

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

## PURPOSE DIGITAL ASSET ALTERNATIVE FUNDS

# PURPOSE INVESTMENTS

### Simplified Prospectus

**ETF units, Canadian dollar denominated ETF non-currency hedged units, U.S. dollar denominated ETF non-currency hedged units, Class A units, Class A non-currency hedged units, Class F units, Class F non-currency hedged units, Class I units and Class I non-currency hedged units**

Purpose Bitcoin Yield ETF

Purpose Ether Yield ETF

Purpose Crypto Opportunities ETF

**Each of the Purpose Bitcoin Yield ETF (the “Bitcoin Fund”), the Purpose Ether Yield ETF (the “Ether Fund”) and the Purpose Crypto Opportunities ETF (the “Crypto Fund”) will invest indirectly in long-term holdings of the digital currency Bitcoin and/or the digital currency Ether, as applicable. Given the speculative nature of Bitcoin and Ether and the volatility of the Bitcoin and Ether markets, there is considerable risk that the Bitcoin Fund and/or the Ether Fund will not be able to meet its investment objectives. An investment in the Bitcoin Fund or the Ether Fund is not intended as a complete investment program and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. An investment in the Bitcoin Fund and/or the Ether Fund is considered high risk.**

**November 19, 2021**

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## INTRODUCTION

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

The authorized capital of each fund includes one or more classes of exchange-traded units (each such class, “ETF Units”) and one or more classes of mutual fund units (“mutual fund units”). An unlimited number of ETF Units and mutual fund units are authorized for issuance.

Purpose is the manager and portfolio manager of the funds and is responsible for the administration of the funds.

Neuberger Berman Canada ULC (the “investment advisor”) will act as the investment sub-advisor of the Crypto Fund.

The units of the funds may only be purchased by investors through registered brokers and dealers registered to sell securities of mutual funds which are subject to National Instrument 81-104 – *Alternative Mutual Funds* in accordance with the requirements of Part 4 of that Instrument.

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

This simplified prospectus is divided into two parts. Pages 3 to 58 of this simplified prospectus explain general information that applies to all of the funds as well as general information regarding mutual funds and their risks. Pages 59 to 80 contain specific information about each of the funds described in this simplified prospectus.

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

- (a) the fund’s annual information form;
- (b) the fund’s most recently filed fund facts;
- (c) the fund’s most recently filed annual financial statements;
- (d) any interim financial statements filed after those annual financial statements;
- (e) the fund’s most recently filed annual management report of fund performance;
- (f) any interim management report of fund performance filed after that annual management report of fund performance; and
- (g) the fund’s most recently filed ETF Facts.

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

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

These documents and other information about the funds are also available at [www.sedar.com](http://www.sedar.com).

## GLOSSARY

In this simplified prospectus:

“**adjusted cost base**” means, in general terms, the total price you paid for all the units of a class of a fund in your account, including reinvested distributions. The adjusted cost base per unit of a class is the weighted average price paid per unit of that class.

“**AML Regulation**” means 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.

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

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

“**Bitcoin**” means digital currency bitcoin (the native unit of account) within the Bitcoin Network.

“**Bitcoin Fund**” means Purpose Bitcoin Yield ETF.

“**Bitcoin Network**” means 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.

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

“**business day**” means any day on which the Exchange or such other designated exchange on which the ETF Units of a fund may be listed from time to time is open for trading.

“**CAD Non-Currency Hedged Unit**” means a Canadian dollar denominated Non-Currency Hedged Unit of a fund.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**CDS Participant**” means a participant in CDS that holds ETF Units of a fund on behalf of beneficial owners of ETF Units.

“**CFTC**” means the Commodity Futures Trading Commission.

“**Class A Units**” means Class A currency hedged mutual fund units and/or non-currency hedged mutual fund units of a fund, as applicable.

“**Class F Units**” means Class F currency hedged mutual fund units and/or non-currency hedged mutual fund units of a fund, as applicable.

“**Class I Units**” means Class I currency hedged mutual fund units and/or non-currency hedged mutual fund units of a fund, as applicable.

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

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

“**Crypto Fund**” means Purpose Crypto Opportunities ETFs.

“**Custodian**” means CIBC Mellon Trust Company.

“**Cyber Security Incidents**” has the meaning attributed thereto under “Risk Factors – What are the specific risks of investing in a mutual fund? – Cyber Security Risk”.

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

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

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

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

“**designated broker**” means a registered dealer that has entered into a designated broker agreement with the manager, on behalf of a fund pursuant to which the designated broker agrees to perform certain duties in relation to the ETF Units of the fund.

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

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

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

“**ETF Units**” means ETF currency hedged unit and/or ETF non-currency hedged units of a fund, as applicable.

“**Ether**” means digital currency ether (the native unit of account) within the Ethereum Network.

“**Ether Fund**” means Purpose Ether Yield ETF.

“**Ethereum Network**” means the online, end-user-to-end-user computer network hosting a public transaction ledger, known as the blockchain, and the source algorithmic protocols governing such network.

“**Exchange**” means the TSX.

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

“**fund**” means the Bitcoin Fund, Ether Fund or Crypto Fund, as the case may be.

“**futures contract**” means a contract, similar to that of a forward contract (described above), except that the contract has standardized terms and conditions and is traded only on a futures exchange, not over-the-counter.

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

“**investment advisor**” means Neuberger Berman Canada ULC (formerly, Neuberger Berman Breton Hill ULC).

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

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

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

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

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

“**NAV**” means, in relation to a fund, the net asset value of the fund.

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

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

“**Non-Currency Hedged Unit**” means a non-currency hedged unit denominated in Canadian or U.S. dollars.

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

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

“**other securities**” means securities of investment funds other than constituent securities of a fund, including ETFs, mutual funds or other public investment funds or derivative instruments.

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

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

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

“**Reportable Jurisdictions**” has the meaning attributed thereto under “International Information Reporting”.

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

“**Registered Plans**” means, collectively, RRSPs, RRIFs, DPSPs, RDSPs, RESPs and TFSAs.

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

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

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

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

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

“**SIFT Rules**” has the meaning attributed thereto under “Risk Factors – What are the specific risks of investing in a mutual fund? – Tax Risk”.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**TFSA**” means a tax-free savings account as defined in the Tax Act.

“**trading day**” means a day on which: (i) a regular session of the Exchange (or such other designated exchange on which the ETF Units of a fund may be listed from time to time) is held; (ii) the primary market or exchange for the majority of the securities held by the fund is open for trading; and (iii) if applicable, the index provider calculates and publishes data relating to the index.

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

“**TSX**” means the Toronto Stock Exchange.

“**U.S.**” means the United States of America.

“**unit**” means an ETF Unit or mutual fund unit of a fund, as applicable.

**“unitholder”** means a holder of a unit.

**“valuation agent”** means the company appointed from time to time by Purpose to calculate the NAV and NAV per unit, initially, CIBC Mellon Global Securities Services Company.

**“valuation date”** means any day designated by Purpose on which the NAV of each class of units, as the case may be, of each fund and the NAV per unit of each such class, as applicable, will be calculated.

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

### **What is a mutual fund?**

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

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

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

Each fund is considered an "alternative mutual fund", meaning it is permitted to employ strategies generally prohibited for conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage. While these strategies will be used in accordance with each fund's investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Also, market conditions may make it difficult or impossible for the fund to liquidate a position.

### **What do you own?**

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

Some mutual funds offer units in more than one class. A multi-class structure recognizes that different investors may seek the same investment objective, yet require different investment advice and/or service. Each class represents an investment in the same investment portfolio of each fund. However, each class may charge a different management fee and incur its own specific expenses. As a result, a separate NAV per unit is calculated for each class on a daily basis. See "Purchases, switches and redemptions – How the securities of a fund are valued" on page 28.

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

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

The securities of the funds are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in a fund. The funds are alternative mutual funds pursuant to NI 81-102. The funds have the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the funds' investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Also, market conditions may make it difficult or impossible for a fund to liquidate a position.

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

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

This section and the section "What are the specific risks of investing in a mutual fund?" on page 12, describe the risks associated with investing in mutual funds. As you read the descriptions, keep in mind your risk comfort level and your various investments objectives to help determine which funds are right for you.

The general risks with investing in a mutual fund include:

### ***Price fluctuation***

The price of a mutual fund security will generally vary with the value of the securities it holds. Changes in interest rates, economic and stock market conditions or new company information, for example, may influence the value of securities held by a mutual fund. When you redeem mutual fund securities, their value may be less than your original investment. Changes in rates and market conditions may also cause the value of securities of the mutual fund to change from day to day. The manager and the funds have no control over the factors that affect the value of the assets held by a fund, including factors that affect the digital currency markets generally such as general economic and political conditions.

### ***No guarantees***

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

### ***Suspension of redemptions***

Under exceptional circumstances, a fund may suspend redemptions. See "Purchases, switches and redemptions – When you may not be allowed to redeem your units" on page 41.

### **How can an investor in a mutual fund manage risk?**

Although the value of your investments may drop in the short term, a longer investment horizon will help to lessen the effects of short-term market volatility. A shorter investment horizon may result in you having to sell your investments in adverse conditions. Ideally, investors in equity funds should have a minimum

five- to nine-year investment horizon, which generally provides enough time for the investments to overcome any short-term volatility and grow.

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

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

Each fund also has specific risks. The description of each fund, starting on page 59, sets out the risks that apply to that fund. Set forth below, in alphabetical order is a description of the risks that apply directly and/or indirectly to the funds.

#### ***Absence of an active market for the ETF Units risk***

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

#### ***Asset class risk***

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

#### ***Cease trading of constituent securities risk***

If constituent securities are cease-traded by a securities regulatory authority or other relevant regulator or stock exchange, the manager may suspend the exchange or redemption of the fund's units until such time as the transfer of the securities is permitted by law.

#### ***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 a 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 a fund or its unitholders. For example, changes to tax legislation or the administration thereof could affect the taxation of a fund, its portfolio assets or unitholders.

#### ***Concentration risk***

Each fund was created to obtain exposure to Bitcoin or Ether, as the case may be, and is not expected to have significant exposure to any other investments or assets. The NAV per unit of a fund 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 unit of a fund.

### ***Conflicts of interest risk***

The manager and its directors and officers engage in the promotion, management or investment management of other funds or trusts with similar investment objectives to those of the funds. Although none of the directors or officers of the manager will devote his or her full time to the business and affairs of a single fund, each director and officer of the manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the fund and the manager.

### ***Counterparty risk***

Due to the nature of some of the investments that the funds may undertake, each 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, securities lending agreements or other transactions in the event of the default or bankruptcy of a counterparty.

### ***COVID-19 outbreak risk***

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 a fund’s investments and, in turn, the NAV of the units.

### ***Credit risk***

Credit risk is the possibility that a borrower, or the counterparty to a derivatives contract, is unable or unwilling to repay the loan or obligation, either on time or at all. Debt securities issued by companies or governments in emerging markets often have higher credit risk (a lower credit rating assigned by specialized credit rating agencies), while debt securities issued by well-established companies or by governments of developed countries tend to have lower credit risk (a higher credit rating). A downgrade in an issuer’s credit rating can negatively affect a debt security’s market value. Other factors can also influence a debt security’s market value, such as the level of liquidity of the security and a change in the market perception of the creditworthiness of the security. Lower rated and unrated debt instruments generally offer a better return than higher grade debt instruments but have the potential for substantial loss if the borrower defaults on payment. Funds that invest in companies or markets with higher credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

### ***Cryptocurrency risk***

Cryptocurrency including Bitcoin and Ether, often referred to as “virtual currency” or “digital currency”, operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. Cryptocurrency operates without the oversight of a central authority or the banks and is not backed by any government. Even indirectly, cryptocurrencies may experience high volatility and related investment vehicles may be affected by such volatility. Funds holding cryptocurrency may also trade at a significant premium to net asset value. Cryptocurrency is not legal tender. Federal, state, provincial, territorial or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in North America is still developing. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud,

technical glitches, hackers or malware which could have an adverse impact on the net asset value of the units.

### ***Currency exposure risk***

Each fund will have indirect exposure through its investments in other securities to U.S. dollar denominated Bitcoin or Ether, as the case may be. Canadian investors should be aware that Non-Currency Hedged Units of a 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 or Ether, as the case may be, 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.

### ***Currency risk***

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

You may purchase units of the funds in U.S. dollars. U.S. dollar denominated 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.

### ***Cyber security risk***

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

The primary risks to a fund from the occurrence of a Cyber Security Incident include disruption in operations, reputational damage, disclosure of confidential information, the incurrence of regulatory penalties, additional compliance costs associated with corrective measures and/or financial loss. Cyber

Security Incidents of third party service providers of a fund (e.g. administrators, transfer agents, custodians and sub-custodians) or issuers that a fund invests in can also subject a 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, a 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. A fund and its unitholders could be negatively impacted as a result.

### ***Distributions in specie risk***

A portion of a fund's portfolio may be invested in illiquid assets and instruments. There can be no assurance that all of a fund's investments will be liquidated prior to the termination of the fund and that only cash will be distributed to its 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.

