No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PURPOSE ALTERNATIVE MUTUAL FUNDS

Simplified Prospectus

ETF shares, Series A shares, Series F shares, Series I shares, Series D shares, Series XA shares and Series XF shares

Purpose Diversified Real Asset Fund*

ETF units, Class A units, Series A units, Class F units, Series F units, Class I units, Series I units, Class D units and Class P units

Purpose Multi-Strategy Market Neutral Fund[1]
Purpose Credit Opportunities Fund[2]

August 26, 2020

(1) ETF units, Class A units, Class F units, Class I units, Class D units and Class P units
(2) Series A units, Series F units and Series I units

***A class of shares of Purpose Fund Corp.**

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INTRODUCTION

In this document, "we", "us" and "our" refer to Purpose Investments Inc. ("Purpose"). We refer to all of the funds listed on the front cover of this simplified prospectus as the "funds" and each individual fund as a "fund". Each of the funds is an alternative mutual fund within the meaning of National Instrument 81-102. The funds have the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the funds' investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Also, market conditions may make it difficult or impossible for a fund to liquidate a position.

Each of the funds (other than the Purpose Diversified Real Asset Fund) (each, a "Purpose Trust") is a mutual fund established as a trust under the laws of the Province of Ontario. The authorized capital of each Purpose Trust includes one or more classes of exchange-traded units (each such class, "ETF Units") and one or more classes of mutual fund units (defined herein). An unlimited number of ETF Units and mutual fund units are authorized for issuance.

Purpose Diversified Real Asset Fund (the "Corp. Fund") is a class of shares of Purpose Fund Corp. (sometimes referred to as "PFC" or the "Company").

PFC is a mutual fund corporation established under the laws of the Province of Ontario. The authorized capital of PFC includes an unlimited number of classes of non-cumulative, redeemable, non-voting shares (each, a "corporate class"). Each class of shares of the Company (other than the common shares of such Company) is a separate mutual fund having specific investment objectives and is specifically referable to a separate portfolio of investments. Each such class is divided into separate series of shares ("shares").

The authorized capital of the Corp. Fund includes one series of exchange-traded shares ("ETF Shares") and one or more series of mutual fund shares (defined herein). An unlimited number of ETF Shares and unlimited number of mutual fund shares of the Corp. Fund are authorized for issuance.

Purpose is the manager and portfolio manager of the funds (except for Purpose Credit Opportunities Fund) 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 (except for Purpose Credit Opportunities Fund). Purpose Investment Partners Inc. ("PIP") is the manager and portfolio manager for Purpose Credit Opportunities Fund. The term "manager" means (i) Purpose Investments Inc. with respect to the funds (other than Purpose Credit Opportunities Fund) and (ii) Purpose Investment Partners Inc. with respect to Purpose Credit Opportunities Fund. See "Organization and Management Details of the Funds."

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 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.

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 – *Alternative Mutual Funds* in accordance with the requirements of Part 4 of that Instrument.

This simplified prospectus contains selected important information about the funds listed on the front cover to help you make an informed investment decision and to help you understand your rights.

This simplified prospectus is divided into two parts. Pages 1 to 61 of this simplified prospectus explain general information that applies to all of the funds as well as general information regarding mutual funds and their risks. Pages 62 to 81 contain specific information about each of the funds described in this simplified prospectus.

You will find more information about each fund in the following documents:

(a) the fund's annual information form;

(b) the fund's most recently filed fund facts;

(c) the fund's most recently filed annual financial statements;

(d) any interim financial statements filed after those annual financial statements;

(e) the fund's most recently filed annual management report of fund performance;

(f) any interim management report of fund performance filed after that annual management report of fund performance; and

(g) the fund's most recently filed ETF Facts.

These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this simplified prospectus just as if they were printed as part of this simplified prospectus. You can get a copy of these documents, at your request, and at no cost, by calling us toll-free at 1-877-789-1517, by emailing us at info@purposeinvest.com or by contacting your dealer.

You can also get copies of this simplified prospectus, the fund facts, the ETF Facts, the annual information form, the management reports of fund performance and the financial statements from Purpose's website at www.purposeinvest.com.

These documents and other information about the funds are also available at www.sedar.com.

GLOSSARY

In this simplified prospectus:

"**adjusted cost base**" means, in general terms, the total price you paid for all the shares of a series or units of a class or series, as the case may be, of a fund in your account, including reinvested distributions. The adjusted cost base per share of a series or units of a class or series, as the case may be, is the weighted average price paid per share of that series or per unit of that class, as applicable.

"**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.

"**annual information form**" means a document filed by the funds with Canadian securities regulators which provides supplementary information about the funds.

"**basket of securities**" means a group of securities or assets determined by Purpose from time to time representing the constituent securities of a fund.

"**bond**" means a long-term debt security issued or guaranteed by a government or business entity wherein the issuer promises to pay the holder a specified amount of interest and return the principal amount when the bond matures. Bonds can be transferred from one owner to another.

"**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 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, of a fund on behalf of beneficial owners of ETF Shares or ETF Units, as applicable.

"**CFTC**" means the Commodity Futures Trading Commission.

"**Class A Units**" means Class A currency hedged mutual fund units of a fund.

"**Class D Units**" means Class D currency hedged mutual fund units of a fund.

"**Class F Units**" means Class F currency hedged mutual fund units of a fund.

"**Class I Units**" means Class I currency hedged mutual fund units of a fund.

"**Class P Units**" means Class P currency hedged mutual fund units of a fund.

"**Company**" means Purpose Fund Corp.

"**constituent issuers**" means, for each fund, those issuers whose securities are included in the portfolio of the fund from time to time.

"**constituent securities**" means, for each fund, securities of the constituent issuers or, where applicable, derivatives such as options, futures, forward contracts and swaps.

"**Corp. Fund**" means Purpose Diversified Real Asset Fund.

"**corporate class**" means a class of shares of the Company, specifically referable to a separate portfolio of investments.

"**dealer**" means a registered dealer (that may or may not be a designated broker), that has entered into a dealer agreement with the manager, pursuant to which the dealer may subscribe for ETF Shares or ETF Units, as the case may be, of a fund.

"**dealer agreement**" means an agreement between the manager, on behalf of one or more funds, and a dealer, as amended from time to time.

"**debt securities**" means obligations to repay borrowed money within a certain time, with or without interest (for example bonds, debentures, commercial paper, asset-backed commercial paper, notes and treasury bills (*T-bills*)).

"**derivatives**" means a financial instrument that "derives" its value from the performance of an underlying asset, index or other investment.

"**designated broker**" means a registered dealer that has entered into a designated broker agreement with the manager, on behalf of a fund pursuant to which the designated broker agrees to perform certain duties in relation to the ETF Shares or ETF Units, as the case may be, of the fund.

"**designated broker agreement**" means an agreement between the manager, on behalf of a fund, and a designated broker, as amended from time to time.

"**DPSP**" means a deferred profit sharing plan as defined in the Tax Act.

"**equity**" means, in relation to buying shares of a corporation, the purchase of "equity," or ownership rights, in such corporation. Shares of a corporation are often referred to as "equities".

"**Exchange**" means the TSX.

"**ETF**" means an exchange-traded fund.

"**ETF Share**" means an ETF share of the Corp. Fund.

"**ETF Unit**" means an ETF unit of a Purpose Trust.

"**ETF switch date**" means Wednesday of each week, or more frequently as may be determined by the manager.

"**forward contract**" means a commitment made to buy or sell a currency, commodity or security on a specific day in the future at a specified price. The terms of the contract are agreed upon when the commitment is made. Forward contracts are traded through an over-the-counter telephone or computer network.

"**fund**" means the Corp. Fund and/or a Purpose Trust, as the case may be.

“**futures contract**” 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.

“**hedge**” or “**hedging**” means a strategy used to offset or reduce the risk associated with an investment or a group of investments.

“**leverage**” means using borrowed funds to help pay for an investment. Leveraging magnifies the amount you make or lose, because the gain or loss is measured against the portion of the investment you have not borrowed, not against the total investment.

“**investment grade**” means securities rated in one of the four highest rating categories by a nationally recognized statistical rating organization, such as BBB – or higher by Standard & Poor’s® Rating Services.

“**liquidity**” means a liquid investment that can be bought and sold on a public market. Liquidity also refers to how easy it is to convert an investment to cash at a reasonable price.

“**investment advisor**” means Neuberger Berman Breton Hill ULC.

“**management expense ratio**” means the total fees and expenses a fund paid during a year divided by its average assets for that year.

“**management fee rebate**” means an amount equal to the difference between the management fee otherwise chargeable and a reduced fee determined by the manager, from time to time payable to certain securityholders of the funds who have signed an agreement with the manager. Management fee rebates are reinvested in shares or units, as the case may be, unless otherwise requested.

“**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 Corp. Fund.

“**mutual fund units**” means collectively, the Class A Units, Series A Units, Class F Units, Series F Units, Class I Units, Series I Units, Class D Units and Class P Units of a Purpose Trust, as applicable.

“**NAV of the class**” and “**NAV per unit**” means, in relation to a Purpose Trust, the net asset value of the fund attributable to the class of units or series of units, as applicable, and the net asset value per unit of that class or series, as applicable, calculated by the valuation agent.

“**NAV of the series**” and “**NAV per share**” means, in relation to the Corp. Fund, the net asset value of the fund attributable to the series of shares and the net asset value per share of that series, calculated by the valuation agent.

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

"**note**" means a debt security committing the issuer to pay a specific sum of money, either on demand or on a fixed date in the future, with or without interest.

"**option**" means the owner's right, but not its obligation, to buy or sell a security within a certain time period, at a specified price. A call option is the right to buy; a put option is the right to sell. The buyer of the option pays the seller a premium. Options can be traded on an exchange or over-the-counter.

"**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.

"**over-the-counter trading (*OTC*)**" means trading in stocks or options through a computer or telephone network rather than through a public stock exchange.

"**plan agent**" means TSX Trust Company, plan agent for the dividend reinvestment plan.

"**portfolio turnover rate**" means the portfolio turnover rate which is calculated based on the lesser of the value of securities purchased or sold divided by the average market value of portfolio securities for the period, excluding short-term securities.

"**prescribed number of ETF Shares**" means the number of ETF Shares of the Corp. Fund determined by Purpose from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

"**prescribed number of ETF Units**" means the number of ETF Units of a Purpose Trust determined by the manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

"**Purpose Trusts**" means the Purpose Multi-Strategy Market Neutral Fund and Purpose Credit Opportunities Fund, and "**Purpose Trust**" means any one of them.

"**RDSP**" means a registered disability savings plan as defined in the Tax Act.

"**RRIF**" means a registered retirement income fund as defined in the Tax Act.

"**RESP**" means a registered education savings plan as defined in the Tax Act.

"**return of capital**" means the return of capital which occurs when a fund pays an amount to the shareholders or unitholders that is part of the capital of the fund rather than being a dividend or distribution paid out of amounts earned by the fund. This enables a fund to pay a set amount of distributions each year that may consist of, in part, dividends, and, in part, a return of share capital. The main benefit of return of capital distributions is that they are not immediately taxable when received. This makes it different from other types of distributions such as dividends.

"**RRSP**" means a registered retirement savings plan as defined in the Tax Act.

"**securities**" means investments or financial instruments such as shares, debt securities, units of an underlying fund and derivatives.

"Series A Shares" – means Series A currency hedged mutual fund shares of a fund.

"**Series A Units**" – means Series A non-currency hedged mutual fund units of a fund.

"**Series D Shares**" – means Series D currency hedged mutual fund shares of a fund.

"**Series F Shares**" – means Series F currency hedged mutual fund shares of a fund.

"**Series F Units**" – means Series F non-currency hedged mutual fund units of a fund.

"Series I Shares" – means Series I currency hedged mutual fund shares of a fund.

"**Series I Units**" – means Series I non-currency hedged mutual fund units of a fund.

"**Series XA Shares**" – means Series XA currency hedged mutual fund shares of a fund.

"**Series XF Shares**" – means Series XF currency hedged mutual fund shares of a fund.

"**share**" means an ETF Share or mutual fund share of a fund, as applicable.

"**switch date**" means any business day.

"**switch NAV price**" means the NAV per ETF Share or NAV per ETF Unit, as the case may be, of the relevant 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).

"**trading day**" means a day on which: (i) a regular session of the Exchange (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; (ii) the primary market or exchange for the majority of the securities held by the fund is open for trading; and (iii) if applicable, the index provider calculates and publishes data relating to the index.

"**treasury bills (*T-bills*)**" means short-term debt securities issued or guaranteed by federal, provincial or other governments. T-bills are issued at a discount and do not pay any interest. The return on a T-bill is the difference between the price you pay and its "face" or par value.

"**TSX**" means the Toronto Stock Exchange.

"**unit**" means an ETF Unit or mutual fund unit of a fund, 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 and NAV per share and NAV per unit, initially, 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 and NAV of each class or series of units, as the case may be, of each fund and the NAV per share of each such series and NAV per unit or series of each such class, as applicable, will be calculated.

"**valuation time**" means 4:00 p.m. (Toronto time) or such other time as the manager may deem appropriate on each valuation date.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a mutual fund?

A mutual fund is a pool of investments made on behalf of people with a similar investment objective. When you invest in a mutual fund, your money is working together with that of many other investors. A professional investment manager invests this money on behalf of the whole group.

Investors share a mutual fund's income, expenses, gains and losses in proportion to their interest in the mutual fund. Mutual funds can give individuals the advantages of a simpler, more accessible, less expensive and less time-consuming method of investing in a portfolio of securities.

Mutual funds own different types of investments, depending on their investment objectives. These investments may include equities like shares, fixed-income securities like bonds and cash or cash equivalents like treasury bills, or units of other mutual funds, called "underlying funds". The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, financial markets and company news. As a result, the value of a mutual fund's shares may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

What do you own?

Corp. Fund

When you invest in a mutual fund corporation, such as PFC, you are buying a portion of that mutual fund corporation called a share. Mutual fund corporations can have one or more classes of shares also known as "funds" and keep track of all the individual investments by recording how many shares of a class each investor owns. The more money you put into a class of a mutual fund corporation, the more shares you get. The price of a share changes every day, depending on how the investments of the class are performing. When the investments of a class rise in value, the price of a share of that class goes up. When the investments of the class drop in value, the price of the share of that class goes down.

Some classes of shares are offered in more than one series. A multi-series structure recognizes that different investors may seek the same investment objective, yet require different investment advice and/or service. Each series of a class represents an investment in the same investment portfolio of the fund. However, each series may charge a different management fee and incur its own specific expenses. As a result, a separate NAV per share is calculated for each series on a daily basis. See "Purchases, switches and redemptions – How the securities of a fund are valued" on page 24.

Purpose Trusts

When you invest in a mutual fund trust, you are buying a portion of that fund called a unit. Mutual funds keep track of all the individual investments by recording how many units each investor owns. The more money you put into a mutual fund, the more units you get. The price of a unit changes every day, depending on how the investments are performing. When the investments rise in value, the price of a unit goes up. When the investments drop in value, the price of the unit goes down.

