

A woman with long blonde hair, wearing a red cap and a black tank top, is seen from behind in a white kayak. She has her hands clasped behind her head. The kayak is on a vibrant turquoise lake. In the background, there are large, rugged mountains under a blue sky with scattered white clouds. A black paddle with white blades is positioned horizontally across the kayak.

BLACK DIAMOND DISTRESSED OPPORTUNITIES FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
For the financial period ended June 30, 2022

This interim management report of fund performances contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-866-261-4569, by writing to us at 130 Adelaide St. W, Suite 3100, P.O. Box 109, Toronto, ON M5H 3P5 or by visiting our website at www.purposeinvest.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties, and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events. We stress that the abovementioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions, and urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

The management report of fund performance presents the views of the portfolio management team concerning significant factors and developments that have affected the Fund's performance and outlook.

Please read the caution on the inside of the cover page regarding forward-looking statements.

INVESTMENT OBJECTIVES AND STRATEGIES

Black Diamond Distressed Opportunities Fund's (the "Fund") 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.

Purpose Investments Inc. ("Purpose" or the "Manager") is the manager of the Fund.

The Fund may use leverage. The leverage may be created through the use of cash borrowings, short sales or derivative contracts. The Fund's leverage shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

The Fund will not change its fundamental investment objectives unless the consent of a majority of the Fund's unitholders has been obtained.

RISK

The risks of investing in the Fund are disclosed in the Fund's prospectus and there have been no significant changes during the period that affected the overall level of risk associated with the Fund.

Pandemic risk

Concerns over the spread of viruses (including COVID-19 and monkeypox) have resulted in a high level of uncertainty and volatility in the financial markets in addition to disruptions to businesses worldwide as societies face increased threat of viral outbreaks. Pandemic risk and its effect on the global economy has had an enormous impact on consumers in all sectors. Fluctuation in security prices, larger bid/ask spreads and lower liquidity caused by pandemics may impact valuation of investments, classification of fair value hierarchy, and assumptions by the Manager to make accounting estimates. The impact of pandemics may last for an extended period and could adversely affect the performance of the Fund. The Manager continues to closely monitor the impact of pandemic risk and its effects on the Fund's risk exposures.

RESULTS OF OPERATIONS

The Fund offers ETF shares listed on the Toronto Stock Exchange under the ticker BDOP and mutual fund series.

The net asset value per unit as at:

Class	June 30, 2022 (\$)	December 31, 2021 (\$)
ETF Units	14.35	13.35
Class A Units	19.10	17.85
Class F Units	19.52	18.14

During the period ended June 30, 2022 the Fund paid distributions as follows:

Month	ETF Units (\$)	Class A Units (\$)	Class F Units (\$)
January	0.0075	0.0075	0.0075
February	0.0075	0.0075	0.0075
March	0.0075	0.0075	0.0075
April	0.0075	0.0075	0.0075
May	0.0075	0.0075	0.0075
June	0.0075	0.0075	0.0075
Total	0.0450	0.0450	0.0450

Over the last two years, governments and central banks sent out record amounts of cash to fend off the pandemic's economic impact, which found its way into every investible asset class. After two straight years of double-digit returns in equities and all risk assets flying, the term "everything bubble" was coined. But all bubbles must deflate at some point, which is what the first half of 2022 went through. While it was the worst start to an investing year since 1970, with the largest amount of capital destroyed in history, the high coming into 2022 needed a reset.

Heading into the year, the consensus was that times were changing and volatility was coming. And it happened quickly. There was nowhere to hide during the first half of the year. Fixed income, normally a diversifier in balanced funds, was down. During the month of June, it seemed like there was a constant battle between fears of inflation and recession. In the earlier months of the year, inflation worries allowed real assets like energy to perform very well and show impressive gains. Once inflation fears switched to recession fears, though, commodity and asset prices took a hit.

The Fund was positive over the reporting period. By sector, consumer discretionary, information technology, and consumer staples detracted; however, those losses were offset by the significant contribution from the equity index. By asset class, options contributed nearly double the return than the negative performance in equities. Geographically, the United States and Brazil's positive contributions were more than enough to cover the negative performances in the United Kingdom, Hong Kong, and Switzerland.

