

**Black Diamond Distressed Opportunities Fund - ETF Units**

October 14, 2022

**BDOP**

This document contains key information you should know about Black Diamond Distressed Opportunities Fund - ETF Units. You can find more details about this exchange-traded fund (ETF) in its prospectus. Ask your representative for a copy, contact Purpose Investments Inc. at [info@purposeinvest.com](mailto:info@purposeinvest.com), or by calling 1-877-789-1517 or visit [www.purposeinvest.com](http://www.purposeinvest.com).

**Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.**

This ETF is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. The specific strategies that differentiate this fund from conventional mutual funds may include the: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these specific strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

**Quick Facts**

Date ETF started	10 March 2021
Total value on August 31, 2022	\$32 million
Management expense ratio (MER)	2.04%
Fund Manager	Purpose Investments Inc.
Portfolio Manager	Purpose Investments Inc.
Sub-advisor	Black Diamond Asset Management Inc.
Fund codes	BDOP
Distributions	Monthly

**TRADING INFORMATION (12 MONTHS ENDING August 31, 2022)**

Ticker Symbol	BDOP
Exchange	TSX
Currency	CAD
Average daily volume	669 units
Number of days traded	109 days

**PRICING INFORMATION (12 MONTHS ENDING August 31, 2022)**

Market Price	\$10.45-\$16.00
Net Asset Value (NAV)	\$10.30-\$16.49
Average bid-ask spread	2.19%

**WHAT DOES THE ETF INVEST IN?**

The fund's investment objectives are to provide unitholders with long-term capital growth. The fund will focus on distressed investment opportunities and, specifically, securities which appear to be trading below their estimated intrinsic value. The fund will achieve its investment objectives by investing in a broad range of foreign equities, domestic equities and fixed income securities. The fund may also invest in other types of securities of fixed income securities, including convertible and high-yield bonds and government securities of emerging or other countries.

The fund will use leverage. The leverage may be created through the use of cash borrowings, short sales or derivative contracts.

The maximum permitted aggregate exposure of the Fund to cash borrowing, short selling and specified derivatives transactions is 300% of the Fund's net asset value.

The charts below provide you with a snapshot of the ETF's investments on August 31, 2022. The ETF's investments will change.

**TOP 10 INVESTMENTS (August 31, 2022)**

F45 Training Holdings Inc. Com	4.6%
Momentive Global Inc. Com	4.6%
PagSeguro Digital Ltd. CI A	4.3%
Exact Sciences Corporation Com	4.2%
Asana, Inc. CI A	3.9%
Snap Inc. CI A	3.7%
Airbnb, Inc. CI A Com	3.6%
Expedia Group Inc. Com New	3.5%
RingCentral, Inc. CI A	3.4%
Cvent Holding Corp. Com	3.3%
Total percentage of top 10 investments:	<b>39.1%</b>
Total number of investments:	<b>67</b>

**INVESTMENT MIX (August 31, 2022)**

Sector	
Information Technology	42.9%
Consumer Discretionary	31.9%
Health Care	7.8%
Consumer Staples	6.6%
Financials	3.9%
Industrials	3.7%
Materials	2.9%
Communication Services	0.3%
Total (%):	<b>100.0%</b>

**HOW RISKY IS IT?**

The value of the ETF can go down as well as up. You can lose money.

One way to gauge risk is to look at how much an ETF's returns change over time. This is called "volatility". In general, ETFs with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

**RISK RATING**

Purpose Investments Inc. has rated the volatility of this ETF as **high**. This rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the ETF's returns, see the sections entitled "What are the risks of investing in the fund?" and "Who should invest in this fund?" in the ETF's prospectus.

**NO GUARANTEES**

ETFs do not have any guarantees. You may not get back the amount of money you invest.

## HOW HAS THE ETF PERFORMED?

This section tells you how the units of the ETF have performed, with returns calculated using the ETF's net asset value (NAV). However, this information is not available because this class of the ETF has not completed a calendar year.

## YEAR-BY-YEAR RETURNS

This section tells you how units of the ETF have performed in past calendar years. However, this information is not available because this class of the ETF has not yet completed a calendar year.

## BEST AND WORST 3-MONTH RETURNS

This section shows the best and worst returns for units of the ETF in a 3-month period. However, this information is not available because this class of the ETF has not yet completed a calendar year.

## AVERAGE RETURN

A person who invested \$1,000 in units of the ETF since inception would have \$795 as at August 31, 2022. This works out to an annual compound return of -14.70%.

## TRADING ETFS

ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

### PRICING

ETFs have two sets of prices: market price and net asset value (NAV).

#### Market Price

- ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand and changes in the value of an ETF's investments can affect the market price.
- You can get price quotes any time during the trading day. Quotes have two parts: **bid** and **ask**.
- The bid is the highest price a buyer is willing to pay if you want to sell your ETF shares. The ask is the lowest price a seller is willing to accept if you want to buy ETF shares. The difference between the two is called the "**bid-ask spread**".
- In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

## WHO IS THE ETF FOR?

Investors who:

- you want capital growth over the long term;
- you are investing for the medium and/or long term;and
- you can tolerate medium to high risk.

**Don't buy this ETF if you need a steady source of income from your investment.**

### Net Asset Value (NAV)

- Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF's investments at that point in time.
- NAV is used to calculate financial information for reporting purposes—like the returns shown in this document.

### ORDERS

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell shares at the current market price. A limit order lets you set the price at which you are willing to buy or sell shares.

### TIMING

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

## A WORD ABOUT TAX

In general, you'll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered account, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.

## HOW MUCH DOES IT COST?

This section shows the fees and expenses you could pay to buy, own and sell units of the ETF. Fees and expenses—including trailing commissions— can vary among ETFs. Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.

### 1. BROKERAGE COMMISSIONS

You may have to pay a commission every time you buy and sell units of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.

### 2. ETF EXPENSES

You do not pay these expenses directly. They affect you because they reduce the ETF's returns.

As of June 30, 2022, the ETF's expenses were 13.09% of its value. This equals \$130.90 for every \$1,000 invested.

	Annual rate (as a % of the ETF's value)
<b>Management Expense Ratio (MER)</b>	2.04%
This is the total of the ETF's management fee and operating expenses (corporate administrative expenses and corporate additional expenses). The manager waived some of the ETF's expenses. If it had not done so, the MER would have been higher.	
<b>Trading Expense Ratio (TER)</b>	11.05%
These are the ETF's trading costs.	
<b>ETF expenses</b>	<b>13.09%</b>

### TRAILING COMMISSIONS

The trailing commission is an ongoing commission. It is paid for as long as you own the ETF. It is for the services and advice that your representative and their firm provide to you.

The ETF does not have a trailing commission.

### Performance fee

Purpose Investments Inc. is entitled to a performance fee of 20% of the fund's net profits for each calendar year based on fund performance, subject to its high-water mark.

### OTHER FEES

You may pay brokerage fees to your dealer when you purchase and sell units of the ETF.

### WHAT IF I CHANGE MY MIND?

Under securities law in some provinces and territories, you have:

- the right to cancel your purchase within 48 hours after you receive confirmation of the purchase; and
- the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

### FOR MORE INFORMATION:

Contact Purpose Investments Inc. or your representative for a copy of the ETF's prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.

#### **Purpose Investments Inc.**

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