



Independent Review Committee

2016 Annual Report to Securityholders

On February 8, 2013, Purpose Investments Inc. (“Purpose” or the “Manager”) appointed the first members of the independent review committee (“IRC”) of the Purpose funds listed in Schedule A at the end of this report (the “Purpose 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 January 1, 2016 to December 31, 2016, the financial year end of the Purpose Funds.

Membership and Composition

The IRC consists of the three members as initially appointed by Purpose. 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, 2015 alongside their residence, position and length of service:

Name	Residence	Position	Member Since	Other IRCs
Douglas G. Hall	Halifax, Nova Scotia	Chairman	Since inception February 8, 2013	Redwood Asset Management Inc.
Randall C. Barnes	Las Vegas, Nevada	Member	Since inception February 8, 2013	Redwood Asset Management Inc.
Michael Hollend	Toronto, Ontario	Member	Since inception February 8, 2013	Redwood Asset Management Inc.

At its meeting of August 10, 2016, the IRC reappointed all members for an additional 3 year term.

Holding of Securities

Purpose Funds

As of December 31, 2016, the percentage of securities of each class or series of the Purpose 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, 2016, 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 2.0 percent.

Service Providers

As of December 31, 2016, the percentage of securities of each class or series of voting or equity securities of any person or company that provides services to the Purpose Funds or Purpose 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 Purpose Funds to the IRC for the period from January 1, 2016 to December 31, 2016 was \$167,908. This amount was allocated on a pro rata basis among the Purpose 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 Purpose Funds;
- The number, nature and complexity of the Purpose 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 Purpose.

Conflict of Interest Matters

During the period from January 1, 2016 to December 31, 2016, the IRC is not aware of any instance in which Purpose 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. Purpose has an obligation to notify the IRC of any such instance.

Approvals

The IRC approved the purchase of additional Class B common shares of Purpose by NexC Partners Corp. ("NexC") during the reporting period, in such amounts to enable NexC to maintain its 5% ownership stake in the total outstanding equity of Purpose, subject to applicable law.

Positive Recommendations and Standing Instructions

Purpose is required to refer to the IRC its proposed actions, and its related policies and procedures, for situations in which Purpose 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 Purpose Funds. For example, Purpose 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 Purpose Funds.

Purpose followed the 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 G. Hall
Chairman, Independent Review Committee

March 29, 2017
Date

Schedule A

Purpose Funds

NexC Partners Corp.

Limited Duration Investment Grade Preferred Securities Fund

Energy Credit Opportunities Income Fund

Investment Grade Managed Duration Income Fund

US Banks Income & Growth Fund

Purpose Investment Grade Focus Trust

Purpose Core Dividend Fund

Purpose Diversified Real Asset Fund

Purpose Monthly Income Fund

Purpose Tactical Hedged Equity Fund

Purpose Total Return Bond Fund

Purpose Best Ideas Fund

Purpose Duration Hedged Real Estate Fund

Purpose Enhanced US Equity Fund

Purpose International Tactical Hedged Equity Fund

Purpose Premium Money Market Fund

Purpose In-Kind Exchange Fund

Purpose Multi-Strategy Market Neutral Fund

Purpose US Dividend Fund

Purpose International Dividend Fund

Purpose Tactical Investment Grade Bond Fund

Purpose High Interest Savings ETF

Purpose U.S Cash ETF

Purpose Conservative Income Fund

Purpose Canadian Financial Income Fund

Purpose Premium Yield Fund

Silver Bullion Trust