts of interest including valuation and the allocation of operating expenses and to provide periodic reports to the IRC in accordance with NI 81-107.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods ended December 31, except 2018 which is provided as at June 30:

NET ASSETS PER UNIT ⁽¹⁾

For the period from August 23, 2017 to December 31, 2017 and the period from January 1, 2018 to June 30, 2018:

ETF Units	2018 ^(a) (\$)	2017 ^(b) (\$)
Net assets, beginning of year	20.99	20.00^(c)
Increase (decrease) from operations:		
Total revenue	0.43	0.13
Total expenses	(0.23)	(0.15)
Realized gains (losses) for the period	0.16	0.05
Unrealized gains (losses) for the period	(2.32)	1.10
Total increase (decrease) from operations ⁽²⁾	(1.96)	1.13
Distributions:		
From investment income	(0.24)	(0.05)
Return of capital	-	(0.09)
Total distributions ⁽³⁾	(0.24)	(0.14)
Net assets, end of year	19.88	20.99

Notes:

- Information presented is for the period January 1, 2018 to June 30, 2018.
- Information presented is for the period August 23, 2017 to December 31, 2017.
- Initial offering price.
- This information is derived from the Fund's financial statements prepared in accordance with IFRS. For purposes of unitholder transactions, the Net Asset Value is calculated in accordance with the valuation rules as set out in the Fund's prospectus. The Fund's accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders.
- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted-average number of units outstanding over the financial period.
- Distributions were paid in cash or reinvested in additional units of the Fund.

RATIOS AND SUPPLEMENTAL DATA

ETF Units	2018	2017
Total net asset value (\$) (000's) ⁽¹⁾	5,467	1,050
Number of units outstanding (000's) ⁽¹⁾	275	50
Management expense ratio ⁽²⁾	1.77%	2.00%
Management expense ratio before waivers or absorptions ⁽²⁾	1.79%	2.04%
Trading expense ratio ⁽³⁾	0.08%	0.02%
Portfolio turnover rate ⁽⁴⁾	6.03%	8.07%
Closing market price (\$)	19.96	20.99

Notes:

- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's net asset value calculated for fund pricing purposes ("NAV") and is provided as at December 31 of the year shown except 2018 which is shown as at June 30.
- The management expense ratio ("MER") is calculated as the total expenses, excluding distributions, commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of the average daily NAV of the Fund. The Manager, at its sole discretion, may waive management fees or absorb expenses. Such waivers and absorptions can be terminated at any time. If the Fund invests in underlying funds managed by the Manager, the Manager does not charge management fees and administrative fees that would result in the duplication of a fee for the same services. The MER includes an allocation of expenses from the underlying funds held in the portfolio. Without the allocation, the MER would be 1.67% (2017 - 1.80%).
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's daily average NAV. The trading expense ratio is calculated at the portfolio level and applies to all classes of units of the Fund.
- The portfolio turnover rate is calculated at the portfolio level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short-term notes, and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. The Fund's portfolio turnover rate indicates how actively the Fund's investment sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable in the year and the greater the chance of taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and fund performance. The portfolio turnover rate is calculated at the portfolio level and applies to all classes of units of the Fund.

NET ASSETS PER UNIT ⁽¹⁾

Class A	2018 ^(a) (\$)	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net assets, beginning of year	12.03	9.99	10.07	10.15	9.81	9.73
Increase (decrease) from operations:						
Total revenue	0.22	0.32	0.32	0.25	0.22	0.32
Total expenses	(0.19)	(0.40)	(0.41)	(0.34)	(0.33)	(0.35)
Realized gains (losses) for the period	0.07	0.12	(0.10)	0.27	0.38	0.19
Unrealized gains (losses) for the period	(0.81)	2.25	0.25	(0.06)	0.34	0.16
Total increase (decrease) from operations ⁽²⁾	(0.71)	2.29	0.06	0.12	0.61	0.32
Distributions:						
From investment income	(0.14)	-	-	-	-	-
From capital gains	-	-	-	-	-	(0.19)
Return of capital	-	(0.25)	(0.24)	(0.24)	(0.24)	(0.05)
Total distributions ⁽³⁾	(0.14)	(0.25)	(0.24)	(0.24)	(0.24)	(0.24)
Net assets, end of year	11.33	12.03	9.99	10.07	10.15	9.81

Notes:

(a) Information presented is for the period January 1, 2018 to June 30, 2018.

