



## Independent Review Committee

### 2020 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, 2020 to December 31, 2020, 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, 2020 alongside their residence, position and length of service:

Name	Residence	Position	Length of Service
Douglas G. Hall	Halifax, Nova Scotia	Chairman	Since inception February 8, 2013
Randall C. Barnes	Las Vegas, Nevada	Member	Since inception February 8, 2013
Jean Fraser	Toronto, Ontario	Member	Since May 21, 2018

### Holding of Securities

#### Purpose Funds

As of December 31, 2020, IRC members did not beneficially own more than 10% of the total voting or equity securities of any Purpose fund. The IRC collectively held 22.1% of Series XF of Purpose Tactical Hedged Equity Fund, with their total interest equalling approximately 1.3% of the fund’s total outstanding shares, and held 10.3% of Series XF of the Purpose Enhanced Dividend Fund, with their total interest equalling approximately 2.24% of the fund’s total outstanding shares.

# Purpose

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## The Manager

As of December 31, 2020, the percentage of securities of each class of voting or equity securities of Purpose, the Manager of the Purpose Funds, beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was equal to 0.40 percent.

## Service Providers

As of December 31, 2020, 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, 2020 to December 31, 2020 was \$299,665.60. 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, 2020 to December 31, 2020, 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

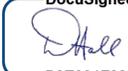
# Purpose

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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. New Products and Significant Fund Changes
6. Normal Course Issuer Bid
7. Proxy Voting
8. Personal Trading
9. Trading and NAV Errors
10. Trading Practices
11. Soft Dollar Commissions
12. Underlying Fund Investments

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Douglas G. Hall  
Chairman, Independent Review Committee

May 12, 2021

Date

# Purpose

INVESTMENTS

## Schedule A Purpose Funds

Purpose Money Market Fund  
Purpose Silver Bullion Fund  
Purpose Core Dividend Fund  
Purpose Tactical Hedged Equity Fund  
Purpose Monthly Income Fund  
Purpose Total Return Bond Fund  
Purpose Best Ideas Fund  
Purpose Real Estate Income Fund (formerly Purpose  
Duration Hedged Real Estate Fund)  
Purpose Canadian Equity Growth Fund  
Purpose Canadian Income Growth Fund  
Purpose Tactical Asset Allocation Fund  
Purpose Core Equity Income Fund  
Purpose Canadian Preferred Share Fund  
Purpose Marijuana Opportunities Fund  
Purpose Strategic Yield Fund  
Purpose Multi-Asset Income Fund  
Purpose Enhanced Premium Yield Fund  
Purpose Global Resource Fund  
Purpose Special Opportunities Fund  
Purpose Global Bond Class  
Purpose Global Innovators Fund  
MLD Core Fund  
Purpose Floating Rate Income Fund  
Purpose Diversified Real Asset Fund  
Purpose Multi-Strategy Market Neutral Fund  
Purpose Credit Opportunities Fund  
PK Core Fund  
Purpose Structured Equity Yield Portfolio  
Purpose Structured Equity Yield Portfolio 2  
Purpose Structured Equity Growth Fund  
Purpose Gold Bullion Fund  
Purpose High Interest Savings ETF  
Purpose US Dividend Fund  
Purpose International Dividend Fund  
Purpose Global Bond Fund  
Purpose US Cash Fund (formerly Purpose US Cash  
ETF)  
Purpose International Tactical Hedged Equity Fund  
Purpose Premium Money Market Fund

# Purpose

## I N V E S T M E N T S

Purpose Canadian Financial Income Fund  
Purpose Conservative Income Fund  
Purpose Premium Yield Fund  
Purpose Enhanced Dividend Fund  
Purpose Behavioural Opportunities Fund  
Purpose Emerging Markets Dividend Fund  
Purpose US Preferred Share Fund  
June 2021 Investment Grade Bond Pool  
Canadian Investment Grade Preferred Share Fund  
Investment Grade Managed Duration Income Fund  
US Banks Income & Growth Fund  
Foundation Wealth Income Pool  
Foundation Wealth Equity Pool  
Foundation Wealth Diversifier Pool  
Big Banc Split Corp.  
Black Diamond Global Equity Fund  
Black Diamond Global Enhanced Income Fund  
Black Diamond Distressed Opportunities Fund