

PROSPECTUS

Continuous Offering

August 3, 2018

PURPOSE INVESTMENTS

Purpose Diversified Real Asset Fund
Purpose Enhanced US Equity Fund
Purpose Multi-Strategy Market Neutral Fund
Purpose Alternative Yield Fund (formerly, Purpose Diversified Premium Yield Fund)
Purpose Alternative Strategies Fund

The Purpose Enhanced US Equity Fund employs leverage to increase exposure to its portfolio securities to a maximum of 130% of its net assets. Use of leverage involves additional risk. See “Risk Factors – Use of Leverage”. At the same time, the Purpose Enhanced US Equity Fund will sell short market index futures to reduce the Fund’s exposure to the equity markets associated with the leveraged portion of its portfolio to 100%. An investment in the Purpose Enhanced US Equity Fund is not intended as a complete investment program and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

This prospectus qualifies for distribution the following shares or units, as the case may be, of the following funds (each, a “**Fund**” and collectively, the “**Funds**”). Each of the Funds is a commodity pool.

Purpose Diversified Real Asset Fund¹
Purpose Enhanced US Equity Fund²
Purpose Multi-Strategy Market Neutral Fund³
Purpose Alternative Yield Fund⁴
Purpose Alternative Strategies Fund⁴

- (1) ETF shares, Series A shares, Series F shares, Series I shares, Series D shares, Series XA shares and Series XF shares.
- (2) ETF shares, ETF non-currency hedged shares, Series A shares, Series A non-currency hedged shares, Series F shares, Series F non-currency hedged shares, Series I shares, Series I non-currency hedged shares, Series D shares, Series XA shares and Series XF shares.
- (3) ETF units, Class A units, Class F units, Class I units and Class D units.
- (4) ETF units, Class A units, Class F units and Class D units.

Purpose Fund Corp. (the “**Company**”) is a mutual fund corporation established under the laws of the Province of Ontario. The authorized capital of the Company includes an unlimited number of classes of non-cumulative, redeemable, non-voting shares (each, a “**Corporate Class**”) and one class of voting common shares. Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. Each such Corporate Class is divided into separate series of shares. Each of the Purpose Diversified Real Asset Fund and Purpose Enhanced US Equity Fund is a class of shares of the Company. Each Corporate Class consists of one or more series of exchange-traded shares and one or more series of Mutual Fund Shares (as defined herein). An unlimited number of ETF Shares (as defined herein) and Mutual Fund Shares are authorized for issuance.

Each of the Purpose Multi-Strategy Market Neutral Fund, Purpose Alternative Yield Fund and Purpose Alternative Strategies Fund (collectively, the “**Purpose Trust Funds**”) is a mutual fund established as a trust under the laws of the Province of Ontario. The authorized capital of each of the Purpose Trust Funds includes one or more classes of exchange-traded units (each such class, “**ETF Units**”) and one or more

classes of Mutual Fund Units (as defined herein). An unlimited number of ETF Units and the Mutual Fund Units are authorized for issuance.

The Purpose Enhanced US Equity Fund has received exemptive relief from the Canadian securities regulatory authorities to permit the Fund to utilize leverage to achieve market exposure to its portfolio targeted at 130% of the Fund's net asset value and to borrow up to 35% of the Fund's net asset value to implement its investment strategies. There is no assurance that the use of leverage will enhance returns and in fact the strategy may reduce returns. If the securities in the Fund's portfolio decline in value, the leverage component will cause net asset value to decrease in excess of that which would otherwise have occurred.

Purpose Investments Inc. (the "**Manager**" or "**Purpose**") is the manager and portfolio manager of the Funds and is responsible for the administration of the Funds. The Manager has engaged Neuberger Berman Breton Hill ULC (formerly, Breton Hill Capital Ltd.), as the investment sub-advisor (the "**Investment Advisor**") for the Funds. See "Organization and Management Details of the Funds".

The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the ETF Units of the Purpose Alternative Yield Fund and the Purpose Alternative Strategies Fund (collectively, the "**New Purpose Funds**") on the TSX. The listing of the ETF Units is subject to each New Purpose Fund fulfilling all of the requirements of the TSX on or before July 26, 2019. Subject to satisfying the TSX's original listing requirements, the ETF Units of the New Purpose Funds will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell such ETF Units on the TSX through registered brokers and dealers in the Province or Territory where the investor resides.

The ETF shares and ETF non-currency hedged shares (collectively, the "**ETF Shares**") and ETF Units, as applicable, of the Funds (other than the New Purpose Funds) are listed on the TSX and offered on a continuous basis, and an investor may buy or sell ETF Units and ETF Shares of the Funds (other than the New Purpose Funds) on the TSX through registered brokers and dealers in the Province or Territory where the investor resides.

Investors will incur customary brokerage commissions in buying or selling the ETF Units and ETF Shares. The TSX ticker symbol for (a) the ETF shares of the Purpose Diversified Real Asset Fund is "PRA", (b) the ETF shares of the Purpose Enhanced US Equity Fund is "PEU", (c) the ETF Non-Currency Hedged Shares of the Purpose Enhanced US Equity Fund is "PEU.B", (d) the ETF Units of the Purpose Multi-Strategy Market Neutral Fund is "PMM", (e) the ETF Units of the Purpose Alternative Yield Fund is "PDYF" and (f) the ETF Units of the Purpose Alternative Strategies Fund is "PALT".

The ETF Shares and ETF Units are Canadian dollar denominated.

The Purpose Diversified Real Asset Fund seeks to provide shareholders with exposure to a diversified portfolio of asset classes that are directly or indirectly linked to physical assets with positive correlation to inflation and are expected to maintain their real (after inflation) value over time. These assets may include precious metals and related equities; industrial, energy and agricultural commodities and related equities; real estate investment trusts (REITs); emerging market (EM) currencies; real return bonds and treasury inflation-protected securities (TIPS); and cash.

The Purpose Enhanced US Equity Fund seeks to provide shareholders with long-term capital appreciation and a superior risk adjusted return relative to the broad U.S. equity markets. The Fund aims to provide returns in excess of the broad U.S. equity markets by investing in a portfolio of U.S. listed equities while maintaining a similar level of volatility as the broad U.S. equity markets. The Fund will employ leverage to increase its long portfolio exposure and to hedge the increased market risk associated with the leveraged portion of the portfolio. The Fund will implement its hedging strategy through the use of derivative instruments including by selling market index futures contracts. The Fund will borrow up to a maximum of 35% of its net assets, of which up to a maximum of 30% will be used for additional investment in its long

portfolio, and up to a maximum of 5% will be used as margin in connection with the Fund's hedging strategy.

The Purpose Multi-Strategy Market Neutral Fund seeks to provide unitholders with positive absolute returns that are not correlated to the broader securities markets. The Fund will utilize a multi-strategy approach by allocating its assets across various asset classes including equities, currencies and commodities.

The Purpose Alternative Yield Fund seeks to provide unitholders with (a) high monthly income and (b) long-term capital appreciation. The Fund will achieve its investment objectives by investing in various asset classes including, but not limited to, equities, fixed income securities, currencies and commodities.

The Purpose Alternative Strategies Fund seeks to provide unitholders with long-term positive absolute returns in all market conditions while targeting (a) volatility not higher than the broad equity markets and (b) low correlation to the broad equity and fixed income securities markets. The Fund will utilize a multi-strategy approach by allocating its assets across various asset classes including equities, fixed income securities, currencies and commodities.

The Manager, on behalf, of the Funds, has entered, or will enter, into agreements with registered dealers (each a "**Designated Broker**" or "**Dealer**"), which amongst other things enables Designated Brokers and Dealers to purchase and redeem ETF Shares or ETF Units, as the case may be, directly from the Funds. Securityholders will be able to redeem ETF Shares or ETF Units, as the case may be, for cash at a redemption price of (a) (i) in respect of the ETF Shares, 95% of the closing price for the ETF Shares on the TSX and (ii) in respect of the ETF Units, 95% of the market price of the ETF Units, on the effective date of redemption and (b) the net asset value per ETF Share or ETF Unit, as the case may be. "Market price" means the weighted average trading price of the ETF Units on the Canadian marketplaces on which the ETF Units have traded on the effective date of redemption. Securityholders may also exchange a Prescribed Number of Securities (as defined herein) (or an integral multiple thereof) for cash and Baskets of Securities (as defined herein) held by a Fund. The Funds will issue ETF Shares and ETF Units directly to Designated Brokers and Dealers.

You should carefully read this prospectus, including a description of the principal risk factors under "Risk Factors", before you decide to invest in the Funds. You should carefully consider whether your financial condition permits you to participate in an investment in the Funds. The securities of the Funds are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in a Fund. The risk of loss in trading commodity futures contracts can be substantial. In considering whether to invest in a Fund, you should be aware that trading commodity futures contracts can quickly lead to large losses as well as gains. Such trading losses can sharply reduce the net asset value of a Fund and consequently the value of your interest in a Fund. Also, market conditions may make it difficult or impossible for a Fund to liquidate a position.

The Funds are subject to certain conflicts of interest. The Funds will be subject to the charges payable by it as described in this prospectus that must be offset by revenues and trading gains before an investor is entitled to a return on his or her investment. It may be necessary for a Fund to make substantial trading profits to avoid depletion or exhaustion of their assets before an investor is entitled to a return on his or her investment.

Participation in transactions in commodity futures contracts involves the execution and clearing of trades on or subject to the rules of a foreign market. None of the Canadian securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing transactions, or has the power to compel enforcement of the rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a

market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, entities such as the Purpose Diversified Real Asset Fund and the Purpose Trust Funds that trade commodity futures contracts may not be afforded certain of the protective measures provided by Canadian legislation and the rules of Canadian exchanges. In particular, funds received from customers for transactions may not be provided the same protection as funds received in respect of transactions on Canadian exchanges.

Each of the Funds is a mutual fund but certain provisions of securities legislation designed to protect investors who purchase securities of mutual funds do not apply to it. The shares or units of the Funds may only be purchased by investors through registered brokers and dealers registered to sell securities of mutual funds which are subject to National Instrument 81-104 – *Commodity Pools* in accordance with the requirements of Part 4 of that Instrument.

These brief statements do not disclose all the risks and other significant aspects of investing in the Funds. You should therefore carefully read this prospectus, including a description of the principal risk factors under “Risk Factors”, before you decide to invest in the Funds.

No underwriter has been involved in the preparation of this prospectus or has performed any review of the contents of the prospectus. The Canadian securities regulators have provided the Funds with a decision exempting it from the requirement to include a certificate of an underwriter in this prospectus. The Designated Brokers and Dealers are not underwriters of the Funds in connection with the distribution of ETF Shares and ETF Units under this prospectus.

For a discussion of the risks associated with an investment in ETF Shares, ETF Units, Mutual Fund Shares and Mutual Fund Units, see “Risk Factors”.

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GLOSSARY

Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.

ADRs – means American Depositary Receipts. An ADR is a type of negotiable financial security that is traded on a local stock exchange but which represents a security that is issued by a foreign publicly-listed company.

Basket of Securities – in relation to a particular Fund, means a group of securities or assets determined by the Manager from time to time representing the Constituent Securities of the Fund.

Business Day – means any day on which the TSX or such other designated exchange on which the ETF Shares or ETF Units of a fund, as applicable, may be listed from time to time is open for trading.

Canadian securities legislation – means the applicable securities legislation in force in each Province and Territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities.

CDS – means CDS Clearing and Depository Services Inc.

CDS Participant – means a participant in CDS that holds ETF Shares or ETF Units, as the case may be, on behalf of beneficial owners of ETF Shares or ETF Units, as applicable.

Class A Units – means currency hedged mutual fund units of a Purpose Trust Fund.

Class D Units – means currency hedged mutual fund units of a Purpose Trust Fund.

Class F Units – means currency hedged mutual fund units of a Purpose Trust Fund.

Class I Units – means currency hedged mutual fund units of a Purpose Trust Fund.

Company – means Purpose Fund Corp.

Constituent Issuers – means for each Fund, those issuers whose securities are included in the portfolio of a Fund from time to time.

Constituent Securities – means for each Fund, the securities of the Constituent Issuers or, where applicable, derivatives such as options, futures, forward contracts and swaps.

Corporate Class – means a class of non-cumulative, redeemable, non-voting shares of the Company.

Custodian – means CIBC Mellon Trust Company.

Dealer – means a registered dealer (that may or may not be a Designated Broker), that has entered, or will enter, into a Dealer Agreement with the Manager, pursuant to which the Dealer may subscribe for ETF Shares or ETF Units of a Fund as described under “Purchases of Securities – Issuance of Securities”.

Dealer Agreement – means an agreement between the Manager, on behalf of one or more Funds, and a Dealer, as amended from time to time.

Declaration of Trust – means the master declaration of trust dated October 7, 2013, as amended or as amended and restated from time to time, pursuant to which the Purpose Trust Funds (along with certain other exchange traded mutual funds managed by the Manager) have been established.

Designated Broker – means a registered dealer that has entered, or will enter, into a Designated Broker Agreement with the Manager, on behalf of one or more Funds pursuant to which the Designated Broker agrees to perform certain duties in relation to such Funds.

Designated Broker Agreement – means an agreement between the Manager, on behalf of a Fund, and a Designated Broker, as amended from time to time.

Distribution Payment Date – means a day on which a Fund pays a dividend or distribution, as the case may be, to its securityholders and that is no later than the 10th Business Day following the applicable Distribution Record Date.

Distribution Record Date – means a date determined by the Manager as a record date for the determination of securityholders of a Fund entitled to receive a dividend or distribution, as the case may be.

DPSPs – means deferred profit sharing plans as defined in the Tax Act.

ETF – means an exchange-traded fund.

ETF Non-Currency Hedged Share – in relation to the Purpose Enhanced US Equity Fund, means a non-currency hedged ETF Share of the Fund.

ETF Share – in relation to a PFC Fund, means an ETF currency hedged share or an ETF Non-Currency Hedged Share of the ETF series of a PFC Fund or a share of the ETF series of another Purpose Corporate Fund, as applicable.

ETF Shareholder – means a holder of an ETF Share.

ETF Switch Date – means Wednesday of each week, or more frequently as may be determined by the Manager.

ETF Unit – means an ETF currency hedged unit of a Purpose Trust Fund.

Funds – means collectively, the Purpose Diversified Real Asset Fund, Purpose Enhanced US Equity Fund, Purpose Multi-Strategy Market Neutral Fund, Purpose Alternative Yield Fund and Purpose Alternative Strategies Fund and “**Fund**” means any one of them.

futures contracts – means standardized contracts entered into on domestic or foreign exchanges that call for the future delivery of specified quantities of various assets such as stocks, bonds, agricultural commodities, industrial commodities, currencies, financial instruments, energy products or metals at a specified time and place. The terms and conditions of a futures contract with respect to a particular commodity are standardized and as such are not subject to negotiation between the buyer and the seller of the contract. Contractual obligations under the contract may be satisfied either by taking (in the case of the buyer) or making (in the case of the seller), physical delivery of an approved grade of commodity or by making an offsetting sale (in the case of the buyer) or purchase (in the case of the seller) of an equivalent but opposite futures contract on the same exchange prior to the designated date of delivery. The difference between the price at which the futures contract is sold or purchased and the price paid for brokerage commissions constitutes the profit or loss to the trader.

HST – means the harmonized sales tax imposed under the *Excise Tax Act* (Canada) that is applicable in certain Provinces of Canada.

Investment Advisor – means NBBH.

Investment Advisory Agreement – means the investment sub-advisory agreement dated as of January 28, 2013 between Purpose, the Investment Advisor and certain funds managed by Purpose, as amended and as may be amended from time to time.

IRC – means the Independent Review Committee of the Funds.

Manager – means Purpose Investments Inc., the manager and portfolio manager of the Funds.

Mutual Fund Shares – means collectively the Series A Shares, Series F Shares, Series I Shares, Series D Shares, Series XA Shares and Series XF Shares of the PFC Funds or the Series A Shares, Series F Shares, Series I Shares, Series D Shares, Series XA Shares and Series XF Shares of another Purpose Corporate Fund, as applicable.

Mutual Fund Units – means collectively the Class A Units, Class F Units, Class I Units and Class D Units of a Purpose Trust Fund.

NAV of the ETF Shares and **NAV per ETF Share** – means the net asset value of a PFC Fund attributable to the ETF Shares of the Fund and the net asset value per ETF Share of the Fund, calculated by the Valuation Agent as described under “Calculation of Net Asset Value”.

NAV of the ETF Units and **NAV per ETF Unit** – means the net asset value of a Purpose Trust Fund attributable to the ETF Units of a Purpose Trust Fund and the net asset value per ETF Unit of a Purpose Trust Fund, calculated by the Valuation Agent as described under “Calculation of Net Asset Value”.

New Purpose Funds – means collectively, the Purpose Alternative Yield Fund and the Purpose Alternative Strategies Fund and **New Purpose Fund** means any one of them.

NI 81-102 – means National Instrument 81-102 – *Investment Funds*.

NI 81-104 – means National Instrument 81-104 – *Commodity Pools*.

NI 81-107 – means National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

Non-Currency Hedged Mutual Fund Shares – in relation to the Purpose Enhanced US Equity Fund, means a non-currency hedged Mutual Fund Share of the Fund.

Neuberger Berman Breton Hill ULC or **NBBH** – means the investment sub-advisor of the Funds.

Other Securities – means ADRs or securities of investment funds other than Constituent Securities of a Fund, including ETFs, mutual funds or other public investment funds or derivative instruments.

Permitted Merger – has the meaning ascribed to such term under “Securityholder Matters – Matters Requiring Securityholders’ Approval”.

PFC Custodian Agreement – means the custodial services agreement dated May 19, 2015, as amended between the Manager on behalf of the PFC Funds and certain other funds managed by Purpose and CIBC Mellon Trust Company, as custodian.

PFC Funds – means collectively, the Purpose Diversified Real Asset Fund and the Purpose Enhanced US Equity Fund and “**PFC Fund**” means any one of them.

Plan Agent – means TSX Trust Company, plan agent for ETF Shares and ETF Units for the Dividend or Distribution Reinvestment Plan, as applicable.

Plan Participant and **ETF Plan Securities** – has the meaning ascribed to such term under “Dividend/Distribution Policy – Dividend/Distribution Reinvestment Plan”.

Prescribed Number of Securities – means the number of ETF Shares or ETF Units, as the case may be, determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Proxy Voting Guidelines – has the meaning ascribed to such term under “Proxy Voting Disclosure for Portfolio Securities Held”.

PTF Custodian Agreement – means the custodial services agreement dated August 8, 2013, as amended between the Manager on behalf of the Purpose Trust Funds and certain other mutual fund trusts managed by Purpose and CIBC Mellon Trust Company, as custodian.

Purpose – means Purpose Investments Inc.

Purpose Corporate Funds – means collectively, any Corporate Class of Purpose Fund Corp. which may be established from time to time and “**Purpose Corporate Fund**” means any one of them.

RDSPs – means registered disability savings plans as defined in the Tax Act.

Registered Plans – means collectively, RRSPs, RRIFs, DPSPs, RDSPs, RESPs and TFSAAs.

Reinvestment Plan – means the dividend or distribution reinvestment plan of the Funds, the key terms of which are described under “Dividend/Distribution Policy – Dividend/Distribution Reinvestment Plan”.

RESPs – means registered education savings plans as defined in the Tax Act.

RRIFs – means registered retirement income funds as defined in the Tax Act.

RRSPs – means registered retirement savings plans as defined in the Tax Act.

securities regulatory authorities – means the securities commission or similar regulatory authority in each Province and Territory of Canada that is responsible for administering the Canadian securities legislation in force in such Province or Territory.

Security – means a redeemable, transferable share in the capital of the Company (other than a Common Share) or unit in the capital of a Purpose Trust Fund, as the case may be, which represents an equal, undivided interest in the net assets of the series of the class or of the class, as the case may be, to which such security belongs.

securityholder – means a holder of an ETF Share, ETF Unit, Mutual Fund Share or Mutual Fund Unit, as applicable.

Series A Shares – means currency hedged mutual fund shares or non-currency hedged mutual fund shares of a PFC Fund or another Purpose Corporate Fund, as applicable.

Series D Shares – means currency hedged mutual fund shares of a PFC Fund or another Purpose Corporate Fund, as applicable.

Series F Shares – means currency hedged mutual fund shares or non-currency hedged mutual fund shares of a PFC Fund or another Purpose Corporate Fund, as applicable.

Series I Shares – means currency hedged mutual fund shares or non-currency hedged mutual fund shares of a PFC Fund or another Purpose Corporate Fund, as applicable.

Series XA Shares – means currency hedged mutual fund shares of a PFC Fund or another Purpose Corporate Fund, as applicable.

Series XF Shares – means currency hedged mutual fund shares of a PFC Fund or another Purpose Corporate Fund, as applicable.

share – means an ETF Share or a Mutual Fund Share, as applicable.

Switch – means a switch of (a) ETF Shares of one Purpose Corporate Fund to ETF Shares of another Purpose Corporate Fund, (b) Mutual Fund Shares of one Purpose Corporate Fund to Mutual Fund Shares of another Purpose Corporate Fund or (c) of one series of Mutual Fund Shares of the Purpose Corporate Fund to another series of Mutual Fund Shares of the same Purpose Corporate Fund.

Switch Date – means any Business Day.

Switch Fund Rules – means the provisions of the Tax Act which eliminated the ability of shareholders of a mutual fund corporation to switch between different share classes of such a corporation on a tax-deferred basis.

Switch NAV Price – is equal to the NAV per share of the relevant Purpose Corporate Fund as of the close of trading on the applicable Switch Date.

Switch Notice Date – by 4:00 p.m. (Toronto time) one Business Day before the Switch Date.

Tax Act – means the *Income Tax Act* (Canada), as now or hereafter amended, or successor statutes and includes all regulations promulgated thereunder.

Tax Proposals – means all specific proposals to amend the Tax Act announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

TFSAs – means tax-free savings accounts as defined in the Tax Act.

Trading Day – means a day on which: (a) a regular session of the TSX (or such other designated exchange on which the ETF Shares or ETF Units of a Fund may be listed from time to time) is held; (b) the primary market or exchange for the majority of the securities held by the Fund is open for trading; and (c) if applicable, the index provider calculates and publishes data relating to the index.

TSX – means the Toronto Stock Exchange.

unit – means an ETF Unit or Mutual Fund Unit, as applicable.

U.S. – means the United States of America.

Valuation Agent – means the company appointed from time to time by the Manager to calculate the NAV of each series of shares of the PFC Funds and the NAV of each class of units of the Purpose Trust Funds, and the NAV per share (or a series) or unit, as applicable, of the Funds. The initial Valuation Agent is CIBC Mellon Global Securities Services Company.

Valuation Date – means each Trading Day and any other day designated by the Manager on which the NAV of each series of shares of the PFC Funds or the NAV of each class of units of the Purpose Trust Funds, as the case may be, will be calculated.

Valuation Time – means 4:00 p.m. (Toronto time) or such other time the Manager deems appropriate on each Valuation Date.

\$ – means Canadian dollars unless otherwise indicated.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the securities of the Funds offered hereby and should be read together with the more detailed information and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.

Issuers:

Purpose Diversified Real Asset Fund
Purpose Enhanced US Equity Fund
(collectively, the “**PFC Funds**”)

Purpose Multi-Strategy Market Neutral Fund
Purpose Alternative Yield Fund (formerly, Purpose Diversified Premium Yield Fund)
Purpose Alternative Strategies Fund
(collectively, the “**Purpose Trust Funds**”)

The PFC Funds and the Purpose Trust Funds are collectively referred to herein as the “**Funds**” and each, a “**Fund**”.

Each PFC Fund is a class of shares of Purpose Fund Corp. (the “**Company**”). The Company is a mutual fund corporation established under the laws of the Province of Ontario and each PFC Fund is a class of shares of the Company.

Each of the Purpose Trust Funds is an exchange traded mutual fund established as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust (as defined herein).

The Funds are commodity pools. Purpose Investments Inc. (the “**Manager**” or “**Purpose**”) is the manager, portfolio manager and promoter of the Funds.

See “Overview of the Legal Structure of the Funds”.

Offering:

Each class of shares of the Company (other than the common shares of the Company) is a separate investment fund (each, a “**Corporate Class**”) having specific investment objectives and is specifically referable to a separate portfolio of investments. Each such Corporate Class consists of one or more exchange-traded series of shares and one or more series of Mutual Fund Shares (as defined herein). The ETF Shares (as defined herein) and Mutual Fund Shares of the PFC Funds are being offered pursuant to this prospectus. The ETF Shares of the PFC Funds are Canadian dollar denominated. The Mutual Fund Shares of the PFC Funds are offered in Canadian dollar and U.S. dollar denominations. See “Overview of the Legal Structure of the Funds”.

Each Purpose Trust Fund is offering a class of exchange-traded units (the “**ETF Units**”) and one or more classes of Mutual Fund Units (as defined herein). The ETF Units of the Purpose Trust Funds are Canadian dollar denominated. The Mutual Fund Units of the Purpose Trust Funds are offered

in Canadian dollar and U.S. dollar denominations. See “Overview of the Legal Structure of the Funds”.

ETF Shares/ETF Units

ETF shares and ETF non-currency hedged shares (collectively, the “**ETF Shares**”) and ETF Units are available to all investors through Designated Brokers (as defined herein) and Dealers (as defined herein).

Series A Shares/Class A Units

Series A Shares and Class A Units are available to all investors through authorized dealers.

Series F Shares/Class F Units

Series F Shares and Class F Units are available to investors who have fee based accounts with their dealer.

Series I Shares/Class I Units

Series I Shares and Class I Units are available to institutional investors or to other investors on a case-by-case basis, at the Manager’s discretion.

Series D Shares/Class D Units

Series D Shares and Class D Units are available to investors who have an account with an eligible online or other discount brokerage firm.

Series XA Shares and Series XF Shares

Series XA Shares and Series XF Shares are available to investors who wish to acquire shares of a Purpose Corporate Fund by exchanging eligible shares of Canadian or U.S. public companies.

To redeem Series XA Shares or Series XF Shares of a Purpose Corporate Fund, a shareholder must switch into a separate series of shares of the Purpose In-Kind Exchange Fund. The Purpose In-Kind Exchange Fund is a separate fund that is a class of shares of the Company which offers one or more series of shares on a prospectus exempt basis including to accredited investors. Series XA Shares and Series XF Shares are Canadian dollar denominated.

**Continuous
Distribution:**

The shares or units, as the case may be, of the Funds offered hereby are being issued and sold on a continuous basis and there is no maximum number of shares or units, as applicable, that may be issued.

The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the ETF Units of the Purpose Alternative Yield Fund and the Purpose Alternative Strategies Fund (collectively, the “**New Purpose Funds**”) on the TSX. The listing of the ETF Units is subject to each New Purpose Fund fulfilling all of the requirements of the TSX on or before July 26, 2019. Subject

to satisfying the TSX’s original listing requirements, the ETF Units of the New Purpose Funds will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell such ETF Units on the TSX through registered brokers and dealers in the Province or Territory where the investor resides.

The ETF Units and ETF shares and ETF non-currency hedged shares (collectively, the “**ETF Shares**”), as applicable, of the Funds (other than the New Purpose Funds) are listed on the TSX and offered on a continuous basis, and an investor may buy or sell ETF Units and ETF Shares of the Funds (other than the New Purpose Funds) on the TSX through registered brokers and dealers in the Province or Territory where the investor resides.

Investors will incur customary brokerage commissions in buying or selling the ETF Units and ETF Shares. The TSX ticker symbol for (a) the ETF shares of the Purpose Diversified Real Asset Fund is “PRA”, (b) the ETF shares of the Purpose Enhanced US Equity Fund is “PEU”, (c) the ETF Non-Currency Hedged Shares of the Purpose Enhanced US Equity Fund is “PEU.B”, (d) the ETF Units of the Purpose Multi-Strategy Market Neutral Fund is “PMM”, (e) the ETF Units of the Purpose Alternative Yield Fund is “PDYF” and (f) the ETF Units of the Purpose Alternative Strategies Fund is “PALT”.

The ETF Shares and ETF Units are Canadian dollar denominated.

The Funds issue ETF Shares and ETF Units directly to Designated Brokers and Dealers. From time to time as may be agreed between the Manager and the Designated Brokers and Dealers, the Designated Brokers and Dealers may agree to accept Constituent Securities as payment for ETF Shares or ETF Units, as the case may be, from prospective purchasers.

The Mutual Fund Shares and Mutual Fund Units of the Funds may only be purchased by investors through registered brokers and dealers registered to sell securities of mutual funds which are subject to National Instrument 81-104 – *Commodity Pools* in accordance with the requirements of Part 4 of that Instrument. The Manager may reject a purchase order within two Business Days of receiving it. If a purchase order is rejected, the purchase price will be immediately refunded without interest. An investor who wishes to purchase Mutual Fund Shares or Mutual Fund Units must invest a minimum of \$5,000 per account and \$100 for each additional transaction. There is no minimum for the Series I Shares or Class I Units.

See “Purchases of Securities – Issuance of Securities” and “Purchases of Securities – Buying and Selling Securities”.

**Investment
Objectives:**

Purpose Diversified Real Asset Fund

The Purpose Diversified Real Asset Fund seeks to provide shareholders with exposure to a diversified portfolio of asset classes that are directly or indirectly linked to physical assets with positive correlation to inflation and are expected to maintain their real (after inflation) value over time. These assets may include precious metals and related equities; industrial, energy and agricultural

commodities and related equities; real estate investment trusts (REITs); emerging market (EM) currencies; real return bonds and treasury inflation-protected securities (TIPS); and cash.

Purpose Enhanced US Equity Fund

The Purpose Enhanced US Equity Fund seeks to provide shareholders with long-term capital appreciation and a superior risk adjusted return relative to the broad U.S. equity markets. The Fund aims to provide returns in excess of the broad U.S. equity markets by investing in a portfolio of U.S. listed equities while maintaining a similar level of volatility as the broad U.S. equity markets. The Fund will employ leverage to increase its long portfolio exposure and to hedge the increased market risk associated with the leveraged portion of the portfolio. The Fund will implement its hedging strategy through the use of derivative instruments including by selling market index futures contracts.

The Fund will borrow up to a maximum of 35% of its net assets, of which up to a maximum of 30% will be used for additional investment in its long portfolio, and up to a maximum of 5% will be used as margin in connection with the Fund's hedging strategy.

Purpose Multi-Strategy Market Neutral Fund

The Purpose Multi-Strategy Market Neutral Fund seeks to provide unitholders with positive absolute returns that are not correlated to the broader securities markets. The Fund will utilize a multi-strategy approach by allocating its assets across various asset classes including equities, currencies and commodities.

Purpose Alternative Yield Fund

The Purpose Alternative Yield Fund seeks to provide unitholders with (a) high monthly income and (b) long-term capital appreciation. The Fund will achieve its investment objectives by investing in various asset classes including, but not limited to, equities, fixed income securities, currencies and commodities.

Purpose Alternative Strategies Fund

The Purpose Alternative Strategies Fund seeks to provide unitholders with long-term positive absolute returns in all market conditions while targeting (a) volatility not higher than the broad equity markets and (b) low correlation to the broad equity and fixed income securities markets. The Fund will utilize a multi-strategy approach by allocating its assets across various asset classes including equities, fixed income securities, currencies and commodities.

See "Investment Objectives".

**Investment
Strategies:**

The investment strategy of each Fund is to invest in and hold a portfolio of securities selected by the Investment Advisor in order to achieve its investment objectives as described below. The Funds may also hold cash and cash

equivalents or other money market instruments in order to meet their current obligations.

Purpose Diversified Real Asset Fund

The Fund uses various asset classes to provide positive correlation to inflation including: precious metals and related equities; industrial, energy and agricultural commodities and related equities; real estate investment trusts (REITs); emerging market (EM) currencies; real return bonds and treasury inflation-protected securities (TIPS); and cash. The portfolio will be tactically rebalanced on a quarterly basis with a risk-parity based asset allocation strategy to maximize returns while reducing risk. “Risk-parity” is a core risk-focused asset allocation strategy targeting equal volatility contributions by asset classes held in the portfolio. By combining these potential benefits, the strategy can serve as a compelling, comprehensive investment for those seeking to not only hedge inflation, but also potentially benefit from trends and changes in inflation.

The Investment Advisor may, in its discretion, change the frequency with which the portfolio is reconstituted and rebalanced. Generally, a substantial portion of the foreign currency exposure within the portfolio will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the Investment Advisor’s discretion.

The Fund will employ commodity futures but will not employ leverage.

Purpose Enhanced US Equity Fund

The Purpose Enhanced US Equity Fund uses a multi-factor, fundamental rules-based portfolio selection strategy to select portfolio securities from a universe of North American equities. The selection strategy will emphasize factors that have shown to be effective at differentiating between strong and weak performing stocks including: fundamental change, valuation, growth and quality. The Fund will utilize leverage to achieve market exposure to the long portfolio targeted at 130% of the NAV of the Fund and may borrow up to 35% of the Fund’s NAV to implement its investment strategies.

The Fund will hedge up to 30% of the portfolio’s market exposure in order to reduce overall market risk associated with the leveraged portion of the portfolio investments such that the net market exposure of the Fund will generally be targeted at 100% of the NAV of the Fund.

As a result, over time, it is expected that for every \$100 invested, the portfolio will be constructed as \$130 in long equity security positions and \$30 in short market index risk, resulting in a portfolio that generally has 100% net equity market exposure.

The investment strategy is intended to enable the Fund to take advantage of the expected value (or alpha) associated with the Fund’s individual portfolio investments while maintaining a level of risk similar to the overall market. The hedging strategy is implemented through the use of derivative instruments in

compliance with NI 81-102 including by selling market index futures contracts.

The portfolio holdings are reconstituted and rebalanced monthly. The Investment Advisor may, in its discretion, change the frequency with which the portfolio is reconstituted and rebalanced. With respect to the Mutual Fund Shares and ETF Shares (other than the ETF Non-Currency Hedged Shares and Non-Currency Hedged Mutual Fund Shares (as defined herein)) generally, a substantial portion of the foreign currency exposure within the portfolio will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the Investment Advisor's discretion. With respect to the ETF Non-Currency Hedged Shares and Non-Currency Hedged Mutual Fund Shares, the foreign currency exposure of the portfolio will not be hedged back to the Canadian dollar.