Some mutual funds offer units in more than one class or series. A multi-class structure recognizes that different investors may seek the same investment objective, yet require different investment advice and/or service. Each class or series represents an investment in the same investment portfolio of each fund.

However, each class or series may charge a different management fee and incur its own specific expenses. As a result, a separate NAV per unit is calculated for each class or series on a daily basis. See "Purchases, switches and redemptions – How the securities of a fund are valued" on page 24.

What are the general risks of investing in a mutual fund?

As an investor, there is always a risk you could lose money. Mutual funds are no exception, but the degree of risk varies considerably from one mutual fund to the next. As a general rule, investments with the greatest risk have the greatest potential for gains, but also have the greatest potential for losses. The key is to recognize the risk involved with your investment, understand it, and decide whether it is a risk you are comfortable accepting.

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 funds are alternative mutual funds pursuant to NI 81-102. The funds have the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the funds' investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Also, market conditions may make it difficult or impossible for a fund to liquidate a position.

The funds are considered "alternative mutual funds" meaning they are permitted to use strategies generally prohibited by conventional mutual funds under NI 81-102, such as the ability to borrow, up to 50% of each fund's net asset value, cash to use for investment purposes; sell, up to 50% of each fund's net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and leverage up to 300% of each fund's net asset value; among other things. For more information regarding the risks associated with these strategies, please see "Use of Derivative Instruments", "Use of Leverage", "Prime Brokerage Risk" and "Short Selling Risk" below.

Every securityholder has a different tolerance for risk. To be comfortable with your investments you should think about your risk comfort level before you invest.

This section and the section "What are the specific risks of investing in a mutual fund?" on page 10, describe the risks associated with investing in mutual funds. As you read the descriptions, keep in mind your risk comfort level and your various investments objectives to help determine which funds are right for you.

The general risks with investing in a mutual fund include:

Price Fluctuation

The price of a mutual fund security will generally vary with the value of the securities it holds. Changes in interest rates, economic and stock market conditions or new company information, for example, may influence the value of securities held by a mutual fund. When you redeem mutual fund securities, their value may be less than your original investment. Changes in rates and market conditions may also cause the value of securities of the mutual fund to change from day to day.

No guarantees

Your investment in the funds is not guaranteed. Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund securities are not covered by Canada Deposit Insurance Corporation or any other government deposit insurer.

Suspension of redemptions

Under exceptional circumstances, a fund may suspend redemptions. See "Purchases, switches and redemptions – When you may not be allowed to redeem your shares/units" on page 37.

How can an investor in a mutual fund manage risk?

Although the value of your investments may drop in the short term, a longer investment horizon will help to lessen the effects of short-term market volatility. A shorter investment horizon may result in you having to sell your investments in adverse conditions. Ideally, investors in equity funds should have a minimum five- to nine-year investment horizon, which generally provides enough time for the investments to overcome any short-term volatility and grow.

At any given time, however, one mutual fund may outperform another. The key is to have a diversified portfolio of mutual funds to try to ensure that a decline in one mutual fund is offset by growth in another, helping to reduce risk and smooth out returns. Your advisor can help you build a portfolio that's right for you.

What are the specific risks of investing in a mutual fund?

Each mutual fund also has specific risks. The description of each fund, starting on page 67, sets out the risks that apply to that fund or, if applicable, to the underlying fund in which it invests. Set forth below, in alphabetical order, is a description of each of those risks.

Absence of an active market for the ETF Shares/ETF Units

Although the ETF Shares and ETF Units of the funds are listed on the TSX, there can be no assurance that an active public market for the ETF Shares and the ETF Units of such funds will develop or be sustained.

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.

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.

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.

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 Corp. Fund or by its 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 Trusts 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.

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 default swap agreement risk

Certain funds may be either the buyer or seller in a credit default swap transaction. The buyer in a credit default swap contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a "credit event" means bankruptcy, failure to pay or an obligation acceleration. Credit default swaps involve greater risk than investing in the reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk.

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").

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.

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.

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 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.

Distressed securities

Certain funds may invest in "distressed" securities, claims and obligations of domestic and foreign entities which are experiencing significant financial or business difficulties. Distressed securities may result in significant returns to the fund, but also involve a substantial degree of risk. Certain funds may lose a substantial portion or all of its investment in a distressed environment or may be required to accept cash or securities with a value less than such fund's investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such instruments may also be subject to abrupt and erratic market movements and above average price volatility. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses.

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.

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.

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.

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 Corp. Fund and some of the classes of units of the Purpose Trusts 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 Corp. Fund and some of the classes of mutual fund units of the Purpose Trust 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.

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.

The outbreak in December 2019 of the novel strain of coronavirus designated as COVID-19 has caused substantial economic volatility and declines in financial markets globally as well as general concern and uncertainty. The impact of COVID-19, as well as other unexpected disruptive events, may be short term or may last for an extended period of time and may have effects that cannot be foreseen at the present time. These events could also adversely affect a fund's performance and may lead to losses on your investment in a fund.

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.

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.

Fund corporation risk

The Corp. 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 the Corp. Fund 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. The manager 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 a Company has taxable net income, this could be disadvantageous for two types of investors: (a) investors in a registered plan (such as a registered retirement savings plan ("RRSP"), registered education savings plan ("RESP"), registered retirement income fund ("RRIF"), registered disability savings plan ("RDSP"), or deferred profit sharing plan ("DPSP") and a tax free savings account ("TFSA") (collectively "Registered Plans") 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 a 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 a 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.

The Company offers one or more classes of shares which are considered to be a "alternative mutual funds" under Canadian securities laws. This may result in additional risk to the funds as alternative mutual funds are generally accorded greater flexibility to invest using derivatives for non-hedging purposes than mutual funds that are not alternative mutual funds under NI 81-102.

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.

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.

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 a 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.

High yield securities risk

Certain funds intends to invest in high yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter market place, which is less transparent than the exchange-traded marketplace. In addition, the fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. The market values of certain of these lower-rated and unrated debt securities tend to reflect changes in the issuer's own circumstances to a greater extent than do high-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are lower-rated securities. It is possible that a major economic recession could disrupt severely the market for such high-yield securities and may have an adverse impact on the value of such securities or the ability of the issuers of such securities to pay interest and repay principal thereon.

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.

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.

Options risk

Certain funds may write call and put options. Writing call and put options is a highly specialized activity and entails greater than ordinary investment risk. The risk of loss when purchasing an option is limited to the amount of the purchase price of the option. However, investment in an option may be subject to greater fluctuation than an investment in the underlying security. In the case of the sale by the fund of an uncovered option, there can be potential for an unlimited loss. To some extent this risk may be hedged by the purchase or sale of the underlying security.

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.

Prime brokers risk

Some or all of certain fund's assets may be held in one or more margin accounts. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The broker may also lend, pledge or hypothecate the fund's assets in such accounts as collateral, which may result in a potential loss of such assets. As a result, the fund's assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the broker experiences financial difficulty. In such case, the fund may experience losses due to insufficient assets at the broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded. In addition, the broker is unlikely to be able to provide leverage to the fund, which would affect adversely the fund's returns.

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.

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.

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.

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 gund 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.

Short selling risk

Certain funds may engage in short selling securities as one of its investment strategies. A short sale of a security may expose a fund to losses if the price of the security sold short increases since such fund may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited, since there is no limit on how much the price of a security may appreciate before the short position is closed out. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be repaid before the fund wishes to do so, thereby requiring a fund to borrow the security elsewhere or purchase the security in the market at an unattractive price. In the event that numerous lenders of the security in the market simultaneously recall the same security, a "short-squeeze" may occur, whereby the market price of the borrowed security may increase significantly. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be repurchased due to supply and demand constraints in the marketplace. An alternative mutual fund is generally permitted to sell securities short up to a maximum of 50% of its net asset value, including up to 10% of its net asset value in the securities of one issuer, as described in further detail within the investment strategies for certain funds.

Tax risk

There can be no assurance that the tax laws applicable to the funds under the Tax Act or under foreign tax regimes, or the administration thereof, will not be changed in a manner which could adversely affect the funds or securityholders.

If the Company ceases to qualify as a "mutual fund corporation" under the Tax Act, the income tax considerations described in "Income tax considerations for investors – Tax treatment of the funds – Corp. Fund" on page 54 would be materially and adversely different in certain respects.

If a Purpose Trust does not, or ceases to, qualify as a "mutual fund trust" under the Tax Act, the income tax considerations described in "Income tax considerations for investors – Tax treatment of the funds – Purpose Trusts" on page 54 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 (the "CRA") respecting the treatment of mutual fund corporations or mutual fund trusts will not be changed in a manner that adversely affects a Corp. Fund or its shareholders, or a Purpose Trust or its unitholders. For example, changes to tax legislation or the administration thereof could affect the taxation of a fund or the constituent issuers in a fund's portfolio.

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 will 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 CRA's published administrative practice. CRA'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 CRA.

If some or all of the transactions undertaken by the Company or a Purpose Trust 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 or the Purpose Trust for tax purposes and the taxable component of distributions to shareholders or unitholders could increase. Any such redetermination by the CRA may result in the Company or the Purpose Trust being liable for additional taxes. Such potential liability may reduce NAV per series, NAV per share or NAV per unit, as applicable.

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 ETF Shares and ETF Units are issued to designated brokers and dealers, and that holders of a prescribed number of ETF Shares or ETF Units, as the case may be, (or an integral multiple thereof) may redeem such ETF Shares or ETF Units, as applicable, 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.

Trading costs

Certain funds may engage in a high rate of trading activity, resulting in correspondingly high costs being borne by such fund.

Underlying fund risk

A fund may pursue its investment objectives indirectly by investing in securities of other funds, including ETFs, in order to gain access to the strategies pursued by those underlying funds. The risks of investing in such underlying funds include the risks associated with the securities in which an underlying fund invests, along with the other risks of an underlying fund. Accordingly, a fund takes on the risk of an underlying fund and its respective securities in proportion to its investment in the underlying fund. There can be no assurance that any use of such multi-layered fund of fund structures will result in any gains for a fund. If an underlying fund that is not traded on an exchange suspends redemptions, a fund will be unable to value part of its portfolio and may be unable to redeem units. In addition, the portfolio manager could allocate a fund's assets in a manner that results in that fund underperforming its peers.

Use of derivative instruments

The funds may use derivative instruments from time to time. 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. Alternative mutual funds are accorded greater flexibility to invest using derivatives for non-hedging purposes than conventional mutual funds.

Use of leverage

As "alternative mutual funds", the funds are not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Funds that exceed the net asset value of the funds. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a fund's turnover, transaction and market impact costs, interest and other costs and expenses.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, each fund's aggregate gross exposure, calculated as the sum of the following, must not exceed three times the fund's NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. If the fund's aggregate gross exposure exceeds three times the fund's NAV, the fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the fund's NAV or less.

Pursuant to NI 81-102, each fund may borrow cash up to a maximum of 50% of its net asset value and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its net asset value. The combined use of short-selling and cash borrowing by a fund is subject to an overall limit of 50% of its net asset value. If the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by a fund exceeds 50% of the fund's net asset value, the fund must, as quickly as commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to 50% or less of the fund's net asset value.

ORGANIZATION AND MANAGEMENT OF THE FUNDS

This section tells you about the companies that are involved in managing or providing services to the funds.

Manager: Purpose Investments Inc. 130 Adelaide Street West Suite 3100 P.O. Box 109 Toronto, Ontario M5H 3P5	Purpose is the manager (and trustee of Purpose Multi-Strategy Market Neutral Fund), portfolio manager and promoter of the funds (except for Purpose Credit Opportunities Fund). Purpose manages the day-to-day business and operations of the funds (except for Purpose Credit Opportunities Fund), provides all general management and administrative services.

Purpose Investment Partners Inc. 130 Adelaide Street West Suite 3100 P.O. Box 109 Toronto, Ontario M5H 3P5	PIP is the manager, trustee and portfolio manager and promoter of Purpose Credit Opportunities Fund. PIP manages the day-to-day business and operations of Purpose Credit Opportunities Fund, provides all general management and administrative services. PIP is an affiliate of Purpose.
Investment Advisor: Neuberger Berman Breton Hill ULC Toronto, Ontario	Neuberger Berman Breton Hill ULC is the investment sub-advisor to the funds and provides investment advisory services to the funds (other than Purpose Credit Opportunities Fund). The investment advisor has an equity interest in Purpose LP which is the parent of the manager.
Custodian: CIBC Mellon Trust Company Toronto, Ontario	The custodian holds the assets of the funds.
Registrar and Transfer Agent of the mutual fund shares/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 mutual fund units. The register for the mutual fund shares or mutual fund units, as the case may be, of each of the funds is kept in Toronto.
Registrar and Transfer Agent and Plan Agent of the ETF Shares/ETF Units:	TSX Trust Company, at its principal offices in Toronto, Ontario, is the registrar and transfer agent and dividend reinvestment plan agent for the ETF Shares and ETF Units. The register of each of the funds for the ETF Shares or ETF Units, as the case may be, is kept in Toronto.
Auditor: Ernst & Young LLP Toronto, Ontario	As auditors, Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, annually audit the financial statements of the funds to determine whether they fairly present, in all material respects, the funds' financial position, results of operations and changes in net assets in accordance with applicable generally accepted accounting principles. Ernst & Young LLP is independent of the funds in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.
Securities Lending Agent: CIBC Mellon Trust Company Toronto, Ontario	The securities lending agent acts on behalf of the funds in administering the securities lending transactions entered into by the funds.

Independent Review Committee:	Under Canadian securities laws, the funds are required to have an independent review committee. Purpose is advised by an independent review committee ("IRC") consisting of 3 members each of whom is independent of Purpose, the funds and entities related to Purpose. In fulfilling its duties, the IRC reviews and provides input on conflict of interest matters in respect of Purpose and the funds. The IRC also provides advice to Purpose on other issues relating to the management of the funds. The IRC prepares, at least annually, a report for securityholders of its activities. This report will be available, at no cost, on the Purpose website at www.purposeinvest.com or upon request, at no cost, by contacting Purpose by email at info@purposeinvest.com. Additional information about the independent review committees, including the names of the members, is available in the funds' annual information form.

Investments in underlying funds

Certain of the funds may invest in underlying funds, subject to certain conditions. The manager, will either not vote the securities of the underlying funds if the underlying funds are managed by the manager or an affiliate or will pass the voting rights directly to securityholders of such funds. The manager may, in some circumstances, choose not to pass the vote to securityholders because of the complexity and costs associated with doing so.

PURCHASES, SWITCHES AND REDEMPTIONS

Corp. Fund

You can buy funds, transfer or convert from one fund to another or change shares of a mutual fund series of one corporate class to another mutual fund series of the same corporate class through a qualified financial advisor or broker. You can change ETF Shares of a corporate class to ETF Shares of another corporate class through a registered broker or dealer. You cannot transfer or convert shares of a mutual fund series for ETF Shares of a corporate class or ETF Shares of a corporate class for shares of a mutual fund series. Transferring, which involves moving money from one investment to another, and converting are also known as switching.