### ***Equity investment risk***

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

### ***Exchange rate risk***

The assets and liabilities of each fund are valued in Canadian dollars. Each fund will have indirect exposure to Bitcoin or Ether, as the case may be, through its investment in other securities and may invest in securities of public issuers that are denominated in U.S. dollars. Bitcoin and Ether are denominated in U.S. dollars. For the purposes of calculating the NAV per unit of a fund, the manager will convert, on a daily basis, the value of the fund's investments that are denominated in a foreign currency into Canadian dollars. Fluctuations in the value of the Canadian dollar relative to the U.S. dollar will impact the NAV per unit of a fund. If the value of the Canadian dollar has increased relative to the U.S. dollar, the return on a fund's indirect investments in Bitcoin or Ether (as the case may be) may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, a fund may benefit from an increase in the value of the U.S. dollar relative to the Canadian dollar. With respect to the units generally, a substantial portion of the U.S. dollar currency exposure within the portion of a 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 or investment advisor's discretion. With respect to the 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 Non-Currency Hedged Units that redeems its USD 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 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.

### ***Financial institutions may refuse to support transactions involving cryptocurrency risk***

In the uncertain regulatory climate for digital assets such as Bitcoin and Ether, Canadian regulated financial institutions may cease to support transactions involving digital assets including the receipt of cash proceeds from sales of digital assets. Should this occur, the funds would be unable to pay out redemption proceeds within the timeframe set out under “Purchases, switches and redemptions – Redemptions” on page 39.

### ***Foreign investment risk***

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

### ***Futures contract liquidity risk***

Futures contracts may not be liquid and their trading frequently involves high transaction costs. U.S. futures exchanges have regulations that limit the magnitude of fluctuations that may occur in futures contract prices during a single trading day. These limits are generally referred to as “daily price fluctuation limits” and the maximum or minimum price on a contract on any given day as a result of these limits is referred to as a “limit price”. Once the limit price is reached on a contract, no trades may be made at a price that is greater or less than the limit price, as the case may be. In addition, the commodity markets are subject to temporary distortions or other disruptions due to various factors, including a lack of liquidity in the markets, the participation of speculators and government regulation and intervention. Certain exchanges, or the U.S. CFTC, could suspend or terminate trading in a particular futures contract or contracts in order to address market emergencies. The imposition of limit prices or trading suspensions may force the sale of a contract at a disadvantageous price or time or preclude trading in the contract altogether. This could adversely affect the NAV of a fund and the market price of a fund’s ETF Units as well as the fund’s ability to meet subscription, exchange and redemption requests.

### ***Futures contract margin risk***

The funds may invest in commodity futures contracts. Futures prices generally are extremely volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is common in a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses. Similar to other leveraged investments, any purchase or sale of a futures contract may result in losses in excess of the amount invested. There is a risk that the assets of a fund deposited as margin with a futures commission merchant may, in the event of the bankruptcy of the futures commission merchant, be used to satisfy the claims of creditors of the futures commission merchant, other than the fund, including other clients of the futures commission merchant. Under the terms of investor protection legislation in Canada, client assets held by an insolvent futures commission merchant may be divided up, on a pro rata basis, among its clients.

### ***Illiquid securities risk***

A fund may not always be able to liquidate its digital assets 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 digital asset trading platforms. Unexpected market illiquidity may cause

substantial losses to the holders of digital assets. The amount of digital assets that a fund may acquire increases the risks of illiquidity by both making its digital assets difficult to liquidate and in liquidating, a fund may significantly affect the price of the digital assets.

### ***Large investor risk***

The securities of a fund may be held in significant percentages by one or more investors, including another mutual fund. In order to meet purchase and redemption requests by an investor, a fund may have to alter its holdings significantly and purchase or sell investments at unfavourable prices. This can reduce the returns of a fund.

### ***Liability of unitholders risk***

Each 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 a fund. However, the declaration of trust of each fund 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 a 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 its declaration of trust, a 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 a fund, such unitholder will be entitled to reimbursement from any available assets of the fund.

### ***Multiple classes risk***

The funds are available in more than one class of units. Each class has its own fees and expenses, which are tracked separately. Those expenses will be deducted in calculating the net asset value for that class, thereby reducing its net asset value. If one class is unable to pay its expenses or liabilities, the assets of the other class will be used to pay those expenses or liabilities. As a result, the unit price of the other classes may also be reduced. Please see "Purchases, switches and redemptions" on page 33 and "Fees and expenses" on page 46 for more information regarding each class and how its NAV is calculated.

### ***No ownership interest in the portfolio risk***

An investment in a fund does not constitute an investment in the underlying assets such as cash, cash equivalents or cryptocurrency. Unitholders of a fund will not own the cryptocurrency or cash or cash equivalents held by the fund.

### ***Not a trust company risk***

Each fund is not a trust company and, accordingly, are not registered under the trust company legislation of any jurisdiction. Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

### ***Options risk***

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

### ***Prime brokers risk***

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

### ***Rebalancing and adjustment risk***

Adjustments to baskets of securities held by a fund to reflect rebalancing of and adjustments to the fund's strategies may depend on the ability of the manager and the designated brokers to perform their respective obligations under the designated broker agreement(s). If a designated broker fails to perform, a fund may be required to sell or purchase, as the case may be, constituent securities of the baskets of securities in the market. If this happens, the fund would incur additional transaction costs.

### ***Reliance on key personnel risk***

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

### ***Risk of loss***

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

### ***Risk relating to standard of care of the manager and Custodian***

The manager and the Custodian are subject to a contractual standard of care in carrying out its duties on behalf of the funds. In the case that a fund suffers a loss of its portfolio assets and each of the manager and the 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 Custodian Agreement, the Custodian is required to exercise the standard of care required by NI 81-102. However, the Custodian will not be liable to a fund for any loss of portfolio assets held by the Custodian unless such loss is directly caused by the Custodian's gross negligence, fraud, wilful default, or the breach of its standard of care.

### ***Risk relating to valuation of a fund's assets***

The valuation of a fund's assets may involve uncertainties and judgement determinations, and, if such valuations should prove to be incorrect, the NAV per unit could be adversely affected. The manager may face a conflict of interest in valuing the Bitcoin or Ether, as the case may be, held by a fund because the values assigned will affect the calculation of the Management Fee payable by the fund to it.

### ***Securities lending risk***

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

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

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

### ***Short selling risk***

The Crypto Fund may engage in short selling securities as one of its investment strategies. A short sale of a security may expose the Crypto Fund to losses if the price of the security sold short increases since the fund may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited, since there is no limit on how much the price of a security may appreciate before the short position is closed out. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be repaid before the Crypto Fund wishes to do so, thereby requiring the fund to borrow the security elsewhere or purchase the security in the market at an unattractive price. In the event that numerous lenders of the security in the market simultaneously recall the same security, a "short-squeeze" may occur, whereby the market price of the borrowed security may increase significantly. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be repurchased due to supply and demand constraints in the marketplace. As the Crypto Fund is an alternative mutual fund under NI 81-102, it is generally permitted to sell securities short up to a maximum of 50% of its net asset value, including up to 10% of its net asset value in the securities of one issuer.

### *Tax risk*

In order to qualify as a mutual fund trust under the Tax Act, a 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 a 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.

Under the SIFT Rules, trusts or partnerships (defined as “SIFT trusts” or “SIFT partnerships”, respectively), the securities of which are listed or traded on a stock exchange or other public market and that hold one or more “non-portfolio properties” (as defined in section 122.1 of the Tax Act), are effectively taxed on income and capital gains in respect of such non-portfolio properties at combined rates comparable to the rates that apply to income earned and distributed by Canadian corporations. Distributions of such income received by unitholders of SIFT trusts (and allocations of such income made to members of SIFT partnerships) are treated as eligible dividends from a taxable Canadian corporation.

The SIFT Rules could affect a fund and its unitholders to the extent that an issuer of securities held by such fund, or to which a fund has economic exposure, is a SIFT trust or SIFT partnership to which the SIFT Rules apply. In addition, the SIFT Rules could affect a fund and its unitholders to the extent that the fund is itself a SIFT trust to which the SIFT Rules apply, and the fund earns income from non-portfolio property or taxable capital gains from the disposition of “non-portfolio property”, or holds derivative instruments held in its portfolio or any other property in the course of carrying on a business in Canada. If a fund is considered to be a SIFT trust, “non portfolio earnings” of such fund will be subject to the tax under the SIFT Rules when such amounts are distributed by such fund to unitholders and such distributions will be treated in the hands of unitholders as eligible dividends from a taxable Canadian corporation.

The Canada Revenue Agency (the “CRA”) has stated that it generally treats virtual currencies as a commodity for purposes of the Tax Act. 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 an issuer of securities held by a fund are reported by such issuer 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 issuer, which is automatically distributed by the issuer to its unitholders, including a fund, at the fund’s taxation year end; with the result that Canadian-resident unitholders, including a fund, could be reassessed by the CRA to increase their taxable income by the amount of such increase. The CRA could assess such an issuer for a failure of the issuer 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 issuer 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 issuer 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 issuer would reduce the value of the securities of the issuer, including those held by a fund. Further, to the extent that such reassessment results in the securities of the issuer being “non-portfolio property” of a fund as defined for purposes of the SIFT Rules a fund holding such property may become a “SIFT trust”. If it is determined that a 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 CRA in respect

of the status of the fund under the SIFT Rules or otherwise, and therefore in certain circumstances the CRA could seek to assess or reassess the fund and unitholders on the basis that the fund is a SIFT trust.

The Tax Act contains tax loss restriction rules that apply to trusts such as the funds. The loss restriction rules will generally apply to the extent that any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires units of 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, a fund will have a deemed tax year end and any undistributed income and realized capital gains (net of any applicable losses) would be expected to be made payable to all unitholders of the fund as a distribution on their units (or tax thereon paid by the fund in respect of such year). Accordingly, in such event, distributions on the units in the form of additional units (which will be automatically consolidated) and/or cash may be declared and paid to unitholders. In addition, accrued capital losses and certain other realized losses of a fund would be unavailable for use by the fund in future years. Given the manner in which units are distributed, there may be circumstances in which a 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 funds 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 funds will not be required to pay tax on such undistributed income and taxable capital gains.

#### ***Trading price of ETF Units risk***

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 NAV. The trading price of the ETF Units will fluctuate in accordance with changes in a fund’s NAV, as well as market supply and demand on the Exchange (or such other designated exchange on which the ETF Units of a fund may be traded from time to time). However, given that generally only a prescribed number of ETF Units are issued to designated brokers and dealers, and that holders of a prescribed number of ETF Units (or an integral multiple thereof) may redeem such ETF Units at their NAV, the manager believes that large discounts or premiums to the NAV of the ETF Units should not be sustained.

#### ***Underlying fund risk***

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

#### ***Use of derivative instruments risk***

The funds may use derivative instruments from time to time as described under “Specific Information about each of the Mutual Funds Described in this Document – Investment Strategies” on page 59. The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (a) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (b) there is no guarantee that a market will exist when a fund wants to complete or settle the derivative contract, which could prevent the fund from reducing a loss or making a profit; (c) securities exchanges

may impose trading limits on options and futures contracts, and these limits may prevent a fund from completing or settling the derivative contract; (d) a fund could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (e) if a fund has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the fund could experience a loss and, for an open futures or forward contract, a loss of margin deposited with that dealer; and (f) if a derivative is based on a market index and trading is halted or disrupted on a substantial number of stocks or bonds in the index or there is a change in the composition of the index, there could be an adverse effect on the derivative. Alternative mutual funds are accorded greater flexibility to invest using derivatives for non-hedging purposes than conventional mutual funds.

### **Risks associated with investing in the Bitcoin Fund and the Crypto Fund**

In addition to the considerations set out elsewhere in this simplified prospectus, the following are certain considerations relating to an investment in the Bitcoin Fund and the Crypto Fund that prospective investors should consider before purchasing units of the Bitcoin Fund and/or the Crypto Fund.

#### ***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.

#### ***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 Bitcoin Fund or the Crypto Fund, as applicable. 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 unit of the Bitcoin Fund and/or the Crypto Fund.

#### ***Control of the Bitcoin Network risk***

If an entity gains control of 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 unit.

#### ***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 unit of the Bitcoin Fund and/or the Crypto Fund.

### ***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 unit of the Bitcoin Fund and/or the Crypto Fund.

### ***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 unit of the Bitcoin Fund and the Crypto Fund 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 unit of the Bitcoin Fund and/or the Crypto Fund.

### ***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.

### ***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.

### ***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 unit of the Bitcoin Fund and/or the Crypto Fund.

### ***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.

### ***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 that an investment fund erroneously transfers, whether accidental or otherwise, Bitcoin in incorrect amounts or to the wrong recipients, the investment fund may be unable to recover the Bitcoin, which could adversely affect an investment in the securities of such investment fund.