- This information is derived from the Fund's financial statements prepared in accordance with IFRS. For purposes of unitholder transactions, the Net Asset Value is calculated in accordance with the valuation rules as set out in the Fund's prospectus. The Fund's accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders.
- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted-average number of units outstanding over the financial period.
- Distributions were paid in cash or reinvested in additional units of the Fund.

RATIOS AND SUPPLEMENTAL DATA

Class A	2018	2017	2016	2015	2014	2013
Total net asset value (\$) (000's) ⁽¹⁾	4,931	4,096	3,506	5,198	5,708	6,069
Number of units outstanding (000's) ⁽¹⁾	435	341	351	516	562	621
Management expense ratio ⁽²⁾	2.89%	3.26%	3.65%	3.33%	3.42%	2.92%
Management expense ratio before waivers or absorptions ⁽²⁾	2.90%	3.27%	4.07%	3.43%	3.42%	4.09%
Trading expense ratio ⁽³⁾	0.08%	0.02%	0.12%	0.06%	0.10%	0.21%
Portfolio turnover rate ⁽⁴⁾	6.03%	8.07%	28.60%	42.63%	42.96%	59.47%

Notes:

- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's net asset value calculated for fund pricing purposes ("NAV") and is provided as at December 31 of the year shown except 2018 which is shown as at June 30.
- The management expense ratio ("MER") is calculated as the total expenses, excluding distributions, commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of the average daily NAV of the Fund. The Manager, at its sole discretion, may waive management fees or absorb expenses. Such waivers and absorptions can be terminated at any time. If the Fund invests in underlying funds managed by the Manager, the Manager does not charge management fees and administrative fees that would result in the duplication of a fee for the same services. The MER includes an allocation of expenses from the underlying funds held in the portfolio. Without the allocation, the MER would be 2.79% (2017 - 3.18%, 2016 - 3.58%).
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's daily average NAV. The trading expense ratio is calculated at the portfolio level and applies to all classes of units of the Fund.
- The portfolio turnover rate is calculated at the portfolio level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short-term notes, and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. The Fund's portfolio turnover rate indicates how actively the Fund's investment sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable in the year and the greater the chance of taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and fund performance. The portfolio turnover rate is calculated at the portfolio level and applies to all classes of units of the Fund.

NET ASSETS PER UNIT ⁽¹⁾

Class F	2018 ^(a) (\$)	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net assets, beginning of year	13.01	10.66	10.64	10.59	10.12	9.93
Increase (decrease) from operations:						
Total revenue	0.23	0.34	0.34	0.26	0.30	0.30
Total expenses	(0.13)	(0.28)	(0.31)	(0.24)	(0.26)	(0.24)
Realized gains (losses) for the period	0.07	0.14	(0.10)	0.29	0.47	0.17
Unrealized gains (losses) for the period	(0.71)	2.37	0.18	(0.29)	0.18	0.20
Total increase (decrease) from operations⁽²⁾	(0.54)	2.57	0.11	0.02	0.69	0.43
Distributions:						
From investment income	(0.15)	(0.07)	(0.01)	-	-	-
From capital gains	-	-	-	-	-	(0.19)
Return of capital	-	(0.18)	(0.23)	(0.24)	(0.24)	(0.05)
Total distributions⁽³⁾	(0.15)	(0.25)	(0.24)	(0.24)	(0.24)	(0.24)
Net assets, end of year	12.32	13.01	10.66	10.64	10.59	10.12

Notes:

(a) Information presented is for the period January 1, 2018 to June 30, 2018.

- This information is derived from the Fund's financial statements prepared in accordance with IFRS. For purposes of unitholder transactions, the Net Asset Value is calculated in accordance with the valuation rules as set out in the Fund's prospectus. The Fund's accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders.
- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted-average number of units outstanding over the financial period.
- Distributions were paid in cash or reinvested in additional units of the Fund.