You can sell your fund investment by contacting your financial advisor. Selling may also be known as "redeeming". ETF Shares may be sold over the stock exchange for the price then available in the market.

Whether you are buying, selling, transferring or converting your funds directly with the funds, we base the transaction on the value of a fund share. The price per share is called the net asset value or "NAV" per share. See "Purchases, switches and redemptions – How the securities of a fund are valued – Corp. Fund" on page 24.

Purpose Trusts

You can buy funds or sell your mutual fund units through a qualified financial advisor or broker. You can convert ETF Units of a fund to ETF Units of another fund through a registered broker or dealer. You cannot transfer or convert mutual fund units of a Purpose Trust for ETF Units or ETF Units of a Purpose Trust for mutual fund units of a class or series. Securityholders may not switch ETF Shares or mutual fund shares of a corporate class for ETF Units or mutual fund units of a Purpose Trust.

You can sell your fund investment by contacting your financial advisor. Selling may also be known as "redeeming". ETF Units may be sold over the stock exchange for the price then available in the market.

Whether you are buying or selling your funds directly with the funds, we base the transaction on the price of a fund unit. The price per unit is called the net asset value or "NAV" per unit. See "Purchases, switches and redemptions – How the securities of a fund are valued – Purpose Trusts" on page 25.

How the securities of a fund are valued

Corp. Fund

Each Corp. Fund is a separate class of shares of PFC, as the case may be, and each class is divided into several series. Each series is divided into shares of equal value. When you invest in a Corp. Fund, you are actually purchasing shares of a specific series of the Corp. Fund.

All transactions in mutual fund shares are based on the series' NAV per share. We usually calculate the NAV for each fund on each business day after the TSX closes, but in some circumstances, we may calculate it at another time. A business day is any day on which a regular session of the TSX is held. The NAVs can change daily. A separate NAV is calculated for each series of shares.

The NAV is the price used for all purchases and redemptions of shares of that series (including purchases made on the reinvestment of distributions). The price at which shares are issued, switched or redeemed is based on the next applicable NAV determined after the receipt of the purchase, switch or redemption order. ETF Shares are purchased and sold by investors over the stock exchange for the price then available in the market.

The NAV of each series of a fund is calculated as follows:

(a) First, the manager determines the fair value of all of the investments and other assets allocated to a series.

(b) Second, the manager subtracts the liabilities allocated to that series from the fair value of such series. The difference between the fair value and the liabilities expressed in Canadian dollars at the applicable exchange rate on such date (and in U.S. dollars for mutual fund shares and ETF Shares denominated in U.S. dollars) of a series is the NAV for that series.

(c) Lastly, the manager divides the NAV for a series by the total number of shares of that series that investors in the fund are holding, which gives us the NAV for that series.

(d) For funds available for purchase in U.S. dollars, the manager calculates the NAV in Canadian dollars and convert it to U.S. dollars using that day's exchange rate. Please see "Optional services – U.S. dollar purchase option" on page 43 for more details.

You can determine the worth of your investment in a fund by multiplying the NAV per share of the series of shares you own by the number of shares you own.

Although the purchases and redemptions of shares are recorded on a series basis, the assets attributable to all of the series of the Corp. Fund are pooled to create one fund for investment purposes. Each series pays its proportionate share of fund costs in addition to its management fee and administration fee. The difference in fund costs, management fee and administration fee between each series means that each series has a different NAV per share.

You may obtain the NAV of the respective series of the Corp. Fund by visiting Purpose's website at www.purposeinvest.com or by calling 1-877-789-1517.

Purpose Trusts

Each Purpose Trust's units are divided into several classes or series. Each class or series is divided into units of equal value. When you invest in the Purpose Trust, you are actually purchasing units of a specific class or series of the fund.

All transactions are based on the class NAV per unit ("unit value"). We usually calculate the unit value for each class or series of each fund on each business day after the TSX closes, but in some circumstances, we may calculate it at another time. A business day is any day on which a regular session of the TSX is held. The NAVs can change daily. A separate NAV is calculated for each class/series of units.

The unit value is the price used for all purchases and redemptions of units of that class (including purchases made on the reinvestment of distributions). The price at which units are issued or redeemed is based on the next applicable unit value determined after the receipt of the purchase, switch or redemption order.

The NAV of each class or series of a Purpose Trust is calculated as follows:

(a) First, the manager determines the fair value of all of the investments and other assets allocated to a class or series.

(b) Second, the manager subtracts the liabilities allocated to that class from the fair value of such class. The difference between the fair value and the liabilities expressed in Canadian dollars at the applicable exchange rate on such date (and in U.S. dollars for mutual fund units and ETF Units denominated in U.S. dollars) of a class or series is the NAV for that class or series.

(c) Lastly, the manager divides the NAV for a class by the total number of units of that class or series that investors in the fund are holding, which gives us the NAV for that class.

(d) In respect of mutual fund units denominated in U.S. dollars, the manager calculates the NAV in Canadian dollars and convert it to U.S. dollars using that day's exchange rate. Please see "Optional services – U.S. dollar purchase option" on page 43 for more details.

You can determine the worth of your investment in the fund by multiplying the NAV of the class or series of units you own by the number of units you own.

Although the purchases and redemptions of units are recorded on a class or series basis, the assets attributable to all of the classes or series of a Purpose Trust are pooled to create one fund for investment purposes. Each class or series pays its proportionate share of fund costs in addition to its management fee and administration fee. The difference in fund costs, management fees and administration fees between each class means that each class or series has a different NAV per unit.

You may obtain the NAV of the respective class or series of a Purpose Trust by visiting the manager's website at www.purposeinvest.com or by calling 1-877-789-1517.

How to buy, redeem and switch

It is up to you or your investment professional, if applicable, to determine which series or class, as the case may be, is appropriate for you. Different funds or series or classes, as applicable, may have different minimum investment levels and may require you to pay different fees. The choice of different purchase options requires you to pay different fees and expenses and affects the amount of compensation received by your dealer. See "Fees and expenses" on page 44 and "Dealer compensation" on page 51.

Issuance of mutual fund shares/mutual fund units

Series A Shares/Class A Units/ Series A Units

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

Series F Shares/Class F Units/ Series F Units

Series F Shares, Class F Units and Series F Units are available to investors who have fee-based accounts with their dealer. The manager has designed the Series F Shares, Class F Units and Series 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, Class F Units or Series 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, Class F Units or Series F Units which allows it to charge a lower management fee. Series F Shares, Class F Units and Series F Units purchased in Canadian dollars are Canadian dollar denominated and Series F Shares, Class F Units and Series F Units purchased in U.S. dollars are U.S. dollar denominated.

If a securityholder ceases to be eligible to hold Series F Shares, Class F Units or Series F Units, as the case may be, the manager may switch a securityholder's Series F Shares, Class F Units or Series F Units, as applicable into Series A Shares, Class A Units or Series 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, Class F Units or Series 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 Units

Series I Shares, Class I Units and Series 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, Class I Units and Series I Units. If a securityholder ceases to be eligible to hold Series I Shares, Class I Units or Series I Units, as the case may be, the manager may switch a securityholder's Series I Shares, Class I Units or Series I Units, as applicable, into Series A Shares, Class A Units or Series A Units or such other series of shares or class of units, as the case may be, as agreed to by the manager, 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, Class I Units or Series I Units, as applicable. Securityholders may be charged a sales commission in connection with the switch by their dealer. Series I Shares, Class I Units and Series I Units purchased in Canadian dollars are Canadian dollar denominated and Series I Shares, Class I Units and Series I Units purchased in U.S. dollars are U.S. dollar denominated.

Class P Units

Class P Units are only available to investors who have accounts with certain dealers and advisors that have an agreement with the manager regarding the purchase of Class P Units.

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 Corp. Fund by exchanging 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 or mutual fund units of a fund 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 certain securities. See "Optional services" on page 40.

Series/Class	**Minimum Balance(1)(2)**	**Minimum Additional Investments/ Pre-authorized purchase plans/Redemptions(1)(2)(3)**
A	$5,000	$100
F	$5,000	$100
I	N/A	N/A
D	$5,000	$100
P	$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 in Canadian and U.S. dollars, as applicable.

Mutual fund shares/mutual fund units

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. 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 their shares or units, as applicable, if their participation has the potential to cause adverse regulatory or tax consequences for a fund or other securityholders of a fund. The manager may redeem your shares or units, as applicable, if the manager 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 your shares or units, as applicable, the effect will be the same as if you initiated the transaction. For redemptions in non-registered accounts, the manager may transfer the proceeds to you, 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 you or your dealer notice prior to taking any action.

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

When you place your order through a financial advisor, the financial advisor sends it to the manager. If the manager receives your order before the order cut-off time your order will be processed using that day's NAV. A separate NAV is calculated for each series of shares and class or series of units. If the manager receives your order after the order cut-off time, your 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. All orders are processed within two business days. A dealer may establish earlier order cut-off times. Check with your dealer for details.

You have to pay for your shares or units, as the case may be, when you buy them. If the manager does not receive payment in full, the manager will cancel your order and redeem the shares or units, as applicable, including any securities you bought through a switch. If the manager redeems the shares or units, as the case may be, for more than the value for which they were issued, the difference will go to the fund. If the manager redeems the shares or units, as the case may be, for less than the value for which they were issued, the manager will pay the difference to the fund and collect this amount, plus the cost of doing so, from your dealer. Your dealer may require you to reimburse the amount paid if it 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 we receive the order. If the manager refuses your order to buy or switch, the manager will immediately return any funds the manager received with your order.

Issuance of ETF Shares/ETF Units

The ETF Shares and ETF Units are available to all investors. Generally, a substantial portion of the exposure that the portion of the fund's portfolio allocable to the ETF Shares and ETF Units has to foreign currencies will be hedged back to the Canadian dollar. ETF Shares and ETF Units are Canadian dollar denominated.

The ETF Shares of Purpose Diversified Real Asset Fund currently trade under the ticker symbol PRA.

The ETF Units of the Purpose Multi-Strategy Market Neutral Fund currently trade on the TSX under ticker symbol PMM.

The ETF Units and ETF Shares are being issued and sold on a continuous basis and there is no maximum number of ETF Units or ETF Shares that may be issued. An investor is able to buy or sell such securities on the TSX and other designated exchanges in Canada through registered brokers and dealers where the investor resides.

Investors will incur customary brokerage commissions in buying or selling the ETF Shares and ETF Units. The ETF Shares and ETF Units are being issued and sold on a continuous basis and there is no maximum number of ETF Shares or ETF Units that may be issued.

All orders to purchase ETF Shares or ETF Units directly from a fund must be placed by designated brokers or dealers. The funds reserve 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 and ETF Units. On the issuance of ETF Shares and ETF Units, Purpose 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. There is no minimum investment required for ETF Shares or ETF Units of a fund.

The manager, on behalf of each fund, has entered, or will enter, into a designated broker agreement with a designated broker pursuant to which the designated broker agrees, or will agree, to perform certain duties relating to the ETF Shares or ETF Units, as the case may be, of the fund including, without limitation: (i) to subscribe for a sufficient number of ETF Shares or ETF Units, as the case may be, 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; (ii) to subscribe for ETF Shares or ETF Units, as the case may be, on an ongoing basis in connection with the rebalancing of and adjustments to the portfolio of the fund; and (iii) to post a liquid two-way market for the trading of ETF Shares or ETF Units, as the case may be, on the TSX (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). The manager may, in its discretion from time to time, reimburse any 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 a 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 applicable, 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 the case may be, 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.

On any trading day, a designated broker or dealer may place a subscription order for the prescribed number of ETF Shares or ETF Units, as applicable, (or an integral multiple thereof) of a fund. If a subscription order is received by a 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 ETF Shares or ETF Units, as applicable, (or an integral multiple thereof) by no later than the second trading day following the effective date of the subscription order or on 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 applicable, has been received.

For each prescribed number of ETF Shares or ETF Units issued, a designated broker or dealer must deliver payment consisting of, in the manager's discretion: (i) 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 applicable, of the fund next determined following the receipt of the subscription order and cash subscription fee, if applicable; (ii) cash in an amount equal to the NAV of the ETF Shares or ETF Units, as applicable, of the fund next determined following the receipt of the subscription order and cash subscription fee, if applicable; or (iii) 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 applicable, of the fund next determined following the receipt of the subscription order prior to the subscription cut-off time and cash subscription fee, if applicable.

The manager may, in its discretion, increase or decrease the prescribed number of ETF Shares and ETF Units from time to time.

ETF Shares and ETF Units 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. See "Purchases, switches and redemptions – Redemptions – ETF Shares/ETF Units" on page 35.

Short-term trading

Mutual fund shares/mutual fund units

Most mutual funds are considered long-term investments, so the manager discourages investors from buying, redeeming or switching shares and units frequently.

Some investors may seek to trade fund shares or units frequently in an effort to benefit from differences between the value of a fund's shares or units, as the case may be, and the value of the underlying securities ("market timing"). Frequent trading or switching in order to time the market or otherwise can negatively impact the value of the fund 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 fund and the particular circumstances, the manager will employ a combination of preventative and detective measures to discourage and identify excessive short-term trading in the funds, including:

(a) imposition of short-term trading fees; and

(b) monitoring of trading activity and refusal of trades.

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 of the funds, as applicable, 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 and 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 subscription or redemption fee, which is intended to compensate the applicable fund for any costs and expenses incurred in relation to the trade.

Short-term trading fees for mutual fund shares/mutual fund units

If you redeem or switch mutual fund shares or mutual fund units within 30 days of purchase, the manager may charge a short-term trading fee on behalf of the fund in circumstances where we determine that the trading activity represents market timing or excessive short-term trading. This is in addition to any switch fee that you may pay to your dealer. See "Fees and Expenses – Fees and expenses payable directly by you" on page 47. 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 funds. See "Purchases, switches and redemptions – Switches – Switch fees – Mutual fund shares" on page 34.

Fees charged will be paid directly to the fund, and are designed to deter excessive trading and offset its associated costs. For the purposes of determining whether the fee applies, we will consider the shares or units that were held the longest to be the shares or units which are redeemed first. The fee will not apply in certain circumstances, including:

(a) pre-authorized or systematic withdrawal plans;

(b) redemptions of shares or units purchased by the reinvestment of dividends/distributions;

(c) switch of shares from one series to another series of the same fund; or

(d) redemptions initiated by Purpose or a mutual fund where redemption notice requirements have been established by Purpose.

Monitoring of trading activity

The manager regularly monitors transactions in all of the funds. The manager has established criteria for each fund that the manager applies fairly and consistently in an effort to eliminate trading activity that the manager deems potentially detrimental to long-term securityholders. The manager has the right to restrict or reject any purchase or switch order without any prior notice, including transactions accepted by your dealer.

Generally speaking, your trading may be considered excessive if you sell or switch your shares or units, as applicable, of a fund within 30 days of buying them on more than one occasion.

