



PURPOSE
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

**PURPOSE SPECIAL OPPORTUNITIES FUND
(FORMERLY REDWOOD SPECIAL OPPORTUNITIES FUND)**

FOR THE FINANCIAL PERIOD ENDED APRIL 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 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.

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

Purpose Special Opportunities Fund (the “Fund”) is a class of shares of Purpose Mutual Funds Limited (the “Corporation”), a mutual fund corporation incorporated under the Canada Business Corporations Act on April 11, 2006 and is authorized to issue an unlimited number of classes of shares in multiple series. Reference is made to the Fund’s Simplified Prospectus for additional information on the Fund’s structure.

On December 15, 2017, LOGiQ Asset Management Inc. (“LOGiQ”) and Purpose Investments Inc. (“Purpose”) completed the previously announced transaction whereby Purpose would acquire substantially all of the retail asset management agreements owned by LOGiQ and its affiliates. Redwood Asset Management Inc., a wholly-owned subsidiary of Purpose, will act as manager and/or trustee and/or portfolio manager in respect of the LOGiQ funds. The name of the Fund was changed to Redwood Special Opportunities Fund effective December 15, 2017. On December 15, 2017, the Fund merged with LOGiQ Growth Class whereby the shares of LOGiQ Growth Class were converted to shares of the Fund. On March 31, 2018, Redwood Asset Management Inc. (“Redwood”) was amalgamated into Purpose Investments Inc. (“Purpose”). The Fund changed its name to Purpose Special Opportunities Fund effective May 2, 2018.

INVESTMENT OBJECTIVE AND STRATEGIES

The Fund’s investment objective is to provide Fund securityholders capital appreciation through the investment in equity securities of companies whose product, service or management team the Manager believes can realize value and growth. The Manager may rely on “top down” fundamental research to identify equity securities of companies in a particular industry or sector, but portfolio diversification will be driven primarily from the Fund’s investments, as opposed to targeting sector weights.

The Fund’s investment advisor will employ alternative investment strategies, including event-related special situations investing (including, for instance, investment in securities of issuers undergoing or undertaking tenders, mergers and acquisitions, liquidations, spin-offs and recapitalizations) and the purchase of undervalued shares in the equity markets.

RISK

The risks associated with investing in the Fund are discussed in the Fund’s simplified prospectus, which is available on SEDAR at www.sedar.com or by visiting our website at www.purposeinvest.com. There were no changes over the period to the risks outlined in the simplified prospectus which would materially affect the overall risk of investing in the fund.

RESULTS OF OPERATIONS

The net asset value per series as at:

Series	April 30, 2018 (\$)	October 31, 2017 (\$)
Series A	5.33	5.33
Series B	5.33	5.33
Series F	6.00	5.97
Series X	5.64	5.63
Series Y	5.72	5.70

There were no distributions paid during the period ended April 30, 2018.

Over the period ended April 30, 2018, the energy sector continued to show volatility, as the US president rattles markets with comments on a potential trade war between America and its trading partners (particularly China). Driving the Fund’s outperformance for the period were positions in junior / intermediate energy producers and energy service providers (“frackers”). These included Crew Energy Inc., a natural gas-oriented company that bounced back from first-quarter weakness, and Parex Resources Inc., an oil producer benefiting from rising oil prices and strong operational results. Outside of the energy sector, a position in MJardin Group, a private company in the cannabis industry, continues to yield positive returns. The MJardin Group is an experienced, capitalized operator of legal cannabis facilities in Canada, and has a long history of providing turnkey growing operations for dispensaries in the US. We expect anxieties over the prospects of a US / China trade war to persist throughout much of the first half of the year. Going forward the Manager expects that the potential for rising interest rates will likely continue to haunt capital markets in 2018, as the US economy grows at full capacity, with unemployment rates now below 4%.

The strategy of the Fund continues to remain the same, with much of the focus on energy and materials. The Fund continues to be managed by Norm Lamarche. However, in early 2018, the Fund’s name was changed to “Purpose Special Opportunities Fund”, taking on the Purpose brand. Going forward, the Manager plans to continue focusing on Canadian Energy companies, as they see the space as significantly undervalued relative to other sectors in the Canadian market. If other opportunities present themselves in spaces such as the Cannabis industry in the US, the Manager will actively evaluate these opportunities.