### ***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 unit of the Bitcoin Fund and/or the Crypto Fund.

### ***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 unit of the Bitcoin Fund and/or the Crypto Fund.

### ***Lack of insurance risk***

It is unlikely that an investment fund or its custodian will maintain insurance against risk of loss of Ether held by the investment fund as such insurance is not currently available in Canada on economically reasonable terms.

### ***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 unit of the Bitcoin Fund and/or the Crypto Fund.

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 unit of the Bitcoin Fund and/or the Crypto Fund.

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 – What are the specific risks of investing in a mutual fund? – Volatility in the Price of Bitcoin”.

### ***Loss of “private keys” risk***

The loss or destruction of certain “private keys” (numerical codes required by an investment fund to access its Bitcoin) could prevent the investment 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 investment fund’s assets.

### ***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.

### ***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 unit of the Bitcoin Fund and/or the Crypto Fund.

### ***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 unit of the Bitcoin Fund and/or the Crypto Fund.

### ***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 an investment 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 unit of the Bitcoin Fund and/or the Crypto Fund.

### ***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.

### ***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 per unit of the Bitcoin Fund and/or the Crypto Fund.

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 unit of the Bitcoin Fund and/or the Crypto Fund.

### **Risks associated with investing in the Ether Fund and the Crypto Fund**

In addition to the considerations set out elsewhere in this simplified prospectus, the following are certain considerations relating to an investment in the Ether Fund and the Crypto Fund that prospective investors should consider before purchasing units of the Ether Fund and/or the Crypto Fund.

### ***Attacks on the Ethereum Network risk***

The Ethereum 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 in any significant systemic issues.

### ***Competitors to Ether risk***

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

### ***Control of the Ethereum Network risk***

If an entity gains control of over 51% of the compute power (hash rate) the entity could use its majority share to double spend Ether (i.e. the entity would send Ether to one recipient, which is confirmed in the existing blockchain, while also creating a shadow blockchain that sends that same Ether 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 Ethereum Network as a store of value and means of exchange which may significantly decrease the value of the Ether and in turn the NAV of the Units. The two largest miners or pools of Ethereum control in the aggregate more than 51% of the Ethereum Network.

The founders of the Ethereum Network may control large amounts of Ether. There are several addresses outside of digital asset trading platforms that have large holdings of Ether, which can be found at: <https://etherscan.io/accounts>. While there appear to be few concentrated holders of Ether based on individual addresses, some holders may have their Ether spread across multiple addresses.

### ***Decrease in block reward risk***

In the event of a material decrease in the block reward to the Ethereum Network, miners may cease to provide their computational power to the consensus mechanism for the Ethereum Network blockchain.

### ***Decrease in demand for and usage of Ether risk***

There is no assurance that Ether will maintain its long-term value in terms of purchasing power in the future or that the acceptance of Ether as a means of exchange, store of value and/or unit of account by consumers around the world will continue to grow. In the event that the price of Ether declines, the manager expects the NAV per unit of the Ether Fund and the Crypto Fund to decline proportionately. As relatively new products and technologies, Ether and the Ethereum Network have yet to become widely accepted as a means of payment for goods and services by many major retail and commercial outlets, and use of Ether by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for Ether transactions, process wire transfers to or from ether trading platforms, ether related companies or service providers, or maintain accounts for persons or entities transacting in Ether. Conversely, a significant portion of Ether demand is generated by speculators and investors seeking to profit from the short- or long-term holding of Ether. A decrease in demand and use of Ether could adversely affect the NAV per unit of the Ether Fund and/or the Crypto Fund.

### ***Dependence on Ether developers risk***

Ether miners relay transactions to one another via the internet, and when blocks are mined they are also forwarded via the internet. Users and developers access Ethereum via the internet. Thus, the Ethereum Network is dependent upon the continued functioning of the internet.

### ***Dependence on the internet risk***

Ether miners relay transactions to one another via the internet, and when blocks are mined they are also forwarded via the internet. Users and developers access Ethereum via the internet. Thus, the Ethereum Network is dependent upon the continued functioning of the internet.

### ***Hacking of Ether trading platforms risk***

In the event that an ether trading platform is hacked such an event may result in the closure or temporary closure of an ether trading platform or reduce investor confidence in Ether generally which could affect the price of Ether and in turn adversely affect the NAV per unit of the Ether Fund and/or the Crypto Fund.

### ***Improper transfers risk***

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

### ***Increased regulation of Ether risk***

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

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.

### ***Increase in transaction fees risk***

Ether miners functioning in their transaction confirmation capacity, collect fees for confirming blocks. 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 Ether users could be forced to pay higher fees, thus reducing the attractiveness of the Ethereum Network. Ether mining occurs globally and it may be difficult for authorities to apply antitrust regulations across multiple jurisdictions. Any collusion among miners to attempt an attack on the Ethereum Network may adversely impact confidence in the Ethereum Network, Ether and the NAV of the units.

### ***Limited history of Ether and Ether trading platforms risk***

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

Ether trading platforms have a limited operating history. Since 2015, several digital asset 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 digital asset trading platforms. The potential for instability of digital asset trading platforms and the closure or temporary shutdown of exchanges due to fraud, business failure, hackers, distributed denial of service attacks or malware or government-mandated regulation may reduce confidence in Ether, which may adversely affect the NAV of the units.

Public ether trading platforms have a limited history. The price of Ether 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 – What are the specific risks of investing in a mutual fund? – Volatility in the Price of Ether”.

#### ***Limited insurance risk***

It is unlikely that an investment fund or its custodian will maintain insurance against risk of loss of Ether held by the investment fund as such insurance is not currently available in Canada on economically reasonable terms.

#### ***Loss of “private keys” risk***

The loss or destruction of certain “private keys” (numerical codes required by an investment fund to access its Ether) could prevent the investment fund from accessing its Ether. Loss of these private keys may be irreversible and could result in the loss of all or substantially all of the investment fund’s assets.

#### ***Regulation of Ether trading platforms risk***

Digital asset trading platforms are spot markets on which Ether can be exchanged for U.S. dollars. Ether 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.

#### ***Risk that blockchain may experience a temporary or permanent fork and/or split***

The Ethereum Network’s software and protocol are open source. When a modification is released by the developers and a substantial majority of miners consent to the modification, the change is implemented and the Ethereum Network continues uninterrupted. However, if a change were activated with less than a substantial majority consenting to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a “hard fork” (i.e. a split) of the Ethereum Network (and the blockchain). One blockchain would be maintained by the pre-modified software and the other by the post-modification software. The effect is that both blockchain algorithms would be running parallel to one another, but each would be building an independent blockchain with independent native assets. The emergence of a hard fork could adversely affect the value of Ether and adversely affect the NAV per unit of the Ether Fund and/or the Crypto Fund.

Digital assets are also susceptible to “airdrops”, whereby promoters entitle existing holders to claim a certain portion of the new digital asset at no-cost. Since airdrops are both uncertain and unguaranteed, the Ether Fund and/or the Crypto Fund may not derive any benefit from the airdrops.

### ***Risk that demand for Ether may exceed supply***

The demand for Ether may develop at a pace which exceeds supply which may frustrate users and cause them to lose faith in the Ethereum Network which may in turn adversely affect the NAV per unit of the Ether Fund and/or the Crypto Fund.

### ***Risk relating to energy consumption required to operate the Ethereum network***

Because of the significant computing power required to mine Ether, 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.

### ***Risk relating to the cryptography underlying the Ethereum network***

The Ethereum Network and Ether as digital asset or token have a limited history. Due to this short history, it is not clear how all elements of Ether will unfold over time, specifically with regard to governance between miners, developers and users, as well as the long-term security model as the rate of inflation of Ether decreases.

The Ethereum 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 ether 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 Ether Fund or the Crypto Fund's Ether, the functionality of the Ethereum Network may be negatively affected such that it is no longer attractive to users, a reduction in user confidence in the digital asset Ether and/or the demand for Ether may decrease all of which would adversely affect the NAV per unit of the Ether Fund and/or the Crypto Fund.

A significant increase in Ether or the Ethereum Network could affect the ability of the Ethereum Network to accommodate demand.

### ***Risks relating to the move from proof-of-work (POW) to proof-of-stake (POS) consensus mechanism***

Since December 2020, the Ethereum Network has been moving from a proof-of-work algorithm to a proof-of-stake mechanism known as "Ethereum 2.0" that may result in users potentially adopting the new mechanism or rejecting it in favour of other smart contract protocols. There is no guarantee that the Ether community will embrace Ethereum 2.0 and the new protocol may never reach critical mass. Although Ethereum 2.0 is supported by many of Ethereum's core developers as it is expected to improve network efficiency, scalability and security, the current Ether mining community may resist adoption of the new protocol and its adoption may be slowed. It is also possible that the transition to Ethereum 2.0 will not be completed and that two protocols will co-exist going forward. Lack of adoption of Ethereum 2.0 may have a negative effect on the market value of Ether, and consequently the NAV per unit of the Ether Fund and/or the Crypto Fund.

### ***Volatility in the price of Ether risk***

The Ether 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 per unit of the Ether Fund and/or the Crypto Fund.

Ether represents a new form of digital value that is currently in the process of being adopted by society. Its underlying value is driven by its utility as a store of value, means of exchange, and unit of account, and the demand for Ether within those use cases. Ether is priced by the supply and demand of global markets for its own utility within remittances, business to business (B2B) payments, time-stamping, etc.

The price of Ether on public Ether trading platforms has a limited history. Ether prices on the Ether trading platforms as a whole have been volatile and subject to influence by many factors including the levels of liquidity on Ether trading platforms. Ether may trade at different prices across the various Ether trading platforms and there may be times where Ether will trade at a premium on one trading platform to other platforms. Volatility in the price of Ether on Ether trading platforms could adversely affect the NAV per unit of the Ether Fund and/or the Crypto Fund.

## ORGANIZATION AND MANAGEMENT OF THE FUNDS

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

**Manager:**  
Purpose Investments Inc.  
130 Adelaide Street West  
Suite 3100  
P.O. Box 109  
Toronto, Ontario  
M5H 3P5

Purpose is the trustee, manager, portfolio manager and promoter of the funds. Purpose manages the day-to-day business and operations of the funds, and provides all general management and administrative services.

**Investment Advisor:**  
Neuberger Berman Canada  
ULC  
Toronto, Ontario

Neuberger Berman Canada ULC is the investment sub-advisor to the Crypto Fund and provides investment advisory services to the Crypto Fund. The investment advisor has an equity interest in Purpose LP which is the parent of the manager.

**Custodian:**  
CIBC Mellon Trust  
Company  
Toronto, Ontario

The custodian holds the assets of the funds.

Digital assets, including Bitcoin and Ether, will be held separately by the appointed custodian and/or sub-custodian of the underlying funds in which a fund may invest. For greater certainty, CIBC Mellon Trust Company is not the custodian of any underlying funds in which the funds may invest which hold physical digital assets, has not appointed any sub-custodian to custody digital assets of such underlying funds, has not guaranteed any sub-custodian's obligations to hold digital assets of such underlying funds, nor performed any form of diligence on the custodian or sub-custodian of such underlying funds.

**Valuation Agent:**  
CIBC Mellon Global  
Securities Services Company

The valuation agent provides accounting and valuation services in respect of the funds.

**Registrar and Transfer Agent of the mutual fund units:**

CIBC Mellon Global Securities Services Company, at its principal office in Toronto, Ontario, is the registrar and transfer agent for the mutual fund units of the funds. The register for the mutual fund units of the funds is kept in Toronto.

**Registrar and Transfer Agent of the ETF Units:**

TSX Trust Company, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the ETF Units. The register for the ETF Units of the funds is kept in Toronto.

**Auditor:**  
Ernst & Young LLP  
Toronto, Ontario

Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, is the auditor of the funds. The auditor annually audits the financial statements of the funds to determine whether they fairly present, in all material respects, the funds' financial position, results of operations and changes in net assets in accordance with International Financial Reporting Standards. Ernst & Young LLP is independent of the funds in accordance with the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

**Securities Lending Agent:**  
The Bank of New York  
Mellon  
New York, New York

The securities lending agent acts on behalf of the funds in administering the securities lending transactions entered into by the funds.

**Independent Review Committee:**

Under Canadian securities laws, the funds are required to have an independent review committee. Purpose is advised by an independent review committee ("IRC") consisting of 3 members each of whom is independent of Purpose, the funds and entities related to Purpose. In fulfilling its duties, the IRC reviews and provides input on conflict of interest matters in respect of Purpose and the funds. The IRC also provides advice to Purpose on other issues relating to the management of the funds.

The IRC prepares, at least annually, a report for unitholders of its activities. This report will be available, at no cost, on the Purpose website at [www.purposeinvest.com](http://www.purposeinvest.com) or upon request, at no cost, by contacting Purpose by email at [info@purposeinvest.com](mailto:info@purposeinvest.com).

Additional information about the IRC, including the names of its members, is available in the funds' annual information form.

**Investments in underlying funds**

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

## **PURCHASES, SWITCHES AND REDEMPTIONS**

You can buy funds, transfer or convert from one fund to another or change units of one mutual fund class to another class of the same mutual fund through a qualified financial advisor or broker. Transferring, which involves moving money from one investment to another, and converting are also known as switching.

