PROSPECTUS

Initial Public Offering February 11, 2021

PURPOSE
INVESTMENTS

Purpose Bitcoin ETF

Purpose Bitcoin ETF (the "Fund") invests in and holds substantially all of its assets in long-term holdings of the digital currency bitcoin ("Bitcoin"). Given the speculative nature of Bitcoin and the volatility of the Bitcoin markets, there is considerable risk that the Fund will not be able to meet its investment objectives. An investment in the Fund is not intended as a complete investment program and is only appropriate for investors who have the capacity to absorb a loss of some or all of their investment. An investment in the Fund is considered high risk.

This prospectus qualifies for distribution: (a) Canadian dollar denominated currency hedged ETF units ("**ETF units**"), (b) Canadian dollar denominated ETF non-currency hedged units ("**CAD ETF Non-Currency Hedged Units**") and (c) U.S. dollar denominated ETF non-currency hedged units ("**USD ETF Non-Currency Hedged Units**" and together with the CAD ETF Non-Currency Hedged Units, the "**ETF Non-Currency Hedged Units**"). The ETF units and the ETF Non-Currency Hedged Units are referred to herein as the "ETF Units".

The Fund is an alternative mutual fund within the meaning of National Instrument 81-102 – *Investment Funds* ("**NI 81-102**") established as a trust under the laws of the Province of Ontario. 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 objective and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. The Fund is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities

The Fund has been created to buy and hold substantially all of its assets in long-term holdings of Bitcoin and seeks to provide holders of ETF Units with the opportunity for long-term capital appreciation. See "Investment Objectives".

The Fund will not speculate with regard to short-term changes in Bitcoin prices. See "Investment Strategies".

Purpose Investments Inc. (the "**Manager**" or "**Purpose**"), is the trustee, manager and portfolio manager of the Fund and is responsible for the administration of the Fund. See "Organization and Management Details of the Fund".

The ETF Units of the Fund have been conditionally approved for listing on the Toronto Stock Exchange (the "**TSX**"). Subject to satisfying the TSX's original listing requirements in respect of the Fund on or before February 11, 2022, the ETF Units of the Fund will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell such ETF Units on the TSX through registered brokers and dealers in the Province or Territory where the investor resides. Investors will incur customary brokerage commissions in buying or selling the ETF Units. The TSX ticker symbol for the ETF units, CAD ETF Non-Currency Hedged Units and USD ETF Non-Currency Hedged Units is BTCC, BTCC.B and BTCC.U, respectively.

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

You should carefully read this prospectus, including a description of the principal risk factors under "Risk Factors", before you decide to invest in the Fund. You should carefully consider whether your financial condition permits you to participate in an investment in the Fund. The ETF Units of the Fund are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place the Fund. The risk of loss in buying, holding and selling Bitcoin can be substantial. In considering whether to invest in the Fund, you should be aware that an investment in Bitcoin can quickly lead to large losses as well as gains. Such investment losses can sharply reduce the net asset value of the Fund and consequently the value of your interest in the Fund.

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

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

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

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GLOSSARY

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

***Administrative Expenses* –** has the meaning attributed thereto under "Fees and Expenses – Fees and Expenses Payable by the Fund – Operating Expenses".

***AML Regulation* –** statutes, regulations and other laws enacted by the government of the applicable jurisdiction aimed at the prevention and detection of money laundering and terrorist financing activities.

***AWS* –** has the meaning attributed thereto under "Organization and Management Details of the Fund – Sub-Custodian".

***Bitcoin* –** digital currency bitcoin (the native unit of account) within the Bitcoin Network.

Bitcoin Network – the network of computers running the software protocol underlying bitcoin, which maintains the database of bitcoin ownership and facilitates the transfer of bitcoin among parties.

***Bitcoin Protocol* –** has the meaning attributed thereto under "Overview of the Sector in Which the Fund Invests – Bitcoin".

***Bitcoin Source* –** has the meaning attributed thereto under "Overview of the Sector in Which the Fund Invests – Purchasing Bitcoin for the Fund's Portfolio".

Business Day – any day on which the TSX is open for trading.

CAD ETF Non-Currency Hedged Unit – a Canadian dollar denominated ETF non-currency hedged unit of the Fund.

Canadian securities legislation – 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 – CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by the Fund as the depository in respect of the Units.

CDS Participant – a participant in CDS that holds ETF Units on behalf of beneficial owners of ETF Units.

***CFTC* –** the United States Commodity Futures and Trading Commission.

***CME* –** The Chicago Mercantile Group.

CRA – the Canada Revenue Agency.

***CRS Rules* –** has the meaning attributed thereto under "Income Tax Considerations – International Information Reporting".

Custodian – Cidel Trust Company.

Custodian Agreement – the custodial services agreement dated February 11, 2021, between the Manager on behalf of the Fund and the Custodian.

Cyber Security Incidents **–** has the meaning attributed thereto under "Risk Factors – Cyber Security Risk".

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

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

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

Designated Broker – a registered dealer that has entered into a Designated Broker Agreement with the Manager, on behalf of the Fund pursuant to which the Designated Broker agrees to perform certain duties in relation to the Fund.

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

Distribution Payment Date – a day on which the Fund pays a distribution to its Unitholders and that is no later than the 10th Business Day following the applicable Distribution Record Date.

Distribution Record Date **–** a date determined by the Manager as a record date for the determination of Unitholders of the Fund entitled to receive a distribution.

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

ETF – exchange-traded fund.

ETF Non-Currency Hedged Unit – a non-currency hedged ETF unit of the Fund denominated in Canadian or U.S. dollars, as applicable.

ETF unit – a Canadian dollar denominated currency hedged exchange-traded unit of the Fund.

ETF Unit – an ETF unit or ETF Non-Currency Hedged Unit of the Fund, as applicable.

FATF – the Financial Action Task Force, an inter-governmental body established to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.

Fund – Purpose Bitcoin ETF.

HSMs **–** has the meaning attributed thereto under "Organization and Management Details of the Fund – Sub-Custodian".

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

IRC – the Independent Review Committee of the Fund.

Manager – Purpose Investments Inc., the trustee, manager and portfolio manager of the Fund.

NAV – the net asset value of the Fund.

NAV of the ETF Units and ***NAV per ETF Unit*** **–** the net asset value of the Fund attributable to each class of ETF Units and the net asset value per ETF Unit of a class, calculated by the Valuation Agent as described under "Calculation of Net Asset Value".

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

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

OTC **–** has the meaning attributed thereto under "Overview of the Sector in Which the Fund Invests – Purchasing Bitcoin for the Fund's Portfolio".

Permitted Merger – as defined under "Unitholder Matters – Matters Requiring Unitholders' Approval".

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

Proxy Voting Guidelines – as defined under "Proxy Voting Disclosure for Portfolio Securities Held".

Purpose – Purpose Investments Inc.

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

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

Reportable Jurisdictions **–** has the meaning attributed thereto under "Income Tax Considerations – International Information Reporting".

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

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

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

SEC **–** the U.S. Securities and Exchange Commission.

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

SIFT Rules **–** has the meaning attributed thereto under "Risk Factors – Tax Risk".

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

Tax Proposals **–** has the meaning attributed thereto under "Income Tax Considerations".

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

Trading Day – a day on which: (a) a regular session of the TSX (or such other designated exchange on which the ETF Units of the Fund may be listed from time to time) is held and (b) the primary market or exchange for the majority of the assets held by the Fund is open for trading.

TSX – Toronto Stock Exchange.

Unitholder **–** the holder of an ETF Unit.

U.S. – the United States of America.

USD ETF Non-Currency Hedged Unit – a U.S. dollar denominated ETF non-currency hedged unit of the Fund.

Valuation Agent **–** the company appointed from time to time by the Manager to calculate the NAV per ETF Unit of the Fund.

Valuation Date **–** each Trading Day and any other day designated by the Manager on which the NAV per ETF Unit of the Fund will be calculated.

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

$ – Canadian dollars unless otherwise indicated.

PROSPECTUS SUMMARY

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

Issuer:	Purpose Bitcoin ETF (the "**Fund**") The Fund is an alternative mutual fund within the meaning of National Instrument 81-102 – *Investment Funds* ("**NI 81-102**") established as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust (as defined herein). The Fund is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. The Fund is offering an unlimited number of Canadian dollar denominated ETF currency hedged units ("**ETF units**"), Canadian dollar denominated ETF non-currency hedged units ("**CAD ETF Non-Currency Hedged Units**") and U.S. dollar denominated ETF non-currency hedged units ("**USD ETF Non-Currency Hedged Units**" and together with the CAD ETF Non-Currency Hedged Units, the "**ETF Non-Currency Hedged Units**"). The ETF units and the ETF Non-Currency Hedged Units are referred to herein as the "ETF Units". See "Overview of the Legal Structure of the Fund".
Continuous Distribution:	The ETF Units of the Fund offered hereby are being issued and sold on a continuous basis and there is no maximum number of ETF Units that may be issued. The ETF Units of the Fund have been conditionally approved for listing on the Toronto Stock Exchange (the "**TSX**"). Subject to satisfying the TSX's original listing requirements in respect of the Fund on or before February 11, 2022, the ETF Units of the Fund will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell such ETF Units on the TSX through registered brokers and dealers in the Province or Territory where the investor resides. Investors will incur customary brokerage commissions in buying or selling the ETF Units. The TSX ticker symbol for the ETF units, CAD ETF Non-Currency Hedged Units and USD ETF Non-Currency Hedged Units is BTCC, BTCC.B and BTCC.U, respectively. The Fund issues ETF Units directly to the Designated Broker and Dealers. From time to time as may be agreed between the Manager and the Designated Broker and Dealers, the Designated Broker and Dealers may agree to accept portfolio assets as payment for ETF Units from prospective purchasers.

See “Purchases of ETF Units – Issuance of ETF Units” and “Purchases of ETF Units – Buying and Selling ETF Units”.

Investment Objectives:	The Fund has been created to buy and hold substantially all of its assets in long-term holdings of Bitcoin and seeks to provide holders of ETF Units (“**Unitholders**”) with the opportunity for long-term capital appreciation. See “Investment Objectives”.
Investment Strategies:	To achieve its investment objective, the Fund invests in and holds substantially all of its assets in long-term holdings of Bitcoin in order to provide Unitholders with a secure, convenient, lower-cost alternative to a direct investment in Bitcoin. The Fund will not speculate with regard to short-term changes in Bitcoin prices. The Fund will not use derivatives instruments, the underlying interest of which is Bitcoin, for non-hedging purposes. The Fund may also hold cash and cash equivalents or other money market instruments in order to meet its current obligations. With respect to the ETF units generally, a substantial portion of the U.S. dollar currency exposure within the portion of the Fund’s portfolio which is allocable to the ETF units will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the Manager’s discretion. With respect to the ETF Non-Currency Hedged Units, the U.S. dollar currency exposure within the portion of the Fund’s portfolio which is allocable to the ETF Non-Currency Hedged Units will not be hedged back to the Canadian dollar. Generally, the Fund does not intend to borrow money or employ other forms of leverage to acquire Bitcoin for its portfolio. The Fund may however borrow money on a temporary short term basis to acquire bitcoin in connection with a subscription for Units by a Dealer. Any borrowing by the Fund will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102. See “Investment Strategies”.
Special Considerations for 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 Units. The Fund has obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the ETF Units of the Fund through purchases on a stock exchange without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to the Manager not to vote more than 20% of the ETF Units of the Fund at any meeting of Unitholders. See “Purchases of ETF Units – Special Considerations for ETF Units”.
Distribution Policy:	The Fund does not expect to pay regular distributions.

See “Distribution Policy”.

Exchanges and Redemptions:	Holders of ETF Units may redeem ETF Units for cash, subject to a redemption discount. Holders of ETF Units may also exchange a Prescribed Number of Securities (as defined herein) (or integral multiple thereof) for cash or, if agreed to by the Manager, for portfolio assets and cash. See “Redemption and Exchange – Redemption of ETF Units for Cash” and “Redemption and Exchange – Exchange of ETF Units for Portfolio Assets”.
Termination of the Fund:	The Fund may be terminated by the Manager on at least 60 days’ notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. Upon termination of the Fund, the portfolio assets, cash and other assets remaining after paying or providing for all liabilities and obligations of the Fund shall be distributed *pro rata* among the Unitholders of the Fund. See “Termination of the Fund”.
Eligibility for Investment:	It is intended that the ETF Units will at all relevant times be “qualified investments” (as defined in the Tax Act) for trusts governed by Registered Plans. Holders of tax-free savings accounts (“**TFSAs**”) or registered disability savings plans (“**RDSPs**”), subscribers of registered education savings plans (“**RESPs**”) and annuitants of registered retirement savings plans (“**RRSPs**”) or registered retirement income funds (“**RRIFs**”), should consult with their tax advisors as to whether ETF Units would be a “prohibited investment” (as defined in the Tax Act) for such accounts or plans in their particular circumstances. See “Eligibility for Investment”.
Risk Factors:	There are certain general risks inherent in an investment in the Fund including: (a) fluctuations in NAV and NAV per ETF Unit risk; (b) risk of loss; (c) volatility in the price of Bitcoin risk; (d) decrease in demand for and usage of Bitcoin risk; (e) competitors to Bitcoin risk; (f) attacks on the Bitcoin Network risk; (g) increased regulation of Bitcoin risk; (h) risk relating to the cryptography underlying the Bitcoin Network; (i) lack of agreement on the development of the Bitcoin Network risk;

(j) risk that blockchain may experience a temporary or permanent Fork and/or split;

(k) dependence on Bitcoin developers risk;

(l) risk that demand for Bitcoin may exceed supply;

(m) increase in transaction fees risk;

(n) decrease in block reward risk;

(o) dependence on the internet risk;

(p) control of the outstanding Bitcoin risk;

(q) control of the Bitcoin Network risk;

(r) concentration of transaction confirmation in China risk;

(s) risk relating to energy consumption required to operate the Bitcoin Network;

(t) improper transfers risk;

(u) loss of “private keys” risk;

(v) lack of insurance risk;

(w) limited history of Bitcoin and bitcoin trading platforms risk;

(x) hacking of bitcoin trading platforms risk;

(y) regulation of bitcoin trading platforms risk;

(z) trading price of ETF Units risk;

(aa) risk relating to valuation of the Fund’s assets;

(bb) use of derivatives instruments risk;

(cc) illiquid securities risk;

(dd) concentration risk;

(ee) currency exposure risk;

(ff) exchange rate risk;

(gg) currency risk;

(hh) tax risk;

(ii) changes in legislation risk;

(jj) distributions in specie risk;

(kk) lack of operating history risk.

