

PURPOSE
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

**PURPOSE CANADIAN EQUITY GROWTH FUND
(FORMERLY REDWOOD EQUITY GROWTH FUND)**
FOR THE FINANCIAL PERIOD ENDED JUNE 30, 2018

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This interim management report of fund performance (“MRFP”) contains financial highlights but does not contain interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by visiting our website at www.purposeinvest.com or SEDAR at www.sedar.com, by calling or by writing to us at Purpose Investments Inc., 130 Adelaide Street West, Suite 1700, P.O. Box 83, Toronto, Ontario M5H 3P5.

In addition, shareholders may also contact us using one of these methods to request copies of the Fund’s annual financial report, proxy voting policies and procedures, proxy voting disclosure records, and quarterly portfolio disclosures.

For more information on the Fund’s current and historical net asset value per share, please visit www.purposeinvest.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties, and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events. We stress that the abovementioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions, and urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

The management report of fund performance presents the views of the portfolio management team concerning significant factors and developments that have affected Purpose Canadian Equity Growth Fund (formerly Redwood Equity Growth Fund) (the "Fund")'s performance and outlook.

Please read the caution on the inside of the cover page regarding forward-looking statements.

Redwood Asset Management Inc. ("Redwood") was amalgamated into Purpose Investments Inc. ("Purpose"). The Fund changed its name to Purpose Canadian Equity Growth Fund effective May 2, 2018.

INVESTMENT OBJECTIVES AND STRATEGIES

The objective of the Fund is to outperform the broad Canadian equity market as measured by the S&P/TSX Composite Index, over a time period longer than 5 years, providing long-term capital appreciation and value by investing primarily in equities of Canadian issuers. To assist in achieving this objective the Fund may focus its assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook.

The Portfolio Advisor, StoneCastle Investment Management Inc. adheres to a top-down approach that focuses on the overall market and sector specific issues and a bottom-up approach that focuses on company specific issues. The Fund has the ability to take positions in equities (including income trusts), fixed income securities, convertible securities, mutual funds, ETFs and cash. The Portfolio Advisor will seek to identify and select for the Fund the best risk return opportunities it finds available across the capitalization spectrum. The Fund estimates that up to a maximum of approximately 20% (at the time of investment and on a cost basis) of the Fund will be invested in foreign investments at any time, though normally less than 10% of the Fund will be invested in foreign investments. The portfolio is positioned in accordance with the Portfolio Advisor's market view from time to time. Sector allocations may vary significantly over time. The Fund may overweight certain sectors and asset classes while seeking investment opportunities or for defensive purposes, when deemed appropriate by the Portfolio Advisor. This may result in the Fund's portfolio weightings being different from the weightings of the benchmark indices. The Fund may invest in derivative instruments, such as options, futures contracts (including interest rate futures contracts), currency forwards or swap agreements (including credit default swaps) subject to applicable securities legislation and any other restrictions described in this Fund's Simplified Prospectus, for hedging and non-hedging purposes. The use of these derivative transactions may allow the Fund to obtain net long or short exposures to select currencies, interest rates, countries, duration or credit risks. These derivatives may be used to enhance Fund returns, reduce the impact of fluctuations in the value of foreign currencies compared to the Canadian dollar, and increase liquidity and/or gain exposure to certain instruments or markets (e.g. the corporate bond market) in a more efficient or less expensive way.

The Fund may also engage in short selling. In determining whether securities of a particular issuer should be sold short, the Portfolio Advisor uses the same analysis that is described above for deciding whether to purchase securities. The Fund will engage in short selling as a complement to the Fund's investment objectives.

RISK

The risks of investing in the Fund are disclosed in the Fund's prospectus and there have been no significant changes during the period that affected the overall level of risk associated with the Fund.