RECENT DEVELOPMENTS

There were no changes to the Manager of the Fund, nor were there any material changes to the investment philosophy or process. The Manager actively monitors the positioning of the Fund's portfolio for changes in current market conditions and the economic environment.

RELATED PARTY TRANSACTIONS

Purpose is deemed to be a related party as Manager of the Fund. Please refer below to the "Management Fee" section for fees paid to Purpose. Purpose has also appointed an Independent Review Committee ("IRC") as required by National Instrument 81-107 *Independent Review Committee for Investment Funds*. The mandate of the IRC is to review, and provide input on, the Manager's written policies and procedures that deal with conflict of interest matters in respect of the Funds. IRC members receive fees and reimbursement of expenses for services provided to the Fund and other Purpose managed funds and such costs are allocated among all the Funds on a fair and reasonable basis. The fees for services rendered to the Funds are reported in the Statement of Comprehensive Income. There are no other related party transactions for the Fund.

INDEPENDENT REVIEW COMMITTEE

The Manager is required to comply with the policies and procedures presented to the IRC with respect to various potential conflicts of interest including valuation and the allocation of operating expenses and to provide periodic reports to the IRC in accordance with NI 81-107.

The members of the Independent Review Committee as at June 30, 2022 were Douglas G. Hall (Chair), Randall C. Barnes, and Jean M. Fraser.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the years ended December 31, except 2022 which is provided as at June 30:

NET ASSETS PER UNIT¹

For the periods from January 1, 2022 to June 30, 2022 and from March 23, 2021 to December 31, 2021:

ETF Units (TSX: BDOP)	2022 ^a (\$)	2021 ^b (\$)
Net asset value, beginning of period	13.35	20.00^c
Increase (decrease) from operations:		
Total revenue	0.01	0.09
Total expenses	(1.42)	(0.64)
Realized gains (losses) for the period	3.77	(4.10)
Unrealized gains (losses) for the period	(1.31)	(2.44)
Total increase (decrease) from operations²	1.05	(7.09)
Distributions:		
From investment income	(0.05)	-
Return of capital	-	(0.07)
Total dividends ³	(0.05)	(0.07)
Net asset value, end of period	14.35	13.35

Notes:

- a) Information presented is for the period January 1, 2022 to June 30, 2022.
- b) Information presented is for the period March 23, 2021 to December 31, 2021.
- c) Initial offering price.
- 1) This information is derived from the Fund's financial statements prepared in accordance with IFRS. For purposes of unitholder transactions, the Net Asset Value is calculated in accordance with the valuation rules as set out in the Fund's prospectus. The Fund's accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders.
- 2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted-average number of units outstanding over the financial period.
- 3) Dividends were paid in cash or reinvested in additional shares of the Fund.

RATIOS AND SUPPLEMENTAL DATA

ETF Units (TSX: BDOP)	2022	2021
Total net asset value (\$) (000s) ¹	1,077	1,001
Number of units outstanding (000s) ¹	75	75
Management expense ratio ²	2.04%	1.54%
Management expense ratio before waivers or absorptions ²	2.04%	1.54%
Management expense ratio before performance fees ²	2.04%	1.54%
Trading expense ratio ³	11.05%	2.15%
Portfolio turnover rate ⁴	534.57%	365.93%
Closing market price (\$)	16.00	13.45

Notes:

- 1) The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's net asset value calculated for fund pricing purposes ("NAV") and is provided as at December 31 of the year shown except 2022 which is shown as at June 30.
- 2) The management expense ratio ("MER") is calculated as the total expenses, excluding distributions, commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of the average daily NAV of the Fund. The Manager, at its sole discretion, may waive management fees or absorb expenses. Such waivers and absorptions can be terminated at any time. If the Fund invests in underlying funds managed by the Manager, the Manager does not charge management fees and administrative fees that would result in the duplication of a fee for the same services.
- 3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's daily average NAV. The trading expense ratio is calculated at the portfolio level and applies to all classes of units of the Fund.
- 4) The portfolio turnover rate is calculated at the portfolio level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short-term notes, and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. The Fund's portfolio turnover rate indicates how actively the Fund's investment sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable in the year and the greater the chance of taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and fund performance. The portfolio turnover rate is calculated at the portfolio level and applies to all classes of units of the Fund.