The manager has the right to consider trading activity in multiple accounts under common ownership, control or influence as trading in a single account when exercising our right to reject a purchase or switch. **Whether your trading is considered excessive will be determined by the manager in its sole discretion.**

Purchases

Each fund may have an unlimited number of series of shares or classes of units and may issue an unlimited number of shares of each series or units of each class, as applicable. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page 26.

Each series of shares or class of units is intended for different types of investors. The money that you and other investors pay to purchase shares of any series or units of any class is tracked on a series-by-series or class-by-class basis, as the case may be, in your fund's administration records. However, the assets of all series and classes of any fund are combined in a single pool to create one portfolio for investment purposes.

When you buy mutual fund shares or mutual fund units of a fund, the price you pay is the NAV of those shares or units, as applicable. Each series of shares and class of units has a separate NAV (in Canadian or U.S. dollars, as applicable). See "Purchases, switches and redemptions – How the securities of a fund are valued" on page 24 and "Purchases, switches and redemptions – Issuance of ETF Shares/ETF Units" on page 28 for information regarding the purchase of ETF Shares and ETF Units.

You may purchase mutual fund shares and mutual fund units of the funds in U.S. dollars.

When you buy Series A Shares, Class A Units, Series A Units or Series XA Shares, you may pay a fee. You and your dealer negotiate the fee, which may be up to 5% of the cost of the Series A Shares, Class A Units, Series A Units or Series XA Shares, as applicable, and you pay it to your dealer when you buy the shares or units, as applicable. The manager is not involved in determining, collecting or paying any fees negotiated directly with your advisor.

The manager may limit or "cap" the size of a fund by restricting new purchases, including shares bought through switches. We will continue redemptions and the calculation of the fund's shares or units value for each series or class, as applicable. The manager may subsequently decide to start accepting new purchases or switches to that fund at any time.

Switches

Switching between series of mutual fund shares

Shareholders may switch mutual fund shares from one series of mutual fund shares of the Company to another series of mutual fund shares of the same Company as long as they (a) maintain the relevant minimum balance in each corporate class and (b) are eligible to purchase the new series. See "Purchases, switches and redemptions – Initial investment" on page 27. Securityholders may switch Series XA Shares and Series XF Shares, of one class of shares of PFC to Series XA Shares and Series XF Shares, (or if authorized by the manager to Series I Shares) of another class of shares of PFC. For greater certainty, (a) mutual fund shares of one class of shares of the Company may not be switched for ETF Shares of any class of the Company 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 or ETF Shares or ETF Units of any fund and vice versa. Initially mutual fund shares may be switched on any business day. Holders of mutual fund shares who wish to switch their shares for mutual fund shares of another class of shares of the Company should speak with their broker, dealer or investment advisor for further details. Switches from one corporate class of the Company to another corporate class of another company are not permitted.

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.

Under the Tax Act shareholders of a mutual fund corporation may not switch between different share classes of such a corporation on a tax-deferred basis (the "Switch Fund Rules"). Pursuant to the application of the Switch Fund Rules, the switch by a shareholder from one class of mutual fund shares of a Company into mutual fund shares of another class of such Company would result in a disposition at fair market value and a capital gain or a capital loss would generally be realized. Under 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 of a Company to Series A Shares, Series F Shares, Series I Shares, Series D Shares, Series XA Shares or Series XF Shares, as applicable, of a different class of shares of the same Company 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 series of mutual fund shares for another share of a series 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 for investors – Calculating your capital gains or losses when you redeem your shares or units" on page 58.

If you wish to switch to a different series of shares of a fund you currently hold, you must be eligible to purchase the new series. See "Purchases, switches and redemptions - How to buy, redeem and switch" on page 26.

You should keep the following in mind about switching between series:

(a) If you are no longer eligible to hold a series of mutual fund shares, the manager may switch your shares to Series A Shares of the same corporate class or such other series of shares as agreed to by the manager, of the same corporate class. Because this is a switch between series of the same corporate class, it should not constitute a taxable disposition (subject to the Switch Fund Rules) and switch fees will not be charged. See "Income Tax Considerations – Corp. Fund – Calculating your capital gains or losses when you redeem your shares".

(b) Any switch to or from Series I Shares is subject to the prior approval of Purpose.

(c) Mutual fund shares of one corporate class may not be switched for ETF Shares of any corporate class. See "Type of Securities" in the "Fund details" table for the Corp. Fund in the simplified prospectus of the corporate class for more information on the shares of the Corp. Fund.

You can switch from one series of shares of a corporate class to another series of shares of the same corporate class (subject to (c) above), on any business day, as long as you are eligible to hold that series of shares. Purpose may in its discretion change the frequency with which shares may be switched at any time without notice.

You may have to pay a fee to your dealer or financial advisor to effect such a switch. You negotiate the fee with your investment professional. See "Fees and expenses" on page 44.

The value of your investment, less any fees, will be the same immediately after the switch. You may, however, own a different number of shares because each series may have a different NAV. Switching shares from one series to another series of the same fund is not a taxable transaction. See "Income tax considerations for investors" on page 53.

Switching between ETF Shares

Holders of ETF Shares may switch ETF Shares of one corporate class to ETF Shares of another corporate class of the same Company 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 by delivering written notice to the 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 fund, the ticker symbol of the fund and the number of ETF Shares to be switched and the name of the fund and the ticker symbol of the ETF Shares of the fund the holder wishes to switch. Purpose 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 corporate class may not be switched for mutual fund shares of any corporate class.

Holders of ETF Shares will receive from the Company that whole number of ETF Shares of the corporate class of the same Company into which they have switched equal to the switch NAV price per ETF Share of the corporate class switched to, divided by the switch NAV price per ETF Share of the fund switched from. As no fraction of an ETF Share will be issued upon any switch any remaining ETF Shares of the corporate class, including any fraction thereof, of the fund out of which a holder 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, 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 ETF Shares at fair market value and a capital gain or a capital loss will generally be realized.

Switch fees – Mutual fund shares

Securityholders 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 Corp. Fund will not charge a transfer or switch fee to a shareholder to transact a switch unless the shareholder has held the shares of the Corp. 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.

No Switching of Units

Securityholders may not switch ETF Units or mutual fund units of a Purpose Trust for ETF Shares or mutual fund shares of any corporate class and a holder of ETF Shares or mutual fund shares of a corporate class may not switch its ETF Shares or mutual fund shares for ETF Units or mutual fund units of a Purpose Trust. Holders of mutual fund units of a Purpose Trust may convert units of any class into units of any other class of the same Purpose Trust.

Switches of shares out of a Company

If you switch from shares of a corporate class of the Company to shares of another mutual fund that is not within such Company, you are redeeming your shares of the Company, as described below under "Redemptions", and using the proceeds to buy shares of another mutual fund to which you are switching. This transaction is taxable and may give rise to a gain or loss for tax purposes. See "Income tax considerations for investors – Tax treatment of the funds – Corp. Fund" on page 54.

Redemptions

Mutual fund shares/mutual fund units

You can sell some or all of your mutual fund shares or mutual fund units at any time. This is called a redemption. Redemptions will only be permitted in certain minimum amounts. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page 26 for details. Your dealer must send your redemption request on the same day it is received. The dealer must assume all associated costs. Redemption requests for a fund are processed in the order in which they are received. We will not process redemption requests specifying a forward date or specific price.

Redemption orders which are received by the manager before 4:00 p.m. (Toronto time) or such other order cut-off time as specified by the manager on any valuation date will be priced using that day's NAV. Redemption orders which are received by the manager after 4:00 p.m. (Toronto time) or such other cut-off time as specified by the manager on a valuation date will be priced on the next valuation date. If the manager decides to calculate NAV at a time other than after the usual closing time of the TSX, the NAV value received will be determined relative to that time. Note that your dealer may establish an earlier cut-off time. 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.

The Tax Act requires that all amounts including capital gains and losses be reported in Canadian dollars. As a result, if you bought and redeemed shares or units under the U.S. dollar purchase option, you need to calculate gains or losses based on the Canadian dollar value of your shares or units when they were purchased and when they were sold. In addition, although distributions will be made in U.S. dollars, they must be reported in Canadian dollars for Canadian tax purposes. Consequently, all investment income will be reported to you in Canadian dollars for income tax purposes. You may want to consult your tax advisor regarding this.

Redemption requests for mutual fund shares (other than Series XA Shares, Series XF Shares and Series I Shares) or mutual fund units (other than Class I 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 you otherwise become ineligible to hold a particular fund or series the manager may redeem or switch your shares. There is no minimum for Series I Shares or Class I Units of the funds.

Within two business days following each valuation date, we will pay to each securityholder who has requested a redemption the value of the shares or units, as the case may be, determined on the valuation date. Payments will be considered made upon deposit of the redemption proceeds in the securityholder's bank account or the mailing of a cheque in a postage prepaid envelope addressed to the securityholder unless the cheque is not honoured for payment.

Your redemption (or switch in the case of the Corp. Fund) transaction will not be processed until your dealer has received all documentation. Your dealer will inform you of the documentation it requires. Your dealer must provide all required documents within 10 business days of the date your redemption order is processed. If not, we will repurchase the shares or units, as the case may be, for your account. If the cost of repurchasing the shares or units, as applicable, is less than the redemption proceeds, the fund will keep the difference. If the cost of repurchasing the shares or units, as the case may be, is more than the redemption proceeds, your dealer must pay the difference and any related costs. Your dealer may require you to reimburse the amount paid if the dealer suffers a loss.

If you redeem shares or units of a fund, you can tell us to mail you a cheque or transfer the proceeds to your bank account with any financial institution. **For non-registered accounts, you are responsible for tracking and reporting to the Canada Revenue Agency (the "CRA") any capital gains or losses that you realize from redeeming shares or units of a fund (or switching shares in the case of the Corp. Fund).** If you hold your funds in a Registered Plan, withholding tax may apply if you withdraw money from the plan.

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

ETF Shares/ETF Units

On any trading day, holders of ETF Shares or ETF Units may redeem ETF Shares or ETF Units, as the case may be, of any 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 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 the redemption. Because holders of ETF Shares and ETF Units will generally be able to sell ETF Shares and ETF Units at the market price on the TSX (or such other designated exchange on which the ETF Shares or ETF Units, as the case may be, 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 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 your registered broker or dealer.

Securityholders that redeem ETF Shares or ETF Units prior to the ex-dividend date for the record date for any dividend/distribution will not be entitled to receive that dividend/distribution.

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

Exchange of ETF Shares/ETF Units for baskets of securities

On any trading day, a holder of ETF Shares or ETF Units may exchange the prescribed number of ETF Shares or ETF Units, as the case may be, (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, a holder of ETF Shares or ETF Units, as the case may be, must submit an exchange request in the form prescribed by Purpose 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 applicable fund on the effective day of the exchange request, payable by delivery of baskets of securities and cash. The ETF Shares and ETF Units 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 ETF Units should be aware that the NAV per ETF Share or ETF Unit, as the case may be, of a fund will decline by the amount of the dividend/distribution on the ex-dividend date, which is one trading day or such other day as announced by the manager prior to the dividend record date. A securityholder that is no longer a holder of record on the applicable dividend record date will not be entitled to receive that dividend/distribution.

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 ETF Shares or ETF Units, as applicable, may be postponed until such time as the transfer of the securities is permitted by law.

Costs associated with exchange and redemption

The manager may charge to a holder of ETF Shares or ETF Units, in its discretion, an ETF Share or ETF Unit, as the case may be, 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 such 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 holds its ETF Shares or ETF Units, as applicable. Beneficial owners of ETF Shares and 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 the case may be, 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.

When you may not be allowed to redeem your shares/units

Under extraordinary circumstances, you may not be allowed to redeem your shares or units. We may suspend your right to redeem if:

(a) normal trading is suspended on any stock exchange or market where more than 50% of the assets of a fund are listed or traded; or

(b) we get permission from the Canadian securities administrators to allow us to temporarily suspend the redemption of shares and units.

Special considerations for holders of ETF Shares/ETF Units

The provisions of the "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of ETF Shares and ETF Units. The funds obtained exemptive relief from the securities regulatory authorities to permit holders of ETF Shares/ETF Units to acquire more than 20% of the ETF Shares or ETF Units, as applicable, of any fund through purchases on the applicable Exchange (or such other designated exchange on which the ETF Shares/ETF Units of a fund may be listed from time to time) 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 applicable, of that fund at any meeting of securityholders.

Non-resident securityholders

Corp. Fund

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) 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 Trusts

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) 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. 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 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 unitholders 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 unitholders 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 unitholders sell such units and, in the interim, shall suspend the voting and distribution 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 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 as a mutual fund trust for purposes of the Tax Act.

International information reporting

Due diligence and reporting obligations in the Tax Act have been enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement (the "IGA"). Dealers through which securityholders hold their shares or units, as applicable, are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Securityholders, or their controlling person(s), may be requested to provide information to their dealer to identify U.S. persons holding shares or units. If (i) it is determined that a securityholder, or its controlling person, is a "Specified U.S. Person" as defined under the IGA (including U.S. citizens who are residents of Canada), (ii) no such determination has been made but the information provided includes an indication of U.S. status and sufficient evidence to the contrary is not timely provided, or (iii) in certain circumstances a securityholder, or their controlling person(s), does not provide the requested information, then Part XVIII of the Tax Act will generally require information about the securityholder's investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA is required to provide that information to the U.S. Internal Revenue Service.

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, Canadian financial institutions are required to have procedures in place to identify accounts held by tax residents of foreign countries (other than the U.S.) ("Reportable Jurisdictions") or by certain entities any of whose "controlling persons" are tax residents of Reportable Jurisdictions. The CRS Rules provide that Canadian financial institutions must report certain account information and other personal identifying details of shareholders or unitholders (and, if applicable, of such controlling persons) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged by the CRA on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax residents under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Under the CRS Rules, securityholders will be required to provide such information regarding their investment in the fund to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan.

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 must 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 your 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: (i) records maintained by CDS relating to the beneficial interests in the ETF Shares or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) 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 Share 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.

OPTIONAL SERVICES

This section tells you about the optional services we offer to investors.

Dividend/Distribution reinvestment plan

Mutual fund shares/mutual fund units

The funds may earn income from their investments. They may also realize capital gains when investments are sold at a profit. A fund pays out its income (less expenses) and net realized capital gains to investors in the form of dividends in the case of the Corp. Fund or distributions in the case of the Purpose Trust and may also pay amounts as returns of capital to investors. We call all of these types of payments distributions.

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 the case may be. Holders of mutual fund shares or mutual fund units, as the case may be, who wish to receive cash as of a particular dividend/distribution record date should speak with their broker, dealer or investment advisor for details.

