

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, resting on her cap. She is wearing several colorful bracelets on both wrists. The kayak is on a vibrant turquoise lake. In the background, there are large, rugged mountains with patches of green forest under a blue sky with light clouds. A black paddle is visible in the water in front of the kayak, and another white paddle is visible to the left.

# **BLACK DIAMOND GLOBAL ENHANCED INCOME 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](http://www.purposeinvest.com) or SEDAR at [www.sedar.com](http://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 Global Enhanced Income Fund's (the "Fund") investment objectives are to provide unitholders with income, and the potential for long-term capital growth, by investing primarily in equity securities, derivative instruments, fixed-income and/or income-oriented securities anywhere in the world.

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

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 net asset value per unit as at:

Class	June 30, 2022 (\$)	December 31, 2021 (\$)
Class A Units	17.43	18.29
Class F Units	17.56	18.32

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

Month	Class A Units (\$)	Class F Units (\$)
January	0.0502	0.0505
February	0.0502	0.0505
March	0.0502	0.0505
April	0.0502	0.0505
May	0.0502	0.0505
June	0.0502	0.0505
Total	0.3012	0.3030

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.

There was nowhere to hide during the first half of the year. Fixed income, normally a diversifier in balanced funds, was down, and bond investors were losing money for the first time in years. To have a winning balanced portfolio over the last decade, all you needed to hold were large-cap tech stocks and long-duration government bonds. But in the first half of 2022, it was exactly what you did not want – both asset classes were among the worst performers, shown by declines in the Nasdaq 100 and TLT (US Long Bond).

The Fund was down over the reporting period, albeit only slightly. Communication services, information technology, and consumer discretionary were detracting sectors; however, much of the losses were offset by gains in the equity index, financials, and materials. By fixed income, options were positive but not enough to offset the negative contribution from equities and government bonds. Geographically, the United States was the only area with any meaningful contribution; however, said contribution was negative.

### 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 UNIT <sup>1</sup>**

Class A Units	2022 <sup>a</sup> (\$)	2021 (\$)	2020 <sup>b</sup> (\$)
<b>Net asset value, beginning of period</b>	<b>18.29</b>	<b>20.70</b>	<b>20.00<sup>c</sup></b>
<b>Increase (decrease) from operations:</b>			
Total revenue	0.06	0.12	0.04
Total expenses	(0.77)	(0.77)	(0.13)
Realized gains (losses) for the period	(5.40)	0.31	–
Unrealized gains (losses) for the period	2.61	(1.54)	0.60
Total increase (decrease) from operations <sup>2</sup>	(3.50)	(1.88)	0.51
<b>Distributions:</b>			
From investment income	(0.30)	–	–
From capital gains	–	(0.44)	(0.05)
Return of capital	–	(0.04)	–
Total distributions <sup>3</sup>	(0.30)	(0.48)	(0.05)
<b>Net asset value, end of period</b>	<b>17.43</b>	<b>18.29</b>	<b>20.70</b>

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) Distributions were paid in cash or reinvested in additional units of the Fund.

**RATIOS AND SUPPLEMENTAL DATA**

Class A Units	2022	2021	2020
Total net asset value (\$) (000s) <sup>1</sup>	899	3,160	4,495
Number of units outstanding (000s) <sup>1</sup>	52	173	217
Management expense ratio <sup>2</sup>	2.79%	2.48%	2.65%
Management expense ratio before waivers or absorptions <sup>2</sup>	2.79%	2.48%	2.65%
Trading expense ratio <sup>3</sup>	4.69%	0.44%	0.18%
Portfolio turnover rate <sup>4</sup>	364.67%	98.17%	1.95%

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.

**NET ASSETS PER UNIT <sup>1</sup>**

Class F Units	2022 <sup>a</sup> (\$)	2021 (\$)	2020 <sup>b</sup> (\$)
<b>Net asset value, beginning of period</b>	<b>18.32</b>	<b>20.75</b>	<b>20.00<sup>c</sup></b>
<b>Increase (decrease) from operations:</b>			
Total revenue	0.07	0.13	0.03
Total expenses	(0.53)	(0.35)	(0.08)
Realized gains (losses) for the period	(3.90)	0.06	(0.01)
Unrealized gains (losses) for the period	0.83	(1.91)	0.83
Total increase (decrease) from operations <sup>2</sup>	(3.53)	(2.07)	0.77
<b>Distributions:</b>			
From investment income	(0.30)	–	–
From capital gains	–	(0.65)	(0.05)
Return of capital	–	(0.06)	–
Total distributions <sup>3</sup>	(0.30)	(0.71)	(0.05)
<b>Net asset value, end of period</b>	<b>17.56</b>	<b>18.32</b>	<b>20.75</b>

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) Distributions were paid in cash or reinvested in additional units of the Fund.