Purpose Multi-Strategy Market Neutral Fund

The Purpose Multi-Strategy Market Neutral Fund seeks to achieve its investment objectives by investing in long and short positions across multiple asset classes, which may include, but are not limited to, equity securities, fixed income securities, commodities and currencies. Positions are chosen by the Investment Advisor based on an analysis of technical trends and fundamental outperformance factors that are tailored to each asset class. The Fund's investment strategy is designed to provide market-neutral returns that are non-correlated to the broader equity and fixed income markets.

Utilizing a well-diversified portfolio of instruments, the Fund seeks exposure to the following strategies:

Equities

The Fund's equity positions are comprised of long and short positions chosen using a multi-factor, fundamental rules-based portfolio selection strategy to select portfolio securities from a universe of global equities that emphasizes factors that have shown to be effective at differentiating between strong and weak performing stocks including: fundamental change, valuation, growth and quality. The Investment Advisor will tactically hedge the market exposure of the Fund's equity portfolio such that the Fund's equity net market exposure will range between 0% and 50% of the Fund's NAV. This hedging is intended to enable the equity portfolio to take advantage of the expected value (or alpha) associated with the Fund's individual portfolio investments but with reduced risk that is associated with the overall market (or beta). Tactical hedging is implemented through the use of derivative instruments in compliance with NI 81-102 including by selling market index futures contracts.

Fixed Income

The Fund's fixed income positions will be designed to capture non-traditional returns from global fixed income markets. The Fund may take long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected

to include, but are not limited to, interest rate differentials and price movements. The universe of the Fund's fixed income securities may include, but is not limited to, government debt, investment grade corporate debt, notes and high yield debt instruments. The Fund may invest in (i) derivatives such as options, futures contracts, forward contracts, swaps and credit derivatives and/or (ii) underlying funds, in each case as permitted by Canadian securities legislation, to hedge market exposure, to protect capital, to generate income, hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies and/or as a substitute for direct investment. The Investment Advisor may, in its discretion, add or remove countries from the universe at any time without notice.

Commodities

The Fund's commodity positions are designed to capture non-traditional returns from the broad commodity market. The Fund will obtain long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, term structure risk premiums. Term structure is the price difference between futures contracts with different maturity dates. Term structure risk premium refers to the expected outperformance of commodities with downward sloping term structures (or commodities with positive roll-yields) over commodities with upward sloping term structures (or commodities with negative roll-yields). The universe of commodities includes futures, ETFs and options on futures or ETFs linked to energy commodities, precious and base metals and agricultural commodities including grains and oilseeds, softs and livestock. The Investment Advisor may, in its discretion, add or remove commodities which the Fund obtains exposure to at any time without notice.

Currencies

The Fund's currency positions are designed to capture non-traditional returns from global currency markets. The Fund will take long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, interest rate differentials. The universe of currencies covers developed and emerging countries which may include the Australian Dollar, Brazilian Real, Canadian Dollar, Chilean Peso, Czechoslovakian Krona, European Union Euro, British Pound, Hungarian Forint, Indonesian Rupiah, Japanese Yen, Korean Won, Mexican Peso, Malaysian Ringgit, Norwegian Krone, New Zealand Dollar, Polish Zloty, Swedish Krona, Singaporean Dollar, Thai Baht, Turkish Lira, Taiwan Dollar, South African Rand and United States Dollar. The Investment Advisor may, in its discretion, add or remove countries from the universe at any time without notice.

The Fund is diversified at both the asset class and individual security levels in order to manage risk. In addition, offsetting long and short positions, or hedges, used to manage the risk of adverse directional market moves. The Investment

Advisor also believes that the use of technical momentum factors provides effective downside risk management.

The Fund provides exposure to several absolute return strategies through one fund offering. The Investment Advisor may use additional investment strategies in the future in order to meet the Fund's investment objectives. The portfolio holdings are reconstituted and rebalanced at the discretion of the Investment Advisor. Generally, a substantial portion of the foreign currency exposure within the portfolio will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the Investment Advisor's discretion.

Purpose Alternative Yield Fund

The Purpose Alternative Yield Fund seeks to achieve its investment objectives by using primarily rules-based portfolio selection strategies to invest in securities of various asset classes which may include, but are not limited to, equity securities, fixed income securities, commodities, currencies and cash in order to create value, generate income and reduce risk over the investment period. The Fund may invest up to 100% of its assets in foreign securities.

The Fund may (a) write cash-covered put options in respect of individual securities in order to receive premium income, reduce overall portfolio volatility and reduce the net cost of acquiring the securities subject to put options, (b) write covered call options on individual securities to seek to receive premium income, reduce overall portfolio volatility and enhance the portfolio's total return, (c) invest in or use warrants, ETFs and derivatives such as options, forward contracts, futures contracts and swaps for both hedging and non-hedging purposes to generate income, hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies and/or gain exposure to individual securities and markets instead of buying the securities directly or (d) hold cash or fixed income securities for strategic reasons or to provide cover for the writing of cash-covered put options in respect of securities in which the Fund is permitted to invest. Such options in respect of (a) and (b) above may be either exchange-traded or over-the-counter options. The Fund is exposed to securities traded in foreign currencies and may, in the Investment Advisor's discretion, enter into currency hedging transactions (including currency forward contracts) to reduce the effects of changes in the value of foreign currencies relative to the value of the Canadian dollar.

The portfolio holdings are reconstituted and rebalanced monthly. The Investment Advisor may, in its discretion, change the frequency with which the portfolio is reconstituted and rebalanced.

Purpose Alternative Strategies Fund

The Purpose Alternative Strategies Fund seeks to achieve its investment objectives by investing in long and short positions across multiple asset classes, which may include, but are not limited to, equity securities, fixed income securities, commodities and currencies in compliance with Canadian

securities legislation. Positions are chosen by the Investment Advisor based on an analysis of technical trends and fundamental outperformance factors that are tailored to each asset class. The Fund's investment strategy is designed to provide market-neutral returns that are non-correlated to the broader equity and fixed income markets.

Utilizing a well-diversified portfolio of instruments, the Fund seeks exposure to the following strategies:

Equities

The Fund's equity positions will be comprised of long and short positions chosen using a multi-factor, fundamental rules-based portfolio selection strategy to select portfolio securities from a universe of global equity securities that emphasizes factors that have shown to be effective at differentiating between strong and weak performing stocks including: fundamental change, valuation, growth and quality. The Fund may also use technical trend factors as part of its equity security selection process. The Investment Advisor may, in its sole discretion hedge the market exposure of the Fund's equity portfolio to enable the equity portfolio to take advantage of the expected value (or alpha) associated with the Fund's individual portfolio investments but with reduced risk that is associated with the overall market (or beta). Tactical hedging will be implemented through the use of derivative instruments in compliance with NI 81-102 including by, but not limited to, selling market index futures contracts, selling put options and selling call options.

Fixed Income

The Fund's fixed income positions will be designed to capture non-traditional returns from global fixed income markets. The Fund may take long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, interest rate differentials and price movements. The universe of the Fund's fixed income securities may include, but is not limited to, government debt, investment grade corporate debt, notes and high yield debt instruments. The Fund may invest in (i) derivatives such as options, futures contracts, forward contracts, swaps and credit derivatives and/or (ii) underlying funds, in each case as permitted by Canadian securities legislation, to hedge market exposure, to protect capital, to generate income, hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies and/or as a substitute for direct investment. The Investment Advisor may, in its discretion, add or remove countries from the universe at any time without notice.

Commodities

The Fund's commodity positions will be designed to capture non-traditional returns from the broad commodity market. The Fund will obtain long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, term structure risk premiums. Term structure

is the price difference between futures contracts with different maturity dates. Term structure risk premium refers to the expected outperformance of commodities with downward sloping term structures (or commodities with positive roll-yields) over commodities with upward sloping term structures (or commodities with negative roll-yields). The universe of commodities will include, but is not limited to, futures, ETFs and options on futures or ETFs linked to energy commodities, precious and base metals, and agricultural commodities including grains and oilseeds, softs and livestock. The Investment Advisor may, in its discretion, add or remove commodities to which the Fund obtains exposure to at any time without notice.

Currencies

The Fund's currency positions will be designed to capture non-traditional returns from global currency markets. The Fund will take long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, interest rate differentials and price movements. The universe of currencies covers developed and emerging countries which may include the Australian Dollar, Brazilian Real, Canadian Dollar, Chilean Peso, Czechoslovakian Krona, European Union Euro, British Pound, Hungarian Forint, Indonesian Rupiah, Japanese Yen, Korean Won, Mexican Peso, Malaysian Ringgit, Norwegian Krone, New Zealand Dollar, Polish Zloty, Swedish Krona, Singaporean Dollar, Thai Baht, Turkish Lira, Taiwan Dollar, South African Rand and United States Dollar. The Investment Advisor may, in its discretion, add or remove countries from the universe at any time without notice.

Derivatives Strategies

The Fund will employ derivative instruments across various asset classes in compliance with Canadian securities legislation including options, futures contracts, warrants, forward contracts and swaps to enhance portfolio income, offer long-term capital appreciation and preserve capital. The Fund may (a) write cash-covered put options in respect of individual securities in order to receive premium income, reduce overall portfolio volatility and reduce the net cost of acquiring the securities subject to put options or (b) write covered call options on individual securities to seek to receive premium income, reduce overall portfolio volatility and enhance the portfolio's total return. The Fund may also hold cash or fixed income securities for strategic reasons or to provide cover for the writing of cash-covered put options in respect of securities in which the Fund is permitted to invest. Such options may be either exchange-traded or over-the-counter options.

The Fund may invest in or use (a) warrants, ETFs and derivatives such as options, forward contracts, futures contracts and swaps for both hedging and non-hedging purposes to generate income, as permitted by Canadian securities legislation, to hedge market exposure, to protect capital, to generate income, hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies and/or as a substitute for direct investment. The Fund is exposed to securities traded in foreign currencies and may in the

Investment Advisor's discretion, enter into currency hedging transactions (including currency forward contracts) to reduce the effects of changes in the value of foreign currencies relative to the value of the Canadian dollar.

The Fund is diversified at both the asset class and individual security levels in order to manage risk. In addition, offsetting long and short positions, or hedges, are used to manage the risk of adverse directional market moves. The Investment Advisor also believes that the use of technical momentum factors provides effective downside risk management.

The portfolio holdings are reconstituted and rebalanced in the sole discretion of the Investment Advisor.

* * *

Each Fund may invest in or use derivative instruments and may engage in securities lending transactions in order to earn additional income for the Fund, provided that the use of such derivative instruments and such securities lending transactions is in compliance with applicable Canadian securities legislation and is consistent with the investment objectives and investment strategies of the Fund. In accordance with applicable Canadian securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in and holding the Constituent Securities, a Fund may also invest in Other Securities (as defined herein) in a manner that is consistent with its investment objectives and investment strategies, provided that there shall be no duplication of management fees chargeable in connection with Constituent Securities held indirectly by the Fund through investments in other investment funds.

See "Investment Strategies".

**Special
Considerations for
Purchasers:**

The provisions of the "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of ETF Shares or ETF Units, as the case may be. The Funds have obtained exemptive relief from the securities regulatory authorities to permit securityholders to acquire more than 20% of the ETF Shares or ETF Units, as the case may be, of any Fund through purchases on a stock exchange without regard to the take-over bid requirements of Canadian securities legislation, provided that any such securityholder, and any person acting jointly or in concert with the securityholder, undertakes to the Manager not to vote more than 20% of the ETF Shares or ETF Units, as the case may be, of the Fund at any meeting of securityholders.

**Dividend/Distribution
Policy:** *PFC Funds*

The dividend policy of the Company is to pay cash dividends on the shares of the PFC Funds on an annual basis, if any, and in addition, to pay a special year-end dividend where the Company has net taxable capital gains upon which it would otherwise be subject to tax or where the Company needs to pay a dividend in order to recover refundable tax not otherwise recoverable upon payment of such cash dividends.

While the principal sources of income of the Company are expected to include taxable capital gains as well as dividends from taxable Canadian corporations, to the extent that the Company earns net income, after expenses, from other sources, including dividends from non-Canadian sources and interest income on interim investment of its reserves, the Company will be subject to income tax on such income and no refund of such tax will be available if available expenses are not enough to offset income.

Purpose Trust Funds

The distribution policy of the Purpose Multi-Strategy Market Neutral Fund and the Purpose Alternative Strategies Fund is to pay cash distributions on units of each Fund on an annual basis, if any. The distribution policy of the Purpose Alternative Yield Fund is to pay cash distributions on units of the Fund on a monthly basis, if any.

Dividend/Distribution Reinvestment Plan: The Funds will provide securityholders with the opportunity to reinvest cash dividends or distributions in additional shares or units, as the case may be, of the same series or class of the same Fund, respectively, through participation in a dividend or distribution reinvestment plan, as applicable. See “Dividend/Distribution Policy – Dividend/Distribution Reinvestment Plan”.

Switching ETF Shares: ETF Shareholders may switch (a “**Switch**”) ETF Shares of one Purpose Corporate Fund to ETF Shares of another Purpose Corporate Fund through the facilities of CDS (as defined herein) by contacting their financial advisor, investment advisor or broker. Initially, ETF Shares may be switched in any week on Wednesday (or if such Wednesday is not a Business Day, the next Business Day) (“**ETF Switch Date**”) of such week (or more frequently as may be determined by the Manager) by delivering written notice to the Purpose Corporate Fund and surrendering such ETF Shares by 4:00 p.m. (Toronto time) at least one Business Day prior to the ETF Switch Date (“**Switch Notice Date**”). The Manager may, in its discretion, change the frequency with which ETF Shares may be switched at any time without notice. See “Redemption, Exchange and Switches of Securities – Switching Shares”.

Pursuant to the Switch Fund Rules (as defined herein), the switch by a shareholder from one class of ETF Shares of the Company into ETF Shares of another class of the Company will result in a disposition of such shares at fair market value and a capital gain or a capital loss will generally be realized. See “Income Tax Considerations – PFC Funds – Taxation of Shareholders”.

Switching Mutual Fund Shares: A holder of Mutual Fund Shares (other than Series XA Shares and Series XF Shares) may switch such Mutual Fund Shares of one Purpose Corporate Fund to Mutual Fund Shares (other than Series XA Shares and Series XF Shares) of another Purpose Corporate Fund on any Business Day through its dealer. Holders of Mutual Fund Shares should contact their financial advisor, investment advisor or broker for more details. Holders of Series XA Shares and Series XF Shares of one Purpose Corporate Fund may switch such shares to Series XA Shares and Series XF Shares, respectively, of another Purpose Corporate Fund. For greater certainty, Series XA Shares and Series XF Shares may not be switched for Series A Shares, Series F Shares, Series I Shares or

Series D Shares and vice versa. Purpose may, in its discretion, change the frequency with which shares may be switched at any time without notice.

No Switching of Units:

Unitholders may not switch ETF Units or Mutual Fund Units of a Purpose Trust Fund for ETF Shares or Mutual Fund Shares of any Purpose Corporate Fund and a holder of ETF Shares or Mutual Fund Shares of a Purpose Corporate Fund may not switch its ETF Shares or Mutual Fund Shares of a Purpose Corporate Fund for ETF Units or Mutual Fund Units of a Purpose Trust Fund. Holders of Mutual Fund Units of a Purpose Trust Fund may convert units of any class into units of any other class of the Fund.

Exchanges and Redemptions:

Holders of ETF Shares or ETF Units may redeem ETF Shares or ETF Units, as applicable, for cash, subject to a redemption discount. Holders of ETF Shares or ETF Units may also exchange a Prescribed Number of Securities (as defined herein) (or integral multiple thereof) for Baskets of Securities (as defined herein) and cash. See “Redemption, Exchange and Switches of Securities – Redemption of ETF Shares/ETF Units for Cash” and “Redemption, Exchange and Switches of Securities – Exchange of ETF Shares/ETF Units for Baskets of Securities”.

Termination of the Funds:

PFC Funds

The PFC Funds do not have a fixed termination date but may be terminated by the Manager upon not less than 60 days’ written notice to shareholders. See “Termination of the Funds”.

Purpose Trust Funds

A Purpose Trust Fund may be terminated by the Manager on at least 60 days’ notice to unitholders of such termination and the Manager will issue a press release in advance thereof. Upon termination of a Purpose Trust Fund, the Constituent Securities, Other Securities, cash and other assets remaining after paying or providing for all liabilities and obligations of the Fund shall be distributed *pro rata* among the unitholders of the Fund.

Eligibility for Investment:

It is intended that the shares and units of the Funds will at all relevant times be qualified investments for trusts governed by Registered Plans (as defined herein).

Holders of tax-free savings accounts (“**TFSAs**”) and registered disability savings plans (“**RDSPs**”), subscribers of registered education savings plans (“**RESPs**”) and annuitants of registered retirement savings plans (“**RRSPs**”) and registered retirement income funds (“**RRIFs**”), should consult with their tax advisors as to whether shares or units, as the case may be, would be a prohibited investment for such accounts or plans in their particular circumstances. See “Eligibility for Investment”.

Risk Factors:

There are certain general risks inherent in an investment in shares or units of the Funds, including:

- (a) Fluctuations in NAV and NAV per Share/Unit;

- (b) Risk of Loss;
- (c) Exchange Rate Risk;
- (d) Tax Risk;
- (e) Changes in Legislation;
- (f) Use of Derivative Instruments;
- (g) Use of Leverage;
- (h) Securities Lending;
- (i) Currency Risk;
- (j) Cyber Security Risk;
- (k) General Risks of Debt Instruments;
- (l) Rebalancing and Adjustment Risk;
- (m) Cease Trading of Constituent Securities;
- (n) Illiquid Securities;
- (o) Reliance on Key Personnel;
- (p) Absence of an Active Market for the ETF Shares/ETF Units;
- (q) Equity Investment Risk;
- (r) Asset Class Risk;
- (s) Collateral Risk;
- (t) Credit Risk;
- (u) Distributions *In Specie*;
- (v) Interest Rate Risk;
- (w) Foreign Investment Risk;
- (x) Counterparty Risk; and
- (y) Trading Price of ETF Shares/ETF Units.

See “Risk Factors”.

In addition to the general risk factors applicable to all of the Funds set forth above, there are certain additional specific risk factors inherent in an investment in certain Funds, as indicated in the table below:

Risk Factors	Purpose Diversified Real Asset Fund	Purpose Enhanced US Equity Fund	Purpose Multi- Strategy Market Neutral Fund	Purpose Alternative Yield Fund	Purpose Alternative Strategies Fund
Agriculture and Farming Industry Risk	√		√	√	√
Capital Depreciation Risk				√	
Commodities Exchange Regulatory Risk	√		√	√	√
Commodity Risk	√		√	√	√
Debt Securities Risk				√	
Energy Risk	√		√	√	√
Fund Corporation Risk	√	√			
Futures Contract Margin Risk	√		√	√	√
Futures Contract Liquidity Risk	√		√	√	√
Foreign Markets Risk	√		√	√	√
Lack of Operating History				√	√
Precious Metals Risk	√		√	√	√

See “Risk Factors – Additional Risks Relating to an Investment in Certain Funds”.

**Income Tax
Considerations:** *PFC Funds*

This summary of Canadian tax considerations for the PFC Funds and for Canadian resident shareholders is subject in its entirety to the qualifications, limitations and assumptions set out under “Income Tax Considerations”.

A holder of shares of a PFC Fund who is resident in Canada for purposes of the Tax Act will be required to include in his or her income the amount of any dividends paid on such shares, other than capital gains dividends, whether received in cash or reinvested in additional shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation will apply to such dividends. Capital gains dividends will be paid by the Company to holders of shares of a PFC Fund out of the capital gains realized by the Company. The amount of a capital gains dividend will be treated as a capital gain in the hands of the holder of such shares. If the Company pays a return of capital, such amount will generally not be taxable but will reduce the adjusted cost base of the holder’s shares of the PFC Fund in respect of which the return of capital amount was paid. Where such reductions would result in the adjusted cost base becoming a negative amount, that amount will be treated as a capital gain realized by the holder of the shares and the adjusted cost base of the shares will be nil immediately thereafter.

Each investor should satisfy himself or herself as to the tax consequences of an investment in shares of the PFC Funds by obtaining advice from his or her own tax advisor.

See “Income Tax Considerations – PFC Funds”.

Purpose Trust Funds

This summary of Canadian tax considerations for the Purpose Trust Funds and for Canadian resident unitholders is subject in its entirety to the qualifications, limitations and assumptions set out under “Income Tax Considerations”.

A unitholder who is resident in Canada for the purposes of the Tax Act will generally be required to include in the unitholder’s income for tax purposes for any year the Canadian dollar amount of net income and net taxable capital gains of the Fund paid or payable to the unitholder in the year and deducted by a Fund in computing its income. Any non-taxable distributions from a Fund (other than the non-taxable portion of any net realized capital gains of the Fund) paid or payable to a unitholder in a taxation year, such as a return of capital, will reduce the adjusted cost base of the unitholder’s units. To the extent that a unitholder’s adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the unitholder and the adjusted cost base of the unit to the unitholder will be nil immediately thereafter. Any loss realized by a Fund cannot be allocated to, and cannot be treated as a loss of, the unitholders of the Fund. Upon the actual or deemed disposition of a unit held by the unitholder as capital property, including the exchange or redemption of a unit, a capital gain (or a capital loss) will generally be realized by the unitholder to the extent that the proceeds of disposition of the unit exceed (or are less than) the aggregate of the adjusted cost base to the unitholder of the unit and any reasonable costs of disposition.

The Declaration of Trust governing the Purpose Trust Funds requires that a Fund distribute its net income and net realized capital gains, if any, for each taxation year to unitholders to such an extent that the Fund will not be liable in any taxation year for ordinary income tax.

Each investor should satisfy himself or herself as to the tax consequences of an investment in units of a Purpose Trust Fund by obtaining advice from his or her own tax advisor.

See “Income Tax Considerations – Purpose Trust Funds”.

Organization and Management Details of the Funds

Manager: Purpose is the manager and portfolio manager of the Funds. The address of the Manager is 130 Adelaide Street West, Suite 1700, Toronto, Ontario, M5H 3P5.

See “Organization and Management Details of the Funds”.

Investment Advisor: Neuberger Berman Breton Hill ULC (“NBBH” or the “**Investment Advisor**”) is the investment sub-advisor and provides investment advisory services to the Funds. The Investment Advisor is located in Toronto, Ontario. The Investment Advisor has an equity interest in Purpose.

See “The Investment Advisor”.

Promoter: The Manager may be considered a promoter of the Funds within the meaning of the securities legislation of certain Provinces and Territories of Canada by reason of its initiative in organizing the Funds. The Promoter is located in Toronto, Ontario.

See “Organization and Management Details of the Funds”.

Custodian: CIBC Mellon Trust Company is the custodian of the assets of the Funds pursuant to, in the case of the Purpose Trust Funds, the PTF Custodian Agreement and in the case of the PFC Funds, the PFC Custodian Agreement. The Custodian is located in Toronto, Ontario. The address of the Custodian is 320 Bay Street, P.O. Box 1, 6th Floor, Toronto, Ontario, M5H 4A6.

See “Organization and Management Details of the Funds – Custodian and Securities Lending Agent”.

Securities Lending Agent: CIBC Mellon Trust Company is the securities lending agent and acts on behalf of the Funds in administering the securities lending transactions entered into by the Funds.

See “Organization and Management Details of the Funds – Custodian and Securities Lending Agent”.

Registrar and Transfer Agent of the ETF Shares and ETF Units: TSX Trust Company, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the ETF Shares and the ETF Units of the Funds. The register for the Funds is kept in Toronto.

See “Organization and Management Details of the Funds – Registrar and Transfer Agent and Plan Agent – ETF Shares/ETF Units”.

Registrar and Transfer Agent of the Mutual Fund Shares and Mutual Fund Units: CIBC Mellon Global Securities Services Company, at its principal office in Toronto, Ontario, is the registrar and transfer agent for the Mutual Fund Shares and the Mutual Fund Units. The register for the Funds is kept in Toronto.

See “Organization and Management Details of the Funds – Registrar and Transfer Agent and Plan Agent – Registrar and Transfer Agent of the Mutual Fund Shares and Mutual Fund Units”.

Plan Agent for the ETF Shares and ETF Units: TSX Trust Company, at its principal offices in Toronto, Ontario, is the Plan Agent for the ETF Shares and ETF Units of the Funds.

See “Organization and Management Details of the Funds – Plan Agent”.

Auditor: Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, at its principal offices in Toronto, Ontario, is the auditor of the Company and the Funds.

See “Organization and Management Details of the Funds – Auditor”.

SUMMARY OF FEES AND EXPENSES

This table lists the fees and expenses that you may have to pay if you invest in the Funds. You may have to pay some of these fees and expenses directly. The Funds may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Funds. For further particulars, see “Fees and Expenses”.

Fees and Expenses Payable by the Funds

Management Fees: *ETF Shares/ETF Units*

Each Fund will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the ETF Shares and the ETF Units, as the case may be, of the Fund. The management fee, plus applicable HST, is calculated and accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

Fund	Annual Management Fee (%)
Purpose Diversified Real Asset Fund	0.60%
Purpose Enhanced US Equity Fund	0.80%
Purpose Multi-Strategy Market Neutral Fund	0.95%
Purpose Alternative Yield Fund	0.75%
Purpose Alternative Strategies Fund	0.95%

Mutual Fund Shares/Mutual Fund Units

Each Fund will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the applicable series or class of the Fund, as the case may be. The management fee, plus applicable HST, is calculated and accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

Fund	Series/Class	Annual Management Fee (%)
Purpose Diversified Real Asset Fund	A	1.60% (including a service fee of 1.00% as described below)
	F	0.60%
	I	negotiated management fee paid directly to Purpose, which will not exceed 0.60%
	D	0.85% (including a service fee of 0.25% as described below)
	XA	1.60% (including a service fee of 1.00% as described below)
	XF	0.60%

Fund	Series/Class	Annual Management Fee (%)
Purpose Enhanced US Equity Fund	A	1.80% (including a service fee of 1.00% as described below)
	F	0.80%
	I	negotiated management fee paid directly to Purpose, which will not exceed 0.80%
	D	1.05% (including a service fee of 0.25% as described below)
	XA	1.80% (including a service fee of 1.00% as described below)
	XF	0.80%
Purpose Multi- Strategy Market Neutral Fund	A	1.95% (including a service fee of 1.00% as described below)
	F	0.95%
	D	1.20% (including a service fee of 0.25% as described below)
	I	negotiated management fee paid directly to Purpose, which will not exceed 0.95%
Purpose Alternative Yield Fund	A	1.75% (including a service fee of 1.00% as described below)
	F	0.75%
	D	1.00% (including a service fee of 0.25% as described below)
Purpose Alternative Strategies Fund	A	1.95% (including a service fee of 1.00% as described below)
	F	0.95%
	D	1.20% (including a service fee of 0.25% as described below)

In addition, holders of Series XA Shares and Series XF Shares pay an additional fee of up to 0.65% per annum based on the value of the securities vended in and held by

the Company, plus an amount in respect of hedging costs (based on then current market rates) incurred in connection with all such holdings, on a *pro rata* basis.

**Trailing
Commission:**

The Manager will pay a service fee, also known as a “trailing commission”, to the dealer of each holder of Series A Shares, Series D Shares, Series XA Shares, Class A Units or Class D Units, as the case may be, quarterly for ongoing services that the dealer may provide to the holder of Series A Shares, Series D Shares, Series XA Shares, Class A Units or Class D Units, as applicable, for so long as the holder continues to hold Series A Shares, Series D Shares, Series XA Shares, Class A Units or Class D Units, as applicable. The service fee will be paid by the Fund to the Manager. The Manager will in turn remit the service fee to the dealers. The service fee for Series A Shares, Series XA Shares and Class A Units is equal to 1.00% per annum of the average daily NAV per Series A Share, Series XA Share or Class A Unit of the Fund, as the case may be, held, plus applicable HST. The service fee for Series D Shares and Class D Units is equal to 0.25% per annum of the average daily NAV per Series D Share or Class D Unit of the Fund, as the case may be, held, plus applicable HST. No service fee is payable on the ETF Shares, ETF Units, Mutual Fund Shares (other than Series A Shares, Series D Shares and Series XA Shares) or Mutual Fund Units (other than Class A Units and Class D Units). The Manager may, in its discretion, change the terms of the service fee including the manner and frequency with which it is paid at any time.

See “Fees and Expenses – Fees and Expenses Payable by the Funds – Trailing Commission”.

**Operating
Expenses:**

PFC Funds

The Manager has agreed to pay for certain operating and administrative expenses (the “**Corporate Administrative Expenses**”) incurred by each PFC Fund in respect of the ETF Shares, Series A Shares, Series F Shares, Series D Shares, Series XA Shares and Series XF Shares which exceed 0.05% per annum of the NAV each of such series of shares. This means each Fund pays only up to 0.05% per annum of the NAV of each such series of shares of the Fund for Corporate Administrative Expenses, plus the other costs and expenses referred to below. Corporate Administrative Expenses include accounting, audit and legal fees, custodial fees, investor reporting costs for annual and semi-annual financial statements, expenses in connection with the preparation of prospectus and other regulatory reports, regulatory filing fees, exchange listing fees (if applicable) and other operating and administrative expenses incurred in connection with the day-to-day operation of the Fund. However, Corporate Administrative Expenses do not include, and each Fund will be responsible for paying (the “**Corporate Additional Expenses**”), the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of an independent review committee), the costs and expenses incurred in connection with the dividend reinvestment plan, portfolio transaction costs including brokerage expenses and commissions and costs associated with the use of derivatives (if applicable), transfer agency fees and expenses, income and withholding taxes as well as all other applicable taxes, including HST, bank charges and interest expenses, the costs of complying with any new governmental or regulatory requirement introduced after the Fund was established and extraordinary expenses including any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to

investors in the Fund. The Corporate Administrative Expenses and Corporate Additional Expenses payable by the Fund, plus applicable HST, will be calculated and accrued daily and paid monthly in arrears.

In addition, holders of Series XA Shares and Series XF Shares pay an additional fee of up to 0.65% per annum based on the value of the securities vended in and held by the Company, plus an amount in respect of hedging costs (based on then current market rates) incurred in connection with all such holdings, on a *pro rata* basis.

The Manager may, from time to time, in its sole discretion, pay all or a portion of any Corporate Additional Expenses which would otherwise be payable by the Funds.

See “Fees and Expenses – Fees and Expenses Payable by the Funds – Negotiated Management Fee” below for details regarding Series I Shares.

Purpose Trust Funds

The Manager has agreed to pay for certain operating and administrative expenses (the “**Trust Administrative Expenses**”) incurred by each Purpose Trust Fund in respect of the ETF Units, Class A Units, Class F Units and Class D Units which exceed 0.05% per annum of the NAV of each class of units of the Fund. This means that each Fund pays only up to 0.05% per annum of the NAV of each class of units of the Fund for Trust Administrative Expenses, plus the other costs and expenses referred to below. Trust Administrative Expenses include accounting, audit and legal fees, custodial fees, investor reporting costs for annual and semi-annual financial statements, expenses in connection with the preparation of prospectus and other regulatory reports, regulatory filing fees, exchange listing fees (if applicable) and other operating and administrative expenses incurred in connection with the day-to-day operation of a Fund. However, Trust Administrative Expenses do not include, and each Fund will be responsible for paying (the “**Trust Additional Expenses**”), the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of an independent review committee), the costs and expenses incurred in connection with the distribution reinvestment plan, portfolio transaction costs including brokerage expenses and commissions and costs associated with the use of derivatives (if applicable), transfer agency fees and expenses, income and withholding taxes as well as all other applicable taxes, including HST, bank charges and interest expenses, the costs of complying with any new governmental or regulatory requirement introduced after the Fund was established and extraordinary expenses including any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to investors in the Fund. The Trust Administrative Expenses and Trust Additional Expenses payable by a Fund, plus applicable HST, will be calculated and accrued daily and paid monthly in arrears.

The Manager may, from time to time, in its sole discretion, pay all or a portion of any Trust Additional Expenses which would otherwise be payable by a Fund.

See “Fees and Expenses – Fees and Expenses Payable by the Funds – Negotiated Management Fee” below for details regarding Class I Units, “Fees and Expenses –

Fees and Expenses Payable by the Funds – Operating Fees” and “Organization and Management Details of the Funds – The Manager, Promoter and Trustee”.

Negotiated Management Fee:

Holders of Series I Shares and/or Class I Units pay a negotiated management fee directly to the Manager, plus any additional amounts for administrative expenses up to 0.05% per annum of the NAV of such series of shares and/or class of units and any additional expenses as may be agreed to by the holder and the Manager. The negotiated management fee may vary for each Fund and each investor in a Fund. See the “Fees and Expenses – Fee and Expenses Payable by the Funds – Management Fees – Mutual Fund Shares/Mutual Fund Units” for information on the maximum percentage of the negotiated management fee which may be payable by an investor in Series I Shares or Class I Units of the Funds.

Management Fee Rebates:

ETF Shares/ETF Units

To achieve effective and competitive management fees, the Manager may reduce the management fee borne by certain holders of ETF Shares or ETF Units who have signed an agreement with the Manager. The Manager will pay out the amount of the reduction in the form of a management fee rebate directly to the eligible securityholder. The decision to pay management fee rebates will be in the Manager’s discretion and will depend on a number of factors, including the size of the investment and a negotiated fee agreement between the securityholder and the Manager. The Manager reserves the right to discontinue or change management fee rebates at any time.

Mutual Fund Shares/Mutual Fund Units

To achieve effective and competitive management fees, the Manager may reduce the management fee borne by certain holders of Mutual Fund Shares or Mutual Fund Units who have signed an agreement with the Manager. The Manager will reinvest the amount of the reduction in additional Mutual Fund Shares or Mutual Fund Units, as applicable, unless otherwise requested. The decision to pay management fee rebates will be in the Manager’s discretion and will depend on a number of factors, including the size of the investment and a negotiated fee agreement between the securityholder and the Manager. The Manager reserves the right to discontinue or change management fee rebates at any time.

See “Fees and Expenses – Fees and Expenses Payable by the Funds – Management Fee Rebates”.

Fees and Expenses Payable Directly by Securityholders

Short-term Trading Fees:

ETF Shares/ETF Units

At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on the ETF Shares or ETF Units.

Mutual Fund Shares

If a holder of Mutual Fund Shares redeems or switches Mutual Fund Shares within 30 days of purchasing such Mutual Fund Shares, the Manager may charge a short-term trading fee on behalf of the Fund of up to 2% of the value of such shares in circumstances where it determines that the trading activity represents market timing or

excessive short-term trading. This charge is in addition to any switch fee that the shareholder may pay. Each additional switch counts as a new purchase for this purpose. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the Fund.

