PURPOSE ETHER STAKING CORP. ETF

Preliminary Simplified Prospectus

ETF shares

Series I shares

May 17, 2024

Purpose Ether Staking Corp. ETF (the "Fund") will invest all or substantially all of its assets in long-term holdings of Ether and seeks to provide shareholders with the opportunity for long-term capital appreciation. Given the speculative nature of Ether and the volatility of the Ether markets, there is considerable risk that the Fund will not be able to meet its investment objectives. An investment in the Fund is not intended as a complete investment program and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. An investment in the Fund is considered high risk.

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INTRODUCTION

In this document, "we", "us" and "our" refer to Purpose Investments Inc. ("**Purpose**"). We refer to Purpose Ether Staking Corp. ETF as the "Fund".

The Fund is a mutual fund corporation established under the laws of the Province of Ontario. The authorized capital of the Fund includes one series of mutual fund shares; one series of exchange-traded shares; and 100 voting shares. An unlimited number of mutual fund shares and ETF Shares are authorized for issuance by the Fund.

The Fund is an alternative mutual fund within the meaning of National Instrument 81-102 – *Investment Funds* ("**NI 81-102**"). The Fund has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the Fund's investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Also, market conditions may make it difficult or impossible for the Fund to liquidate a position.

Purpose is the manager and portfolio manager of the Fund and is responsible for the administration of the Fund. The term "manager" means Purpose Investments Inc. with respect to the Fund. See "Responsibility for mutual fund administration" on page ●.

The Fund is subject to certain conflicts of interest. The Fund will be subject to the charges payable by it as described in this simplified prospectus that must be offset by revenues and trading gains before an investor is entitled to a return on his or her investment. It may be necessary for the Fund to make substantial trading profits to avoid depletion or exhaustion of their assets before an investor is entitled to a return on his or her investment.

Participation in transactions in commodity futures contracts involves the execution and clearing of trades on or subject to the rules of a foreign market. None of the Canadian securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing transactions, or has the power to compel enforcement of the rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, funds that trade commodity futures contracts may not be afforded certain of the protective measures provided by Canadian legislation and the rules of Canadian exchanges. In particular, funds received from customers for transactions may not be provided the same protection as funds received in respect of transactions on Canadian exchanges.

The shares of the Fund may only be purchased by investors through registered brokers and dealers registered to sell securities of mutual funds which are subject to National Instrument 81-104 – *Alternative Mutual Funds* in accordance with the requirements of Part 4 of that Instrument.

This simplified prospectus contains selected important information about the Fund listed on the front cover to help you make an informed investment decision and to help you understand your rights as an investor.

This simplified prospectus is divided into two parts. The first part, from pages ● to ● of this simplified prospectus explains general information about the Fund as well as general information regarding mutual funds and their risks. The second part, from pages ● to ● contains specific information about the Fund in this simplified prospectus.

You will find more information about the Fund in the following documents:

(a) the Fund's most recently filed fund facts;

(b) the Fund's most recently filed annual financial statements;

(c) any interim financial statements filed after those annual financial statements;

(d) the Fund's most recently filed annual management report of fund performance;

(e) any interim management report of fund performance filed after that annual management report of fund performance; and

(f) the Fund's most recently filed ETF Facts.

These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this simplified prospectus just as if they were printed as part of this simplified prospectus. You can get a copy of these documents, at your request, and at no cost, by calling us toll-free at 1-877-789-1517, by emailing us at info@purposeinvest.com or by contacting your dealer.

You can also get copies of this simplified prospectus, the fund facts, the ETF Facts, the management reports of fund performance and the financial statements from Purpose's website at www.purposeinvest.com.

These documents and other information about the Fund are also available at www.sedarplus.com.

GLOSSARY

In this simplified prospectus:

"**adjusted cost base**" means, in general terms, the total price you paid for all the shares of a series of the Fund in your account, including reinvested distributions. The adjusted cost base per share of a series is the weighted average price paid per share of that series.