(ll) absence of an active market for the ETF Units risk;

(mm) reliance on key personnel risk;

(nn) risk relating to residency of the Sub-Custodian;

(oo) risk relating to standard of care of the Manager, Custodian and Sub-Custodian;

(pp) risk relating to SOC 2 Type 2 Report of the Sub-Custodian;

(qq) counterparty risk;

(rr) liability of Unitholders risk;

(ss) cyber security risk;

See “Risk Factors”.

Income Tax Considerations: This summary of Canadian federal income tax considerations for the Fund and for Canadian resident Unitholders is subject in its entirety to the qualifications, limitations and assumptions set out under “Income Tax Considerations”.

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

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

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

See "Income Tax Considerations".

Organization and Management Details of the Fund

Manager:	Purpose is the trustee, manager and portfolio manager of the Fund. The address of the Manager is 130 Adelaide Street West, Suite 3100, Toronto, Ontario M5H 3P5. See "Organization and Management Details of the Fund".
Promoter:	The Manager may be considered a promoter of the Fund within the meaning of the securities legislation of certain Provinces and Territories of Canada by reason of its initiative in organizing the Fund. The Promoter is located in Toronto, Ontario. See "Organization and Management Details of the Fund".
Custodian:	Cidel Trust Company acts as the custodian of the assets of the Fund pursuant to the Custodian Agreement (as defined herein). The Custodian is a federally regulated trust company based in Calgary, Alberta and provides services to the Fund from its office in Toronto, Ontario. The Custodian is a wholly-owned subsidiary of Cidel Bank Canada, a Schedule II Bank regulated by the Office of the Superintendent of Financial Institutions. Pursuant to the terms of the Custodian Agreement, the Custodian may appoint a sub-custodian from time to time in accordance with NI 81-102. See "Organization and Management Details of the Fund – Custodian".
Sub-Custodian:	Gemini Trust Company, LLC (the "**Sub-Custodian**") acts as the sub-custodian of the Fund in respect of the Fund's holdings of Bitcoin pursuant to the Sub-Custodian Agreement (as defined herein). The address of the Sub-Custodian is 600, 3rd Avenue, 2nd Floor, New York, New York, U.S. The Sub-Custodian is a trust company licensed and regulated by the New York State Department of Financial Services and is qualified to act as a sub-custodian of the Fund for assets held outside of Canada in accordance with NI 81-102. See "Organization and Management Details of the Fund – Sub-Custodian".
Valuation Agent:	CIBC Mellon Global Securities Services Company, at its principal offices in Toronto, is the valuation agent of the Fund and is responsible for calculating the NAV of the Fund and NAV per ETF Unit of the Fund. See "Organization and Management Details of the Fund – Valuation Agent".
Registrar and Transfer Agent:	TSX Trust Company, at its principal office in Toronto, Ontario, is the registrar and transfer agent for the ETF Units of the Fund. The register for the Fund is kept in Toronto.

See “Organization and Management Details of the Fund – Registrar and Transfer Agent”.

Auditor: Ernst & Young LLP, Chartered Accountants, Licensed Public Accounts, at its principal offices in Toronto, Ontario, is the auditor of the Fund.

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

SUMMARY OF FEES AND EXPENSES

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

Fees and Expenses Payable by the Fund

Management Fees:	The Fund will pay the Manager an annual management fee equal to 1.00% of the average daily NAV of the ETF Units of the Fund. The management fee, plus applicable HST, is calculated and accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.
Operating Expenses:	The Fund pays for all ordinary expenses (the "**Administrative Expenses**") incurred in connection with the operation and administration of the Fund including: custodian and sub-custodian fees; insurance fees; transfer agency fees; filing fees; listing fees; audit fees; legal expenses; premiums for directors' and officers' insurance coverage for the members of the IRC; fees and expenses of the members of the IRC; income taxes; sales taxes (including GST/HST); brokerage expenses and commissions; withholding taxes; extraordinary expenses; accounting fees; expenses incurred in connection with the valuation of the Fund's assets; any costs and expenses incurred in complying with National Instrument 81-107 – *Independent Review Committee for Investment Fund* ("**NI 81-107**") (including any expenses related to the implementation and on-going operation of an independent review committee); investor reporting costs for annual and semi-annual financial statements; expenses in connection with the preparation of prospectus and other regulatory reports and other operating and administrative expenses incurred in connection with the day-to-day operation of the Fund and, in relation to the ETF units, any fees associated with the forward contracts relating to the currency hedging strategy of the class. The Administrative Expenses payable by the Fund, plus applicable HST, are 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 Administrative Expenses which would otherwise be payable by the Fund. See "Fees and Expenses – Fees and Expenses Payable by the Fund – Operating Expenses" and "Organization and Management Details of the Fund – The Trustee, Manager and Promoter".
Management Fee Rebates:	To achieve effective and competitive management fees, the Manager may reduce the management fee borne by certain holders of ETF Units who have signed an agreement with the Manager. The Manager will pay out the amount of the reduction in the form of a management fee rebate directly to the eligible Unitholder. 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 Unitholder and the Manager. The Manager reserves the right to discontinue or change management fee rebates at any time.

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

Fees and Expenses Payable Directly by Unitholders

Short-term Trading Fees:	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 “Fees and Expenses – Fees and Expenses Payable Directly by Unitholders”.
Administration Fee:	Unitholders who buy and sell their ETF Units through the facilities of the TSX (or other exchange on which the Fund is traded) do not pay a fee directly to the Manager or the Fund in respect of those purchases and sales. If stated in the Designated Broker Agreement or applicable Dealer Agreement, the Manager or the Fund may charge the Designated Brokers and/or Dealers an administrative fee of up to 2.00% to offset certain transaction costs associated with an issue, exchange or redemption of ETF Units of the Fund to or by the Designated Broker and/or Dealer. See “Fees and Expenses – Fees and Expenses Payable Directly by the Unitholders”.

OVERVIEW OF THE LEGAL STRUCTURE OF THE FUND

The Fund is an alternative mutual fund within the meaning of National Instrument 81-102 – *Investment Funds* ("**NI 81-102**") established as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust (as defined herein).

The Fund is authorized to issue an unlimited number of classes of units. The Fund has authorized three classes of exchange-traded units, ETF units ("**ETF units**") denominated in Canadian dollars and two classes of ETF non-currency hedged units ("**ETF Non-Currency Hedged Units**"), one denominated in Canadian dollars ("**CAD ETF Non-Currency Hedged Units**") and the other denominated in U.S. dollars ("**USD ETF Non-Currency Hedged Units**" and together with the CAD ETF Non-Currency Hedged Units, the "**ETF Non-Currency Hedged Units**"). The ETF units and the ETF Non-Currency Hedged Units are referred to herein as the "ETF Units".

While the Fund is a mutual fund under the securities legislation of certain Provinces and Territories of Canada, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to the Fund because the Fund is an "alternative mutual fund" within the meaning of NI 81-102. The Fund is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities

Purpose Investments Inc. (the "**Manager**" or "**Purpose**"), is the trustee, manager and portfolio manager of the Fund and is responsible for the administration of the Fund. See "Organization and Management Details of the Fund – The Trustee, Manager and Promoter".

The ETF Units of the Fund have been conditionally approved for listing on the Toronto Stock Exchange (the "**TSX**"). Subject to satisfying the TSX's original listing requirements in respect of the Fund on or before February 11, 2022, the ETF Units of the Fund will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell such ETF Units on the TSX through registered brokers and dealers in the Province or Territory where the investor resides. Investors will incur customary brokerage commissions in buying or selling the ETF Units. The TSX ticker symbol for the ETF units, CAD ETF Non-Currency Hedged Units and USD ETF Non-Currency Hedged Units is BTCC, BTCC.B and BTCC.U, respectively.

The Manager, on behalf, of the Fund, has entered, or will enter, as the case may be, into agreements with registered dealers (each a "**Designated Broker**" or "**Dealer**"), which amongst other things enables Designated Broker and Dealers to purchase and redeem ETF Units directly from the Fund. Unitholders will be able to redeem ETF Units for cash at a redemption price equal to the lesser of: (a) 95% of the market price of the ETF Units, on the effective date of redemption and (b) the NAV per ETF Unit. "Market price" means the weighted average trading price of the ETF Units on the Canadian marketplaces on which the ETF Units have traded on the effective date of redemption. Unitholders may also exchange a Prescribed Number of Securities (as defined herein) (or an integral multiple thereof) for cash or, if agreed to by the Manager, for cash and portfolio assets held by the Fund. The Fund will issue ETF Units directly to the Designated Broker and Dealers.

The head office of the Fund and the Manager is located at 130 Adelaide Street West, Suite 3100, Toronto, Ontario M5H 3P5. The Manager is a corporation incorporated under the laws of the Province of Ontario.

INVESTMENT OBJECTIVES

The Fund has been created to buy and hold substantially all of its assets in long-term holdings of Bitcoin and seeks to provide holders of ETF Units ("**Unitholders**") with the opportunity for long-term capital appreciation.

INVESTMENT STRATEGIES

To achieve its investment objective, the Fund invests in and holds substantially all of its assets in long-term holdings of Bitcoin in order to provide Unitholders with a secure, convenient, lower-cost alternative to a direct investment in Bitcoin. See "Overview of the Sector in Which the Fund Invests" for further information about Bitcoin and the manner in which the Fund will purchase Bitcoin for its portfolio.

The Fund will not speculate with regard to short-term changes in Bitcoin prices. The Fund will not use derivatives instruments, the underlying interest of which is Bitcoin, for non-hedging purposes.

The Fund may also hold cash and cash equivalents or other money market instruments in order to meet its current obligations.

With respect to the ETF units generally, a substantial portion of the U.S. dollar currency exposure within the portion of the Fund's portfolio which is allocable to the ETF units will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the Manager's discretion. The approval of the holders of ETF units is required prior to any change to the currency hedging strategy in respect of the ETF units.

With respect to the ETF Non-Currency Hedged Units, the U.S. dollar currency exposure within the portion of the Fund's portfolio which is allocable to the ETF Non-Currency Hedged Units will not be hedged back to the Canadian dollar.

Generally, the Fund does not intend to borrow money or employ other forms of leverage to acquire Bitcoin for its portfolio. The Fund may however borrow money on a temporary short term basis to acquire bitcoin in connection with a subscription for Units by a Dealer. Any borrowing by the Fund will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

OVERVIEW OF THE SECTOR IN WHICH THE FUND INVESTS

Bitcoin

Bitcoin is a form of digital currency (or "crypto-currency") that is not backed by any country's central bank or government and is created, held and transferred electronically. Bitcoin is created digitally by a global community of individuals (or "miners" or "nodes") using the computing power of a distributed network. As of January 31, 2021 there were over 10,000 nodes connected to the Bitcoin Network, with the greatest density being in the U.S., Germany, France, the Netherlands and Canada.

The peer-to-peer Bitcoin Network processes Bitcoin transactions made with virtual currency, effectively making Bitcoin its own payment network. The supply of Bitcoin is regulated by software and the agreement of users of the system (the "**Bitcoin Protocol**") and cannot be manipulated by any government, bank, organization or individual. The Bitcoin Protocol stipulates that only 21 million bitcoins can ever be created by miners however, these coins can be divided into smaller parts (the smallest divisible amount is one hundred millionth of a bitcoin).

Movement of Bitcoin is facilitated by a digital, transparent and immutable ledger which enables the transfer of value across the internet without the need for centralized intermediaries. Over the last 3 months (ending January 31, , 2021), Bitcoin's blockchain facilitated an average of over 160,000 Bitcoin or US$5.5 billion worth of value transfer a day over an average of 300,000 transactions per day. As of January 31, 2021, the Bitcoin Network stored over US$615 billion worth of value.

The software creating Bitcoin is open source and is available to the public to review and follow the mathematical formula producing Bitcoin at any time. The Bitcoin Network software source code includes the protocol that governs the creation of Bitcoin and the cryptographic operations that verify and secure Bitcoin transactions. The blockchain is a shared ledger on which the entire Bitcoin Network relies. All confirmed transactions are included in the blockchain. Although Bitcoin transactions are recorded in a public log, the names of buyers and sellers are never revealed (only their wallet ID information is revealed). A Bitcoin transaction involves the transfer of value from one bitcoin wallet to another that gets included in the blockchain. Bitcoin wallets (described in more detail below) keep confidential data known as “private keys” which are used in transactions providing mathematical proof that they have come from the owner of the wallet. The signature also prevents the transaction from being altered following its completion; each Bitcoin transaction is therefore irreversible. Miners confirm waiting transactions by including them in the Bitcoin blockchain. This system enforces a chronological order in the blockchain which protects the neutrality of the Bitcoin Network and allows different computers to agree on the state of the system. To be “confirmed” a transaction must be included in the block that fits very strict cryptographic rules which must be verified by the Bitcoin Network. These rules prevent previous blocks from being modified because doing so would invalidate all following blocks. Only the owner of Bitcoin can send Bitcoin, and only the intended recipient of Bitcoin can unlock what the sender sent them and the transactional validation and Bitcoin ownership can be verified by any third party anywhere in the world.

Bitcoin is stored in a “digital wallet” which exists in either “hot storage” or “cold storage”. A “hot wallet” refers to Bitcoin that is held in a wallet that is online and connected in some way to the internet. A user is able to pay for certain goods and services by making withdrawals from his or her hot wallet. Bitcoin stored in a hot wallet is easily accessible for payment of goods and services however it is also at the greatest risk of unrecoverable theft in the event of an attack by a hacker or malware. A “cold wallet” refers to Bitcoin that is held in a wallet that is offline and is not present on a web server or any other computer. Typical methods of cold storage include storing data on a USB and storing the USB in safety deposit box or safe. By keeping the majority of one’s Bitcoin in cold storage users are able to minimize the possibility of theft in the event of a security breach. The Fund’s Bitcoin will be held in the Sub-Custodian’s cold storage system, protected in accordance with the industry-leading protocols which are described under “Organization and Management Details of the Fund – Sub-Custodian”.

Bitcoin can be purchased on bitcoin trading platforms which operate websites that facilitate the purchase and sale of Bitcoin. These trading platforms generally report the bid and ask prices for the purchase and sale of Bitcoin. Although each bitcoin trading platform has its own market price, the Manager is of the view that most bitcoin trading platform’s market prices should be relatively consistent with the bitcoin trading platform market average as market participants can choose the bitcoin trading platform on which to buy or sell Bitcoin. Bitcoin trading platforms are open 24 hours a day and 365 days of the year.