ETF Shares/ETF Units

The funds (except for Purpose Credit Opportunities Fund) have adopted a reinvestment plan, which provides that a holder of ETF Shares or ETF Units (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 such funds in accordance with the terms of the reinvestment plan and the dividend or distribution reinvestment agency agreement between the manager, on behalf of the fund, and the plan agent, as may be amended. 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 ETF Shares or ETF Units, as the case may be, who ceases to be a resident of Canada will be required to terminate its participation in the reinvestment plan. No fund will 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 dividend/distribution record date should notify the CDS Participant through which the holder holds its ETF Shares or ETF Units, as applicable, sufficiently in advance of that dividend/distribution record date to allow such CDS Participant to notify CDS by 4:00 p.m. (Toronto time) on the dividend/distribution record date.

Dividends or distributions, as the case may be, that ETF plan participants are due to receive will be used to purchase ETF plan securities on behalf of such ETF plan participants in the market.

No fractional ETF plan securities will be purchased under the reinvestment plan. Any funds remaining after the purchase of whole ETF plan securities will be credited to the plan participant via its CDS Participant in lieu of fractional ETF plan securities.

The automatic reinvestment of the dividends/distributions under the reinvestment plan will not relieve ETF plan participants of any income tax applicable to such dividends/distributions. See "Income tax considerations for investors" on page 53.

ETF plan participants may voluntarily terminate their participation in the reinvestment plan as of a particular dividend/distribution record date by notifying their CDS Participant sufficiently in advance of that dividend/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 dividend/distribution payment date after such notice is received from an ETF plan participant and accepted by a CDS Participant, dividends/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. Purpose may terminate the reinvestment plan, in its sole discretion, upon not less than 30 days' notice to: (i) the CDS Participants through which the ETF plan participants hold their ETF Shares or ETF Units, as the case may be; (ii) the plan agent; and (iii) if necessary, the TSX (or such other designated exchange on which the ETF Shares or ETF Units, as applicable, of a fund may be listed from time to time).

Purpose 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: (i) the CDS Participants through which the ETF plan participants hold their ETF Shares or ETF Units, as the case may be; (ii) the plan agent; and (iii) if necessary, the TSX (or such other designated exchange on which the ETF Shares or ETF Units, as applicable, of a fund may be listed from time to time).

Pre-authorized cash contribution

Mutual fund shares (other than Series XA Shares and Series XF Shares)/mutual fund units

If you want to invest in mutual fund shares (other than Series XA Shares and Series XF Shares) or mutual fund units, as the case may be, of a fund on a regular basis, you can use our pre-authorized purchase plan so that money is automatically withdrawn from your bank account at regular intervals and invested in the funds that you choose. This plan allows you to take advantage of dollar-cost averaging.

Here is how the plan works:

(a) See "Purchases, switches and redemptions – How to buy, redeem and switch" on page 26 for the minimum initial investment and the minimum additional investments required for each fund or series or class, as the case may be.

(b) You must have at least $5,000 in your account to set up a pre-authorized cash contribution.

(c) You can invest weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account you have. For more information, please ask your dealer.

(d) The manager will automatically transfer money from your bank account with any financial institution to purchase shares or units, as the case may be, in the fund you choose.

(e) The manager will cancel your participation in the plan if your payment is returned because there are not sufficient funds in your bank account.

You may choose this option when you first buy mutual fund shares (other than Series XA Shares amd Series XF Shares) or mutual fund units or at any time afterwards. Please contact your dealer or advisor for details. You must set up your pre-authorized purchase plan through your advisor. The manager must receive at least five business days' notice to set up a pre-authorized purchase plan.

We do not charge a fee for setting up your pre-authorized purchase plan. However, your initial investment must meet the minimum initial investment and the minimum additional investments required for each fund or series or class, as the case may be. You can only buy mutual fund shares and mutual fund units in Canadian dollars (and some mutual fund shares or mutual fund units, as the case may be, in U.S. dollars) through your pre-authorized purchase plan.

You may change your pre-authorized purchase plan instructions or cancel such plan at any time as long as we receive at least two business days' notice. If you redeem all of the shares or units, as the case may be, in your account, the manager will terminate your pre-authorized purchase plan unless you tell us otherwise.

Pre-authorized cash contributions are also available under the U.S. dollar purchase option. See "Optional services – U.S. dollar purchase option" on page 43 for more details.

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 the 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 plan securities 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 fund for ETF Shares of another corporate class 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 such 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.

Systematic withdrawal plan

Mutual fund shares (other than Series XA Shares and Series XF Shares)/mutual fund units

If you would like to make regular withdrawals from your non-registered investment in a fund, you can open a systematic withdrawal plan. Here is how the plan works:

(a) You must have at least $15,000 in your non-registered account to set up a systematic withdrawal plan.

(b) You can choose to withdraw a minimum of $100 weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account you have. For more information, please ask your dealer.

(c) The manager will deposit the money directly to your bank account.

(d) If you decide to discontinue your systematic withdrawal plan and your investment is below the minimum balance for a fund, the manager may ask you to increase your investment to the minimum amount or to redeem your remaining investment in the fund.

The manager must receive at least five business days' notice to set up a systematic withdrawal plan. The manager does not charge a fee for such plan. However, the manager may set a minimum withdrawal amount.

You may change your systematic withdrawal plan instructions or cancel such plan at any time as long as the manager receives at least two business days' notice. Most changes must be made through your advisor or dealer.

It is important to remember that if you withdraw more than your investment is earning, you will reduce and eventually use up your original investment. Remember, a systematic withdrawal plan is like a redemption. You are responsible for tracking and reporting to the CRA any capital gains or losses you realize on shares disposed of.

ETF Shares/ETF Units

Under the reinvestment plan, holders of ETF Shares and ETF Units will also be able to elect to systematically withdraw shares or units, as the case may be, 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 payment date. A holder of an ETF Share or ETF Unit, as the case may be, may elect to sell ETF Shares or ETF Units, as the case may be, by notifying the plan agent via the applicable CDS Participant through which such holder holds its ETF Shares or ETF Units, as the case may be, of its intention to so sell ETF Shares or ETF Units, as applicable. In this regard, the CDS Participant must, on behalf of such securityholder, (i) provide a systematic withdrawal notice directly to the plan agent that the securityholder wishes to sell ETF Shares or ETF Units, as the case may be, in this manner until the fund is otherwise notified by 5:00 p.m. (Toronto time) on the applicable record date for which the securityholder no longer wishes to sell ETF Shares or ETF Units, as the case may be, or there remain no further ETF Shares or ETF Units, as applicable, to be sold on behalf of such securityholder, whichever comes first and (ii) specify the specified dollar amount of shares or units, as the case may be, to be sold in respect of each subsequent payment date.

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

U.S. dollar purchase option

Mutual fund shares/mutual fund units

You may purchase certain mutual fund shares and mutual fund units of the funds in U.S. dollars.

Registered Plans

Each of the funds may be purchased within all Registered Plans subject to tax rules that deal with prohibited investments. See "Income tax considerations for investors – For shares/units held in a Registered Plan" on page 56.

Registered Plans receive special treatment under the Tax Act. TFSAs receive generally similar treatment under the Tax Act; however, withdrawals from a TFSA are not taxable. In addition, contributions to an RRSP are deductible from your taxable earnings up to your allowable limit. You should consult your tax advisor for more information about the tax implications of Registered Plans.

FEES AND EXPENSES

The table set forth below outlines the fees and expenses that you may have to pay directly or indirectly when you invest in the funds. The funds may have to pay some of these fees and expenses, which you pay indirectly, because those fees and expenses will reduce the value of your investment in the funds.

Fees and expenses payable by the funds

Management fees	Purpose, as manager of the funds (except for Purpose Credit Opportunities Fund), is entitled to a management fee payable by each fund and PIP, as manager of Purpose Credit Opportunities Fund is entitled to a management fee payable by Purpose Credit Opportunities Fund. The management fee varies for each series of shares or class or series of units, as the case may be, of a fund. See the "Fees and expenses" in the fund details table for each fund in this simplified prospectus for information on the maximum percentage of the management fee which you will be required to pay as an investor in the funds. Purpose is the manager (and trustee of the Purpose Multi-Strategy Market Neutral Fund), portfolio manager and promoter of the funds (except for Purpose Credit Opportunities Fund). Purpose manages the day-to-day business and operations of the funds (except for Purpose Credit Opportunities Fund) and provides all general management and administrative services. PIP is the manager, trustee, portfolio manager and promotor of Purpose Credit Opportunities Fund. PIP manages the day-to-day business and operations of Purpose Credit Opportunities Fund. No management fees or administration fees are payable by a fund that, to a reasonable person, would duplicate a fee payable by the underlying funds of that fund for the same service. In addition, the fund will not pay any sales fees or redemption fees upon a purchase or redemption of securities of an underlying fund. Any service fees paid by the manager to your dealer, will be paid out of the management fee payable to such manager.
Management fee rebates	To achieve effective and competitive management fees, the manager may reduce the management fee borne by certain securityholders 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. Management fee rebates are reinvested in shares or units, as the case may be, 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.

Incentive fee

Purpose Credit Opportunities Fund will pay the manager an incentive fee for each calendar quarter based on fund performance using the closing NAV on the last business day of each calendar quarter, plus all applicable taxes, equal to a percentage of the daily NAV of the applicable series of units of the fund. Such percentage will be equal to 10% of the Net Profit (as defined below), subject to the High-Water Mark (as defined below). The incentive fee will accrue on a daily basis and be payable at the end of each calendar quarter.

"**Net Profit**" means, in respect of any series of units of the fund for any calendar quarter, the amount calculated by deducting the initial NAV per unit of the series for such calendar quarter from the closing NAV per unit of such series for such calendar quarter and multiplying the resulting amount by the total number of the units of such series outstanding at the close of business on the last business day in that calendar quarter.

No incentive fee shall be paid in respect of a series unless the series NAV per unit exceeds the highest NAV per unit in respect of which an incentive fee has been previously paid for that series (the "**High-Water Mark**") and, in such circumstances, an incentive fee shall only be paid on that portion of the Net Profit that exceeds the High-Water Mark.

The manager may reduce the incentive fee payable by the fund with respect to a particular investor or series at its discretion, based on a number of factors including the type of investor and the number and value of units of the fund held by an investor. At a minimum, the investor must be institutional and hold a large account. Investors who are entitled to the benefit of a lower incentive fee may receive a fee rebate from a fund so that those investors receive the benefit of the lower incentive fee.

Operating expenses

Corp. Fund

The manager has agreed to pay for certain operating and administrative expenses (the "Corporate Administrative Expenses") incurred by the Corp. 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 Trusts

The manager has agreed to pay for certain operating and administrative expenses (the "Trust Administrative Expenses") incurred by Purpose Multi-Strategy Market Neutral Fund in respect of the ETF Units, Class A Units, Class F Units, Class D Units and Class P 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 the fund.

Purpose Credit Opportunities Fund pays its own operating expenses. These costs and expenses include legal, audit and custodial safekeeping fees, taxes, interest, operating and administrative costs, investor servicing costs and the costs for reports and offering documentation. The fund also reimburses the manager for all expenses incurred on behalf of the fund in connection with its duties as manager. Each year, the fund will reimburse the manager for the costs incurred by the manager to form the fund provided that the amount so reimbursed in any given year will not exceed 0.50% of the average NAV of the fund during the year.

Fund of funds fees and expenses

The funds may invest in underlying funds managed by the manager or an affiliate of the manager or by third parties. In accordance with applicable laws, we cannot charge management and administration fees to both the funds and the underlying funds where, to a reasonable person, that would result in the duplication of a fee for the same services.

In addition, no sales charges or redemption fees are payable by the funds in relation to their purchases or redemptions of securities of an underlying fund if the underlying fund is managed by the manager or an affiliate.

Fees and expenses payable directly by you

Negotiated fee

Holders of Series I Shares, Class I Units and Series 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 or class/series of units, as applicable, 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” in the fund details table for each fund in this simplified prospectus for information on the maximum percentage of the negotiated management fee which you will

	be required to pay as an investor in Series I Shares, Class I Units or Series I Units of the funds.
Sales charges	Your dealer, investment advisor or financial advisor may charge a sales charge and you may have to pay your dealer at the time of purchase up to 5% of the purchase price of the Series A Shares, Class A Units, Series A Units or Class P Units you buy. The manager deducts the sales charge from the amount you invest and pays it to your dealer as a commission.
Switch fees	You may have to pay your dealer a fee of up to 2% of the value of the mutual fund shares you switch. You negotiate this switch fee with your financial advisor, investment advisor or broker, as applicable.
Short-term trading fees	***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 have to 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. 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. ***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. 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 Units. See "Purchases, switches and redemptions – Short term trading – Short-term trading fees for mutual fund shares/mutual fund units" on page 30.
Registered tax plan fees	Fees may be payable to your dealer if you transfer an investment within a Registered Plan to another financial institution. None of these fees are paid to Purpose or PIP.

Other fees and expenses	You may have to reimburse your dealer if it suffers a loss as a result of our having to redeem your shares or units, as the case may be, for insufficient payment. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page 26.
ETF Share/ETF Unit administration fee	You may have to pay the fund an administration fee of up to 2% of the value of any ETF Shares or ETF Units you exchange or redeem to offset certain transaction costs associated with the exchange or redemption of ETF Shares or ETF Units, as applicable.

Impact of sales charges

The following table shows the fees that you would pay if:

(a) you invested $1,000 in mutual fund shares, mutual fund units, ETF Shares or ETF Units of a fund; and

(b) you held that investment for one, three, five or 10 years and you redeemed the entire investment immediately before the end of that period.

		Redemption fee before end of:			
	Fee at time of purchase	**1 year**	**3 years**	**5 years**	**10 years**
ETF Shares/ETF Units	Nil	Nil	Nil	Nil	Nil
Series A Shares/Class A Units/Series A Units	$50[1]	Nil	Nil	Nil	Nil
Series F Shares/Class F Units/Series F Units	Nil	Nil	Nil	Nil	Nil
Series I Shares/Class I Units/Series I Units	Nil	Nil	Nil	Nil	Nil
Series D Shares/Class D Units	Nil	Nil	Nil	Nil	Nil
Class P Units	$25[1]	Nil	Nil	Nil	Nil
Series XA Shares	$50[1]	Nil	Nil	Nil	Nil
Series XF Shares	Nil	Nil	Nil	Nil	Nil

Note:

(1) Assumes the maximum initial sales charge of 5%. The actual amount of the initial sales charge will be negotiated by you and your dealer. Purpose does not receive a sales charge or commission when you buy, redeem or switch mutual fund shares, mutual fund units, ETF Shares or ETF Units.

ANNUAL RETURNS, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO OF ETF SHARES/ETF UNITS

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, 2019.

	2019	2018	2017	2016	2015
Purpose Diversified Real Asset Fund – ETF Shares					
Annual Returns (%)	12.2%	-6.4%	4.7%	15.0%	-13.40%
MER (%)	1.07%	0.73%	0.74%	0.72%	0.75%
TER (%)	0.21%	0.17%	0.12%	0.27%	0.28%
Purpose Multi-Strategy Market Neutral Fund – ETF Units					
Annual Returns (%)	1.0%	-2.3%	6.9%	3.6%	2.20%
MER (%)	1.07%	1.05%	1.06%	1.07%	1.09%
TER (%)	0.07%	0.06%	0.05%	0.06%	0.12%

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.