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

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

### **How the securities of a fund are valued**

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

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

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

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

- (a) First, we determine the fair value of all of the investments and other assets allocated to a class.
- (b) Second, we subtract the liabilities allocated to that class from the fair value of such class. The difference between the fair value and the liabilities expressed in Canadian dollars at the applicable exchange rate on such date (and in U.S. dollars for units denominated in U.S. dollars) of a class is the NAV for that class.
- (c) Lastly, we divide the NAV for a class by the total number of units of that class that investors in the fund are holding, which gives us the NAV for that class.
- (d) For units denominated in U.S. dollars, we calculate the NAV in Canadian dollars and convert it to U.S. dollars using that day’s exchange rate. Please see “Optional services – U.S. dollar purchase option” on page 46 for more details.

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

Although the purchases and redemptions of units are recorded on a class basis, the assets attributable to all of the class of a fund are pooled to create one fund for investment purposes. Each class pays its proportionate share of fund costs in addition to its management fee and administration fee. The difference

in fund costs, management fees and administration fees between each class means that each class has a different NAV per unit.

You may obtain the NAV of the respective class of a fund by visiting Purpose's website at [www.purposeinvest.com](http://www.purposeinvest.com) or by calling 1-877-789-1517.

### **How to buy, redeem and switch**

It is up to you or your investment professional, if applicable, to determine which class is appropriate for you. Different funds or class may have different minimum investment levels and may require you to pay different fees. The choice of different purchase options requires you to pay different fees and expenses and affects the amount of compensation received by your dealer. See "Fees and expenses" on page 46 and "Dealer compensation" on page 51.

### **Issuance of mutual fund units**

#### ***Class A Units***

Class A units are available to all investors through authorized dealers. Class A Units purchased in Canadian dollars are Canadian dollar denominated and Class A Units purchased in U.S. dollars are U.S. dollar denominated.

#### ***Class F Units***

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

If a unitholder ceases to be eligible to hold Class F Units of a fund the manager may switch a unitholder's Class F Units into Class A Units of the fund after providing the unitholder with 5 days' notice, unless the unitholder notifies the manager during the notice period and the manager agrees that such unitholder is once again eligible to hold Class F Units. Unitholders may be charged a sales commission in connection with the switch by their dealer.

#### ***Class I Units***

Class I Units are available to institutional investors or to other investors on a case-by-case basis, in the manager's discretion. The manager does not pay any commissions to dealers in respect of the Class I Units. If a unitholder ceases to be eligible to hold Class I Units, the manager may switch a unitholder's Class I Units into Class A Units or such other class of units, as the case may be, as agreed to by the manager, as applicable of the fund after providing the unitholder with 5 days' notice, unless the unitholder notifies the manager during the notice period and the manager agrees that the unitholder is once again eligible to hold Class I Units. Unitholders may be charged a sales commission in connection with the switch by their dealer.

Class I Units purchased in Canadian dollars are Canadian dollar denominated and Class I Units purchased in U.S. dollars are U.S. dollar denominated.

### Initial investment

An investment in units of a fund requires unitholders to invest and maintain a minimum balance. The table below outlines the minimums along with the minimum requirements for additional investments, pre-authorized purchase plans and redemptions of certain securities. See “Optional services” on page 43.

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

**Notes:**

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

### Mutual fund units

If your balance falls below the minimum required balance for a particular fund or class, or you otherwise become ineligible to hold a particular fund or class, we may redeem or switch your units. Where a unitholder is or becomes a citizen or resident of the U.S. or a resident of any other foreign country, we may require such unitholder to redeem their units, if their participation has the potential to cause adverse regulatory or tax consequences for a fund or other unitholders of a fund. We may redeem your units if we are permitted or required to do so, including in connection with the termination of the fund, in accordance with applicable law. If we redeem or switch your units, the effect will be the same as if you initiated the transaction. For redemptions in non-registered accounts, we may transfer the proceeds to you, and for redemptions in Registered Plans, we may transfer the proceeds to a registered savings deposit within the plan. We will not give you or your dealer notice prior to taking any action.

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

When you place your order through a financial advisor, the financial advisor sends it to us. If we receive your order before the order cut-off time your order will be processed using that day’s NAV. A separate NAV is calculated for each class of units. If we receive your order after the order cut-off time, your order will be processed using the next business day’s NAV. If the manager determines that the NAV will be calculated at a time other than after the usual closing time of the Exchange, the NAV paid or received will be determined relative to that time. All orders are processed within two business days. You will find more information about buying and redeeming of the funds in the funds’ annual information form. A dealer may establish earlier order cut-off times. Check with your dealer for details.

You have to pay for your units when you buy them. If we do not receive payment in full, we will cancel your order and redeem the units. If we redeem the units for more than the value for which they were issued, the difference will go to the fund. If we redeem the units for less than the value for which they were issued, we will pay the difference to the fund and collect this amount, plus the cost of doing so, from your dealer. Your dealer may require you to reimburse the amount paid if it suffers a loss as a result.

**We have the right to refuse any order to buy units. We must do so within one business day from the time we receive the order. If we refuse your order to buy, we will immediately return any funds we received with your order.**

### **Issuance of ETF Units**

The TSX has conditionally approved the listing of the ETF Units of the funds on the Exchange. The listing of ETF Units of a fund on the Exchange is subject to the fund fulfilling all of the requirements of the Exchange on or before November 18, 2022. Subject to meeting the Exchange's original listing requirements in respect of the ETF Units of the funds, ETF Units of the funds will be listed on the Exchange and offered on a continuous basis, and an investor will be able to buy or sell ETF Units of the funds on the Exchange through registered brokers and dealers in the Province or Territory where the investor resides.

The TSX ticker symbol for the ETF Units of each of the funds is as follows:

<b>Fund</b>	<b>ETF Units</b>	<b>TSX Ticker Symbol</b>
Purpose Bitcoin Yield ETF	ETF units	BTCY
	Canadian dollar denominated ETF non-currency hedged units	BTCY.B
	U.S. dollar denominated ETF non-currency hedged units	BTCY.U
Purpose Ether Yield ETF	ETF units	ETHY
	Canadian dollar denominated ETF non-currency hedged units	ETHY.B
	U.S. dollar denominated ETF non-currency hedged units	ETHY.U
Purpose Crypto Opportunities ETF	ETF units	CRYP
	Canadian dollar denominated ETF non-currency hedged units	CRYP.B
	U.S. dollar denominated ETF non-currency hedged units	CRYP.U

The ETF Units of the funds 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 funds are Canadian dollar denominated.

All orders to purchase ETF Units directly from a fund must be placed by designated brokers or dealers. The funds reserve the absolute right to reject any subscription order placed by a designated broker or dealer. No fees will be payable by a fund to a designated broker or dealer in connection with the issuance of ETF Units. On the issuance of ETF Units, Purpose may, in its discretion, charge an administrative fee to a designated broker or dealer to offset the expenses (including any applicable additional listing fees) incurred in issuing the ETF Units. There is no minimum investment required for ETF Units of a fund.

Purpose, on behalf of each fund, will enter into a designated broker agreement with a designated broker pursuant to which the designated broker will agree to perform certain duties relating to the ETF Units of the fund including, without limitation: (i) to subscribe for a sufficient number of ETF Units to satisfy the

Exchange's (or such other designated exchange on which the ETF Units of the fund may be listed from time to time) original listing requirements; (ii) to subscribe for ETF Units on an ongoing basis in connection with the rebalancing of and adjustments to the portfolio of the fund; and (iii) to post a liquid two-way market for the trading of ETF Units on the Exchange (or such other designated exchange on which the ETF Units of the fund may be listed from time to time). Purpose may, in its discretion from time to time, reimburse any designated broker for certain expenses incurred by the designated broker in performing these duties.

The designated broker agreement provides that Purpose may from time to time require the designated broker to subscribe for ETF Units of a fund for cash in a dollar amount not to exceed 0.30% of the NAV of the ETF Units of a 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 Purpose 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.

On any trading day, a designated broker or dealer may place a subscription order for the prescribed number of ETF Units (or an integral multiple thereof) of a fund. If a subscription order is received by a fund by 9:00 a.m. (Toronto time) on a trading day (or such later time on such trading day as Purpose may permit), the fund will issue to the designated broker or dealer the prescribed number of ETF Units (or an integral multiple thereof) by no later than the second trading day following the effective date of the subscription order or on such other day as mutually agreed between Purpose and the designated broker or dealer, provided that payment for such ETF Units has been received.

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

Purpose may, in its discretion, increase or decrease the prescribed number of ETF Units from time to time.

ETF Units may be issued by a fund to designated brokers in connection with the rebalancing of and adjustments to the fund or its portfolio when cash redemptions of ETF Units occur.

## **Short-term trading**

### ***Mutual fund units***

Most mutual funds are considered long-term investments, so we discourage investors from buying, or redeeming units frequently.

Some investors may seek to trade fund units frequently in an effort to benefit from differences between the value of a fund's units and the value of the underlying securities ("market timing"). Frequent trading in order to time the market or otherwise can negatively impact the value of the fund to the detriment of other unitholders. Excessive short-term trading can also reduce a fund's return because the fund may be forced to hold additional cash to pay redemption proceeds or, alternatively, to sell portfolio holdings, thereby incurring additional trading costs.

Depending on the fund and the particular circumstances, Purpose will employ a combination of preventative and detective measures to discourage and identify excessive short-term trading in the funds, including:

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

### ***ETF Units***

At the present time, the manager is of the view that it is not necessary to impose any short-term trading restrictions on the ETF Units of the funds 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 a designated broker or a dealer upon whom the manager may impose a subscription or redemption fee, which is intended to compensate the applicable fund for any costs and expenses incurred in relation to the trade.

### ***Short-term trading fees for mutual fund units***

If you redeem mutual fund units within 30 days of purchase, we may charge a short-term trading fee on behalf of the fund in circumstances where we determine that the trading activity represents market timing or excessive short-term trading. See “Fees and expenses – Fees and expenses payable directly by you” on page 48. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the funds.

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

- (a) pre-authorized or systematic withdrawal plans; or
- (h) redemptions initiated by Purpose or a mutual fund where redemption notice requirements have been established by Purpose.

### ***Monitoring of trading activity***

We regularly monitor transactions in all of the funds. We have established criteria for each fund that we apply fairly and consistently in an effort to eliminate trading activity that we deem potentially detrimental to long-term unitholders. We have the right to restrict or reject any purchase order without any prior notice, including transactions accepted by your dealer.

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

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

## **Purchases**

Each fund may have an unlimited number of classes of units and may issue an unlimited number of units of each class. See “Purchases, switches and redemptions – How to buy, redeem and switch” on page 34.

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

All purchases of units of a fund must be made in cash. When you buy units of a fund, the price you pay is the NAV of those units. Each class of units has a separate NAV (in Canadian or U.S. dollars, as applicable). See “Purchases, switches and redemptions – How the securities of a fund are valued” on page 33 and “Purchases, switches and redemptions – Issuance of ETF Units” on page 36 for further information regarding the purchase of ETF Units.

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

We may limit or “cap” the size of a fund by restricting new purchases. We will continue redemptions and the calculation of a fund’s NAV for each class of units. We may subsequently decide to start accepting new purchases to that fund at any time.

### ***No switching of units***

Holders of mutual fund units of a fund may not switch mutual fund units.

## **Redemptions**

### ***Mutual fund units***

You can sell some or all of your mutual fund units at any time. This is called a redemption. Redemptions will only be permitted in certain minimum amounts. See “Purchases, switches and redemptions – How to buy, redeem and switch” on page 34 for details. Your dealer must send your redemption request on the same day it is received. The dealer must assume all associated costs. Redemption requests for a fund are processed in the order in which they are received. We will not process redemption requests specifying a forward date or specific price.

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

The Tax Act requires that all amounts including capital gains and losses be reported in Canadian dollars. As a result, if you bought and redeemed units under the U.S. dollar purchase option, you need to calculate gains or losses based on the Canadian dollar value of your units when they were purchased and when they were sold. In addition, although distributions will be made in U.S. dollars, they must be reported in

Canadian dollars for Canadian tax purposes. Consequently, all investment income will be reported to you in Canadian dollars for income tax purposes. You may want to consult your tax advisor regarding this.

Redemption requests for mutual fund units of the funds (other than Class I Units) must be for an amount of at least \$1,000 (unless the account balance is less than \$1,000). There is no minimum for Class I Units of the funds. If your balance falls below the minimum required balance for a particular fund or class or you otherwise become ineligible to hold a particular fund or class we may redeem or switch your units.

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

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

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

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

### ***ETF Units***

On any trading day, holders of ETF Units may redeem ETF Units of a 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 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 the redemption. Because holders of ETF Units will generally be able to sell ETF Units at the market price on the Exchange (or such other designated exchange on which the ETF Units of a fund may be listed from time to time) through a registered broker or dealer subject only to customary brokerage commissions, holders of ETF Units 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 your registered broker or dealer. Securityholders that redeem ETF Units prior to the ex-dividend date for the record date for any dividend/distribution will not be entitled to receive that distribution.