RATIOS AND SUPPLEMENTAL DATA

Class F	2018	2017	2016	2015	2014	2013
Total net asset value (\$ (000's) ⁽¹⁾	57,073	62,605	41,472	49,643	34,725	22,632
Number of units outstanding (000's) ⁽¹⁾	4,632	4,813	3,889	4,667	3,278	2,244
Management expense ratio ⁽²⁾	1.73%	2.06%	2.51%	2.25%	2.52%	1.92%
Management expense ratio before waivers or absorptions ⁽²⁾	1.74%	2.07%	2.93%	2.34%	2.52%	3.01%
Trading expense ratio ⁽³⁾	0.08%	0.02%	0.12%	0.06%	0.10%	0.21%
Portfolio turnover rate ⁽⁴⁾	6.03%	8.07%	28.60%	42.63%	42.96%	59.47%

Notes:

- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's net asset value calculated for fund pricing purposes ("NAV") and is provided as at December 31 of the year shown except 2018 which is shown as at June 30.
- The management expense ratio ("MER") is calculated as the total expenses, excluding distributions, commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of the average daily NAV of the Fund. The Manager, at its sole discretion, may waive management fees or absorb expenses. Such waivers and absorptions can be terminated at any time. If the Fund invests in underlying funds managed by the Manager, the Manager does not charge management fees and administrative fees that would result in the duplication of a fee for the same services. The MER includes an allocation of expenses from the underlying funds held in the portfolio. Without the allocation, the MER would be 1.63% (2017 - 1.98%, 2016 - 2.44%).
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's daily average NAV. The trading expense ratio is calculated at the portfolio level and applies to all classes of units of the Fund.
- The portfolio turnover rate is calculated at the portfolio level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short-term notes, and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. The Fund's portfolio turnover rate indicates how actively the Fund's investment sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable in the year and the greater the chance of taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and fund performance. The portfolio turnover rate is calculated at the portfolio level and applies to all classes of units of the Fund.

MANAGEMENT FEES

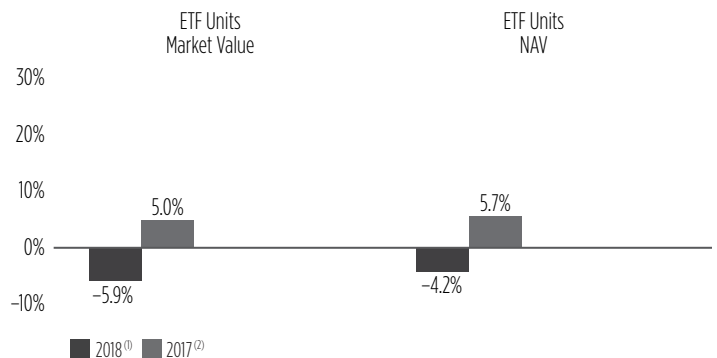
Purpose manages and administers the business, operations and affairs of the Fund. As compensation for the services it provides to the Fund, Purpose is entitled to receive an annual management fee in an amount equal to 2.50% of NAV of the Class A units and 1.50% of NAV of the Class F and 0.90% of the NAV of the ETF units. Currently, the annual management fee of the Class A Units is 1.90% and the Class F Units is 0.90%. The management fees are calculated daily and paid monthly in arrears. Purpose utilizes the management fees to pay investment sub-advisory fees, service fees to registered dealers of Class A, general and administrative expenses and earn revenue.

PAST PERFORMANCE

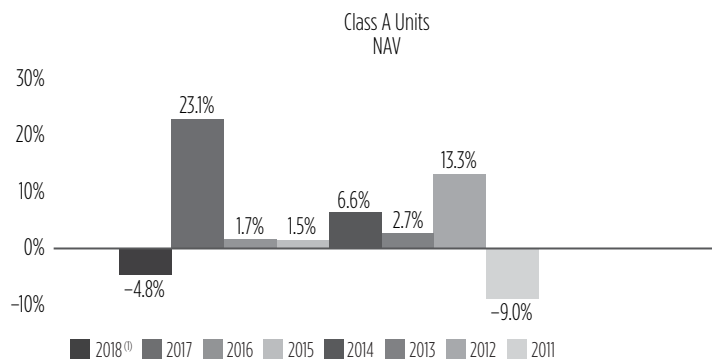
The indicated rates of return are the historical total returns including changes in unit values and assume reinvestment of all distributions in additional units of the relevant Class of the Fund. Please note that past performance is not indicative of future performance Year-by-Year Returns.

