

**PURPOSE**  
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

**PURPOSE PREMIUM YIELD 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](http://www.purposeinvest.com) or SEDAR at [www.sedar.com](http://www.sedar.com), by calling 1-877-789-1517 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](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.

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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 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 Purpose Premium Yield Fund (the "Fund") seeks to provide shareholders with (i) high monthly income and (ii) long-term capital appreciation. The Fund will achieve its investment objectives primarily by investing in the equity markets including by (i) writing cash covered put options to reduce the net cost of acquiring securities and receive premiums and (ii) directly investing in equity securities and writing call options on these securities to receive dividends and premiums.

The Fund will invest in securities using a quantitative fundamental bottom up strategy that emphasizes factors that have shown to be effective at differentiating between strong and weak performing stocks including: fundamental change, valuation, growth and quality in order to create value, generate income and reduce risk over the investment period. The Fund will also use a broad range of derivative instruments in compliance with Canadian securities laws including options, futures contracts, warrants, forward contracts and swaps to enhance portfolio income, offer long-term capital appreciation and preserve capital. The Fund may invest up to 100% of its assets in foreign securities. 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 portfolio holdings will be reconstituted and rebalanced quarterly. The investment advisor may in its discretion, change the frequency with which the portfolio is reconstituted and rebalanced. The Fund will be exposed to securities traded in foreign currencies and may, in the manager's discretion, enter into currency hedging transactions (including currency forward contracts) to reduce the effects of changes in the value of foreign currencies relative to the value of the Canadian dollar.

### 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

On January 19, 2016 the Fund commenced operations with the listing of ETF shares listed on the Toronto Stock Exchange under the ticker symbol PYF and the offer of mutual fund series.

The net asset value per share as at:

Series	June 30, 2018 (\$)	December 31, 2017 (\$)
ETF Share	19.13	19.12
Series A	18.57	18.68
Series F	19.12	19.12
Series XA	19.29	19.45
Series XF	19.60	19.64

During the period ended June 30, 2018, the Fund paid dividends as follows:

Month	ETF Shares (\$)	Series A Shares (\$)	Series F Shares (\$)	Series XA Shares (\$)	Series XF Shares (\$)
January	0.0830	0.0830	0.0830	0.0830	0.0830
February	0.0830	0.0810	0.0830	0.0840	0.0850
March	0.0830	0.0830	0.0830	0.0830	0.0830
April	0.0830	0.0830	0.0830	0.0830	0.0830
May	0.0830	0.0830	0.0830	0.0830	0.0830
June	0.0830	0.0830	0.0830	0.0830	0.0830
Total	0.4980	0.4960	0.4980	0.4990	0.5000

Markets during the first half of 2018 have been characterized by resilient earnings and economic momentum, overlaid with increasing market volatility as the market grapples with a variety of heightened macroeconomic concerns. In Q1, worries about the direction of US interest rates were the primary basis of investor fears as inflation began to show signs of heating up. The focus has subsequently shifted to rising trade tensions between the US and the rest of the world, where tariff implementation has an impact on product demand and the potential to meaningfully disrupt global supply chains.

The increase in volatility has been a notable feature of markets in 2018. This has created a combination of challenge and opportunity for the strategy, which has performed well. In general, the Fund has limited drawdowns through episodes of market turmoil through retaining a low net market exposure, while continuing to collect attractive premiums from options-writing throughout.

Although step-moves in volatility have the potential to negatively impact the portfolio on a mark-to-market basis, we also expect that the additional premium reflected in options pricing to be additive to performance expectations. There have been no material changes to the Fund's strategy during the first half of the year, and no significant changes to the Fund's composition outside normal rebalancing.

### 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 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 <sup>(1)</sup>

ETF Share	2018 <sup>(a)</sup> (\$)	2017 (\$)	2016 <sup>(b)</sup> (\$)
<b>Net assets, beginning of period</b>	<b>19.12</b>	<b>19.50</b>	<b>20.00<sup>(c)</sup></b>
<b>Increase (decrease) from operations:</b>			
Total revenue	0.06	0.06	0.05
Total expenses	(0.09)	(0.19)	(0.20)
Realized gains (losses) for the period	0.58	0.86	1.01
Unrealized gains (losses) for the period	(0.08)	-	(0.13)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.47</b>	<b>0.73</b>	<b>0.73</b>
<b>Dividends:</b>			
From dividends	(0.50)	-	-
From capital gains	-	-	(0.04)
Return of capital	-	(1.12)	(1.25)
<b>Total dividends<sup>(3)</sup></b>	<b>(0.50)</b>	<b>(1.12)</b>	<b>(1.29)</b>
<b>Net assets, end of period</b>	<b>19.13</b>	<b>19.12</b>	<b>19.50</b>

Notes:

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

(b) Information presented is for the period January 19, 2016 to December 31, 2016.