"**AML Regulation**" means statutes, regulations and other laws enacted by the government of the applicable jurisdiction aimed at the prevention and detection of money laundering and terrorist financing activities.

"**bond**" means a long-term debt security issued or guaranteed by a government or business entity wherein the issuer promises to pay the holder a specified amount of interest and return the principal amount when the bond matures. Bonds can be transferred from one owner to another.

"**business day**" means any day on which Cboe Canada or such other designated exchange on which the ETF Shares of the Fund may be listed from time to time is open for trading.

"**Canadian Dealer CTPs**" has the meaning attributed thereto under "What are the specific risks of investing in a mutual fund? – Changes in legislation".

"**Canadian securities legislation**" means the applicable securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities.

"**Cboe Canada**" means Cboe Canada Inc.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CDS Participant**" means a participant in CDS that holds ETF Shares, of the Fund on behalf of beneficial owners of ETF Shares.

"**CSA**" has the meaning attributed thereto under "What are the specific risks of investing in a mutual fund? – Changes in legislation".

"**Custodian**" means Cidel Trust Company.

"**Cyber Security Incidents**" has the meaning attributed thereto under "What are the specific risks of investing in a mutual fund? – cyber security risk".

"**dealer**" means a registered dealer (that may or may not be a designated broker), that has entered into a dealer agreement with the manager, pursuant to which the dealer may subscribe for ETF Shares of the Fund.

"**dealer agreement**" means an agreement between the manager, on behalf of the Fund, and a dealer, as amended from time to time.

"**debt securities**" means obligations to repay borrowed money within a certain time, with or without interest (for example bonds, debentures, commercial paper, asset-backed commercial paper, notes and treasury bills (*T-bills*)).

"**derivatives**" means a financial instrument that "derives" its value from the performance of an underlying asset, index or other investment.

“**designated broker**” means a registered dealer that has entered into a designated broker agreement with the manager, on behalf of the Fund pursuant to which the designated broker agrees to perform certain duties in relation to the ETF Shares, of the Fund.

“**designated broker agreement**” means an agreement between the manager, on behalf of the Fund, and a designated broker, as amended from time to time.

“**DPSP**” means a deferred profit sharing plan as defined in the Tax Act.

“**ETF**” means an exchange-traded fund.

“**ETF Share**” means a CAD dollar denominated ETF non-currency hedged share of the Fund.

“**Ether**” means digital currency ether (the native unit of account) within the Ethereum Network.

“**Ethereum Foundation**” means the non-profit organization dedicated to supporting Ethereum and related technologies.

“**Ethereum Network**” means the online, end-user-to-end-user computer network hosting a public transaction ledger, known as the blockchain, and the source algorithmic protocols governing such network.

“**Ether Source**” has the meaning attributed thereto under “Responsibility for mutual fund administration – Purchasing Ether for the Fund’s Portfolio”.

“**equity**” means, in relation to buying shares of a corporation, the purchase of “equity,” or ownership rights, in such corporation. Shares of a corporation are often referred to as “equities”.

“**Exchange**” means Cboe Canada.

“**FATF**” means the Financial Action Task Force.

“**FHSA**” means first home savings account as defined in the Tax Act.

“**forward contract**” or “**forward agreement**” means a commitment made to buy or sell a currency, commodity or security on a specific day in the future at a specified price. The terms of the contract are agreed upon when the commitment is made. Forward contracts and forward agreements are traded through an over-the-counter telephone or computer network.

“**futures contract**” means standardized contracts entered into on domestic or foreign exchanges that call for the future delivery of specified quantities of various assets such as stocks, bonds, agricultural commodities, industrial commodities, currencies, financial instruments, energy products or metals at a specified time and place. The terms and conditions of a futures contract with respect to a particular commodity are standardized and as such are not subject to negotiation between the buyer and the seller of the contract. Contractual obligations under the contract may be satisfied either by taking (in the case of the buyer) or making (in the case of the seller), physical delivery of an approved grade of commodity or by making an offsetting sale (in the case of the buyer) or purchase (in the case of the seller) of an equivalent but opposite futures contract on the same exchange prior to the designated date of delivery. The difference between the price at which the futures contract is sold or purchased and the price paid for brokerage commissions constitutes the profit or loss to the trader.

