



## **Independent Review Committee – 2024 IRC Annual Report to Securityholders**

**Purpose Investments Inc. and Purpose Investment Partners Inc. (collectively referred to as “Purpose” or the “Managers”)** have appointed an 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, 2024 to December 31, 2024 (the “**Reporting Period**”). The financial year ends for Purpose Funds occurred on either October 31, 2024, or December 31, 2024, depending on the specific Fund.

Under NI 81–107, the mandate of the IRC is to review conflict of interest matters referred to it by the Managers of the Purpose Funds. The IRC seeks to determine whether the Managers’ proposed actions achieve a fair and reasonable result for the Purpose Funds. As part of its duties, the IRC meets regularly and starts each meeting in camera, without the presence of representatives of the Managers or any other entity related to the Managers. During the Reporting Period, the IRC met with the Managers on a quarterly basis and received the Managers’ reports of compliance with its conflict of interest policies and procedures. During the Reporting Period, the IRC also met with the Managers for three ad hoc meetings to review a new conflict of interest.

At least annually, the IRC reviews and assesses the adequacy and effectiveness of the policies and procedures to deal with conflict of interest matters relating to the Purpose Funds, and also conducts a self-assessment of the IRC’s independence, compensation and effectiveness.

The members of the IRC look forward to continuing to work with the Managers in the best interests of each of the Purpose Funds.

### **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.

No changes in the composition or membership of the IRC occurred during the Reporting Period.

The following is a list of the members of the IRC during the Reporting Period, alongside their residence, position, and length of service:

<b>Name</b>	<b>Residence</b>	<b>Position</b>	<b>Length of Service</b>
Douglas G. Hall	Halifax, Nova Scotia	Chairman	Since inception (February 8, 2013)
Randall C. Barnes	Las Vegas, Nevada	Member	Since inception (February 8, 2013 to December 31, 2024)
Jean Fraser	Toronto, Ontario	Member	Since May 21, 2018

Karen McRae of Toronto, Ontario was appointed a member of the IRC effective January 1, 2025. Ms. McRae is also a member of the Independent Review Committee for funds managed by IA Clarington Inc.

## **Holding of Securities**

### Purpose Funds

As of December 31, 2024, no individual IRC member beneficially owns more than 10% of the total voting or equity securities of any Purpose fund. Certain members of the IRC held an aggregate of 20.47% of Series XF of Purpose International Tactical Hedged Equity Fund, with their aggregate holdings equalling approximately 3.29% of the fund's total outstanding shares, 32.66% of Series XF of Purpose Tactical Hedged Equity Fund, with their aggregate holdings equalling approximately 0.90% of the fund's total outstanding shares.

### The Managers

As of December 31, 2024, the percentage of securities of each class of voting or equity securities of Purpose, the Managers of the Purpose Funds, beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was less than 1 percent.

### Service Providers

As of December 31, 2024, 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**

For the Reporting Period, the aggregate compensation paid by the Purpose Funds to the IRC was \$ 230,127.40. This amount was allocated among the Purpose Funds in a manner the Managers consider fair and reasonable – IRC meeting fees were divided equally among the Purpose funds, whereas IRC retainer and other costs were allocated pro rata based on assets under management of the applicable Purpose funds. No indemnities were paid to the IRC during the Reporting Period.

In accordance with NI 81–107, the compensation paid to the IRC during the Reporting Period was set by the members of the IRC, taking into account the Managers' recommendation.

At least annually, the IRC reviews the compensation of its members considering 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 the Managers.

### **Conflict of Interest Matters**

The Managers have policies and procedures in place to address each of the conflict of interest matters listed below. The IRC has issued standing instruction to the Managers of the Purpose Funds that require the Managers to comply with their respective policies and procedures and to report periodically, and at least annually, to the IRC.

During the Reporting Period, the Managers of the Purpose Funds have relied on the following approvals and recommendations (within the meaning of such terms under NI 81-107) granted by the IRC in accordance with NI 81-107.

### **Approvals**

The Managers relied on approvals and standing instructions of the IRC in the Reporting Period in relation to the activities set out below. In each case, the standing instructions required the Managers to comply with their related policy and procedure and to report periodically to the IRC.

1. **Inter-Fund Transactions** -Allowing the purchase or sale of portfolio securities between Purpose Funds, or between the Purpose Funds and other investment funds or accounts managed by the Managers or an affiliate (referred to as inter-fund trades and cross-trades).

The IRC is not aware of any instance in which the Managers of the Purpose Funds acted in a conflict of interest matter without meeting the conditions imposed by the IRC in its approval.

### **Recommendations**

The Managers received positive recommendations and relied on standing instructions of the IRC for the Reporting Period with respect to conflict of interest matters addressed by the policies set out below. In each case, the standing instructions required the Managers to comply with their related policy and procedure and to report periodically to the IRC.

1. **Best Execution** – Includes selection of execution and clearing brokers for the Funds, including related party brokers.
2. **Fund on Fund Transactions** – Sets out the framework for investment decisions for Funds that invest in other underlying funds.