In connection with the redemption of ETF Units, a fund will generally dispose of securities or other assets to satisfy the redemption Exchange of ETF Units for baskets of securities.

### ***Exchange of ETF Units for baskets of securities***

On any trading day, a holder of ETF Units may exchange the prescribed number of ETF Units (or an integral multiple thereof) for baskets of securities and cash.

To effect an exchange of a prescribed number of ETF Units, a holder of ETF Units must submit an exchange request in the form prescribed by Purpose from time to time to the manager at its registered office by 9:00 a.m. (Toronto time) on a trading day (or such later time on such trading day as the manager may permit). The exchange redemption request forms may be obtained from any registered broker or dealer. The exchange price will be equal to the NAV of the ETF Units of the applicable fund on the effective day of the exchange request, payable by delivery of baskets of securities 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 baskets of securities and cash will be made by no later than the second trading day after the effective day of the exchange request. The securities to be included in the baskets of securities delivered on an exchange shall be selected by the manager in its discretion.

Holdings of ETF Units should be aware that the NAV per ETF Unit of a fund will decline by the amount of the distribution on the ex-dividend date, which is one trading day or such other day as announced by the manager prior to the dividend record date. A unitholder that is no longer a holder of record on the applicable distribution record date will not be entitled to receive that distribution.

If constituent securities of a fund are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a holder of ETF Units on an exchange in the prescribed number of ETF Units may be postponed until such time as the transfer of the securities is permitted by law.

### ***Costs associated with exchange and redemption***

The manager may charge to a holder of ETF Units, in its discretion, an ETF Unit administrative fee of up to 2% of the exchange or redemption proceeds of a fund to offset certain transaction costs associated with the exchange or redemption of ETF Units of such 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.

### ***When you may not be allowed to redeem your units***

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

- (a) normal trading is suspended on any stock exchange or market where more than 50% of the assets of a fund are listed or traded; or
- (b) we get permission from the Canadian securities administrators to allow us to temporarily suspend the redemption of units.

### ***Special considerations for holders of 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 funds obtained exemptive relief from the securities regulatory authorities to permit holders of ETF Units to acquire more than 20% of the ETF Units of any fund through purchases on the Exchange (or such other designated exchange on which the ETF Units of a fund may be listed from time to time) without regard to the take-over bid requirements of Canadian securities legislation, provided that any such holder, and any person acting jointly or in concert with the holder, undertakes to the manager not to vote more than 20% of the ETF Units of that fund at any meeting of unitholders.

### **Non-resident unitholders**

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act), be the beneficial owners of a majority of the units of a fund. The manager may require declarations as to the jurisdictions in which a beneficial owner of units is resident and, if a partnership, its status as a Canadian partnership. If the manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the units of a 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 units or a portion thereof within a specified period of not less than 30 days. If the unitholders receiving such notice have not sold the specified number of units or provided the manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the manager may on behalf of such unitholders sell such units and, in the interim, shall suspend the voting and distribution rights attached to such units. Upon such sale, the affected holders shall cease to be beneficial holders of units and their rights shall be limited to receiving the net proceeds of sale of such units.

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

## OPTIONAL SERVICES

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

### **Distribution reinvestment plan**

#### *Mutual fund units*

Distributions payable on mutual fund units of the funds are automatically reinvested in additional mutual fund units. Holders of mutual fund units who wish to receive cash as of a particular distribution record date should speak with their broker, dealer or investment advisor for details.

#### *ETF Units*

The funds have adopted a reinvestment plan, which provides that a holder of ETF Units (an “ETF plan participant”) may elect to automatically reinvest all distributions paid on the ETF Units held by that ETF plan participant in additional ETF Units (“ETF plan securities”) of such funds in accordance with the terms of the reinvestment plan and the distribution reinvestment agency agreement between the manager, on behalf of the fund, and the plan agent, as may be amended. The key terms of the reinvestment plan are as described below.

Holders of ETF Units who are not residents of Canada may not participate in the reinvestment plan and any holder of ETF Units who ceases to be a resident of Canada will be required to terminate its participation in the reinvestment plan. No fund will be required to purchase ETF plan securities if such purchase would be illegal.

A holder of ETF Units who wishes to enroll in the reinvestment plan as of a particular distribution record date should notify the CDS Participant through which the holder holds its ETF Units sufficiently in advance of that distribution record date to allow such CDS Participant to notify CDS by 4:00 p.m. (Toronto time) on the distribution record date.

Distributions that ETF plan participants are due to receive will be used to purchase ETF plan securities on behalf of such ETF plan participants in the market.

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

The automatic reinvestment of the distributions under the reinvestment plan will not relieve ETF plan participants of any income tax applicable to such dividends/distributions. See “Income Tax Considerations for Investors” on page 51.

ETF plan participants may voluntarily terminate their participation in the reinvestment plan as of a particular distribution record date by notifying their CDS Participant sufficiently in advance of that distribution record date. ETF plan participants should contact their CDS Participant to obtain details of the appropriate procedures for terminating their participation in the reinvestment plan. Beginning on the first distribution payment date after such notice is received from an ETF plan participant and accepted by a CDS Participant, distributions to such ETF plan participant will be made in cash. Any expenses associated with the preparation and delivery of such termination notice will be borne by the ETF plan participant exercising its right to terminate participation in the reinvestment plan. Purpose may terminate the reinvestment plan, in its sole discretion, upon not less than 30 days’ notice to: (i) the CDS Participants through which the ETF

plan participants hold their ETF Units; (ii) the plan agent; and (iii) if necessary, the TSX (or such other designated exchange on which the ETF Units of a fund may be listed from time to time).

Purpose may amend, modify or suspend the reinvestment plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to: (i) the CDS Participants through which the ETF plan participants hold their ETF Units; (ii) the plan agent; and (iii) if necessary, the TSX (or such other designated exchange on which the ETF Units of a fund may be listed from time to time).

### **Pre-authorized cash contribution**

#### ***Mutual fund units***

If you want to invest in mutual fund units of a fund on a regular basis, you can use our pre-authorized purchase plan so that money is automatically withdrawn from your bank account at regular intervals and invested in the funds that you choose. This plan allows you to take advantage of dollar-cost averaging.

Here is how the plan works:

- (a) See “Purchases, Switches and Redemptions – How to buy, redeem and switch” on page 34 for the minimum initial investment and the minimum additional investments required for each fund or class.
- (b) You must have at least \$5,000 in your account to set up a pre-authorized cash contribution.
- (c) You can invest weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account you have. For more information, please ask your dealer.
- (d) The manager will automatically transfer money from your bank account with any financial institution to purchase mutual fund units in the fund you choose.
- (e) The manager will cancel your participation in the plan if your payment is returned because there are not sufficient funds in your bank account.

You may choose this option when you first buy mutual fund units or at any time afterwards. Please contact your dealer or advisor for details. You must set up your pre-authorized purchase plan through your advisor. The manager must receive at least five business days’ notice to set up a pre-authorized purchase plan.

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

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

Pre-authorized cash contributions are also available under the U.S. dollar purchase option. See “Optional Services – U.S. dollar purchase option” on page 46 for more details.

### ***ETF Units***

The manager may in its discretion, offer ETF plan participants the option to make pre-authorized cash contributions under the reinvestment plan by notifying their CDS Participant sufficiently in advance to allow such CDS Participant to notify the plan agent by 5:00 p.m. (Toronto time) at least ten business days before the last business day of the month. An ETF plan participant may invest a minimum of \$100 and a maximum of \$5,000 per pre-authorized cash contribution no more frequently than monthly. The manager reserves the right to reject any request for pre-authorized cash contributions.

Distributions due to ETF plan participants, along with any pre-authorized cash contributions, will be applied, on behalf of ETF plan participants, to purchase ETF plan securities in the market. ETF plan securities will be allocated pro rata based on the number of ETF Units held by ETF plan participants. ETF plan securities will be credited for the benefit of ETF plan participants to the account of the CDS Participant through whom that ETF plan participant holds ETF Units.

### **Systematic withdrawal plan**

#### ***Mutual fund units***

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

- (a) You must have at least \$15,000 in your non-registered account to set up a systematic withdrawal plan.
- (b) You can choose to withdraw a minimum of \$100 weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account you have. For more information, please ask your dealer.
- (c) The manager will deposit the money directly to your bank account.
- (d) If you decide to discontinue your systematic withdrawal plan and your investment is below the minimum balance for a fund, the manager may ask you to increase your investment to the minimum amount or to redeem your remaining investment in the fund.

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

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

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

## ***ETF Units***

Under the reinvestment plan, holders of ETF Units will also be able to elect to systematically withdraw ETF Units by selling a specific dollar amount of ETF Units in minimum amounts of \$100 and maximum amounts of \$5,000 owned by such holder in respect of each subsequent payment date. A holder of an ETF Unit may elect to sell ETF Units by notifying the plan agent via the applicable CDS Participant through which such holder holds its ETF Units of its intention to so sell ETF Units. In this regard, the CDS Participant must, on behalf of such securityholder, (i) provide a systematic withdrawal notice directly to the plan agent that the securityholder wishes to sell ETF Units in this manner until the fund is otherwise notified by 5:00 p.m. (Toronto time) on the applicable record date for which the securityholder no longer wishes to sell ETF Units or there remain no further ETF Units to be sold on behalf of such securityholder, whichever comes first and (ii) specify the specified dollar amount of ETF Units to be sold in respect of each subsequent payment date.

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

## **U.S. dollar purchase option - Mutual funds units**

You may purchase mutual fund units of the funds in U.S. dollars. Contact Purpose for more information.

## **Registered Plans**

Each of the funds may be purchased within all Registered Plans subject to tax rules that deal with prohibited investments. See “Income tax considerations for investors – Taxation of Registered Plans” on page 55.

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

## **FEES AND EXPENSES**

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

### **Fees and expenses payable by the funds**

#### **Management fees**

Purpose, as manager of the funds, is entitled to a management fee payable by each fund. The management fee varies for each class of units of a fund. See the “Fees and expenses” in the fund details table for each fund in this simplified prospectus for information on the maximum percentage of the management fee which you will be required to pay as an investor in the funds.

Purpose is the trustee, manager, portfolio manager and promoter of the funds. Purpose manages the day-to-day business and operations of the funds and provides all general management and administrative services.

No management fees or administration fees are payable by a fund that, to a reasonable person, would duplicate a fee payable by the underlying funds of that fund for the same service. In addition, the fund will not pay any sales fees or redemption fees upon a purchase or redemption of securities of an underlying fund. Any service fees paid by Purpose to your dealer, will be paid out of the management fee payable to Purpose. Purpose may, in some years and in certain cases, absorb a portion of a class' management fee. The decision to absorb the management fee is determined at the discretion of Purpose, without notice to any unitholder.

### **Management fee rebates**

To achieve effective and competitive management fees, Purpose may reduce the management fee borne by certain unitholders who have signed an agreement with Purpose. Purpose will pay out the amount of the reduction in the form of a management fee rebate directly to the eligible unitholder. Management fee rebates are reinvested in units unless otherwise requested. The decision to pay management fee rebates will be in Purpose'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 Purpose. Purpose reserves the right to discontinue or change management fee rebates at any time.

### **Operating expenses**

Each fund pays its own operating and administrative expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the manager. Operating expenses include, but are not limited to, portfolio transaction costs (including brokerage commissions), costs associated with the use of derivatives, and fees, taxes, audit, accounting and legal fees and expenses, safekeeping, trustee and custodial fees, interest expenses, registrar and transfer agent fees, regulatory participation fees, administrative costs, the costs of complying with any new governmental or regulatory requirement introduced after the date a fund is established, investor servicing costs and costs of financial and other reports to investors, as well as renewal prospectuses.

Operating expenses and other costs of a fund are subject to applicable taxes.

As the funds have more than one class of securities, the unitholders of each class of a fund bear their pro rata share of those expenses which are common to the operation of all classes of the fund as well as those expenses which are attributable solely to that class.

See "Fees and expenses – Fees and expenses payable directly by you – Negotiated fee" below for details regarding Class I Units.

### **Effect of HST on MERs**

A fund is required to pay HST on management fees and administration fees charged to the fund. In general, the HST rate depends on the residence of a fund's unitholders at a certain point in time. Changes in existing HST rates, changes to which provinces impose HST and

changes in the breakdown on the residence of a fund's unitholders will have an impact on the management expense ratio of a fund year over year.

**Fund of funds fees and expenses**

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

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

**Independent Review Committee**

Each member of the IRC is entitled to receive an annual fee of \$5000 plus a per meeting fee of \$400 per fund, subject to a maximum of \$70,000 per member per annum over all the funds managed by Purpose. Members are also entitled to be reimbursed for all reasonable expenses incurred in the performance of their duties. The annual retainer is apportioned among the funds managed by Purpose for which the IRC acts in a manner that is fair and reasonable.