On December 15, 2017, Purpose Investments Inc. (“Purpose”) completed the acquisition of substantially all of the retail asset management agreements owned by LOGiQ Asset Management Inc. and its affiliates. Subsequently, Purpose assigned the management of the funds to its wholly owned affiliate Redwood Asset Management Inc. (“Redwood”). As a result, the name of the Fund was changed to Redwood Special Opportunities Fund effective December 15, 2017.

RECENT DEVELOPMENTS

On March 31, 2018, Redwood Asset Management Inc. (“Redwood”) was amalgamated into Purpose Investments Inc. (“Purpose”). The Fund changed its name to Purpose Special Opportunities Fund effective May 2, 2018.

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 October 31, except 2018 which is provided as at April 30:

NET ASSETS PER SHARE ⁽¹⁾

Series A	2018 ^(a) (\$)	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net assets, beginning of period	5.33	5.40	3.97	6.38	6.69	7.13
Increase (decrease) from operations:						
Total revenue	0.02	0.01	0.02	0.02	0.03	0.05
Total expenses	(0.09)	(0.18)	(0.17)	(0.17)	(0.27)	(0.20)
Realized gains (losses) for the year	(0.56)	(0.71)	(0.40)	(1.31)	0.40	(0.22)
Unrealized gains (losses) for the year	0.62	0.77	1.91	(1.02)	(0.27)	(0.21)
Total increase (decrease) from operations ⁽²⁾	(0.01)	(0.11)	1.36	(2.48)	(0.11)	(0.58)
Net assets, end of period	5.33	5.33	5.40	3.97	6.38	6.64

(a) Information presented is for the period November 1, 2017 to April 30, 2018.

- 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 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.

RATIOS AND SUPPLEMENTAL DATA

Series A	2018	2017	2016	2015	2014	2013
Total net asset value (000’s) (\$) ⁽¹⁾	23,846	26,613	32,806	27,573	60,408	77,857
Number of redeemable shares outstanding (000’s) ⁽¹⁾	4,474	4,991	6,081	6,943	9,474	11,733
Management expense ratio ⁽²⁾	3.21%	3.14%	3.33%	3.08%	3.06%	3.05%
Management expense ratio before waivers or absorptions ⁽²⁾	3.26%	3.14%	3.33%	3.08%	3.06%	3.05%
Trading expense ratio ⁽³⁾	0.27%	0.34%	0.40%	0.32%	0.33%	0.40%
Portfolio turnover rate ⁽⁴⁾	19.02%	48.75%	49.09%	15.00%	46.73%	50.92%

- 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 October 31 of the year shown except 2018 which is shown as at April 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 ⁽¹⁾

Series B	2018 ^(a) (\$)	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net assets, beginning of period	5.33	5.39	3.97	6.37	6.68	7.12
Increase (decrease) from operations:						
Total revenue	0.02	0.01	0.02	0.02	0.03	0.05
Total expenses	(0.09)	(0.18)	(0.16)	(0.17)	(0.27)	(0.20)
Realized gains (losses) for the year	(0.59)	(0.72)	(0.40)	(1.33)	0.40	(0.21)
Unrealized gains (losses) for the year	0.64	0.77	1.91	(0.96)	(0.29)	(0.24)
Total increase (decrease) from operations ⁽²⁾	(0.02)	(0.12)	1.37	(2.44)	(0.13)	(0.60)
Net assets, end of period	5.33	5.33	5.39	3.97	6.37	6.63

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RATIOS AND SUPPLEMENTAL DATA

Series B	2018	2017	2016	2015	2014	2013
Total net asset value (000's) (\$) ⁽¹⁾	28,360	34,017	45,943	37,981	72,887	88,669
Number of redeemable shares outstanding (000's) ⁽¹⁾	5,321	6,379	8,517	9,566	11,434	13,367
Management expense ratio ⁽²⁾	3.21%	3.12%	3.31%	3.06%	3.05%	3.03%
Management expense ratio before waivers or absorptions ⁽²⁾	3.26%	3.12%	3.31%	3.06%	3.05%	3.03%
Trading expense ratio ⁽³⁾	0.27%	0.34%	0.40%	0.32%	0.33%	0.40%
Portfolio turnover rate ⁽⁴⁾	19.02%	48.75%	49.09%	15.00%	46.73%	50.92%