NET ASSETS PER UNIT¹

Class A Units	2022 ^a (\$)	2021 (\$)	2020 ^b (\$)
Net asset value, beginning of period	17.85	24.46	20.00^c
Increase (decrease) from operations:			
Total revenue	0.02	0.13	0.01
Total expenses	(1.27)	(1.10)	(0.83)
Realized gains (losses) for the period	2.90	(4.50)	-
Unrealized gains (losses) for the period	(1.13)	(3.15)	2.88
Total increase (decrease) from operations²	0.52	(8.62)	2.06
Distributions:			
From investment income	(0.05)	-	-
Return of capital	-	(0.09)	-
Total dividends ³	(0.05)	(0.09)	-
Net asset value, end of period	19.10	17.85	24.46

Notes:

- a) Information presented is for the period January 1, 2022 to June 30, 2022.
- b) Information presented is for the period October 15, 2020 to December 31, 2020.
- c) Initial offering price.
- 1) This information is derived from the Fund's financial statements prepared in accordance with IFRS. For purposes of unitholder transactions, the Net Asset Value is calculated in accordance with the valuation rules as set out in the Fund's prospectus. The Fund's accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders.
- 2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted-average number of units outstanding over the financial period.
- 3) Dividends were paid in cash or reinvested in additional shares of the Fund.

RATIOS AND SUPPLEMENTAL DATA

Class A Units ⁵	2022	2021	2020
Total net asset value (\$) (000s) ¹	2,717	3,767	3,989
Number of units outstanding (000s) ¹	142	211	163
Management expense ratio ²	3.17%	2.68%	17.18%
Management expense ratio before waivers or absorptions ²	3.17%	2.68%	17.18%
Management expense ratio before performance fees ²	3.17%	2.68%	2.99%
Trading expense ratio ³	11.05%	2.15%	2.07%
Portfolio turnover rate ⁴	534.57%	365.93%	0.62%

Notes:

- 1) The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's net asset value calculated for fund pricing purposes ("NAV") and is provided as at December 31 of the year shown except 2022 which is shown as at June 30.
- 2) The management expense ratio ("MER") is calculated as the total expenses, excluding distributions, commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of the average daily NAV of the Fund. The Manager, at its sole discretion, may waive management fees or absorb expenses. Such waivers and absorptions can be terminated at any time. If the Fund invests in underlying funds managed by the Manager, the Manager does not charge management fees and administrative fees that would result in the duplication of a fee for the same services.
- 3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's daily average NAV. The trading expense ratio is calculated at the portfolio level and applies to all classes of units of the Fund.
- 4) The portfolio turnover rate is calculated at the portfolio level based on the lesser of purchases or proceeds of sales of securities for the year, excluding cash, short-term notes, and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the year. The Fund's portfolio turnover rate indicates how actively the Fund's investment sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable in the year and the greater the chance of taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and fund performance. The portfolio turnover rate is calculated at the portfolio level and applies to all classes of units of the Fund.
- 5) The Class A units and Class F units of the Fund are not traded on a stock exchange.

NET ASSETS PER UNIT ¹

Class F Units	2022 ^a (\$)	2021 (\$)	2020 ^b (\$)
Net asset value, beginning of period	18.14	24.65	20.00^c
Increase (decrease) from operations:			
Total revenue	0.02	0.13	0.01
Total expenses	(1.16)	(0.86)	(1.00)
Realized gains (losses) for the period	2.85	(4.64)	-
Unrealized gains (losses) for the period	(1.43)	(4.10)	3.71
Total increase (decrease) from operations²	0.28	(9.47)	2.72
Distributions:			
From investment income	(0.05)	-	-
Return of capital	-	(0.09)	-
Total dividends ³	(0.05)	(0.09)	-
Net asset value, end of period	19.52	18.14	24.65

Notes:

- a) Information presented is for the period January 1, 2022 to June 30, 2022.
- b) Information presented is for the period October 15, 2020 to December 31, 2020.
- c) Initial offering price.
- 1) This information is derived from the Fund's financial statements prepared in accordance with IFRS. For purposes of unitholder transactions, the Net Asset Value is calculated in accordance with the valuation rules as set out in the Fund's prospectus. The Fund's accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders.
- 2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted-average number of units outstanding over the financial period.
- 3) Dividends were paid in cash or reinvested in additional shares of the Fund.