YEAR-BY-YEAR RETURNS

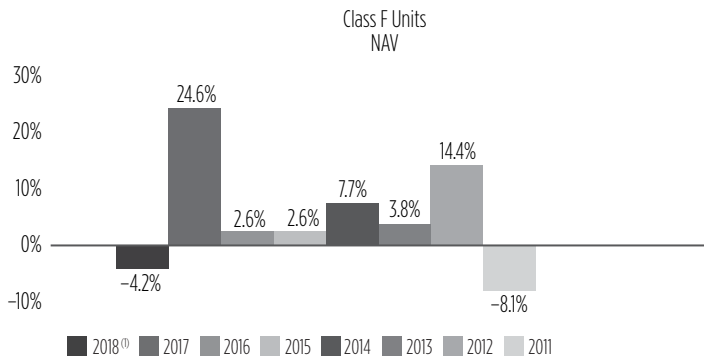
The bar charts show the performance of each Class of units for the financial period in percentage terms, indicating how much an investment made on the first day of the period would have grown or decreased by the last day of the period.



- Return for the period from January 1, 2018 to June 30, 2018.
- Return for the period from August 23, 2017 to December 31, 2017.



- Return for the period from January 1, 2018 to June 30, 2018.



1. Return for the period from January 1, 2018 to June 30, 2018.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2018

GEOGRAPHIC MIX

	% of Fund's Net Asset Value
South Korea	16.8
India	12.7
Russia	9.2
Taiwan	8.0
Hungary	7.0
Hong Kong	6.0
Switzerland	5.2
Brazil	4.7
Turkey	4.3
United Kingdom	4.0
South Africa	3.7
Chile	3.4
Greece	3.1
Indonesia	3.0
Poland	3.0
United Arab Emirates	2.6
China	0.9
Nigeria	0.9
Portugal	0.9
Philippines	0.7
Cash and Cash Equivalents	0.2
Net Other Assets	(0.3)
Total Net Asset Value	100.0

TOP 25 HOLDINGS

	% of Fund's Net Asset Value
iShares MSCI India ETF	8.0
SK Hynix Inc.	6.6
iShares S&P India Nifty 50 Index Fund	4.7
OTP Bank Nyrt.	4.7
Samsung Electronics Co. Ltd.	4.5
iShares MSCI Russia ADR / GDR UCITS ETF USD (Acc)	4.3
HSBC Holdings PLC	4.0
X5 Retail Group NV	2.9
Alpha Bank SA	2.9
Porto Seguro SA	2.9
AIA Group Ltd.	2.7
Transocean Ltd.	2.6
Coca-Cola HBC AG	2.6
Win Semiconductors Corp.	2.4
MOL Hungarian Oil & Gas PLC	2.3
Samsung Fire & Marine Insurance	2.3
Powszechny Zaklad Ubezpieczen SA	2.1
First Abu Dhabi Bank PJSC	2.1
Sanlam Ltd.	2.0
Compania Cervecerias Unidas SA	1.9
Ambev SA	1.8
CNOOC Ltd.	1.7
Shoprite Holdings Ltd.	1.7
PT AKR Corporindo TBK	1.7
Henderson Land Development Co. Ltd.	1.6

For investments in other investment funds, their prospectus and other information is available at www.sedar.com.
The investment portfolio may change due to ongoing portfolio transactions. An updated listing is available quarterly.

FUND INFORMATION

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AUDITOR

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CUSTODIAN

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REGISTRAR AND TRANSFER AGENT

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TORONTO STOCK EXCHANGE LISTING

Ticker Symbol: REM

INDEPENDENT REVIEW COMMITTEE OF PURPOSE EMERGING MARKETS DIVIDEND FUND (FORMERLY REDWOOD EMERGING MARKETS DIVIDEND FUND)

DOUGLAS G. HALL

Chair of the Independent Review Committee

RANDALL C. BARNES

Member of the Independent Review Committee

JEAN M. FRASER

Member of the Independent Review Committee

OFFICERS AND DIRECTORS OF PURPOSE INVESTMENTS INC.

SOM SEIF

President, Chief Executive Officer,
Chairman of the Board of Directors and Director

SCOTT BARTHOLOMEW

Chief Financial Officer, Chief Operating Officer and Director

CAITLIN GOSSAGE

Chief Compliance Officer

JEFF MITELMAN

Director