(c) Initial offering price.

- 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

ETF Share	2018	2017	2016
Total net asset value (\$) (000s) <sup>(1)</sup>	105,189	92,252	70,216
Number of shares outstanding (000s) <sup>(1)</sup>	5,500	4,825	3,600
Management expense ratio <sup>(2)</sup>	0.73%	0.72%	0.71%
Management expense ratio before waivers or absorptions <sup>(2)</sup>	0.73%	0.72%	0.71%
Trading expense ratio <sup>(3)</sup>	0.30%	0.35%	0.41%
Portfolio turnover rate <sup>(4)</sup>	413.89%	959.63%	948.82%
Closing market price (\$)	19.10	19.12	19.54

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.
- 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 <sup>(1)</sup>**

Series A	2018 <sup>(a)</sup> (\$)	2017 (\$)	2016 <sup>(b)</sup> (\$)
<b>Net assets, beginning of period</b>	<b>18.68</b>	<b>19.29</b>	<b>20.00 <sup>(c)</sup></b>
<b>Increase (decrease) from operations:</b>			
Total revenue	0.06	0.06	0.05
Total expenses	(0.19)	(0.40)	(0.41)
Realized gains (losses) for the period	0.56	0.86	1.01
Unrealized gains (losses) for the period	(0.04)	(0.02)	(0.12)
Total increase (decrease) from operations <sup>(2)</sup>	0.39	0.50	0.53
<b>Dividends:</b>			
From dividends	(0.50)	-	-
From capital gains	-	-	(0.04)
Return of capital	-	(1.12)	(1.25)
Total dividends <sup>(3)</sup>	(0.50)	(1.12)	(1.29)
<b>Net assets, end of period</b>	<b>18.57</b>	<b>18.68</b>	<b>19.29</b>

Notes:

- (a) Information presented is for the period January 1, 2018 to June 30, 2018.
- (b) Information presented is for the period January 19, 2016 to December 31, 2016.
- (c) Initial offering price.

1. 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.
2. 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.
3. Dividends were paid in cash or reinvested in additional shares of the Fund.

**RATIOS AND SUPPLEMENTAL DATA**

Series A <sup>(5)</sup>	2018	2017	2016
Total net asset value (\$) (000s) <sup>(1)</sup>	33,183	29,230	18,221
Number of shares outstanding (000s) <sup>(1)</sup>	1,787	1,565	945
Management expense ratio <sup>(2)</sup>	1.85%	1.83%	1.85%
Management expense ratio before waivers or absorptions <sup>(2)</sup>	1.85%	1.83%	1.85%
Trading expense ratio <sup>(3)</sup>	0.30%	0.35%	0.41%
Portfolio turnover rate <sup>(4)</sup>	413.89%	959.63%	948.82%

Notes:

1. 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.
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3. 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.
4. 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.
5. The Series A shares and Series F shares of the Fund are not traded on a stock exchange.

**NET ASSETS PER SHARE <sup>(1)</sup>**

Series F	2018 <sup>(a)</sup> (\$)	2017 (\$)	2016 <sup>(b)</sup> (\$)
<b>Net assets, beginning of period</b>	<b>19.12</b>	<b>19.51</b>	<b>20.00 <sup>(c)</sup></b>
<b>Increase (decrease) from operations:</b>			
Total revenue	0.06	0.06	0.05
Total expenses	(0.09)	(0.19)	(0.20)
Realized gains (losses) for the period	0.57	0.88	1.01
Unrealized gains (losses) for the period	(0.04)	(0.03)	(0.12)
Total increase (decrease) from operations <sup>(2)</sup>	0.50	0.72	0.74
<b>Dividends:</b>			
From dividends	(0.50)	-	-
From capital gains	-	-	(0.04)
Return of capital	-	(1.12)	(1.25)
Total dividends <sup>(3)</sup>	(0.50)	(1.12)	(1.29)
<b>Net assets, end of period</b>	<b>19.12</b>	<b>19.12</b>	<b>19.51</b>

Notes:

- (a) Information presented is for the period January 1, 2018 to June 30, 2018.
- (b) Information presented is for the period January 19, 2016 to December 31, 2016.
- (c) Initial offering price.

1. 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.
2. 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.
3. Dividends were paid in cash or reinvested in additional shares of the Fund.

**RATIOS AND SUPPLEMENTAL DATA**

Series F <sup>(5)</sup>	2018	2017	2016
Total net asset value (\$) (000s) <sup>(1)</sup>	30,911	23,065	12,831
Number of shares outstanding (000s) <sup>(1)</sup>	1,616	1,206	658
Management expense ratio <sup>(2)</sup>	0.72%	0.72%	0.73%
Management expense ratio before waivers or absorptions <sup>(2)</sup>	0.72%	0.72%	0.73%
Trading expense ratio <sup>(3)</sup>	0.30%	0.35%	0.41%
Portfolio turnover rate <sup>(4)</sup>	413.89%	959.63%	948.82%

Notes:

1. 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.
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5. The Series A shares and Series F shares of the Fund are not traded on a stock exchange.

