

**PURPOSE**  
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

**PURPOSE HIGH INTEREST SAVINGS ETF**  
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](http://www.purposeinvest.com) or SEDAR at [www.sedar.com](http://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, unitholders 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](http://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.

<b>Caution regarding forward-looking statements</b>	<b>Inside front cover</b>
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# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

The management report of fund performance presents the views of the manager and the portfolio management team concerning significant factors and developments that have affected the Fund's performance and outlook.

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

## INVESTMENT OBJECTIVES AND STRATEGIES

The Fund seeks to maximize monthly income while preserving capital and liquidity by investing in high interest deposit accounts.

Purpose Investments Inc., ("Purpose" or the "Manager") is the manager, trustee and investment advisor of the Fund. The Fund's investment strategy is to invest substantially all of the assets of the Fund in high interest deposit accounts with one or more chartered banks and/or credit unions. During the period from December 31, 2017 to June 30, 2018 the portfolio was invested in cash accounts and term deposits diversified between eight Canadian financial institutions.

## 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 Fund offers ETF Units listed on the Toronto Stock Exchange under the ticker PSA and a mutual fund class.

As at June 30, 2018, the Fund's assets are allocated between eight Canadian financial institutions: National Bank of Canada, Manulife Bank of Canada, Coast Capital Savings Credit Union, First Calgary Financial Credit Union, BlueShore Financial Credit Union, Prospera Credit Union, Westminister Savings Credit Union and First West Credit Union. The allocation has varied across the eight financial institutions during the year ranging from 2.2% to 35.5% per issuer. Gross yield was 1.54% as of June 30, 2018 (1.39% – December 31, 2017).

During the period ended June 30, 2018, the Fund paid distributions to Unitholders of record on the following dates:

Month	Amount per unit (\$)
January	0.0567
February	0.0520
March	0.0537
April	0.0602
May	0.0585
June	0.0549
Total	0.3360

## RECENT DEVELOPMENTS

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 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 Fund 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 UNIT <sup>(1)</sup>

	2018 <sup>(a)</sup> (\$)	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 <sup>(b)</sup> (\$)
<b>Net assets, beginning of period</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00<sup>(c)</sup></b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.37	0.60	0.56	0.59	0.73	0.15
Total expenses	(0.03)	(0.06)	(0.06)	(0.06)	(0.06)	(0.01)
Total increase (decrease) from operations <sup>(2)</sup>	0.34	0.54	0.50	0.53	0.67	0.14
<b>Distributions:</b>						
From investment income	(0.34)	(0.54)	(0.49)	(0.51)	(0.67)	(0.13)
Return of capital	-	-	(0.01)	(0.02)	(0.01)	(0.03)
Total distributions <sup>(3)</sup>	(0.34)	(0.54)	(0.50)	(0.53)	(0.68)	(0.16)
<b>Net assets, end of period</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00<sup>(c)</sup></b>

Notes:

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

(b) Information presented is for the period from October 7, 2013 (commencement of operations) to December 31, 2013.

(c) Initial offering price.

- This information is derived from the Fund's financial statements prepared in accordance with IFRS. For purposes of unitholder 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 unitholders.
- Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted-average number of units outstanding over the financial period.
- Distributions were paid in cash or reinvested in additional units of the Fund.

### RATIOS AND SUPPLEMENTAL DATA

	2018	2017	2016	2015	2014	2013
Total net asset value (\$) (000s) <sup>(1)</sup>	680,040	562,551	380,012	322,501	122,492	65,000
Number of units outstanding (000s) <sup>(1)</sup>	13,600	11,250	7,600	6,450	2,450	1,300
Management expense ratio <sup>(2)</sup>	0.14%	0.12%	0.11%	0.11%	0.12%	0.07%
Management expense ratio before waivers or absorptions <sup>(2)</sup>	0.20%	0.18%	0.17%	0.17%	0.12%	0.11%
Trading expense ratio <sup>(3)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>(4)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Closing market price (\$)	50.00	50.01	50.01	50.01	50.00	50.00

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.
- 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 portfolio turnover rate is not applicable because the Fund only invests in high yield cash deposits at banks.

## MANAGEMENT FEES

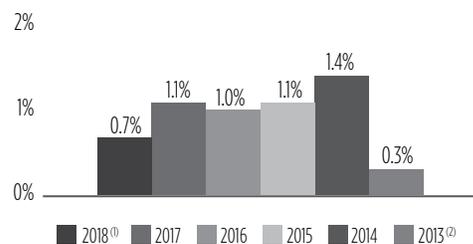
Purpose manages and administers the business, operations and affairs of the Fund. As compensation for the services it provides to the Fund, Purpose is entitled to receive an annual management fee in an amount equal to 0.15% of the NAV of the units. Currently, the annual management fee for the Fund is 0.12% of the NAV of the units. The management fees are calculated daily and paid monthly in arrears. Purpose utilizes 100% of the management fees to pay investment advisory fees, general and administrative expenses and earn revenue.

## PAST PERFORMANCE

Please note that the total return performance information shown in this section assumes that all distributions made by the Fund, if any, in the period shown were reinvested in additional securities of the Fund. It does not take into account sales, redemptions, distributions or other optional charges, or income taxes payable by any investor, which would have reduced the returns. The performance of the Fund in the past does not necessarily indicate how it will perform in the future.

## YEAR-BY-YEAR RETURNS

The bar chart shows the performance of the units 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.



- Return for the period from January 1, 2018 to June 30, 2018.
- Return for the period October 7, 2013 to December 31, 2013.

## SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2018

### ASSET MIX

	% of Fund's Net Asset Value
Cash Equivalents	99.87
Cash	0.00
Net Other Assets	0.13
<b>Total Net Asset Value</b>	<b>100.00</b>

### TOP HOLDINGS

	% of Fund's Net Asset Value
Manulife Bank of Canada Cash Account	35.50
National Bank of Canada Cash Account	32.47
First Calgary Financial Term Deposit	9.74
Prospera Credit Union Term Deposit	7.21
BlueShore Financial Credit Union Term Deposit	5.56
First West Credit Union Term Deposit	4.24
Coast Capital Savings Term Deposit	2.94
Westminster Savings Term Deposit	2.21

The investment portfolio may change due to ongoing portfolio transactions. An updated listing is available quarterly.

# FUND INFORMATION

## MANAGER AND INVESTMENT ADVISOR

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Toronto, ON M5H 3P5

## LEGAL COUNSEL

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1 First Canadian Place  
Toronto, ON M5X 1B8

## AUDITOR

Ernst & Young LLP  
EY Tower  
100 Adelaide Street West, P.O. Box 1  
Toronto, ON M5H 0B3

## CUSTODIAN

CIBC Mellon Trust Company  
1 York Street, Suite 700  
Toronto, ON M5J 0B6

## REGISTRAR AND TRANSFER AGENT

TSX Trust Company  
100 Adelaide Street West, Suite 301  
Toronto, ON M5H 4H1

## TORONTO STOCK EXCHANGE LISTING

Ticker Symbol: PSA

## INDEPENDENT REVIEW COMMITTEE OF PURPOSE HIGH INTEREST SAVINGS ETF

### DOUGLAS G. HALL

Chair of the Independent Review Committee

### RANDALL C. BARNES

Member of the Independent Review Committee

### JEAN M. FRASER

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