Mutual Fund Units

If a holder of Mutual Fund Units redeems Mutual Fund Units within 30 days of purchasing such Mutual Fund Units, the Manager may charge a short-term trading fee on behalf of the Fund of up to 2% of the value of such units in circumstances where it determines that the trading activity represents market timing or excessive short-term trading. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the Fund.

See “Fees and Expenses Payable Directly by Securityholders” and “Purchase of Securities – Initial Investment”.

Negotiated Management Fee:

Holders of Series I Shares/Class I Units will pay a negotiated management fee directly to the Manager. See “Fees and Expenses – Fees and Expenses Payable by the Funds – Negotiated Management Fee”.

Annual Returns, Management Expense Ratio and Trading Expense Ratio:

The following chart provides the annual returns, the management expense ratio (“MER”) and the trading expense ratio (“TER”) for the ETF Shares or ETF Units, as applicable, of the Funds as disclosed in the Funds’ management reports of fund performance from the date of its inception to December 31, 2017. This information is not available for the New Purpose Funds because no ETF Units of the New Purpose Funds had been issued as of December 31, 2017.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Purpose Diversified Real Asset Fund – ETF shares</u>				
Annual Returns (%)	4.7%	15.0%	-13.40%	-3.90% ¹
MER (%)	0.74%	0.72%	0.75%	0.77% ¹
TER (%)	0.12%	0.27%	0.28%	0.06% ¹
<u>Purpose Enhanced US Equity Fund – ETF shares</u>				
Annual Returns (%)	15.8%	21.5%	-8.30%	7.00%
MER (%)	1.31%	1.18%	1.15%	1.13%
TER (%)	0.12%	0.12%	0.21%	0.26%
<u>Purpose Enhanced US Equity Fund – ETF non-currency hedged shares</u>				
Annual Returns (%)	10.1%	18.9%	6.40%	10.00% ²
MER (%)	1.29%	1.16%	1.15%	1.13% ²
TER (%)	0.11%	0.17%	0.36%	0.26% ²

Purpose Multi-Strategy Market
Neutral Fund – ETF Units

Annual	6.9%	3.6%	2.20%	3.00% ³
Returns (%)				
MER (%)	1.06%	1.07%	1.09%	1.14% ³
TER (%)	0.05%	0.06%	0.12%	0.19% ³

Notes:

- (1) For the period November 5, 2014 to December 31, 2014.
- (2) For the period October 14, 2014 to December 31, 2014.
- (3) For the period October 10, 2014 to December 31, 2014.

OVERVIEW OF THE LEGAL STRUCTURE OF THE FUNDS

PFC Funds

Purpose Fund Corp. (the “**Company**”) is a mutual fund corporation established under the laws of the Province of Ontario. The authorized capital of the Company includes an unlimited number of classes of non-cumulative, redeemable, non-voting shares and one class of voting common shares (the “**Common Shares**”). The authorized capital of the Company includes an unlimited number of classes of non-cumulative, redeemable, non-voting shares (each, a “**Corporate Class**”). Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. Each of the Purpose Diversified Real Asset Fund and the Purpose Enhanced US Equity Fund is class of shares of the Company. Each such Corporate Class is divided into separate series of shares. Each Corporate Class consists of one or more series of exchange-traded shares and one or more series of Mutual Fund Shares (as defined herein). An unlimited number of ETF Shares (as defined herein) and Mutual Fund Shares are authorized for issuance.

Purpose Trust Funds

Each Purpose Trust Fund is a mutual fund established as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust (as defined herein). The authorized capital of each Purpose Trust Fund includes one or more classes of exchange-traded units (each such class, “**ETF Units**”) and one or more classes of Mutual Fund Units (as defined herein). An unlimited number of ETF Units and Mutual Fund Units are authorized for issuance.

The Funds are offering the following shares or units, as the case may be:

Purpose Diversified Real Asset Fund¹

Purpose Enhanced US Equity Fund²

Purpose Multi-Strategy Market Neutral Fund³

Purpose Alternative Yield Fund⁴ (formerly Purpose Diversified Premium Yield Fund)

Purpose Alternative Strategies Fund⁴

- (1) ETF shares, Series A shares, Series F shares, Series I shares, Series D shares, Series XA shares and Series XF Shares.
- (2) ETF shares and ETF non-currency hedged shares, Series A shares, Series A non-currency hedged shares, Series F shares, Series F non-currency hedged shares, Series I shares, Series I non-currency hedged shares, Series D shares, Series XA shares and Series XF shares.
- (3) ETF units, Class A units, Class F units, Class I units and Class D units.
- (4) ETF units, Class A units, Class F units and Class D units.

* * *

The Funds are mutual funds but certain provisions of securities legislation designed to protect investors who purchase securities of mutual funds do not apply to them. The shares and units of the Funds may only be purchased by investors through registered brokers and dealers registered to sell securities of mutual funds which are subject to National Instrument 81-104 – *Commodity Pools* in accordance with the requirements of Part 4 of that Instrument. The Funds are subject to certain restrictions and practices contained in Canadian securities legislation, including National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”), and are managed in accordance with these restrictions, except as otherwise permitted by National Instrument 81-104 – *Commodity Pools* (“**NI 81-104**”) and subject to receipt of any exemptions therefrom obtained by the Funds.

The currency exposure of the portion of the Purpose Enhanced US Equity Fund’s portfolio related to ETF Non-Currency Hedged Shares and Non-Currency Hedged Mutual Fund Shares will not be hedged back to the Canadian dollar. Accordingly, the NAV per share of each series of shares of the Purpose Enhanced US

Equity Fund will not be the same as a result of the currency exposure of the portion of the Fund's portfolio related to each such series of shares.

While the Funds are mutual funds under the securities legislation of certain Provinces and Territories of Canada, they have been granted exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds. See "Exemptions and Approvals".

The Funds are not index mutual funds and are managed in the discretion of the Manager in accordance with their respective investment strategies and, as such, they are generally more active in nature than index mutual funds.

The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the ETF Units of the Purpose Alternative Yield Fund and the Purpose Alternative Strategies Fund (collectively, the "New Purpose Funds") on the TSX. The listing of the ETF Units is subject to each New Purpose Fund fulfilling all of the requirements of the TSX on or before July 26, 2019. Subject to satisfying the TSX's original listing requirements, the ETF Units of the New Purpose Funds will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell such ETF Units on the TSX through registered brokers and dealers in the Province or Territory where the investor resides.

The ETF Units and ETF shares and ETF non-currency hedged shares (collectively, the "ETF Shares"), as applicable, of the Funds (other than the New Purpose Funds) are listed on the TSX and offered on a continuous basis, and an investor may buy or sell ETF Units and ETF Shares of the Funds (other than the New Purpose Funds) on the TSX through registered brokers and dealers in the Province or Territory where the investor resides.

Investors will incur customary brokerage commissions in buying or selling the ETF Units and ETF Shares. The TSX ticker symbol for (a) the ETF shares of the Purpose Diversified Real Asset Fund is "PRA", (b) the ETF shares of the Purpose Enhanced US Equity Fund is "PEU", (c) the ETF Non-Currency Hedged Shares of the Purpose Enhanced US Equity Fund is "PEU.B", (d) the ETF Units of the Purpose Multi-Strategy Market Neutral Fund is "PMM", (e) the ETF Units of the Purpose Alternative Yield Fund is "PDYF" and (f) the ETF Units of the Purpose Alternative Strategies Fund is "PALT".

The ETF Shares and ETF Units are Canadian dollar denominated.

The Manager, on behalf of the Funds, has entered, or will enter, into agreements with registered dealers (each a "Designated Broker" or "Dealer"), which amongst other things enables Designated Brokers and Dealers to purchase and redeem ETF Shares or ETF Units, as the case may be, directly from the Funds. Securityholders may redeem ETF Shares or ETF Units, as the case may be, for cash at a redemption price of (a) (i) in respect of the ETF Shares, 95% of the closing price for the ETF Shares on the TSX and (ii) in respect of the ETF Units, 95% of the market price of the ETF Units, on the effective date of redemption and (b) the NAV per ETF Share or ETF Unit, as the case may be. "Market price" means the weighted average trading price of the ETF Units on the Canadian marketplaces on which the ETF Units have traded on the effective date of redemption. Securityholders may also exchange a Prescribed Number of Securities (as defined herein) (or an integral multiple thereof) for cash and Baskets of Securities (as defined herein) held by a Fund. The Funds will issue ETF Shares and ETF Units directly to Designated Brokers and Dealers.

The head office of the Funds and the Manager is located at 130 Adelaide Street West, Suite 1700, Toronto, Ontario, M5H 3P5. The Manager is a corporation incorporated under the laws of the Province of Ontario. Neuberger Berman Breton Hill ULC (formerly, Breton Hill Capital Ltd.) (the "Investment Advisor") will act as investment sub-advisor to the Funds. The fiscal year-end of the Company is December 31.

The following table sets out the full legal name as well as the TSX ticker symbol for the ETF Shares or ETF Units, as applicable, of the Funds:

Legal name of the Fund	TSX Ticker Symbol
Purpose Diversified Real Asset Fund (ETF shares)	PRA
Purpose Enhanced US Equity Fund (ETF shares)	PEU
Purpose Enhanced US Equity Fund (ETF Non-Currency Hedged Shares)	PEU.B
Purpose Multi-Strategy Market Neutral Fund (ETF Units)	PMM
Purpose Alternative Yield Fund (ETF Units)	PDYF
Purpose Alternative Strategies Fund (ETF Units)	PALT

On June 8, 2018, the Manager approved a proposal to merge the Purpose Diversified Real Asset Fund and the Redwood Global Infrastructure Income Fund, with the Purpose Diversified Real Asset Fund being the continuing fund (the “**Proposal**”). The Manager called and will hold a special meeting of shareholders of the Purpose Diversified Real Asset Fund on August 16, 2018 to consider and vote upon the Proposal. A management information circulating describing the Proposal will be mailed to shareholders of the Purpose Diversified Real Asset Fund of record on July 3, 2018. If approved, the Proposal is expected to be implemented on or about August 27, 2018.

INVESTMENT OBJECTIVES

Each of the Funds seeks to provide investors with a specified investment result, as outlined herein.

Purpose Diversified Real Asset Fund

The Purpose Diversified Real Asset Fund seeks to provide shareholders with exposure to a diversified portfolio of asset classes that are directly or indirectly linked to physical assets with positive correlation to inflation and are expected to maintain their real (after inflation) value over time. These assets may include precious metals and related equities; industrial, energy and agricultural commodities and related equities; real estate investment trusts (REITs); emerging market (EM) currencies; real return bonds and treasury inflation-protected securities (TIPS); and cash.

Purpose Enhanced US Equity Fund

The Purpose Enhanced US Equity Fund seeks to provide shareholders with long-term capital appreciation and a superior risk adjusted return relative to the broad U.S. equity markets. The Fund aims to provide returns in excess of the broad U.S. equity markets by investing in a portfolio of U.S. listed equities while maintaining a similar level of volatility as the broad U.S. equity markets. The Fund will employ leverage to increase its long portfolio exposure and to hedge the increased market risk associated with the leveraged portion of the portfolio. The Fund will implement its hedging strategy through the use of derivative instruments including by selling market index futures contracts.

The Fund will borrow up to a maximum of 35% of its net assets, of which up to a maximum of 30% is used for additional investment in its long portfolio, and up to a maximum of 5% is used as margin in connection with the Fund’s hedging strategy.

Purpose Multi-Strategy Market Neutral Fund

The Purpose Multi-Strategy Market Neutral Fund seeks to provide unitholders with positive absolute returns that are not correlated to the broader securities markets. The Fund will utilize a multi-strategy approach by allocating its assets across various asset classes including equities, currencies and commodities.

Purpose Alternative Yield Fund

The Purpose Alternative Yield Fund seeks to provide unitholders with (a) high monthly income and (b) long-term capital appreciation. The Fund will achieve its investment objectives by investing in various asset classes including, but not limited to, equities, fixed income securities, currencies and commodities.

Purpose Alternative Strategies Fund

The Purpose Alternative Strategies Fund seeks to provide unitholders with long-term positive absolute returns in all market conditions while targeting (a) volatility not higher than the broad equity markets and (b) low correlation to the broad equity and fixed income securities markets. The Fund will utilize a multi-strategy approach by allocating its assets across various asset classes including equities, fixed income securities, currencies and commodities.

INVESTMENT STRATEGIES

The investment strategy of each Fund is to invest in and hold a portfolio of securities or assets selected by the Manager or Investment Advisor in order to achieve its investment objectives. The Funds may also hold cash and cash equivalents or other money market instruments to meet their current obligations.

Purpose Diversified Real Asset Fund

The Purpose Diversified Real Asset Fund uses various asset classes to provide positive correlation to inflation including: precious metals and related equities; industrial, energy and agricultural commodities and related equities; real estate investment trusts (REITs); emerging market (EM) currencies; real return bonds and treasury inflation-protected securities (TIPS); and cash. The portfolio will be tactically rebalanced on a quarterly basis with a risk-parity based asset allocation strategy to maximize returns while reducing risk. “Risk-parity” is a core risk-focused asset allocation strategy targeting equal volatility contributions by asset classes held in the portfolio. By combining these potential benefits, the strategy can serve as a compelling, comprehensive investment for those seeking to not only hedge inflation, but also potentially benefit from trends and changes in inflation.

The Investment Advisor may, in its discretion, change the frequency with which the portfolio is reconstituted and rebalanced. Generally, a substantial portion of the foreign currency exposure within the portfolio will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the Investment Advisor’s discretion.

The Fund will employ commodity futures but will not employ leverage.

Purpose Enhanced US Equity Fund

The Purpose Enhanced US Equity Fund uses a multi-factor, fundamental rules-based portfolio selection strategy to select portfolio securities from a universe of North American equities. The selection strategy will emphasize factors that have shown to be effective at differentiating between strong and weak

performing stocks including: fundamental change, valuation, growth and quality. The Fund will utilize leverage to achieve market exposure to the long portfolio targeted at 130% of the NAV of the Fund and may borrow up to 35% of the Fund's NAV to implement its investment strategies.

The Fund will hedge up to 30% of the portfolio's market exposure in order to reduce overall market risk associated with the leveraged portion of the portfolio investments such that the net market exposure of the Fund will generally be targeted at 100% of the NAV of the Fund.

As a result, over time, it is expected that for every \$100 invested, the portfolio will be constructed as \$130 in long equity security positions and \$30 in short market index risk, resulting in a portfolio that generally has 100% net equity market exposure.

The investment strategy is intended to enable the Fund to take advantage of the expected value (or alpha) associated with the Fund's individual portfolio investments while maintaining a level of risk similar to the overall market. The hedging strategy is implemented through the use of derivative instruments in compliance with NI 81-102 including by selling market index futures contracts.

The portfolio holdings are reconstituted and rebalanced monthly. The Investment Advisor may, in its discretion, change the frequency with which the portfolio is reconstituted and rebalanced. With respect to the Mutual Fund Shares and ETF Shares (other than the ETF Non-Currency Hedged Shares and Non-Currency Hedged Mutual Fund Shares (as defined herein)) generally, a substantial portion of the foreign currency exposure within the portfolio will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the Investment Advisor's discretion. With respect to the ETF Non-Currency Hedged Shares and Non-Currency Hedged Mutual Fund Shares, the foreign currency exposure of the portfolio will not be hedged back to the Canadian dollar.

Purpose Multi-Strategy Market Neutral Fund

The Purpose Multi-Strategy Market Neutral Fund seeks to achieve its investment objectives by investing in long and short positions across multiple asset classes, which may include, but are not limited to, equity securities, fixed income securities, commodities and currencies. Positions are chosen by the Investment Advisor based on an analysis of technical trends and fundamental outperformance factors that are tailored to each asset class. The Fund's investment strategy is designed to provide market-neutral returns that are non-correlated to the broader equity and fixed income markets.

Utilizing a well-diversified portfolio of instruments, the Fund seeks exposure to the following strategies:

Equities

The Fund's equity positions are comprised of long and short positions chosen using a multi-factor, fundamental rules-based portfolio selection strategy to select portfolio securities from a universe of global equities that emphasizes factors that have shown to be effective at differentiating between strong and weak performing stocks including: fundamental change, valuation, growth and quality. The Investment Advisor will tactically hedge the market exposure of the Fund's equity portfolio such that the Fund's equity net market exposure will range between 0% and 50% of the Fund's NAV. This hedging is intended to enable the equity portfolio to take advantage of the expected value (or alpha) associated with the Fund's individual portfolio investments but with reduced risk that is associated with the overall market (or beta). Tactical hedging is implemented through the use of derivative instruments in compliance with NI 81-102 including by selling market index futures contracts.

Fixed Income

The Fund's fixed income positions will be designed to capture non-traditional returns from global fixed income markets. The Fund may take long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, interest rate differentials and price movements. The universe of the Fund's fixed income securities may include, but is not limited to, government debt, investment grade corporate debt, notes and high yield debt instruments. The Fund may invest in (i) derivatives such as options, futures contracts, forward contracts, swaps and credit derivatives and/or (ii) underlying funds, in each case as permitted by Canadian securities legislation, to hedge market exposure, to protect capital, to generate income, hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies and/or as a substitute for direct investment. The Investment Advisor may, in its discretion, add or remove countries from the universe at any time without notice.

Commodities

The Fund's commodity positions are designed to capture non-traditional returns from the broad commodity market. The Fund will obtain long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, term structure risk premiums. Term structure is the price difference between futures contracts with different maturity dates. Term structure risk premium refers to the expected outperformance of commodities with downward sloping term structures (or commodities with positive roll-yields) over commodities with upward sloping term structures (or commodities with negative roll-yields). The universe of commodities includes futures, ETFs and options on futures or ETFs linked to energy commodities, precious and base metals and agricultural commodities including grains and oilseeds, softs and livestock. The Investment Advisor may, in its discretion, add or remove commodities which the Fund obtains exposure to at any time without notice.

Currencies

The Fund's currency positions are designed to capture non-traditional returns from global currency markets. The Fund will take long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, interest rate differentials. The universe of currencies covers developed and emerging countries which may include the Australian Dollar, Brazilian Real, Canadian Dollar, Chilean Peso, Czechoslovakian Krona, European Union Euro, British Pound, Hungarian Forint, Indonesian Rupiah, Japanese Yen, Korean Won, Mexican Peso, Malaysian Ringgit, Norwegian Krone, New Zealand Dollar, Polish Zloty, Swedish Krona, Singaporean Dollar, Thai Baht, Turkish Lira, Taiwan Dollar, South African Rand and United States Dollar. The Investment Advisor may, in its discretion, add or remove countries from the universe at any time without notice.

The Fund is diversified at both the asset class and individual security levels in order to manage risk. In addition, offsetting long and short positions, or hedges, used to manage the risk of adverse directional market moves. The Investment Advisor also believes that the use of technical momentum factors provides effective downside risk management.

The Fund provides exposure to several absolute return strategies through one fund offering. The Investment Advisor may use additional investment strategies in the future in order to meet the Fund's investment objectives. The portfolio holdings are reconstituted and rebalanced at the discretion of the Investment Advisor. Generally, a substantial portion of the foreign currency exposure within the portfolio will be

hedged back to the Canadian dollar by using derivatives including currency forward contracts in the Investment Advisor's discretion.

Purpose Alternative Yield Fund

The Purpose Alternative Yield Fund seeks to achieve its investment objectives by using primarily rules-based portfolio selection strategies to invest in securities of various asset classes, which may include, but are not limited to, equity securities, fixed income securities, commodities, currencies and cash in order to create value, generate income and reduce risk over the investment period. The Fund may invest up to 100% of its assets in foreign securities.

The Fund may (a) write cash-covered put options in respect of individual securities in order to receive premium income, reduce overall portfolio volatility and reduce the net cost of acquiring the securities subject to put options, (b) write covered call options on individual securities to seek to receive premium income, reduce overall portfolio volatility and enhance the portfolio's total return, (c) invest in or use warrants, ETFs and derivatives such as options, forward contracts, futures contracts and swaps for both hedging and non-hedging purposes to generate income, hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies and/or gain exposure to individual securities and markets instead of buying the securities directly or (d) hold cash or fixed income securities for strategic reasons or to provide cover for the writing of cash-covered put options in respect of securities in which the Fund is permitted to invest. Such options in respect of (a) and (b) above may be either exchange-traded or over-the-counter options. The Fund is exposed to securities traded in foreign currencies and may, in the Investment Advisor's discretion, enter into currency hedging transactions (including currency forward contracts) to reduce the effects of changes in the value of foreign currencies relative to the value of the Canadian dollar.

The portfolio holdings are reconstituted and rebalanced monthly. The Investment Advisor may, in its discretion, change the frequency with which the portfolio is reconstituted and rebalanced.

Purpose Alternative Strategies Fund

The Purpose Alternative Strategies Fund seeks to achieve its investment objectives by investing in long and short positions across multiple asset classes, which may include, but are not limited to, equity securities, fixed income securities, commodities, currencies in compliance with Canadian securities legislation. Positions are chosen by the Investment Advisor based on an analysis of technical trends and fundamental outperformance factors that are tailored to each asset class. The Fund's investment strategy is designed to provide market-neutral returns that are non-correlated to the broader equity and fixed income markets.

Utilizing a well-diversified portfolio of instruments, the Fund seeks exposure to the following strategies:

Equities

The Fund's equity positions will be comprised of long and short positions chosen using a multi-factor, fundamental rules-based portfolio selection strategy to select portfolio securities from a universe of global equity securities that emphasizes factors that have shown to be effective at differentiating between strong and weak performing stocks including: fundamental change, valuation, growth and quality. The Fund may also use technical trend factors as part of its equity security selection process. The Investment Advisor may, in its sole discretion hedge the market exposure of the Fund's equity portfolio to enable the equity portfolio to take advantage of the expected value (or alpha) associated with the Fund's individual portfolio investments but with reduced risk that is associated with the overall market (or beta). Tactical hedging will

be implemented through the use of derivative instruments in compliance with NI 81-102 including by, but not limited to, selling market index futures contracts, selling put options and selling call options.

Fixed Income

The Fund's fixed income positions will be designed to capture non-traditional returns from global fixed income markets. The Fund may take long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, interest rate differentials and price movements. The universe of the Fund's fixed income securities may include, but is not limited to, government debt, investment grade corporate debt, notes and high yield debt instruments. The Fund may invest in (i) derivatives such as options, futures contracts, forward contracts, swaps and credit derivatives and/or (ii) underlying funds, in each case as permitted by Canadian securities legislation, to hedge market exposure, to protect capital, to generate income, hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies and/or as a substitute for direct investment. The Investment Advisor may, in its discretion, add or remove countries from the universe at any time without notice.

Commodities

The Fund's commodity positions will be designed to capture non-traditional returns from the broad commodity market. The Fund will obtain long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, term structure risk premiums. Term structure is the price difference between futures contracts with different maturity dates. Term structure risk premium refers to the expected outperformance of commodities with downward sloping term structures (or commodities with positive roll-yields) over commodities with upward sloping term structures (or commodities with negative roll-yields). The universe of commodities will include, but is not limited to, futures, ETFs and options on futures or ETFs linked to energy commodities, precious and base metals, and agricultural commodities including grains and oilseeds, softs and livestock. The Investment Advisor may, in its discretion, add or remove commodities to which the Fund obtains exposure to at any time without notice.

Currencies

The Fund's currency positions will be designed to capture non-traditional returns from global currency markets. The Fund will take long and short positions based on quantitative, rules-based scoring methodologies that reflect both technical trends and long-term outperformance factors that are expected to include, but are not limited to, interest rate differentials and price movements. The universe of currencies covers developed and emerging countries which may include the Australian Dollar, Brazilian Real, Canadian Dollar, Chilean Peso, Czechoslovakian Krona, European Union Euro, British Pound, Hungarian Forint, Indonesian Rupiah, Japanese Yen, Korean Won, Mexican Peso, Malaysian Ringgit, Norwegian Krone, New Zealand Dollar, Polish Zloty, Swedish Krona, Singaporean Dollar, Thai Baht, Turkish Lira, Taiwan Dollar, South African Rand and United States Dollar. The Investment Advisor may, in its discretion, add or remove countries from the universe at any time without notice.

Derivatives Strategies

The Fund will employ derivative instruments across various asset classes in compliance with Canadian securities legislation including options, futures contracts, warrants, forward contracts and swaps to enhance portfolio income, offer long-term capital appreciation and preserve capital. The Fund may (a) write cash-covered put options in respect of individual securities in order to receive premium income, reduce overall portfolio volatility and reduce the net cost of acquiring the securities subject to put options or (b) write

covered call options on individual securities to seek to receive premium income, reduce overall portfolio volatility and enhance the portfolio's total return. The Fund may also hold cash or fixed income securities for strategic reasons or to provide cover for the writing of cash-covered put options in respect of securities in which the Fund is permitted to invest. Such options may be either exchange-traded or over-the-counter options.

The Fund may invest in or use (a) warrants, ETFs and derivatives such as options, forward contracts, futures contracts and swaps for both hedging and non-hedging purposes to generate income, as permitted by Canadian securities legislation, to hedge market exposure, to protect capital, to generate income, hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies and/or as a substitute for direct investment. The Fund is exposed to securities traded in foreign currencies and may in the Investment Advisor's discretion, enter into currency hedging transactions (including currency forward contracts) to reduce the effects of changes in the value of foreign currencies relative to the value of the Canadian dollar.

The Fund is diversified at both the asset class and individual security levels in order to manage risk. In addition, offsetting long and short positions, or hedges, are used to manage the risk of adverse directional market moves. The Investment Advisor also believes that the use of technical momentum factors provides effective downside risk management.

The portfolio holdings are reconstituted and rebalanced in the sole discretion of the Investment Advisor.

Securities Lending

In order to generate additional income, a Fund may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Manager pursuant to the terms of the Securities Lending Agreement (as defined herein) under which: (a) the borrower will pay to the Fund a negotiated securities lending fee and will make compensation payments to the Fund equal to any distributions received by the borrower on the securities borrowed; (b) the securities loans qualify as "securities lending arrangements" for the purposes of the Tax Act; (c) the Fund will receive collateral security equal to at least 102% of the value of the portfolio securities loaned; and (d) immediately after the Fund enters into the transaction, the aggregate market value of all securities loaned and not yet returned to it does not exceed 50% of the NAV of the Fund. The securities lending agent for the Fund will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis. Any securities lending transactions entered into by a Fund may be terminated by the Fund at any time.

Use of Derivative Instruments

A Fund may invest in or use derivatives such as options, futures, forward contracts and swaps for purposes that include gaining exposure to securities without buying the securities directly or as otherwise set forth in the Fund's investment objectives. A Fund may invest in or use derivative instruments only if the use of such derivative instruments is in compliance with applicable securities law, including with respect to limits on counterparty exposure, and is consistent with the investment objectives and investment strategies of the Fund. The Funds are managed in accordance with the restrictions and practices related to derivatives set out in NI 81-102, subject to those exceptions relating to commodity pools as outlined in NI 81-104. Accordingly, the Funds are accorded greater flexibility to invest in and use derivatives for non-hedging purposes, such as commodity futures contracts, than mutual funds that are not subject to NI 81-104.

Each of the Purpose Diversified Real Asset Fund, Purpose Multi-Strategy Market Neutral Fund, Purpose Alternative Yield Fund and Purpose Alternative Strategies Fund will use futures contracts to gain exposure to movements in underlying commodity prices. Futures contracts are exchange-traded and derive their value

from movements in the spot price of the underlying commodity. On specified dates these futures contracts will be rolled into subsequent futures contracts before the current position expires according to a defined schedule. This allows the Purpose Diversified Real Asset Fund, Purpose Multi-Strategy Market Neutral Fund and Purpose Alternative Strategies Fund to maintain exposure to the price of the underlying commodity without having to deliver or take delivery of the actual underlying commodity.

The Purpose Enhanced US Equity Fund will sell futures to hedge up to 30% of the portfolio’s market exposure in order to reduce overall market risk associated with the leveraged portion of the portfolio investments such that the net market exposure of the Fund will generally be targeted at 100% of the NAV of the Fund.

See “Risk Factors – General Risks Relating to an Investment in the Funds – Use of Derivative Instruments” and “Risk Factors – Additional Risks Relating to an Investment in Certain Funds”.

Action on Portfolio Adjustment

Whenever the portfolio of a Fund is rebalanced or adjusted by adding securities to, or subtracting securities from, that portfolio, the Fund will generally acquire and/or dispose of the appropriate number of securities. On a rebalancing: (a) ETF Shares and ETF Units may be issued, or cash may be paid, in consideration for Constituent Securities to be acquired by a Fund as determined by the Manager or the Investment Advisor; and (b) ETF Shares and ETF Units may be exchanged in consideration for those securities that the Manager or the Investment Advisor determines should be sold by a Fund, or cash may be paid, as determined by the Manager or the Investment Advisor. Generally, such transactions may be implemented by a transfer of Constituent Securities to a Fund that the Manager or the Investment Advisor determines should be acquired by the Fund or a transfer of those securities that the Manager or Investment Advisor determines should be sold by the Fund.

The portfolio of each of the Funds is rebalanced as follows; however, the Manager may, in its discretion, change the frequency with which a portfolio is reconstituted and rebalanced at any time without notice:

Fund	Rebalanced
Purpose Diversified Real Asset Fund	Quarterly
Purpose Enhanced US Equity Fund	Monthly
Purpose Multi-Strategy Market Neutral Fund	Monthly
Purpose Alternative Yield Fund	Monthly
Purpose Alternative Strategies Fund	At the discretion of the Investment Advisor

Take-over Bids for Constituent Issuers

If a take-over bid (including an issuer bid) is made for a Constituent Issuer, the Manager, in its discretion, may or may not tender securities of such Constituent Issuer. If securities are tendered from the portfolio of a Fund, they may or may not be taken up under the bid. If a take-over bid is successful, the securities of such issuer may no longer be included in the portfolio of the Fund as described under “Investment Strategies – Action on Portfolio Adjustment”.

OVERVIEW OF THE SECTORS IN WHICH THE FUNDS INVEST

Purpose Diversified Real Asset Fund

The Purpose Diversified Real Asset Fund invests in a diversified portfolio of inflation sensitive investments, including precious metals and related equities, industrial, energy and agricultural commodities, real estate

investment trusts, and inflation adjusted bonds. See “Investment Strategies – Purpose Diversified Real Asset Fund”.

Purpose Enhanced US Equity Fund

The Purpose Enhanced US Equity Fund invests in a diversified portfolio of North American equities. See “Investment Strategies – Purpose Enhanced US Equity Fund”.

Purpose Multi-Strategy Market Neutral Fund

The Purpose Multi-Strategy Market Neutral Fund invests in a diversified portfolio of long and short positions across multiple asset classes including equities, fixed income securities, commodities and currencies. See “Investment Strategies – Purpose Multi-Strategy Market Neutral Fund”.

Purpose Alternative Yield Fund

The Purpose Alternative Yield Fund invests in a diversified portfolio across multiple asset classes including, but not limited to, equities, fixed income securities, commodities and currencies. See “Investment Strategies – Purpose Alternative Yield Fund”.

Purpose Alternative Strategies Fund

The Purpose Alternative Strategies Fund invests in various asset classes including equity securities, fixed income securities, commodities and currencies. See “Investment Strategies – Purpose Alternative Strategies Fund”.

INVESTMENT RESTRICTIONS

The Funds are subject to certain restrictions and practices contained in Canadian securities legislation. The Funds are managed in accordance with these restrictions and practices, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. See “Exemptions and Approvals”. The Funds are managed in accordance with the restrictions and practices set out in NI 81-102, except as otherwise permitted by NI 81-104, which regulates mutual funds that are commodity pools under applicable Canadian securities law, and subject to receipt of any exemptions therefrom obtained by the Funds. A change to the fundamental investment objectives of a Fund would require the approval of the securityholders of the Fund. See “Securityholder Matters – Matters Requiring Securityholders’ Approval”.

FEES AND EXPENSES

Fees and Expenses Payable by the Funds

Management Fees

ETF Shares/ETF Units

Each Fund will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the ETF Shares and the ETF Units, as the case may be, of the Fund. The management fee, plus applicable HST, is calculated and accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

Fund	Annual Management Fee (%)
Purpose Diversified Real Asset Fund	0.60%
Purpose Enhanced US Equity Fund	0.80%
Purpose Multi-Strategy Market Neutral Fund	0.95%
Purpose Alternative Yield Fund	0.75%
Purpose Alternative Strategies Fund	0.95%

Mutual Fund Shares/Mutual Fund Units

The Funds will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the applicable series or class of the Fund. The management fee, plus applicable HST, is calculated and accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

Fund	Series/Class	Annual Management Fee (%)
Purpose Diversified Real Asset Fund	A	1.60% (including a service fee of 1.00% as described below)
	F	0.60%
	I	negotiated management fee paid directly to Purpose, which will not exceed 0.60%
	D	0.85% (including a service fee of 0.25% as described below)
	XA	1.60% (including a service fee of 1.00% as described below)
	XF	0.60%
Purpose Enhanced US Equity Fund	A	1.80% (including a service fee of 1.00% as described below)
	F	0.80%
	I	negotiated management fee paid directly to Purpose, which will not exceed 0.80%
	D	1.05% (including a service fee of 0.25% as described below)
	XA	1.80% (including a service fee of 1.00% as described below)
	XF	0.80%
Purpose Multi-Strategy Market Neutral Fund	A	1.95% (including a service fee of 1.00% as described below)
	F	0.95%
	I	negotiated management fee paid directly to Purpose, which will not exceed 0.95%
	D	1.20% (including a service fee of 0.25% as described below)
Purpose Alternative Yield Fund		

Fund	Series/Class	Annual Management Fee (%)
Purpose Alternative Strategies Fund	A	1.75% (including a service fee of 1.00% as described below)
	F	0.75%
	D	1.00% (including a service fee of 0.25% as described below)
	A	1.95% (including a service fee of 1.00% as described below)
	F	0.95%
	D	1.20% (including a service fee of 0.25% as described below)

The management fee, plus applicable HST, is calculated and accrued daily and paid monthly in arrears. The Investment Advisor is entitled to compensation for its services from the Manager out of the management fee. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

In addition, holders of Series XA Shares and Series XF Shares will pay an additional fee of up to 0.65% per annum based on the value of the securities vended in and held by the Company, plus an amount in respect of hedging costs (based on then current market rates) incurred in connection with all such holdings, on a *pro rata* basis.

