

PURPOSE MULTI-STRATEGY MARKET NEUTRAL FUND

COMMENTARY AND REBALANCE UPDATE

PURPOSE
INVESTMENTS

FUND DETAILS

| | |
|--------------------------|--|
| ETF Series Ticker Symbol | PMM |
| FundSERV Series Codes | Series A - PFC1400 Series F - PFC1401 |
| Management Fee | 0.95% |
| Series A Trailer Fee | 1.00% |
| Distribution Frequency | Annually, If Any |
| Distribution Type | Capital Gains & Foreign |
| Fund Structure | Investment Trust |
| Inception Date | Oct. 10, 2014 |

PERFORMANCE

AS OF FEB 28, 2019

| CLASS | 1 MONTH | 3 MONTH | 6 MONTH | YTD | 1 YEAR | 3 YEAR | SINCE INCEPTION |
|-------|---------|---------|---------|-------|--------|--------|-----------------|
| ETF | 2.04% | 3.99% | -1.45% | 4.33% | 1.90% | 5.19% | 4.19% |
| F | 2.04% | 3.99% | -1.46% | 4.33% | 1.86% | 5.18% | 4.18% |
| A | 1.95% | 3.73% | -1.94% | 4.15% | 0.87% | 4.08% | 3.09% |

TOP HOLDINGS

AS OF FEB 28, 2019

| HOLDING | SECTOR | WEIGHT | SECURITY RETURN |
|------------------------------|------------------------|----------------|-----------------|
| EQUITIES | | | |
| LONG EQUITIES | | 44.09% | |
| CK HUTCHISON HOLDINGS LTD | Industrials | 0.42% | 5.79% |
| HANG SENG BANK LTD | Financials | 0.44% | 8.26% |
| SWIRE PACIFIC LTD - CL A | Real Estate | 0.41% | 0.66% |
| SANDS CHINA LTD | Consumer Discretionary | 0.43% | 5.06% |
| WHARF REAL ESTATE INVESTMENT | Other | 0.42% | 3.05% |
| EQUITIES HEDGE | | -16.63% | |
| NET EQUITIES | | 27.46% | |
| COMMODITIES | | | |
| LONG POSITIONS | | | |
| Heating Oil Future | Energy Commodity | 5.02% | 3.23% |
| Gasoil Future | Energy Commodity | 4.99% | 7.70% |
| Brent Crude Oil Future | Energy Commodity | 4.98% | 6.93% |
| Live Cattle Future | Agricultural Commodity | 4.82% | 6.69% |
| Wheat Future | Agricultural Commodity | 3.32% | -12.39% |
| SHORT POSITIONS | | | |
| Coffee 'C' Future | Agricultural Commodity | -2.83% | -2.48% |
| Lean Hogs Future | Agricultural Commodity | -2.91% | -0.67% |
| Corn Future | Agricultural Commodity | -3.01% | -1.94% |
| Cotton Future | Agricultural Commodity | -3.06% | -3.85% |
| Soybean Future | Agricultural Commodity | -3.09% | -10.10% |
| NET COMMODITIES | | 8.23% | |
| CURRENCIES | | | |
| LONG POSITIONS | | | |
| Indonesian Rupiah | Currency | 8.73% | 0.48% |
| Brazilian Real | Currency | 8.66% | -2.89% |
| Turkish Lira | Currency | 8.60% | -0.39% |
| Indian Rupee | Currency | 7.48% | -2.58% |
| SHORT POSITIONS | | | |
| Israeli New Shekel | Currency | -7.22% | -1.54% |
| Swiss Franc | Currency | -8.79% | -0.28% |
| Swedish Krona | Currency | -8.80% | -0.05% |
| Euro | Currency | -8.83% | -1.69% |
| NET CURRENCIES | | -0.18% | |
| TOTAL | | 35.52% | |

FUND COMMENTARY

- Risk assets extended higher in February, continuing one of the best starts to a calendar year in recent history. Sentiment was bolstered initially by Federal Reserve comments on the direction of interest rates, which reiterated a commitment to patience and flexibility. Tweets from the Trump administration promising an imminent trade deal with China added to the positive tone. The latest earnings season was approached with trepidation as anxiety over a possible global slowdown had reset expectations for corporate performance lower. However, earnings were generally positive, which helped push equity markets higher. US bonds rose in tandem with stocks while high yield and investment-grade credit also tightened.
- In equities, Chinese stocks were the best performers on a global basis as trade tensions took a more constructive tone. Information technology and industrials were the highest returning sectors while communication services lagged. Growth and momentum stocks performed well due to continued short covering, which also caused "bad" factors such as low quality and high volatility to outperform. The Fund's hedged equity exposure contributed positively to performance. The hedge ratio has been steadily reduced following the reversal of the downward momentum from the fourth quarter. This has enabled the Fund to capture an increased proportion of the upside.
- Commodity reflationary trades continued to outperform with crude oil and copper leading gains. Long cyclical trades benefitted from an improving outlook for China-US trade tensions, while shorts across softs and grains have also done well. Lean hog shorts have been a strong contributor due to oversupply and declining operating margins. A short position in coffee also added to returns, as these idiosyncratic agricultural commodities trades perform as designed.
- The US dollar rose against most currencies with the exception of the British pound. This resulted in the Fund's currency strategy negatively impacting performance, as long exposures to the Brazilian real, the Turkish lira and the Indonesian rupiah all detracted modestly from performance.