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NET ASSETS PER SHARE ⁽¹⁾

Series F	2018 ^(a) (\$)	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net assets, beginning of period	5.97	5.97	4.35	6.92	7.18	7.58
Increase (decrease) from operations:						
Total revenue	0.02	0.01	0.02	0.02	0.03	0.05
Total expenses	(0.07)	(0.14)	(0.13)	(0.13)	(0.21)	(0.14)
Realized gains (losses) for the year	(0.68)	(0.83)	(0.41)	(1.37)	0.44	(0.24)
Unrealized gains (losses) for the year	0.74	0.87	2.25	(1.63)	(0.55)	(0.21)
Total increase (decrease) from operations ⁽²⁾	0.01	(0.09)	1.73	(3.11)	(0.29)	(0.54)
Net assets, end of period	6.00	5.97	5.97	4.35	6.92	7.13

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RATIOS AND SUPPLEMENTAL DATA

Series F	2018	2017	2016	2015	2014	2013
Total net asset value (000's) (\$) ⁽¹⁾	14,924	17,066	22,811	16,098	42,781	42,828
Number of redeemable shares outstanding (000's) ⁽¹⁾	2,487	2,859	3,819	3,699	6,186	6,010
Management expense ratio ⁽²⁾	2.10%	2.02%	2.32%	2.05%	2.07%	2.05%
Management expense ratio before waivers or absorptions ⁽²⁾	2.15%	2.02%	2.32%	2.05%	2.07%	2.05%
Trading expense ratio ⁽³⁾	0.27%	0.34%	0.40%	0.32%	0.33%	0.40%
Portfolio turnover rate ⁽⁴⁾	19.02%	48.75%	49.09%	15.00%	46.73%	50.92%

- 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 October 31 of the year shown except 2018 which is shown as at April 30.
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NET ASSETS PER SHARE ⁽¹⁾

Series X	2018 ^(a) (\$)	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net assets, beginning of period	5.63	5.66	4.15	6.63	6.91	7.32
Increase (decrease) from operations:						
Total revenue	0.02	0.01	0.02	0.02	0.03	0.05
Total expenses	(0.08)	(0.16)	(0.14)	(0.15)	(0.23)	(0.17)
Realized gains (losses) for the year	(0.65)	(0.77)	(0.46)	(1.36)	0.41	(0.17)
Unrealized gains (losses) for the year	0.69	0.81	1.84	(1.11)	(0.06)	(0.43)
Total increase (decrease) from operations ⁽²⁾	(0.02)	(0.11)	1.26	(2.60)	0.15	(0.72)
Net assets, end of period	5.64	5.63	5.66	4.15	6.63	6.86

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RATIOS AND SUPPLEMENTAL DATA

Series X	2018	2017	2016	2015	2014	2013
Total net asset value (000's) (\$) ⁽¹⁾	4,634	5,678	7,929	8,650	19,635	29,511
Number of redeemable shares outstanding (000's) ⁽¹⁾	821	1,008	1,400	2,085	2,964	4,303
Management expense ratio ⁽²⁾	2.64%	2.56%	2.78%	2.55%	2.53%	2.51%
Management expense ratio before waivers or absorptions ⁽²⁾	2.69%	2.56%	2.78%	2.55%	2.53%	2.51%
Trading expense ratio ⁽³⁾	0.27%	0.34%	0.40%	0.32%	0.33%	0.40%
Portfolio turnover rate ⁽⁴⁾	19.02%	48.75%	49.09%	15.00%	46.73%	50.92%

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NET ASSETS PER SHARE ⁽¹⁾

Series Y	2018 ^(a) (\$)	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net assets, beginning of period	5.70	5.73	4.19	6.68	6.96	7.37
Increase (decrease) from operations:						
Total revenue	0.02	0.01	0.02	0.02	0.03	0.05
Total expenses	(0.08)	(0.15)	(0.14)	(0.14)	(0.22)	(0.16)
Realized gains (losses) for the year	(0.64)	(0.75)	(0.42)	(1.40)	0.42	(0.22)
Unrealized gains (losses) for the year	0.68	0.84	2.03	(1.02)	(0.37)	(0.24)
Total increase (decrease) from operations ⁽²⁾	(0.02)	(0.05)	1.49	(2.54)	(0.14)	(0.57)
Net assets, end of period	5.72	5.70	5.73	4.19	6.68	6.91