Supply of Bitcoin

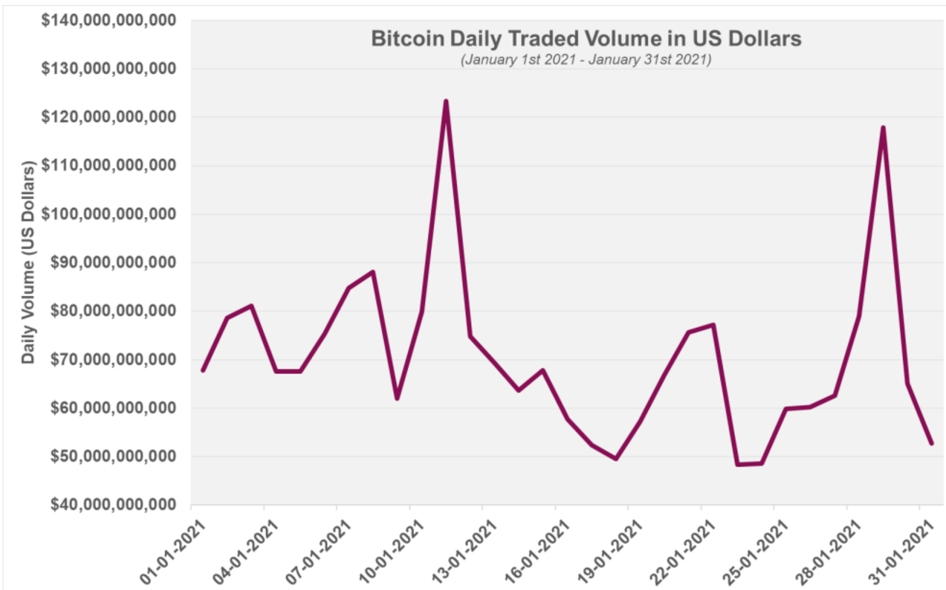
The “minting” of new Bitcoin is part of the mining process. Each time a block is created, the first transaction in the block issues a certain number of Bitcoin to the miner who created the block. This transaction is called a “coinbase transaction”. Every 210,000 blocks (approximately every 4 years), the amount of Bitcoin issued to miners in the coinbase transaction is cut in half. This is called “block reward halving” or “halving”.

Pursuant to the Bitcoin Protocol by 2140, the block reward will eventually decrease to zero and the number of bitcoin will be capped at 21 million bitcoins. This differs from a traditional currency, which does not have a theoretical cap on the amount of the currency that may be circulated to the public.

The Manager believes that given the cap on the number of bitcoin that are available on the Bitcoin Network, Bitcoin may be one of the least inflationary currencies in the world.

Increased Bitcoin Transactions

The use of Bitcoin, as a means of exchange, is increasing rapidly throughout the world, particularly in nations where faith in central bank backed fiat currencies (a currency that a government has declared a legal currency) has been unstable, or where necessary banking infrastructure is lacking. Bitcoin makes it possible for users to accept and send global transactions directly from their smartphone, 24 hours a day. In terms of dollar value, on average over the past thirty days (ending January 31, 2020), more than US$69.5 billion has been transacted using Bitcoin's blockchain (on a daily basis), as shown in the graph below.



Merchants generally accept Bitcoin as a means of exchange because it has lower transactional costs than using traditional payment processors and allows for seamless cross-border transactions Given Bitcoin's global, 24 hour, low fee nature, the Manager believes that merchants will continue to adopt Bitcoin, resulting in an increase in Bitcoin transactions and global demand for Bitcoin. The CFTC-regulated bitcoin futures markets allow merchants' payments in bitcoin to be hedged as Bitcoin exposure accumulates. This hedging process may allow merchants to protect their margins while accepting Bitcoin in its current volatile phase.

Bitcoin Trading Platforms

Bitcoin trading platforms operate websites that facilitate the purchase and sale of Bitcoin for various government issued currencies, including the U.S. dollar, Canadian dollar, the Euro and the Chinese yuan.

Bitcoin trading platforms generally report publicly on their websites the bid and ask prices for the purchase or sale of Bitcoin. Although each bitcoin trading platform has its own market price, it is expected that reputable bitcoin trading platforms' market prices should be relatively consistent with the bitcoin trading platform market average since market participants can choose the bitcoin trading platform on which to buy or sell Bitcoin. Price differentials across bitcoin trading platforms may enable arbitrage between Bitcoin prices on the various bitcoin trading platforms.

Bitcoin trading platforms are open 24 hours a day and 365 days of the year. There are currently over 100 bitcoin trading platforms globally. Bitcoin trading platforms with the most economically significant trading volume are Binance, Coinbase, Kraken, Bitfinex, Bitstamp, bitFlyer, Gemini, Bittrex, itBit and Liquid. A majority of these trading platforms employ "know your client" ("**KYC**") procedures in compliance with applicable AML Regulation.

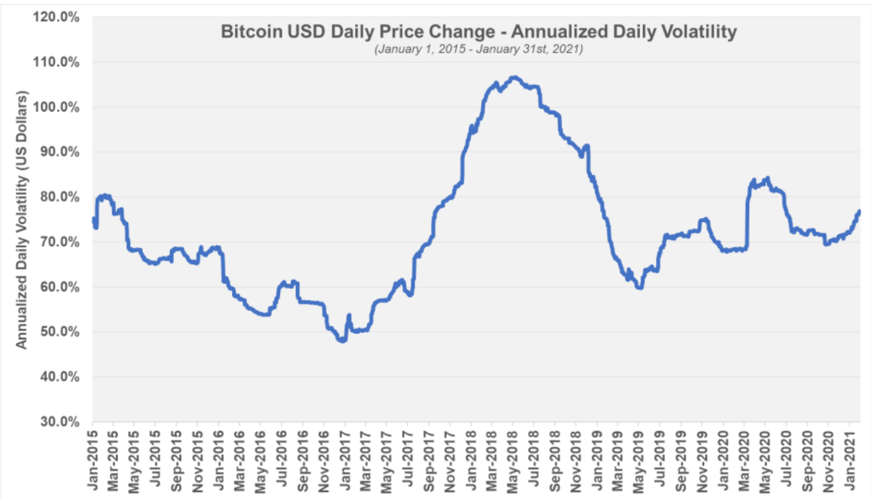
The Chicago Mercantile Group ("**CME**") launched bitcoin futures in late 2017. The Manager believes that futures trading on exchanges regulated by CFTC has increased liquidity and improves transparency in the Bitcoin market.

Volatility

The price of Bitcoin is volatile and fluctuations are expected to have a direct impact on the NAV of the Fund. However, movements in the price of Bitcoin in the past may not be a reliable indicator of future movements.

Movements may be influenced by various factors including supply and demand, geo-political uncertainties, macroeconomic concerns such as inflation and speculative investor interest.

Below is a chart showing the annualized volatility of daily Bitcoin price changes from January 1, 2015 to January 31, 2020. The more recent moderation in Bitcoin's volatility has been attributed to a number of factors including: more stable and liquid spot exchanges, increased approval by regulators, broader ownership and more reliable pricing and discovery data.



Correlation

Bitcoin is uniquely uncorrelated across traditional investment assets as demonstrated by the chart below.

Correlation Table of Daily Returns of Bitcoin (USD) vs Traditional Asset Classes

Asset Class	10 Year	7 Year	5 Year	3 Year	1 Year
Canadian Equity	0.09	0.13	0.17	0.23	0.41
U.S. Equity	0.06	0.09	0.12	0.17	0.36
International Equity	0.05	0.06	0.09	0.15	0.36
Canadian Fixed Income	0.01	0.02	0.02	0.02	0.05

Source: Bloomberg, as of January 31, 2021.

(1) Bitcoin is priced in USD.
(2) Canadian equity is represented by the S&P/TSX Composite Index.
(3) U.S. equity is represented by the S&P 500 Index (priced in CAD).
(4) International equity is represented by MSCI EAFE Index (priced in CAD).
(5) Canadian fixed income is represented by FTSE TMX Canada Universe Bond Index.

Purchasing Bitcoin for the Fund's Portfolio

The Manager expects that Bitcoin will be purchased for the Fund from bitcoin trading platforms and over the counter ("**OTC**") counterparties (each, a "**Bitcoin Source**"). The Manager will conduct due diligence on each proposed Bitcoin Source prior to transacting with such Bitcoin Source in order to confirm its reputation and stability, including by conducting research on the executive officers and significant shareholders of the Bitcoin Source and the regulatory regime, if any, applicable to the Bitcoin Source. The Manager will also confirm that each Bitcoin Source maintains appropriate KYC policies and procedures and will not transact with any person or entity that is on a list of designated persons or entities established and maintained under applicable AML Regulation in the jurisdiction of the Bitcoin Source. The Manager will ensure that each Bitcoin Source has its head office in a jurisdiction which is a member of the FATF (as defined herein) or its global network of FATF-Style Regional Bodies.

The Manager expects that the Fund's Bitcoin Sources will include Gemini, Coinbase Pro and other government regulated trading platforms and OTC counterparties.

The Manager will determine where to place the Fund's Bitcoin orders based on the price and liquidity available through the Bitcoin Sources with a view to achieving best execution for the Fund. Once a Bitcoin order has been executed and allocated to the Fund, the Manager will review and approve the transaction. Upon approval, the Custodian will be notified and payment for the trade will be settled. Once the Sub-Custodian receives the Bitcoin on behalf of the Fund, the Manager will immediately place the Fund's Bitcoin in cold storage, ensuring that such Bitcoin is allocated to the Fund's account on a segregated basis with the Sub-Custodian. See "Organization and Management Details of the Fund – Sub-Custodian".

The Sub-Custodian has developed the Gemini BSA/AML Program described under "Organization and Management Details of the Fund – Sub Custodian". In addition, the Sub-Custodian uses forensic software to analyze the wallets of its customers in accordance with applicable AML Regulations and regulatory standards. To date, the Sub-Custodian has not experienced a loss due to unauthorized access from its hot wallet or the cold storage vaults.

INVESTMENT RESTRICTIONS

The Fund is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and the Fund is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. A change to the fundamental investment objectives of the Fund would require the approval of the Unitholders of the Fund. See “Unitholder Matters – Matters Requiring Unitholders’ Approval”.

FEES AND EXPENSES

Fees and Expenses Payable by the Fund

Management Fees

The Fund will pay the Manager an annual management fee equal to 1.00% of the average daily NAV of the ETF Units. The management fee, plus applicable HST, is calculated and accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

Operating Expenses

The Fund pays for all ordinary expenses (the “**Administrative Expenses**”) incurred in connection with the operation and administration of the Fund including: custodian and sub-custodian fees; insurance fees; transfer agency fees; filing fees; listing fees; audit fees; legal expenses; premiums for directors’ and officers’ insurance coverage for the members of the IRC; fees and expenses of the members of the IRC; income taxes; sales taxes (including GST/HST); brokerage expenses and commissions; withholding taxes; extraordinary expenses; accounting fees; expenses incurred in connection with the valuation of the Fund’s assets; any costs and expenses incurred in complying with National Instrument 81-107 – *Independent Review Committee for Investment Fund* (“**NI 81-107**”) (including any expenses related to the implementation and on-going operation of an independent review committee); investor reporting costs for annual and semi-annual financial statements; expenses in connection with the preparation of prospectus and other regulatory reports and other operating and administrative expenses incurred in connection with the day-to-day operation of the Fund and, in relation to the ETF units, any fees associated with the forward contracts relating to the currency hedging strategy of the class. The Administrative Expenses payable by the Fund, plus applicable HST, are 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 Administrative Expenses which would otherwise be payable by the Fund.

Management Fee Rebates

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

Fees and Expenses Payable Directly by the Unitholders

Short-Term Trading Fees

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.

Administration Fee

Unitholders who buy and sell their ETF Units through the facilities of the TSX (or other exchange on which the Fund is traded) do not pay a fee directly to the Manager or the Fund in respect of those purchases and sales.

If stated in the Designated Broker Agreement or applicable Dealer Agreement, the Manager or the Fund may charge the Designated Brokers and/or Dealers an administrative fee of up to 2.00% to offset certain transaction costs associated with an issue, exchange or redemption of ETF Units of the Fund to or by the Designated Broker and/or Dealer.

ANNUAL RETURNS, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO

This information is not yet available for the Fund because it is new.

RISK FACTORS

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

Fluctuations in NAV and NAV per ETF Unit Risk

The NAV per ETF Unit of the Fund will vary according to, among other things, the value of the assets held by the Fund. The Manager and the Fund have no control over the factors that affect the value of the assets held by the Fund, including factors that affect the Bitcoin markets generally such as general economic and political conditions.

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 the value of the Fund’s investments and, in turn, the NAV of the ETF Units.

Risk of Loss

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

Volatility in the Price of Bitcoin Risk

The Bitcoin markets are sensitive to new developments, and since volumes are still maturing, any significant changes in market sentiment (by way of sensationalism in the media or otherwise) can induce large swings in volume and subsequent price changes. Such volatility can adversely affect the NAV of the ETF Units.

The price of Bitcoin on public Bitcoin trading platforms has a limited history. Bitcoin prices on the Bitcoin trading platforms as a whole have been volatile and subject to influence by many factors including the levels of liquidity on Bitcoin trading platforms. Bitcoin may trade at different prices across the various

Bitcoin trading platforms and there may be times where Bitcoin will trade at a premium on one trading platform to other platforms. Volatility in the price of Bitcoin on bitcoin trading platforms could adversely affect the NAV per ETF Unit.

Decrease in Demand for and Usage of Bitcoin Risk

There is no assurance that Bitcoin will maintain its long-term value in terms of purchasing power in the future or that the acceptance of Bitcoin as a means for payments by mainstream retail merchants and commercial businesses will continue to grow. In the event that the price of Bitcoin declines, the Manager expects the NAV per ETF Unit to decline proportionately. As relatively new products and technologies, cryptoassets such as Bitcoin have only recently become widely accepted as a means of payment for goods and services by many major retail and commercial outlets, and use of Bitcoin by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for Bitcoin transactions, process wire transfers to or from bitcoin trading platforms, bitcoin related companies or service providers, or maintain accounts for persons or entities transacting in Bitcoin. Conversely, a significant portion of Bitcoin demand is generated by speculators and investors seeking to profit from the short- or long-term holding of Bitcoin. A decrease in demand and use of Bitcoin could adversely affect the NAV per ETF Unit.

Competitors to Bitcoin Risk

To the extent a competitor to Bitcoin gains popularity and greater market share, the use and price of Bitcoin could be negatively impacted, which may adversely affect an investment in the Fund. Similarly, Bitcoin and the price of Bitcoin could be negatively impacted by competition from incumbents in the credit card and payments industries, which may adversely affect the NAV per ETF Unit.