RATIOS AND SUPPLEMENTAL DATA

Class F Units ⁵	2022	2021	2020
Total net asset value (\$) (000s) ¹	27,311	32,303	25,135
Number of units outstanding (000s) ¹	1,399	1,781	1,020
Management expense ratio ²	2.04%	1.53%	16.09%
Management expense ratio before waivers or absorptions ²	2.04%	1.53%	16.09%
Management expense ratio before performance fees ²	2.04%	1.53%	1.90%
Trading expense ratio ³	11.05%	2.15%	2.07%
Portfolio turnover rate ⁴	534.57%	365.93%	0.62%

Notes:

- 1) The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's net asset value calculated for fund pricing purposes ("NAV") and is provided as at December 31 of the year shown except 2022 which is shown as at June 30.
- 2) The management expense ratio ("MER") is calculated as the total expenses, excluding distributions, commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of the average daily NAV of the Fund. The Manager, at its sole discretion, may waive management fees or absorb expenses. Such waivers and absorptions can be terminated at any time. If the Fund invests in underlying funds managed by the Manager, the Manager does not charge management fees and administrative fees that would result in the duplication of a fee for the same services.
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- 4) The portfolio turnover rate is calculated at the portfolio level based on the lesser of purchases or proceeds of sales of securities for the year, excluding cash, short-term notes, and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the year. The Fund's portfolio turnover rate indicates how actively the Fund's investment sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable in the year and the greater the chance of taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and fund performance. The portfolio turnover rate is calculated at the portfolio level and applies to all classes of units of the Fund.
- 5) The Class A units and Class F units of the Fund are not traded on a stock exchange.

MANAGEMENT FEES

Purpose manages and administers the business, operations and affairs of the Fund. As compensation for the services it provides the Fund will pay Purpose an annual management fee (the "Management Fees"), plus applicable HST, calculated and accrued daily and paid monthly in arrears, equal to the following percentage of the net assets of each class of units:

Annual Management Fee
(% of Net Asset Value of each unit)

Class	Management Fee
ETF Units	1.00%
Class A Units*	2.00%
Class F Units	1.00%

* Includes a service fee at an annual rate of 1.00% of the daily average Net Asset Value of the Class A Units.

The Fund may from time to time invest in other investment funds which are related funds managed by Purpose. An investment is made where it is an efficient and cost-effective way for the Fund to execute its investment strategy. The Investment may only be made on the basis that there will be no duplication of management fees.

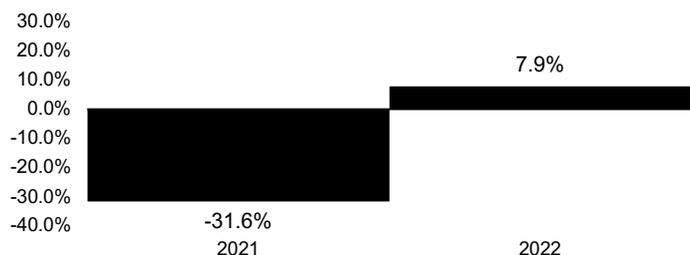
PAST PERFORMANCE

Please note that the performance information shown in this section assumes that all distributions made by the Fund, if any, in the period shown were reinvested in additional securities of the Fund. It does not take into account sales, redemptions, distributions or other optional charges, or income taxes payable by any investor, which would have reduced the returns. The performance of the Fund in the past does not necessarily indicate how it will perform in the future.

YEAR-BY-YEAR RETURNS

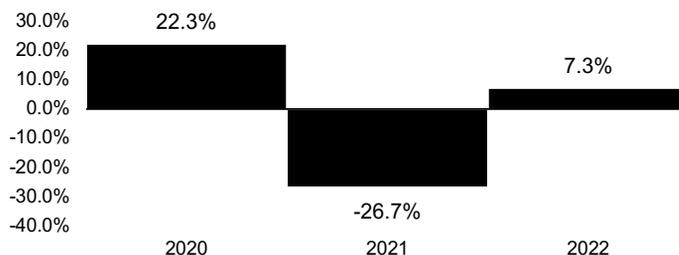
The bar charts show the performance of each class of units for the financial period in percentage terms, indicating how much an investment made on the first day of the period would have grown or decreased by the last day of the period.