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RATIOS AND SUPPLEMENTAL DATA

Series Y	2018	2017	2016	2015	2014	2013
Total net asset value (000's) (\$) ⁽¹⁾	34,636	38,802	43,157	34,978	65,348	77,684
Number of redeemable shares outstanding (000's) ⁽¹⁾	6,059	6,802	7,530	8,348	9,780	11,246
Management expense ratio ⁽²⁾	2.66%	2.43%	2.63%	2.41%	2.39%	2.39%
Management expense ratio before waivers or absorptions ⁽²⁾	2.72%	2.43%	2.63%	2.41%	2.39%	2.39%
Trading expense ratio ⁽³⁾	0.27%	0.34%	0.40%	0.32%	0.33%	0.40%
Portfolio turnover rate ⁽⁴⁾	19.02%	48.75%	49.09%	15.00%	46.73%	50.92%

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MANAGEMENT AND PERFORMANCE 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 NAV of the Series A shares, 2.50% of the Series B, 1.50% of the Series F, 2.00% of the Series X and 2.00% of the Series Y 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 and Series B shareholders, general and administrative expenses and earn revenue.

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.

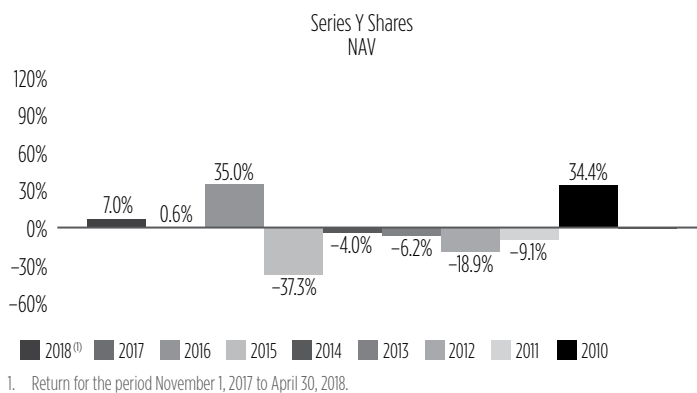
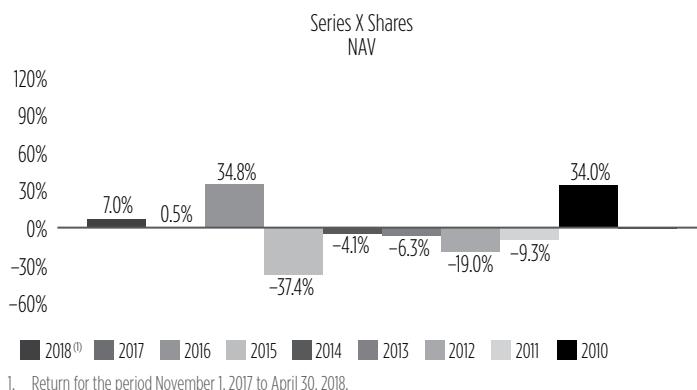
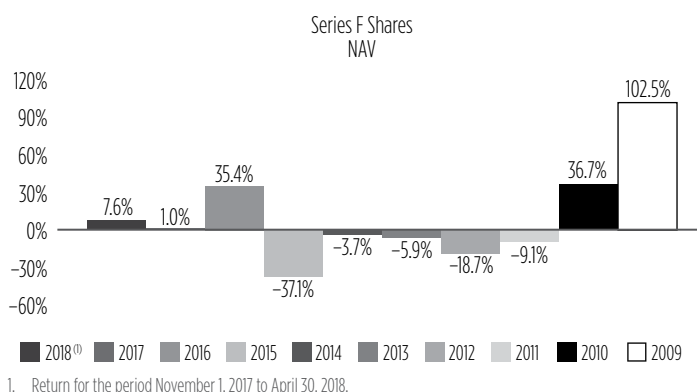
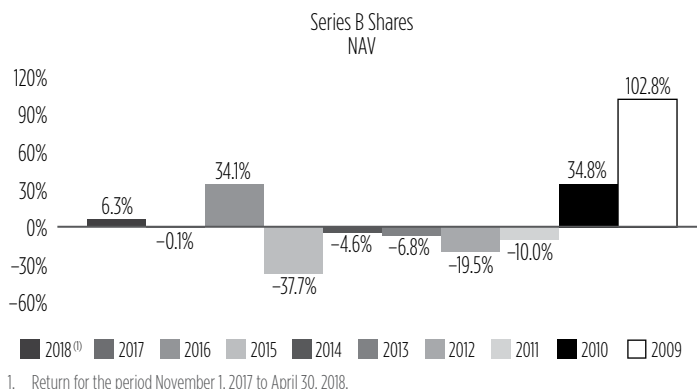
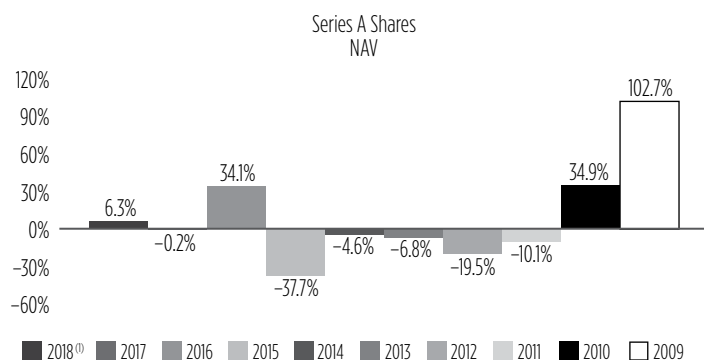
The Fund pays a performance fee if the percentage gain in the net asset value of a series of the Fund (as adjusted for any prior return deficiencies) over the preceding quarter or quarters since a performance fee was last payable exceeds the percentage gain or loss of the S&P/TSX Composite Index (the "Benchmark") over the same period. The fee is equal to this excess return per share multiplied by the number of shares outstanding at the end of the quarter multiplied by 20%, provided that the net asset value per share of the Fund (including distributions) is greater than all previous values at the end of each previous quarter. The starting reference point for the next quarter's calculation is based on the higher of either the Benchmark performance adjusted net asset value per share or the adjusted actual net asset value per share, both with respect to the previous quarter in which a performance fee was payable.

