

Independent Review Committee

2017 Annual Report to Securityholders

Redwood Asset Management Inc. (“Redwood” or the “Manager”) has appointed an independent review committee (“IRC”) for the Redwood funds listed in Schedule A at the end of this report (the “Redwood 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 September 26, 2016, the closing date of the acquisition of Redwood by Purpose Investments Inc. (“Purpose”) to December 31, 2017. Pursuant to NI 81-107, effective upon the closing of the acquisition, the members of the exiting IRC ceased to be members of the IRC and the members of the IRC listed in this report became members of the reconstituted IRC.

The IRC is responsible for providing advice, approvals and recommendations to the Manager regarding potential conflict of interest matters referred to it by the Manager, in accordance with the provisions of NI 81-107. Its responsibility is to consider whether actions proposed by the Manager that have been brought to the IRC, which may pose potential conflicts of interest, are being conducted in a manner to ensure a fair and reasonable result for a fund and its unitholders. The IRC uses its combined experience and knowledge to provide such recommendations and approvals.

Membership and Composition

The IRC consists of the three members as initially appointed by Redwood. Each member of the IRC is independent of Purpose and the Purpose Funds, within the meaning of NI 81-107.

The following is a list of the current members of the IRC as of December 31, 2017 alongside their residence, position and length of service:

Name	Residence	Position	Length of Service	Other IRCS
Douglas G. Hall	Halifax, Nova Scotia	Chairman	September 26, 2016	Purpose Investments Inc.
Randall C. Barnes	Las Vegas, Nevada	Member	September 26, 2016	Purpose Investments Inc.
Michael Hollend	Toronto, Ontario	Member	September 26, 2016	Purpose Investments Inc.

Holding of Securities

Redwood Funds

As of December 31, 2017, the percentage of securities of each class or series of the Redwood Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10 percent.

The Manager

As of December 31, 2017, the percentage of securities of each class of voting or equity securities of Purpose, the Manager of the Purpose Funds, beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was equal to 1.52 percent.

Service Providers

As of December 31, 2017, the percentage of securities of each class or series of voting or equity securities of any person or company that provides services to the Redwood Funds or Redwood beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was less than 1 percent.

Compensation and Indemnities

The aggregate compensation paid by the Redwood Funds to the IRC for the period January 1, 2017 to December 31, 2017 was \$96,930. This amount was allocated on a pro rata basis among the Redwood Funds.

No indemnities were paid to the IRC during the period covered by this report.

At least annually, the IRC reviews the compensation of the IRC members giving consideration to the following:

- The best interests of the Redwood Funds;
- The number, nature and complexity of the Redwood 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 Redwood.

Conflict of Interest Matters

During the period from January 1 2017 to December 31, 2017, the IRC was not aware of any instance in which Redwood acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation or did not otherwise meet a condition imposed by the IRC in its recommendation or approval. Redwood has an obligation to notify the IRC of any such instance.

Positive Recommendations and Standing Instructions

Redwood is required to refer to the IRC its proposed actions, and its related policies and procedures, for situations in which Redwood or a related party has or could be perceived to have an interest that may conflict with its ability to act in the best interests of the Redwood Funds. For example, Redwood may have to forgo what might otherwise be a benefit to itself or a related party, or incur a cost, in order to act in accordance with its responsibilities to the Redwood Funds.

The Manager received positive recommendations and relied on standing instructions with respect to the conflict of interest matters addressed by the following policies. In each case, the standing instructions required Purpose to comply with its related policy and procedure and to report periodically to the IRC.

1. Code of Ethics
2. Employee Conflicts of Interest
3. Fair Valuation
4. Funds Auditor
5. Inter-fund trading
6. New Products and Significant Fund Changes
7. Normal Course Issuer Bid
8. Proxy Voting
9. Personal Trading
10. Trading and NAV Errors
11. Trading Practices
12. Soft Dollar Commissions
13. Underlying Fund Investments

“Douglas Hall”

Douglas G. Hall
Chairman, Independent Review Committee

March 27, 2018

Date

Schedule A

Redwood Funds

Redwood Canadian Preferred Share Fund (formerly Redwood Floating Rate Preferred Fund)
Redwood Equity Growth Fund (formerly Redwood Equity Growth Class)
Redwood Income Growth Fund (formerly Redwood Income Growth Class)
Redwood Unconstrained Bond Class (formerly Redwood Flexible Bond Class)
Redwood Global Equity Strategy Fund (formerly Redwood Global Equity Strategy Class)
Redwood Tactical Asset Allocation Fund (formerly Connected Wealth Tactical Class)
Redwood Core Income Equity Fund (formerly Connected Wealth Core Income Class)
Marijuana Opportunities Fund (formerly, Redwood Infrastructure Income Fund)
Redwood Pension Class (formerly Redwood Energy Income Class)
Redwood Emerging Markets Dividend Fund
Redwood Unconstrained Bond Fund
Redwood Behavioural Opportunities Fund (formerly First Avenue Dividend Growers Class)
Redwood Global Total Return Bond Portfolio (formerly Redwood Global Bond Portfolio)
Redwood U.S. Preferred Share Fund
Redwood Energy Credit Fund
Redwood Growth Fund
Redwood Total Return Fund (formerly LOGiQ Total Return Fund)
Purpose Strategic Yield Fund (formerly LOGiQ Strategic Yield Fund and Redwood Strategic Yield Fund)
Purpose Multi-Asset Income Fund (formerly LOGiQ High Income Fund and Redwood High Income Fund)
Redwood Global Resource Fund (formerly LOGiQ Global Resource Fund)
UIT Energy Producers Class
UIT Alternative Health Fund (formerly UIT Global REIT Fund)
Redwood Advantage Monthly Income Fund (formerly LOGiQ Advantage VIP Income Fund)
Redwood AVIP Trust (formerly LOGiQ AVIP Trust)
Redwood Energy Income Fund (formerly LOGiQ Advantage Oil & Gas Income Fund)
Redwood Floating Rate Bond Fund (formerly Voya Diversified Floating Rate Senior Loan Fund)
Redwood Floating Rate Income Fund (formerly Voya Floating Rate Senior Loan Fund)
Redwood Global Financials Income Fund
Redwood Global Infrastructure Income Fund (formerly Macquarie Global Infrastructure Income Fund)
Redwood Low Volatility High Income Fund (formerly Low Volatility Canadian Equities Income Fund)
Redwood Monthly Income Fund (formerly LOGiQ VIP Income Fund)
Redwood O&G Trust (formerly LOGiQ O&G Trust)
Australian Banc Income Fund
Purpose MLP & Infrastructure Income Fund (formerly LOGiQ MLP and Infrastructure Income Class and Redwood MLP & Infrastructure Income Fund)
Purpose Global Resource Fund (formerly Redwood Resource Growth and Income Fund)
Redwood Balanced Income Fund (formerly LOGiQ Balanced Monthly Income Class)
Redwood Tactical Equity Fund (formerly LOGiQ Tactical Equity Class)
Redwood Money Market Fund (formerly LOGiQ Money Market Class)
Purpose Special Opportunities Fund (formerly Redwood Special Opportunities Fund)
Purpose Global Innovators Fund (formerly Redwood Global Opportunities Fund)

Redwood Global Balanced Income Fund (formerly, LOGiQ Global Balanced Income Class)

Purpose Strategic Investment Grade Bond (formerly Redwood Tactical Credit Fund)

Purpose Tactical Bond Fund (formerly Redwood Tactical Bond Fund)

Canadian Investment Grade Preferred Share Fund (P2L)

June 2021 Investment Grade Bond Pool