Purpose Diversified Real Asset Fund – ETF shares[1]

	Price		
	High	**Low**	**Volume**
2019			
August	$18.56	$18.22	76,357
September	$19.02	$18.53	12,782
October	$18.61	$18.38	15,027
November	$18.77	$18.56	34,349
December	$19.09	$18.54	18,075
2020			
January	$19.19	$18.59	19,706
February	$19.19	$17.84	27,805
March	$17.85	$13.00	53,043
April	$15.92	$13.87	268,108
May	$16.02	$15.16	33,251
June	$16.75	$15.91	6,839
July	$17.66	$16.50	6,754

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 Multi-Strategy Market Neutral Fund – ETF Units[1]

	Price		
	High	**Low**	**Volume**
2019			
August	$22.13	$21.55	82,184
September	$22.54	$21.89	175,007
October	$22.26	$22.00	203,474
November	$22.59	$22.26	165,545
December	$22.43	$22.11	90,213
2020			
January	$22.53	$21.98	67,481
February	$22.50	$20.81	58,979
March	$21.30	$18.04	164,296
April	$18.96	$18.43	48,193
May	$18.73	$18.44	40,075
June	$18.74	$18.25	108,892
July	$18.57	$17.51	181,402

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.

DEALER COMPENSATION

How your investment professional and dealer are paid

Your investment professional usually is the person through whom you purchase the funds. Your investment professional could be a broker, financial planner or advisor who is registered to sell mutual funds. Your dealer is the firm for which your investment professional works.

Series A Shares, Class A Units, Series A Units, Series XA Shares and Class P Units

If you buy Series A Shares, Class A Units, Series A Units, Series XA Shares or Class P Units, the commission you negotiate (up to 5% of your purchase amount) is deducted from your purchase amount and paid by you, through us, to your dealer. In addition, we pay your dealer a service fee when you hold Series A Shares, Class A Units, Series A Units, Series XA Shares or Class P Units. The funds may also charge a short-term trading fee if you redeem your shares or units, as the case may be, within 30 days of buying them. See "Purchases, switches and redemptions – Short term trading – Short-term trading fees for mutual fund shares/mutual fund units" on page 30.

Switch fee

When you switch mutual fund shares from one corporate class to another, you may have to pay your dealer a switch fee of up to 2%. You negotiate the fee with your investment professional. Your dealer is required to observe the rules of any self-regulatory organization to which it belongs when initiating such switches, including any requirement to obtain your consent prior to initiating such switches.

Trailing Commission

The manager pays a service fee known as a "trailing commission" to your dealer either monthly or quarterly for ongoing services your dealer may provide to you on your Series A Shares, Class A Units, Series A Units, Series D Shares, Class D Units, Class P Units and Series XA Shares of the funds. The service fee is a percentage of the value of the shares or units, as the case may be, you hold (see the table below for further details). The manager pays your dealer the service fee out of the management fee payable to the manager for as long as you hold shares or units, as applicable, of the fund. The manager may change the terms of the service fee including the manner and frequency with which it is paid at any time. The manager may do this without informing you. Dealers typically pay a portion of the service fee they receive to their investment professionals for the services they provide to their clients.

	Annual Trailing Commission		
Fund	**Series A Shares, Class A Units, Series A Units and Series XA Shares**	**Series D Shares and Class D Units**	**Class P Units**
Purpose Diversified Real Asset Fund	1.00%(1)	0.25%(1)	N/A
Purpose Multi-Strategy Market Neutral Fund	1.00%(1)	0.25%(1)	0.25%(1)
Purpose Credit Opportunities Fund	1.00%(1)	N/A	N/A

Note:
(1) Plus applicable HST.

The manager does not pay service fees on Series F Shares, Class F Units, Series F Units, Series I Shares, Class I Units, Series XF Shares, ETF Shares or ETF Units.

Series F Shares/Class F Units/Series F Units/Series XF Shares

We do not pay your dealer a commission if you buy Series F Shares, Class F Units, Series F Units or Series XF Shares. Investors who buy Series F Shares, Class F Units, Series F Units or Series XF Shares pay a negotiated fee to their dealer for investment advice and other services. The funds may also charge a short-term trading fee if you redeem your shares or units, as the case may be, within 30 days of buying them. See "Purchases, switches and redemptions – Short term trading – Short-term trading fees for mutual fund shares/mutual fund units" on page 30.

Series I Shares/Class I Units/Series I Units

We do not pay your dealer a commission if you buy Series I Shares, Class I Units or Series I Units. Investors who buy Series I Shares or Class I Units pay a negotiated fee to their dealer for investment advice and other services. The funds may also charge a short-term trading fee if you redeem your shares or units, as the case may be, within 30 days of buying them. See "Purchases, switches and redemptions – Short term trading – Short-term trading fees for mutual fund shares/mutual fund units" on page 30.

ETF Shares/ETF Units

We do not pay your dealer a commission if you buy ETF Shares or ETF Units. At the present time, we are of the view that it is not necessary to impose any short-term trading restrictions on the ETF Shares or the ETF Units. See "Purchases, switches and redemptions – Short-term trading – ETF Shares/ETF Units" on page 30.

Class P Units

Advisors may be paid a "trailing commission" by the manager, for assets that their sales representatives place in the Class P Units of the Purpose Multi-Strategy Market Neutral Fund. The manager may, in its discretion, negotiate, change the terms and conditions of, or discontinue the trailing commission with advisors.

The trailing commission is calculated as a percentage of assets each advisor has placed in Class P Units of the Purpose Multi-Strategy Market Neutral Fund. The trailing commission is calculated based on the closing balance of client accounts for each calendar month. The trailing commission will not be paid if the assets are removed from the Class P Units of the Purpose Multi-Strategy Market Neutral Fund. Trailing commissions are calculated and accrued daily and paid monthly at an annual rate of 0.25% of the value of the assets held in Class P Units of the Purpose Multi-Strategy Market Neutral Fund by the advisor's clients.

The trailing commission on the Class P Units of the Purpose Multi-Strategy Market Neutral Fund are paid by the manager from management fees received and are not paid by the Purpose Multi-Strategy Market Neutral Fund directly. The manager may, in its discretion, negotiate and change the terms and conditions of the trailing commission as long it complies with Canadian securities law and may discontinue the payment of trailing commissions at any time.

Other forms of dealer support

We may participate in co-operative advertising programs with dealers to help them market the funds. We may use part of the management fee to pay up to 50% of the cost of these advertising programs in accordance with rules set out in National Instrument 81-105 – *Mutual Fund Sales Practice*s.

DEALER COMPENSATION FROM MANAGEMENT FEES

12% of the total management fees paid by funds in respect of all the series of shares or classes or series of units of the funds was used to pay for dealer commissions or was paid to dealers for other marketing, promotional or educational activities of the funds in the financial period ended December 31, 2019.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section describes how your investment in a fund will be subject to Canadian income tax. This description is a general summary and assumes that:

(a) you are a Canadian resident individual (other than a trust),

(b) you have not entered into a "derivative forward agreement" as defined in the Tax Act in respect of shares or units of the fund,

(c) you are not affiliated with and deal with the fund at arm's length, and

(d) you hold your shares or units as capital property and your transactions in shares or units, as the case may be, will be taxed on capital account.

Everyone's tax situation is different. You should consult your tax advisor about your individual situation.

How you can earn money from your investment

Your investment in a fund can earn money from:

(a) distributions paid by the fund, which may consist of ordinary dividends or distributions, capital gains dividends or distributions or a return of capital; and

(b) any capital gains you realize when you redeem shares or units of the fund.

Tax treatment of the funds

Corp. Fund

The Corp. Fund represents a class of shares of PFC. All of the classes of shares of the Company will together be treated as a single taxpayer for income tax purposes and the income, gains, deductions and losses of all of the classes of the Company, and the tax attributes of all of the assets of the classes of shares of the Company, will be taken into account in the aggregate in computing the income tax liability of the Company as a whole. In general, the Company will not pay tax on taxable dividends received from taxable Canadian corporations. The Company will be subject to tax each year on its net income (including interest and foreign income) and net taxable capital gains at normal corporate rates applicable to mutual fund corporations, but will generally be entitled to a refund of tax on its capital gains when shares are redeemed or capital gains dividends are paid to shareholders. The Company intends to pay dividends only to the extent necessary to minimize its overall tax liability.

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

The income of the Corp. Fund includes dividends, interest and other distributions the fund earns from its investments as well as income or capital gains from its investments in certain derivatives. The Corp. Fund may realize income or capital gains or losses when it sells its investments.

Purpose Trusts

Each Purpose Trust includes 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 will include in computing its income any interest accruing to it on bonds held by the fund.

The applicable Declaration of Trust governing a Purpose Trust requires that the 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 a Purpose Trust will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of the Purpose Trust 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 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 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: (i) taxable dividends (including eligible dividends) received by the Underlying Fund on shares of taxable Canadian corporations; and (ii) 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 a Purpose Trust as a taxable dividend or taxable capital gain, respectively. An Underlying Fund that pays foreign withholding tax may make designations such that a Purpose Trust may be treated as having paid its share of such foreign tax.

The Purpose Trusts 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, such Purpose Trust 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, 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 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 fund on the disposition of Canadian securities are taxed as capital gains or capital losses.

Each Purpose Trust 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 a Purpose Trust for such taxation year which may arise upon the sale of its investments in connection with redemptions of units.

Legislative Proposals released by the Minister of Finance (Canada) on July 30, 2019 proposed amendments to the Tax Act that would, effective for taxation years of the Purpose Trusts beginning on or after March 20, 2020, (a) deny a Purpose Trust a deduction for any income of the Purpose Trust designated to a unitholder on a redemption of units, where the unitholder's proceeds of disposition are reduced by the designation and (b) deny a Purpose Trust a deduction for the portion of a capital gain designated to a unitholder on a redemption of units that is greater than the unitholder's accrued gain on those units, where the unitholder's proceeds of disposition are reduced by the designation. If such proposed amendments to the Tax Act are enacted in their current form, any amounts that would otherwise have been designated to redeeming unitholders may be made payable to the remaining non-redeeming unitholders to ensure each Purpose Trust will not be liable for non-refundable income tax thereon. Accordingly, the amounts of taxable distributions made to unitholders of a Purpose Trust may be greater than they would have been in the absence of such amendments.

The manager has advised counsel that, generally, each Purpose Trust 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 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. 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 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.

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

How your investment is taxed

The tax you pay on your investment depends on whether you hold your shares or units in a Registered Plan.

For shares/units held in a Registered Plan

Eligibility

It is intended that shares or units, as the case may be, of each of the funds will be qualified investments for trusts governed by Registered Plans.

In the case of a TFSA, RRSP, RRIF, RESP and a RDSP, provided that you do not hold a significant interest in the Company or a Purpose Trust in which you hold shares or units, as applicable, and you deal at arm's length with the Company or Purpose Trust for purposes of the Tax Act, the shares of a fund or such units, will not be a prohibited investment for your TFSA, RRSP, RRIF, RESP or RDSP. You should speak to your own tax advisor about the prohibited investment rules.

Securities received on the redemption of ETF Shares or ETF Units of a fund may not be a qualified investment for trusts governed by Registered Plans.

Distributions and capital gains

If you hold your shares or units of a fund through a Registered Plan, you will not pay tax on distributions or capital gains so long as they remain within the plan. However, any withdrawals or distributions from your 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).

For shares/units held in a non-registered account

Buying shares/units before a dividend/distribution payment

The NAV of the shares or units, as the case may be, may include income and/or capital gains that have been earned but not yet distributed. If you buy shares or units of a fund just before it declares a dividend or distribution, as the case may be, you will be taxed on that dividend payment. Any amount reinvested in additional shares or units, as applicable, of the fund will be added to the adjusted cost base of your shares or units, as applicable.

Distributions – Corp. Fund

As a holder of shares, you may receive ordinary dividends which will be treated as taxable dividends (including eligible dividends) paid by a Canadian company. The amount of such dividends will be included in computing your income whether or not they are reinvested in additional shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by Canadian companies will apply to such dividends.

You may also receive a capital gains dividend. The Company may realize capital gains on the disposition of portfolio assets including as a result of shareholders of a class switching their shares into shares of another class. Capital gains dividends will be paid out of such capital gains so that shareholders and not the Company will pay the capital gains tax. The directors of the Company will decide when, how much, and to which class of shareholders capital gains dividends will be paid. If you receive a capital gains dividend, you will be treated as if you had realized a capital gain in the amount of the dividend, whether or not the amount is reinvested in additional shares of the fund. One-half of your net capital gains for the year will be included in your income.

If a fund pays a return of capital, such amount will generally not be taxable but will reduce the adjusted cost base of the shareholder's shares of the fund. However, where such returns of capital are reinvested in new shares, the overall adjusted cost base of the shareholder's shares will not be reduced. In the circumstance that reductions to the adjusted cost base of a shareholder'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 shareholder and the adjusted cost base will then be zero.

You will be informed each year of the amount of taxable dividends (including eligible dividends) and capital gains dividends that have been paid out to you.

Distributions – Purpose Trusts

If you hold your units of a Purpose Trust outside a Registered Plan, in calculating your income each year you must take into account the amount of any distributions (including any management fee distributions) paid or payable by such Purpose Trust, whether you receive the distributions in cash or you reinvest them in units of such Purpose Trust. Any amount reinvested in additional units of such Purpose Trust will be added to the adjusted cost base of your units.

Distributions from a Purpose Trust are treated as ordinary income, capital gains, foreign income, dividends (including eligible dividends) from Canadian companies or non-taxable amounts (including a return of capital). Each type of distribution is taxed differently, with distributions that are treated as dividend income, capital gains or a return of capital being treated more favourably than other distributions.

You will be informed each year of the type of distributions paid to you and what amounts are treated as taxable capital gains, taxable dividends (including eligible dividends) on shares of Canadian companies, foreign income and non-taxable amounts (including a return of capital), and the amount of any foreign taxes paid by a Purpose Trust for which you may be able to claim a credit for tax purposes to the extent permitted by the Tax Act, where those items are applicable.

The NAV of the units may include income and/or capital gains that have been earned but not yet distributed. If you buy units of a Purpose Trust just before it makes a distribution, such as just before a year-end distribution and you become entitled to receive that distribution, you will be taxed on that distribution payment even though it may have been reflected in the price you paid for your units.

If you redeem your units partway through a distribution period, you will not receive a distribution for those units as entitlement to distributions depends on holding units at the time of the distribution. However, a portion or all of the distribution amount will be reflected in the price you received for selling your units. For money market funds, where we intend to maintain a fixed unit value, distribution amounts are not reflected in their unit value. For money market funds, distributions are accrued daily and you will receive the accrued distribution if you redeem your units part way through a month.

Distributions made by a Purpose Trust from gains on certain derivatives are considered ordinary income, not capital gains.