ETF Units - NAV



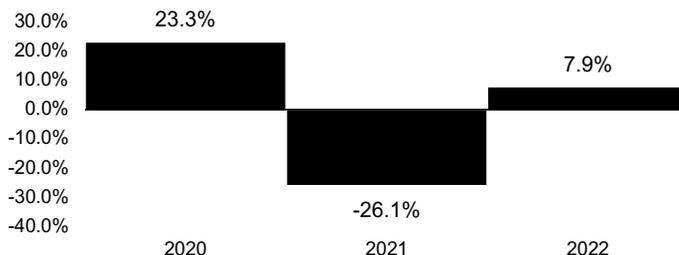
Return labelled 2022 is for the period from January 1, 2022 to June 30, 2022.
Return labelled 2021 is for the period from March 23, 2020 to December 31, 2020.

Class A Units - NAV



Return labelled 2022 is for the period from January 1, 2022 to June 30, 2022.
Return labelled 2020 is for the period from October 15, 2020 to December 31, 2020.

Class F Units - NAV



Return labelled 2022 is for the period from January 1, 2022 to June 30, 2022.
Return labelled 2020 is for the period from October 15, 2020 to December 31, 2020.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2022

SECTOR MIX

	% of Fund's Net Asset Value
Long Positions	
Information Technology	41.2
Consumer Discretionary	34.3
Communication Services	21.8
Equity Put Options	4.5
Consumer Staples	4.0
Financials	3.7
Health Care	3.5
Equity Call Options	3.4
Foreign Exchange Options	1.6
Industrials	1.5
Cash and Cash Equivalents	(18.3)
Net Other Assets	(1.3)
Total Net Asset Value	100.0

TOP 25 HOLDINGS

	% of Fund's Net Asset Value
ANGI Homeservices Inc.	7.0
Pagseguro Digital Ltd.	6.7
RealReal Inc. (The)	6.4
StoneCo Ltd.	6.0
Nextdoor Holdings Inc.	5.0
Porch Group Inc.	4.8
Honest Co. Inc. (The)	4.8
Shopify Inc., Class 'A'	4.7
Peloton Interactive Inc.	4.5
Invesco QQQ Trust, Series '1'	4.5
Cvent Holding Corp.	4.5
Snap Inc.	4.3
Johnson Service Group PLC	4.1
Oatly Group AB	4.0
Wynn Resorts Ltd.	4.0
Open Lending Corp.	3.7
F45 Training Holdings Inc.	3.7
Momentive Global Inc.	3.7
Dufry AG	3.6
23andMe Holding Co.	3.5
Wayfair Inc.	3.4
MarketWise Inc.	3.3
Riskified Ltd.	3.3
Anheuser-Busch InBev SA	3.1
Manchester United PLC	2.8

For investments in other investment funds, their prospectus and other information is available at www.sedar.com.
The investment portfolio may change due to ongoing portfolio transactions. An updated listing is available quarterly.

FUND INFORMATION

MANAGER

Purpose Investments Inc.
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CUSTODIAN

CIBC Mellon Trust Company
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Toronto, ON M5J 0B6

UNITHOLDER AND RECORDKEEPING

CIBC Mellon Global Securities Company
1 York Street, Suite 700
Toronto, ON M5J 0B6

TORONTO STOCK EXCHANGE LISTING

Ticker Symbol: BDOP

BOARD OF DIRECTORS AND INDEPENDENT REVIEW COMMITTEE OF PURPOSE INVESTMENTS INC.

DOUGLAS G. HALL

Chair of the Independent Review Committee

RANDALL C. BARNES

Member of the Independent Review Committee

JEAN M. FRASER

Member of the Independent Review Committee

OFFICERS AND DIRECTORS OF PURPOSE INVESTMENTS INC.

SOM SEIF

Chief Executive Officer, Chairman of the Board of Directors
and Director

VLADIMIR TASEVSKI

Chief Operating Officer and Director

JEFF BOUGANIM

Chief Financial Officer and Director

ALESSIA CRESCENZI

Chief Compliance Officer and Senior Legal Counsel

Front cover photo by Kalen Emsley on Unsplash.