Attacks on the Bitcoin Network Risk

The Bitcoin Network is periodically subject to distributed denial of service attacks to clog the list of transactions being tabulated by miners, which can slow the confirmation of authentic transactions. Another avenue of attack would be if a large number of miners were taken offline then it could take some time before the difficulty of the mining process algorithmically adjusts, which would stall block creation time and therefore transaction confirmation time. In the past these scenarios have not caused significant delays or resulted any significant systemic issues.

Increased Regulation of Bitcoin Risk

The regulation of Bitcoin (globally) continues to evolve any may restrict the use of Bitcoin or otherwise impact the demand for Bitcoin in the future.

The U.S. Securities and Exchange Commission (the "**SEC**") and the Canadian Securities Administrators generally take the view that Bitcoin is a commodity, however, they have not made a formal statement regarding its classification. The European Union, Russia and Japan have moved to treat Bitcoin like a currency for taxation purposes.

While the regulation of Bitcoin continues to evolve, the Manager believes that it is unlikely that a hostile regulatory environment will develop rather, the Manager believes that such processes will bring about innovation and increased protections for Bitcoin users.

Because the cryptoasset markets are largely unregulated today, many marketplaces and OTC counterparties that trade or facilitate trading exclusively in cryptoassets are not subject to registration or licensing requirements with any financial services regulatory body and, therefore, are not directly subject to prescribed KYC, reporting and recordkeeping requirements which apply financial services firms and other "reporting entities" under AML Regulation. The Manager will use all reasonable efforts to confirm that each bitcoin trading platform and institutional liquidity provider from which the Fund may purchase Bitcoin has adopted KYC procedures which reflect industry best practices to seek to ensure compliance with AML Regulation requirements which apply generally in the jurisdictions where they carry on business. In addition, the Sub-Custodian is a reporting entity under the *U.S. Bank Secrecy Act* and AML Regulation in the U.S. and has adopted the Gemini BSA/AML Compliance Program.

Risk Relating to the Cryptography Underlying the Bitcoin Network

Although the Bitcoin Network is the most established digital asset network, the Bitcoin Network and other cryptographic and algorithmic protocols governing the issuance of digital assets represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. The cryptography underlying bitcoin could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to take the Fund's Bitcoin, the functionality of the Bitcoin Network may be negatively affected such that it is no longer attractive to users, a reduction in user confidence in the digital asset bitcoin and/or the demand for Bitcoin may decrease all of which would adversely affect the NAV per ETF Unit.

Lack of Agreement on the Development of the Bitcoin Network Risk

Contributors such as software developers and miners may not agree on the most appropriate means of maintaining and developing the bitcoin software. These disputes may adversely affect the supply and price of Bitcoin which in turn may adversely affect the NAV per ETF Unit.

Risk that Blockchain may Experience a Temporary or Permanent Fork and/or Split

The bitcoin software and protocol are open source. In the event that a change is activated in the bitcoin software and the community of miners is split in their acceptance of such change, this could result in what is known as a "hard fork". One blockchain would be maintained by the pre-modified software and the other by the post-modification software each running parallel to one another and building independent blockchain with independent native assets. The emergence of a hard fork could adversely affect the value of Bitcoin and adversely affect the NAV per ETF Unit.

The Sub-Custodian Agreement provides that the Sub-Custodian will support the forked network that requires the greatest total threshold number of hash attempts to mine all existing blocks measured during the 48-hour period following the fork, subject to its ability to, under certain circumstances and in consultation with the New York State Department of Financial Services and its licensing partners, make a good faith determination as to the forked network that is most likely to be supported by the greatest number of users and miners and support that network. The Sub-Custodian may, in its discretion, choose to not support the forked network, in which case the Sub-Custodian may abandon the Fork Asset (as defined below), retain the Fork Asset for itself or allow a one-time withdrawal of the Fork Asset by the Fund. The Sub-Custodian may also choose to support the forked network.

The Manager will determine how the Fund will deal with a fork in the Bitcoin blockchain. There will likely be many factors relevant to such decision, including the value and liquidity of the new/replacement asset (the "Fork Asset"), the timing of when such information becomes available, whether the Manager can find another sub-custodian to take custody of the Fork Asset for the Fund and whether a disposition of such Fork Asset would trigger a taxable event for the Fund. As such, if it was in the best interest of the Fund to receive a Fork Asset or otherwise participate in a fork in the Bitcoin blockchain that is not supported by the Sub-Custodian, the Manager could instruct the Custodian to move the Fund's Bitcoin from the Sub-Custodian to an account with another sub-custodian which would support such fork.

The Manager will consult with the auditor of the Fund to ensure that all Fork Assets held by the Fund are properly valued in accordance with International Financial Reporting Standards for the purpose of calculating the NAV of the Fund and NAV per ETF Unit. The Manager has confirmed with the auditor of the Fund that in the event of a fork or split of the Bitcoin blockchain (or the blockchain of another Fork Asset held by the Fund), the Fund would not be required to reflect ownership of any resulting Fork Asset on its financial statements until such asset is released by the Sub-Custodian (or the relevant Fork Asset custodian) into the Fund's account.

The Manager will ensure that redeeming Unitholders receive the appropriate redemption price for their ETF Units, including in circumstances where a Fork Asset held by the Fund cannot be liquidated due to restrictions imposed by the custodian of the Fork Asset or other market forces.

Dependence on Bitcoin Developers Risk

While many contributors to Bitcoin's software are employed by companies in the industry, most of them are not directly compensated for helping to maintain the protocol. As a result, there are no contracts or guarantees that such individuals will continue to contribute to Bitcoin's software development.

Risk that Demand for Bitcoin may Exceed Supply

The demand for Bitcoin may develop at a pace which exceeds supply which may frustrate users and cause them to lose faith in the Bitcoin Network which may in turn adversely affect the NAV per ETF Unit.

Increase in Transaction Fees Risk

Bitcoin miners, functioning in their transaction confirmation capacity, collect fees for each transaction they confirm. Miners confirm transactions by adding previously unconfirmed transactions to new blocks in the blockchain. Miners are not forced to confirm any specific transaction, but they are economically incentivized to confirm valid transactions as a means of collecting fees. Miners have historically accepted relatively low transaction confirmation fees because miners have very low marginal cost of validating unconfirmed transactions. If miners collude in an anticompetitive manner to reject low transaction fees, then bitcoin users could be forced to pay higher fees, thus reducing the attractiveness of the Bitcoin Network. Bitcoin mining occurs globally and it may be difficult for authorities to apply antitrust regulations across multiple jurisdictions. Any collusion among miners may adversely impact the NAV per ETF Unit.

Decrease in Block Reward Risk

The block reward will decrease over time. On May 11, 2020, the block reward reduced from 12.5 to 6.25 Bitcoin. The block reward will decrease to 3.125 Bitcoin in 2024. As the block reward continues to decrease over time, the mining incentive structure will transition to a higher reliance on transaction verification fees in order to incentivize miners to continue to dedicate processing power to the blockchain. If transaction verification fees become too high, the marketplace may be reluctant to use Bitcoin. Decreased demand for Bitcoin may adversely affect the NAV per ETF Unit.

Dependence on the Internet Risk

Bitcoin miners (and full nodes) relay transactions to one another via the internet, and when blocks are mined they are also forwarded via the internet. Vendors of goods and services that accept Bitcoin access bitcoin's blockchain via the internet, and most customers access a Vendor's goods and services via the internet. Thus, the entire system is dependent upon the continued functioning of the internet.

Control of the Outstanding Bitcoin Risk

Approximately 20% of Bitcoin which is currently outstanding is held by 115 bitcoin addresses. While concentration in respect of Bitcoin holdings has decreased significantly over the past couple years it is still concentrated. If one of these top holders of Bitcoin were to liquidate their position, this could cause volatility in the price of Bitcoin and in turn adversely affect the NAV per ETF Unit of the Fund.

Control of the Bitcoin Network Risk

If an entity gains controls over 51% of the compute power (hash rate) the entity could use its majority share to double spend bitcoin. Essentially, the entity would send bitcoin to one recipient, which is confirmed in the existing blockchain, while also creating a shadow blockchain that sends that same bitcoin to another entity under its control. After a period of time, the entity will release its hidden blockchain and reverse previously confirmed transactions, and due to the way mining works, that new blockchain will become the record of truth. This would significantly erode trust in the Bitcoin Network to store value and serve as a means of exchange which may significantly decrease the value of the bitcoin and in turn the NAV per ETF Unit.

Concentration of Transaction Confirmation in China Risk

Due to preferential electricity discounts, there are large mining pools operating in China which have significant sway over the Bitcoin Network. The Chinese government could influence the operations of these miners in a number of ways (i.e. the Chinese government could cut off the miners' connection to the Bitcoin Network). In the past the Chinese government partially banned Bitcoin, and there is no guarantee that it will not attempt to impose a full ban on Bitcoin. If it were to ban Bitcoin, it may dissuade miners in China from continuing to mine Bitcoin which could be detrimental to the Bitcoin Network.

Risk Relating to Energy Consumption Required to Operate the Bitcoin Network

Because of the significant computing power required to mine Bitcoin, the network's energy consumption as a whole may ultimately be deemed to be or indeed become unsustainable (barring improvements in efficiency which could be designed for the protocol). This could pose a risk to broader and sustained acceptance of the network as a peer-to-peer transactional platform.

Improper Transfers Risk

Bitcoin transfers are irreversible. An improper transfer (whereby Bitcoin is accidentally sent to the wrong recipient), whether accidental or resulting from theft, can only be undone by the receiver of the Bitcoin agreeing to send the Bitcoin back to the original sender in a separate subsequent transaction. To the extent the Fund erroneously transfers, whether accidental or otherwise, Bitcoin in incorrect amounts or to the wrong recipients, the Fund may be unable to recover the Bitcoin, which could adversely affect an investment in the ETF Units.

Loss of "Private Keys" Risk

The loss or destruction of certain "private keys" (numerical codes required by the Fund to access its Bitcoin) could prevent the Fund from accessing its Bitcoin. Loss of these private keys may be irreversible and could result in the loss of all or substantially all of the Fund's assets.

Lack of Insurance Risk

Neither the Fund nor the Custodian will maintain insurance against risk of loss of Bitcoin held by the Fund, as such insurance is not currently available in Canada on economically reasonable terms.

The Fund's bitcoins will be held by the Sub-Custodian offline in "cold storage". See "Organization and Management Details of the Fund – Sub-Custodian – Insurance". Bitcoins held in cold storage are protected by the Sub-Custodian's security measures, which reflect best practices in the payment industry generally and in the cryptoasset space in particular. The Fund's Bitcoins may also be temporarily held online in a "hot wallet" by the Sub-Custodian. The Sub-Custodian maintains commercial crime insurance in an aggregate amount that is greater than the value of digital assets custodied in its "hot wallet".

Limited History of Bitcoin and Bitcoin Trading Platforms Risk

Bitcoin and cryptocurrencies generally are new technological innovations with a limited history. There is no assurance that usage of Bitcoin and its blockchain will continue to grow. Increased volatility of Bitcoin and/or a reduction in its price could adversely affect the NAV per ETF Unit.

Bitcoin trading platforms have a limited operating history. Since 2009, several bitcoin trading platforms have been closed or experienced disruptions due to fraud, failure, security breaches or distributed denial of service attacks. In many of these instances, the customers of such trading platforms were not compensated or made whole for the partial or complete loss of funds held at such bitcoin trading platforms. The potential for instability of bitcoin trading platforms and the closure or temporary shutdown of bitcoin trading platforms due to fraud, business failure, hackers, distributed denial of service attacks or malware or government-mandated regulation may reduce confidence in Bitcoin, which may adversely affect the NAV per ETF Unit.

Public bitcoin trading platforms have a limited history. The price of Bitcoin on trading platforms throughout the world has historically been volatile and subject to influence by any number of factors including supply and demand, geo-political uncertainties, macroeconomic concerns such as inflation, speculative investor interest, and the level of liquidity on such exchanges. See "Risk Factors – Volatility in the Price of Bitcoin".

Hacking of Bitcoin Trading Platforms Risk

Certain bitcoin trading platforms have in the past been compromised by hackers and malware. In the event that a bitcoin trading platform is hacked such an event may result in the in the closure or temporary closure of a bitcoin trading platform or reduce investor confidence in Bitcoin generally which could affect the price of Bitcoin and in turn adversely affect the NAV per ETF Unit.

Regulation of Bitcoin Trading Platforms Risk

Bitcoin trading platforms are spot markets on which Bitcoin can be exchanged for U.S. dollars. Bitcoin trading platforms are not regulated as securities exchanges or commodity futures exchanges under the securities or commodity futures laws of Canada, the U.S. or other global jurisdictions. The Manager seeks to ensure that the bitcoin trading platforms on which the Fund transacts are reputable, stable and in compliance with AML Regulation. See “Overview of the Sector in which the Fund Invests – Purchasing Bitcoin for the Fund’s Portfolio”.

Trading Price of Units Risk

The ETF Units may trade in the market at a premium or discount to the NAV per ETF Unit. There can be no assurance that the ETF Units will trade at prices that reflect their net asset value. The trading price of the ETF Units will fluctuate in accordance with changes in the Fund’s NAV, as well as market supply and demand on the designated exchanges on which on which the ETF Units of the Fund may be listed or traded from time to time. However, given that generally only a Prescribed Number of Units are issued to the Designated Broker and Dealers, and that holders of a Prescribed Number of Units (or an integral multiple thereof) may redeem such Units at their net asset value, the Manager believes that large discounts or premiums to the NAV of the ETF Units should not be sustained.

Risk Relating to Valuation of the Fund’s Assets

The valuation of the Fund’s assets may involve uncertainties and judgement determinations, and, if such valuations should prove to be incorrect, the NAV per ETF Unit could be adversely affected. The Manager may face a conflict of interest in valuing the Bitcoin held by the Fund because the values assigned will affect the calculation of the Management Fee payable by the Fund to it.

Use of Derivative Instruments Risk

The Fund may use derivative instruments from time to time as described under “Investment Strategies”. 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 the 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 the Fund from completing or settling the derivative contract; (d) the Fund could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (e) if the 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.

Illiquid Securities Risk

The Fund may not always be able to liquidate its Bitcoin at a desired price. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on Bitcoin trading platforms. Unexpected market illiquidity may cause major losses to the holders of Bitcoin. The amount of Bitcoin that the Fund may acquire increases the risks of illiquidity by both making its Bitcoin difficult to liquidate and in liquidating, the Fund may significantly affect Bitcoin’s price.