If you pay management fees directly in respect of units of a Purpose Trust held outside a Registered Plan, you should consult your own tax advisor with respect to the deductibility of such management fees in your own particular circumstances.

Calculating your capital gains or losses when you redeem your shares or units

You are responsible for tracking and reporting to the CRA any capital gain or loss that you realize. Your capital gain or loss for tax purposes on a redemption of shares (including a switch between classes or series of the Company pursuant to the Switch Fund Rules) or units, as the case may be, is the difference between the amount you receive for the redemption (less any fees) and the adjusted cost base of those shares or units, as applicable. One-half of a capital gain or a capital loss is taken into account in determining taxable capital gains and allowable capital losses. Allowable capital losses are only deductible against taxable capital gains in accordance with detailed tax rules. You may also realize capital gains or losses on shares or units, as the case may be, redeemed to pay any fees in connection with switches or short-term trading fees.

If you have bought shares or units at various times, you will likely have paid various prices. This includes shares or units you received through reinvested distributions or switches. Your adjusted cost base of a share of a series or unit of a class, as the case may be, is the weighted average cost of all the shares you hold in that series or units you hold in that class, as the case may be, of the fund.

How to calculate the adjusted cost base of a share or unit, as the case may be, of a series or class, as applicable, of a fund:

(a) Start with your initial investment, including any sales charges you paid.

(b) Add any additional investments, including any sales charges you paid, including any management fee rebates reinvested in additional shares of the series or units of the class, as the case may be, and any amounts switched from other funds other than a switch between classes of the Company, if applicable.

(c) Add the adjusted cost base of any shares of another class of the Company that have been switched into shares of the series, if applicable.

(d) Add the amount of any reinvested dividends/distributions or other distributions.

(e) Subtract the adjusted cost base of any shares or units, as the case may be, that were previously sold, redeemed, switched to another fund or to another series.

(f) Subtract any distributions that have been treated as a return of capital.

(g) Divide by the number of shares of that series or units of that class, as the case may be, that you own.

Pursuant to the Switch Fund Rules, if you switch your investment from shares of one class of the Company to shares of another class of the Company, then you will be considered to have sold or redeemed your shares, and the cost of your new shares will be equal to the fair market value of the shares that were switched at the time of their disposition.

The Switch Fund 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 permits shareholders to continue to switch between mutual fund shares of different series of the same fund on a tax-deferred basis.

Portfolio turnover rate

In general, the higher the portfolio turnover rate of a fund in a year, the greater the chance that a securityholder may receive a capital gains dividend or distribution. If reinvested, this amount will be added to the adjusted cost base of the securityholder's shares or units, as the case may be, for tax purposes. There is not necessarily a relationship between a high turnover rate and the performance of a fund. However, a high turnover rate for a fund will increase trading costs, which are expenses payable by the fund.

Alternative minimum tax

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

WHAT ARE YOUR LEGAL RIGHTS?

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 simplified 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 simplified 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.

ADDITIONAL INFORMATION

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 applicable, of that fund through purchases on a stock exchange without regard to the take-over bid requirements of Canadian securities legislation;

(a) to relieve the funds from the requirement that a prospectus contain a certificate of the underwriters;

(b) 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 11 of Part A of Form 81-101F1 – *Contents of Simplified Prospectus*;

(c) to relieve the funds from the requirement to prepare and file a long form prospectus in accordance with National Instrument 41-101 – *General Prospectus Requirements* for the ETF Shares in the form prescribed by Form 41-101F2 – *Information Required in an Investment Fund Prospectus* provided that the funds file a prospectus for the ETF Shares in accordance with the provisions of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of a fund facts document;

(d) to treat the ETF Shares and the mutual fund shares of each class of shares of a 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;

(e) 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;

(f) 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;

(g) 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

(h) 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.

Certain funds have also received relief from Canadian securities regulatory authorities to permit the funds to appoint two custodians. In addition to CIBC Mellon Trust Company, such funds may appoint National Bank Financial Inc. ("**NBF**") as the custodian of certain of its securities which may from time to time be in demand by short sellers (the "**In Demand Securities**"). NBF's responsibility for custody of the funds' assets will apply to the In Demand Securities transferred by the funds to and held by NBF.

SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT

How to read these fund descriptions

Fund details

Each of Purpose Multi-Strategy Market Neutral Fund and Purpose Credit Opportunities Fund is a mutual fund established as a trust under the laws of the Province of Ontario. The authorized capital of Purpose Multi-Strategy Market Neutral Fund includes one or more classes of exchange-traded units and one or more classes of mutual fund units and the authorized capital of Purpose Credit Opportunities Fund includes one or more series of mutual fund units. An unlimited number of ETF Units and mutual fund units are authorized for issuance.

Purpose Diversified Real Asset Fund is a class of shares of PFC.

Purpose Fund Corp. is a mutual fund corporation established under the laws of the Province of Ontario. The authorized capital of PFC includes an unlimited number of classes of non-cumulative, redeemable, non-voting shares. Each class of shares of the Company (other than the common shares of such Company) is a separate mutual fund having specific investment objectives and is specifically referable to a separate portfolio of investments. Each such class is divided into separate series of shares. Each share of a series of the Company represents an equal, undivided interest in the portion of the fund's net assets attributable to that series. Expenses of each series are tracked separately and a separate NAV is calculated for each series. More details can be found under "Fees and expenses".

The authorized capital of the Purpose Diversified Real Asset Fund (the "Corp. Fund") includes one series of exchange-traded shares ("ETF Shares") and one or more series of mutual fund shares (defined herein). An unlimited number of ETF Shares of Purpose Diversified Real Asset Fund and unlimited number of mutual fund shares of Purpose Diversified Real Asset Fund are authorized for issuance.

Expenses of each class or series are tracked separately and a separate NAV is calculated for each class. More details can be found under "Fees and expenses".

This table gives you a brief summary of each fund. It describes what type of mutual fund it is, when it was established and the series of shares or class or series of units, as applicable, that the fund offers. The table also highlights that shares or units, as the case may be, of the fund are a qualified investment for Registered Plans. You will find more information about Registered Plans on page 43. The table also tells you the management fee and administration expenses, if applicable, for each series of shares or class or series of units, as the case may be, of the fund.

What does the fund invest in?

Investment objectives

This section outlines the investment objectives of each fund and the type of securities in which the fund may invest to achieve those investment objectives. A fund's investment objectives may include capital preservation, generating income, capital growth or a combination of the three. Some mutual funds focus on diversification across asset classes, while others take a focused investment theme, investing in a particular country or sector as their objective.

Investment strategies

This section describes the principal investment strategies that the investment advisor uses to achieve the fund's investment objectives. It gives you a better understanding of how your money is being managed. The format also allows you to compare more easily how different mutual funds are managed.

This section also highlights:

(a) any significant investment restrictions adopted by the fund; and

(b) the potential use of derivatives and a description of how they will be used.

How the funds engage in securities lending transactions

Certain funds may enter into securities lending transactions.

A securities lending transaction is where a fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the fund at a later date an equal number of the same securities and to pay a fee to the fund for borrowing the securities. While the securities are borrowed, the borrower provides the fund with collateral consisting of a combination of cash and securities. In this way, the fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

How the funds use derivatives

A derivative is an investment that derives its value from another investment, the underlying investment. This could be a stock, bond, currency or market index. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Some examples of derivatives are options, futures and forward contracts.

All of the funds may use derivatives as permitted by securities regulations. They may use them to:

(a) hedge their investments against losses from factors like currency fluctuations, stock market risks and interest rate changes; and

(b) invest indirectly in securities or financial markets, provided the investment is consistent with the fund's investment objective.

When a fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its position in the derivative, as required by securities regulations.

Investing in underlying funds

Funds may invest in underlying funds, either directly or by gaining exposure to an underlying fund through a derivative.

In selecting underlying funds, we assess a variety of criteria, including:

(a) management style;

(b) investment performance and consistency;

(c) risk tolerance levels;

(d) calibre of reporting procedures; and

(e) quality of the manager and/or investment advisor.

We review and monitor the performance of the underlying funds in which we invest. The review process consists of an assessment of the underlying funds. Factors such as adherence to stated investment mandate, returns, risk adjusted return measures, assets, investment management process, style, consistency and continued portfolio fit may be considered. This process may result in suggested revisions to weightings of the underlying funds, the inclusion of new underlying funds or the removal of one or more underlying funds.

How the funds engage in short selling

A short sale by a fund involves borrowing securities from a lender and selling those securities in the open market (or "selling short" the securities). At a later date, the same number of securities are repurchased by that fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the fund pays interest to the lender on the borrowed securities. If the value of the securities declines between the time that the fund borrows the securities and the time it repurchases and returns the securities to the lender, the fund will make a profit for the difference (less any interest the fund is required to pay to the lender). Selling short provides the funds with more opportunities for profits when markets are generally volatile or declining.

A fund may engage in short selling should securities be identified that are trading at a significant premium to their intrinsic value and are anticipated to decline in value. The funds may also engage in short selling as a means of implementing a "hedge" in an attempt to lessen fund volatility in declining markets. In this instance, a fund would sell short securities representing a market index or sub index. The funds may also sell short a security as a means of capturing a pricing disparity between itself and a related security, which would be purchased or held "long". This process of capturing price differences between related securities is referred to as arbitrage. Examples of such an action would include companies involved in merger or acquisition activity or other corporate action.

The funds will engage in short selling only within certain controls and limitations and pursuant to applicable securities legislation. Securities legislation imposes the following conditions and limits on the funds' short-selling activities. Securities will be sold short only for cash. A security sold short shall not be: (i) a security that the fund is otherwise not permitted to purchase at the time of the short sale transaction; (ii) an illiquid asset; or (iii) a security of an investment fund unless the security is an index participation unit.

At the time securities of a particular issuer are sold short by a fund, (i) the fund will have borrowed or arranged to borrow from a borrowing agent the security that is to be sold under the short sale transaction; (ii) the aggregate market value of all securities of that issuer sold short will not exceed 10% of the NAV of the fund and (iii) the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the fund will not exceed 50% of the NAV of the fund. If the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the fund exceeds 50% of the fund's NAV, the fund must, as quickly as commercially reasonable take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to 50% or less of the fund's NAV.

Action on portfolio adjustment

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

What are the risks of investing in the fund?

Understanding risk and your comfort with risk is an important part of investing. This section highlights the specific risks of each fund. We have listed the risks in the order of relevance for each fund. You will find general information about the risks of investing and descriptions of each specific risk under "What is a mutual fund?" on page 8 and "What are the general risks of investing in a mutual fund?" on page 9.

Who should invest in this fund?

This section tells you the type of investment portfolio or investor the fund may be suitable for. This is meant as a general guide only. For advice about your own circumstances, please consult your financial advisor.

Investment risk classification methodology

The manager assigns fund risk ratings to each fund managed by the manager as an additional guide to help you decide whether a fund is right for you. This information is only a guide. The manager 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. You 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, we use 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. The manager 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 the manager to identify the investment risk levels of the funds is available on request, at no cost, by calling 1-877-789-1517, by emailing the manager at info@purposeinvest.com or by writing to us at the address on the back cover of this simplified prospectus.

Dividend/distribution policy

This section tells you how often the fund pays out distributions of income and capital or dividends or a return of capital and how they are paid. See "Income tax considerations for investors" on page 53 for more information.

Fund expenses indirectly borne by investors

We cannot provide information regarding fund expenses indirectly borne by investors in respect of a fund that has not completed a financial year.

Additional information

Past performance and financial highlights

You can find more information, including past performance and financial highlights, in the annual and interim management reports of fund performance for each fund, when available. For a copy of these documents, at no cost, call us at 1-877-789-1517, visit our website at www.purposeinvest.com, send an email to us at info@purposeinvest.com or ask your dealer.

Policies and procedures regarding proxy voting

As manager for the funds, the manager has responsibility for the investment management of the funds, including the exercise of voting rights attaching to securities held by the funds. Each fund has proxy voting policies and procedures which require the fund's voting rights to be exercised in accordance with the best interests of the fund. Additional information about the policies and procedures regarding proxy voting, including how to obtain a copy of such policies, is available in the funds' annual information form.

PURPOSE DIVERSIFIED REAL ASSET FUND

Fund Type	income and real property
Date Started	ETF shares – September 5, 2013 Series A shares – September 5, 2013 Series F shares – September 5, 2013 Series I shares – September 5, 2013 Series D shares – November 5, 2014 Series XA shares – December 30, 2015 Series XF shares – April 29, 2015
Type of Securities	ETF shares, Series A shares, Series F shares, Series I shares, Series D shares, Series XA shares and Series XF shares
Management Fee	**Class** — **Management Fee** ETF shares — 0.60%(1) Series A shares — 1.60%(1) (including a service fee of 1.00%) Series F shares — 0.60%(1) Series I shares — Holders of Class I units pay a negotiated management fee directly to Purpose of up to 0.60% per annum(1) Series D shares — 0.85%(1) (including a service fee of 0.25%) Series XA shares — 1.60%(1) (including a service fee of 1.00%) Series XF shares — 0.60%(1)
Registered Plan/TFSA Eligibility	Eligible
Investment Sub-advisor	Neuberger Berman Breton Hill ULC

Note:
(1) Plus applicable HST.

What does the fund invest in?

Investment Objectives

The 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.

Investment Strategies

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.

What are the risks of investing in the fund?

The fund has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Also, market conditions may make it difficult or impossible for the fund to liquidate a position.

The direct and indirect risks of investing in the fund include:

(a) fluctuations in NAV and NAV per share;

(b) risk of loss;

(c) exchange rate risk;

(d) tax risk;

(e) changes in legislation;

(f) use of derivative instruments;

(g) securities lending;

(h) currency risk;

(i) cyber security risk;

(j) general risks of debt instruments;

(k) cease trading of constituent securities;

(l) illiquid securities;

(m) reliance on key personnel;

(n) equity investment risk;

(o) asset class risk;

(p) collateral risk;

(q) credit risk;

(r) distributions *in specie*;

(s) interest rate risk;

(t) foreign investment risk;

(u) counterparty risk;

(v) agriculture and farming industry risk;

(w) commodities exchange regulatory risk;

(x) commodity risk;

(y) energy risk;

(z) fund corporation risk;

(aa) futures contract margin risk;

(bb) futures contract liquidity risk;

(cc) foreign markets risk; and

(dd) precious metals risk.

Additional risks associated with an investment in the ETF shares include:

(a) absence of an active market for the ETF shares;

(b) rebalancing and adjustment risk; and

(c) trading price of ETF shares.

Who should invest in this fund?

This fund may be right for you if:

(a) you want capital growth over the long term;

(b) you want distributions payable to you quarterly;

(c) you are investing for the medium and/or long term; and

(d) you can tolerate medium risk.

The 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. Please see "Specific information about each of the mutual funds described in this document – Investment risk classification methodology" on page 65 for a description of how we determined the classification of this fund's risk level.