Trailing Commission

The Manager will pay a service fee, also known as a “trailing commission”, to the dealer of each holder of Series A Shares, Series D Shares, Series XA Shares, Class A Units or Class D Units, as the case may be, quarterly for ongoing services that the dealer may provide to the holder of Series A Shares, Series D Shares, Series XA Shares, Class A Units or Class D Units, as applicable, for so long as the holder continues to hold Series A Shares, Series D Shares, Series XA Shares, Class A Units or Class D Units, as applicable. The service fee is paid by the Fund to the Manager. The Manager will in turn remit the service fee to the dealers. The service fee for Series A Shares, Series XA Shares and Class A Units is equal to 1.00% per annum of the average daily NAV per Series A Share, Series XA Share or Class A Unit of the Fund, as the case may be, held, plus applicable HST. The service fee for Series D Shares and Class D Units is equal to 0.25% per annum of the average daily NAV per Series D Share or Class D Unit of the Fund, as the case may be, held, plus applicable HST. No service fee is payable on the ETF Shares, ETF Units, Mutual Fund Shares (other than Series A Shares, Series D Shares and Series XA Shares) or Mutual Fund Units (other than Class A Units and Class D Units). The Manager may, in its discretion, change the terms of the service fee at any time subject to applicable securities legislation.

Operating Expenses

PFC Funds

The Manager has agreed to pay for certain operating and administrative expenses (the “**Corporate Administrative Expenses**”) incurred by each PFC Fund in respect of the ETF Shares, Series A Shares, Series F Shares, Series D Shares, Series XA Shares and Series XF Shares which exceed 0.05% per annum of the NAV each of such series of shares. This means each Fund pays only up to 0.05% per annum of the NAV of each such series of shares of the Fund for Corporate Administrative Expenses, plus the other costs and expenses referred to below. Corporate Administrative Expenses include accounting, audit and legal fees, custodial fees, investor reporting costs for annual and semi-annual financial statements, expenses in connection with the preparation of prospectus and other regulatory reports, regulatory filing fees, exchange

listing fees (if applicable) and other operating and administrative expenses incurred in connection with the day-to-day operation of the Fund. However, Corporate Administrative Expenses do not include, and each Fund will be responsible for paying (the “**Corporate Additional Expenses**”), the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of an independent review committee), the costs and expenses incurred in connection with the dividend reinvestment plan, portfolio transaction costs including brokerage expenses and commissions and costs associated with the use of derivatives (if applicable) transfer agency fees and expenses, income and withholding taxes as well as all other applicable taxes, including HST, bank charges and interest expenses, the costs of complying with any new governmental or regulatory requirement introduced after the Fund was established and extraordinary expenses including any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to investors in the Fund. The Corporate Administrative Expenses and Corporate Additional Expenses payable by the Fund, plus applicable HST, will be calculated and accrued daily and paid monthly in arrears.

In addition, holders of Series XA Shares and Series XF Shares will pay an additional fee of up to 0.65% per annum based on the value of the securities vended in and held by the Company, plus an amount in respect of hedging costs (based on then current market rates) incurred in connection with all such holdings, on a *pro rata* basis.

The Manager may, from time to time, in its sole discretion, pay all or a portion of any Corporate Additional Expenses which would otherwise be payable by the Funds.

See “Fees and Expenses – Fees and Expenses Payable by the Funds – Negotiated Management Fee” below for details regarding Series I Shares.

Purpose Trust Funds

The Manager has agreed to pay for certain operating and administrative expenses (the “**Trust Administrative Expenses**”) incurred by each Purpose Trust Fund in respect of the ETF Units, Class A Units, Class F Units and Class D Units which exceed 0.05% per annum of the NAV of each class of units of the Fund. This means that each Fund pays only up to 0.05% per annum of the NAV of each class of units of the Fund for Trust Administrative Expenses, plus the other costs and expenses referred to below. Trust Administrative Expenses include accounting, audit and legal fees, custodial fees, investor reporting costs for annual and semi-annual financial statements, expenses in connection with the preparation of prospectus and other regulatory reports, regulatory filing fees, exchange listing fees (if applicable) and other operating and administrative expenses incurred in connection with the day-to-day operation of a Fund. However, Trust Administrative Expenses do not include, and each Fund will be responsible for paying (the “**Trust Additional Expenses**”), the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of an independent review committee), the costs and expenses incurred in connection with the distribution reinvestment plan, portfolio transaction costs including brokerage expenses and commissions and costs associated with the use of derivatives (if applicable), transfer agency fees and expenses, income and withholding taxes as well as all other applicable taxes, including HST, bank charges and interest expenses, the costs of complying with any new governmental or regulatory requirement introduced after the Fund was established and extraordinary expenses including any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to investors in the Fund. The Trust Administrative Expenses and Trust Additional Expenses payable by a Fund, plus applicable HST, will be calculated and accrued daily and paid monthly in arrears.

The Manager may, from time to time, in its sole discretion, pay all or a portion of any Trust Additional Expenses which would otherwise be payable by a Fund.

See “Fees and Expenses – Fees and Expenses Payable by the Funds – Negotiated Management Fee” below for details regarding Class I Units, “Fees and Expenses – Fees and Expenses Payable by the Funds – Operating Fees” and “Organization and Management Details of the Funds – The Manager, Promoter and Trustee”.

Negotiated Management Fee

Holders of Series I Shares and/or Class I Units pay a negotiated management fee directly to Purpose plus (a) any additional amounts for Corporate Administrative Expenses or Trust Administrative Expenses, as the case may be, up to 0.05% per annum of the NAV of such series of shares or class of units, as applicable, (b) any Corporate Additional Expenses or Trust Additional Expenses, as the case may be, and (c) any additional expenses, as may be agreed to by the holder and Purpose. The negotiated management fee may vary for each Fund and each investor in a Fund. See the “Fees and Expenses – Fee and Expenses Payable by the Funds – Management Fees – Mutual Fund Shares/Mutual Fund Units” for information on the maximum percentage of the negotiated management fee which may payable by an investor in Series I Shares or Class I Units of the Funds.

Management Fee Rebates

ETF Shares/ETF Units

To achieve effective and competitive management fees, the Manager may reduce the management fee borne by certain holders of ETF Shares or ETF Units who have signed an agreement with the Manager. The Manager will pay out the amount of the reduction in the form of a management fee rebate directly to the eligible securityholder. The decision to pay management fee rebates is in the Manager’s discretion and depends on a number of factors, including the size of the investment and a negotiated fee agreement between the securityholder and the Manager. The Manager reserves the right to discontinue or change management fee rebates at any time.

Mutual Fund Shares/Mutual Fund Units

To achieve effective and competitive management fees, the Manager may reduce the management fee borne by certain holders of Mutual Fund Shares or Mutual Fund Units, as the case may be, who have signed an agreement with the Manager. The Manager will reinvest the amount of the reduction in additional Mutual Fund Shares or Mutual Fund Units unless otherwise requested. The decision to pay management fee rebates is in the Manager’s discretion and depends on a number of factors, including the size of the investment and a negotiated fee agreement between the securityholder and the Manager. The Manager reserves the right to discontinue or change management fee rebates at any time.

Fees and Expenses Payable Directly by Securityholders

Short-Term Trading Fees

ETF Shares/ETF Units

At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on the ETF Shares or ETF Units.

Mutual Fund Shares

If a holder of Mutual Fund Shares redeems or switches Mutual Fund Shares within 30 days of purchasing

such Mutual Fund Shares, the Manager may charge a short-term trading fee on behalf of the Fund of up to 2% of the value of such shares in circumstances where it determines that the trading activity represents market timing or excessive short-term trading. This charge is in addition to any switch fee that the shareholder may pay. Each additional switch counts as a new purchase for this purpose. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the Fund. See “Redemption, Exchange and Switches of Securities – Short-Term Trading”.

Mutual Fund Units

If a holder of Mutual Fund Units redeems Mutual Fund Units within 30 days of purchasing such Mutual Fund Units, the Manager may charge a short-term trading fee on behalf of the Fund of up to 2% of the value of such units in circumstances where it determines that the trading activity represents market timing or excessive short-term trading. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the Fund. See “Redemption, Exchange and Switches of Securities – Short-Term Trading”.

Negotiated Management Fee

Holders of Series I Shares/Class I Units will pay a negotiated management fee directly to the Manager. See “Fees and Expenses – Fees and Expenses Payable by the Funds – Negotiated Management Fee”.

ANNUAL RETURNS, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO

The following chart provides the annual returns, the management expense ratio (“**MER**”) and the trading expense ratio (“**TER**”) for the ETF Shares or ETF Units, as applicable, of the Funds as disclosed in the Funds’ management reports of fund performance from the date of its inception to December 31, 2017. This information is not available for the New Purpose Funds because no ETF units of the New Purpose Funds had been issued as of December 31, 2017.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Purpose Diversified Real Asset Fund –</u>				
<u>ETF shares</u>				
Annual Returns (%)	4.7%	15.0%	-13.40%	-3.90% ¹
MER (%)	0.74%	0.72%	0.75%	0.77% ¹
TER (%)	0.12%	0.27%	0.28%	0.06% ¹
<u>Purpose</u>				
<u>Enhanced US Equity Fund – ETF shares</u>				
Annual Returns (%)	15.8%	21.5%	-8.30%	7.00%
MER (%)	1.31%	1.18%	1.15%	1.13%
TER (%)	0.12%	0.12%	0.21%	0.26%
<u>Purpose</u>				
<u>Enhanced US Equity Fund – ETF non-currency hedged shares</u>				
Annual Returns (%)	10.1%	18.9%	6.40%	10.00% ²
MER (%)	1.29%	1.16%	1.15%	1.13% ²
TER (%)	0.11%	0.17%	0.36%	0.26% ²

Purpose Multi-Strategy Market Neutral

Fund – ETF Units

Annual Returns (%)	6.9%	3.6%	2.20%	3.00% ³
MER (%)	1.06%	1.07%	1.09%	1.14% ³
TER (%)	0.05%	0.06%	0.12%	0.19% ³

Notes:

(1) For the period November 5, 2014 to December 31, 2014.

(2) For the period October 14, 2014 to December 31, 2014.

(3) For the period October 10, 2014 to December 31, 2014.

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in the Funds that prospective investors should consider before purchasing securities of the Funds.

General Risks Relating to an Investment in the Funds

Fluctuations in NAV and NAV per Share/Unit

The NAV per share or unit of a Fund, as the case may be, will vary according to, among other things, the value of the securities held by the Fund. The Manager and the Funds have no control over the factors that affect the value of the securities held by a Fund, including factors that affect the equity and bond markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to each Constituent Security.

Risk of Loss

An investment in the Funds is not guaranteed by any entity. Unlike bank accounts or guaranteed investment certificates, an investment in the Funds is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Exchange Rate Risk

Changes in foreign currency exchange rates may affect the NAV of the shares or units of a Fund, as the case may be, that holds investments denominated in currencies other than the Canadian dollar. Some of the series of shares of the PFC Funds and some of the classes of units of the Purpose Trust Funds are Canadian dollar denominated. Generally, a substantial portion of the foreign currency exposure within a Fund's portfolio will be hedged back to the Canadian dollar in the Investment Advisor's discretion. The effectiveness of the Investment Advisor's currency hedging strategy will, in general, be affected by the volatility of the Canadian dollar relative to the currencies to be hedged. Increased volatility will generally reduce the effectiveness of the currency hedging strategy. Some of the series of Mutual Fund Shares of the PFC Funds and some of the classes of Mutual Fund Units of the Purpose Trust Funds may also be denominated in U.S. dollars. The ability to purchase U.S. dollar denominated Mutual Fund Shares or Mutual Fund Units, as applicable, is offered only as a convenience for investors and does not act as a currency hedge between the Canadian dollar and the U.S. dollar. The effectiveness of the Investment Advisor's currency hedging strategy may also be affected by any significant difference between Canadian dollar interest rates and foreign currency interest rates.

Tax Risk

PFC Funds

If the Company ceases to qualify as a “mutual fund corporation” under the Tax Act, the income tax considerations described under “Income Tax Considerations – PFC Funds” would be materially and adversely different in certain respects.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency respecting the treatment of mutual fund corporations will not be changed in a manner that adversely affects the Funds or their shareholders. For example, changes to tax legislation or the administration thereof could affect the taxation of a Fund or its Constituent Issuers.

Certain tax rules apply to direct and indirect investments by Canadian residents in non-resident trusts (the “**NRT Rules**”). It is not expected that the NRT Rules would be applied in respect of investments, if any, made by the Funds in non-resident funds that are trusts; however no assurances can be given in this regard.

In determining the Company’s income for tax purposes, option premiums received on the writing of covered call options and cash-covered put options by a Fund and any losses sustained on closing out options, will be treated for purposes of the Tax Act as capital gains and capital losses in accordance with Canada Revenue Agency’s published administrative practice. Canada Revenue Agency’s practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from the Canada Revenue Agency.

If some or all of the transactions undertaken by the Company in respect of derivatives, including covered options and securities, are reported on capital account but are subsequently determined to be on income account, the net income of the Company for tax purposes and the taxable component of distributions to shareholders could increase. Any such redetermination by the Canada Revenue Agency may result in the Company being liable for additional taxes. Such potential liability may reduce NAV per series or NAV per share.

Purpose Trust Funds

If a Purpose Trust Fund does not or ceases to qualify as a “mutual fund trust” under the Tax Act, the income tax considerations described under “Income Tax Considerations – Purpose Trust Funds” would be materially and adversely different in certain respects.

Certain tax rules apply to direct and indirect investments by Canadian residents in non-resident trusts (the “**NRT Rules**”). It is not expected that the NRT Rules would be applied in respect of investments, if any, made by the Fund in non-resident funds that are trusts; however no assurances can be given in this regard.

The Tax Act contains tax loss restriction rules that apply to trusts such as the Purpose Trust Funds. The loss restriction rules will generally apply to the extent that any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires units of a Purpose Trust Fund having a fair market value that is greater than 50% of the fair market value of all the units of the Fund. If such circumstances occur, the Purpose Trust Fund will have a deemed tax year end and any undistributed income and realized capital gains (net of any applicable losses) would be expected to be made payable to all unitholders of the Fund as a distribution on their units (or tax thereon paid by the Fund in respect of such year). Accordingly, in such event, distributions on the units in the form of additional units (which will be automatically consolidated) and/or cash may be declared and paid to unitholders. In addition, accrued capital losses and certain other realized losses of a Purpose Trust Fund

would be unavailable for use by the Fund in future years. Given the manner in which units are distributed, there may be circumstances in which a Purpose Trust Fund will not be able to control or identify a “loss restriction event”. As a result, there can be no assurance that the Purpose Trust Fund will not be subject to such a “loss restriction event” and no assurance as to when and to whom any such distributions will be made, or that the Fund will not be required to pay tax on such undistributed income and taxable capital gains.

In determining a Purpose Trust Fund’s income for tax purposes, option premiums received on the writing of covered call options and cash-covered put options by a Fund and any losses sustained on closing out options, will be treated for purposes of the Tax Act as capital gains and capital losses in accordance with Canada Revenue Agency’s published administrative practice. Canada Revenue Agency’s practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from the Canada Revenue Agency.

If some or all of the transactions undertaken by a Purpose Trust Fund in respect of derivatives, including covered options and securities are reported on capital account but are subsequently determined to be on income account, the net income of the Fund for tax purposes and the taxable component of distributions to unitholders could increase. Any such redetermination by the Canada Revenue Agency may result in the Purpose Trust Fund being liable for additional taxes. Such potential liability may reduce NAV per unit.

Changes in Legislation

There can be no assurance that tax, securities or other laws will not be changed in a manner that adversely affects the distributions received by the PFC Funds or by their shareholders.

There can be no assurance that tax, securities or other laws will not be changed in a manner that adversely affects the distributions received by the Purpose Trust Funds or by their unitholders.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency respecting the treatment of mutual fund trusts or mutual fund corporations will not be changed in a manner that adversely affects the Funds or their securityholders. For example, changes to tax legislation or the administration thereof could affect the taxation of a Fund or its Constituent Issuers.

Use of Derivative Instruments

The Funds may use derivative instruments from time to time as described under “Investment Strategies – Use of Derivative Instruments”. The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (a) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (b) there is no guarantee that a market will exist when a Fund wants to complete or settle the derivative contract, which could prevent the Fund from reducing a loss or making a profit; (c) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent a Fund from completing or settling the derivative contract; (d) a Fund could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (e) if a Fund has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the Fund could experience a loss and, for an open futures or forward contract, a loss of margin deposited with that dealer; and (f) if a derivative is based on a market index and trading is halted or disrupted on a substantial number of stocks or bonds in the index or there is a change in the composition of the index, there could be an adverse effect on the derivative. In circumstances where there is an interest rate hedge employed, total return on the investment portfolio of a Fund may be higher with the hedge than

without it when interest rates rise significantly, but may be lower when interest rates are stable or decrease. Commodity pools are accorded greater flexibility to invest using derivatives for non-hedging purposes than mutual funds that are not subject to NI 81-104.

Use of Leverage

It is anticipated that the Purpose Enhanced US Equity Fund may at times incur indebtedness in an amount of up to 35% of the NAV of the Fund. The indebtedness will be secured by the assets of the Fund. There can be no assurance that such a strategy will enhance returns and in fact the strategy may reduce returns (both distributions and capital). If the securities in the portfolio of the Fund suffer a decrease in value, the leverage component will cause a decrease in NAV of the Fund in excess of that which would otherwise have occurred.

Securities Lending

The Funds may enter into securities lending arrangements in accordance with NI 81-102 in order to generate additional income to enhance the NAV of a Fund. In a securities lending transaction, a Fund lends its securities to a borrower in exchange for a fee and the other party to the transaction delivers collateral to the Fund in order to secure the transaction.

Securities lending comes with certain risks. If the other party to the transaction cannot complete the transaction, the Fund may be exposed to the risk of loss should the other party default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities. To minimize this risk, the other party must provide collateral that is worth at least 102% of the value of the Fund's securities and of the type permitted by NI 81-102. The value of the collateral is monitored daily and adjusted appropriately by the securities lending agent of the Funds.

The Funds that enter into securities lending transactions may not commit more than 50% of their NAV to securities lending transactions at any time and such transactions may be ended at any time.

Currency Risk

The assets and liabilities of each Fund are valued in Canadian dollars. If a Fund buys a security denominated in a foreign currency, during the time that the Fund owns that security, for the purposes of calculating the NAV of that Fund, the Manager or the Investment Advisor will convert, on a daily basis, the value of the security into Canadian dollars. Fluctuations in the value of the Canadian dollar relative to the foreign currency will impact the NAV of the Fund. If the value of the Canadian dollar has increased relative to the foreign currency, the return on the foreign security may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, a Fund holding a security denominated in a foreign currency may benefit from an increase in the value of the foreign currency relative to the Canadian dollar. The underlying funds in which some of the Funds may invest may not hedge their foreign currency exposure and, therefore, these Funds may be exposed to fluctuations in these currencies. All or a portion of the foreign currency exposure of a Fund's portfolio may be hedged back to the Canadian dollar in the Investment Advisor's discretion. However with respect to the non-currency hedged Mutual Fund Shares and ETF Non-Currency Hedged Shares the foreign currency exposure of the portion of the portfolio attributable to such shares will not be hedged back to the Canadian dollar.

You may purchase the shares or units, as applicable, of the Funds in U.S. dollars. U.S. dollar denominated shares and units are offered only as a convenience for investors and do not act as a currency hedge between the Canadian dollar and the U.S. dollar.

Cyber Security Risk

Cyber security risk is the risk of harm, loss and liability resulting from a failure or breach of information technology systems. Failures or breaches of the information technology systems (“**Cyber Security Incidents**”) can result from deliberate attacks or unintentional events and may arise from external or internal sources. Deliberate cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, equipment or systems, or causing operational disruption. Deliberate cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

The primary risks to a Fund from the occurrence of a Cyber Security Incident include disruption in operations, reputational damage, disclosure of confidential information, the incurrence of regulatory penalties, additional compliance costs associated with corrective measures and/or financial loss. Cyber Security Incidents of the Fund’s third party service providers (e.g., administrators, transfer agents, custodians and sub-advisers) or issuers that the Fund invests in can also subject the Fund to many of the same risks associated with direct Cyber Security Incidents.

The Manager has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed. Furthermore, the Funds cannot control the cyber security plans and systems put in place by its service providers or any other third party whose operations may affect a Fund or its securityholders. A Fund and its securityholders could be negatively impacted as a result.

General Risks of Debt Instruments

The Funds may invest directly or indirectly in underlying debt securities that are affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. Periods of increasing interest rates may cause the value of an investment in the Funds to decrease. The NAV of a Fund will fluctuate with interest rate changes, as well as other factors, such as changes to maturities and the credit ratings of fixed income investments and the corresponding changes in the value of the securities to which the Fund is exposed.

The Funds may be affected by a general decline in the Canadian bond market. The value of the corporate bonds held by a Fund will be affected by the risk of default in the payment of interest and principal and price changes due to factors such as general economic conditions and Constituent Issuers’ creditworthiness.

Rebalancing and Adjustment Risk

Adjustments to Baskets of Securities held by a Fund to reflect rebalancing of and adjustments to the Fund’s strategies may depend on the ability of the Manager and the Designated Brokers to perform their respective obligations under the Designated Broker Agreement(s) (as defined herein). If a Designated Broker fails to perform, a Fund may be required to sell or purchase, as the case may be, Constituent Securities of the Baskets of Securities in the market. If this happens, the Fund would incur additional transaction costs.

Cease Trading of Constituent Securities

If Constituent Securities are cease-traded by a securities regulatory authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of the Fund’s shares or units until such time as the transfer of the securities is permitted by law.

Illiquid Securities

If a Fund is unable to dispose of some or all of the securities held by it, the Fund may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities or may be able to do so only at prices which may not reflect the fair value of such investments. Likewise, if certain securities are particularly illiquid, the Manager may be unable to acquire the number of securities it would like at a price acceptable to the Manager on a timely basis.

Reliance on Key Personnel

The Manager and Investment Advisor depend, to a great extent, on the services of a limited number of individuals in connection with the services provided to the Funds. The loss of such services or the loss of some key individuals could impair the ability of the Manager and Investment Advisor to perform their management, administrative and portfolio advisory services, as applicable, on behalf of the Funds.

Absence of an Active Market for the ETF Shares/ETF Units

Although the ETF Shares and ETF Units of the Funds are, or in the case of the New Purpose Funds, will (subject to satisfying the TSX's original listing requirements on or before July 26, 2019) be, listed on the TSX, there can be no assurance that an active public market for the ETF Shares and the ETF Units will develop or be sustained.

Equity Investment Risk

Equities such as common shares give the holder part ownership in a company. The value of an equity security changes with the fortunes of the company that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. Certain securities may be particularly sensitive to general market movements, which may result in a greater degree of price volatility for such securities and in the NAV of a Fund that invests in such securities under specific market conditions and over time. Equity related securities that provide indirect exposure to the equity securities of an issuer, such as convertible debentures, can also be affected by equity risk.

Asset Class Risk

The Constituent Securities may underperform the returns of other securities that track other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

Collateral Risk

Changes in the credit risk associated with collateral securities may impact the value of the collateral securing a loan. The collateral value may decline, be insufficient to meet the obligations of the borrower or be difficult to liquidate. As a result, a loan may not be fully collateralized and can decline significantly in value which may negatively affect a Fund.

Credit Risk

Credit risk is the possibility that a borrower, or the counterparty to a derivatives contract, is unable or unwilling to repay the loan or obligation, either on time or at all. Debt securities issued by companies or governments in emerging markets often have higher credit risk (a lower credit rating assigned by specialized credit rating agencies), while debt securities issued by well-established companies or by governments of

developed countries tend to have lower credit risk (a higher credit rating). A downgrade in an issuer's credit rating can negatively affect a debt security's market value. Other factors can also influence a debt security's market value, such as the level of liquidity of the security and a change in the market perception of the creditworthiness of the security. Lower rated and unrated debt instruments generally offer a better return than higher grade debt instruments but have the potential for substantial loss if the borrower defaults on payment. Funds that invest in companies or markets with higher credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

Distributions In Specie

A portion of a Fund's portfolio may be invested in illiquid securities and instruments. There can be no assurance that all of a Fund's investments will be liquidated prior to the termination of the Fund and that only cash will be distributed to its securityholders. The securities and instruments that securityholders may receive on termination may not be readily marketable and may have to be held for an indefinite period of time.

Interest Rate Risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates.

Foreign Investment Risk

A Fund's investment in non-Canadian and non-U.S. issuers may expose the Fund to unique risks compared to investing in securities of Canadian or U.S. issuers, including, among others, greater market volatility than Canadian or U.S. securities and less complete financial information than for Canadian or U.S. issuers. In addition, adverse political, economic or social developments could undermine the value of a Fund's investments or prevent a Fund from realizing the full value of its investments. Finally, the value of the currency of the country in which a Fund has invested could decline relative to the value of the Canadian dollar.

Counterparty Risk

Due to the nature of some of the investments that a Fund may undertake, a Fund may rely on the ability of the counterparty to the transaction to perform its obligations. In the event that a counterparty fails to complete its obligations, the Fund will bear the risk of loss of the amount expected to be received under options, forward contracts or securities lending agreements or other transactions in the event of the default or bankruptcy of a counterparty.

Trading Price of ETF Shares/ETF Units

ETF Shares and ETF Units may trade in the market at a premium or discount to the NAV per ETF Share or ETF Unit, as the case may be. There can be no assurance that the ETF Shares and ETF Units will trade at prices that reflect their NAV. The trading price of the ETF Shares and ETF Units will fluctuate in accordance with changes in a Fund's NAV, as well as market supply and demand on the TSX (or such other designated exchange on which the ETF Shares or ETF Units, as applicable, of a Fund may be traded from time to time). However, given that generally only a Prescribed Number of Securities are issued to Designated Brokers and Dealers, and that holders of a Prescribed Number of Securities (or an integral multiple thereof) may redeem such ETF Shares or ETF Units, as the case may be, at their NAV, the Manager

believes that large discounts or premiums to the NAV of the ETF Shares or ETF Units, as applicable, should not be sustained.

Additional Risks Relating to an Investment in Certain Funds

In addition to the general risk factors applicable to all of the Funds set forth above, there are certain additional specific risk factors inherent in an investment in certain Funds, as indicated in the table below:

Risk Factors					
	Purpose Diversified Real Asset Fund	Purpose Enhanced US Equity Fund	Purpose Multi-Strategy Market Neutral Fund	Purpose Alternative Yield Fund	Purpose Alternative Strategies Fund
Agriculture and Farming Industry Risk	√		√	√	√
Capital Depreciation Risk				√	
Commodities Exchange Regulatory Risk	√		√	√	√
Commodity Risk	√		√	√	√
Debt Securities Risk				√	
Energy Risk	√		√	√	√
Fund Corporation Risk	√	√			
Futures Contract Margin Risk	√		√	√	√
Futures Contract Liquidity Risk	√		√	√	√
Foreign Markets Risk	√		√	√	√
Lack of Operating History				√	√
Precious Metals Risk	√		√	√	√

Agriculture and Farming Industry Risk

Certain Funds may be subject to a number of risks specific to the agricultural sector, such as: (a) changes in demand for food or other agricultural products by end users or as inputs in various products, such as ethanol and bio-diesel; (b) changes in the availability of food and other agricultural commodities; (c) governmental policies such as taxes, tariffs, duties, subsidies and import and export restrictions; and (d) legislative or regulatory developments relating to food safety and the environment. These factors interrelate in complex ways, and the effect of one factor on a Fund and the value of its shares or units, as applicable, may increase or reduce the effect of another factor.

Capital Depreciation Risk

The Fund may make distributions comprised, in whole or in part, of return of capital (these distributions are separate from the income generated by the Fund). A return of capital distribution is a return of a portion of an investor's original investment and may, over time, result in the return of the entire amount of the original investment to the investor. Return of capital distributions that are not reinvested in the Fund will reduce the NAV of the Fund, which could reduce the Fund's ability to generate future income.

Commodities Exchange Regulatory Risk

The commodity futures contracts that underlie certain Funds are subject to legal and regulatory regimes that are in the process of changing in the U.S. and, in some cases, in other countries. For example, the Commodity Futures Trading Commission (“CFTC”) is reviewing the regulation of commodity futures trading in the U.S. and is considering the imposition of “speculative position limits” on the maximum net long or net short position that any person may hold or control in particular futures contracts, and possible exemptions, which may apply to and affect a Fund. If such limits were to apply to a Fund, they could adversely affect the Fund’s ability to achieve its investment objectives. The implementation of position limits by either the CFTC or Canadian regulators may, among other things: (a) restrict the Fund’s, as applicable, ability to issue new shares or new units, as applicable; (b) affect the ability of the Fund or the Investment Advisor to effect a rebalancing; (c) limit the extent to which parties can enter into hedging transactions using commodity futures generally; and (d) affect the liquidity of the commodity futures contracts underlying the strategies of the Fund.

Commodity Risk

Certain Funds provide exposure to the commodities markets, which have historically been more volatile than other markets, including the broader equity market.

The value of commodity-linked derivative instruments may be affected by changes in interest rates or events that affect a particular industry, such as changes in supply and demand relationships (whether actual, perceived or anticipated), drought, floods, weather and other natural disasters, livestock disease, technological developments, as well as embargoes, tariffs and other domestic and international political and economic developments. The current or “spot” prices of an underlying physical commodity may affect, in a volatile and inconsistent manner, the prices of futures contracts in respect of that commodity. The return on a commodities investment is derived from fluctuations in commodities prices in addition to the shape of the commodity futures curve over time. Assuming spot prices and the shape of the curve remain constant, rolling futures will yield a positive return if prices are lower in the distant delivery months than in the nearest delivery months (i.e., the curve is in “**backwardation**”) and a negative return if prices are higher in the distant delivery months than in the nearest delivery months (i.e., the curve is in “**contango**”).

Debt Securities Risk

Investments in debt securities are subject to certain general investment risks in a manner similar to their effect on equity investments. In addition to credit risk and interest rate risk described above, a number of factors may cause the price of a debt security to decline. For investments in corporate debt securities, this includes specific developments relating to the company and general financial, political and economic (other than interest rate) conditions in the country in which the company operates. For government debt securities, this includes general economic, financial and political conditions. The market value of a Fund will be affected by changes in the prices of the debt securities it holds.

Energy Risk

Certain Funds may be subject to a number of risks specific to the energy sector, such as: (a) changes in industrial, government and consumer demand, which will be affected by levels of industrial and commercial activities that are associated with high levels of energy demand; (b) price changes in alternative sources of energy; (c) disruptions in the supply chain or in the production or supply of energy sources; (d) adjustments to inventories; (e) variations in production and shipping costs; and (f) costs associated with regulatory compliance, including environmental regulations. These factors interrelate in complex ways, and the effect

of one factor on a Fund and the value of its shares or units, as applicable, may increase or reduce the effect of another factor.

Fund Corporation Risk

Each PFC Fund is a separate class of shares of the Company and each class is available in more than one series. Each class and series has its own fees and expenses which are tracked separately. Those fees and expenses will be deducted in calculating the share value for that class or series thereby reducing the share value. The liabilities of each of the PFC Funds are liabilities of the Company as a whole. If one class or series is unable to pay its expenses or liabilities, the Company is legally responsible to pay those expenses and as a result, the share value of the other classes or series may also be reduced. Similarly, if the liabilities of a class of shares of the Company are greater than its assets, the other classes of shares of the Company may be responsible for those liabilities.

A mutual fund corporation is permitted to flow through certain income to investors in the form of dividends. These are capital gains and dividends from taxable Canadian corporations. However, a mutual fund corporation cannot flow through other income including interest, trust income and foreign dividends. If this type of income, calculated for the Company as a whole, is greater than the expenses of the Company, the Company would become taxable. Purpose tracks the income and expenses of each Fund separately so that if the Company becomes taxable, the Manager would usually allocate the tax to those Funds whose taxable income exceeded expenses.

If the Company has taxable net income, this could be disadvantageous for two types of investors: (a) investors in a Registered Plan and (b) investors with a lower marginal tax rate than the Company. Investors in Registered Plans do not immediately pay income tax on income received, therefore if a trust earned income it would distribute it, and the investors in a Registered Plan would not immediately pay income tax; since the Company cannot distribute the income, investors in a Registered Plan will pay the income tax indirectly. The corporate tax rate applicable to mutual fund corporations is higher than some personal income tax rates, depending on the Province or Territory in which the investor resides and depending on the investor's marginal tax rate. As such, if the income is taxed inside the Company rather than distributed to the investor (and the investor pays the tax), the investor may indirectly pay a higher rate of tax on that income.

Futures Contract Margin Risk

Certain Funds invest in commodity futures contracts. Futures prices generally are extremely volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is common in a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses. Similar to other leveraged investments, any purchase or sale of a futures contract may result in losses in excess of the amount invested.

There is a risk that the assets of a Fund deposited as margin with a futures commission merchant may, in the event of the bankruptcy of the futures commission merchant, be used to satisfy the claims of creditors of the futures commission merchant, other than the Fund, including other clients of the futures commission merchant. Under the terms of investor protection legislation in Canada, client assets held by an insolvent futures commission merchant may be divided up, on a *pro rata* basis, among its clients.

Futures Contract Liquidity Risk

Futures contracts may not be liquid and their trading frequently involves high transaction costs. U.S. futures exchanges have regulations that limit the magnitude of fluctuations that may occur in futures contract prices

during a single trading day. These limits are generally referred to as “daily price fluctuation limits” and the maximum or minimum price on a contract on any given day as a result of these limits is referred to as a “limit price”. Once the limit price is reached on a contract, no trades may be made at a price that is greater or less than the limit price, as the case may be. In addition, the commodity markets are subject to temporary distortions or other disruptions due to various factors, including a lack of liquidity in the markets, the participation of speculators and government regulation and intervention. Certain exchanges, or the U.S. CFTC, could suspend or terminate trading in a particular futures contract or contracts in order to address market emergencies. The imposition of limit prices or trading suspensions may force the sale of a contract at a disadvantageous price or time or preclude trading in the contract altogether. This could adversely affect the NAV of the Fund and the market price of the Fund’s ETF Shares or ETF Units, as applicable, as well as the Fund’s ability to meet subscription, exchange and redemption requests.

