



Independent Review Committee

2017 Annual Report to Securityholders

On February 8, 2013, Purpose Investments Inc. (“Purpose” or the “Manager”) appointed the first members of the independent review committee (“IRC”) of the Purpose funds listed in Schedule A at the end of this report (the “Purpose Funds”), as required under National Instrument 81-107 Independent Review Committee for Investment Funds (“NI 81-107”). The following report describes the IRC and its related activities from January 1, 2017 to December 31, 2017, the financial year end of the Purpose Funds.

The IRC is responsible for providing advice, approvals and recommendations to the Manager regarding potential conflict of interest matters referred to it by the Manager, in accordance with the provisions of NI 81-107. Its responsibility is to consider whether actions proposed by the Manager that have been brought to the IRC, which may pose potential conflicts of interest, are being conducted in a manner to ensure a fair and reasonable result for a fund and its unitholders. The IRC uses its combined experience and knowledge to provide such recommendations and approvals.

Membership and Composition

The IRC consists of the three members as initially appointed by Purpose. Each member of the IRC is independent of Purpose and the Purpose Funds, within the meaning of NI 81-107.

The following is a list of the current members of the IRC as of December 31, 2017 alongside their residence, position and length of service:

Name	Residence	Position	Length of Service	Other IRCs
Douglas G. Hall	Halifax, Nova Scotia	Chairman	Since inception February 8, 2013	Redwood Asset Management Inc.
Randall C. Barnes	Las Vegas, Nevada	Member	Since inception February 8, 2013	Redwood Asset Management Inc.
Michael Hollend	Toronto, Ontario	Member	Since inception February 8, 2013	Redwood Asset Management Inc.

Holding of Securities

Purpose Funds

As of December 31, 2017, the percentage of securities of each class or series of the Purpose Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10 percent.

The Manager

As of December 31, 2017, the percentage of securities of each class of voting or equity securities of Redwood, the Manager of the Redwood Funds, beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was equal to 1.52 percent.

Service Providers

As of December 31, 2017, the percentage of securities of each class or series of voting or equity securities of any person or company that provides services to the Purpose Funds or Purpose beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was less than 1 percent.

Compensation and Indemnities

The aggregate compensation paid by the Purpose Funds to the IRC for the period from January 1, 2017 to December 31, 2017 was \$180,973. This amount was allocated on a pro rata basis among the Purpose Funds.

No indemnities were paid to the IRC during the period covered by this report.

At least annually, the IRC reviews the compensation of the IRC members giving consideration to the following:

- The best interests of the Purpose Funds;
- The number, nature and complexity of the Purpose Funds for which the IRC acts;
- The nature and extent of the workload of each member of the IRC, including the frequency of meetings required and the commitment of time and energy that is expected from each member;
- Industry best practices, including industry averages and surveys on IRC compensation;
- The result of the IRC's most recent annual assessment of compensation; and
- The recommendations of Purpose.

Conflict of Interest Matters

During the period from January 1 2017 to December 31, 2017, the IRC was not aware of any instance in which Purpose acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation or did not otherwise meet a condition imposed by the IRC in its recommendation or approval. Purpose has an obligation to notify the IRC of any such instance.

Positive Recommendations and Standing Instructions

Purpose is required to refer to the IRC its proposed actions, and its related policies and procedures, for situations in which Purpose or a related party has or could be perceived to have an interest that may conflict with its ability to act in the best interests of the Purpose Funds. For example, Purpose may have to forgo what might otherwise be a benefit to itself or a related party, or incur a cost, in order to act in accordance with its responsibilities to the Purpose Funds.

The Manager received positive recommendations and relied on standing instructions with respect to the conflict of interest matters addressed by the following policies. In each case, the standing instructions required Purpose to comply with its related policy and procedure and to report periodically to the IRC.

1. Code of Ethics
2. Employee Conflicts of Interest
3. Fair Valuation
4. Funds Auditor
5. Inter-fund trading
6. New Products and Significant Fund Changes
7. Normal Course Issuer Bid
8. Proxy Voting
9. Personal Trading
10. Trading and NAV Errors
11. Trading Practices
12. Soft Dollar Commissions
13. Underlying Fund Investments

“Douglas Hall”

Douglas G. Hall
Chairman, Independent Review Committee

March 27, 2018

Date

Schedule A

Purpose Funds

Purpose Diversified Real Asset Fund
Purpose Enhanced US Equity Fund
Purpose Multi-Strategy Market Neutral Fund
Purpose Alternative Yield Fund (previously, Purpose Diversified Premium Yield Fund)
Purpose Alternative Strategies Fund
Purpose Core Dividend Fund
Purpose Tactical Hedged Equity Fund
Purpose Monthly Income Fund
Purpose Total Return Bond Fund
Purpose Best Ideas Fund
Purpose Duration Hedged Real Estate Fund
Purpose Short Duration Tactical Bond Fund
Purpose High Interest Savings ETF
Purpose International Tactical Hedged Equity Fund
Purpose International Dividend Fund
Purpose US Dividend Fund
Purpose Premium Money Market Fund
Purpose Tactical Investment Grade Bond Fund
Purpose US Cash ETF
Purpose Premium Yield Fund
Purpose Canadian Financial Income Fund
Purpose Conservative Income Fund
Purpose Enhanced Dividend Fund
Purpose Investment Grade Focus Trust
Limited Duration Investment Grade Preferred Securities Fund
Investment Grade Managed Duration Income Fund
US Banks Income & Growth Fund
Silver Bullion Trust
Energy Credit Opportunities Income Fund