Distribution Policy

The fund expects to make a distribution quarterly, if any. **Distributions on mutual fund units are reinvested in additional mutual fund units of the same class of the fund unless you tell your dealer to inform us that you want them in cash.** Distributions are not guaranteed and may change from time to time at our discretion. For more information see "Specific information about each of the mutual funds described in this document – Dividend/distribution policy" on page 66 of the simplified prospectus.

Fund Expenses Indirectly Borne By Investors

This table is intended to help an investor compare the cost of investing in this fund with the cost of investing in other mutual funds or in another series of this fund, if applicable. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page 26 for a description of each series and their availability. This table shows the fees and expenses paid by the fund that are indirectly borne by an investor. See "Fees and expenses" on page 44 for more information.

	1 year	**3 years**	**5 years**	**10 years**
ETF shares ($)	$11.24	$36.76	$66.84	$166.13
Series A shares ($)	$23.10	$74.73	$134.35	$324.88
Series F shares ($)	$11.44	$37.44	$68.06	$169.09
Series I shares ($)	-	-	-	-
Series D shares ($)	$13.96	$45.58	$82.64	$204.13
Series XA shares ($)	$31.81	$102.07	$181.99	$431.42
Series XF shares ($)	$19.85	$64.40	$116.13	$282.95

Notes:

1 Based on a $1,000 investment and 5% return each year. Actual performance may vary.

2 Information regarding fund expenses indirectly borne by investors for Series I shares is not available because no Series I shares of this fund were issued as of December 31, 2019.

PURPOSE MULTI-STRATEGY MARKET NEUTRAL FUND

Fund Type	alternative market neutral	
Date Started	ETF units – October 14, 2014 Class A units - October 14, 2014 Class F units - October 14, 2014 Class I units - October 14, 2014 Class D units - October 14, 2014 Class P units - January 14, 2019	
Type of Securities	ETF units, Class A units, Class F units, Class I units, Class D units and Class P units	
Management Fee	**Class**	**Management Fee**
	ETF units	0.95%(1)
	Class A units	1.95%(1) (including a service fee of 1.00%)
	Class F units	0.95%(1)
	Class I units	Holders of Class I units pay a negotiated management fee directly to Purpose of up to 0.95% per annum(1)
	Class D units	1.20%(1) (including a service fee of 0.25%)
	Class P units	1.20% (including a service fee of 0.25%)
Registered Plan/TFSA Eligibility	Eligible	
Investment Sub-advisor	Neuberger Berman Breton Hill ULC	

Note:
(1) Plus applicable HST.

What does the fund invest in?

Investment Objectives

The 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 aggregate gross exposure of the fund shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

Investment Strategies

The 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.

Use of Leverage

The fund is permitted to borrow to increase its investment leverage. As an "alternative mutual fund", the fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the fund that exceed the net asset value of the fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a fund's turnover, transaction and market impact costs, interest and other costs and expenses.

The fund may create leverage through the use of derivatives, short sales and/or borrowing. Under the investment restrictions applicable to alternative mutual funds in NI 81-102, the fund's aggregate gross exposure, calculated as the sum of the following, must not exceed 300% of the fund's NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. If the fund's aggregate gross exposure exceeds 300% of the fund's NAV, the fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to 300% of the fund's NAV or less.

Pursuant to NI 81-102, the fund may borrow cash up to a maximum of 50% of its net asset value and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its net asset value. The combined use of short-selling and cash borrowing by the fund is subject to an overall limit of 50% of its net asset value. If the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the fund exceeds 50% of the fund's net asset value, the fund must, as quickly as commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to 50% or less of the fund's net asset value.

What are the risks of investing in the fund?

The fund has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Also, market conditions may make it difficult or impossible for the fund to liquidate a position.

The direct and indirect risks of investing in the fund include:

(a) fluctuations in NAV and NAV per 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) cease trading of constituent securities;

(m) illiquid securities;

(n) reliance on key personnel;

(o) equity investment risk;

(p) asset class risk;

(q) collateral risk;

(r) credit risk;

(s) distributions *in specie*;

(t) interest rate risk;

(u) foreign investment risk;

(v) counterparty risk;

(w) agriculture and farming industry risk;

(x) commodities exchange regulatory risk;

(y) commodity risk;

(z) energy risk;

(aa) underlying fund risk;

(bb) futures contract margin risk;

(cc) futures contract liquidity risk;

(dd) foreign markets risk; and

(ee) precious metals risk.

Additional risks associated with an investment in the ETF units include:

(a) absence of an active market for the ETF units;

(b) rebalancing and adjustment risk; and

(c) trading price of ETF units.

Who should invest in this fund?

This fund may be right for you if:

(a) you want capital growth over the long term;

(b) you want distributions payable to you annually;

(c) you are investing for the medium and/or long term; and

(d) you can tolerate low to medium risk.

The 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. Please see "Specific information about each of the mutual funds described in this document – Investment risk classification methodology" on page 65 for a description of how we determined the classification of this fund's risk level.

Distribution Policy

The fund expects to make distributions annually, if any. **Distributions on mutual fund units are reinvested in additional mutual fund units of the same class of the fund unless you tell your dealer to inform us that you want them in cash.** Distributions are not guaranteed and may change from time to time at our discretion. For more information see "Specific information about each of the mutual funds described in this document – Dividend/distribution policy" on page 66 of the simplified prospectus.

Fund Expenses Indirectly Borne By Investors

This table is intended to help an investor compare the cost of investing in this fund with the cost of investing in other mutual funds or in another class of this fund, if applicable. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page 26 for a description of each class and their availability. This table shows the fees and expenses paid by the fund that are indirectly borne by an investor. See "Fees and expenses" on page 44 for more information.

	1 year	**3 years**	**5 years**	**10 years**
ETF units ($)	$11.24	$36.76	$66.84	$166.13
Class A units ($)	$22.47	$72.74	$130.84	$316.86
Class F units ($)	$11.24	$36.76	$66.84	$166.13
Class I units ($)	-	-	-	-
Class D units ($)	$14.39	$46.93	$85.06	$209.89
Class P units ($)	$14.07	$45.92	$83.25	$205.57

Notes:

1 Based on a $1,000 investment and 5% return each year. Actual performance may vary.

2 Information regarding fund expenses indirectly borne by investors for Class I units is not available because no Class I units of this fund were issued as of December 31, 2019.

PURPOSE CREDIT OPPORTUNITIES FUND

Fund Type	alternative credit focused	
Date Started	Series A units – August 28, 2019[(1)] Series F units – August 28, 2019[(2)] Series I units – August 28, 2019[(3)]	
Type of Securities	Series A units, Series F units and Series I units	
Management Fee	**Class**	**Management Fee**
	Series A units	1.85% (including a service fee of 1.00%)
	Series F units	0.85%
	Series I units	Holders of Series I units pay a negotiated management fee directly to Purpose Investment Partners Inc. of up to 0.85% per annum[(4)]
Registered Plan/TFSA Eligibility	Eligible	

Notes:

(1) The Series A units were created on June 30, 2014, but were not previously publicly offered. Previously issued Series A units have been redesignated as Series A1 units.

(2) The Series F units were created on June 30, 2014, but were not previously publicly offered. Previously issued Series F units have been redesignated as Series F1 units.

(3) The Series I units were created on September 30, 2013, but were not previously publicly offered. Previously issued Series I units have been redesignated as Series I1 units.

(4) Plus applicable HST.

What does the fund invest in?

Investment Objectives

The fund seeks to maximize total returns for unitholders, consisting of both distributions and capital appreciation. The fund invests, directly or indirectly, primarily in debt and equity securities of non-investment grade rated, publicly traded issuers.

The aggregate gross exposure of the fund shall not exceed the limits on the use of leverage described below under "Investment Strategies" or as otherwise permitted under applicable securities legislation.

Investment Strategies

To achieve its investment objectives, the fund invests, directly or indirectly, primarily in debt and equity securities of non-investment grade rated, publicly traded issuers, using the investment strategies described below.

The manager uses corporate credit investment and leveraged company strategies designed to maximize risk-adjusted returns and preserve capital in each phase of the credit cycle. Over the course of a credit cycle, the goal is to generate returns greater than the long-term performance of equity indices, but with the volatility and risk characteristics consistent with a diversified portfolio of corporate debt. The manager employs hedging strategies, including shorting securities and holding cash, designed to generate positive returns and/or protect the fund against the risk of losses from currency fluctuations, interest rate changes and market declines. The manager also employs short selling strategies to take advantage of opportunities to generate returns based on investment research and insight into corporate capital structures. It is expected that a substantial proportion of the fund's investments will be denominated in foreign currencies (mostly U.S. dollars) that are hedged back to the Canadian dollar.

Managing Long/Short Positions

The manager manages the relative weightings of the fund's long and short positions to achieve the investment objective. The fund's net market exposure depends on, among other things, the manager's view of domestic and international economic and market trends. The fund's long positions will be primarily comprised of corporate debt (corporate bonds and/or bank loans) and equities.

Special Situations

The fund may invest in securities of issuers in special situations, including event-driven situations such as corporate restructurings, mergers, hostile takeovers, bankruptcies or leveraged buyouts.

Short Selling

The fund may engage in short selling of debt and/or equity securities which the manager believes are overvalued based on its traditional fundamental research and analysis of such securities. These may include, in particular, securities of issuers with deteriorating fundamentals and weak balance sheets.

Pairs Trading

The fund may take a short position in securities of a particular issuer while taking a long position in securities of another issuer in an attempt to take advantage of relative valuation differences between the two issuers. The fund will make such a "pairs trade" when the manager believes that the fundamentals of the issuer in which the Fund includes a long position will become increasingly attractive as compared to those of the issuer in which the Fund includes a short position.

Inter-Capital Arbitrage

The fund may take a short position in securities of a particular issuer while taking a long position in different securities of the same issuer. The fund will engage in "inter-capital arbitrage" when the manager believes that the fundamentals of a particular security in the issuer's capital structure are significantly more or less attractive than the fundamentals of another security in the same structure. The objective of "inter-capital arbitrage" is to earn a total return that is uncorrelated with general capital markets conditions, or earn a total return with favorable risk/reward characteristics.

Convertible Arbitrage

The fund may participate in convertible arbitrage situations by purchasing convertible securities of an issuer while short selling the underlying securities into which such convertible securities may be converted. In doing so, the Fund will attempt to take advantage of mispricing between the market price of the convertible securities and the underlying securities or will attempt to lower the volatility of the long convertible bond position by short selling the underlying common equity.

Merger Arbitrage

The fund may participate in merger arbitrage situations by purchasing securities of an issuer that is the target in a proposed merger and selling short the securities of the acquiror. Where the consideration offered to the securityholders of the target includes securities of the acquiror, the fund may be able to take advantage of instances where the target's securities trade below the announced offer price, reflecting the time value of money and the possibility that the transaction may not be completed.

Derivatives

The fund may make use of options, swaps, and other derivatives including credit default swaps (insurance on corporate debt default) in order to enhance returns or synthesize returns where direct investments are not available or tax efficient. Derivatives may also be used to hedge other long or short positions to better manage risk.

Use of Leverage

As an "alternative mutual fund", the fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the fund that exceed the net asset value of the fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a fund's turnover, transaction and market impact costs, interest and other costs and expenses.

The fund may create leverage through the use of derivatives, short sales and/or borrowing. Under the investment restrictions applicable to alternative mutual funds in NI 81-102, the fund's aggregate gross exposure, calculated as the sum of the following, must not exceed 300% of the fund's NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. If the fund's aggregate gross exposure exceeds 300% of the fund's NAV, the fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to 300% of the fund's NAV or less.

Pursuant to NI 81-102, the fund may borrow cash up to a maximum of 50% of its net asset value and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its net asset value. The combined use of short-selling and cash borrowing by the fund is subject to an overall limit of 50% of its net asset value. If the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the fund exceeds 50% of the fund's net asset value, the fund must, as quickly as commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to 50% or less of the fund's net asset value.

What are the risks of investing in the fund?

The fund has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Also, market conditions may make it difficult or impossible for the fund to liquidate a position.

The direct and indirect risks of investing in the fund include:

(a) fluctuations in NAV and NAV per 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) cease trading of constituent securities;

(m) illiquid securities;

(n) reliance on key personnel;

(o) equity investment risk;

(p) asset class risk;

(q) collateral risk;

(r) credit risk;

(s) distributions *in specie*;

(t) interest rate risk;

(u) foreign investment risk;

(v) counterparty risk;

(w) credit default swap agreement risk;

(x) distressed securities risk;

(y) high yield securities risk;

(z) options risk;

(aa) prime brokers risk;

(bb) short selling risk;

(cc) underlying fund risk; and

(dd) trading costs.

Who should invest in this fund?

This fund may be right for you if:

(a) you want capital growth over the long term;

(b) you want distributions payable to you monthly;

(c) you are investing for the medium and/or long term; and

(d) you can tolerate low to medium risk.

The fund's risk classification is based on the fund's returns and the return of the composite of market indices: 30% of S&P 500 Index and 70% of ICE BofAML US Cash Pay High Yield Index. The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general and the ICE BofAML US Cash Pay High Yield Index tracks the performance of below investment grade, but not in default, US dollar denominated corporate bonds publicly issued in the US domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P. Please see "Specific information about the fund described in this document – Investment risk classification methodology" on page 65 for a description of how we determined the classification of this fund's risk level.

Distribution Policy

The fund expects to make distributions annually, if any. **Distributions on mutual fund units are reinvested in additional mutual fund units of the same series of the fund unless you tell your dealer to inform us that you want them in cash.** Distributions are not guaranteed and may change from time to time at our discretion. For more information see "Specific information about the fund described in this document – Dividend/distribution policy" on page 66 of the simplified prospectus.

Fund Expenses Indirectly Borne By Investors

This table is intended to help an investor compare the cost of investing in this fund with the cost of investing in other mutual funds or in another class of this fund, if applicable. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page 26 for a description of each class and their availability. This table shows the fees and expenses paid by the fund that are indirectly borne by an investor. See "Fees and expenses" on page 44 for more information.

	1 year	**3 years**	**5 years**	**10 years**
Series A units ($)	$34.86	$111.51	$198.25	$466.75
Series F units ($)	$26.99	$86.98	$155.79	$373.39
Series I units ($)	$5.04	$16.59	$30.34	$76.52

Note:

1 Based on a $1,000 investment and 5% return each year. Actual performance may vary.

PURPOSE ALTERNATIVE MUTUAL FUNDS

You will find more information about each fund in its annual information form, fund facts, management reports of fund performance, financial statements and ETF Facts. These documents are incorporated by reference into this simplified prospectus, which means they legally form part of this simplified prospectus just as if they were printed as part of this simplified prospectus.

You can get a copy of these documents, at your request, and at no cost, by calling toll-free at 1-877-789-1517, by emailing us at info@purposeinvest.com or by contacting your dealer.

You can also get copies of this simplified prospectus, the fund facts, the annual information form, the management reports of fund performance, the financial statements and the ETF Facts from the Purpose website at www.purposeinvest.com.

These documents and other information about the funds, such as information circulars and material contracts, are also available at www.sedar.com.

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