Foreign Markets Risk

Certain Funds may trade commodity futures contracts on commodities exchanges in the U.S. None of the Canadian securities regulatory authorities or Canadian exchanges regulate activities of any foreign markets, including the execution, delivery and clearing of transactions, or have the power to compel enforcement of the rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, entities such as the Funds that trade futures contracts may not be afforded certain of the protective measures provided by Canadian legislation and the rules of Canadian exchanges. In particular, funds received from customers for transactions may not be provided the same protection as funds received in respect of transactions on Canadian exchanges.

Lack of Operating History

The New Purpose Funds are newly organized with no previous operating history. Although the New Purpose Funds will, subject to fulfilling the TSX’s original listing requirements on or before July 26, 2019, be listed on the TSX, there can be no assurance that an active public market for the units of the New Purpose Funds will develop or be sustained.

Precious Metals Risk

Certain Funds may be subject to a number of risks specific to precious metals, such as: (a) changes in industrial, government and consumer demand, including industrial and jewelry demand and the degree to which governments, corporate and financial institutions and consumers hold precious metals, such as physical gold, as a safe haven asset, which may be affected by the structure of and confidence in the global monetary system or a rapid change in the value of other assets; (b) disruptions in the supply chain, from mining to storage to smelting or refining; (c) adjustments to inventories; (d) variations in production costs, including storage, labour and energy costs; (e) costs associated with regulatory compliance, including environmental regulations; (f) interest rates and borrowing and lending rates relating to precious metals; (g) currency exchange rates, including the relative strength of, and confidence in, exchange rates relating to currencies in which precious metals prices are quoted; and (h) levels of economic growth and inflation. These factors interrelate in complex ways, and the effect of one factor on a Fund and the value of its shares or units, as applicable, may increase or reduce the effect of another factor.

Risk Ratings of the Funds

Purpose assigns fund risk ratings to each fund managed by it as an additional guide to help you decide whether a fund is right for an investor. This information is only a guide. The Manager then determines the risk rating for each fund in accordance with NI 81-102. The investment risk level of a fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the fund as measured by the 10-year standard deviation of the returns of the fund. Just as historical performance may not be indicative of future returns, a fund's historical volatility may not be indicative of its future volatility. Investors should be aware that other types of risk, both measurable and non-measurable, also exist.

Standard deviation is a statistical measure used to estimate the dispersion of a set of data around the average value of the data. In the context of investment returns, it measures the amount of variability of returns that has historically occurred relative to the average return. The higher the standard deviation, the greater the variability of returns it has experienced in the past.

Using this methodology, each fund is assigned an investment risk rating in one of the following categories:

- (a) **Low** – for funds with a level of risk that is typically associated with investments in money market funds and Canadian fixed income funds;
- (b) **Low to Medium** – for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;
- (c) **Medium** – for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- (d) **Medium to High** – for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and
- (e) **High** – for funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets and precious metals).

A fund's risk rating is determined by calculating its standard deviation for the most recent 10 years using monthly returns and assuming the reinvestment of all income and capital gains distributions in additional units of the fund. For those funds that do not have at least 10 years of performance history, the Manager uses a reference index that reasonably approximates or, for a newly established fund, that is reasonably expected to approximate, the standard deviation of the fund (or in certain cases a highly similar mutual fund managed by us) as a proxy. There may be times when we believe this methodology produces a result that does not reflect a fund's risk based on other qualitative factors. As a result, the Manager may place the fund in a higher risk rating category, as appropriate. Purpose reviews the risk rating for each fund on an annual basis or if there has been a material change to a fund's investment objectives or investment strategies.

A copy of the methodology used by Purpose to identify the investment risk levels of the Funds is available on request, at no cost, by calling 1-877-789-1517, by emailing us at info@purposeinvest.com or by writing to us at 130 Adelaide Street West, Suite 1700, P.O. Box 83, Toronto, Ontario, M5H 3P5.

The risk ratings set forth in the table below do not necessarily correspond to an investor’s risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding their personal circumstances.

Fund	Risk Rating
Purpose Diversified Real Asset Fund	Medium
Purpose Enhanced US Equity Fund	Medium to High
Purpose Multi-Strategy Market Neutral Fund	Low to Medium
Purpose Alternative Yield Fund	Low to Medium
Purpose Alternative Strategies Fund	Low to Medium

The Purpose Diversified Real Asset Fund’s risk classification is based on the Fund’s returns and the return of the following composite of market indices: 25% of the S&P/TSX Capped Materials Index, 25% of the S&P/TSX Capped REIT Index, 25% of the S&P/TSX Capped Energy Index (CAD) and 25% of the MFC Custom Global Agriculture TR Index (CAD). The S&P/TSX Capped Materials Sector Index is a modified capitalization-weighted index, with equity weights which are capped at 25%. The index constituents are derived from a subset stock pool of the securities included in the S&P/TSX Composite Index. The S&P/TSX Capped REIT Index is a modified-market capitalization weighted index which represents a subset of the broad-based composite index, in this case, the real estate income trusts of the Financials/Global Industry Classification Standard (GICS) sector of the REIT marketplace. The S&P/TSX Capped Energy Sector Index is a modified cap-weighted index, with equity weights which are capped at 25%. The index constituents are derived from a subset stock pool of the securities included in the S&P/TSX Composite Index. Sector classification is based on the GICS. The S&P GSCI Total Return Index is calculated primarily on a world production weighted basis, comprised of the principal physical commodities futures contracts.

The Purpose Enhanced US Equity Fund’s risk classification is based on the Fund’s returns and the return of the Credit Suisse 130/30 TR Index (USD). Credit Suisse 130/30 Total Return represents the holdings of a 130/30 U.S. large-capitalization equity strategy. The index is rebalanced monthly and constituents are chosen from the largest 500 U.S. market capitalization equities and their weights determined by a quant scoring methodology and an optimizer.

The Purpose Multi-Strategy Market Neutral Fund’s risk classification is based on the Fund’s returns and the return of the Hedge Fund Research HFRX Macro Multi Strategy Index. The Hedge Fund Research HFRX Macro Multi Strategy Index employs components of both Discretionary and Systematic Macro strategies (never exclusively one strategy). Strategies frequently contain proprietary trading influences, and in some cases contain distinct, identifiable sub-strategies, such as equity hedge or equity market neutral, or in some cases a number of sub-strategies are blended together without the capacity for portfolio level disaggregation. Strategies employ an investment process which is predicated on a systematic, quantitative evaluation of macroeconomic variables in which the portfolio positioning is predicated on convergence of differentials between markets, not necessarily highly correlated with each other, but currently diverging from their historical levels of correlation. Strategies focus on fundamental relationships across geographic areas of focus both inter and intra-asset classes, and typical holding periods are longer than trend following or discretionary strategies.

The Purpose Alternative Yield Fund’s risk classification is based on the fund’s returns and the return of the following composite of market indices: 25% of the CBOE S&P 500 BuyWrite Index (C\$), 25% of the First Trust Composite Closed-End Fund Total Return Index (C\$), 25% of the FTSE NAREIT® All Mortgage Capped Index and 25% of S&P 500 Dividend Aristocrats Index (C\$). The CBOE S&P 500 BuyWrite Index (C\$) is a benchmark index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 Index. The First Trust Composite Closed-End Fund Total Return Index (C\$) is an index of the municipal, taxable fixed income and equity indexes which is intended to provide a capitalization weighted

representation of the entire U.S. closed-end fund universe. The FTSE NAREIT All Mortgage Capped Index is designed to provide the most comprehensive assessment of overall industry performance and includes all tax-qualified real estate investment trusts (REITs) that are listed on the New York Stock Exchange, the NYSE Arca or the NASDAQ National Market List. The index aims to achieve no greater than a 22.5% cap in any security and for all securities above 5% to not exceed 45%. The S&P 500 Dividend Aristocrats Index (C\$) consists of constituents from the S&P 500 Index which have increased their dividend payouts for 25 consecutive years or more. The companies that comprise the index span all eleven sectors within the S&P 500 Index and therefore encompass both large-capitalization growth and large-capitalization value companies.

The Purpose Alternative Strategies Fund’s risk classification is based on the fund’s returns and the return of the HFRX Macro Multi-Strategy Index. The HFRX Macro Multi-Strategy Index invests in hedged funds which have at least \$50 million under management, been actively trading for at least 24 months and are managed by a manager that provides transparency and passes extensive qualitative screening. The HFRX Macro Multi-Strategy Index employs components of both discretionary and systematic macro strategies, but neither exclusively. Strategies frequently contain proprietary trading influences, and in some cases contain distinct, identifiable sub-strategies, such as equity hedge or equity market neutral, or in some cases a number of sub-strategies are blended together without the capacity for portfolio level disaggregation. Strategies employ an investment process which is predicated on a systematic, quantitative evaluation of macroeconomic variables in which the portfolio positioning is predicated on convergence of differentials between markets, not necessarily highly correlated with each other, but currently diverging from their historical levels of correlation. Strategies focus on fundamental relationships across geographic areas of focus both inter and intra-asset classes, and typical holding periods are longer than trend following or discretionary strategies.

DIVIDEND/DISTRIBUTION POLICY

PFC Funds

The dividend policy of the Company is to pay cash dividends on the shares of the PFC Funds as set forth in the following table below, if at all.

PFC Fund	Frequency of Distributions
Purpose Diversified Real Asset Fund	Quarterly, if any
Purpose Enhanced US Equity Fund	Annually, if any

The Company will also pay a special year-end dividend where the Company has net taxable capital gains upon which it would otherwise be subject to tax or where the Company needs to pay a dividend in order to recover refundable tax not otherwise recoverable upon payment of such cash dividends.

While the principal sources of income of the Company are expected to include taxable capital gains as well as dividends from taxable Canadian corporations, to the extent that the Company earns net income, after expenses, from other sources, including dividends from non-Canadian sources and interest income on interim investment of its reserves, the Company will be subject to income tax on such income and no refund of such tax will be available if available expenses are not enough to offset income.

Given the investment and dividend policy of the Company and taking into account the deduction of expenses and taxable dividends on shares of taxable Canadian corporations, the Company does not expect to be subject appreciable amounts of non-refundable Canadian income tax. The Company does intend to utilize various methods to limit the tax impact on the Company of non-refundable Canadian income tax.

Purpose Trust Funds

The distribution policy of the Purpose Trust Funds is to pay cash distributions on the units of the Purpose Trust Funds as set forth in the following table below, if at all.

Purpose Trust Fund	Frequency of Distributions
Purpose Multi-Strategy Market Neutral Fund	Annually, if any
Purpose Alternative Yield Fund	Monthly, if any
Purpose Alternative Strategies Fund	Annually, if any

Cash distributions on units of the Purpose Trust Funds are expected to be paid primarily out of dividends or distributions, and other income or gains, received by the Fund less the expenses of the Fund, but may also consist of non-taxable amounts including return of capital, which may be paid in the Manager’s sole discretion. To the extent that the expenses of a Purpose Trust Fund exceed the income generated by the Fund in any given year, it is not expected that an annual distribution will be paid.

On an annual basis, each Purpose Trust Fund will ensure that its income (including income received from special distributions on securities held by the Fund) and net realized capital gains, if any, have been distributed to unitholders to such an extent that the Fund will not be liable for ordinary income tax thereon. To the extent that a Purpose Trust Fund has not distributed the full amount of its net income or capital gains in any year, the difference between such amount and the amount actually distributed by the Fund will be paid as a “reinvested distribution”. Reinvested distributions on units of a Purpose Trust Fund, net of any required withholding taxes, will be reinvested automatically in additional units of the Fund at a price equal to the NAV per unit of the Fund and the units will be immediately consolidated such that the number of outstanding units following the distribution will equal the number of units outstanding prior to the distribution. The tax treatment to unitholders of reinvested distributions is discussed under the heading “Income Tax Considerations – Taxation of Unitholders”.

In addition to the distributions described above, each Purpose Trust Fund may from time to time pay additional distributions on its units, including without restriction in connection with a special distribution or in connection with returns of capital.

Dividend/Distribution Reinvestment Plan

ETF Shares/ETF Units

The Funds have adopted a Reinvestment Plan, which provides that a holder of an ETF Share or ETF Unit (an “**ETF Plan Participant**”) may elect to automatically reinvest all dividends paid on the ETF Shares or ETF Units, as the case may be, held by that ETF Plan Participant in additional ETF Shares or ETF Units, as applicable (“**ETF Plan Securities**”) of the Funds in accordance with the terms of the Reinvestment Plan and the dividend reinvestment agency agreement or distribution reinvestment agency agreement, as the case may be, between the Manager, on behalf of the Funds, and the Plan Agent. The key terms of the Reinvestment Plan are as described below.

Holders of ETF Shares or ETF Units who are not residents of Canada may not participate in the Reinvestment Plan and any holder of an ETF Share or ETF Unit, as the case may be, who ceases to be a resident of Canada will be required to terminate its participation in the Reinvestment Plan. The Funds will not be required to purchase ETF Plan Securities if such purchase would be illegal.

A holder of ETF Shares and/or ETF Units who wishes to enroll in the Reinvestment Plan as of a particular Distribution Record Date should notify the CDS Participant through which the holder holds its ETF Shares or ETF Units, as the case may be, sufficiently in advance of that Distribution Record Date to allow such CDS Participant to notify CDS by 5:00 p.m. (Toronto time) on the Distribution Record Date. The Manager reserves the right to reject any request for enrolment in the Reinvestment Plan.

Dividends that ETF Plan Participants are due to receive will be used to purchase ETF Shares or ETF Units, as the case may be, on behalf of such ETF Plan Participants in the market.

No fractional ETF Shares or ETF Units will be purchased under the Reinvestment Plan. Any funds remaining after the purchase of whole ETF Shares or ETF Units will be credited to the ETF Plan Participant via its CDS Participant in lieu of fractional ETF Share or ETF Units, as applicable.

The automatic reinvestment of the dividends or distributions, as the case may be, under the Reinvestment Plan will not relieve ETF Plan Participants of any income tax applicable to such dividends or distributions, as applicable. See “Income Tax Considerations – PFC Funds” and “Income Tax Considerations – Taxation of Unitholders”.

ETF Plan Participants may voluntarily terminate their participation in the Reinvestment Plan as of a particular Distribution Record Date by notifying their CDS Participant sufficiently in advance of that Distribution Record Date. ETF Plan Participants should contact their CDS Participant to obtain details of the appropriate procedures for terminating their participation in the Reinvestment Plan. Beginning on the first Distribution Payment Date after such notice is received from an ETF Plan Participant and accepted by a CDS Participant, distributions to such ETF Plan Participant will be made in cash. Any expenses associated with the preparation and delivery of such termination notice will be borne by the ETF Plan Participant exercising its right to terminate participation in the Reinvestment Plan. The Manager may terminate the Reinvestment Plan, in its sole discretion, upon not less than 30 days’ notice to: (a) the CDS Participants through which the ETF Plan Participants hold their ETF Shares or ETF Units, as the case may be; (b) the Plan Agent; and (c) if necessary, the TSX (or such other designated exchanges on which the ETF Shares or ETF Units, as applicable, of a Fund may be listed from time to time).

The Manager may amend, modify or suspend the Reinvestment Plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to: (a) the CDS Participants through which the ETF Plan Participants hold their ETF Shares or ETF Units, as the case may be; (b) the Plan Agent; and (c) if necessary, the TSX (or such other designated exchanges on which the ETF Shares or ETF Units, as applicable, of a Fund may be listed from time to time).

Mutual Fund Shares/Mutual Fund Units

Distributions payable on Mutual Fund Shares and Mutual Fund Units of the Funds are automatically reinvested in additional Mutual Fund Shares or Mutual Fund Units, as applicable. Holders of Mutual Fund Shares or Mutual Fund Units, as the case may be, who wish to receive cash as of a particular Distribution Record Date should speak with their broker, dealer or investment advisor for details.

Pre-Authorized Cash Contribution

ETF Shares/ETF Units

The Manager may, in its discretion, offer ETF Plan Participants the option to make pre-authorized cash contributions under the Reinvestment Plan by notifying their CDS Participant sufficiently in advance to allow such CDS Participant to notify the Plan Agent by 5:00 p.m. (Toronto time) at least ten Business Days

before the last Business Day of that month. An ETF Plan Participant may invest a minimum of \$100 and a maximum of \$5,000 per pre-authorized cash contribution no more frequently than monthly. The Manager reserves the right to reject any request for pre-authorized cash contributions.

Distributions due to ETF Plan Participants, along with any pre-authorized cash contributions, will be applied, on behalf of ETF Plan Participants, to purchase ETF Shares or ETF Units, as the case may be, in the market. ETF Plan Securities will be allocated *pro rata* based on the number of ETF Shares or ETF Units, as the case may be, held by ETF Plan Participants. ETF Plan Securities will be credited for the benefit of ETF Plan Participants to the account of the CDS Participant through whom that ETF Plan Participant holds ETF Shares or ETF Units, as the case may be.

If an ETF Plan Participant switches ETF Shares of one Purpose Corporate Fund for ETF Shares of another Purpose Corporate Fund and participates in a pre-authorized cash contribution plan, the ETF Plan Participant must inform their CDS Participant of the change sufficiently in advance to allow the CDS Participant to notify the Plan Agent of the change by 5:00 p.m. (Toronto time) at least ten Business Days before the last Business Day of the month or the ETF Plan Participant will receive the ETF Shares originally selected. See “Redemption, Exchange and Switches of Securities – Switching Shares”.

Mutual Fund Shares/Mutual Fund Units

Holders of Mutual Fund Shares and/or Mutual Fund Units (other than holders of Series XA Shares and Series XF Shares) may also make pre-authorized cash contributions under the Reinvestment Plan by notifying their broker, dealer or investment advisor sufficiently in advance of the Distribution Payment Date such that the broker, dealer or investment advisor is able to provide at least five Business Days’ notice to the Manager prior to the applicable Distribution Payment Date to set up a pre-authorized cash contribution plan. An investor who wishes to purchase Mutual Fund Shares (other than Series I Shares) or Mutual Fund Units (other than Class I Units) by way of pre-authorized cash contributions under the Reinvestment Plan must subscribe for a minimum additional investment of \$100. Holders of Mutual Fund Shares or Mutual Fund Units who wish to make pre-authorized cash contributions under the Reinvestment Plan should speak with their broker, dealer or investment advisor for further details.

Pre-authorized cash contributions under the Reinvestment Plan are also available under the U.S. dollar purchase option for Mutual Fund Shares and Mutual Fund Units.

Systematic Withdrawal Plan

ETF Shares/ETF Units

Under the Reinvestment Plan, holders of ETF Shares and/or ETF Units, as the case may be, will also be able to elect to systematically withdraw shares or units, as applicable, by selling a specific dollar amount of ETF Shares or ETF Units, as applicable, (in minimum amounts of \$100 and maximum amounts of \$5,000) owned by such holder in respect of each subsequent Distribution Payment Date. A holder of ETF Shares and/or ETF Units, as the case may be, may elect to sell ETF Share or ETF Units, as applicable, by notifying the Plan Agent via the applicable CDS Participant through which such holder holds its ETF Share or ETF Units, as the case may be, of the securityholder’s intention to so sell ETF Shares or ETF Units, as the case may be. In this regard, the CDS Participant must, on behalf of such holder, (a) provide a systematic withdrawal notice directly to the Plan Agent that the securityholder wishes to sell ETF Shares or ETF Units, as applicable, in this manner until the relevant Fund is otherwise notified no later than 5:00 p.m. (Toronto time) on the applicable Distribution Record Date for which the securityholder no longer wishes to sell ETF Shares or ETF Units, as applicable, or there remain no further ETF Share or ETF Units, as the case may be,

to be sold on behalf of such securityholder, whichever comes first and (b) specify the specified dollar amount of ETF Shares or ETF Units to be sold in respect of each subsequent Distribution Payment Date.

A holder of ETF Shares and/or ETF Units who makes pre-authorized cash contributions may not deliver a systematic withdrawal notice under the Reinvestment Plan.

Mutual Fund Shares/Mutual Fund Units

Holders of Mutual Fund Shares and/or Mutual Fund Units will also be able to elect to systematically withdraw shares by selling a specific dollar amount of shares or units, as the case may be, (in minimum amounts of \$100 weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account such securityholder has) owned by such securityholder in respect of each subsequent Distribution Payment Date. Holders of Mutual Funds Shares or Mutual Fund Units who wish to open a withdrawal plan must notify their broker, dealer or investment advisor sufficiently in advance of the Distribution Payment Date such that the broker, dealer or investment advisor is able to provide at least five Business Days' notice to the Manager prior to the applicable Distribution Payment Date to set up the regular withdrawal plan. Holders of Mutual Fund Shares or Mutual Fund Units who wish to open a systematic withdrawal plan with the Manager should speak with their broker, dealer or investment advisor for further details.

PURCHASES OF SHARES/UNITS

Investors and their investment professional, if applicable, must determine which Fund or series or class, as applicable, of a Fund is appropriate to invest in. Different series or classes may have different minimum investment levels and may require investors to pay different fees. The choice of different purchase options requires investors to pay different fees and expenses and affects the amount of compensation received by an investor's dealer. See "Fees and Expenses".

Initial Investment in the New Purpose Funds

In compliance with NI 81-102, neither New Purpose Fund will issue units to the public until orders aggregating not less than \$500,000 have been received and accepted by the New Purpose Fund from investors other than the Manager or its directors, officers or securityholders.

Continuous Distribution

The ETF Shares, Mutual Fund Shares, ETF Units and Mutual Fund Units of the Funds are being issued and distributed on a continuous basis and there is no maximum number of ETF Shares, Mutual Fund Shares, ETF Units or Mutual Fund Units that may be issued.

Designated Brokers

The Manager, on behalf of each of the Funds and the Company (in the case of the PFC Funds only), has entered or will enter into an agreement with a Designated Broker (a "**Designated Broker Agreement**") pursuant to which the Designated Broker agrees to perform certain duties relating to the Fund with respect to the ETF Shares or ETF Units, as applicable, including, without limitation: (a) to subscribe for a sufficient number of ETF Shares or ETF Units, as applicable, to satisfy the TSX's (or such other designated exchange on which the ETF Shares or ETF Units, as applicable, of the Fund may be listed from time to time) original listing requirements; (b) to subscribe for ETF Shares or ETF Units, as applicable, on an ongoing basis in connection with the rebalancing of and adjustments to the portfolio of the Fund; and (c) to post a liquid two-way market for the trading of ETF Shares or ETF Units, as applicable, on the TSX (or such other

designated exchanges on which the ETF Shares or ETF Units, as applicable, of the Fund may be traded from time to time). The Manager may, in its discretion from time to time, reimburse the Designated Broker for certain expenses incurred by the Designated Broker in performing these duties.

The Designated Broker Agreement provides or will provide that the Manager may from time to time require the Designated Broker to subscribe for ETF Shares or ETF Units, as the case may be, of a Fund for cash in a dollar amount not to exceed 0.30% of the NAV of the ETF Shares or ETF Units, as applicable of the Fund per quarter. The number of ETF Shares or ETF Units, as the case may be, issued will be the subscription amount divided by the NAV per ETF Share or ETF Unit, as the case may be, next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the ETF Shares or ETF Units, as applicable, must be made by the Designated Broker, and the ETF Shares or ETF Units, as applicable, will be issued by no later than the second Trading Day after the subscription notice has been delivered.

Issuance of ETF Shares/ETF Units

To Designated Brokers and Dealers

All orders to purchase ETF Shares or ETF Units directly from a Fund must be placed by Designated Brokers or Dealers. The Manager reserves the absolute right to reject any subscription order placed by a Designated Broker or Dealer. No fees will be payable by a Fund to a Designated Broker or Dealer in connection with the issuance of ETF Shares or ETF Units, as the case may be. On the issuance of ETF Shares and ETF Units, the Manager may, in its discretion, charge an administrative fee to a Designated Broker or Dealer to offset the expenses (including any applicable additional listing fees) incurred in issuing the ETF Shares or ETF Units, as the case may be.

On any Trading Day, a Designated Broker or Dealer may place a subscription order for the Prescribed Number of Securities (or an integral multiple thereof) of a Fund. If a subscription order is received by the Fund by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit), the Fund will issue to the Designated Broker or Dealer the Prescribed Number of Securities (or an integral multiple thereof) by no later than the second Trading Day following the effective date of the subscription order or such other day as mutually agreed between the Manager and the Designated Broker or Dealer, provided that payment for such ETF Shares or ETF Units, as the case may be, has been received.

For each Prescribed Number of Securities issued, a Designated Broker or Dealer must deliver payment consisting of, in the Manager's discretion: (a) a Basket of Securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the NAV of the ETF Shares or ETF Units, as the case may be, of the Fund next determined following the receipt of the subscription order and cash subscription fee, if applicable; (b) cash in an amount equal to the NAV of the ETF Shares or ETF Units, as the case may be, of the Fund next determined following the receipt of the subscription order and cash subscription fee, if applicable; or (c) a combination of securities and cash, as determined by the Manager, in an amount sufficient so that the value of the securities and cash received is equal to the NAV of the ETF Shares or ETF Units, as the case may be, of the Fund next determined following the receipt of the subscription order prior to 4:00 p.m. (Toronto time) or such other time as indicated on the website for the Funds and cash subscription fee, if applicable.

The Manager may, in its discretion, increase or decrease the Prescribed Number of Securities from time to time.

To Designated Brokers in Special Circumstances

ETF Shares or ETF Units, as applicable, may be issued by a Fund to Designated Brokers in connection with the rebalancing of and adjustments to the Fund or its portfolio when cash redemptions of ETF Shares or ETF Units, as applicable, occur as described below under “Redemption, Exchange and Switches of Securities – Redemption of Securities for Cash”.

Issuance of Mutual Fund Shares/Mutual Fund Units

Series A Shares/Class A Units

Series A Shares and Class A Units are available to all investors through authorized dealers. The Series A Shares and Class A Units may be either Canadian or U.S. dollar denominated.

Series F Shares /Class F Units

Series F Shares and Class F Units are available to investors who have fee based accounts with their dealer. The Manager has designed the Series F Shares and Class F Units to offer investors an alternative means of paying their dealer for investment advice and other services. Instead of paying sales charges, investors buying Series F Shares or Class F Units pay fees to their dealer for investment advice and other services. The Manager does not pay any commissions to dealers in respect of the Series F Shares and Class F Units which allows it to charge a lower management fee. The Series F Shares and Class F Units may be either Canadian or U.S. dollar denominated.

If a securityholder ceases to be eligible to hold Series F Shares or Class F Units of a Fund, as the case may be, the Manager may switch a securityholder’s Series F Shares or Class F Units, as applicable into Series A Shares or Class A Units, as applicable, of the Fund after providing the securityholder with 5 days’ notice, unless the securityholder notifies the Manager during the notice period and the Manager agrees that such securityholder is once again eligible to hold Series F Shares or Class F Units, as applicable. Securityholders may be charged a sales commission in connection with the switch by their dealer.

Series I Shares/Class I Units

Series I Shares and Class I Units are available to institutional investors or to other investors on a case-by-case basis, in the Manager’s discretion. The Manager does not pay any commissions to dealers in respect of the Series I Shares and Class I Units. If a securityholder ceases to be eligible to hold Series I Shares or Class I Units of a Fund, as the case may be, the Manager may switch a securityholder’s Series I Shares or Class I Units, as applicable, into Series A Shares or Class A Units, as applicable of the Fund after providing the securityholder with 5 days’ notice, unless the securityholder notifies the Manager during the notice period and the Manager agrees that the securityholder is once again eligible to hold Series I Shares or Class I Units, as applicable. Securityholders may be charged a sales commission in connection with the switch by their dealer. The Series I Shares and Class I Units may be either Canadian or U.S. dollar denominated.

Series D Shares/Class D Units

Series D Shares and Class D Units are available to investors who have an account with an eligible online or other discount brokerage firm (a “**discount broker**”). Generally, discount brokers do not provide investment advice or recommendations to their clients. There are no sales charges paid to discount brokers or the Manager when an investor purchases Series D Shares or Class D Units. Certain discount brokers do not charge brokerage commissions when investors purchase or sell Series D Shares or Class D Units

however, investors should confirm this with their discount broker. The Series D Shares and Class D Units may be either Canadian or U.S. dollar denominated.

If a securityholder ceases to be eligible to hold Series D Shares or Class D Units as the case may be, the Manager may switch a securityholder's Series D Shares or Class D Units, as applicable, into Series A Shares or Class A Units, as applicable, of the Fund after providing the securityholder with 5 days' notice, unless the securityholder notifies the Manager during the notice period and the Manager agrees that such securityholder is once again eligible to hold Series D Shares or Class D Units, as applicable. Securityholders may be charged a sales commission in connection with the switch by their dealer.

Series XA Shares and Series XF Shares

Series XA Shares and Series XF Shares are available to investors who wish to acquire shares of a Purpose Corporate Fund by exchange eligible shares of Canadian or U.S. public companies. To redeem Series XA Shares or Series XF Shares, a shareholder must switch into a separate series of shares of the Purpose In-Kind Exchange Fund. The Purpose In-Kind Exchange Fund is a separate fund that is a class of shares of the Company which offers one or more series of shares on a prospectus exempt basis including to accredited investors. Series XA Shares and Series XF Shares are Canadian dollar denominated.

Initial Investment

An investment in Mutual Fund Shares and Mutual Fund Units of the Funds requires securityholders to invest and maintain a minimum balance. The table below outlines the minimums along with the minimum requirements for additional investments, pre-authorized purchase plans and redemptions of Series A Shares, Series F Shares, Series I Shares, Series D Shares, Series XA Shares, Series XF Shares, Class A Units, Class F Units, Class I Units and Class D Units:

Series/Class	Minimum Balance⁽¹⁾	Minimum Additional Investments/Pre-authorized purchase plans/Redemptions⁽²⁾⁽³⁾
A.....	\$5,000	\$100
F.....	\$5,000	\$100
I.....	N/A	N/A
D.....	\$5,000	\$100
XA.....	\$5,000	\$100
XF.....	\$5,000	\$100

Notes:

- (1) Amounts in Canadian and U.S. dollars, as applicable.
- (2) Investors purchasing through dealers may be subject to higher minimum initial or additional investment/redemption amounts.
- (3) Minimums are per transaction.

Mutual Fund Shares/Mutual Fund Units

If a securityholder's balance falls below the minimum required balance for a series or class, as the case may be, or if a securityholder otherwise becomes ineligible to hold a particular series or class, as applicable, the Manager may redeem or switch such securityholder's shares or units, as applicable. Where a securityholder is or becomes a citizen or resident of the U.S. or a resident of any other foreign country, the Manager may require such securityholder to redeem its shares or units, as the case may be, if its participation has the potential to cause adverse regulatory or tax consequences for a Fund or other securityholders of the Fund.

The Manager may redeem a securityholder's shares or units, as applicable if it is permitted or required to do so, including in connection with the termination of the Fund, in accordance with applicable law. If the Manager redeems or switches a securityholder's shares or units, the effect will be the same as if the securityholder initiated the transaction. For redemptions in non-registered accounts, the Manager may transfer the proceeds to the securityholder, and for redemptions in Registered Plans, the Manager may transfer the proceeds to a registered savings deposit within the plan. The Manager will not give the securityholder or the securityholder's dealer notice prior to taking any action.

For the Manager to act on an order to buy, redeem shares or units or switch shares, the branch, telephone salesperson or dealer must send the order to Purpose on the same day it is received before 4:00 p.m. (Toronto time) or such other time as indicated on the website for the Funds ("**order cut-off time**") and assume all associated costs.

When an investor places its order through a financial advisor, the financial advisor will forward the order to the Manager. If the Manager receives an order for shares or units before the order cut-off time, the investor's order will be processed using that day's NAV. A separate NAV is calculated for each series of shares or class of units of the Funds. If the Manager receives an order from an investor after the order cut-off time, the investor's order will be processed using the next Business Day's NAV. If the Manager determines that the NAV will be calculated at a time other than after the usual closing time of the TSX, the NAV paid or received will be determined relative to that time. A dealer may establish earlier cut-off times. Investors should check with their dealer for details.

If the Manager does not receive payment in full, it will cancel an investor's order and redeem the shares or units, as applicable, including any securities the investor bought through a switch. If the Manager redeems the shares or units for more than the value for which they were issued, the difference will go to the applicable Fund. If the Manager redeems the shares or units for less than the value for which they were issued, the Manager will pay the difference to the applicable Fund and collect this amount, plus the cost of doing so, from such investor's dealer. Investors may be required to reimburse their dealers for the amount paid if their dealer suffers a loss as a result.

The Manager has the right to refuse any order to buy or switch shares or units. The Manager must do so within one Business Day from the time it receives the order. If the Manager refuses an investor's order to buy or switch, it will immediately return any monies it received with the investor's order.

Buying and Selling Securities

ETF Shares/ETF Units

Investors are able to buy or sell ETF Shares and ETF Units of the Funds through registered brokers and dealers in the Province or Territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling ETF Shares or ETF Units of a Fund. The Funds issue ETF Shares or ETF Units, as applicable, directly to the Designated Brokers and Dealers.

From time to time as may be agreed by a Fund and the Designated Brokers and Dealers, the Designated Brokers and Dealers may agree to accept Constituent Securities as payment for ETF Shares or ETF Units, as the case may be, from prospective investors. For a discussion regarding switching ETF Shares, see "Redemption, Exchange and Switches of Securities – Switching ETF Shares".

Mutual Fund Shares/Mutual Fund Units

Investors are able to buy or sell Mutual Fund Shares and Mutual Fund Units of the Funds through registered brokers and dealers in the Province or Territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Mutual Fund Shares and Mutual Fund Units of the Funds. For a discussion regarding switching Mutual Fund Shares, see “Redemption, Exchange and Switches of Securities”.

U.S. Dollar Purchase Option

Mutual Fund Shares/Mutual Fund Units

Mutual Fund Shares of the PFC Funds and the Mutual Fund Units of the Purpose Trust Funds may also be purchased in U.S. dollars.

Special Considerations for ETF Shares/ETF Units

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of ETF Shares or ETF Units. The Funds obtained exemptive relief from the securities regulatory authorities to permit the holders of ETF Shares or ETF Units to acquire more than 20% of the ETF Shares or ETF Funds of any Purpose Fund (including the Funds) through purchases on a stock exchange without regard to the take-over bid requirements of Canadian securities legislation, provided that any such holder, and any person acting jointly or in concert with the holder, undertakes to the Manager not to vote more than 20% of the ETF Shares or ETF Units, as the case may be, of that Purpose Fund at any meeting of securityholders.