**Fees and expenses payable directly by you**

**Negotiated fee**

Holders of Class I Units pay a negotiated management fee directly to Purpose, plus any additional amounts for administrative expenses up to 0.05% per annum of the NAV of such class of units, as applicable, and any additional expenses as may be agreed to by the holder and Purpose. The negotiated management fee may vary for each fund and each investor in a fund. See the "Fees and expenses" in the fund details table for each fund in this simplified prospectus for information on the maximum percentage of the negotiated management fee which you will be required to pay as an investor in Class I Units of the funds.

**Sales charges**

Your dealer, investment advisor or financial advisor may charge a sales charge and you may have to pay your dealer at the time of purchase up to 5% of the purchase price of the Class A Units you buy. We deduct the sales charge from the amount you invest and pay it to your dealer as a commission.

**Short-term trading fees*****Mutual fund units***

If a unitholder redeems units within 30 days of purchasing such units, the manager may charge a short-term trading fee on behalf of the fund of up to 2% of the value of such units in circumstances where it determines that the trading activity represents market timing or excessive short-term trading. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the fund. At the present time, the manager is of the view that it is not necessary to impose any short-term trading restrictions on the ETF Units.

See “Purchases, switches and redemptions – Short term trading – Short-term trading fees for mutual fund units” on page 38.

**Registered tax plan fees**

Fees may be payable to your dealer if you transfer an investment within a Registered Plan to another financial institution.

None of these fees are paid to Purpose.

**Other fees and expenses**

You may have to reimburse your dealer if it suffers a loss as a result of our having to redeem your units for insufficient payment. See “Purchases, switches and redemptions – How to buy, redeem and switch” on page 34.

**ETF Unit administration fee**

You may have to pay the fund an administration fee of up to 2% of the value of any ETF Units you exchange or redeem to offset certain transaction costs associated with the exchange or redemption of ETF Units.

**Impact of sales charges**

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

- (a) you invested \$1,000 in mutual fund units of a fund; and
- (b) you held that investment for one, three, five or 10 years and you redeemed the entire investment immediately before the end of that period.

	Fee at time of purchase	Redemption fee before end of:			
		1 year	3 years	5 years	10 years
Class A Units	\$50 <sup>1</sup>	Nil	Nil	Nil	Nil
Class F Units	Nil	Nil	Nil	Nil	Nil
Class I Units	Nil	Nil	Nil	Nil	Nil

**Note:**

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

## ANNUAL RETURNS, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO OF ETF UNITS

The annual returns, management expense ratio and trading expense ratio for the ETF Units of funds are not yet available because ETF Units of the funds were not offered prior to the date hereof.

## PRICE RANGE AND TRADING VOLUME OF ETF UNITS

This information is not yet available because ETF Units of the funds were not offered prior to the date hereof.

## DEALER COMPENSATION

### How your investment professional and dealer are paid

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

### *Class A Units*

If you buy Class A Units, the commission you negotiate (up to 5% of your purchase amount) is deducted from your purchase amount and paid by you, through us, to your dealer. In addition, we pay your dealer a service fee when you hold Class A Units. The funds may also charge a short-term trading fee if you redeem your units within 30 days of buying them. See “Purchases, switches and redemptions – Short term trading – Short-term trading fees for mutual fund units” on page 38.

### *Trailing commission*

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

<b>Fund</b>	<b>Annual Trailing Commission for Class A Units</b>
Purpose Bitcoin Yield ETF	1.00% <sup>(1)</sup>
Purpose Ether Yield ETF	1.00% <sup>(1)</sup>
Purpose Crypto Opportunities ETF	1.00% <sup>(1)</sup>

**Note:**

(1) Plus applicable HST.

We do not pay service fees on Class F Units or Class I Units.

### *Class F Units*

We do not pay your dealer a commission if you buy Class F Units. Investors who buy Class F Units pay a negotiated fee to their dealer for investment advice and other services. The funds may also charge a short-term trading fee if you redeem your units within 30 days of buying them. See “Purchases, switches and redemptions – Short term trading – Short-term trading fees for mutual fund units” on page 38.

### ***Class I Units***

We do not pay your dealer a commission if you buy Class I Units. Investors who buy Class I Units pay a negotiated fee to their dealer for investment advice and other services. The funds may also charge a short-term trading fee if you redeem your units within 30 days of buying them. See “Purchases, switches and redemptions – Short term trading – Short-term trading fees for mutual fund units” on page 38.

### ***ETF Units***

We do not pay your dealer a commission if you buy ETF Units. At the present time, we are of the view that it is not necessary to impose any short-term trading restrictions on the ETF Units. See “Purchases, switches and redemptions – Short-term trading – ETF Units” on page 38.

### **Other forms of dealer support**

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

## **DEALER COMPENSATION FROM MANAGEMENT FEES**

We cannot provide information regarding the use of management fees to pay for dealer commissions or other marketing, promotional or educational activities in respect of the funds because the funds were created on November 19, 2021.

## **INCOME TAX CONSIDERATIONS FOR INVESTORS**

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 a fund will be a foreign affiliate of the fund or any unitholders; (b) a 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 a 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 a 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 each fund will comply at all material times with the conditions prescribed in the Tax Act and otherwise so as to qualify as a “mutual fund trust” as defined in the Tax Act. Counsel is advised that each fund is expected to qualify as a “mutual fund trust” under the Tax Act at all material times.

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

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

## **Taxation of the fund**

Each 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 for each fund 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.

A fund may pay foreign withholding or other taxes in connection with investments in foreign securities.

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

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

Premiums received on covered call options and cash-covered put options written by a fund that are not exercised prior to the end of the year will constitute capital gains of such fund in the year received, unless such premiums are received by such fund as income from a business of buying and selling securities or such fund has engaged in a transaction or transactions considered to be an adventure in the nature of trade. Each fund will write options from time to time in respect of “Canadian securities” held in its portfolio. Having regard to the foregoing, and in accordance with the CRA’s published administrative practice, the

manager intends that such option transactions undertaken by a fund will be treated and reported by each fund as arising on capital account.

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

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

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

Each 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 a fund realizes capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of 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. Effective for taxation years of a fund beginning on or after December 16, 2021, no deduction can be claimed by a fund for the portion of a capital gain of the fund 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.

Any losses incurred by a 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 funds are 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 a 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, a 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 a 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 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.

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

Upon the actual or deemed disposition of a unit of the fund, including the exchange or redemption of a unit, and including upon the termination of the fund, a capital gain (or a capital loss) will generally be realized by the unitholder to the extent that the proceeds of disposition of the unit exceed (or are less than) the aggregate of the adjusted cost base to the unitholder of the unit and any reasonable costs of disposition. In general, the adjusted cost base of all units of the fund held by the unitholder is the total amount paid for the 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 units of the fund previously redeemed/exchanged by the unitholder. For the purpose of determining the adjusted cost base of units to a unitholder, when units of the fund are acquired, the cost of the newly acquired units will be averaged with the adjusted cost base of all units of the fund owned by the unitholder as capital property immediately before that time. The cost of units acquired on the reinvestment of distributions will be the amount so reinvested.

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

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

### **Taxation of capital gains and capital losses**

One-half of any capital gain realized by a unitholder and the amount of any net taxable capital gains realized or considered to be realized by 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 a RESP or RDSP) will generally be subject to tax. Withdrawals from a TFSA are not subject to tax.

### **Tax implications of the fund's distribution policy**

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

particularly be the case if units are purchased near year-end before the final year-end distributions have been made.

### **Tax reporting**

Unitholders will receive an annual tax form relating to the character of amounts paid by the funds to them on their units (including eligible dividends or capital gains dividends, for example) to enable them to complete their income tax returns. Unitholders should keep records of the cost of units acquired and any return of capital distributions so that they can calculate any capital gain or loss on the redemption or other disposition of their units.

## **INTERNATIONAL INFORMATION REPORTING**

A 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**”). Dealers through which unitholders hold their 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 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 are 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 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 units held by such TFSA, RRSP, RDSP, RESP, or RRIF, as the case may be, if such units are a “prohibited investment” for such Registered Plans for the purposes of the Tax Act. 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 units of the fund will not be a prohibited investment if such 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 units would be prohibited investments and whether such units would be excluded property in their particular circumstances.

## **WHAT ARE YOUR LEGAL RIGHTS?**

### **Mutual fund units**

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

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

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

### **ETF Units**

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

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

## **ADDITIONAL INFORMATION**

### **Exemptions and approvals**

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

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

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

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

### **How to read these fund descriptions**

#### ***Fund details***

Each fund is an alternative mutual fund established as a trust under the laws of the Province of Ontario. The authorized capital of each fund includes one or more classes of ETF Units and one or more classes of mutual fund units. An unlimited number of ETF Units and mutual fund units are authorized for issuance.

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

This table gives you a brief summary of each fund. It describes what type of mutual fund it is, when it was established and the class of units that the fund offers. The table also highlights that units of the fund are a qualified investment for Registered Plans. You will find more information about Registered Plans on page 46. The table also tells you the management fee and administration expenses, if applicable, for each class of units of the fund.

### **What does the fund invest in?**

#### ***Investment objectives***

This section outlines the investment objectives of each fund and the type of securities in which the fund may invest to achieve those investment objectives. A fund’s investment objectives may include capital preservation, generating income, capital growth or a combination of the three.

#### ***Investment strategies***

This section describes the principal investment strategies that the portfolio manager (and the investment advisor in the case of the Crypto Fund) uses to achieve the fund’s investment objectives. It gives you a better understanding of how your money is being managed. The format also allows you to compare more easily how different mutual funds are managed.

This section also highlights:

- (a) any significant investment restrictions adopted by the fund; and
- (b) the potential use of derivatives and a description of how they will be used.

### **How the funds engage in securities lending transactions**

Certain funds may enter into securities lending transactions.

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

## **How the funds use derivatives**

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

Each fund may use derivatives as permitted by securities regulations to hedge their investments against losses from factors like currency fluctuations, stock market risks and interest rate changes.

## **Investing in underlying funds**

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

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

- (a) management style;
- (b) investment performance and consistency;
- (c) risk tolerance levels;
- (d) calibre of reporting procedures; and
- (e) quality of the manager and/or investment advisor.

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

## **What are the risks of investing in the fund?**

Understanding risk and your comfort with risk is an important part of investing. This section highlights the specific risks of each fund. We have listed the risks in the order of relevance for each fund. You will find general information about the risks of investing and descriptions of each specific risk under “What is a mutual fund?” on page 10 and “What are the general risks of investing in a mutual fund?” on page 10.

## **Who should invest in this fund?**

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

## **Investment risk classification methodology**

We assign fund risk ratings to each fund managed by Purpose as an additional guide to help you decide whether a fund is right for you. This information is only a guide. We determine the risk rating for each fund in accordance with NI 81-102. The investment risk level of a fund is required to be determined in

accordance with a standardized risk classification methodology that is based on the historical volatility of the fund as measured by the 10-year standard deviation of the returns of the fund. Just as historical performance may not be indicative of future returns, a fund's historical volatility may not be indicative of its future volatility. You should be aware that other types of risk, both measurable and non-measurable, also exist.

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

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

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

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

A copy of the methodology used by Purpose to identify the investment risk levels of the funds is available on request, at no cost, by calling 1-877-789-1517, by emailing us at [info@purposeinvest.com](mailto:info@purposeinvest.com) or by writing to us at the address on the back cover of this simplified prospectus.

### **Distribution policy**

This section tells you how often the fund pays out distributions of income and capital or a return of capital and how they are paid. See "Income tax considerations for investors" on page 51 for more information.

**Fund expenses indirectly borne by investors**

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

**Additional information*****Past performance and financial highlights***

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

***Policies and procedures regarding proxy voting***

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

## PURPOSE BITCOIN YIELD ETF

<b>Fund Type</b>	alternative strategies	
<b>Date Started</b>	ETF units – November 19, 2021	
	Canadian dollar denominated ETF units (non-currency hedged) – November 19, 2021	
	U.S. dollar denominated ETF units (non-currency hedged) – November 19, 2021	
	Class A units – November 19, 2021	
	Class A units (non-currency hedged) – November 19, 2021	
	Class F units – November 19, 2021	
	Class F (non-currency hedged) – November 19, 2021	
	Class I units – November 19, 2021	
	Class I units (non-currency hedged) – November 19, 2021	
<b>Type of Securities</b>	ETF units, Canadian dollar denominated ETF units (non-currency hedged), U.S. dollar denominated ETF units (non-currency hedged), Class A units, Class A units (non-currency hedged), Class F units, Class F units (non-currency hedged), Class I units and Class I units (non-currency hedged)	
<b>Management Fee</b>	<b>Class</b>	<b>Management Fee</b>
	ETF units, Canadian dollar denominated ETF units (non-currency hedged) and U.S. dollar denominated ETF units (non-currency hedged)	1.10% <sup>(1)</sup>
	Class A units and Class A units (non-currency hedged)	2.10% <sup>(1)</sup>
	Class F units and Class F units (non-currency hedged)	1.10% <sup>(1)</sup>
	Class I units and Class I units (non-currency hedged)	Holders pay a negotiated management fee directly to Purpose of up to 1.10% per annum <sup>(1)</sup>
<b>Registered Plan/TFSA Eligibility</b>	Eligible	

**Note:**

(1) Plus applicable HST.