3. **Fair Allocation** – Allows the Managers to trade on behalf of multiple clients, including the Funds, and to allocate trades fairly among clients, including the Funds.
4. **Fair Valuation** - Directs how a Fund’s securities will be valued in order to obtain a fair and accurate net asset value of the Fund.
5. **Normal Course Issuer Bids** – Allows the Managers to buy shares in its closed-end funds subject certain restrictions and controls.
6. **Outside Activities** – Requires the Managers’ directors, officers and employees to adhere to standards governing their outside activities where conflicts of interest may arise.
7. **Personal Trading** – Allows personal trading by individuals employed by the Managers for their own account subject to certain restrictions and controls.
8. **Proxy Voting** - Allows the Managers to exercise a Fund’s proxies although the Managers, a client or an affiliate of the Managers may have an interest in the outcome of the vote.
9. **Self Dealing** – Provides for restrictions on transactions involving responsible persons to ensure compliance with the self-dealing prohibitions as set out under securities legislation.
10. **Soft Dollar Commissions** – Allows the Managers to direct brokerage transactions involving client brokerage commissions to a dealer in return for the provision of goods or services by the dealer or a third party as long as those goods or services are directly related to order execution or research.
11. **Staking Service Provider** - Allows an affiliate-owned staking service provider to provide staking services to Purpose Ether Staking Corp. ETF.

The IRC also provided a positive recommendation regarding the changes to the risk ratings for sixteen (16) Purpose Funds following internal reviews. During these reviews, the Managers identified that these funds had been inadvertently reporting incorrect risk ratings. The corrections to the risk ratings for these sixteen (16) Purpose Funds were the subject of a press release issued on September 6, 2024.

The IRC is not aware of any instance in which the Managers of the Purpose Funds acted in a conflict of interest matter referred to the IRC for which it did not give a positive recommendation or without meeting the conditions imposed by the IRC in its recommendation.

3/20/2025

Signed by:  
  
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Douglas G. Hall, Chairman

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Date

**Schedule A – Purpose Funds**

Big Banc Split Corp.  
Purpose Diversified Real Asset Fund  
Purpose Multi-Strategy Market Neutral Fund  
Purpose Credit Opportunities Fund  
Purpose Select Equity Fund  
Purpose Bitcoin ETF  
Purpose Ether ETF  
Purpose Bitcoin Yield ETF  
Purpose Ether Yield ETF  
Purpose Canadian Preferred Share Fund  
StoneCastle Equity Growth Fund (formerly, Purpose Canadian Equity Growth Fund)  
StoneCastle Income Growth Fund (formerly, Purpose Canadian Income Growth Fund)  
Purpose Strategic Yield 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  
Purpose Tactical Asset Allocation Fund  
Purpose Tactical Thematic Fund  
Purpose Core Equity Income Fund  
Purpose Multi-Asset Income Fund  
Purpose Marijuana Opportunities Fund  
Purpose Energy Transition Fund (terminated)  
Purpose Emerging Markets Dividend Fund  
Purpose High Interest Savings Fund  
Purpose International Tactical Hedged Equity Fund  
Purpose International Dividend Fund  
Purpose Premium Money Market Fund  
Purpose Global Bond Fund  
Purpose US Cash Fund  
Purpose Premium Yield Fund  
Purpose Canadian Financial Income Fund  
Purpose Conservative Income Fund  
Purpose U.S. Preferred Share Fund  
Purpose Enhanced Dividend Fund  
MLD Core Fund  
Purpose Global Flexible Credit Fund  
Purpose Gold Bullion Fund

PK Core Fund  
StoneCastle Global Tactical Asset Allocation Fund (terminated)  
Purpose Structured Equity Growth Fund  
Purpose Cash Management Fund  
Foundation Wealth Equity Pool  
Foundation Wealth Income Pool  
Foundation Wealth Diversifier Pool  
Purpose Structured Equity Yield Fund  
Purpose Silver Bullion Fund  
Black Diamond Global Equity Fund (terminated)  
Black Diamond Global Enhanced Income Fund (terminated)  
Purpose Structured Equity Yield Plus Fund  
Longevity Pension Fund  
Purpose Global Resource Fund  
Purpose Global Innovators Fund  
Purpose Global Bond Class  
Purpose Special Opportunities Fund  
Purpose Enhanced Premium Yield Fund  
Apple (AAPL) Yield Shares Purpose ETF  
Amazon (AMZN) Yield Shares Purpose ETF  
Tesla (TSLA) Yield Shares Purpose ETF  
Berkshire Hathaway (BRK) Yield Shares Purpose ETF  
Alphabet (GOOGL) Yield Shares Purpose ETF  
Microsoft (MSFT) Yield Shares Purpose ETF  
NVIDIA (NVDA) Yield Shares Purpose ETF (formerly Johnson & Johnson (JNJ) Yield Shares Purpose  
ETF)  
Purpose Active Conservative Fund  
Purpose Active Balanced Fund  
Purpose Active Growth Fund  
Purpose USD Cash Management Fund  
Purpose Ether Staking Corp ETF