Non-Resident Securityholders

PFC Funds

At no time may: (a) non-residents of Canada; (b) partnerships that are not Canadian partnerships; or (c) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act), be the beneficial owners of a majority of the shares of the Company. The Manager may require declarations as to the jurisdictions in which a beneficial owner of shares is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the shares of the Company then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such shares are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident shareholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their shares or a portion thereof within a specified period of not less than 30 days. If the shareholders receiving such notice have not sold the specified number of shares or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such shareholders sell such shares and, in the interim, shall suspend the voting and distribution rights attached to such shares. Upon such sale, the affected holders shall cease to be beneficial holders of shares and their rights shall be limited to receiving the net proceeds of sale of such shares.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not

adversely impact the status of the Company as a mutual fund corporation for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Company as a mutual fund corporation for purposes of the Tax Act.

Purpose Trust Funds

At no time may: (a) non-residents of Canada; (b) partnerships that are not Canadian partnerships; or (c) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act), be the beneficial owners of a majority of the units of a Purpose Trust Fund. The Manager may require declarations as to the jurisdictions in which a beneficial owner of units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the units of a Purpose Trust Fund then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident securityholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their units or a portion thereof within a specified period of not less than 30 days. If the securityholders receiving such notice have not sold the specified number of units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such securityholders sell such units and, in the interim, shall suspend the voting and dividend rights attached to such units. Upon such sale, the affected holders shall cease to be beneficial holders of units and their rights shall be limited to receiving the net proceeds of sale of such units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of a Purpose Trust Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of a Purpose Trust Fund as a mutual fund trust for purposes of the Tax Act.

Registration and Transfer through CDS – ETF Shares/ETF Units

Registration of interests in, and transfers of, ETF Shares and ETF Units, will be made only through CDS. ETF Shares and ETF Units may be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of ETF Shares or ETF Units, as the case may be, must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such ETF Shares or ETF Units. Upon purchase of any ETF Shares or ETF Units the owner will receive only the customary confirmation; physical certificates evidencing ownership will not be issued. References in this prospectus to a holder of ETF Shares and/or ETF Units mean, unless the context otherwise requires, the beneficial owner of such ETF Shares or ETF Units, as applicable.

Neither the Funds, the Company nor the Manager will have any liability for: (a) records maintained by CDS relating to the beneficial interests in the ETF Shares and the ETF Units or the book entry accounts maintained by CDS; (b) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (c) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of ETF Shares or ETF Units, as the case may be, to pledge such ETF Shares or ETF Units, as applicable, or otherwise take action with respect to such owner's interest in such ETF Shares or ETF Units, as applicable (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Funds have the option to terminate registration of the ETF Shares and/or ETF Units through the book-based system in which case certificates for ETF Shares or ETF Units, as the case may be, in fully registered form will be issued to beneficial owners of such ETF Shares or ETF Units, as applicable, to their nominees.

REDEMPTION, EXCHANGE AND SWITCHES OF SECURITIES

Redemption of Securities for Cash

ETF Shares/ETF Units

On any Trading Day, holders of ETF Shares or ETF Units, as the case may be, may redeem ETF Shares or ETF Units, as applicable, of a Fund for cash at a redemption price per ETF Share or ETF Unit, as applicable, equal to the lesser of (a) (i) in respect of the ETF Shares, 95% of the closing price for the ETF Shares on the TSX and (ii) in respect of the ETF Units, 95% of the market price of the ETF Units, on the effective date of redemption and (b) the NAV per ETF Share or ETF Unit, as the case may be. "Market price" means the weighted average trading price of the ETF Units on the Canadian marketplaces on which the ETF Units have traded on the effective date of redemption. Because holders of ETF Shares and ETF Units will generally be able to sell ETF Shares or ETF Units, as applicable, at the market price on the TSX (or such other designated exchange on which the ETF Units of a Fund may be listed from time to time) through a registered broker or dealer subject only to customary brokerage commissions, holders of ETF Shares and ETF Units are advised to consult their brokers, dealers or investment advisors before redeeming their ETF Shares or ETF Units, as applicable, for cash.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered to the Manager at its registered office by 9:00 a.m. (Toronto time) on the Trading Day (or such later time on such Trading Day as the Manager may permit). If a cash redemption request is not received by the delivery deadline noted immediately above on a Trading Day, the cash redemption request will be effective on the next Trading Day. Payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption. Cash redemption request forms may be obtained from any registered broker or dealer.

Investors that redeem ETF Shares or ETF Units, as applicable, of a Fund prior to the ex-distribution date for the Distribution Record Date for any dividend will not be entitled to receive that dividend.

In connection with the redemption of ETF Shares or ETF Units, a Fund will generally dispose of securities or other assets to satisfy the redemption.

Mutual Fund Shares/Mutual Fund Units

Holders of Mutual Fund Shares or Mutual Fund Units may redeem their shares of a series or units of a class for cash on any Valuation Date at a redemption price per share of the series or unit of the class, as the case may be, equal to the NAV per share or unit of the Fund, as the case may be, on such Valuation Date.

In order for a cash redemption in respect of Mutual Fund Shares or Mutual Fund Units to be effective on a Valuation Date, a cash redemption request in the form prescribed by the Manager from time to time must be delivered to the Manager before 4:00 p.m. (Toronto time) or such other cut-off time as specified by the

Manager on the Valuation Date (or such other time on such Valuation Date as the Manager may permit). If a cash redemption request is not received by the delivery deadline noted immediately above on a Valuation Date, the cash redemption request will be effective on the next Valuation Date. Payment of the redemption price will be made by no later than the second Business Day after the effective day of the redemption. Cash redemption request forms may be obtained from any registered broker or dealer. Holders of Mutual Fund Shares and/or Mutual Fund Units should check with their dealer as some dealers may establish an earlier cut-off time. Holders of Series XA Shares and/or Series XF Shares must switch to a separate series of shares of the Purpose In-Kind Exchange Fund in order to redeem their shares.

Redemption requests for Mutual Fund Shares (other than Series XA Shares and Series XF Shares) or Mutual Fund Units of the Funds must be for an amount of at least \$1,000 (unless the account balance is less than \$1,000). If your balance falls below the minimum required balance for a particular Fund or series or class, as the case may be, or you otherwise become ineligible to hold a particular Fund or series or class, as applicable, the Manager may redeem or switch your shares or units, as applicable. There is no minimum for Series I Shares or Class I Units of the Funds.

Redemption by the Company of Series XA Shares and Series XF Shares

The Manager may at any time and from time to time redeem all or a portion of the Series XA Shares and/or Series XF Shares that an investor holds in its sole discretion.

Exchange of ETF Shares/ETF Units for Baskets of Securities

On any Trading Day, holders of ETF Shares and ETF Units may exchange the Prescribed Number of Securities (or an integral multiple thereof) for Baskets of Securities and cash.

To effect an exchange of a prescribed number of ETF Shares or ETF Units, as the case may be, of a Fund a securityholder must submit an exchange request in the form prescribed by the Manager from time to time to the Manager at its registered office by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit). The exchange redemption request forms may be obtained from any registered broker or dealer. The exchange price will be equal to the NAV of the ETF Shares or ETF Units, as the case may be, of the Fund being exchanged on the effective day of the exchange request, payable by delivery of Baskets of Securities and cash. The ETF Shares or ETF Units, as the case may be, will be redeemed in the exchange.

If an exchange request is not received by the submission deadline noted immediately above on a Trading Day, the exchange order will be effective on the next Trading Day. Settlement of exchanges for Baskets of Securities and cash will be made by no later than the second Trading Day after the effective day of the exchange request. The securities to be included in the Baskets of Securities delivered on an exchange shall be selected by the Manager in its discretion.

Holders of ETF Shares and/or ETF Units should be aware that the NAV per ETF Share or ETF Unit, as applicable, will decline by the amount of the dividend or distribution on the ex-distribution date, which is one Trading Day or such other day as announced by the Manager prior to the Distribution Record Date. A securityholder that is no longer a holder of record on the applicable Distribution Record Date will not be entitled to receive that dividend.

If Constituent Securities of a Fund are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a holder of ETF Shares or ETF Units, as the case may be, on an exchange in the Prescribed Number of Securities may be postponed until such time as the transfer of the securities is permitted by law.

Requests for Exchange and Redemption

A holder of ETF Shares and/or ETF Units, as the case may be, submitting an exchange or redemption request is deemed to represent to the relevant Fund and the Manager that: (a) it has full legal authority to tender the ETF Shares or ETF Units, as applicable, for exchange or redemption and to receive the proceeds of the exchange or redemption and (b) the ETF Shares or ETF Units, as applicable, have not been loaned or pledged and are not the subject of a repurchase agreement, securities lending agreement or a similar arrangement that would preclude the delivery of the ETF Shares or ETF Units, as applicable, to the Fund. The Manager reserves the right to verify these representations at its discretion. Generally, the Manager will require verification with respect to an exchange or redemption request if there are unusually high levels of exchange or redemption activity or short interest in a Fund. If a holder of ETF Shares and/or ETF Units upon receipt of a verification request, does not provide the Manager with satisfactory evidence of the truth of the representations, the securityholder's exchange or redemption request will not be considered to have been received in proper form and will be rejected.

Suspension of Exchange and Redemption

The Manager may suspend the redemption of securities or payment of redemption proceeds of a Fund: (a) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Fund, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Fund; or (b) with the prior permission of the securities regulatory authorities, for any period not exceeding 30 days during which the Manager determines that conditions exist that render impractical the sale of assets of the Fund or that impair the ability of the Valuation Agent to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All securityholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such securityholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

Costs Associated with Exchange and Redemption

The Manager may charge to holders of ETF Shares or ETF Units, as the case may be, in its discretion, an administrative fee of up to 2% of the exchange or redemption proceeds of a Fund to offset certain transaction costs associated with the exchange or redemption of ETF Shares or ETF Units, as the case may be, of the Fund.

Exchange and Redemption of ETF Shares/ETF Units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which the holder of ETF Shares or ETF Units, as the case may be, holds its ETF Shares or ETF Units, as applicable. Beneficial owners of ETF Shares and/or ETF Units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold ETF Shares or ETF Units, as applicable, sufficiently in advance of the cut-off times described above to allow such CDS Participants to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

Switching ETF Shares

Shareholders may switch (“**Switch**”) ETF Shares of one PFC Fund to ETF Shares of another Purpose Corporate Fund through the facilities of CDS by contacting their financial advisor or broker. Initially, ETF Shares may be switched in any week on Wednesday (“**ETF Switch Date**”) of such week (or more frequently as may be determined by the Manager) by delivering written notice to the PFC Fund at least one Business Day prior to the ETF Switch Date (“**Switch Notice Date**”) and surrendering such ETF Shares by 4:00 p.m. (Toronto time) on such date. Written notice must contain the name of the PFC Fund, the TSX ticker symbol of the PFC Fund and the number of ETF Shares to be switched and the name of the Purpose Corporate Fund and the TSX ticker symbol of the ETF Shares of the Purpose Corporate Fund the ETF Shareholder wishes to switch. The Manager may, in its discretion, change the frequency with which ETF Shares may be switched from weekly to daily at any time without notice. For greater certainty, ETF Shares of one Purpose Corporate Fund may not be switched for Mutual Fund Shares of any Purpose Corporate Fund and ETF Units and Mutual Fund Units of a Purpose Trust Fund may not be switched for Mutual Fund Shares or ETF Shares of any Purpose Fund and vice versa.

Holders of ETF Shares will receive from the Company that whole number of ETF Shares of the Purpose Corporate Fund into which they have switched equal to the Switch NAV Price per ETF Share of the PFC Fund switched to, divided by the Switch NAV Price per Share of the Purpose Corporate Fund switched from. As no fraction of an ETF Share will be issued upon any Switch any remaining ETF Shares of the PFC Fund, including any fraction thereof, of the PFC Fund out of which an ETF Shareholder has switched will be redeemed at the Switch NAV Price. The Company will, following the ETF Switch Date forward a cash payment to CDS equal to such amount.

Pursuant to the Switch Fund Rules (as defined herein), the switch by a shareholder from one class of ETF Shares of the Company into ETF Shares of another class of the Company will result in a disposition of such shares at fair market value and a capital gain or a capital loss will generally be realized.

Switching Mutual Fund Shares

Shareholders may switch Series A Shares, Series F Shares, Series I Shares and Series D Shares of one PFC Fund to Series A Shares, Series F Shares, Series I Shares or Series D Shares of another Purpose Corporate Fund as long as they (a) maintain the relevant minimum balance in each Fund and (b) are eligible to purchase the new series. See “Purchase of Securities – Initial Investment”. Shareholders may switch Series XA Shares and Series XF Shares, of one Purpose Corporate Fund to Series XA Shares and Series XF Shares (or if authorized by the Manager, to Series I Shares) of another Purpose Corporate Fund. For greater certainty, (a) Mutual Fund Shares of one Purpose Corporate Fund may not be switched for ETF Shares of any Purpose Corporate Fund or ETF Units and vice versa; (b) Series XA Shares and Series XF Shares may not be switched for Series A Shares, Series F Shares, Series I Shares (unless authorized by the Manager) or Series D Shares and vice versa and (c) Mutual Fund Shares may not be switched for Mutual Fund Units of a Purpose Trust Fund or ETF Shares or ETF Units of any Purpose Fund and vice versa. Initially Mutual Fund Shares may be switched on any Business Day. Holders of Mutual Fund Shares or Mutual Fund Units, as the case may be, who wish to switch their shares for Mutual Fund Shares of another PFC Fund or Mutual Fund Units for another class of units of a Purpose Trust Fund, as the case may be, should speak with their broker, dealer or investment advisor for further details.

The Manager may, in its discretion, reject any switch request.

The Manager may, in its discretion, change the frequency with which Mutual Fund Shares may be switched at any time without notice.

Recent amendments to the Tax Act eliminate the ability of shareholders of a mutual fund corporation to switch between different share classes of such a corporation on a tax-deferred basis (the “**Switch Fund Rules**”). Pursuant to the Switch Fund Rules, a Switch of Series A Shares, Series F Shares, Series I Shares, Series D Shares, Series XA Shares or Series XF Shares from one Purpose Corporate Fund to Series A Shares, Series F Shares, Series D Shares, Series I Shares, Series XA Shares or Series XF Shares, as applicable, of a different Purpose Corporate Fund will constitute a disposition of such shares for purposes of the Tax Act. The rules, however, should not apply to reclassifications of shares where a shareholder exchanges a share of one class for another share of the same class and both shares derive their value from the same property or group of properties. This exception is intended to permit shareholders to continue to switch between Mutual Fund Shares of different series of the same fund on a tax-deferred basis. See “Income Tax Considerations – PFC Funds”.

No Switching of Units

Securityholders may not switch ETF Units or Mutual Fund Units of a Purpose Trust Fund for ETF Shares or Mutual Fund Shares of any Purpose Corporate Fund and a holder of ETF Shares or Mutual Fund Shares of a Purpose Corporate Fund may not switch its ETF Shares or Mutual Fund Shares for ETF Units or Mutual Fund Units of a Purpose Trust Fund. Holders of Mutual Fund Units of a Purpose Trust Fund may convert units of any class into units of any other class of the Fund.

Costs Associated with Switches

Shareholders may have to pay their financial advisor, investment advisor or broker a transfer fee based on the value of the Mutual Fund Shares that are switched. The PFC Funds will not charge a transfer or switch fee to a shareholder to transact a Switch unless the shareholder has held the shares of the PFC Fund for 30 days or less in which case the Manager may charge an administrative fee of up to 2% of the Switch proceeds to offset certain transaction costs associated with the Switch.

Suspension and Restrictions on Switches

ETF Shares

The Manager has the right to decline any Switch request. Switches will only be transacted if the following conditions are met: (a) the minimum size of any Switch is equal to or greater than 2,500 ETF Shares of a Purpose Corporate Fund; (b) the ETF Switch Date does not occur between the ex-date and the record date of a dividend payable by the Purpose Corporate Fund on its ETF Shares; (c) the Switch will not result in the Purpose Corporate Fund not meeting the TSX minimum listing requirements; and (d) in the event the ETF Shareholder has enrolled in the Dividend Reinvestment Plan of the Purpose Corporate Fund such ETF Shareholder remains enrolled in the Dividend Reinvestment Plan for the ETF Shares into which such ETF Shareholder is switching.

Mutual Fund Shares

The Manager has the right to decline any Switch request.

Short-Term Trading

ETF Shares/ETF Units

At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on the Funds as the ETF Shares and ETF Units, are generally traded by investors on an exchange

in the secondary market in the same way as other listed securities. In the few situations where ETF Shares or ETF Units are not purchased in the secondary market, purchases usually involve a Designated Broker or a Dealer upon whom the Manager may impose a redemption fee, which is intended to compensate the applicable Fund for any costs and expenses incurred in relation to the trade.

Mutual Fund Shares/Mutual Fund Units

The Manager is of the view that frequent trading or switching of Mutual Fund Shares and Mutual Fund Units in order to time the market or otherwise can negatively impact the value of the Funds to the detriment of other securityholders. Excessive short-term trading can also reduce a Fund’s return because the Fund may be forced to hold additional cash to pay redemption proceeds or, alternatively, to sell portfolio holdings, thereby incurring additional trading costs.

Depending on the particular circumstances, Purpose will employ a combination of preventative and detective measures to discourage and identify excessive short-term trading of Mutual Fund Shares and Mutual Fund Units, including:

- (a) imposition of short-term trading fees; and
- (b) monitoring of trading activity and refusal of trades.

See “Fee and Expenses – Fees and Expenses Payable Directly by Securityholders – Short-Term Trading Fees”.

PRICE RANGE AND TRADING VOLUME OF ETF SHARES/ETF UNITS

The following table sets out the consolidated market price range and monthly trading volume of the ETF Shares or ETF Units, as the case may be, of the Funds on the TSX and other designated exchanges (as described below) on which the ETF Shares and ETF Units of the Funds traded for the 12-month period before the date of the prospectus. This information is not yet available for the New Purpose Funds because no ETF Units of the New Purpose Funds have been issued.

Purpose Diversified Real Asset Fund – ETF shares¹			
	Price		Volume
	High	Low	
<u>2017</u>			
July	\$18.49	\$17.21	15,239
August	\$17.64	\$17.39	1,501
September	\$17.87	\$17.50	1,477
October	\$18.36	\$17.87	7,484
November	\$18.63	\$18.29	3,652
December	\$18.80	\$18.18	2,374
<u>2018</u>			
January	\$19.02	\$18.80	37,855
February	\$19.02	\$17.79	26,304
March	\$19.02	\$17.79	6,201
April	\$18.87	\$17.79	8,106
May	\$19.29	\$18.04	4,041
June	\$19.59	\$19.29	5,171

Note:

(1) Includes the TSX, NASDAQ CX2, NASDAQ CXC Limited, TriAct Canada Marketplace LP, Omega ATS, Aequitas NEO Exchange Inc., Omega Lynx and Pure Trading.

Purpose Enhanced US Equity Fund – ETF shares¹

	Price		Volume
	High	Low	
2017			
July	\$24.47	\$23.90	14,447
August	\$24.47	\$23.54	1,590
September	\$25.30	\$23.54	1,079
October	\$25.98	\$25.29	1,952
November	\$26.88	\$25.39	2,234
December	\$27.85	\$26.88	6,685
2018			
January	\$29.68	\$27.83	31,692
February	\$29.68	\$26.52	12,616
March	\$29.68	\$25.75	2,219
April	\$28.66	\$25.75	3,450
May	\$27.21	\$25.75	32,614
June	\$27.34	\$26.25	17,350

Note:

(1) Includes the TSX, NASDAQ CX2, NASDAQ CXC Limited, TriAct Canada Marketplace LP, Omega ATS, Aequitas NEO Exchange Inc., Omega Lynx and Alpha Exchange Inc.

Purpose Enhanced US Equity Fund – ETF Non-Currency Hedged Shares¹

	Price		Volume
	High	Low	
2017			
July	\$29.37	\$28.35	17,040
August	\$28.35	\$26.62	1,500
September	\$26.62	\$25.79	800
October	\$28.89	\$25.79	1,126
November	\$30.34	\$28.67	1,500
December	\$30.34	\$30.34	-
2018			
January	\$30.34	\$30.34	21,996
February	\$30.56	\$29.20	3,500
March	\$30.56	\$29.20	1,600
April	\$30.56	\$29.13	2,000
May	\$29.57	\$29.13	-
June	\$31.24	\$31.24	4,900

Note:

(1) Includes the TSX, NASDAQ CX2, NASDAQ CXC Limited, TriAct Canada Marketplace LP, Omega ATS, Aequitas NEO Exchange Inc., Omega Lynx and Alpha Exchange Inc.

Purpose Multi-Strategy Market Neutral Fund – ETF Units¹

	Price		Volume
	High	Low	
<u>2017</u>			
July	\$22.16	\$21.35	169,256
August	\$21.70	\$21.30	175,666
September	\$22.01	\$21.47	38,650
October	\$22.49	\$21.93	29,460
November	\$22.91	\$22.29	21,904
December	\$23.46	\$22.70	30,190
<u>2018</u>			
January	\$23.46	\$22.70	528,795
February	\$23.46	\$22.19	107,665
March	\$23.46	\$22.19	42,054
April	\$23.35	\$22.19	58,628
May	\$23.47	\$22.58	103,049
June	\$23.51	\$23.10	65,022

Note:

(1) Includes the TSX, NASDAQ CX2, NASDAQ CXC Limited, TriAct Canada Marketplace LP, Omega ATS, Aequitas NEO Exchange Inc., Omega Lynx, Pure Trading and Alpha Exchange Inc.

INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act for the Funds and for a prospective investor in the Funds that, for the purposes of the Tax Act, is an individual, other than a trust, is resident in Canada, holds securities as capital property, has not entered into a “derivative forward agreement” as defined in the Tax Act in respect of such securities and is not affiliated and deals at arm’s length with the Funds. This summary is based upon the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act and such regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (“**Tax Proposals**”), and counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should therefore consult their own tax advisors about their individual circumstances.

This summary is also based on the assumptions that: (a) none of the issuers of securities held by the Funds will be a foreign affiliate of any Fund or any holder of securities; (b) the Funds will not invest in any security, directly or indirectly, that is an “offshore investment fund property” as that term is defined in section 94.1 of the Tax Act; (c) none of the securities held by the Funds will be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act; (d) none of the securities held by the Funds will be an interest in a non-resident trust other than an “exempt foreign trust” as defined in the Tax Act; and (e) the Funds will not enter into any arrangement where the result is a dividend rental arrangement for the purposes of the Tax Act.

PFC Funds

Status of the Company

The Company intends at all relevant times to qualify as a “mutual fund corporation” as defined in the Tax Act. To qualify as a mutual fund corporation, (a) the Company must be a “Canadian corporation” that is a “public corporation” for purposes of the Tax Act; (b) the only undertaking of the Company must be the investing of its funds in property (other than real property or interests in real property or immovables or real rights in immovables); and (c) at least 95% of the fair market value of all of the issued shares of the capital stock of the Company must be redeemable at the demand of the holders of those shares. The Company has informed counsel that it filed the necessary election under the Tax Act so that it was deemed to be a “public corporation” effective from the beginning of its first taxation year and, therefore, qualified as a mutual fund corporation throughout its first taxation year.

Taxation of the PFC Funds

Each PFC Fund is a separate Corporate Class of the Company. Although the Company is comprised of a number of Corporate Classes, it must (like any other mutual fund corporation with a multi-class structure) compute its income and net capital gains for tax purposes as a single entity. All of the Company’s revenues, deductible expenses, capital gains and capital losses in connection with all of its investment portfolios, and other items relevant to its tax position (including the tax attributes of all of its assets), will be taken into account in determining the income or loss of the Company and applicable taxes payable by the Company as a whole. For example, expenses, tax deductions and losses arising from the Company’s investments and activities in respect of one Corporate Class may be deducted or offset against income or gains arising from the Company’s investments and activities in respect of other Corporate Classes. As a result of the Company being required to calculate its income as a single entity, the overall result for a holder of shares of a PFC Fund will differ from what would be the case if the shareholder had invested in a mutual fund trust, or a single-class mutual fund corporation, that made the same investments as the Fund.

The Company has established a policy to determine how it will allocate income and capital gains in a tax-efficient manner among the PFC Funds in a way that it believes is fair, consistent and reasonable for shareholders. The amount of dividends and capital gains dividends paid to shareholders is based on this tax allocation policy, which has been approved by the Company’s board of directors.

Capital gains may be realized by the Company in a variety of circumstances, including on the disposition of portfolio assets of the Company as a result of shareholders of a PFC Fund switching their ETF Shares, Series A Shares, Series F Shares, Series I Shares, Series D shares, Series XA shares or Series XF shares, as the case may be, for ETF Shares, Series A Shares, Series F Shares, Series I Shares, Series D Shares, Series XA shares or Series XF shares, as applicable, of another PFC Fund.

Pursuant to the Switch Fund Rules, the switch by a shareholder from one class of Mutual Fund Shares of the Company into Mutual Fund Shares of another class of the Company would result in a disposition at fair market value and a capital gain or a capital loss would generally be realized. The rules should not apply to reclassifications of shares where a shareholder exchanges a share of one class of Mutual Fund Shares for another share of the same class and both shares derive their value from the same property or group of properties. This exception is intended to permit shareholders to continue to switch between Mutual Fund Shares of different series of the same Fund on a tax-deferred basis.

The taxable portion of capital gains (net of the allowable portion of capital losses) realized by the Company will be subject to tax at corporate rates applicable to mutual fund corporations, but taxes paid thereon by the Company are generally refundable on a formula basis when shares of the Company are redeemed or

when the Company pays capital gains dividends. Accordingly, if sufficient amounts are paid by the Company on the redemption of its shares or as capital gains dividends, generally the Company will not pay tax on its capital gains.

Premiums received on covered call options and cash-covered put options written by the Company that are not exercised prior to the end of the year will constitute capital gains of the Company in the year received, unless such premiums are received by the Company as income from a business of buying and selling securities or the Company has engaged in a transaction or transactions considered to be an adventure in the nature of trade. The Manager has informed counsel that each Fund's portfolio will be acquired with the objective of earning dividends thereon over the life of the Fund, and that the Fund will write covered call options with the objective of increasing the yield on the portfolio beyond the dividends received on the portfolio, and that the Fund will write cash-covered put options to increase returns and to reduce the net cost of purchasing securities upon the exercise of put options. Thus, having regard to the foregoing and in accordance with the Canada Revenue Agency's published administrative practice, the Manager intends that option transactions undertaken by a Fund in respect of securities comprising the Fund's portfolio will be treated and reported by the Company as arising on capital account.

Premiums received by the Company on covered call (or cash-covered put) options that are subsequently exercised will be added in computing the proceeds of disposition (or deducted in computing the adjusted cost base) to the Company of the securities disposed of (or acquired) by the Company upon the exercise of such call (or put) options. In addition, where the premium was in respect of an option granted in a previous year so that it constituted a capital gain of the Company in the previous year, such capital gain may be reversed.

In general, the Company will not pay tax on taxable dividends received from taxable Canadian corporations. The Company will be subject to the refundable tax under Part IV of the Tax Act on taxable dividends received by it from taxable Canadian corporations in an amount equal to 38½% of such dividends.

With respect to other income received by the Company, such as ordinary income, interest and foreign dividends, the Company will generally be subject to tax at corporate rates applicable to mutual fund corporations subject to permitted deductions for expenses of the Company and applicable credits for any foreign taxes paid. Where a PFC Fund invests in derivatives as a substitute for direct investment, the Company will generally treat gains and losses realized on such derivatives as being on income account rather than as capital gains and capital losses. Where a derivative is sufficiently linked to a capital asset or transaction of the Company to be treated on capital account, it will nonetheless be treated on income account where it qualifies as a "derivative forward agreement" under the Tax Act.

The Company may be subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of property may be considered to be a suspended loss when the Company acquires a property (a "**substituted property**") that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Company owns the substituted property 30 days after the original disposition. If a loss is suspended, the Company cannot deduct the loss from the Company's gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

In determining the income of the Company, gains or losses realized upon dispositions of securities in which the Company has invested will constitute capital gains or capital losses of the Company in the year realized unless the Company is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Company has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Company has advised counsel that if the Company holds "Canadian securities" (as defined in the Tax Act) it will elect in accordance with the Tax Act to have

each such security treated as capital property. Such election will ensure that gains or losses realized by the Company on the disposition of Canadian securities are taxed as capital gains or capital losses.

The Company is required to compute its income and gains for tax purposes in Canadian dollars and may therefore realize foreign exchange gains or losses with respect to its foreign investments that will be taken into account in computing its income for tax purposes.

The Company may pay foreign withholding or other taxes in connection with investments in foreign securities.

Taxation of Shareholders

A holder of shares of a PFC Fund will be required to include in his or her income the Canadian dollar amount of any dividends paid on such shares, other than capital gains dividends, whether received in cash or reinvested in additional shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation will apply to such dividends.

If the Company pays a return of capital, such amount will generally not be taxable but will reduce the adjusted cost base of the holder's shares of the PFC Fund in respect of which the return of capital was paid. However, where such returns of capital are reinvested in new shares, the holder's overall adjusted cost base of such shares will not be reduced. In the circumstance that reductions to the adjusted cost base of a holder's shares would result in such adjusted cost base becoming a negative amount, that amount will be treated as a capital gain realized by the holder of the shares and the adjusted cost base will then be zero.

Capital gains dividends will be paid to shareholders, at the discretion of the Company's board of directors with respect to the timing, the amount and the Corporate Classes on which the dividends will be paid, out of the capital gains realized by the Company, including capital gains realized on the disposition of portfolio assets occurring as a result of shareholders switching their shares into shares of another PFC Fund. The amount of a capital gains dividend paid to holders of shares will be treated as a capital gain in the hands of the holder and will be subject to the general rules relating to the taxation of capital gains which are described below.

A holder of shares who receives a management fee rebate will include the amount of such rebate in income or in the alternative may reduce the adjusted cost base of the holder's shares by the amount of the rebate.

Pursuant to the Switch Fund Rules, the switch by a shareholder from one class of ETF shares or Mutual Fund Shares of the Company into ETF Shares or Mutual Fund Shares, as applicable, of another class of the Company will result in a disposition at fair market value and a capital gain or a capital loss would generally be realized. The rules should not apply to reclassifications of shares where a shareholder exchanges a share of one class of Mutual Fund Shares for another share of the same class and both shares derive their value from the same property or group of properties. This exception is intended to permit shareholders to continue to switch between Mutual Fund Shares of different series of the same Fund on a tax-deferred basis.

The cost of the Mutual Fund Shares acquired on a Switch will be required to be averaged with the adjusted cost base of any other Mutual Fund Shares of the same series of the PFC Fund owned by the holder in determining the holder's adjusted cost base per Mutual Fund Share.

Upon the actual or deemed disposition of a share, including the redemption of a share for cash proceeds on a Switch or otherwise, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the shares exceed (or are exceeded by) the aggregate of the adjusted cost base to

the holder of such shares and the costs of disposition. One-half of a capital gain realized on the disposition will be included in income as a taxable capital gain. One-half of any capital loss realized may be deducted against any taxable capital gains, subject to and in accordance with the detailed rules of the Tax Act. Holders of shares should consult their own advisors with respect to provisions of the Tax Act which reduce any such losses by the amount of certain dividends received on shares.

Where ETF Shares of a PFC Fund are exchanged by a redeeming holder of ETF Shares for Baskets of Securities, or where securities are received by a holder of shares of the PFC Fund on a distribution *in specie* on the termination of the PFC Fund, the proceeds of disposition to the holder of the shares will be equal to the fair market value of the securities so received, plus the amount of any cash received on the exchange. The cost for tax purposes of securities acquired by a redeeming ETF Shareholder on the exchange or redemption of ETF Shares of the PFC Fund will generally be the fair market value of such securities at that time.

Tax Election under Section 85 of the Tax Act in Respect of Series XA Shares and Series XF Shares

An investor, that is not exempt from tax under the Tax Act, or a partnership, no member of which is exempt from tax under the Tax Act, that exchanges shares of Canadian or U.S. public companies in consideration for Series XA Shares or Series XF Shares may, provided such shares are “eligible property” as defined in subsection 85(1.1) of the Tax Act, make a joint election (under subsection 85(1) or 85(2) of the Tax Act (and, in either case, the corresponding provision of any applicable provincial income tax legislation)) with the Company pursuant to section 85 of the Tax Act and thereby obtain a full or partial tax-deferred “rollover” for Canadian income tax in respect of such exchange.

Taxation of Registered Plans

In general, the amount of a distribution paid by a Fund to a Registered Plan on a disposition of Mutual Fund Shares will not be taxable under the Tax Act. However, amounts withdrawn from a Registered Plan may be subject to tax (other than a return of contributions from an RESP or certain withdrawals from an RDSP, and withdrawals from a TFSA).

Tax Implications of the PFC Funds’ Dividend Policy

When an investor purchases shares of a PFC Fund, a portion of the price paid may reflect income or capital gains accrued or realized before such person acquired such shares. This may particularly be the case if such shares are purchased near year-end before a special year-end distribution is paid.

Alternative Minimum Tax

Individuals who receive dividends from the Company or who realize net capital gains from the disposition of shares of a PFC Fund may be subject to alternative minimum tax under the Tax Act.

Purpose Trust Funds

Status of the Purpose Trust Funds

This summary is based on the assumption that each Purpose Trust Fund will comply at all material times with the conditions prescribed in the Tax Act and otherwise so as to qualify as a “mutual fund trust” as defined in the Tax Act. Counsel is advised that each Purpose Trust Fund is expected to qualify, as a “mutual fund trust” under the Tax Act at all material times. If a Purpose Trust Fund were to not qualify as a “mutual

fund trust” for the purposes of the Tax Act for any period of time, the tax considerations could be materially different from those described below.

Taxation of the Purpose Trust Funds

Each Purpose Trust Fund will include in computing its income taxable distributions received on securities held by it, including any special dividends, the taxable portion of capital gains realized by the Fund on the disposition of securities held by it, and income earned by any securities lending activity. Each Purpose Trust Fund will include in computing its income any interest accruing to it on bonds held by the Fund.