**NET ASSETS PER SHARE <sup>(1)</sup>**

Series XA	2018 <sup>(a)</sup> (\$)	2017 <sup>(b)</sup> (\$)
<b>Net assets, beginning of period</b>	<b>19.45</b>	<b>20.00 <sup>(c)</sup></b>
<b>Increase (decrease) from operations:</b>		
Total revenue	0.06	0.05
Total expenses	(0.25)	(0.41)
Realized gains (losses) for the period	0.58	0.67
Unrealized gains (losses) for the period	(0.04)	(0.01)
Total increase (decrease) from operations <sup>(2)</sup>	0.35	0.30
<b>Dividends:</b>		
From dividends	(0.50)	–
Return of capital	–	(0.88)
Total dividends <sup>(3)</sup>	(0.50)	(0.88)
<b>Net assets, end of period</b>	<b>19.29</b>	<b>19.45</b>

Notes:

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

(b) Information presented is for the period March 23, 2017 to December 31, 2017.

(c) Initial offering price.

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- 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 XA <sup>(5)</sup>	2018	2017
Total net asset value (\$) (000s) <sup>(1)</sup>	311	305
Number of shares outstanding (000s) <sup>(1)</sup>	16	16
Management expense ratio <sup>(2)</sup>	2.42%	2.39%
Management expense ratio before waivers or absorptions <sup>(2)</sup>	2.42%	2.39%
Trading expense ratio <sup>(3)</sup>	0.30%	0.35%
Portfolio turnover rate <sup>(4)</sup>	413.89%	959.63%

Notes:

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- The Series A shares, Series F shares, Series XA shares, and Series XF shares of the Fund are not traded on a stock exchange.

**NET ASSETS PER SHARE <sup>(1)</sup>**

Series XF	2018 <sup>(a)</sup> (\$)	2017 <sup>(b)</sup> (\$)
<b>Net assets, beginning of period</b>	<b>19.64</b>	<b>20.00 <sup>(c)</sup></b>
<b>Increase (decrease) from operations:</b>		
Total revenue	0.06	0.06
Total expenses	(0.15)	(0.28)
Realized gains (losses) for the period	0.59	0.84
Unrealized gains (losses) for the period	(0.06)	(0.05)
Total increase (decrease) from operations <sup>(2)</sup>	0.44	0.57
<b>Dividends:</b>		
From dividends	(0.50)	–
Return of capital	–	(1.00)
Total dividends <sup>(3)</sup>	(0.50)	(1.00)
<b>Net assets, end of period</b>	<b>19.60</b>	<b>19.64</b>

Notes:

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

(b) Information presented is for the period January 25, 2017 to December 31, 2017.

(c) Initial offering price.

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- 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 XF <sup>(5)</sup>	2018	2017
Total net asset value (\$) (000s) <sup>(1)</sup>	3,341	2,538
Number of shares outstanding (000s) <sup>(1)</sup>	170	129
Management expense ratio <sup>(2)</sup>	1.28%	1.25%
Management expense ratio before waivers or absorptions <sup>(2)</sup>	1.28%	1.25%
Trading expense ratio <sup>(3)</sup>	0.30%	0.35%
Portfolio turnover rate <sup>(4)</sup>	413.89%	959.63%

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, 2017.
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- 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.
- The Series A shares, Series F shares, Series XA shares, and Series XF shares of the Fund are not traded on a stock exchange.

## 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 0.60% of the NAV of the ETF shares, 1.60% of the Series A shares, 0.60% of the Series F shares, 1.60% of the Series XA shares, 0.60% of the Series XF shares. The management fees are calculated daily and paid monthly in arrears. Purpose utilizes the management fees to pay investment sub-advisory fees and service fees to registered dealers of Series A shareholders, general and administrative expenses and earn revenue.

In addition, Series XA shares and Series XF shares will pay an additional fee of up to 0.65% per annum on the NAV of the Purpose In-Kind Exchange Fund, plus an amount in respect of hedging cost incurred in connection with the holdings of the Purpose In-Kind Exchange Fund, on a pro-rate basis.