**What does the fund invest in?****Investment Objectives**

The fund seeks to provide unitholders with (a) monthly distributions and (b) long-term capital appreciation. The fund will achieve its investment objectives primarily by obtaining exposure to Bitcoin and by implementing a derivatives based strategy in respect of portfolio securities.

The fund will not change its fundamental investment objectives unless the consent of a majority of the fund's unitholders has been obtained.

**Investment Strategies**

The fund seeks to achieve its investment objectives by investing indirectly in long-term holdings of Bitcoin primarily through investment in units of the Purpose Bitcoin ETF and by implementing an option writing strategy (as described below). The fund may also invest in other investment funds which provide exposure to Bitcoin.

In order to seek to generate additional returns and enhance the portfolio's income, the manager may write covered call options and cash covered put options in respect of the securities held by the fund. Such options may be either exchange-traded options or over-the-counter options in accordance with Canadian securities laws. The manager may write covered call options and cash covered put options in respect of some or all of the securities held by the fund. Initially, the manager expects that covered options will be written on up to 50% of the fund's portfolio.

The decision as to which of the portfolio securities options will be written on, the number of options to be written on such securities, and the terms of such options will be based upon the manager's assessment of the market and of the best value offered by the option premiums available on the securities held by the fund at the time such options are written. Covered call options and cash covered put options will be written at a strike price that is at-the-money or out-of-the-money as determined by the manager at its discretion.

While writing options on portfolio securities may have the effect of lowering the overall volatility of returns associated with the fund's portfolio, the manager will not execute its option writing strategy with a primary view to minimizing volatility. The manager may, in its discretion, close out outstanding options that are in-the-money prior to their expiry date or permit securities subject to a call option to be called away. In circumstances where securities are called away, the manager will use the proceeds realized by the fund on the exercise of the call options to acquire securities of the issuers whose securities were called away in the market as soon as practicable following the exercise of such options. This may result in securities being acquired at prices exceeding the price received for them pursuant to exercised options even after taking into account the premium realized by the fund on the writing of the option.

The amount of option premium depends upon, among other factors, the volatility of the price of the underlying security: generally, the higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become "in-the-money" during the term and, accordingly, the greater the option premium.

The fund may choose to (a) use warrants, ETFs and derivatives such as options, forward contracts, futures contracts and swaps for both hedging and non-hedging strategies to generate income, hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies and/or gain exposure to individual securities and markets instead of buying the securities directly and/or (b) hold cash or fixed income securities for strategic reasons or provide cover for the writing of cash covered put options in respect of securities in which the fund is permitted to invest. The fund may also enter into securities lending transactions to generate additional income. The fund may also hold cash and cash equivalents or other money market instruments in order to meet its current obligations.

The fund may invest up to 100% of its assets in foreign securities.

The portfolio holdings are reconstituted and rebalanced at the discretion of the manager.

With respect to the ETF currency hedged units and mutual fund currency hedged units generally, a substantial portion of the U.S. dollar currency exposure will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the manager's discretion. The approval of unitholders is required prior to any change to the currency hedging strategy in respect of the units.

The foreign currency exposure of the portion of the fund's portfolio allocable to the ETF non-currency hedged units and mutual fund non-currency hedged units will not be hedged back to the Canadian dollar.

Generally, the fund does not intend to borrow money to acquire securities for its portfolio. Any borrowing by the fund will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

**What are the risks of investing in the fund?**

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

- (a) attacks on the Bitcoin Network risk;
- (b) cease trading of constituent securities;
- (c) changes in legislation risk;
- (d) competitors to Bitcoin risk;
- (e) concentration risk;
- (f) conflicts of interest risk;
- (g) control of the Bitcoin Network risk;
- (h) control of the outstanding Bitcoin risk;
- (i) counterparty risk;
- (j) COVID-19 outbreak risk;
- (k) credit risk;
- (l) cryptocurrency risk;
- (m) currency exposure risk;
- (n) currency risk;
- (o) cyber security risk;
- (p) decrease in block reward risk;
- (q) decrease in demand for and usage of Bitcoin risk;
- (r) dependence on Bitcoin developers risk;
- (s) dependence on the internet risk;
- (t) distributions in specie risk;
- (u) exchange rate risk;
- (v) financial institutions may refuse to support transactions involving cryptocurrency;

- (w) fluctuations in NAV and NAV per Unit risk;
- (x) futures contract liquidity risk;
- (y) futures contract margin risk;
- (z) hacking of bitcoin trading platforms risk;
- (aa) illiquid securities risk;
- (bb) improper transfers risk;
- (cc) increase in transaction fees risk;
- (dd) increased regulation of Bitcoin risk;
- (ee) lack of agreement on the development of the Bitcoin Network risk;
- (ff) lack of insurance risk;
- (gg) lack of operating history risk;
- (hh) large investor risk;
- (ii) liability of unitholders risk;
- (jj) limited history of Bitcoin and bitcoin trading platforms risk;
- (kk) loss of “private keys” risk;
- (ll) multiple classes risk;
- (mm) no ownership interest in the portfolio risk;
- (nn) not a trust company risk;
- (oo) options risk;
- (pp) prime brokers risk;
- (qq) rebalancing and adjustment risk;
- (rr) regulation of bitcoin trading platforms risk;
- (ss) reliance on key personnel risk;
- (tt) risk of loss;
- (uu) risk relating to energy consumption required to operate the Bitcoin Network;
- (vv) risk relating to standard of care of the manager and the Custodian;

- (ww) risk relating to valuation of a fund's assets;
- (xx) risk that blockchain may experience a temporary or permanent fork and/or split;
- (yy) risk that demand for Bitcoin may exceed supply;
- (zz) securities lending risk;
- (aaa) tax risk;
- (bbb) underlying fund risk;
- (ccc) use of derivatives instruments risk; and
- (ddd) volatility in the price of Bitcoin risk.

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

- (a) absence of an active market for the ETF Units;
- (b) rebalancing and adjustment
- (c) tax risk;
- (d) use of derivatives instruments risk; and
- (e) trading price of ETF Units risk.

**Who should invest in this fund?**

This fund may be right for you if:

- (a) you are seeking exposure to Bitcoin and the daily price movements of the U.S. dollar price of Bitcoin;
- (b) you want distributions payable to you monthly;
- (c) you have the capacity to absorb a loss of some or all of your investment; and
- (d) you are planning to hold your investment for the medium-to-long term and can tolerate high investment risk (i.e. you have the capacity to absorb a loss of some or all of your investment).

The fund's risk classification is based on the return of the on the following: (a) 80% TradeBlock XBX Index and (b) 20% cash. 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 expects to pay monthly distributions. **Distributions on mutual fund units are reinvested in additional mutual fund units of the same class of the fund unless you tell your dealer to inform us that you want them in cash.** Distributions are not guaranteed and may change from time to time at our discretion.

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 units of the fund, net of any required withholding taxes, will be reinvested automatically in additional units of the fund at a price equal to the NAV per unit of the fund and the units will be immediately consolidated such that the number of outstanding units following the distribution will equal the number of units outstanding prior to the distribution. The tax treatment to unitholders of reinvested distributions is discussed under the heading “Income tax considerations for investors”.

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

For more information see “Specific information about each of the mutual funds described in this document – Distribution policy” on page 61.

### **Fund expenses indirectly borne by investors**

Information regarding fund expenses borne by investors is not available because this fund was created on November 19, 2021.

**PURPOSE ETHER YIELD ETF**

<b>Fund Type</b>	alternative strategies	
<b>Date Started</b>	ETF units – November 19, 2021	
	Canadian dollar denominated ETF units (non-currency hedged) – November 19, 2021	
	U.S. dollar denominated ETF units (non-currency hedged) – November 19, 2021	
	Class A units – November 19, 2021	
	Class A units (non-currency hedged) – November 19, 2021	
	Class F units – November 19, 2021	
	Class F (non-currency hedged) – November 19, 2021	
	Class I units – November 19, 2021	
Class I units (non-currency hedged) – November 19, 2021		
<b>Type of Securities</b>	ETF units, Canadian dollar denominated ETF units (non-currency hedged), U.S. dollar denominated ETF units (non-currency hedged), Class A units, Class A units (non-currency hedged), Class F units, Class F units (non-currency hedged), Class I units and Class I units (non-currency hedged)	
<b>Management Fee</b>	<b>Class</b>	<b>Management Fee</b>
	ETF units, Canadian dollar denominated ETF units (non-currency hedged) and U.S. dollar denominated ETF units (non-currency hedged)	1.10% <sup>(1)</sup>
	Class A units and Class A units (non-currency hedged)	2.10% <sup>(1)</sup>
	Class F units and Class F units (non-currency hedged)	1.10% <sup>(1)</sup>
	Class I units and Class I units (non-currency hedged)	Holder pay a negotiated management fee directly to Purpose of up to 1.10% per annum <sup>(1)</sup>
<b>Registered Plan/TFSA Eligibility</b>	Eligible	

**Note:**

(1) Plus applicable HST.

**What does the fund invest in?**

**Investment Objectives**

The fund seeks to provide unitholders with (a) monthly distributions and (b) long-term capital appreciation. The fund will achieve its investment objectives primarily by obtaining exposure to Ether and by implementing a derivatives based strategy in respect of portfolio securities.

The fund will not change its fundamental investment objectives unless the consent of a majority of the fund’s unitholders has been obtained.

**Investment Strategies**

The fund seeks to achieve its investment objectives by investing indirectly in long-term holdings of Ether primarily through investment in units of the Purpose Ether ETF and implementing an option writing strategy (as described below). The fund may also invest in other investment funds which provide exposure to Ether.

In order to seek to generate additional returns and enhance the portfolio's income, the manager may write covered call options and cash covered put options in respect of the securities held by the fund. Such options may be either exchange-traded options or over-the-counter options in accordance with Canadian securities laws. The manager may write covered call options and cash covered put options in respect of some or all of the securities held by the fund. Initially, the manager expects that covered options will be written on up to 50% of the fund's portfolio.

The decision as to which of the portfolio securities options will be written on, the number of options to be written on such securities, and the terms of such options will be based upon the manager's assessment of the market and of the best value offered by the option premiums available on the securities held by the fund at the time such options are written. Covered call options and cash covered put options will be written at a strike price that is at-the-money or out-of-the-money as determined by the manager at its discretion.

While writing options on portfolio securities may have the effect of lowering the overall volatility of returns associated with the fund's portfolio, the manager will not execute its option writing strategy with a primary view to minimizing volatility. The manager may, in its discretion, close out outstanding options that are in-the-money prior to their expiry date or permit securities subject to a call option to be called away. In circumstances where securities are called away, the manager will use the proceeds realized by the fund on the exercise of the call options to acquire securities of the issuers whose securities were called away in the market as soon as practicable following the exercise of such options. This may result in securities being acquired at prices exceeding the price received for them pursuant to exercised options even after taking into account the premium realized by the fund on the writing of the option.

The amount of option premium depends upon, among other factors, the volatility of the price of the underlying security: generally, the higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become "in-the-money" during the term and, accordingly, the greater the option premium.

The fund may choose to (a) use warrants, ETFs and derivatives such as options, forward contracts, futures contracts and swaps for both hedging and non-hedging strategies to generate income, hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies and/or gain exposure to individual securities and markets instead of buying the securities directly and/or (b) hold cash or fixed income securities for strategic reasons or provide cover for the writing of cash covered put options in respect of securities in which the fund is permitted to invest. The fund may also enter into securities lending transactions to generate additional income. The fund may also hold cash and cash equivalents or other money market instruments in order to meet its current obligations.

The fund may invest up to 100% of its assets in foreign securities.

The portfolio holdings are reconstituted and rebalanced at the discretion of the manager.

With respect to the ETF currency hedged units and mutual fund currency hedged units generally, a substantial portion of the U.S. dollar currency exposure will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the manager's discretion. The approval of unitholders is required prior to any change to the currency hedging strategy in respect of the units.

The foreign currency exposure of the portion of the fund's portfolio allocable to the ETF non-currency hedged units and mutual fund non-currency hedged units will not be hedged back to the Canadian dollar.