Concentration Risk

The Fund was created to invest in Bitcoin and is not expected to have significant exposure to any other investments or assets. The NAV per ETF Unit may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the NAV per ETF Unit.

Currency Exposure Risk

The Fund will purchase U.S. dollar denominated Bitcoin. Canadian investors should be aware that the Fund will not hedge the investor's investment in the Fund against Canadian currency exposure. Fluctuations in the value of the Canadian dollar relative to the U.S. dollar will impact the relative value of an investor's investment in Canadian dollars. If the value of the Canadian dollar has increased relative to the U.S. dollar, the return on the Bitcoin converted into Canadian dollars may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, a Canadian investor and the value of such investor's investment converted into Canadian dollars may benefit from an increase in the value of the U.S. dollar relative to the Canadian dollar.

Exchange Rate Risk

The assets and liabilities of the Fund are valued in Canadian dollars. The Fund will purchase Bitcoin which is denominated in U.S. dollars. For the purposes of calculating the NAV per ETF Unit, the Manager will convert, on a daily basis, the value of the Bitcoin held in the Fund's portfolio into Canadian dollars. Fluctuations in the value of the Canadian dollar relative to the U.S. dollar will impact the NAV per ETF Unit. If the value of the Canadian dollar has increased relative to the U.S. dollar, the return on the Fund's Bitcoin may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, the Fund may benefit from an increase in the value of the U.S. dollar relative to the Canadian dollar. With respect to the ETF units generally, a substantial portion of the U.S. dollar currency exposure within the portion of the Fund's portfolio allocable to such units will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the Manager's discretion. With respect to the ETF Non-Currency Hedged Units, the U.S. dollar currency exposure of the portfolio allocable to such units will not be hedged back to the Canadian dollar.

A holder of USD ETF Non-Currency Hedged Units that redeems its USD ETF Non-Currency Hedged Units will receive any cash amount to which the Unitholder is entitled in connection with the redemption in U.S. dollars. Because any cash redemption proceeds will be delivered in U.S. dollars, the redeeming Unitholder may be required to open or maintain an account that can receive deposits of U.S. dollars. The ability to purchase USD ETF Non-Currency Hedged Units 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.

Currency Risk

Investors may purchase CAD ETF Non-Currency Hedged Units in Canadian dollars. CAD ETF Non-Currency Hedged Units are offered only as a convenience for investors and do not act as a currency hedge between the U.S. dollar and the Canadian dollar.

Tax Risk

In order to qualify as a mutual fund trust under the Tax Act, the Fund must comply with various requirements contained in the Tax Act, including to restrict its undertaking to the investment of its funds in property. If the Fund does not or ceases to qualify as a mutual fund trust under the Tax Act (whether as a result of a change in law or administrative practice, or due to its failure to comply with the current Canadian requirements for qualification as a mutual fund trust), the income tax considerations described under "Income Tax Considerations" would be materially and adversely different in certain respects.

The Fund intends to take the position that it will not use the Bitcoin or any other property in the course of carrying on a business in Canada and, therefore, will not be a "SIFT trust" as defined for purposes of the rules applicable to such entities in the Tax Act (the "**SIFT Rules**"). However, if it is determined that the Fund constitutes a SIFT trust in a particular year, any "non-portfolio earnings" (as defined for the purposes of the SIFT Rules) of the Fund will generally be subject to tax under Part I of the Tax Act, even if all its net income for the year is distributed to Unitholders of the Fund. Any such distributions would be treated in the hands of Unitholders as eligible dividends paid by a taxable Canadian corporation. No advance income tax ruling has been sought or obtained from the Canada Revenue Agency (the "**CRA**") in respect of the status of the Fund under the SIFT Rules or otherwise, and therefore the CRA could seek to assess or reassess the Fund and Unitholders on the basis that the Fund is a SIFT trust.

The Fund will generally treat gains (or losses) as a result of any disposition of Bitcoin as capital gains (or capital losses), as the Fund intends to be a long-term holder of Bitcoin. The CRA has taken the administrative position that Bitcoin is treated as a commodity for income tax purposes. The CRA has also expressed the opinion that gains (or losses) of mutual fund trusts resulting from transactions in commodities should generally be treated for income tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. If any transactions of the Fund are reported by it on capital account, but are subsequently determined by the CRA to be on income account, there may be an increase in the net income of the Fund, which is automatically distributed by the Fund to its Unitholders under the terms of the Declaration of Trust at the Fund's taxation year end; with the result that Canadian-resident Unitholders could be reassessed by the CRA to increase their taxable income by the amount of such increase, and non-resident Unitholders potentially could be assessed directly by the CRA for Canadian withholding tax on the amount of net gains on such transactions that were treated by the CRA as having been distributed to them. The CRA could assess the Fund for a failure of the Fund to withhold tax on distributions made by it to non-resident Unitholders that are subject to withholding tax, and typically would do so rather than assessing the non-resident Unitholders directly. Accordingly, any such redetermination by the CRA may result in the Fund being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada for the purposes of the Tax Act at the time of the distribution. As the Fund may not be able to recover such withholding taxes from the non-resident Unitholders whose Units are redeemed, payment of any such amounts by the Fund would reduce the Net Asset Value of the Fund.

The Tax Act contains tax loss restriction rules that apply to trusts such as the Fund. The loss restriction rules will generally apply to the extent that any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires ETF Units of the Fund having a fair market value that is greater than 50% of the fair market value of all the units of the Fund. If such circumstances occur, the Fund will have a deemed tax year end and any undistributed income and realized capital gains (net of any applicable losses) would be expected to be made payable to all Unitholders of the Fund as a distribution on their ETF Units (or tax thereon paid by the Fund in respect of such year). Accordingly, in such event, distributions on the ETF Units in the form of additional ETF Units (which will be automatically consolidated) and/or cash may be declared and paid to Unitholders. In addition, accrued capital losses and certain other realized losses of the Fund would be unavailable for use by the Fund in future years. Given the manner in which ETF Units are distributed, there may be circumstances in which the Fund will not be able to control or identify a "loss restriction event" (as defined in the Tax Act). As a result, there can be no assurance that the Fund will not be subject to such a "loss restriction event" and no assurance as to when and to whom any such distributions will be made, or that the Fund will not be required to pay tax on such undistributed income and taxable capital gains.

Changes in Legislation Risk

There can be no assurance that tax, securities or other laws, or the administration thereof, will not be changed in a manner that adversely affects the distributions received by the Fund or by its Unitholders.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Fund or its Unitholders. For example, changes to tax legislation or the administration thereof could affect the taxation of the Fund, its portfolio assets or Unitholders.

Distributions In Specie Risk

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

Lack of Operating History Risk

The Fund is newly organized with no previous operating history. Although the Fund will, subject to satisfying the TSX's original listing requirements, be listed on the TSX, there can be no assurance that an active public market for the ETF Units of the Fund will develop or be sustained.

Absence of an Active Market for the ETF Units Risk

Although the ETF Units of the Fund will (subject to satisfying the TSX's original listing requirements) be, listed on the TSX, there can be no assurance that an active public market for the ETF Units will develop or be sustained.

Reliance on Key Personnel Risk

The Manager depends, to a great extent, on the services of a limited number of individuals in connection with the services provided to the Fund. The loss of such services or the loss of some key individuals could impair the ability of the Manager to perform its management, portfolio management and administrative services on behalf of the Fund.

Risk Relating to Residency of the Sub-Custodian

The Sub-Custodian is resident outside of Canada and all or a substantial portion of its assets are located outside Canada. As a result, anyone seeking to enforce legal rights against it in Canada may find it difficult to do so.

Risk Relating to Standard of Care of the Manager, Custodian and Sub-Custodian

Each of the Manager, the Custodian and the Sub-Custodian are subject to a contractual standard of care in carrying out its duties on behalf of the Fund (See "Organization and Management Details of the Fund – Details of the Declaration of Trust", "Organization and Management Details of the Fund – Custodian" and "Organization and Management Details of the Fund – Sub-Custodian"). In the case that the Fund suffers a loss of its Bitcoin and each of the Manager, the Custodian and the Sub-Custodian satisfied its respective standard of care, the Fund will bear the risk of loss as with respect to these parties.

Under the terms of the Custody Agreement, the Custodian is required to exercise the standard of care required by NI 81-102. However, the Custodian will not be liable to the Fund for any loss of the Fund's Bitcoin held by the Sub-Custodian unless such loss is directly caused by the Custodian's gross negligence, fraud, wilful default, or the breach of its standard of care. In the event of such loss, the Custodian is required to take reasonable steps to enforce such rights as it may have against the Sub-Custodian pursuant to the terms of the Sub-Custodian Agreement and applicable law.

Risk Relating to SOC 2 Type 2 Report of the Sub-Custodian

In accordance with the Sub-Custodian Agreement, the Sub-Custodian will provide the Manager, on an annual basis, a SOC 2 Type 2 Report in respect of its internal controls during the course of the calendar year and the Manager will make such SOC 2 Type 2 Report available for review by the auditor of the Fund in connection with the audit of the Fund's annual financial statements. However, there is a risk that such SOC 2 Type 2 Report of the Sub-Custodian will not be available. In the event that the SOC 2 Type 2 Report is not available, the Manager will request confirmation from the Sub-Custodian in writing to permit the auditor of the Fund to test its internal controls. Although the Manager has received reasonable assurances from the Custodian and the Sub-Custodian that such written confirmation will be provided in the event that a SOC 2 Type 2 Report of the Sub-Custodian is not available, there is a risk that such written confirmation will not be provided and/or that the auditor will not be able to test the internal controls of the Custodian and the Sub-Custodian directly. The Fund has filed an undertaking with applicable securities regulatory authorities that provides that while it is a reporting issuer, the Fund will obtain from the Sub-Custodian of the Fund's Bitcoin either an SOC 2 Type 2 Report or written confirmation from the Sub-Custodian to permit the Fund's auditor to test its controls.

In the event that the auditor of the Fund cannot: (i) review a SOC 2 – Type 2 Report of the Sub-Custodian; or (ii) test the internal controls of the Sub-Custodian directly in connection with its audit of the Fund's annual financial statements, the auditor would not be able to complete its audit of the annual financial statements of the Fund in accordance with the current guidance of the Canadian Public Accountability Board.

Counterparty Risk

Due to the nature of some of the investments that the Fund may undertake, the 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 other transactions in the event of the default or bankruptcy of a counterparty.

Liability of Unitholders Risk

The Fund is a unit trust and as such its Unitholders do not receive the protection of statutorily mandated limited liability in some provinces and territories as in the case of shareholders of most Canadian corporations. There is no guarantee, therefore, that Unitholders could not be made party to legal action in connection with the Fund. However, the Declaration of Trust provides that no Unitholder, in its capacity as such, will be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the Fund's property or the obligations or the affairs of the Fund and all such persons are to look solely to the Fund's property for satisfaction of claims of any nature arising out of or in connection therewith and only the Fund's property will be subject to levy or execution. Pursuant to the Declaration of Trust, the Fund will indemnify and hold harmless each Unitholder from any costs, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of such Unitholder not having limited liability.

As a result of the foregoing, it is considered that the risk of any personal liability of Unitholders is minimal in view of the nature of its activities. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

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 the 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-custodians) 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 Fund cannot control the cyber security plans and systems put in place by its service providers or any other third party whose operations may affect the Fund or its Unitholders. The Fund and its Unitholders could be negatively impacted as a result.

Risk Rating of the Fund

The Manager assigns a fund risk ratings to each fund it manages 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 its funds in accordance with NI 81-102. The investment risk level of a fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the fund as measured by the 10-year standard deviation of the returns of the fund. Just as historical performance may not be indicative of future returns, a fund's historical volatility may not be indicative of its future volatility. Investors should be aware that other types of risk, both measurable and non-measurable, also exist.

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

Using this methodology, the Manager will generally assign a risk rating to a fund in one of the following categories:

- Low – for funds with a level of risk that is typically associated with investments in money market funds and Canadian fixed income funds;

- 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;

- 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;

- 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

- High – for funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets and precious metals).

A fund's risk rating is determined by calculating its standard deviation for the most recent 10 years using monthly returns and assuming the reinvestment of all income and capital gains distributions in additional units of the fund. For those funds that do not have at least 10 years of performance history, the Manager uses a reference index that reasonably approximates or, for a newly established fund, that is reasonably expected to approximate, the standard deviation of the fund (or in certain cases a highly similar mutual fund managed by us) as a proxy. There may be times when we believe this methodology produces a result that does not reflect a fund's risk based on other qualitative factors. As a result, the Manager may place the fund in a higher risk rating category, as appropriate. 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 by calling 1-877-789-1517 or by emailing the Manager at info@purposeinvest.com.

The Manager has assigned the Fund a risk rating of **High**. The risk rating does not necessarily correspond to an investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding their personal circumstances.

The Fund's risk classification is based on the Fund's returns and the return of the TradeBlock XBX Index. Index returns are converted to Canadian dollars. The TradeBlock XBX Index represents a real-time, U.S. dollar equivalent spot rate for Bitcoin. The TradeBlock XBX Index value is algorithmically calculated (with reference to volume, weight, price variance weighting and inactivity adjustment) once every second based on observed trading activity on leading bitcoin trading platforms. The index is designed as a reference rate to track liquidity while also adjusting for deviations caused by anomalies and manipulation attempts at individual trading platforms.

DISTRIBUTION POLICY

The Fund does not expect to pay regular cash distributions on the ETF Units.

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

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

PURCHASES OF ETF UNITS

Initial Investment in the Fund

In compliance with NI 81-102, the Fund will not issue ETF Units to the public until orders aggregating not less than $500,000 have been received and accepted by the Fund from investors other than the Manager or its directors, officers or shareholders.

Continuous Distribution

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

Designated Broker

The Manager, on behalf of the Fund, has entered or will enter into, as the case may be, a Designated Broker Agreement with the Designated Broker pursuant to which the Designated Broker agrees to perform certain duties relating to the Fund with respect to the ETF Units including, without limitation: (a) to subscribe for a sufficient number of ETF Units to satisfy the TSX's (or such other designated exchange on which the ETF Units of the Fund may be listed from time to time) original listing requirements; (b) to subscribe for ETF Units on an ongoing basis in connection with the rebalancing of and adjustments to the portfolio of the Fund; and (c) to post a liquid two-way market for the trading of ETF Units on the TSX (or such other designated exchanges on which the ETF Units of the Fund may be traded from time to time). The Manager may, in its discretion from time to time, reimburse the Designated Broker for certain expenses incurred by the Designated Broker in performing these duties.