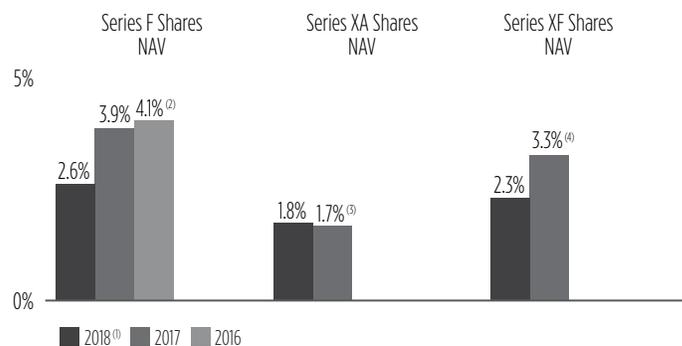
The Fund may from time to time invest in other investment funds which are related funds managed by Purpose. An investment is made where it is an efficient and cost-effective way for the Fund to execute its investment strategy. The Investment may only be made on the basis that there will be no duplication of management fees.

## PAST PERFORMANCE

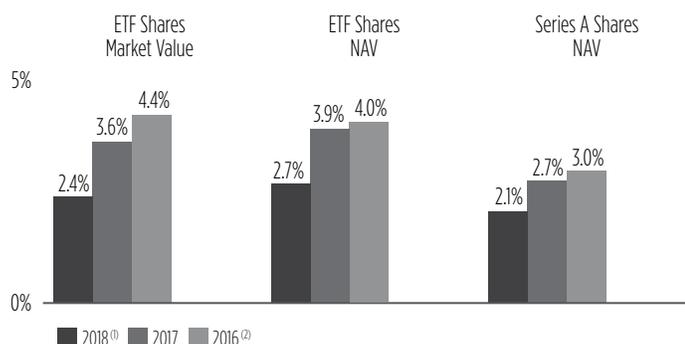
Please note that the performance information shown in this section assumes that all dividends made by the Fund, if any, in the periods shown were reinvested in additional securities of the Fund. It does not take into account sales, redemptions, distributions or other optional charges, or income taxes 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 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 January 1, 2018 to June 30, 2018.
2. Return for the period January 19, 2016 to December 31, 2016.
3. Return for the period March 24, 2017 to December 31, 2017.
4. Return for the period January 25, 2017 to December 31, 2017.



1. Return for the period January 1, 2018 to June 30, 2018.
2. Return for the period January 19, 2016 to December 31, 2016.

## SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2018

### SECTOR MIX

	% of Fund's Net Asset Value
<b>Long Positions</b>	
Money Market Funds	87.66
Industrials	2.02
Utilities	1.78
Financials	1.50
Health Care	1.35
Telecommunication Services	0.73
Consumer Staples	0.73
Energy	0.66
Fixed Income	0.56
Consumer Discretionary	0.47
Materials	0.36
Equity Put Options	0.14
Equity Call Options	0.02
Cash and Cash Equivalents	62.26
Net Other Assets	(59.33)
<b>Short Positions</b>	
Equity Put Options	(0.75)
Equity Call Options	(0.16)
<b>Total Net Asset Value</b>	<b>100.00</b>

### ASSET MIX

	% of Fund's Net Asset Value
<b>Long Positions</b>	
Money Market Funds	87.66
US Equities	9.60
US Fixed Income	0.56
Equity Call Options	0.02
Equity Put Options	0.14
Cash and Cash Equivalents	62.26
Net Other Assets	(59.33)
<b>Short Positions</b>	
Equity Put Options Options	(0.75)
Equity Call Options Options	(0.16)
<b>Total Net Asset Value</b>	<b>100.00</b>

### TOP 25 HOLDINGS

	% of Fund's Net Asset Value
Purpose High Interest Savings ETF	87.66
Cash and Cash Equivalents	62.26
Cummins Inc.	1.11
Duke Energy Corp.	0.96
Morgan Stanley	0.87
American Electric Power Co. Inc.	0.82
Bristol-Myers Squibb Co.	0.76
AT&T Inc.	0.73
Schlumberger Ltd.	0.66
JPMorgan Chase & Co.	0.63
Raytheon Co.	0.59
iShares 20+ Year Treasury Bond ETF	0.56
AbbVie Inc.	0.56
Campbell Soup Co.	0.46
Alcoa Corp.	0.36
United Parcel Service Inc., Class 'B'	0.32
Comcast Corp., Class 'A'	0.25
Charter Communications Inc., Class 'A'	0.22
Altria Group Inc.	0.22
CVS Health Corp.	0.05
SPDR S&P 500 ETF Trust	0.03
Allergan PLC	0.03
Facebook Inc., Class 'A'	0.01

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

# CORPORATE INFORMATION

## MANAGER

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130 Adelaide Street West  
Suite 1700, P.O. Box 83  
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## INVESTMENT SUB-ADVISOR

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2 Bloor Street East, Suite 2830  
Toronto, ON M4W 1A8

## LEGAL COUNSEL

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1 First Canadian Place  
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## AUDITOR

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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

## SHAREHOLDER AND RECORDKEEPING

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

## TORONTO STOCK EXCHANGE LISTING

Ticker Symbol: PYF

## 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