PORTFOLIO ADDITIONS & DELETIONS

| ADDITIONS | SECTOR | WEIGHT |
|--------------------|------------------------|-------------------|
| COMMODITIES | | 2019-02-28 |
| Coca Future | Agricultural Commodity | 0.94% |
| Live Cattle Future | Agricultural Commodity | 4.86% |

| DELETIONS | SECTOR | WEIGHT |
|----------------------|------------------------|----------------------------------|
| COMMODITIES | | DELETION DATE: 2019-02-08 |
| Soybean Meal Future | Agricultural Commodity | 4.51% |
| WTI Crude Oil Future | Energy Commodity | -3.11% |

- The next monthly rebalance is scheduled for March 2019.

PORTFOLIO BREAKDOWN

FOR THE PERIOD JAN 31, 2019 TO FEB 28, 2019

| ASSET CLASS | NET EXPOSURE | MONTHLY RETURN CONTRIBUTION ¹ |
|--------------|---------------|--|
| Equities | 27.46% | 0.65% |
| Commodities | 9.16% | 1.57% |
| Currencies | -0.17% | -0.18% |
| Total | 36.44% | 2.04% |

LONG/SHORT BREAKDOWN

FOR THE PERIOD JAN 31, 2019 TO FEB 28, 2019

| ASSET CLASS | GROSS EXPOSURE | MONTHLY RETURN CONTRIBUTION ¹ |
|-------------------|----------------|--|
| Equities Long | 44.09% | 2.50% |
| Equities Short | -16.63% | -1.85% |
| Commodities Long | 24.06% | 0.72% |
| Commodities Short | -14.90% | 0.85% |
| Currencies Long | 33.47% | -0.49% |
| Currencies Short | -33.64% | 0.31% |
| Total | 36.44% | 2.04% |

BEST & WORST PERFORMING HOLDINGS

FOR THE PERIOD JAN 31, 2019 TO FEB 28, 2019

TOP PERFORMING HOLDINGS

| NAME | SECTOR | WEIGHT | CONTRIBUTION TO FUND RETURN ¹ | SECURITY RETURN |
|--------------------------|------------------------|--------|--|-----------------|
| EQUITIES | | | | |
| Koninklijke Dsm Nv | Materials | 1.17% | 0.15% | 15.03% |
| Lloyds Banking Group Plc | Financials | 1.13% | 0.11% | 10.95% |
| Michelin (Cgde) | Consumer Discretionary | 1.13% | 0.11% | 10.58% |
| COMMODITIES | | | | |
| Brent Crude Oil Futures | Energy Commodity | 4.98% | 0.43% | 6.69% |
| CURRENCY | | | | |
| Swedish Krona | Currency | -8.80% | 0.19% | -1.69% |

BOTTOM PERFORMING HOLDINGS

| NAME | SECTOR | WEIGHT | CONTRIBUTION TO FUND RETURN ¹ | SECURITY RETURN |
|------------------------------|------------------|--------|--|-----------------|
| EQUITIES | | | | |
| Sainsbury (J) Plc | Consumer Staples | 0.85% | -0.20% | -18.82% |
| Jx Holdings Inc | Energy | 0.90% | -0.15% | -14.23% |
| Mitsubishi Chemical Holdings | Materials | 0.88% | -0.15% | -13.90% |
| COMMODITIES | | | | |
| Wheat Futures | Energy Commodity | 3.32% | -0.44% | -12.39% |
| CURRENCY | | | | |
| Brazilian Real | Currency | 8.66% | -0.25% | -2.58% |

¹ Contribution to fund return for the period is calculated as the 1 month total return for the ETF currency hedged Class of the Fund multiplied by the sector/security's average weight of the Fund's net asset value.

Commissions, trailing commissions, management fees and expenses all may be associated with investment fund investments. The prospectus contains important detailed information about the investment fund. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in share/unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. As with any investment, there are risks to investing in investment funds. There is no assurance that any fund will achieve its investment objective, and its net asset value, yield, and investment return will fluctuate from time to time with market conditions. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. The opinions expressed are provided by the portfolio manager responsible for the management of the Fund's investment portfolio, as specified in the Fund's prospectus. Unless otherwise stated, the source for data cited in any commentary is the portfolio manager. Nothing in any commentary should be considered a recommendation to buy or sell a particular security. The Fund may sell these securities at any time, or purchase securities that have previously been sold. The securities may increase or decrease in value after the date hereof, and the Fund may accordingly gain or lose money on the investment in the securities. The statements by the portfolio managers in their commentaries are intended to illustrate their approach in managing the funds, and do not necessarily reflect the views of Purpose Investments Inc. All data sourced from Bloomberg and Purpose Investments, unless otherwise noted.