RESULTS OF OPERATIONS

The net asset value per share as at:

Series	June 30, 2018 (\$)	December 31, 2017 (\$)
Series A	19.91	21.40
Series F	21.73	23.22

Through the first six months of 2018, the market saw volatility return with emphasis in February following a surge in January with the S&P returning 5.7%. While the US economy continues to remain on track, there has been a change in the economic growth picture outside the U.S. since the beginning of 2018.

The synchronized global growth story has given way to more muted expectations, with downward adjustments in certain regions, including the Eurozone and China. In turn, this has led to a strong U.S. dollar (USD) and lower expectations for growth in certain emerging markets, which face headwinds as a high proportion of EM debt is denominated in USD. Compounding the story was the increased geopolitical tension regarding trade talks between China and the U.S. which negatively impacted the Chinese market as doubt arose on its ability to sustain a prolonged trade war with the U.S.

Against this backdrop, the Fund had a negative return. The largest detractor from performance were domestic bonds, specifically the positions held within the Consumer Services Sector. Another large detractor were Domestic Bonds in the Financial Services Sector. Domestic equities within the Health Care Services Sector were the largest contributor to the Fund's performance.

The largest sector shifts in the portfolio over the period was the increase in weighting in energy. The largest decrease in sector was the decrease in cash as the Fund got more fully invested.

Redwood Asset Management Inc. ("Redwood") was amalgamated into Purpose Investments Inc. ("Purpose"). The Fund changed its name to Purpose Canadian Equity Growth Fund effective May 2, 2018.

RECENT DEVELOPMENTS

There have been no changes in the way that the portfolio is managed. The Manager continues to use a top down approach to determine if the Fund is positioned on offence or defense at any given time. The Manager uses both a fundamental and technical bottom up approach to determine the individual securities held in the portfolio. The largest change in the Fund's positioning was the shift from defense to offence beginning in May. This resulted in a reduction in the large cash position held and moving the portfolio toward being fully invested.

The Fund continues to be positioned on offence. The economic indicators followed have been strong all year. The shorter term economic indicators have started to show strength after a period of weakness in the second quarter. The market technical indicator continues to show strength in the large cap areas of the market. The Manager plans to keep the portfolio positioned on offence until such time that the top down indicators change and move us back toward defense.

The members of the Independent Review Committee as at December 31, 2017 were Douglas G. Hall (Chair), Randall C. Barnes, and Michael Hollend. On February 5, 2018 Michael Hollend ceased being a member of the Independent Review Committee. The vacant position was filled by Jean M. Fraser on May 18, 2018.

RELATED PARTY TRANSACTIONS

Purpose Asset Management Inc. is deemed to be a related party as Manager of the Fund. Please refer below to the “Management Fee” section for fees paid to Purpose. Purpose has also appointed an Independent Review Committee (“IRC”) as required by National Instrument 81-107 *Independent Review Committee for Investment Funds*. The mandate of the IRC is to review, and provide input on, the Manager’s written policies and procedures that deal with conflict of interest matters in respect of the Funds. IRC members receive fees and reimbursement of expenses for services provided to the Fund and other Purpose managed funds and such costs are allocated among all the Funds on a fair and reasonable basis. The fees for services rendered to the Funds are reported in the Statements of Comprehensive Income. There are no other related party transactions for the Fund.

INDEPENDENT REVIEW COMMITTEE

The Manager is required to comply with the policies and procedures presented to the IRC with respect to various potential conflicts of interest including valuation and the allocation of operating expenses and to provide periodic reports to the IRC in accordance with NI 81-107.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund’s financial performance for the periods ended December 31, except 2018 which is provided as at June 30:

NET ASSETS PER SHARE ⁽¹⁾

Series A	2018 ^(a) (\$)	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net assets, beginning of period	21.40	14.60	12.75	16.73	14.02	10.44
Increase (decrease) from operations:						
Total revenue	0.12	0.43	0.20	0.13	0.11	0.15
Total expenses	(0.44)	(1.31)	(0.55)	(0.51)	(1.07)	(0.60)
Realized gains (losses) for the period	3.37	3.79	(0.75)	(1.00)	4.52	1.58
Unrealized gains (losses) for the period	(4.56)	3.39	2.78	(1.72)	(0.70)	2.61
Total increase (decrease) from operations ⁽²⁾	(1.51)	6.30	1.68	(3.10)	2.86	3.74
Dividends:						
From dividends	-	-	-	-	(0.06)	(0.15)
From capital gains	-	-	-	(1.02)	(0.17)	-
Return of capital	-	-	-	-	-	(0.01)
Total dividends ⁽³⁾	-	-	-	(1.02)	(0.23)	(0.16)
Net assets, end of period	19.91	21.40	14.60	12.75	16.73	14.02

Notes:

(a) Information presented is for the period January 1, 2018 to June 30, 2018.

- This information is derived from the Fund’s financial statements prepared in accordance with IFRS. For purposes of shareholder transactions, the Net Asset Value is calculated in accordance with the valuation rules as set out in the Fund’s prospectus. The Fund’s accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with shareholders.
- Net assets and dividends are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted-average number of shares outstanding over the financial period.
- Dividends were paid in cash or reinvested in additional shares of the Fund.

RATIOS AND SUPPLEMENTAL DATA

Series A	2018	2017	2016	2015	2014	2013
Total net asset value (\$) (000s) ⁽¹⁾	18,072	18,947	15,746	16,195	20,076	12,067
Number of shares outstanding (000s) ⁽¹⁾	908	885	1,079	1,272	1,200	873
Management expense ratio ⁽²⁾	3.60%	7.35%	3.64%	3.37%	5.53%	4.83%
Management expense ratio before waivers or absorptions ⁽²⁾	3.60%	7.35%	3.75%	3.42%	5.53%	5.41%
Trading expense ratio ⁽³⁾	0.72%	0.95%	0.76%	0.68%	1.36%	1.10%
Portfolio turnover rate ⁽⁴⁾	130.63%	271.22%	408.26%	218.08%	344.34%	311.17%

Notes:

- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund’s net asset value calculated for fund pricing purposes (“NAV”) and is provided as at December 31 of the year shown except 2018 which is shown as at June 30.
- The management expense ratio (“MER”) is calculated as the total expenses, excluding dividends, commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of the average daily NAV of the Fund. The Manager, at its sole discretion, may waive management fees or absorb expenses. Such waivers and absorptions can be terminated at any time. If the Fund invests in underlying funds managed by the Manager, the Manager does not charge management fees and administrative fees that would result in the duplication of a fee for the same services. Without performance fees, the MER would be 3.60% (2017 – 3.68%, 2016 – nil).
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund’s daily average NAV. The trading expense ratio is calculated at the portfolio level and applies to all series of shares of the Fund.
- The portfolio turnover rate is calculated at the portfolio level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short-term notes, and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. The Fund’s portfolio turnover rate indicates how actively the Fund’s investment sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable in the year and the greater the chance of taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and fund performance. The portfolio turnover rate is calculated at the portfolio level and applies to all series of shares of the Fund.

NET ASSETS PER SHARE ⁽¹⁾

Series F	2018 ^(a) (\$)	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net assets, beginning of period	23.22	15.76	13.61	17.63	14.63	10.82
Increase (decrease) from operations:						
Total revenue	0.13	0.55	0.22	0.13	0.11	0.15
Total expenses	(0.35)	(1.55)	(0.44)	(0.36)	(1.09)	(0.56)
Realized gains (losses) for the period	3.62	4.13	(0.80)	(1.06)	4.60	1.68
Unrealized gains (losses) for the period	(4.94)	5.29	2.75	(2.14)	(0.49)	2.69
Total increase (decrease) from operations⁽²⁾	(1.54)	8.42	1.73	(3.43)	3.13	3.96
Dividends:						
From dividends	-	-	-	-	(0.05)	(0.15)
From capital gains	-	-	-	(1.00)	(0.15)	-
Return of capital	-	-	-	-	-	(0.01)
Total dividends⁽³⁾	-	-	-	(1.00)	(0.20)	(0.16)
Net assets, end of period	21.73	23.22	15.76	13.61	17.63	14.62

Notes:

(a) Information presented is for the period January 1, 2018 to June 30, 2018.