The Declaration of Trust governing the Purpose Trust Funds requires that each Fund distribute its net income and net realized capital gains, if any, for each taxation year of the Fund to its unitholders to such an extent that the Fund will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of the Fund and any capital gains refunds to which the Fund is entitled). If in a taxation year the income for tax purposes of a Purpose Trust Fund exceeds the cash available for distribution by the Fund, such as in the case of the receipt by the Fund of special dividends, the Fund will distribute its income through a payment of reinvested distributions.

If a Purpose Trust Fund invests in another fund (an “**Underlying Fund**”) that is a Canadian resident trust other than a SIFT trust, the Underlying Fund may designate a portion of amounts that it distributes to the Fund as may reasonably be considered to consist of: (a) taxable dividends (including eligible dividends) received by the Underlying Fund on shares of taxable Canadian corporations; and (b) net taxable capital gains realized by the Underlying Fund. Any such designated amounts will be deemed for tax purposes to be received or realized by the Purpose Trust Fund as a taxable dividend or taxable capital gain, respectively. An Underlying Fund that pays foreign withholding tax may make designations such that the Purpose Trust Fund may be treated as having paid its share of such foreign tax.

The Purpose Trust Funds may be subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of property may be considered to be a suspended loss when a Fund acquires a property (a “**substituted property**”) that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Fund owns the substituted property 30 days after the original disposition. If a loss is suspended, the Purpose Trust Fund cannot deduct the loss from the Fund’s gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

In determining the income of a Purpose Trust Fund, gains or losses realized upon dispositions of securities in which the Fund has invested will constitute capital gains or capital losses of the Fund in the year realized unless the Fund is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Fund has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Manager has advised counsel that if a Purpose Trust Fund holds “Canadian securities” (as defined in the Tax Act) it will elect in accordance with the Tax Act to have each such security treated as capital property. Such election will ensure that gains or losses realized by the Purpose Trust Fund on the disposition of Canadian securities are taxed as capital gains or capital losses.

Each Purpose Trust Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of its units during the year (“**capital gains refund**”). The capital gains refund in a particular taxation year may not completely offset the tax liability of the Purpose Trust Fund for such taxation year which may arise upon the sale of its investments in connection with redemptions of units.

The Manager has advised counsel that, generally, a Purpose Trust Fund will include gains and deduct losses on income account, rather than as capital gains and capital losses, in connection with investments made through derivative transactions, except where such derivatives are entered into in order to hedge, and are sufficiently linked with, securities that are held on capital account by the Fund, and will recognize such gains or losses for tax purposes at the time they are realized by the Fund. Where a Purpose Trust Fund uses derivatives to hedge foreign currency exposure with respect to securities held on capital account, gains or losses realized on such derivatives will generally be treated as capital gains or capital losses where such derivatives are sufficiently linked to the securities. A derivative that is on capital account may nonetheless be treated on income account if it is a “derivative forward agreement” within the meaning of the Tax Act.

Each Purpose Trust Fund is required to compute its income and gains for tax purposes in Canadian dollars. Therefore, the amount of income, cost, proceeds of disposition and other amounts in respect of investments that are not Canadian dollar denominated will be affected by fluctuations in the exchange rate of the Canadian dollar against the relevant foreign currency.

The Purpose Trust Funds may pay foreign withholding or other taxes in connection with investments in foreign securities.

Taxation of Unitholders

A holder of units of a Purpose Trust Fund will be required to include in his or her income the Canadian dollar amount of net income and net taxable capital gains of the Fund, if any, paid or payable to the holder in the year and deducted by the Fund in computing its income, whether or not such amounts are reinvested in additional units (including ETF Plan Securities acquired under the Reinvestment Plan), including in the case of a holder who receives management fee distributions to the extent they are paid out of net income and net taxable capital gains of the Fund.

The non-taxable portion of any net realized capital gains of a Purpose Trust Fund that is paid or payable to a unitholder in a taxation year will not be included in computing the unitholder’s income for the year and will not reduce the adjusted cost base of the unitholder’s units of the Fund. Any other non-taxable distribution, such as a return of capital, will not be included in computing the unitholder’s income for the year but will reduce the unitholder’s adjusted cost base (unless the Purpose Trust Fund elects to treat such amount as a distribution of additional income). To the extent that a unitholder’s adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the unitholder and the unitholder’s adjusted cost base will be nil immediately thereafter.

Each Purpose Trust Fund will designate, to the extent permitted by the Tax Act, the portion of the net income distributed to unitholders as may reasonably be considered to consist of net taxable capital gains, if any, realized or considered to be realized by the Fund. Any such designated amount will be deemed for tax purposes to be received or realized by unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. Capital gains so designated will be subject to the general rules relating to the taxation of capital gains described below. In addition, a Purpose Trust Fund may make designations in respect of income from foreign sources, if any, so that unitholders may be able to claim a foreign tax credit in accordance with the provisions of and subject to the general limitations under the Tax Act for a portion of foreign tax, if any, paid or considered to be paid by the Fund. Any loss realized by a Purpose Trust Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the unitholders of the Fund.

Holders of units of a Purpose Trust Fund will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable capital gains, non-taxable

amounts or foreign source income, and as to foreign tax deemed paid by the unitholder as those items are applicable.

Upon the actual or deemed disposition of a unit of a Purpose Trust Fund, including the exchange or redemption of a unit, and including upon the termination of the Fund, a capital gain (or a capital loss) will generally be realized by the unitholder to the extent that the proceeds of disposition of the unit exceed (or are less than) the aggregate of the adjusted cost base to the unitholder of the unit and any reasonable costs of disposition. In general, the adjusted cost base of all units of a Purpose Trust Fund held by the unitholder is the total amount paid for the units (including brokerage commissions paid and the amount of reinvested dividends), regardless of when the investor bought them, less any non-taxable distributions (other than the non-taxable portion of capital gains) such as a return of capital and less the adjusted cost base of any units of the Fund previously redeemed/exchanged by the unitholder. For the purpose of determining the adjusted cost base of units to a unitholder, when units of a Purpose Trust Fund are acquired, the cost of the newly acquired units will be averaged with the adjusted cost base of all units of the Fund owned by the unitholder as capital property immediately before that time. The cost of units acquired on the reinvestment of dividends, including under the Reinvestment Plan, will be the amount so reinvested.

Where units of a Purpose Trust Fund are exchanged by the redeeming unitholder for Baskets of Securities, or where securities are received by a unitholder on a distribution *in specie* on the termination of the Fund, the proceeds of disposition to the unitholder of the units will be equal to the fair market value of the securities so received, plus the amount of any cash received on the exchange, and less any capital gain or income realized by the Fund as a result of the transfer of those securities that has been designated by the Fund to the unitholder. Where a capital gain realized by a Purpose Trust Fund as a result of the transfer of securities on the redemption of units has been designated by the Fund to a redeeming unitholder, the securityholder will be required to include in income the taxable portion of the capital gain so designated. The cost for tax purposes of securities acquired by a redeeming unitholder on the exchange or redemption of units will generally be the fair market value of such securities at that time.

Where securities of Constituent Issuers are accepted as payment for ETF Units acquired by a unitholder, such unitholder will generally realize a capital gain (or capital loss) in the taxation year of the unitholder in which the disposition of such securities takes place to the extent that the proceeds of disposition for such securities, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities to the unitholder. For this purpose, the proceeds of disposition to the unitholder will equal the aggregate of the fair market value of the ETF Units received and the amount of any cash received in lieu of fractional ETF Units. The cost to a unitholder of ETF Units so acquired will be equal to the fair market value of the securities of the Constituent Issuers disposed of in exchange for such ETF Units at the time of disposition less any cash received in lieu of fractional ETF Units, which sum would generally be equal to or would approximate the fair market value of the ETF Units received as consideration for the securities of Constituent Issuers. In computing the adjusted cost base of an ETF Unit so acquired by a unitholder, the cost of such ETF Unit must be averaged with the adjusted cost base of any other ETF Units then held by that unitholder as capital property. Where the securities so disposed of by a unitholder are denominated in a currency other than Canadian dollars, any capital gain or capital loss realized by the unitholder will be determined by converting the unitholder's cost and proceeds of disposition into Canadian dollars using the applicable rate of exchange on the date of acquisition and disposition, respectively.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by a unitholder and the amount of any net taxable capital gains realized or considered to be realized by a Purpose Trust Fund and designated by the Fund in respect of a unitholder will be included in the unitholder's income as a taxable capital gain. One-half of a capital loss realized by

a unitholder will be an allowable capital loss that may be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

Taxation of Registered Plans

In general, a Registered Plan will not be taxable on the amount of a distribution paid or payable to a Registered Plan from a Purpose Trust Fund, nor on gains realized by a Registered Plan on a disposition of a unit. As is the case for all investments held in Registered Plans, amounts withdrawn from a Registered Plan (other than from a TFSA or a return of contributions from an RESP or RDSP) will generally be subject to tax.

Tax Implications of the Purpose Trust Funds' Distribution Policy

When an investor purchases units of a Purpose Trust Fund, a portion of the price paid may reflect income or capital gains accrued or realized before such person acquired such units. When these amounts are payable to such unitholder as distributions, they must be included in the unitholder's income for tax purposes subject to the provisions of the Tax Act, even though the Fund earned or accrued these amounts before the unitholder owned the units and the amounts may have been reflected in the price paid for the units. This may particularly be the case if units are purchased near year-end before the final year-end distributions have been made.

Alternative Minimum Tax

Investors who receive distributions of taxable dividends or capital gains from a Purpose Trust Fund who realize net capital gains from the disposition of units of a Purpose Trust Fund may be subject to alternative minimum tax under the Tax Act.

International Information Reporting

Pursuant to Part XVIII of the Tax Act ("**Part XVIII**"), which implemented the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention, securityholders, or a controlling person of a securityholder, will be required to provide their dealer with information related to their citizenship or residence for tax purposes and, if applicable, a U.S. federal tax identification number. If a securityholder does not provide the information or is identified as a U.S. citizen or U.S. resident, details of the securityholder's investment in the Fund will generally be reported to the Canada Revenue Agency, unless the investment is held within a Registered Plan. The Canada Revenue Agency is expected to provide the information to the U.S. Internal Revenue Service pursuant to the provisions of the Canada-U.S. Tax Convention.

In addition, reporting obligations in the Tax Act have been enacted to implement the Organization for Economic Co-operation and Development Common Reporting Standard (the "**CRS Rules**"). Pursuant to the CRS Rules, in order to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standard (the "**CRS**"), Canadian financial institutions required to have procedures in place to identify accounts held by residents of foreign countries (other than the United States) or by certain entities any of whose controlling persons are resident in a foreign country (other than the United States). The CRS Rules provide that beginning in 2018, Canadian financial institutions must report required information to the Canada Revenue Agency annually. Such information would be available to be exchanged on a reciprocal, bilateral basis with the jurisdictions in which the account holders or such controlling persons are resident. Under the CRS Rules, securityholders are required to provide such information regarding their investment in a Fund to their dealer for the purpose of such an information exchange, unless the investment is held within a Registered Plan.

ELIGIBILITY FOR INVESTMENT

It is intended that the securities of the Funds will at all relevant times be qualified investments for trusts governed by Registered Plans.

Notwithstanding the foregoing, the holder of a TFSA, or the annuitant under an RRSP or RRIF will be subject to a penalty tax in respect of securities held by such TFSA, RRSP, RRIF, RESP or RDSP, as the case may be, if such securities of the Fund are a “prohibited investment” for such plan trusts for the purposes of the Tax Act. The securities of a Fund will not be a “prohibited investment” for trusts governed by a TFSA, RRSP, RRIF, RESP or RDSP unless the holder of the TFSA, RDSP, subscriber of the RESP or the annuitant under the RRSP or RRIF, as applicable, does not deal at arm’s length with the Fund for purposes of the Tax Act, or has a “significant interest” as defined in the Tax Act in the Fund. Holders of TFSAs, RDSPs, subscribers of RESPs and annuitants of RRSPs and RRIFs, should consult with their tax advisors as to whether shares or units, as the case may be, would be a prohibited investment for such accounts or plans in their particular circumstances.

Securities received on the redemption of securities of the Funds may not be qualified investments for trusts governed by Registered Plans.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUNDS

Officers and Directors of the Company

As each PFC Fund is a class of shares in the capital of the Company, governance and management decisions are ultimately made by the board of directors of the Company. The Company’s board of directors consists of a minimum of 3 and a maximum of 10 directors. The board of directors is currently composed of 3 directors, 2 of whom are unrelated directors within the meaning of the rules of the TSX and “independent” within the meaning of applicable securities legislation. Directors are appointed to serve on the board of directors until such time as they retire or are removed and successors are appointed. The name, municipality of residence, position with the Company and principal occupation of each of the directors and officers of the Company are as follows:

<u>Name and Municipality of Residence</u>	<u>Position with the Company</u>	<u>Principal Occupation for the Past 5 Years</u>
SOM SEIF Toronto, Ontario	President, Chief Executive Officer, Chairman of the Board of Directors and Director	President, Chief Executive Officer and Chairman of the Board of Directors of Purpose Investments Inc.
SCOTT BARTHOLOMEW Milton, Ontario	Chief Financial Officer	Chief Operating Officer of Purpose Investments Inc.
DOUGLAS G. HALL Halifax, Nova Scotia	Director, Member of the Independent Review Committee	Corporate Director
RANDALL C. BARNES Las Vegas, Nevada	Director, Member of the Independent Review Committee	Corporate Director

A description of the experience and background relevant to the business of the Funds for each of the above directors and officers of the Company is set out below.

Douglas G. Hall

Douglas G. Hall was a Managing Director at RBC Capital Markets covering public and private capital raising, mergers and acquisitions support and strategic advisory assignments for diversified industry groups from 1979 until his retirement in 2005. Mr. Hall is currently a director of Metamaterial Technologies, Millar Western Forest Products Ltd., Pattern Energy Group and Stanfield's Ltd., as well as a member of the Advisory Board of Southwest Properties Ltd.

Randall C. Barnes

Prior to his retirement in 1997, Mr. Barnes spent four years as Senior Vice President and Treasurer of PepsiCo, Inc., where he was employed since 1987. He was President of the Pizza Hut International division from 1991 to 1993, and prior to that time Senior Vice President, Strategic Planning and New Business Development. Mr. Barnes is a trustee of over 100 NYSE-listed closed-end funds, exchange-traded funds and open-end funds advised, administered or serviced by Guggenheim Funds in the United States.

A brief description of the background of Mr. Seif and Mr. Bartholomew is listed under the heading "Organization and Management Details of the Funds – Officers and Directors of the Manager, Promoter and Trustee" below.

The independent members of the Company's board of directors are paid a fixed annual fee of \$9,000 for their services as members of the board of directors. The Company also reimburses all members of the board of directors for out-of-pocket expenses for attending meetings of the board of directors and committees of the board of directors.

Officers and Directors of the Manager, Promoter and Trustee

The board of directors of the Manager consists of a minimum of 3 and a maximum of 10 directors. The board of directors is currently composed of 3 directors. Directors are appointed to serve on the board of directors until such time as they retire or are removed and successors are appointed. The name and municipality of residence of each of the directors and executive officers of Purpose (a) the manager and promoter of the PFC Funds, and (b) the trustee, manager and promoter of the Purpose Trust Funds, and their principal occupations are as follows:

Name and Municipality of Residence

Position with the Manager

Principal Occupation

SOM SEIF
Toronto, Ontario

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

President and Chief Executive Officer of Purpose Investments Inc.

SCOTT BARTHOLOMEW
Milton, Ontario

Chief Operating Officer, Chief Financial Officer, Secretary and Director

Chief Operating Officer and Chief Financial Officer of Purpose Investments Inc.

JEFFREY MITELMAN
Montreal, Quebec

Director

President and Secretary of Thinking Capital Financial Corporation

CAITLIN GOSSAGE
Toronto, Ontario

Chief Compliance Officer and Senior Legal Counsel

Chief Compliance Officer and Senior Legal Counsel of Purpose Investments Inc.

A description of the experience and background relevant to the business of the Funds of each of the directors and officers of the Manager is set out below.

Som Seif

Som Seif is the founder and Chief Executive Officer of Purpose which he formed following the sale of Claymore Investments, Inc. (“Claymore”) to BlackRock Inc. in March 2012. Mr. Seif started Claymore in Canada in January 2005 and was the former President and Chief Executive Officer leading the implementation of the company’s business development and corporate strategies. Over the seven years of its operation, Claymore organically grew to \$8 billion in assets and established itself as a Canadian leader in bringing intelligent, low-cost exchange-traded funds to investors through its family of thirty-four exchange-traded funds across broad asset classes.

Prior to joining Claymore, Mr. Seif was an investment banker with RBC Capital Markets, where he worked since 1999. He played a key role in developing the structured products group at RBC Capital Markets in both Canada and the U.S., where he structured and raised capital for both Canadian and U.S. asset managers.

Mr. Seif is a CFA charterholder and has a Bachelor of Applied Science with an emphasis on Industrial and Systems Engineering from the University of Toronto.

Scott Bartholomew

Scott Bartholomew is the Chief Operating Officer, Chief Financial Officer and Secretary of Purpose. He has over 21 years of experience in the Canadian investment fund industry. Mr. Bartholomew was an integral part in the development of the Canadian mutual fund services business during his 14 years at State Street Fund Services Toronto Inc. as Assistant Vice-President of Fund Administration. From 2008 until 2012 Mr. Bartholomew ran the operations for Claymore and, in 2011, he became the Chief Compliance Officer of the firm. Upon the sale of Claymore to BlackRock in 2012 Mr. Bartholomew assisted BlackRock in the transition and integration of the Claymore business leaving BlackRock in late 2012 to start Purpose with other partners. He has a Bachelor of Commerce from Ryerson University and is a CFA charterholder.

Jeffrey Mitelman

Jeffrey Mitelman is a Director of Purpose. Mr. Mitelman is also the Co-Founder, President and Secretary of Thinking Capital Financial Corporation (“Thinking Capital”). Mr. Mitelman co-founded Thinking Capital in 2006. Over the last 20 years, Mr. Mitelman has built his career by challenging the status quo in financial services. Before it was labelled as Fintech, Mr. Mitelman worked from a belief that products and services that have been offered the same way for decades were due for a change. Recognizing the gap between what was needed versus what was being offered, Mr. Mitelman was set on building businesses focused on those who were underserved. He is a graduate of McGill University and a proud recipient of the E&Y Entrepreneur of the Year award.

Caitlin Gossage

Caitlin Gossage is the Chief Compliance Officer and Senior Legal Counsel of Purpose. Prior to joining Purpose Ms. Gossage acted as Chief Compliance Officer of BMO Global Asset Management (Canada) and worked in compliance at the Bank of Montreal supporting the asset management business. Ms. Gossage is a lawyer by training and articulated and worked as an associate at Osler Hoskin & Harcourt LLP. She has a Bachelor of Arts from McGill University, a J.D. from Windsor University and an L.L.M from Jean Moulin, Lyon III in France. She was called to the Ontario bar in 2011.

The Manager, Promoter and Trustee

Purpose Investments Inc. a corporation amalgamated under the laws of the Province of Ontario on March 31, 2018 is (a) the manager and promoter of the PFC Funds and (b) the manager, promoter and trustee of the Purpose Trust Funds and is responsible for the administration of the Funds. The equity securities of the Manager are owned by Purpose LP and Purpose GP Inc. Purpose is located at 130 Adelaide Street West, Suite 1700, Toronto, Ontario, M5H 3P5.

Duties and Services to be Provided by the Manager – PFC Funds

The Company has retained the Manager to manage and administer the day-to-day business and affairs of the PFC Funds. The Manager is responsible for providing managerial, administrative and compliance services to the PFC Funds pursuant to the Management Agreement, including, without limitation, acquiring or arranging to acquire securities on behalf of the PFC Funds, calculating the NAV of the Funds and NAV per share of the Funds, net income and net realized capital gains of the Funds, authorizing the payment of operating expenses incurred on behalf of the Funds, preparing financial statements and financial and accounting information as required by the Funds, ensuring that securityholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that the Funds comply with regulatory requirements and applicable stock exchange listing requirements, preparing the Funds' reports to shareholders and the securities regulatory authorities, determining the amount of distributions to be made by the Funds and negotiating contractual agreements with third-party providers of services, including the Designated Brokers, the Custodian, the registrar and transfer agent, the auditor and printers. The Manager may from time to time employ or retain any other person or entity to perform, or to assist the Manager in the performance of management, administrative and investment advisory services to all or any portion of the Company's assets and in performing other duties of the Manager as set out in the Management Agreement. The Manager has delegated certain of its duties and powers to the Investment Advisor and certain other service providers of the Company.

Duties and Services to be Provided by the Manager – Purpose Trust Funds

The Purpose Trust Funds have retained the Manager to manage and administer the day-to-day business and affairs of the Funds. The Manager is responsible for providing managerial, administrative and compliance services to the Funds pursuant to the Declaration of Trust, including, without limitation, acquiring or arranging to acquire securities on behalf of the Funds, calculating the NAV of the Funds and NAV per unit of the Funds, net income and net realized capital gains of the Funds, authorizing the payment of operating expenses incurred on behalf of the Funds, preparing financial statements and financial and accounting information as required by the Funds, ensuring that securityholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that the Funds comply with regulatory requirements and applicable stock exchange listing requirements, preparing a Fund's reports to unitholders and the securities regulatory authorities, determining the amount of distributions to be made by a Fund and negotiating contractual agreements with third-party providers of services, including the Designated Brokers, the Custodian, the Registrar and Transfer Agent, the auditor and printers. The Manager may from time to time employ or retain any other person or entity to perform, or to assist the Manager in the performance of management, administrative and investment advisory services to all or any portion of a Purpose Trust Fund's assets and in performing other duties of the Manager as set out in the Declaration of Trust. The Manager has delegated certain of its duties and powers to the Investment Advisor and certain other service providers of the Purpose Trust Funds.

Details of the Management Agreement – PFC Funds

The Management Agreement will continue indefinitely unless otherwise terminated in accordance with its terms.

The Manager will be required to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Company and the PFC Funds, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

The Manager and each of its securityholders, directors, officers, employees and agents will be indemnified and saved harmless by the Company for all liabilities, costs and expenses incurred in connection with any claim, action, suit or proceeding that is proposed or commenced or any other claim that is made against the Manager or any of its securityholders, directors, officers, employees or agents in the exercise of the Manager's duties if they do not result from wilful misconduct, bad faith, negligence or reckless disregard of the Manager's duties, breach of its obligations as manager under the Management Agreement or failure to meet the standard of care set out above. The Manager will be able to assign its interest in the Management Agreement to an affiliate or a successor to all or substantially all of its business.

Under the terms of the Management Agreement, any directors, officers or employees of the Manager who are also officers of the Company shall be paid by the Manager for serving in such capacity and shall not receive any remuneration directly from the Company.

The Manager is entitled to fees for its services as manager under the Management Agreement as described under "Fees and Expenses – Management Fees". In addition, the Manager and its affiliates and each of their directors, officers, employees and agents will be indemnified by the PFC Funds for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of the Manager's duties under the Management Agreement, if they do not result from the Manager's wilful misconduct, bad faith, negligence or breach of its obligations thereunder.

The management services of Purpose are not exclusive and nothing in the Management Agreement or any agreement prevents Purpose from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the PFC Funds) or from engaging in other business activities.

Purpose has taken the initiative in founding and organizing the PFC Funds and is, accordingly, the promoter of the PFC Funds within the meaning of securities legislation of certain Provinces and Territories of Canada.

Details of the Declaration of Trust – Purpose Trust Funds

Purpose is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of unitholders of each of the Purpose Trust Funds, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent trustee and manager would exercise in similar circumstances.

Purpose may resign as trustee, manager and/or portfolio manager of a Purpose Trust Fund upon 60 days' notice to the unitholders. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of the same has been given to the Manager, the unitholders may remove the Manager and appoint a successor trustee and/or manager.

The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under “Fees and Expenses – Management Fees”. In addition, the Manager and its affiliates and each of their directors, officers, employees and agents will be indemnified by the Purpose Trust Funds for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of the Manager’s duties under the Declaration of Trust, if they do not result from the Manager’s wilful misconduct, bad faith, negligence or breach of its obligations thereunder.

The services of the Manager are not exclusive and nothing in the Declaration of Trust or any agreement prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Purpose Trust Funds) or from engaging in other business activities.

Purpose has taken the initiative in founding and organizing the Purpose Trust Funds and is, accordingly, the promoter of the Funds within the meaning of securities legislation of certain Provinces and Territories of Canada.

The Investment Advisor

Purpose has retained Neuberger Berman Breton Hill ULC (“**NBBH**”) to provide investment sub-advisory services to the Funds pursuant to the terms of an investment advisory agreement between Purpose, on behalf of the Funds and NBBH (formerly, Breton Hill Capital Ltd.) dated January 28, 2013, as amended (the “**Investment Advisory Agreement**”).

Investment advisory services will initially be provided to the Funds by a portfolio management team consisting of Ray Carroll, Simon Griffiths and Frank Maeba. The members of the portfolio management team have distinct and complementary skills and professional experience managing North American equities and derivative strategies. The name, title and length of service by persons employed by NBBH who are principally responsible for providing investment advisory services in respect of the funds are shown in the table below:

Key Personnel of the Investment Advisor

The team that will be primarily responsible for the portfolio of the each of the Funds includes the following personnel:

<u>Name and Municipality of Residence</u>	<u>Position with the Investment Advisor</u>	<u>Years with the Investment Advisor</u>
RAY CARROLL Toronto, Ontario	Managing Partner and Chief Investment Officer	Since inception of Breton Hill Capital Ltd. on March 18, 2010
SIMON GRIFFITHS Toronto, Ontario	Managing Partner, Head of Research	Since inception of Breton Hill Capital Ltd. on March 18, 2010
FRANK MAEBA Toronto, Ontario	Managing Partner, Head of Trading	Since inception of Breton Hill Capital Ltd. on March 18, 2010

A description of the experience and background relevant to the business of the Funds for each of the above key personnel of the Investment Advisor is set out below.

Ray Carroll

Ray Carroll is a Managing Partner and the Chief Investment Officer of NBBH. Mr. Carroll is ultimately responsible for fund performance, investment decisions and risk management. He co-founded Breton Hill Capital Ltd. after 14 years of capital markets and alternative investing experience. Previously, Mr. Carroll joined the 2004 launch of Diversified Global Asset Management (“**DGAM**”), a multi-billion dollar alternative investment firm where he was a Managing Director, Chief Investment Officer and served on the Management Committee. Mr. Carroll started his career as Senior Manager at Royal Bank of Canada and Vice President at RBC Capital Markets. He holds a Ph.D. in mathematics from the University of Florida in the field of inverse problems and is a CFA charterholder.

Simon Griffiths

Simon Griffiths is a Managing Partner of NBBH, where he leads investment research and is a member of the portfolio management team. Mr. Griffiths is responsible for finding sources of alpha and developing trading tools to exploit them. He has over 18 years of experience applying investment research to institutional portfolios. Prior to co-founding Breton Hill Capital Ltd., Mr. Griffiths co-founded the direct trading business at DGAM in Toronto where he was a portfolio manager and was responsible for all research. Mr. Griffiths joined DGAM from Northwater Capital Management Inc., an alternative investment firm which had \$10 billion in assets under management where he was responsible for quantitative investment research and software development. Mr. Griffiths holds an M.Sc. in applied statistics from University of Guelph and is a CFA charterholder.

Frank Maeba

Frank Maeba is a Managing Partner of NBBH. Mr. Maeba has over 20 years of macro trading experience and is responsible for executing portfolio strategies, managing risks through optimal structuring of positions and identifying investment opportunities. Previously, Mr. Maeba worked at DGAM where he was Head Trader for a multi-strategy fund, trading cash instruments and derivatives across equities, rates, foreign exchange, commodities and credit. Prior to working at DGAM, Mr. Maeba was a Director with RBC Capital Markets where he traded foreign exchange and commodity option portfolios, and managed the London derivatives desk. Mr. Maeba earned a B.Sc. (Hons) from University of Western Ontario and is a CFA charterholder.

Details of the Investment Advisory Agreement

Pursuant to the Investment Advisory Agreement, the Investment Advisor will manage the assets held by the Funds in accordance with each Fund’s investment objectives and investment strategies and subject to its investment restrictions. The Investment Advisory Agreement will continue indefinitely unless otherwise terminated in accordance with its terms. In consideration for the services provided by the Investment Advisor pursuant to the Investment Advisory Agreement, the Investment Advisor will receive from the Manager a fee, in an amount to be agreed upon by the Manager and the Investment Advisor from time to time, payable out of the Management Fee.

Under the Investment Advisory Agreement, the Investment Advisor will be required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Funds and their securityholders and must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Investment Advisor will not be liable in carrying out its duties under the

Investment Advisory Agreement, including for any loss or diminution in value of a Fund's assets or any loss or damage caused to a Fund or any securityholder relating to permitted loans or indebtedness of a Fund or for any insufficiency of income from or any depreciation in the value of any investments in or upon which any of the moneys of, or belonging to, the Fund shall be invested or by virtue of the acquisition or disposition of any such investments or for any other loss or damage to a Fund's assets which may occur during or in the course of the performance by the Investment Advisor of its rights, duties, powers, discretions, authorities, obligations and responsibilities under the Investment Advisory Agreement, except to the extent that the loss or damage results from the wilful misconduct, gross negligence or reckless disregard of the Investment Advisor's duties, obligations and responsibilities or if the Investment Advisor has failed to meet the standard of care set out above.

The Investment Advisor and each of its directors, officers, employees and agents will be indemnified and saved harmless by the Manager and the Company for all liabilities, costs and expenses incurred in connection with any claim, action, suit or proceeding that is proposed or commenced or any other claim that is made against the Investment Advisor or any of its officers, directors, employees or agents in the exercise of the Investment Advisor's duties if they do not result from the wilful misconduct, gross negligence or reckless disregard of the Investment Advisor's duties, obligations and responsibilities or failure to meet its standard of care.

Brokerage Arrangements

The Manager utilizes various brokers to effect securities transactions on behalf of the Funds. These brokers may directly provide the Manager with research and related services including advice, both directly and in writing, as to the value of the securities; the availability of securities, or purchasers or sellers of securities; as well as analysis and reports concerning issuers, industries, securities, economic factors and trends. Although each Fund may not benefit equally from the research and related service received from a broker, the Manager will endeavour to ensure that all of the Funds receive an equitable benefit over time.

The Manager maintains a list of brokers that have been approved to effect securities transactions on behalf of the Funds. When determining whether a broker should be added to that list there are numerous factors that are considered including: (a) the dealer's reliability, (b) the quality of its execution services on a continuing basis, and (c) its financial condition. When more than one dealer is believed to meet these criteria, preference may be given to dealers who provide research or statistical materials or other services to the Funds or to the Manager or its affiliates.

Approved brokers are monitored on a regular basis to ensure that the value of the goods and services, as outlined above, provides a reasonable benefit as compared to the amount of brokerage commissions paid for the goods and services. In conducting this analysis, the Manager considers the use of the goods and services, execution quality in terms of trade impact and the ability to achieve the target benchmark price, as well as the amount of brokerage commissions paid relative to other brokers and the market in general. The monitoring processes are the same regardless of whether the broker is affiliated with the Manager or is an unrelated third party.

Additional information including the services supplied by each broker can be obtained at no cost by contacting the Manager at info@purposeinvest.com.

Independent Review Committee

The Manager has appointed an independent review committee ("**IRC**") for the Funds pursuant to NI 81-107. The IRC currently consists of three members, each of whom is an independent director of the Company and independent of the Manager.

The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the Manager and to give an approval or a recommendation, depending on the nature of the conflict of interest matter. At all times, the members of the IRC are required to act honestly and in good faith in the best interests of the Funds and, in connection therewith, will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Manager has established written policies and procedures for dealing with each conflict of interest matter. At least annually, the IRC will review and assess the adequacy and effectiveness of the Manager's written policies and procedures relating to conflict of interest matters and will conduct a self-assessment of the IRC's independence, compensation and effectiveness.

The Manager will maintain records of all matters and/or activities subject to the review of the IRC, including a copy of the Manager's written policies and procedures dealing with conflict of interest matters, minutes of IRC meetings, and copies of materials, including any written reports, provided to the IRC. The Manager will also provide the IRC with assistance and information sufficient for the IRC to carry out its responsibilities under NI 81-107.

The members of the IRC are entitled to be compensated by the Funds and reimbursed for all reasonable costs and expenses for the duties they perform as IRC members. In addition, the members of the IRC are entitled to be indemnified by the Funds, except in cases of wilful misconduct, bad faith, negligence or breach of their standard of care.

The name and municipality of residence of each of the members of the IRC is as follows:

<u>Name</u>	<u>Municipality of Residence</u>
DOUGLAS G. HALL ¹	Halifax, Nova Scotia
RANDALL C. BARNES	Las Vegas, Nevada
JEAN M. FRASER	Toronto, Ontario

Note:

(1) Chair of the IRC.

The initial compensation and reimbursement policy for costs and expenses of the IRC was established by Purpose. As at the date hereof, each IRC member will be paid an annual fee of \$5,000, plus \$400 per fund managed by Purpose, per meeting, subject to a maximum of \$70,000 per member per annum over all funds managed by Purpose, for the duties they perform as IRC members in relation to the Funds. Members are also entitled to be reimbursed for all reasonable expenses incurred in the performance of their duties. The annual retainer is apportioned among the funds managed by the Manager for which the IRC acts in a manner that is fair and reasonable.

For the year ended December 31, 2017, members of the IRC received annual fees and meeting fees in the amount of \$180,973.43, as well as \$8,986 as reimbursement for expenses in connection with performing their duties for the Funds and certain other funds managed by Purpose. These fees and expenses were allocated among the funds managed by Purpose in a manner that was fair and reasonable.

The IRC is subject to requirements to conduct regular assessments and, for each financial year of the Funds, will prepare a report to securityholders that describes the IRC and its activities for the financial year. A copy of this report can be obtained from the Manager upon request, at no cost, by contacting the Manager

at info@purposeinvest.com. A copy is also available on Purpose's website at www.purposeinvest.com or on SEDAR at www.sedar.com.

