

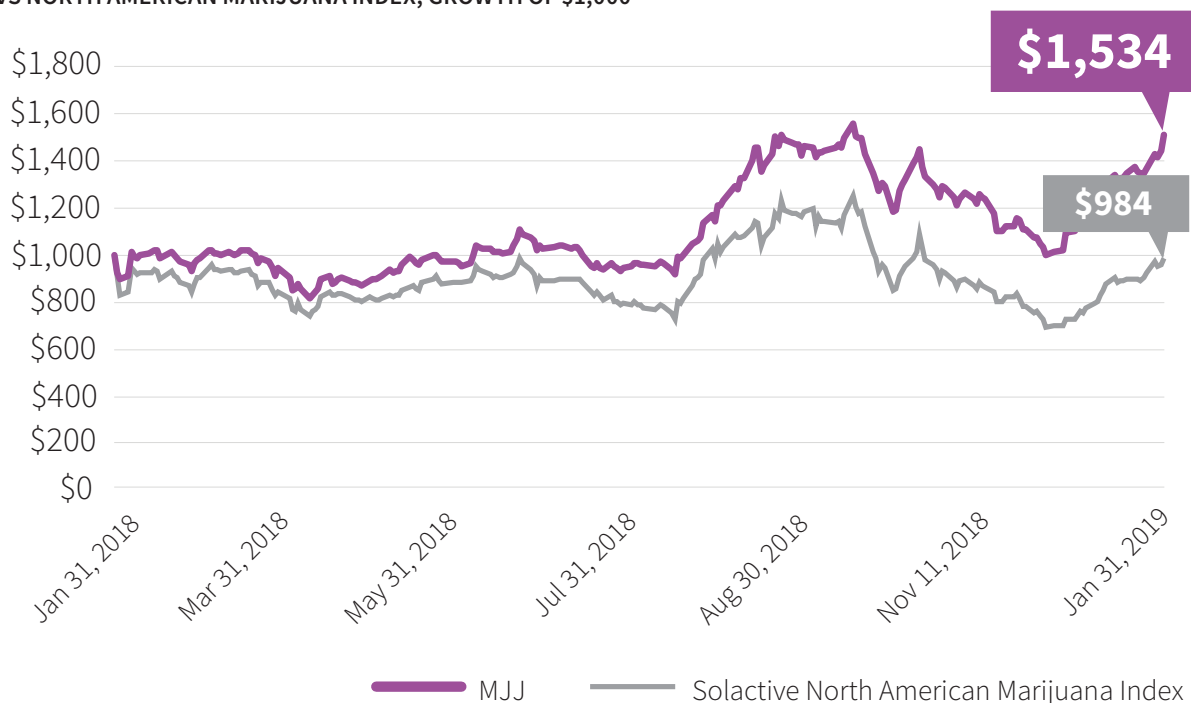
PURPOSE MARIJUANA OPPORTUNITIES FUND: A YEAR OF ACTIVE MANAGEMENT



TICKER MJJ ON THE NEO EXCHANGE (MJJ-GD)

Canada's first actively managed cannabis fund is celebrating its first full year of performance, generating strong returns while safely navigating downside risk in a growing, but highly volatile sector. Over its first year, the Fund **returned more than 53%** (net of fees), generating **over 50% alpha relative to the Solactive North American Marijuana Index** benchmark while experiencing **less severe drawdowns**.

MJJ VS NORTH AMERICAN MARIJUANA INDEX, GROWTH OF \$1,000



Source: Bloomberg; as at 1/31/19

The active advantage

2018 was an exciting year for cannabis investments. Many stocks breached new highs on what seemed like a daily basis, but many also hit one-year lows in December. Equities as a whole ended the year with negative returns, as did the benchmark marijuana index, following two major drawdowns of a magnitude not seen since 2008. However, MJJ's strategy was still able to capitalize on uncertainty in the sector.