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

Issuance of ETF Units

To the Designated Broker and Dealers

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

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

For each Prescribed Number of Securities issued, the Designated Broker or Dealer must deliver payment consisting of cash in an amount equal to the NAV of the ETF Units next determined following the receipt of the subscription order and a cash subscription fee, if applicable. Subscription orders must be received by 4:00 p.m. (Toronto time) or such other time as indicated on the website for the Fund.

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

To the Designated Broker in Special Circumstances

ETF Units may be issued by the Fund to the Designated Broker in connection with the rebalancing of and adjustments to the Fund or its portfolio when cash redemptions of ETF Units occur as described below under "Redemption and Exchange of ETF Units – Redemption of ETF Units for Cash".

Buying and Selling ETF Units

The ETF Units of the Fund have been conditionally approved for listing on the TSX. Subject to satisfying the TSX's original listing requirements in respect of the Fund, the ETF Units of the Fund will be listed on the TSX and offered on a continuous basis, and an investor will be able to buy or sell such ETF Units on the TSX through registered brokers and dealers in the Province or Territory where the investor resides. Investors will incur customary brokerage commissions in buying or selling the ETF Units.

Special Considerations for 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 Units. The Fund obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the ETF Units of the Fund through purchases on a stock exchange without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to the Manager not to vote more than 20% of the ETF Units of the Fund at any meeting of Unitholders. See "Exemptions and Approvals".

Non-Resident Unitholders

In order for the Fund to maintain its status as a mutual fund trust (for the purposes of the Tax Act), except in certain circumstances, the Fund cannot be established or maintained primarily for the benefit of non-residents of Canada. At no time may: (a) non-residents of Canada; (b) partnerships that are not Canadian partnerships; or (c) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act), be the beneficial owners of a majority of the ETF Units of the Fund. The Manager may require declarations as to the jurisdictions in which a beneficial owner of ETF 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 ETF Units of the Fund then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident 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 ETF 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 ETF 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 ETF Units and, in the interim, shall suspend the voting and dividend rights attached to such ETF Units. Upon such sale, the affected holders shall cease to be beneficial holders of ETF Units and their rights shall be limited to receiving the net proceeds of sale of such ETF 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 the Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Fund as a mutual fund trust for purposes of the Tax Act.

Registration and Transfer through CDS

Registration of interests in, and transfers of, ETF Units, will be made only through CDS. ETF Units may be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of ETF Units 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 Units. Upon purchase of any ETF Units the owner will receive only the customary confirmation; physical certificates evidencing ownership will not be issued. References in this prospectus to a Unitholder mean, unless the context otherwise requires, the beneficial owner of such ETF Units.

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

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

The Fund has the option to terminate registration of the ETF Units through the book-based system in which case certificates for ETF Units in fully registered form will be issued to beneficial owners of such ETF Units to their nominees.

REDEMPTION AND EXCHANGE OF ETF UNITS

Redemption of ETF Units for Cash

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

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

In connection with the redemption of ETF Units, the Fund will generally dispose of assets to satisfy the redemption.

Exchange of ETF Units for Portfolio Assets

On any Trading Day, Unitholders may exchange the Prescribed Number of Securities (or an integral multiple thereof) for cash or, if agreed to by the Manager, for cash and portfolio assets.

To effect an exchange of ETF Units of the Fund a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the Manager at its registered office by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit). The exchange redemption request forms may be obtained from any registered broker or dealer. The exchange price will be equal to the NAV of the ETF Units of the Fund being exchanged on the effective day of the exchange request, payable by delivery of portfolio assets and cash. The 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 portfolio assets and cash will be made by no later than the second Trading Day after the effective day of the exchange request. The portfolio assets to be delivered on an exchange shall be selected by the Manager in its discretion.

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

If portfolio assets of the 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 assets to a Unitholder on an exchange in the Prescribed Number of Securities may be postponed until such time as the transfer of the portfolio assets is permitted by law.

Requests for Exchange and Redemption

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

Suspension of Exchange and Redemption

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

Costs Associated with Exchange and Redemption

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

Exchange and Redemption of 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 Units holds its ETF Units. Beneficial owners of ETF Units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold

ETF Units 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.

Short-Term Trading

At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on the Fund as the 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 Units are not purchased in the secondary market, purchases usually involve the Designated Broker or a Dealer upon whom the Manager may impose a redemption fee, which is intended to compensate the Fund for any costs and expenses incurred in relation to the trade.

PRICE RANGE AND TRADING VOLUME OF ETF UNITS

This information is not yet available for the Fund because it is new.

INCOME TAX CONSIDERATIONS

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

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

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

Status of the Fund

This summary is based on the assumption that the Fund will comply at all material times with the conditions prescribed in the Tax Act and otherwise so as to qualify as a "mutual fund trust" as defined in the Tax Act. Counsel is advised that the Fund is expected to qualify, as a "mutual fund trust" under the Tax Act at all material times.

This summary also assumes that the Fund will at no time qualify as a "SIFT trust" within the meaning of subsection 122.1(1) of the Tax Act.

If the Fund were to not qualify as a "mutual fund trust" for the purposes of the Tax Act at all material times, or if the Fund were to qualify as a SIFT trust, the tax considerations could be materially different from those described below.

Taxation of the Fund

The Fund will include in computing its income, any taxable distributions received or deemed to be received on assets held by it, and the taxable portion of any capital gains realized by the Fund on the disposition of capital property. The Declaration of Trust requires that the Fund distribute its net income and net realized capital gains, if any, for each taxation year of the Fund to Unitholders to such an extent that the Fund will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of the Fund and any capital gains refunds to which the Fund is entitled). If in a taxation year the income for tax purposes of the Fund exceeds the cash available for distribution by the Fund, the Fund will distribute its income through a payment of reinvested distributions.

The CRA has taken the administrative position that Bitcoin is treated as a commodity for purposes of the Tax Act. The CRA has expressed the opinion that gains (or losses) of mutual fund trusts resulting from transactions in commodities should generally be treated for tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. As the Fund intends to be a long-term holder of Bitcoin, the Manager anticipates that the Fund will generally treat gains (or losses) as a result of any disposition of Bitcoin as capital gains (or capital losses) although, depending on the circumstances, the Fund may instead include the full amount in (or deduct the full amount from) income.

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

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

If the Fund realizes capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of ETF Units by a Unitholder, all or a portion of the amount received by the Unitholder may be designated and treated for income tax purposes as a distribution to the Unitholder out of such capital gains rather than being treated as proceeds of disposition of the Units. Legislative proposals released by the Minister of Finance (Canada) on July 30, 2019 proposed amendments to the Tax Act that would (a) deny a mutual fund trust a deduction for any income of the mutual fund 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 mutual fund trust a deduction for the portion of a capital gain of the mutual fund trust 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. The first of those two proposed amendments would be effective, for all mutual fund trusts, for taxation years of a mutual fund trust beginning on or after March 19, 2019. The second such proposed amendment would be effective (i) for taxation years of a mutual fund trust which is listed on a designated stock exchange in Canada and in continuous distribution, beginning on or after March 20, 2020 and (ii) for taxation years of all other mutual fund trusts, beginning on or after March 19, 2019. If such proposed amendments to the Tax Act are enacted in their current form, any income or taxable capital gains that would otherwise have been designated to redeeming Unitholders may be made payable to the remaining, non-redeeming Unitholders to ensure the mutual fund trust will not be liable for non-refundable income tax thereon. Accordingly, the amounts of taxable distributions made to Unitholders of the Fund may be greater than they would have been in the absence of such amendments.

Any losses incurred by the Fund may not be allocated to Unitholders, but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act.

The Fund is subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of capital property is considered to be a suspended loss when the Fund acquires a property (a "**substituted property**") that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Fund owns the substituted property 30 days after the original disposition. If a loss is suspended, the Fund cannot deduct the loss until the substituted property is sold and is not reacquired within 30 days before and after the sale, which may increase the amount of net realized capital gains of the Fund to be made payable to its Unitholders.

Taxation of Unitholders

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

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

The Fund will designate, to the extent permitted by the Tax Act, the portion of, respectively: (i) taxable dividends (including eligible dividends) received or considered to be received by the Fund on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized or considered to be realized by the Fund. Any such designated amount will be deemed for tax purposes to be received or realized by Unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation will apply to amounts designated by the Fund as such taxable dividends. Capital gains so designated will be subject to the general rules relating to the taxation of capital gains described below. In addition, the Fund may make designations in respect of income from foreign sources, if any, so that Unitholders may be able to claim a foreign tax credit in accordance with the provisions of and subject to the general limitations under the Tax Act for a portion of foreign tax, if any, paid or considered to be paid by the Fund.

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable capital gains, or non-taxable amounts as those items are applicable.

Upon the actual or deemed disposition of an ETF Unit of the Fund, including the exchange or redemption of an ETF Unit, and including upon the termination of the Fund, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the ETF Unit exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the ETF Unit and any reasonable costs of disposition. For USD ETF Non-Currency Hedged Units, proceeds of disposition and each component of adjusted cost base are calculated in Canadian dollars based on the currency exchange rate on the dates such amounts arise. In general, the adjusted cost base of all ETF Units of the Fund held by the Unitholder is the total amount paid for the ETF Units (including brokerage commissions paid and the amount of reinvested distributions), regardless of when the investor bought them, less any non-taxable distributions (other than the non-taxable portion of capital gains) such as a return of capital and less the adjusted cost base of any ETF Units of the Fund previously redeemed/exchanged by the Unitholder. For the purpose of determining the adjusted cost base of ETF Units to a Unitholder, when ETF Units of the Fund are acquired, the cost of the newly acquired ETF Units will be averaged with the adjusted cost base of all ETF Units of the Fund owned by the Unitholder as capital property immediately before that time. The cost of ETF Units acquired on the reinvestment of distributions, including under the Reinvestment Plan, will be the amount so reinvested.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains realized or considered to be realized by the Fund and designated by the Fund in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One-half of a capital loss realized by a Unitholder will be an allowable capital loss that may be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

Taxation of Registered Plans

In general, a Registered Plan will not be taxable on the amount of a distribution paid or payable to a Registered Plan from the Fund, nor on gains realized by a Registered Plan on a disposition of an ETF Unit. As is the case for all investments held in Registered Plans, amounts withdrawn from a Registered Plan (other than from a TFSA or a return of contributions from an RESP or RDSP) will generally be subject to tax. To the extent that ETF Units of the Fund are exchanged by the redeeming Unitholder for Bitcoin, or liquidation of the Bitcoin of the Fund is not practicable upon termination of the Fund, any Bitcoin received by a Unitholder would not be a qualified investment for Registered Plans.

Tax Implications of the Fund's Distribution Policy

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

International Information Reporting

The Fund is required to comply with due diligence and reporting obligations in the Tax Act enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement (the "**IGA**"). As long as ETF Units of the Fund continue to be registered in the name of CDS or are approved to be listed on the TSX, the Fund should not have any U.S. reportable accounts and, as a result, it should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their ETF Units are subject to due diligence and reporting obligations with respect to financial accounts that they maintain for their clients. Unitholders (and, if applicable, the controlling person(s) of a Unitholder) may be requested to provide information to their dealer to identify U.S. persons holding ETF Units. If a Unitholder, or its controlling person(s), is a "Specified U.S. Person", as defined under the IGA (including a U.S. citizen who is a resident of Canada), if no such determination has been made but the information provided includes indicia of U.S. status and sufficient evidence to the contrary is not timely provided, or if the Unitholder fails to provide the requested information and indicia of U.S. status is present, then Part XVIII of the Tax Act will generally require information about the Unitholder'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 will then provide that information to the U.S. Internal Revenue Service.

In addition, pursuant to Part XIX of the Tax Act implementing the Organization for Economic Co-operation and Development Common Reporting Standard (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 Unitholders (and, if applicable, of the controlling persons of such Unitholders) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax resident 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, Unitholders 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.

ELIGIBILITY FOR INVESTMENT

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

Notwithstanding the foregoing, the holder of a TFSA or RDSP, the annuitant of a RRSP or RRIF, or the subscriber of a RESP, will be subject to a penalty tax in respect of ETF Units held by such TFSA, RRSP, RDSP, RESP, or RRIF, as the case may be, if such ETF Units are a "prohibited investment" for such Registered Plans for the purposes of the Tax Act. ETF Units will not be a "prohibited investment" for a trust governed by a TFSA, RRSP, RDSP, RESP, or RRIF, unless the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF, or the subscriber of the RESP, as applicable, (a) does not deal at arm's length with the Fund for purposes of the Tax Act, or (b) has a "significant interest" (as defined in the Tax Act) in the Fund. Generally, a holder, an annuitant, or a subscriber, as the case may be, will not have a significant interest in the Fund unless the holder, the annuitant, or the subscriber, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the holder, the annuitant, or the subscriber, as the case may be, does not deal at arm's length for the purposes of the Tax Act. In addition, the ETF Units of the Fund will not be a prohibited investment if such ETF Units are "excluded property" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP, RDSP, RESP, or RRIF.

Holders, annuitants or subscribers should consult their own tax advisors with respect to whether ETF Units would be prohibited investments and whether such ETF Units would be excluded property in their particular circumstances.

Portfolio assets received on the redemption of ETF Units of the Fund may not be qualified investments for trusts governed by Registered Plans.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

Officers and Directors of the Trustee, Manager and Promoter

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

Name and Municipality of Residence	**Position with the Manager**	**Principal Occupation**
SOM SEIF Toronto, Ontario	President, Chief Executive Officer, Chairman of the Board of Directors, Ultimate Designated Person and Director	President, Chief Executive Officer and Chairman of the Board of Directors of Purpose Investments Inc.
JEFF BOUGANIM Oakville, Ontario	Chief Financial Officer and Director	Chief Financial Officer, Purpose Investments Inc.; Chief Financial Officer of MCAN Mortgage Corporation
VLADIMIR TASEVSKI Toronto, Ontario	Chief Operating Officer, Chief Compliance Officer and Director	Vice President of Purpose Investments Inc.

Prior to November, 2018, Jeff Bouganim was Chief Financial Officer of MCAN Mortgage Corporation.

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

Som Seif

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

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

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

Jeff Bouganim

Jeff Bouganim is the Chief Financial Officer of Purpose. Mr. Bouganim has over 20 years' experience in the financial services industry including most recently as Chief Financial Officer at MCAN Mortgage Corporation/an OSFI regulated deposit taking mortgage investment corporation. Mr. Bouganim was also previously Chief Financial Officer of a Schedule I Chartered Bank and Chief Financial Officer of an IIROC Securities Dealer within one of the large Canadian Schedule I Chartered Banks. Mr. Bouganim holds a CPA, CA designation and graduated with a Bachelor of Business Administration from York University.