**RATIOS AND SUPPLEMENTAL DATA**

Class F Units	2022	2021	2020
Total net asset value (\$) (000s) <sup>1</sup>	7,961	49,514	24,855
Number of units outstanding (000s) <sup>1</sup>	453	2,703	1,198
Management expense ratio <sup>2</sup>	1.65%	1.35%	1.56%
Management expense ratio before waivers or absorptions <sup>2</sup>	1.65%	1.35%	1.56%
Trading expense ratio <sup>3</sup>	4.69%	0.44%	0.18%
Portfolio turnover rate <sup>4</sup>	364.67%	98.17%	1.95%

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.
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**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
Class A Units*	1.95%
Class F Units	0.95%

\* 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.

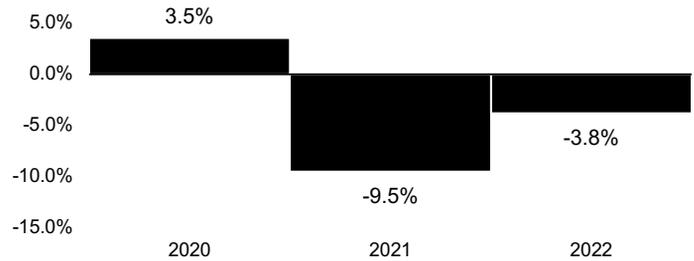
**PAST PERFORMANCE**

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**

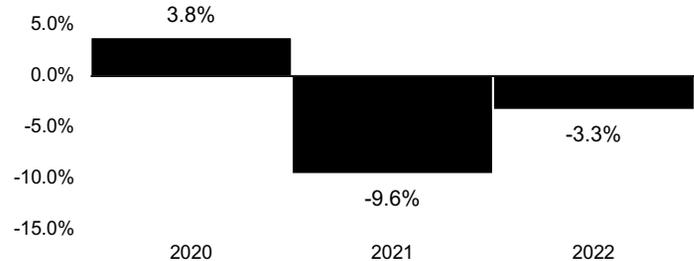
The bar charts show the performance of each class of units for the financial period in percentage terms, indicating how much an investment made on the first day of the period would have grown or decreased by the last day of the period.

**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
<b>Long Positions</b>	
Communication Services	25.4
Information Technology	22.2
Consumer Discretionary	18.8
Financials	7.7
Equity Put Options	5.3
Health Care	4.5
Consumer Staples	3.7
Industrials	2.6
Materials	1.6
Real Estate	1.1
Cash and Cash Equivalents	10.9
Net Other Assets	(3.8)
<b>Total Net Asset Value</b>	<b>100.0</b>

**TOP 25 HOLDINGS**

	% of Fund's Net Asset Value
Cash and Cash Equivalents	10.9
LVMH Moet Hennessy-Louis Vuitton SE	4.2
Alphabet Inc., Class 'A'	4.2
RealReal Inc. (The)	4.1
Meta Platforms Inc., Class 'A'	4.1
ANGI Homeservices Inc.	3.7
Roblox Corporation	3.4
Amazon.com Inc.	3.1
Shutterstock Inc.	3.0
NVIDIA Corp.	3.0
Invesco QQQ Trust, Series '1'	2.9
MercadoLibre Inc.	2.9
Wynn Resorts Ltd.	2.8
Cvent Holding Corp.	2.8
Deutsche Boerse AG	2.8
Nextdoor Holdings Inc.	2.6
Workday Inc., Class 'A'	2.6
Walt Disney Co. (The)	2.5
Illumina Inc.	2.5
Japan Exchange Group Inc.	2.5
USD Put	2.4
Shopify Inc., Class 'A'	2.3
Wix.com Ltd.	2.2
Pagseguro Digital Ltd.	2.1
Palantir Technologies Inc.	2.1

For investments in other investment funds, their prospectus and other information is available at [www.sedar.com](http://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.  
130 Adelaide Street West  
Suite 3100, P.O. Box 109  
Toronto, ON M5H 3P5

### AUDITOR

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### CUSTODIAN

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1 York Street, Suite 700  
Toronto, ON M5J 0B6

### UNITHOLDER AND RECORDKEEPING

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

## 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

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