Generally, the fund does not intend to borrow money to acquire securities for its portfolio. Any borrowing by the fund will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

**What are the risks of investing in the fund?**

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

- (a) attacks on the Ethereum Network risk;
- (b) cease trading of constituent securities risk;
- (c) changes in legislation risk;
- (d) competitors to Ether risk;
- (e) concentration risk;
- (f) conflicts of interest risk;
- (g) control of the Ethereum Network risk;
- (h) counterparty risk;
- (i) COVID-19 outbreak risk;
- (j) credit risk;
- (k) cryptocurrency risk;
- (l) currency exposure risk;
- (m) currency risk;
- (n) cyber security risk;
- (o) decrease in block reward risk;
- (p) decrease in demand for and usage of Ether risk;
- (q) dependence on Ether developers risk;
- (r) dependence on the internet risk;
- (s) distributions in specie risk;
- (t) exchange rate risk;
- (u) financial institutions may refuse to support transactions involving cryptocurrency;
- (v) fluctuations in NAV and NAV per unit risk;

- (w) futures contract liquidity risk;
- (x) futures contract margin risk;
- (y) hacking of ether trading platforms risk;
- (z) illiquid securities risk;
- (aa) improper transfers risk;
- (bb) increase in transaction fees risk;
- (cc) increased regulation of Ether risk;
- (dd) lack of operating history risk;
- (ee) large investor risk;
- (ff) liability of unitholders risk;
- (gg) limited history of Ether and ether trading platforms risk;
- (hh) limited insurance risk;
- (ii) loss of “private keys” risk;
- (jj) multiple classes risk;
- (kk) no ownership interest in the portfolio risk;
- (ll) not a trust company risk;
- (mm) options risk;
- (nn) prime brokers risk;
- (oo) rebalancing and adjustment risk;
- (pp) regulation of ether trading platforms risk;
- (qq) reliance on key personnel risk;
- (rr) risk of loss;
- (ss) risk relating to energy consumption required to operate the Ethereum Network;
- (tt) risk relating to standard of care of the manager and the Custodian;
- (uu) risk relating to the cryptography underlying the Ethereum Network;
- (vv) risk relating to the move from proof-of-work to proof-of-stake consensus mechanism;

- (ww) risk relating to valuation of a fund's assets;
- (xx) risk that blockchain may experience a temporary or permanent Fork and/or split;
- (yy) risk that demand for Ether may exceed supply;
- (zz) securities lending risk;
- (aaa) tax risk;
- (bbb) underlying fund risk;
- (ccc) use of derivatives instruments risk; and
- (ddd) volatility in the price of Ether risk.

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

- (a) absence of an active market for the ETF Units;
- (b) rebalancing and adjustment
- (c) tax risk;
- (d) use of derivatives instruments risk; and
- (e) trading price of ETF Units risk.

**Who should invest in this fund?**

This fund may be right for you if:

- (a) you are seeking exposure to the Ether and the daily price movements of the U.S. dollar price of Ether;
- (b) you want distributions payable to you monthly;
- (c) you have the capacity to absorb a loss of some or all of your investment;
- (d) you are planning to hold your investment for the medium-to-long term and can tolerate high investment risk (i.e. you have the capacity to absorb a loss of some or all of your investment).

The fund's risk classification is based on the return of the following: (a) 80% TradeBlock ETX Index and (b) 20% cash. Index returns for the TradeBlock ETX Index are converted to Canadian dollars. The TradeBlock ETX Index represents a real-time, U.S. dollar equivalent spot rate for Ethereum. The index value is algorithmically calculated once every second based on observed trading activity on leading Ethereum trading platforms which adhere to AML and KYC regulations. The index has been in operation since February 1, 2018 and was launched publicly on March 2, 2018.

### **Distribution policy**

The fund expects to pay monthly distributions. **Distributions on mutual fund units are reinvested in additional mutual fund units of the same class of the fund unless you tell your dealer to inform us that you want them in cash.** Distributions are not guaranteed and may change from time to time at our discretion.

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 units of the fund, net of any required withholding taxes, will be reinvested automatically in additional units of the fund at a price equal to the NAV per unit of the fund and the units will be immediately consolidated such that the number of outstanding units following the distribution will equal the number of units outstanding prior to the distribution. The tax treatment to unitholders of reinvested distributions is discussed under the heading “Income tax considerations for investors”.

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

For more information see “Specific information about each of the mutual funds described in this document – Distribution policy” on page 61.

### **Fund expenses indirectly borne by investors**

Information regarding fund expenses borne by investors is not available because this fund was created on November 19, 2021.

**PURPOSE CRYPTO OPPORTUNITIES ETF**

<b>Fund Type</b>	alternative strategies	
<b>Date Started</b>	ETF units – November 19, 2021	
	Canadian dollar denominated ETF units (non-currency hedged) – November 19, 2021	
	U.S. dollar denominated ETF units (non-currency hedged) – November 19, 2021	
	Class A units – November 19, 2021	
	Class A units (non-currency hedged) – November 19, 2021	
	Class F units – November 19, 2021	
	Class F (non-currency hedged) – November 19, 2021	
	Class I units – November 19, 2021	
	Class I units (non-currency hedged) – November 19, 2021	
<b>Type of Securities</b>	ETF units, Canadian dollar denominated ETF units (non-currency hedged), U.S. dollar denominated ETF units (non-currency hedged), Class A units, Class A units (non-currency hedged), Class F units, Class F units (non-currency hedged), Class I units and Class I units (non-currency hedged)	
<b>Management Fee</b>	<b>Class</b>	<b>Management Fee</b>
	ETF units, Canadian dollar denominated ETF units (non-currency hedged) and U.S. dollar denominated ETF units (non-currency hedged)	1.25% <sup>(1)</sup>
	Class A units and Class A units (non-currency hedged)	2.25% <sup>(1)</sup>
	Class F units and Class F units (non-currency hedged)	1.25% <sup>(1)</sup>
	Class I units and Class I units (non-currency hedged)	Holders pay a negotiated management fee directly to Purpose of up to 1.25% per annum <sup>(1)</sup>
<b>Registered Plan/TFSA Eligibility</b>	Eligible	
<b>Investment Sub-Advisor</b>	Neuberger Berman Canada ULC	

**Note:**

(1) Plus applicable HST.

**What does the fund invest in?**

***Investment Objectives***

The fund seeks to provide unitholders with long-term capital appreciation by investing primarily in digital assets and securities that provide exposure to digital assets.

The fund will not change its fundamental investment objectives unless the consent of a majority of the fund’s unitholders has been obtained.

***Investment Strategies***

To achieve its investment objectives the fund will invest primarily in publicly listed securities (including investment funds) and derivative instruments that provide exposure to digital assets (including Bitcoin and/or Ether).

The fund will be actively managed and will implement various strategies to seek to maximize portfolio returns while reducing risk.

The fund's derivatives positions will be designed to capture non-traditional returns from digital assets, digital asset companies and reduce portfolio volatility. The fund will take long and short positions based on both qualitative and quantitative, rules-based scoring methodologies that reflect both technical trends and various other factors that are expected to include, but are not limited to, term structure risk premiums. "Term structure" is the price difference between futures contracts with different maturity dates.

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

The fund may also invest up to 15% of its net asset value in securities of publicly listed issuers involved in the digital asset/cryptocurrency and blockchain industry (including cryptocurrency and blockchain businesses, distributed ledger technologies and other service providers involved in the digital asset industry) ("digital asset companies").

The fund may invest up to 100% of its assets in foreign securities. The portfolio holdings are reconstituted and rebalanced at the discretion of the investment advisor.

With respect to the ETF currency hedged units and mutual fund currency hedged units generally, a substantial portion of the U.S. dollar currency exposure will be hedged back to the Canadian dollar by using derivatives including currency forward contracts in the investment advisor's discretion. The approval of unitholders is required prior to any change to the currency hedging strategy in respect of the units.

The foreign currency exposure of the portion of the fund's portfolio allocable to the ETF non-currency hedged units and mutual fund non-currency hedged units will not be hedged back to the Canadian dollar.

Generally, the fund does not intend to borrow money to acquire securities for its portfolio. Any borrowing by the fund will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

**What are the risks of investing in the fund?**

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

- (a) asset class risk;
- (b) attacks on the Bitcoin Network risk;
- (c) attacks on the Ethereum Network risk;

- (d) cease trading of constituent securities risk;
- (e) changes in legislation risk;
- (f) competitors to Bitcoin risk;
- (g) competitors to Ether risk;
- (h) concentration risk;
- (i) conflicts of interest risk;
- (j) control of the Bitcoin Network risk;
- (k) control of the Ethereum Network risk;
- (l) counterparty risk;
- (m) COVID-19 outbreak risk;
- (n) cryptocurrency risk;
- (o) currency exposure risk;
- (p) currency risk;
- (q) cyber security risk;
- (r) decrease in block reward risk;
- (s) decrease in demand for and usage of Bitcoin risk;
- (t) decrease in demand for and usage of Ether risk;
- (u) dependence on Bitcoin developers risk;
- (v) dependence on Ether developers risk;
- (w) dependence on the internet risk;
- (x) distributions in specie risk;
- (y) equity investment risk;
- (z) exchange rate risk;
- (aa) financial institutions may refuse to support transactions involving cryptocurrency;
- (bb) fluctuations in NAV and NAV per unit risk;
- (cc) foreign investment risk;

- (dd) futures contract liquidity risk;
- (ee) futures contract margin risk;
- (ff) hacking of Bitcoin trading platforms risk;
- (gg) hacking of Ether trading platforms risk;
- (hh) illiquid securities risk;
- (ii) improper transfers risk;
- (jj) increase in transaction fees risk;
- (kk) increased regulation of Bitcoin risk;
- (ll) increased regulation of Ether risk;
- (mm) lack of operating history risk;
- (nn) large investor risk;
- (oo) liability of unitholders risk;
- (pp) limited history of Bitcoin and Bitcoin trading platforms risk;
- (qq) limited history of Ether and Ether trading platforms risk;
- (rr) limited insurance risk;
- (ss) loss of “private keys” risk;
- (tt) multiple classes risk;
- (uu) no ownership interest in the portfolio risk;
- (vv) not a trust company risk;
- (ww) options risk;
- (xx) prime brokers risk;
- (yy) rebalancing and adjustment risk;
- (zz) regulation of Bitcoin trading platforms risk;
- (aaa) regulation of Ether trading platforms risk;
- (bbb) reliance on key personnel risk;
- (ccc) risk of loss;

- (ddd) risk relating to energy consumption required to operate the Bitcoin Network;
- (eee) risk relating to energy consumption required to operate the Ethereum Network;
- (fff) risk relating to standard of care of the manager and the Custodian;
- (ggg) risk relating to the cryptography underlying the Bitcoin Network;
- (hhh) risk relating to the cryptography underlying the Ethereum Network;
- (iii) risk relating to the move from proof-of-work to proof-of-stake consensus mechanism;
- (jjj) risk relating to valuation of a fund's assets;
- (kkk) risk that blockchain may experience a temporary or permanent Fork and/or split;
- (lll) risk that demand for Bitcoin may exceed supply;
- (mmm) risk that demand for Ether may exceed supply;
- (nnn) securities lending risk;
- (ooo) short selling risk;
- (ppp) tax risk;
- (qqq) underlying fund risk;
- (rrr) use of derivatives instruments risk;
- (sss) volatility in the price of Bitcoin risk; and
- (ttt) volatility in the price of Ether risk.

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

- (a) absence of an active market for the ETF Units;
- (b) rebalancing and adjustment
- (c) tax risk;
- (d) use of derivatives instruments risk; and
- (e) trading price of ETF Units risk.

**Who should invest in this fund?**

This fund may be right for you if:

- (a) you are seeking exposure to (i) the daily price movements of the U.S. dollar price of Bitcoin and/or Ether and/or (ii) digital asset companies;

- (b) you have the capacity to absorb a loss of some or all of your investment; and
- (c) you are planning to hold your investment for the medium-to-long term and can tolerate high investment risk (i.e. you have the capacity to absorb a loss of some or all of your investment).

The fund's risk classification is based on the return of the following: (a) for the period from October 2010 to February 2018 (i) 80% Tradeblock XBX Index and 20% cash and (b) for the period starting March 2018 to September 2021 (i) 40% Tradeblock XBX Index, (ii) 40% Tradeblock ETX Index and (iii) 20% cash. Index returns for the Tradeblock XBX Index and Tradeblock ETX Index 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. The TradeBlock ETX Index represents a real-time, U.S. dollar equivalent spot rate for Ethereum. The index value is algorithmically calculated once every second based on observed trading activity on leading Ethereum trading platforms which adhere to AML and KYC regulations. The index has been in operation since February 1, 2018 and was launched publicly on March 2, 2018.

### **Distribution policy**

The fund does not expect to pay regular cash distributions.

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 units of the fund, net of any required withholding taxes, will be reinvested automatically in additional units of the fund at a price equal to the NAV per unit of the fund and the units will be immediately consolidated such that the number of outstanding units following the distribution will equal the number of units outstanding prior to the distribution. The tax treatment to unitholders of reinvested distributions is discussed under the heading "Income tax considerations for investors".

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

For more information see "Specific information about each of the mutual funds described in this document – Distribution policy" on page 61.

### **Fund expenses indirectly borne by investors**

Information regarding fund expenses borne by investors is not available because this fund was created on November 19, 2021.

## PURPOSE DIGITAL ASSET ALTERNATIVE FUNDS

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

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

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

These documents and other information about the funds, such as information circulars and material contracts, are also available at [www.sedar.com](http://www.sedar.com).

Purpose Investments Inc.  
130 Adelaide Street West, Suite 3100  
P.O. Box 109  
Toronto, Ontario  
M5H 3P5

Tel: 1-877-789-1517

Fax: (416) 583-3851

Email: [info@purposeinvest.com](mailto:info@purposeinvest.com)