PURPOSE PREMIUM YIELD FUND
HOW IT WORKS

PURPOSE INVESTMENTS

THE IDEA:

Diversify risk and generate income through a dynamic option-writing strategy.

ETF CLASS	**PYF:TSX**	CLASS F	**PFC2301**	CLASS A	**PFC2300**
MGMT FEE	0.60%	MGMT FEE	0.60%	MGMT FEE	1.60%

THE ROLE OF OPTIONS IN YOUR PORTFOLIO

Options are a type of insurance policy that can either reduce your exposure to negative outcomes or increase your exposure to positive ones. The benefit of options is in the name itself — they give you the choice to participate in market moves once they have already happened.

As with the types of insurance you may be more familiar with, options are often used as risk-management tools. They are purchased to protect against certain outcomes before they occur, the same way auto insurance protects against costly property damage in the case of an accident. If the unwanted outcome doesn't materialize, you've paid a premium but gained peace of mind. If it does come to pass, you can exercise the option and limit your financial exposure.

As with any type of insurance, investors must pay for this 'optionality' at prices that are set in a market based on perceived risk. It can be beneficial to be both a buyer or a seller of options, depending on your investment objective.

USING OPTIONS WITH PURPOSE

Purpose Premium Yield Fund (PYF) uses a specific type of strategy called cash-covered put writing. The Fund works like an insurance company that earns a premium by selling puts on stocks we love. Because the market tends to overpay for the right to limit exposure to a share price's decline, we take the other side of the trade and collect this premium while actively risk managing against less-likely downside scenarios. In this way, PYF collects and distributes an attractive income stream that is unrelated to typical sources of portfolio yield, helping to diversify your portfolio and lower overall risk.