- This information is derived from the Fund's financial statements prepared in accordance with IFRS. For purposes of shareholder transactions, the Net Asset Value is calculated in accordance with the valuation rules as set out in the Fund's prospectus. The Fund's accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with shareholders.
- Net assets and dividends are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted-average number of shares outstanding over the financial period.
- Dividends were paid in cash or reinvested in additional shares of the Fund.

RATIOS AND SUPPLEMENTAL DATA

Series F	2018	2017	2016	2015	2014	2013
Total net asset value (\$) (000s) ⁽¹⁾	11,662	11,665	5,535	6,564	7,621	4,807
Number of shares outstanding (000s) ⁽¹⁾	537	502	351	483	432	333
Management expense ratio ⁽²⁾	2.49%	8.04%	2.53%	2.29%	4.56%	3.74%
Management expense ratio before waivers or absorptions ⁽²⁾	2.49%	8.04%	2.64%	2.34%	4.57%	4.29%
Trading expense ratio ⁽³⁾	0.72%	0.95%	0.76%	0.68%	1.36%	1.10%
Portfolio turnover rate ⁽⁴⁾	130.63%	271.22%	408.26%	218.08%	344.34%	311.17%

Notes:

- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's net asset value calculated for fund pricing purposes ("NAV") and is provided as at December 31 of the year shown except 2018 which is shown as at June 30.
- The management expense ratio ("MER") is calculated as the total expenses, excluding dividends, commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of the average daily NAV of the Fund. The Manager, at its sole discretion, may waive management fees or absorb expenses. Such waivers and absorptions can be terminated at any time. If the Fund invests in underlying funds managed by the Manager, the Manager does not charge management fees and administrative fees that would result in the duplication of a fee for the same services. Without performance fees, the MER would be 2.49% (2017 - 2.54%, 2016 - nil).
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's daily average NAV. The trading expense ratio is calculated at the portfolio level and applies to all series of shares of the Fund.
- The portfolio turnover rate is calculated at the portfolio level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short-term notes, and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. The Fund's portfolio turnover rate indicates how actively the Fund's investment sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable in the year and the greater the chance of taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and fund performance. The portfolio turnover rate is calculated at the portfolio level and applies to all series of shares of the Fund.

MANAGEMENT FEES

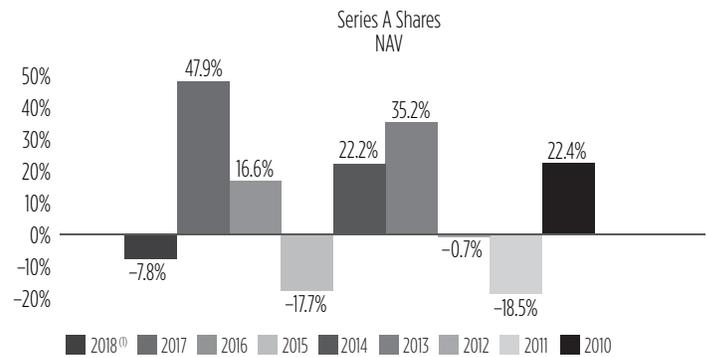
Purpose manages and administers the business, operations and affairs of the Fund. As compensation for the services it provides to the Fund, Purpose is entitled to receive an annual management fee in an amount equal to 2.50% of the Series A shares and 1.50% of the Series F shares. The management fees are calculated daily and paid monthly in arrears. Purpose utilizes the management fees to pay investment sub-advisory fees, service fees to registered dealers of Series A shareholders, general and administrative expenses and earn revenue.