The Fund achieves such a differentiated result through active security selection and risk management:

1. Active stock selection to weight the portfolio towards successful themes (ie. focusing on producers in Canada, product innovation in the US and international expansion as regulations continue to ease)
2. Investing early by participating in seeding and growing early-stage plays (ie. buying in to the Tilray IPO)
3. Using cash as a tactical tool to become more defensive in periods of market weakness, which is especially useful in a volatile sector
4. Opportune selling to lock in profits during rapid run-up periods
5. Strategic and limited use of options and short-selling

The active advantage in action

MONTHLY PERFORMANCE

	2018											2019	
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Since common inception
MJJ	-3.85%	-2.42%	-5.52%	8.70%	7.01%	-6.79%	29.46%	19.11%	-13.38%	-2.90%	-11.52%	39.10%	53.43%
NAMI	-12.95%	-3.97%	-3.15%	7.93%	1.20%	-10.77%	30.75%	15.24%	-23.60%	-5.65%	-17.02%	38.45%	-1.62%
Alpha	9.10%	1.55%	-2.37%	0.77%	5.81%	3.98%	-1.29%	3.86%	10.22%	2.75%	5.50%	0.65%	55.05%

Source: Purpose Investments and Bloomberg; MJJ inception: 1/31/2018; NAMI (Solactive North American Marijuana Index)

TOP FUND CONTRIBUTORS

Security Name	Country	Contribution to Total Return	Index Inclusion
Charlotte's Web Holdings	United States	8.5%	No
Green Thumb Industries	United States	8.1%	No
Organigram Holdings	Canada	7.6%	Yes
HEXO Corp	Canada	5.8%	Yes
Tilray	Canada	5.7%	Yes (post-IPO)

Source: Purpose Investments; for the period of 1/31/18 - 1/31/19

The cannabis industry in 2019

We expect to see some major developments in the global marijuana industry:

- Clear winners and losers:** strategic investments, consolidation and bankruptcies should be features of 2019 as economies of scale and execution capabilities come into play. There are fewer free lunches to be had and we should start seeing the first wave of bankruptcies within the sector. Disparities in cost of capital should increase as large players consolidate operations to achieve synergistic economics.
- Cannabidiol becoming widely accessible:** the compound is actively making its way into medical, nutraceutical and cosmetic applications. Epidiolex and Sativex have set an enviable precedence and with the US Farm Bill making CBD widely available, there should be a pickup in medical applications of the compound. Additionally, increasing uses for appetite, pain, mood and memory treatments are making CBD the new vitamin on the block, promising to improve well-being for all. Optimistic results in skincare studies are also sparking interest from cosmetic giants.
- Growing international markets:** In the fourth quarter of 2018 alone, there was some form of medical marijuana legalization in Thailand, New Zealand, South Korea and the United Kingdom. An increasing number of international jurisdictions continue to support the proliferation of medical marijuana and Canadian producers seem to be well-positioned to benefit from this.

The content of this document is for informational purposes only, and is not being provided in the context of an offering of any securities described herein, nor is it a recommendation or solicitation to buy, hold or sell any security. The information is not investment advice, nor is it tailored to the needs or circumstances of any investor. Information contained on this document is not, and under no circumstances is it to be construed as, an offering memorandum, prospectus, advertisement or public offering of securities. No securities commission or similar regulatory authority has reviewed this document and any representation to the contrary is an offence. Information contained in this document is believed to be accurate and reliable, however, we cannot guarantee that it is complete or current at all times. The information provided is subject to change without notice and neither Purpose Investments Inc. nor its affiliates will be held liable for inaccuracies in the information presented.

Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the prospectus before investing. If the securities are purchased or sold on a stock exchange, you may pay more or receive less than the current net asset value. The indicated rate of return is the historical annual compounded total return including changes in share/unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

Certain statements in this document are forward-looking. Forward-looking statements ("FLS") are statements that are predictive in nature, depend on or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," "estimate" or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained in this document are based upon what Purpose Investments and the portfolio manager believe to be reasonable assumptions, Purpose Investments and the portfolio manager cannot assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on the FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed, that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.