Vladimir Tasevski

Vladimir Tasevski is the Chief Operating Officer of Purpose. He has over 12 years of experience in the investment management industry. Mr. Tasevski was a Vice President at BlackRock Inc. in Toronto, which he joined following the acquisition of Claymore. At Claymore, Mr. Tasevski spent 5 years in a generalist role where he gained broad experience in the areas of product development, marketing, sales and operations. He is a CFA charterholder and has a Bachelor of Commerce degree from the University of Toronto and was a recipient of the U of T Arbor Award in 2012.

The Trustee, Manager and Promoter

Purpose, an Ontario corporation incorporated on August 28, 2012, is the manager, promoter and trustee of the Fund and is responsible for the administration of the Fund. The address, phone number, email address and website of Purpose is 130 Adelaide Street West, Suite 3100, P.O. Box 109, Toronto, Ontario M5H 3P5, 1-877-789-1517, info@purposeinvest.com and www.purposeinvest.com.

Duties and Services to be Provided by the Manager

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

Details of the Declaration of Trust

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

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

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

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

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

Brokerage Arrangements

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

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

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

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

Independent Review Committee

The Manager has appointed an independent review committee for the Fund pursuant to NI 81-107. The IRC currently consists of three members, each of whom is independent of the Manager.

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

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

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

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

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

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

Note:
(1) Chair of the IRC.

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

Douglas G. Hall

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

Randall C. Barnes

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

Jean Fraser

Jean M. Fraser is a lawyer and former managing partner at Osler, Hoskin and Harcourt LLP. She advises public and private companies on M&A, financing and corporate/governance matters. Her M&A experience includes public take-over bids, asset acquisitions and divestures, privatizations and corporate restructurings. Ms. Fraser's experience also includes advisory assignments providing governance advice to the boards of directors and board committees of public companies. Her financing experience includes domestic and crossborder public and private offerings of debt and equity, initial public offerings and infrastructure financings. She has written and lectured on both securities and corporate law matters in various forums and is a member of the Senior Securities Advisory Group to the Chairman of the Ontario Securities Commission and a past member of the Ontario Securities Commission Policy Advisory Committee.

The initial compensation and reimbursement policy for costs and expenses of the IRC was established by the Manager. As at the date of this prospectus, each IRC member will be paid a fixed annual fee of $5,000, plus a per meeting fee of $400 per fund managed by the Manager, subject to a maximum of $70,000 per member per annum over all the funds managed by Purpose, for the duties they perform as IRC members in relation to the Fund. This amount will be allocated among the funds in a manner that is fair and reasonable.

The IRC is subject to requirements to conduct regular assessments and, for each financial year of the Fund, will prepare a report to Unitholders that describes the IRC and its activities for the financial year. A copy of this report can be obtained from the Manager upon request, at no cost, by contacting the Manager at info@purposeinvest.com. A copy is also available on Purpose's website at www.purposeinvest.com or on SEDAR at www.sedar.com.

Custodian

Cidel Trust Company is the custodian of the assets of the Fund. The Custodian is a federally regulated trust company based in Calgary, Alberta and will provide services to the Fund from its office in Toronto, Ontario. The Custodian is a wholly-owned subsidiary of Cidel Bank Canada, a Schedule II Bank regulated by the Office of the Superintendent of Financial Institutions. The Custodian will be responsible for safekeeping of the assets of the Fund (other than the Bitcoin held in the Fund's portfolio). The Custodian may appoint a sub-custodian from time to time in accordance with NI 81-102.

The Manager, on behalf of the Fund, or the Custodian may terminate the Custodian Agreement upon at least 90 days' written notice or immediately in the event of a bankruptcy event in respect of a party that is not cured within 30 days. The Manager, on behalf of the Fund, may terminate the Custodian Agreement immediately if the Custodian ceases to be qualified to act as a custodian of the Fund under applicable law. The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Fund.

The Custodian, in carrying out its duties concerning the safekeeping of, and dealing with, the portfolio assets of the Fund, is required to exercise (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; or (b) at least the same degree of care as they exercise with respect to their own property of a similar kind, if this is a higher degree of care than the degree of care referred to in (a).

Sub-Custodian

Gemini Trust Company, LLC acts as sub-custodian of the Fund in respect of the Fund's holdings of Bitcoin pursuant to a sub-custodian agreement between the Custodian, the Manager on behalf of the Fund and the Sub-Custodian dated February 11, 2021 (the "**Sub-Custodian Agreement**").

The Sub-Custodian is a trust company licensed and regulated by the New York State Department of Financial Services and is qualified to act as a sub-custodian of the Fund for assets held outside of Canada in accordance with NI 81-102. The Sub-Custodian operates in 49 U.S. States, Canada and certain other international jurisdictions.

As a fiduciary under Section 100 of the New York Banking Law, the Sub-Custodian is held to specific capital reserve requirements and banking compliance standards. The Sub-Custodian is also subject to the laws, regulations and rules of applicable governmental or regulatory authorities, including: money service business regulations under the Financial Crimes Enforcement Network ("**FinCEN**"); U.S. state money transmission laws; laws, regulations, and rules of relevant tax authorities; applicable regulations and guidance set forth by FinCEN; the *Bank Secrecy Act of 1970*; the *USA PATRIOT Act of 2001*; AML Regulations as mandated by U.S. federal law and any other rules and regulations regarding anti-money laundering/counter-terrorist financing; issuances from the Office of Foreign Assets Control; the New York Banking Law; regulations promulgated by the New York State Department of Financial Services from time to time; the National Futures Association; the Financial Industry Regulatory Authority; and the *Commodity Exchange Act*.

The Sub-Custodian will use segregated cold storage bitcoin addresses for the Fund which are separate from the bitcoin addresses that the Sub-Custodian uses for its other customers and which are directly verifiable via the Bitcoin blockchain. The Sub-Custodian will at all times record and identify in its books and records that such Bitcoins constitute the property of the Fund. The Sub-Custodian will not loan, hypothecate, pledge or otherwise encumber the Fund's Bitcoin without the Fund's instruction. The Sub-Custodian, in carrying out its duties concerning the safekeeping of, and dealing with, the Fund's Bitcoin, is required to take reasonable care and use commercially reasonable efforts in executing its responsibilities under the Sub-Custodian Agreement, and has agreed to adhere to the standard of care required by law, including NI 81-102.

Bitcoin Storage Structure

Bitcoin private keys are stored in two different forms: "hot wallet" storage, whereby the private keys are connected to the internet, and "cold" storage, where digital currency private keys are stored completely offline. The Fund's Bitcoin will be stored by the Sub-Custodian offline in cold storage. While under the sub-custodianship of the Sub-Custodian, the Fund's Bitcoin will only be held in "hot" storage on a temporary basis in order to facilitate deposits and redemptions.

The Sub-Custodian has adopted the following security policies and practices with respect to digital assets held in cold storage: hardware security modules ("**HSMs**") are used to generate, store and manage cold storage private keys; multi-signature technology is used to provide both security against attacks and tolerance for losing access to a key or facility, eliminating single points of failure; all HSMs are stored in guarded, monitored and access-controlled facilities that are geographically distributed; hardware is sourced from diverse manufacturers to guard against supply-chain risks; and all fund transfers require the coordinated actions of multiple employees.

The Sub-Custodian has adopted the following security policies and practices with respect to digital assets held in its hot wallet: its hot wallet environment is hosted on Amazon Web Services ("**AWS**"), which has a proven track record for physical security and internal controls; tiered access-controls are applied to the Sub-Custodian's production environment to restrict access to employees based on role, following the principle of least-privilege; administrative access to its production environment requires multi-factor authentication; HSMs are used to manage hot wallet keys; it uses the hosted CloudHSM service provided by AWS, which offers dedicated HSMs within the AWS cloud; and it offers additional account level protections such as crypto address whitelisting, which allows customers to restrict withdrawals to addresses only included in the customer's whitelist.

Gemini BSA/AML Program

The Sub-Custodian has adopted the Gemini BSA/AML Program for its digital asset trading platform and custody service in an effort to maintain the highest possible compliance with applicable laws and regulations relating to anti-money laundering in the U.S. and other countries where it conducts business. This program includes robust internal policies, procedures and controls that combat any attempted use of the Sub-Custodian for illegal or illicit purposes, including a customer identification program, annual training of all employees and officers in AML Regulation, filing of Suspicious Activity Reports and Currency Transaction Reports with the U.S. Financial Crimes Enforcement Network and annual internal and independent audits of the Gemini BSA/AML Program.

Website Security

The Sub-Custodian has implemented certain security policies and practices to enhance security on its website, including through the use of two-factor authentication for certain user actions, such as withdrawals; a requirement for strong passwords from its users, which are cryptographically hashed using modern standards; encryption of sensitive user information, both in transit and at rest; the application of rate-limiting procedures to certain account operations such as login attempts to thwart brute force attacks; the transmission of website data over encrypted transport layer security connections; the leveraging of content-security policy and HTTP strict transport security features in modern browsers; partnerships with enterprise vendors to mitigate potential distributed denial-of-service attacks; and the use of separate access controls on internal-only sections of the Sub-Custodian's website.

Internal Control

In addition to the security policies and procedures discussed above, the Sub-Custodian has also instituted the following internal controls: multiple signatories are required to transfer funds out of cold storage; the Sub-Custodian's Chief Executive Officer and President are unable to individually or jointly transfer funds out of cold storage; all private keys are stored offsite in secure facilities; all employees undergo criminal and credit background checks, and are subject to ongoing background checks throughout their employment; and all remote-access by employees uses public-key authentication (e.g. no passwords, one-time passwords or other phishable credentials are used).

Insurance

The Sub-Custodian, as sub-custodian of the Fund's Bitcoin, is responsible for securing the Fund's Bitcoin.

The Sub-Custodian maintains commercial crime insurance in an aggregate amount that is greater than the value of digital assets custodied in its "hot wallet". To date, the Sub-Custodian has not experienced a loss due to unauthorized access from its hot wallet or the cold storage vaults.

The Sub-Custodian does not otherwise insure the bitcoins held by it (i.e. bitcoins held in "cold storage"), which is consistent with industry practice for custodians of Bitcoin.

Auditor

Ernst & Young LLP, Chartered Accountants, Licensed Public Accounts, at its principal office in Toronto, is the auditor for the Fund.

Registrar and Transfer Agent

TSX Trust Company, at its principal office in Toronto, is the registrar and transfer agent for the ETF Units of the Fund. The register and transfer ledger for the ETF Units of the Fund is kept in Toronto.

Promoter

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

CALCULATION OF NET ASSET VALUE

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

Valuation Policies and Procedures

In determining the NAV of the Fund at any time, the Valuation Agent uses the following principles:

(a) the Fund's Bitcoin will be valued based on a widely recognized bitcoin index which in the opinion of the Manager best reflects the transactional price of bitcoin, initially the TradeBlock XBX Index (see "TradeBlock XBX Index" below for further information);

(b) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, are valued at the full amount or at what the Manager consider to be the fair value;

(c) bonds, debentures and other debt securities shall be marked-to-market based on prices obtained from a recognized pricing service at the Valuation Time on the Valuation Date. Short-term investments, including notes and money market instruments, shall be recorded at their fair value;

(d) any security that is listed or dealt in on a stock exchange shall be valued at the closing sale price (or such other value as the securities regulatory authorities may permit) last reported at the Valuation Time on the Valuation Date on the principal stock exchange on which such security is traded, or, if no reliable closing sale price is available at that time, the security shall be fair valued;

(e) securities of any mutual funds held by the Fund shall be valued at the reported net asset value of that mutual fund;

(f) foreign currency accounts shall be expressed in Canadian dollars on the following basis: (i) investments and other assets shall be valued by applying the applicable exchange rate at the end of the relevant valuation period; and (ii) purchases and sales of investments, income and expenses shall be recorded by applying the applicable exchange rate on the dates of such transactions;

(g) the Fund's holdings shall be valued in Canadian dollars before the NAV of the Fund is calculated;

(h) forward foreign exchange contracts shall be valued as the difference between the value of the contract on the date the contract was originated and the value of the contract on the Valuation Date. Foreign exchange options shall be valued at their quoted market value. When the contract or option closes or expires, a realized foreign exchange gain or loss shall be recognized;

(i) forward contracts shall be valued as the difference between the current price and the purchase price (i.e. the mark-to-market value of the contract);

(j) clearing corporation options shall be valued at the current market value;

(k) should the Fund write a covered clearing corporation option, the premium received shall be considered a deferred credit with a value equal to the current market value of an option that would have the effect of closing the position. Any difference resulting from revaluation will be treated as an unrealized gain or loss. Deferred credits will be deducted to arrive at the net asset value of the Fund;

(l) bullion, coins, certificates or other evidences of precious metals shall be valued at current market value;

(m) restricted securities shall be valued according to reported quotations in common use, or according to the following method, whichever is less: restricted securities shall be valued at that percentage of the market value of unrestricted securities which the Fund paid to acquire them, provided that if the time period during which the restrictions on these securities will apply is known, the price may be adjusted to reflect this time period;

(n) all other assets shall be valued at our best estimate of fair value; and

(o) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Valuation Agent to be inappropriate under the circumstances, then, notwithstanding the foregoing rules, the Valuation Agent shall make such valuation as it considers fair and reasonable.

The value of any security or property to which, in the opinion of the Valuation Agent, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Valuation Agent from time to time provides. The Manager may also determine the fair value of securities in the following circumstances: (a) when there is a halt trade on a security which is normally traded on an exchange; (b) on securities that trade on markets that have closed prior to the time of calculation of the

NAV of the Fund and for which there is sufficient evidence that the closing price on the market is not the most appropriate value at the time of valuation; and (c) when there are investment or currency restrictions imposed by a country that affect the Fund's ability to liquidate the assets held in that market.

Each portfolio transaction will be reflected in the calculation of NAV no later than the calculation of NAV next made after the date on which the transaction becomes binding. The issue of ETF Units of a class will be reflected in the calculation of NAV per ETF Unit of the class next made after the issue date for such ETF Units which may be up to two Trading Days after the date that the subscription order for such ETF Units is accepted. The exchange or redemption of ETF Units will be reflected in the calculation of NAV per ETF Unit of the class next made after the exchange request or redemption request is accepted.