PAST PERFORMANCE

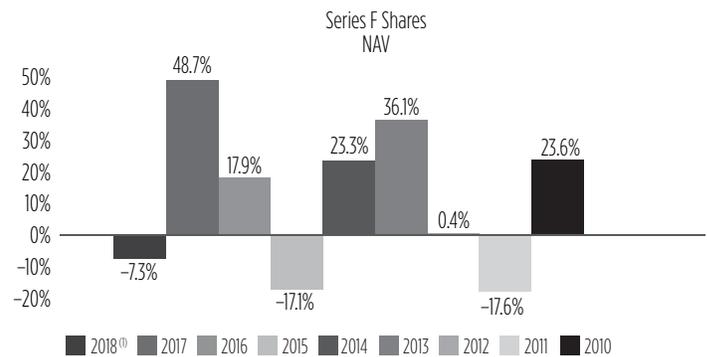
The indicated rates of return are the historical total returns including changes in share values and assume reinvestment of all distributions in additional shares of the relevant series of the Fund. Please note that past performance is not indicative of future performance Year-by-Year Returns.

YEAR-BY-YEAR RETURNS

The bar charts show the performance of each series of shares for the financial period in percentage terms, indicating how much an investment made on the first day of the period would have grown or decreased by the last day of the period.



1. Return for the period from January 1, 2018 to June 30, 2018.



1. Return for the period from January 1, 2018 to June 30, 2018.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2018

SECTOR MIX

	% of Fund's Net Asset Value
Health Care	20.1
Energy	19.9
Materials	19.6
Information Technology	11.5
Industrials	8.6
Consumer Discretionary	4.7
Corporate	4.6
Financials	1.4
Telecommunication Services	1.0
Utilities	1.0
Cash and Cash Equivalents	5.5
Net Other Assets	2.1
Total Net Asset Value	100.0

TOP 25 HOLDINGS

	% of Fund's Net Asset Value
Cash and Cash Equivalents	5.5
Stars Group Inc. (The)	3.3
Transcontinental Inc.	3.2
Bombardier Inc.	3.2
Enerplus Corp.	3.2
Viemed Healthcare Inc.	3.1
Kelt Exploration Ltd.	3.1
MEG Energy Corp.	3.1
Fortuna Silver Mines Inc.	3.1
Reliq Health Technologies Inc.	2.9
Valeant Pharmaceuticals International Inc.	2.8
Cameco Corp.	2.8
Hiku Brands Co. Ltd.	2.8
Kinaxis Inc.	2.6
Tamarack Valley Energy Ltd.	2.5
CRH Medical Corp.	2.4
Grande West Transportation Group Inc.	2.4
Surge Energy Inc.	2.4
Magna International Inc.	2.3
First Quantum Minerals Ltd.	2.2
Photon Control Inc.	2.2
Hydropharmacy Corp. (The)	2.2
Endeavour Silver Corp.	2.1
CCL Industries Inc.	2.1
Vogogo Inc.	2.0

For investments in other investment funds, their prospectus and other information is available at www.sedar.com. The investment portfolio may change due to ongoing portfolio transactions. An updated listing is available quarterly.

CORPORATE INFORMATION

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CUSTODIAN

CIBC Mellon Trust Company
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BOARD OF DIRECTORS AND INDEPENDENT REVIEW COMMITTEE OF PURPOSE FUND CORP.

SOM SEIF

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

DOUGLAS G. HALL

Director, Chair of the Independent Review Committee

RANDALL C. BARNES

Director, Member of the Independent Review Committee

JEAN M. FRASER

Director, Member of the Independent Review Committee

OFFICERS AND DIRECTORS OF PURPOSE INVESTMENTS INC.

SOM SEIF

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

SCOTT BARTHOLOMEW

Chief Financial Officer, Chief Operating Officer and Director

CAITLIN GOSSAGE

Chief Compliance Officer

JEFF MITELMAN

Director