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.



SUMMARY OF INVESTMENT PORTFOLIO

As at April 30, 2018

SECTOR MIX

	% of Fund's Net Asset Value
Long Positions	
Energy	59.8
Materials	22.9
Health Care	7.3
Financials	4.9
Corporate Bonds	4.5
Consumer Discretionary	1.8
Industrials	0.0
Short Positions	
Cash and cash equivalents	0.0
Energy	(0.7)
Other assets less other liabilities	(0.5)
Total Net Asset Value	100.00

TOP 25 INVESTMENTS

	% of Fund's Net Asset Value
Long Positions	
Arizona Mining Inc.	10.6
Kelt Exploration Limited	10.3
Parex Resources Inc.	10.1
Spartan Energy Corporation	9.4
Lilis Energy Inc.	7.5
Titan Mining Corporation	6.9
Birchcliff Energy Limited	6.1
Trican Well Service Limited	5.9
Liberty Health Sciences Inc.	5.6
MJardin Holdings Convertible Debentures 10.00% due December 22, 2019	4.5
Growforce Holdings Inc.	4.0
Crew Energy Inc.	3.1
Equinox Gold Corporation	2.7
Raging River Exploration Inc.	2.2
STEP Energy Services Limited	1.9
Scythian Biosciences Corporation	1.7
MJardin Group	1.5
Surge Energy Inc.	1.3
Committed Capital Acquisition Corporation II	0.9
INV Metals Inc.	0.9
Lucky Minerals Inc.	0.8
Golden Predator Mining Corporation	0.8
CES Energy Solutions Corporation	0.6
Petro Rio SA	0.4
Short Positions	
Granite Oil Corporation	(0.7)

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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BOARD OF DIRECTORS AND INDEPENDENT REVIEW COMMITTEE OF PURPOSE MUTUAL FUNDS LIMITED

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 Operating Officer and Director

STEVE FORTE

Chief Financial Officer

CAITLIN GOSSAGE

Chief Compliance Officer

JEFF MITELMAN

Director