The NAV per ETF Unit of a class is calculated in Canadian dollars in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that the Fund may obtain. The NAV per ETF Unit of a class determined in accordance with the principles set out above may differ from the NAV per ETF Unit of a class determined under International Financial Reporting Standards.

TradeBlock XBX Index

Initially, the Manager will use the TradeBlock XBX Index as the primary source upon which the Fund's Bitcoin will be valued. The TradeBlock XBX Index represents a real-time, USD-equivalent spot rate for Bitcoin. The index value is algorithmically calculated once every second based on observed trading activity on leading Bitcoin trading platforms. The TradeBlock XBX Index is designed as a reference rate to track liquidity while also adjusting for deviations caused by anomalies and manipulation attempts on individual bitcoin trading platforms.

The key elements of the TradeBlock XBX Index's algorithm are: volume weighting, price variance weighting and inactivity adjustment.

The TradeBlock XBX Index's methodology adheres the highest standards of financial benchmarks and has the following key attributes: (a) manipulation resistant – automatically discounts manipulation attempts and market anomalies, (b) maximum replicability – real time weighting feeds available for replication in spot markets, (c) compliance – based on The International Organization of Securities Commissions' (IOSCO) financial benchmark framework and (d) fully auditable – historical exchange prices and weighting stored for every data point.

Before applying the TradeBlock XBX Index algorithm to real-time market data, all inputs are cleaned for duplicates, relevancy, and appropriateness based on: (a) liquidity weighting – trading platforms with greater liquidity are more heavily weighted in the index (this also mitigates the impact of 'trade bursts' or movements during off-peak trading hours), (b) price variance weighting, (c) time based coefficient - the algorithm penalizes inactivity on a trading platform and (d) binning ticks – certain trading platforms often process several trades within a short span of time, which may unduly influence the index value. The criteria is defined to ensure trading platforms incorporated in the TradeBlock XBX Index have achieved the following standards: ample liquidity, appropriate trading opportunities, real-time price data, limited or no capital controls, transparent ownership, and legal and regulatory compliance.

For further information regarding the TradeBlock XBX Index visit www.tradeblock.com/markets/indices.

Reporting of Net Asset Value

Following the Valuation Time on any Valuation Date, the NAV of the Fund and NAV per ETF Unit of a class will usually be published in the financial press and will be posted on Purpose's website at www.purposeinvest.com.

DESCRIPTION OF THE ETF UNITS

The Fund is authorized to issue an unlimited number of redeemable, transferable units of an unlimited number of classes of units, each of which represents an equal, undivided interest in the net assets of the Fund. The ETF currency hedged units and the CAD ETF Non-Currency Hedged Units of the Fund are Canadian dollar. The USD ETF Non-Currency Hedged Units of the Fund are U.S. dollar denominated.

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

Certain Provisions of the ETF Units

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

Exchange of ETF Units for Portfolio Assets

On any Trading Day, Unitholders may exchange the Prescribed Number of Securities (or an integral multiple thereof) for cash or, if agreed to by the Manager, for cash and portfolio assets. See "Redemption and Exchange of ETF Units – Exchange of ETF Units for Portfolio Assets".

Redemption of ETF Units for Cash

On any Trading Day, Unitholders may redeem ETF Units of the Fund for cash at a redemption price per ETF Unit of the Fund, equal to the lesser of: (a) 95% of the market price of the ETF Units, on the effective date of redemption and (b) the NAV per ETF Unit. "Market price" means the weighted average trading price of the ETF Units on the Canadian marketplaces on which the ETF Units have traded on the effective date of redemption. See "Redemption and Exchange of ETF Units – Redemption of ETF Units for Cash".

No Voting Rights

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

Modification of Terms

The rights attached to the ETF Units of the Fund may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See "Unitholder Matters – Matters Requiring Unitholders' Approval".

UNITHOLDER MATTERS

Meeting of Unitholders

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

Matters Requiring Unitholders' Approval

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

(a) the basis of the calculation of a fee or expense that is charged to the Fund is changed in a way that could result in an increase in charges to the Fund, except where:

   (i) the Fund is at arm's length with the person or company charging the fee;

   (ii) the Unitholders have received at least 60 days' notice before the effective date of the change; and

   (iii) the right to notice described in (ii) is disclosed in the prospectus of the Fund;

(b) a fee or expense is introduced that is to be charged to the Fund or directly to its Unitholders by the Fund or the Manager in connection with the holding of ETF Units that could result in an increase in charges to the Fund or its Unitholders;

(c) the Manager is changed, unless the new manager of the Fund(s) is an affiliate of the Manager;

(d) the fundamental investment objectives of the Fund is changed;

(e) the Fund decreases the frequency of the calculation of the NAV per ETF Unit;

(f) the Fund undertakes a reorganization with, or transfers its assets to, another mutual fund, if the Fund ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the Fund becoming Unitholders in the other mutual fund, unless:

(i) the IRC has approved the change;

(ii) the Fund is being reorganized with, or its assets are being transferred to, another mutual fund to which NI 81-102 and NI 81-107 apply and that is managed by the Manager, or an affiliate of the Manager;

(iii) the Unitholders have received at least 60 days' notice before the effective date of the change;

(iv) the right to notice described in (iii) is disclosed in the prospectus of the Fund; and

(v) the transaction complies with certain other requirements of applicable Canadian securities legislation;

(g) the Fund undertakes a reorganization with, or acquires assets from, another mutual fund, if the Fund continues after the reorganization or acquisition of assets, the transaction results in the Unitholders of the other mutual fund becoming Unitholders of the Fund, and the transaction would be a material change to the Fund; or

(h) any other matter which is required by law applicable to the Fund or otherwise to be submitted to a vote of the Unitholders of the Fund.

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

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

(a) approval of the merger by the IRC;

(b) compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and

(c) written notice to Unitholders at least 60 days before the effective date of the merger.

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

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

(a) the IRC has approved the change; and

(b) Unitholders have received at least 60 days' notice before the effective date of the change.

Amendments to the Declaration of Trust

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

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

Reporting to Unitholders

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

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

The Manager will keep adequate books and records reflecting the activities of the Fund. A Unitholder or his or her duly authorized representative has the right to examine the books and records of the Fund during normal business hours at the registered office of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Fund.

TERMINATION OF THE FUND

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

The rights of Unitholders to exchange and redeem ETF Units of the Fund described under "Redemption and Exchange of ETF Units" will cease as and from the date of termination of the Fund.

PRINCIPAL UNITHOLDERS OF THE FUND

CDS & Co., the nominee of CDS, is the registered owner of the ETF Units of the Fund, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, the Fund or another investment fund managed by the Manager or an affiliate of the Manager may beneficially own, directly or indirectly, more than 10% of the ETF Units of the Fund.

No person or company owns of record or, to the knowledge of the Fund or the Manager, beneficially, directly or indirectly, more than 10% of the outstanding ETF Units of the Fund.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager, on behalf of the Fund, may enter into various Dealer Agreements with registered dealers (that may or may not be the Designated Broker) pursuant to which the Dealers may subscribe for ETF Units of the Fund as described under "Purchases of ETF Units – Issuance of ETF Units".

The Manager will receive fees for its services to the Fund. See "Fees and Expenses".

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

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

The proxies associated with securities held by the Fund will be voted in accordance with the best interests of the Fund determined at the time the vote is cast. The Manager maintains policies and procedures that are designed to be guidelines for the voting of proxies; however, each vote is ultimately cast on a case-by-case basis taking into consideration the relevant facts and circumstances at the time of the vote.

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

(a) the Manager will generally vote with management on routine matters such as electing corporate directors, appointing external auditors and adopting or amending management compensation plans unless it is determined that supporting management's position would not be in the best interests of the Unitholders;

(b) the Manager will address on a case-by-case basis, non-routine matters, including those business issues specific to the issuer or those raised by Unitholders of the issuer with a focus on the potential impact of the vote on the NAV of the Fund; and

(c) the Manager has the discretion whether or not to vote on routine or non-routine matters. In cases where the Manager determines that it is not in the best interests of the Unitholders to vote, or in cases where no value is added by voting, the Manager will not be required to vote.

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

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of ETF Units of the Fund:

(a) the Declaration of Trust referred to under "Organization and Management Details of the Fund – The Trustee, Manager and Promoter – Details of the Declaration of Trust";

(b) the Custodian Agreement referred to under "Organization and Management Details of the Fund – Custodian"; and

(c) the Sub-Custodian Agreement referred to under "Organization and Management Details of the Fund – Sub-Custodian".

Copies of the foregoing agreements may be examined during normal business hours at the registered office of the Manager.

EXPERTS

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

Ernst & Young LLP, the auditor of the Fund, has consented to the incorporation by reference of its report on the Fund dated February 11, 2021. Ernst & Young LLP has advised that they are independent with respect to the Fund within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

EXEMPTIONS AND APPROVALS

The Fund has received exemptive relief from the Canadian securities regulatory authorities to permit the following:

(a) the purchase by a Unitholder of the Fund of more than 20% of the ETF Units of the Fund through purchases on a stock exchange without regard to the take-over bid requirements of Canadian securities legislation;

(b) to relieve the Fund from the requirement that a prospectus contain a certificate of the underwriters; and

(c) subject to certain conditions, to permit the entity making the initial investment in the Fund to redeem such initial investment.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the Provinces and Territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities 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 for non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province or Territory.

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

DOCUMENTS INCORPORATED BY REFERENCE

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

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

(b) any unaudited interim financial statements of the Fund filed after the most recently filed comparative annual financial statements of the Fund;

(c) the most recently filed annual management report of fund performance ("**MRFP**") of the Fund;

(d) any interim MRFP of the Fund filed after the most recently filed annual MRFP of the Fund; and

(e) the most recently filed ETF Facts of the Fund.

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

INDEPENDENT AUDITORS' REPORT

To the Unitholder and the Manager of:
Purpose Bitcoin ETF
(the "**ETF**")

Opinion

We have audited the financial statement of the ETF, which comprises the statement of financial position as at February 11, 2021 and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement of the ETF presents fairly, in all material respects, the financial position of the ETF as at February 11, 2021 in accordance with those requirements of International Financial Reporting Standards ("**IFRSs**") relevant to preparing such financial statement.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the ETF in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the ETF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ETF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ETF's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ETF's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ETF to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Signed) "*Ernst & Young LLP*"
Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
February 11, 2021

PURPOSE BITCOIN ETF

STATEMENT OF FINANCIAL POSITION

As at February 11, 2021

ASSETS	
Cash…………………………………………………………………………………..	$10.00
Total…………………………………………………………………………………..	$10.00
UNITHOLDER'S EQUITY (Note 1)	
Unitholder's equity (1 CAD ETF Non-Currency Hedged Unit)………………………………………………………..	$10.00

Approved on behalf of the Board of Directors of Purpose Investments Inc., the manager of the Fund:

"*Vladimir Tasevski*"	"*Jeff Bouganim*"
Director	Director

NOTES TO STATEMENTS OF FINANCIAL POSITION

As at February 11, 2021

(1) Establishment of the Fund

Purpose Bitcoin ETF (the "**ETF**") was established under the laws of the Province of Ontario on February 11, 2021 pursuant to a master declaration of trust, as may be amended or amended and restated from time to time, by Purpose Investments Inc. (the "**Manager**"), as trustee. The Fund' registered office is at 130 Adelaide St. West, Suite 3100, Toronto, Canada.

The Fund is authorized to issue an unlimited number of classes of units. The Fund has authorized three classes of exchange-traded units, ETF units ("**ETF units**") denominated in Canadian dollars and two classes of ETF non-currency hedged units ("**ETF Non-Currency Hedged Units**"), one denominated in Canadian dollars and the other denominated in U.S. dollars. The ETF units and the ETF Non-Currency Hedged Units are referred to herein as the "ETF Units".

On February 11, 2021, 1 CAD ETF Non-Currency Hedged Unit of the Fund was issued for $10.00 cash. The Fund is not subject to any externally imposed capital requirements.

The Fund has been created to buy and hold substantially all of its assets in long-term holdings of Bitcoin and seeks to provide holders of ETF Units with the opportunity for long-term capital appreciation.

The statement of financial position for the Fund was approved by the board of directors of the Manager on February 11, 2021.

(2) Significant Accounting Policies

The financial statement of the Fund has been prepared in accordance with International Financial Reporting Standards. The statement of financial position for the Fund was approved by the board of directors of the Manager on February 11, 2021.

(3) Related Party Transactions

As at February 11, 2021 the Manager has subscribed for 1 CAD ETF Non-Currency Hedged Unit for $10.00 in the Fund, and therefore holds all of the issued and outstanding units of the Fund. The Fund will pay the Manager an annual management fee equal to 1.00% of the net asset value of the ETF Units. The management fee, plus applicable HST, will be accrued daily and paid monthly in arrears.

Fund pays for all ordinary expenses (the "**Administrative Expenses**") incurred in connection with the operation and administration of the Fund including: custodian and sub-custodian fees; insurance fees; transfer agency fees; filing fees; listing fees; audit fees; legal expenses; premiums for directors' and officers' insurance coverage for the members of the IRC; fees and expenses of the members of the Fund's independent review committee ("**IRC**"); income taxes; sales taxes (including GST/HST); brokerage expenses and commissions; withholding taxes; extraordinary expenses; accounting fees; expenses incurred in connection with the valuation of the Fund's assets; any costs and expenses incurred in complying with National Instrument 81-107 – *Independent Review Committee for Investment Fund* (including any expenses related to the implementation and on-going operation of an independent review committee); investor reporting costs for annual and semi-annual financial statements; expenses in connection with the preparation of prospectus and other regulatory reports and other operating and administrative expenses incurred in connection with the day-to-day operation of the Fund and, in relation to the ETF units, any fees associated with the forward contracts relating to the currency hedging strategy of the class. The Administrative Expenses payable by the Fund, plus applicable HST, are 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 Administrative Expenses which would otherwise be payable by the Fund.

CERTIFICATE OF THE FUND AND THE TRUSTEE, MANAGER AND PROMOTER

Dated: February 11, 2021

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities of the Fund offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut.

PURPOSE INVESTMENTS INC.
as trustee and manager of the Fund

"*Som Seif*"
SOM SEIF
Chief Executive Officer

"*Jeff Bouganim*"
JEFF BOUGANIM
Chief Financial Officer

On behalf of the Board of Directors

"*Som Seif*"
SOM SEIF
Director

"*Jeff Bouganim*"
JEFF BOUGANIM
Director

"*Vladimir Tasevski*"
VLADIMIR TASEVSKI
Director

PURPOSE INVESTMENTS INC.
as Promoter of the Fund

"*Som Seif*"
SOM SEIF
Chief Executive Officer