Custodian and Securities Lending Agent

PFC Funds

Pursuant to the PFC Custodian Agreement CIBC Mellon Trust Company is the custodian of the assets of the PFC Funds. The address of the Custodian is 320 Bay Street, P.O. Box 1, 6th Floor, Toronto, Ontario, M5H 4A6. The Manager, on behalf of the PFC Funds, or the Custodian may terminate the PFC Custodian Agreement upon at least 90 days' written notice or immediately in the event of a bankruptcy event in respect of a party that is not cured within 30 days. The Manager, on behalf of the Funds, may terminate the PFC Custodian Agreement immediately if the Custodian ceases to be qualified to act as a custodian of the PFC Funds under applicable law. The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the PFC Funds.

Purpose Trust Funds

Pursuant to the PTF Custodian Agreement, CIBC Mellon Trust Company is the custodian of the assets of the Purpose Trust Funds. The address of the Custodian is 320 Bay Street, P.O. Box 1, 6th Floor, Toronto, Ontario, M5H 4A6. The Manager, on behalf of the Purpose Trust Funds, or the Custodian may terminate the PTF Custodian Agreement upon at least 90 days' written notice or immediately in the event of a bankruptcy event in respect of a party that is not cured within 30 days. The Manager, on behalf of the Purpose Trust Funds, may terminate the PTF Custodian Agreement immediately if the Custodian ceases to be qualified to act as a custodian of the Purpose Trust Funds under applicable law. The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Purpose Trust Funds.

Securities Lending Agreement

CIBC Mellon Trust Company is also the securities lending agent of the Funds pursuant to a securities lending authorization agreement between Purpose, in its capacity as manager of the Funds, CIBC Mellon Trust Company, CIBC Mellon Global Securities Services Company, Canadian Imperial Bank of Commerce and The Bank of New York Mellon dated February 12, 2013, as amended (the "**Securities Lending Agreement**"). In accordance with the Securities Lending Agreement, CIBC Mellon Trust Company will value the loaned securities and the collateral daily to ensure that the collateral is worth at least 102% of the value of the securities. Pursuant to the terms of the Securities Lending Agreement, CIBC Mellon Trust Company, CIBC Mellon Global Securities Services Company, Canadian Imperial Bank of Commerce and The Bank of New York Mellon will indemnify and hold harmless the Manager, on behalf of the Funds from all losses, damages, liabilities, costs or expenses (including reasonable counsel fees and expenses but excluding consequential damages) suffered by the Manager or the Fund(s) arising from (a) the failure of the Lending Agent (as defined in the Securities Lending Agreement) or CIBC Mellon Trust Company to perform any obligations under the Securities Lending Agreement or (b) any inaccuracy of any representation or warranty made by CIBC Mellon Trust Company or the Lending Agent in the Securities Lending Agreement. Either party may terminate the Securities Lending Agreement by giving the other parties 30 days' notice. The Lending Agent is not an affiliate or an associate of the Manager. See "Investment Strategies – Securities Lending".

Auditor

Ernst & Young LLP, at its principal offices in Toronto, is the auditor for the Funds.

Registrar and Transfer Agent and Plan Agent

ETF Shares/ETF Units

TSX Trust Company, at its principal offices in Toronto, is the registrar and transfer agent and plan agent for the ETF Shares of the PFC Funds and the ETF Units of the Purpose Trust Funds. The register and transfer ledger for the ETF Shares and ETF Units of the Funds is kept in Toronto.

Mutual Fund Shares/Mutual Fund Units

CIBC Mellon Global Securities Services Company, at its principal offices in Toronto, is the registrar and transfer agent for the Mutual Fund Shares of the PFC Funds and the Mutual Fund Units of the Purpose Trust Funds. The register and transfer ledger for the Funds is kept in Toronto.

Promoter

The Manager took the initiative in creating the Company and the Funds and, accordingly, is a promoter as defined in the securities legislation of certain Provinces and Territories of Canada. Except as otherwise described herein, the Manager will not receive any benefits, directly or indirectly, from the issuance of securities of the Funds offered hereunder.

CALCULATION OF NET ASSET VALUE

The NAV of each Fund and NAV per share of each series or per unit of each class of each Fund will be calculated by the Valuation Agent as of the Valuation Time on each Valuation Date. The NAV of the each series or each class of a Fund, as the case may be, on a particular date will be equal to the aggregate value of the assets of the Fund attributable such series or class, as applicable, less the aggregate value of the liabilities of the Fund attributable to the shares of each series or units of each class, as applicable, including any income, net realized capital gains or other amounts payable to securityholders of the Fund on or before such date and the value of the liabilities of the Fund for management fees, expenses and taxes, expressed in Canadian dollars at the applicable exchange rate on such date. The NAV per share of each series or per unit of each class of a Fund, as applicable, on any day will be obtained by dividing the NAV of the series or class of a Fund, as applicable, on such day by the number of shares of the series or units of the class, as applicable, of the Fund then outstanding.

Valuation Policies and Procedures

In determining the NAV of a series of shares or the NAV of a class of units, as the case may be, of a Fund at any time, the Valuation Agent uses the following principles:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, are valued at the full amount or at what the Manager consider to be the fair value;
- (b) bonds, debentures and other debt securities shall be marked-to-market based on prices obtained from a recognized pricing service at the Valuation Time on the Valuation Date. Short-term investments, including notes and money market instruments, shall be recorded at their fair value;

- (c) any security that is listed or dealt in on a stock exchange shall be valued at the closing sale price (or such other value as the securities regulatory authorities may permit) last reported at the Valuation Time on the Valuation Date on the principal stock exchange on which such security is traded, or, if no reliable closing sale price is available at that time, the security shall be fair valued;
- (d) securities of any mutual funds held by a Fund shall be valued at the reported net asset value of that mutual fund;
- (e) foreign currency accounts shall be expressed in Canadian dollars on the following basis: (i) investments and other assets shall be valued by applying the applicable exchange rate at the end of the relevant valuation period; and (ii) purchases and sales of investments, income and expenses shall be recorded by applying the applicable exchange rate on the dates of such transactions;
- (f) a Fund's holdings shall be valued in Canadian dollars before the NAV of the shares or units, as the case may be, of the Fund is calculated;
- (g) forward foreign exchange contracts shall be valued as the difference between the value of the contract on the date the contract was originated and the value of the contract on the Valuation Date. Foreign exchange options shall be valued at their quoted market value. When the contract or option closes or expires, a realized foreign exchange gain or loss shall be recognized;
- (h) forward contracts shall be valued as the difference between the current price and the purchase price (i.e. the mark-to-market value of the contract);
- (i) clearing corporation options shall be valued at the current market value;
- (j) should a Fund write a covered clearing corporation option, the premium received shall be considered a deferred credit with a value equal to the current market value of an option that would have the effect of closing the position. Any difference resulting from revaluation will be treated as an unrealized gain or loss. Deferred credits will be deducted to arrive at the net asset value of the Fund;
- (k) futures contracts shall be valued at the outstanding current margin payable or receivable;
- (l) bullion, coins, certificates or other evidences of precious metals shall be valued at current market value;
- (m) restricted securities shall be valued according to reported quotations in common use, or according to the following method, whichever is less: restricted securities shall be valued at that percentage of the market value of unrestricted securities which the Fund paid to acquire them, provided that if the time period during which the restrictions on these securities will apply is known, the price may be adjusted to reflect this time period;
- (n) all other assets shall be valued at our best estimate of fair value; and
- (o) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Valuation Agent to be inappropriate under the circumstances, then, notwithstanding the foregoing rules, the Valuation Agent shall make such valuation as it considers fair and reasonable.

The value of any security or property to which, in the opinion of the Valuation Agent, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Valuation

Agent from time to time provides. The Manager may also determine the fair value of securities in the following circumstances: (a) when there is a halt trade on a security which is normally traded on an exchange; (b) on securities that trade on markets that have closed prior to the time of calculation of the NAV of the Fund and for which there is sufficient evidence that the closing price on the market is not the most appropriate value at the time of valuation; and (c) when there are investment or currency restrictions imposed by a country that affect the Fund's ability to liquidate the assets held in that market.

Each portfolio transaction will be reflected in the calculation of NAV per share or unit, as the case may be, no later than the calculation of NAV per share or unit, as applicable, next made after the date on which the transaction becomes binding. The issue of shares or units, as the case may be, will be reflected in the calculation of NAV per share or unit, as applicable, next made after the issue date for such shares or units, which may be up to two Trading Days after the date that the subscription order for such shares or units is accepted. The exchange or redemption of shares or units, as the case may be, will be reflected in the calculation of NAV per share or unit, as applicable, next made after the exchange request or redemption request is accepted.

The NAV per share of a series or unit of a class, as the case may be, is calculated in Canadian dollars in accordance with the rules and policies of the Canadian securities administrators or in accordance with any exemption therefrom that the Fund may obtain. The NAV per share of a series or unit of a class, as applicable determined in accordance with the principles set out above may differ from the NAV per share or per unit, as the case may be, determined under International Financial Reporting Standards.

Reporting of Net Asset Value

Following the Valuation Time on any Valuation Date, the NAV of each Fund and NAV per ETF Share, Series A Share, Series F Share, Series I Share, Series D Share, XA Share, XF Share or ETF Unit, Class A Unit, Class F Unit, Class I Unit and Class D Unit, as the case may be, of each Fund will usually be published in the financial press and will be posted on Purpose's website at www.purposeinvest.com.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Description of the Securities Distributed – PFC Funds

Each of the PFC Funds is authorized to issue an unlimited number of redeemable, transferable shares of each series. The shares of the PFC Funds may be Canadian dollar or U.S. dollar denominated.

Description of the Securities Distributed – Purpose Trust Funds

Each Purpose Trust Fund is authorized to issue an unlimited number of redeemable, transferable units of an unlimited number of classes of units, each of which represents an equal, undivided interest in the net assets of the Fund. The units of the Purpose Trust Funds may be Canadian dollar or U.S. dollar denominated.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (a) the trust is a reporting issuer under the *Securities Act* (Ontario); and (b) the trust is governed by the laws of the Province of Ontario. Each Purpose Trust Fund is a reporting issuer under the *Securities Act* (Ontario) and is governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust.

Certain Provisions of the Shares – PFC Funds

All shares of a series of the PFC Funds have equal rights and privileges. While shares are non-voting shares, each share of a series is entitled to one vote at all meetings of shareholders (including at any meetings held exclusively for shareholders of that series) to consider the matters set forth below under “Securityholder Matters – Matters Requiring Securityholders’ Approval”. Each shareholder of a series is entitled to participate equally with respect to any and all distributions made by the Fund to shareholders including distributions of net income and net realized capital gains and distributions upon the termination of the Fund. Shares of the PFC Fund are issued only as fully-paid and are non-assessable.

Certain Provisions of the Units – Purpose Trust Funds

All units of a class of a Purpose Trust Fund have equal rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with respect to any and all distributions made by the Purpose Trust Fund to unitholders, other than management fee distributions, including distributions of net income and net realized capital gains and distributions upon the termination of the Purpose Trust Fund. Units are issued only as fully-paid and are non-assessable.

Exchange of Securities for Baskets of Securities – ETF Shares/ETF Units

On any Trading Day, holders of ETF Shares and/or ETF Units may exchange the Prescribed Number of Securities (or an integral multiple thereof) of a Fund for Baskets of Securities and cash. See “Redemption, Exchange and Switches of Securities – Exchange of Securities for Baskets of Securities”.

Redemption of Securities for Cash

ETF Shares/ETF Units

On any Trading Day, holders of ETF Shares and/or ETF Units may redeem ETF Shares or ETF Units, as the case may be, of a Fund for cash at a redemption price per ETF Share or ETF Unit, as applicable, of the Fund, equal to the lesser of (a) (i) in respect of the ETF Shares, 95% of the closing price for the ETF Shares on the TSX and (ii) in respect of the ETF Units, 95% of the market price of the ETF Units, on the effective date of redemption and (b) the NAV per ETF Share or ETF Unit, as the case may be. “Market price” means the weighted average trading price of the ETF Units on the Canadian marketplaces on which the ETF Units have traded on the effective date of redemption. See “Redemption, Exchange and Switches of Securities – Redemption of Securities for Cash – ETF Shares/ETF Units”.

Mutual Fund Shares

On any Valuation Date, holders of shares of a series of a PFC Fund (other than Series XA Shares and Series XF Shares) may redeem their shares for cash at a redemption price per share equal to the NAV per share on such Valuation Date. Holders of Series XA Shares and Series XF Shares must switch to a separate series of shares of the Purpose In-Kind Exchange Fund in order to redeem their shares.

Mutual Fund Units

On any Valuation Date, holders of units of a class of a Purpose Trust Fund may redeem their units for cash at a redemption price per unit equal to the NAV per unit on such Valuation Date.

No Voting Rights

Holders of ETF Shares, Mutual Fund Shares, ETF Units and Mutual Fund Units will not have any right to vote securities held by the Funds, unless otherwise agreed to by the Manager.

Redemption by the Company of Series XA Shares and Series XF Shares

The Manager may at any time, and from time to time, redeem all or a portion of the Series XA Shares and/or Series XF Shares that an investor holds in its sole discretion.

Modification of Terms

PFC Funds

The rights attached to the shares of the PFC Funds may only be modified, amended or varied in accordance with the terms of the articles of the Company and applicable law. See “Securityholder Matters – Matters Requiring Securityholders’ Approval”.

Purpose Trust Funds

The rights attached to the units of a Purpose Trust Fund may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “Securityholder Matters – Matters Requiring Securityholders’ Approval”.

SECURITYHOLDER MATTERS

Meeting of Shareholders – PFC Funds

A meeting of the shareholders voting as a single class (unless the circumstances are such that one series is affected differently in which case the holders of each series of a class of shares of the Company will vote separately) may be called at any time by the Manager. Except as otherwise required or permitted by law, meetings of shareholders will be held if called by the Manager upon written notice of not less than 21 days nor more than 50 days before the meeting. At any meeting of shareholders, a quorum shall consist of two or more shareholders present in person or by proxy and holding 5% of the shares of the Company. If no quorum is present at such meeting within one-half hour after the time fixed for the holding of such meeting, the meeting, if convened upon the request of shareholders or for the purpose of considering a change in the manager of the Company, shall be cancelled, but in any other case, the meeting shall stand adjourned and will be held at the same time and place on the day which is not less than 10 days later. Shareholders present in person or represented by proxy will constitute a quorum.

Meeting of Unitholders – Purpose Trust Funds

A meeting of the unitholders voting as a single class (unless the circumstances are such that one class is affected differently in which case the holders of each class of units of a Purpose Trust Fund will vote separately) may be called at any time by the Manager. Except as otherwise required or permitted by law, meetings of unitholders will be held if called by the Manager upon written notice of not less than 21 days nor more than 50 days before the meeting. At any meeting of unitholders, a quorum shall consist of two or more unitholders present in person or by proxy and holding 5% of the units of a Purpose Trust Fund. If no quorum is present at such meeting within one-half hour after the time fixed for the holding of such meeting, the meeting, if convened upon the request of unitholders or for the purpose of considering a change in the manager of a Purpose Trust Fund, shall be cancelled, but in any other case, the meeting shall stand

adjourned and will be held at the same time and place on the day which is not less than 10 days later. Unitholders present in person or represented by proxy will constitute a quorum.

Matters Requiring Securityholders' Approval

As required by NI 81-102, a meeting of the securityholders of the Funds will be called to approve certain changes as follows:

- (a) the basis of the calculation of a fee or expense that is charged to the Fund is changed in a way that could result in an increase in charges to a Fund, except where:
 - (i) the Fund is at arm's length with the person or company charging the fee;
 - (ii) the securityholders have received at least 60 days' notice before the effective date of the change; and
 - (iii) the right to notice described in (ii) is disclosed in the prospectus of the Fund;
- (b) a fee or expense is introduced that is to be charged to a Fund or directly to its securityholders by the Fund or the Manager in connection with the holding of securities of the Fund that could result in an increase in charges to the Fund or its securityholders;
- (c) the Manager is changed, unless the new manager of the Fund(s) is an affiliate of the Manager;
- (d) the fundamental investment objectives of a Fund is changed;
- (e) a Fund decreases the frequency of the calculation of the NAV per share or unit, as the case may be;
- (f) a Fund undertakes a reorganization with, or transfers its assets to, another mutual fund, if the Fund ceases to continue after the reorganization or transfer of assets and the transaction results in the securityholders of the Fund becoming securityholders in the other mutual fund, unless:
 - (i) the IRC has approved the change;
 - (ii) the Fund is being reorganized with, or its assets are being transferred to, another mutual fund to which NI 81-102 and NI 81-107 apply and that is managed by the Manager, or an affiliate of the Manager;
 - (iii) the securityholders have received at least 60 days' notice before the effective date of the change;
 - (iv) the right to notice described in (iii) is disclosed in the prospectus of the Fund; and
 - (v) the transaction complies with certain other requirements of applicable Canadian securities legislation;
- (g) a Fund undertakes a reorganization with, or acquires assets from, another mutual fund, if the Fund continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming securityholders of the Fund, and the transaction would be a material change to the Fund; or
- (h) any other matter which is required by law applicable to a Fund or otherwise to be submitted to a vote of the securityholders of the Fund.

Approval of securityholders will be deemed to have been given if expressed by resolution passed at a meeting of securityholders duly called and held for the purpose of considering the same, by at least a majority of the votes cast. Securityholders are entitled to one vote per whole share or unit, as the case may be, held on the record date established for voting at any meeting of securityholders.

A Fund may, without securityholders' approval, enter into a merger or other similar transaction that has the effect of combining the Fund or its assets (a "**Permitted Merger**") with any other investment fund or funds managed by the Manager or an affiliate of the Manager that have investment objectives that are substantially similar to those of the Fund, subject to:

- (a) approval of the merger by the IRC;
- (b) compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and
- (c) written notice to securityholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values for the purpose of such transaction.

In addition, the auditor of the Fund may not be changed unless:

- (a) the IRC has approved the change; and
- (b) securityholders have received at least 60 days' notice before the effective date of the change.

Amendments to the Declaration of Trust – Purpose Trust Funds

Except for changes to the Declaration of Trust that require the approval of unitholders as described above, or the changes described below that do not require approval of or prior notice to unitholders, the Declaration of Trust may be amended from time to time by the Manager upon not less than 30 days' prior written notice to unitholders.

The Declaration of Trust may be amended by the Manager without the approval of or notice to unitholders for the following purposes: (a) to remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting a Purpose Trust Fund; (b) to make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein; (c) to bring the Declaration of Trust into conformity with applicable laws, rules and policies of the securities regulatory authorities or with current practice within the securities industry, provided that any such amendment does not adversely affect the rights, privileges or interests of unitholders; (d) to maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain the status of a Fund as a "mutual fund trust" for the purposes of the Tax Act; (e) to change the tax year end of a Fund as permitted under the Tax Act; (f) to change the name of a Fund; (g) to create additional classes of units of a Fund and to redesignate existing classes of units a Fund, unless the rights attaching to such units are changed or are adversely affected thereby; (h) to provide added protection to unitholders; or (i) if in the opinion of the Manager the amendment is not prejudicial to unitholders and is necessary or desirable. Any amendments to the Declaration of Trust made by the Manager without the consent of unitholders will be disclosed in the next regularly scheduled report to unitholders.

Reporting to Securityholders

The Funds' fiscal year is the calendar year or such other fiscal period permitted under the Tax Act as the Funds elect. The Manager will make available to securityholders such financial statements and other continuous disclosure documents as are required by applicable law, including (a) unaudited interim and audited annual financial statements of the Funds, prepared in accordance with International Financial Reporting Standards and (b) interim and annual management reports of fund performance in respect of the Funds.

Any tax information necessary for securityholders to prepare their annual federal income tax returns will be distributed to them within 90 days after the end of each financial year of the Funds.

The Manager will keep adequate books and records reflecting the activities of the Company (and the PFC Funds) and the Purpose Trust Funds. A securityholder or his or her duly authorized representative has the right to examine the books and records of the Company or the Fund, as the case may be, during normal business hours at the registered office of the Manager. Notwithstanding the foregoing, a securityholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Company or the Fund(s), as applicable.

TERMINATION OF THE FUNDS

PFC Funds

A PFC Fund may be terminated by the Manager (and its shares redeemed by the Company) on at least 60 days' notice to the shareholders of the Fund of such termination and the Manager will issue a press release in advance thereof. Upon termination of a PFC Fund, the Constituent Securities, Other Securities, cash and other assets remaining after paying or providing for all liabilities and obligations of the Fund shall be distributed *pro rata* among its shareholders.

The rights of shareholders to exchange, redeem and switch shares described under "Redemption, Exchange and Switches of Securities" will cease as and from the date of termination of the applicable Fund.

Purpose Trust Funds

A Purpose Trust Fund may be terminated by the Manager on at least 60 days' notice to unitholders of such termination and the Manager will issue a press release in advance thereof. Upon termination of a Purpose Trust Fund, the Constituent Securities, Other Securities, cash and other assets remaining after paying or providing for all liabilities and obligations of the Fund shall be distributed *pro rata* among the unitholders of the Fund.

The rights of unitholders to exchange and redeem units of the Purpose Trust Funds described under "Redemption, Exchange and Switches of Securities" will cease as and from the date of termination of a Purpose Trust Fund.

PRINCIPAL SECURITYHOLDERS OF THE FUNDS

(a) *ETF Shares/ETF Units*

CDS & Co., the nominee of CDS, is the registered owner of the ETF Shares and ETF Units of the Funds, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, the Funds or another investment fund managed by the Manager or an affiliate of the Manager may

beneficially own, directly or indirectly, more than 10% of the ETF Shares or ETF Units, as the case may be, of a Fund.

(b) *Mutual Fund Shares/Mutual Funds Units*

Except as stated below, as at June 30, 2018, no person or company owns of record or, to the knowledge of the relevant Fund or the Manager, beneficially, directly or indirectly, more than 10% of the outstanding securities of any series of shares or class of units, as the case may be, of the Funds.

Purpose Diversified Real Asset Fund

Name	Type of Ownership	Number of Shares Owned	Series	Percentage of Outstanding Shares of each Series
Individual A	Record and Beneficial	34985	A	37%
Individual B	Record and Beneficial	14505	A	16%
Individual C	Record and Beneficial	172	D	76%
Purpose Investments Inc.	Record and Beneficial	53	D	24%
Purpose Investments Inc.	Record and Beneficial	6	I	100%
Individual D	Record and Beneficial	952	XA	73%
Individual E	Record and Beneficial	352	XA	27%
HBAM Holding Inc.	Record and Beneficial	138,613	XF	84%

Purpose Enhanced US Equity Fund

Name	Type of Ownership	Number of Shares Owned	Series	Percentage of Outstanding Shares of each Series
Individual F	Record and Beneficial	1,648	A	82%
Individual G	Record and Beneficial	363	A	18%
Individual H	Record and Beneficial	320	Hedged A	87%
Purpose Investments Inc	Record and Beneficial	50	Hedged A	13%
The Brenda Mackie Family Trust	Record and Beneficial	1,503	F	67%
Individual I	Record and Beneficial	740	F	33%
Individual J	Record and Beneficial	8,147	Hedged F	12%
Individual K	Record and Beneficial	638	D	22%
Individual L	Record and Beneficial	595	D	20%
Individual M	Record and Beneficial	430	D	15%
Individual N	Record and Beneficial	420	D	14%
Individual O	Record and Beneficial	4,055	XF	63%
Individual P	Record and Beneficial	2,372	XF	37%

Purpose Multi-Strategy Market Neutral Fund

Name	Type of Ownership	Number of Shares Owned	Series	Percentage of Outstanding Shares of each Series
EDK Donnelly Holdings Inc.	Record and Beneficial	8,762	D	47%
MDB2 Holdings Inc	Record and Beneficial	4,381	D	24%

Pijoco Inc.	Record and Beneficial	2,173	D	12%
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*To protect the privacy of individual investors, we have omitted the name of the individual investor.

Securityholders may request a copy of the corporate records of a Fund which includes the names and details of the number of securities owned by each securityholder in such Fund by contacting the Manager at 130 Adelaide Street West, Suite 1700, P.O. Box 83, Toronto, Ontario, M5H 3P5, in accordance with applicable law.

(c) *Manager*

As of the date hereof, the following entities owned, of record more than 10% of the issued and outstanding shares of the Manager:

Shareholder	Number of Shares	Percentage of Outstanding Shares
Purpose GP Inc.	141 Voting Shares	100%
Purpose LP	3,174,1717 Class C-Non Voting Common Shares	100%

(d) *Common Shares of the Company*

As of the date hereof, Purpose directly owned of record and beneficially, 100 common shares, representing 100% of the issued and outstanding common shares of the Company. Purpose will exercise the voting powers associated with the common shares to elect the directors of the Company. There will be at all times at least two directors who will be independent of Purpose.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager, on behalf of the one or more Funds, may enter into various Dealer Agreements with registered dealers (that may or may not be Designated Brokers) pursuant to which the Dealers may subscribe for ETF Shares or ETF Units, as the case may be, of the Fund(s) as described under “Purchases of Securities – Issuance of Securities”.

The Manager will receive fees for its services to the Funds. See “Fees and Expenses”.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Manager has established policies and procedures with respect to the voting of proxies (the “**Proxy Voting Guidelines**”) received from issuers of securities held in a Fund’s portfolio. The Proxy Voting Guidelines provide that the Manager will vote (or refrain from voting) proxies for each Fund for which it has voting power in the best economic interests of the Fund. The Proxy Voting Guidelines are not exhaustive and due to the variety of proxy voting issues that the Manager may be required to consider, are intended only to provide guidance and are not intended to dictate how proxies are to be voted in each instance. The Manager may depart from the Proxy Voting Guidelines in order to avoid voting decisions that may be contrary to the best interests of the Funds.

The proxies associated with securities held by the Funds will be voted in accordance with the best interests of securities of the Funds determined at the time the vote is cast. The Manager maintains policies and procedures that are designed to be guidelines for the voting of proxies; however, each vote is ultimately

cast on a case-by-case basis taking into consideration the relevant facts and circumstances at the time of the vote.

The Manager's proxy voting policies and procedures set out various considerations that the Manager will address when voting, or refraining from voting, proxies, including that:

- (a) the Manager will generally vote with management on routine matters such as electing corporate directors, appointing external auditors and adopting or amending management compensation plans unless it is determined that supporting management's position would not be in the best interests of the securityholders;
- (b) the Manager will address on a case-by-case basis, non-routine matters, including those business issues specific to the issuer or those raised by securityholders of the issuer with a focus on the potential impact of the vote on the NAV of a Fund; and
- (c) the Manager has the discretion whether or not to vote on routine or non-routine matters. In cases where the Manager determines that it is not in the best interests of the securityholders to vote, or in cases where no value is added by voting, the Manager will not be required to vote.

The Manager will post the proxy voting record on www.purposeinvest.com no later than August 31 of each year. The Manager will send the most recent copy of the proxy voting policies and procedures and proxy voting record, without charge, to any securityholder upon a request made by the securityholder.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of ETF Shares, Mutual Fund Shares, ETF Units or Mutual Fund Units, of the Funds, as the case may be:

- (a) the articles of incorporation of the Company (applicable to the PFC Funds only);
- (b) the Management Agreement (applicable to the PFC Funds only) referred to under "Organization and Management Details of the Funds – The Manager, Promoter and Trustee – Details of the Management Agreement – PFC Funds";
- (c) the Investment Advisory Agreement referred to under "Organization and Management Details of the Funds – The Investment Advisor – Details of the Investment Advisory Agreement";
- (d) the PFC Custodian Agreement (applicable to the PFC Funds only) referred to under "Custodian and Securities Lending Agent – PFC Funds";
- (e) the PTF Custodian Agreement (applicable to the Purpose Trust Funds only) referred to under "Custodian and Securities Lending Agent – Purpose Trust Funds"; and
- (f) the Declaration of Trust (applicable to the Purpose Trust Funds only) referred to under "Organization and Management Details of the Funds – The Manager, Promoter and Trustee – Details of the Declaration of Trust – Purpose Trust Funds".

Copies of the foregoing agreements, together with the articles of incorporation and by-laws of the Company, may be examined during normal business hours at the registered office of the Manager.

EXPERTS

Osler, Hoskin & Harcourt LLP, legal counsel to the Funds, the Company and the Manager, has provided certain legal opinions on the principal Canadian federal income tax considerations that apply to an investment in the Funds by an individual resident in Canada. See “Income Tax Considerations” and “Eligibility for Investment”. As of the date hereof, partners and associates of Osler, Hoskin & Harcourt LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Funds.

Ernst & Young LLP, the auditor of the Funds, has consented to the incorporation by reference of its report on the Funds dated April 2, 2018. Ernst & Young LLP has advised that they are independent with respect to the Funds within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

EXEMPTIONS AND APPROVALS

The Funds have received exemptive relief from the Canadian securities regulatory authorities to permit the following:

- (a) the purchase by a securityholder of a Fund of more than 20% of the ETF Shares or ETF Units, as the case may be, of that Fund through purchases on a stock exchange without regard to the take-over bid requirements of securities legislation;
- (b) to relieve the Funds from the requirement that a prospectus contain a certificate of the underwriters;
- (c) to relieve the Funds from the requirement to include in the prospectus a statement respecting purchasers’ statutory rights of withdrawal and remedies of rescission as prescribed in item 36.2 of Form 41-101F2 – *Information Required in an Investment Fund Prospectus*;
- (d) subject to certain conditions, to permit the entity making the initial investment in a Fund to redeem such initial investment;
- (e) to treat the ETF Shares and the Mutual Fund Shares of each class of shares of the Company as if such shares were separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102;
- (f) subject to certain conditions, to permit the Funds to purchase a security of an underlying ETF or enter into a specified derivatives transaction with respect to an underlying ETF even though, immediately after the transaction, more than 10% of the NAV of the Fund would be invested, directly or indirectly, in the securities of the underlying ETF;
- (g) subject to certain conditions, to permit the Funds to purchase securities of an underlying ETF such that, after the purchase, the Fund would hold securities representing more than 10% of: (i) the votes attaching to the outstanding voting securities of the underlying ETF; or (ii) the outstanding equity securities of the underlying ETF;
- (h) subject to certain conditions, to permit the Funds to invest in exchange-traded mutual funds that are not subject to National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*; and
- (i) subject to certain conditions, to permit each Fund to pay brokerage commissions in relation to its purchase and sale on a recognized exchange of exchange traded mutual funds that are managed by Purpose or an affiliate of Purpose.

The Purpose Enhanced US Equity Fund has received exemptive relief from the Canadian securities regulatory authorities to permit the Fund to utilize leverage to achieve market exposure to its portfolio targeted at 130% of the Fund's NAV and borrow up to 35% of the Fund's NAV to implement its investment strategies subject to the conditions set forth therein.

Additionally, certain dealers of the Funds, including the Designated Brokers and Dealers, have received exemptive relief from the Canadian securities regulatory authorities from the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the securities legislation of the Provinces and Territories apply, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second Business Day after entering into that agreement. As a condition of this exemptive relief, the dealer is required to deliver a copy of the ETF Summary Document of the applicable Fund to a purchaser of ETF Shares or ETF Units, as the case may be, if the dealer does not deliver a copy of this prospectus.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Mutual Fund Shares/Mutual Fund Units

Securities legislation in some Provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some Provinces and Territories also allows you to cancel an agreement to buy shares or units and get your money back or to make a claim for damages, if the prospectus, annual information form, fund facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your Province or Territory or consult your lawyer.

ETF Shares/ETF Units

Securities legislation in certain of the Provinces and Territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF Shares or ETF Units within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the Provinces and Territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province or Territory.

The purchaser should refer to the applicable provisions of the securities legislation of the Province or Territory for the particulars of these rights or consult with a legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about the Funds is or will be available in the following documents:

- (a) the most recently filed comparative annual financial statements of the Funds, together with the accompanying report of the auditor;

- (b) any interim financial statements of the Funds filed after the most recently filed comparative annual financial statements of the Funds;
- (c) the most recently filed annual management report of fund performance (“**MRFP**”) of the Funds;
- (d) any interim MRFP of the Funds filed after the most recently filed annual MRFP of the Funds; and
- (e) the most recently filed ETF Facts of the Funds.

These documents are or will be incorporated by reference into, and form an integral part of, this prospectus. These documents may be obtained upon request, at no cost, by calling 1-877-789-1517, by emailing Purpose at info@purposeinvest.com or by contacting a registered dealer. These documents and other information about the Funds is also available on Purpose’s website at www.purposeinvest.com and/or on SEDAR at www.sedar.com.

**CERTIFICATE OF THE COMPANY (ON BEHALF OF THE PFC FUNDS), MANAGER AND
PROMOTER**

Dated: August 3, 2018

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities of PFC Funds offered by this prospectus as required by the securities legislation of all of the provinces and territories of Canada.

PURPOSE FUND CORP.

(Signed) "*Som Seif*"
SOM SEIF
Chief Executive Officer

(Signed) "*Scott Bartholomew*"
SCOTT BARTHOLOMEW
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*Douglas G. Hall*"
DOUGLAS G. HALL
Director

(Signed) "*Randall C. Barnes*"
RANDALL C. BARNES
Director

**PURPOSE INVESTMENTS INC.
as manager of the PFC Funds**

(Signed) "*Som Seif*"
SOM SEIF
Chief Executive Officer

(Signed) "*Scott Bartholomew*"
SCOTT BARTHOLOMEW
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*Som Seif*"
SOM SEIF
Director

(Signed) "*Scott Bartholomew*"
SCOTT BARTHOLOMEW
Director

(Signed) "*Jeffrey Mitelman*"
JEFFREY MITELMAN
Director

**PURPOSE INVESTMENTS INC.
as Promoter of the PFC Funds**

(Signed) "*Som Seif*"
SOM SEIF
Chief Executive Officer

CERTIFICATE OF THE PURPOSE TRUST FUNDS, TRUSTEE, MANAGER AND PROMOTER

Dated: August 3, 2018

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities of the Purpose Trust Funds offered by this prospectus as required by the securities legislation of all the provinces and territories of Canada.

**PURPOSE INVESTMENTS INC.
as trustee and manager of the Purpose Trust Funds**

(Signed) "*Som Seif*"
SOM SEIF
Chief Executive Officer

(Signed) "*Scott Bartholomew*"
SCOTT BARTHOLOMEW
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*Som Seif*"
SOM SEIF
Director

(Signed) "*Scott Bartholomew*"
SCOTT BARTHOLOMEW
Director

(Signed) "*Jeffrey Mitelman*"
JEFFREY MITELMAN
Director

**PURPOSE INVESTMENTS INC.
as Promoter of the Purpose Trust Funds**

(Signed) "*Som Seif*"
SOM SEIF
Chief Executive Officer