“**hedge**” or “**hedging**” means a strategy used to offset or reduce the risk associated with an investment or a group of investments.

"**HSMs**" has the meaning attributed thereto under "Responsibility for mutual fund administration – Sub-Custodians".

"**IRC**" has the meaning attributed thereto under "Responsibility for mutual fund administration – Independent review committee and fund governance".

"**leverage**" means using borrowed funds to help pay for an investment. Leveraging magnifies the amount you make or lose, because the gain or loss is measured against the portion of the investment you have not borrowed, not against the total investment.

"**liquidity**" means a liquid investment that can be bought and sold on a public market. Liquidity also refers to how easy it is to convert an investment to cash at a reasonable price.

"**Mainnet**" has the meaning attributed thereto under "Risks associated with investing in the Fund – Short history risk for proof-of-stake blockchain networks".

"**manager**" means Purpose Investments Inc.

"**management expense ratio**" means the total fees and expenses the Fund paid during a year divided by its average assets for that year.

"**management fee rebate**" means an amount equal to the difference between the management fee otherwise chargeable and a reduced fee determined by the manager, from time to time payable to certain shareholders of the Fund who have signed an agreement with the manager. Management fee rebates are reinvested in shares, unless otherwise requested.

"**Merge**" has the meaning attributed thereto under "Risks associated with investing in the Fund – Short history risk for proof-of-stake blockchain networks".

"**MiCA**" has the meaning attributed thereto under "What are the specific risks of investing in a mutual fund? – Regulation of blockchain and digital assets".

"**mutual fund shares**" means the Series I Shares of the Fund.

"**NAV of the series**" and "**NAV per share**" means, in relation to the Fund, the net asset value of the Fund attributable to the series of shares and the net asset value per share of that series, calculated by the valuation agent.

"**NI 81-102**" means National Instrument 81-102 – *Investment Funds*.

"**NI 81-107**" means National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

"**note**" means a debt security committing the issuer to pay a specific sum of money, either on demand or on a fixed date in the future, with or without interest.

"**option**" means the owner's right, but not its obligation, to buy or sell a security within a certain time period, at a specified price. A call option is the right to buy; a put option is the right to sell. The buyer of the option pays the seller a premium. Options can be traded on an exchange or over-the-counter.

"**over-the-counter trading (*OTC*)**" means trading in stocks or options through a computer or telephone network rather than through a public stock exchange.

“**plan agent**” means TSX Trust Company, plan agent for the dividend reinvestment plan.

“**prescribed number of ETF Shares**” means the number of ETF Shares of the Fund determined by Purpose from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

“**RDSP**” means a registered disability savings plan as defined in the Tax Act.

“**Registered Plans**” means, collectively, an RRSP, RESP, RRIF, RDSP, DPSP, TFSA and a FHSA.

“**RESP**” means a registered education savings plan as defined in the Tax Act.

“**return of capital**” means the return of capital which occurs when a fund pays an amount to the shareholders that is part of the capital of the fund rather than being a dividend or distribution paid out of amounts earned by the fund. This enables a fund to pay a set amount of distributions each year that may consist of, in part, dividends, and, in part, a return of share capital. The main benefit of return of capital distributions is that they are not immediately taxable when received. This makes it different from other types of distributions such as dividends.

“**RRIF**” means a registered retirement income fund as defined in the Tax Act.

“**RRSP**” means a registered retirement savings plan as defined in the Tax Act.

“**SEC**” has the meaning attributed thereto under “What are the specific risks of investing in a mutual fund? – Regulation of blockchain and digital assets”.

“**securities**” means investments or financial instruments such as shares, debt securities, units of an underlying fund and derivatives.

“**Series I Shares**” means CAD dollar denominated Series I non-currency hedged mutual fund shares of the Fund.

“**share**” means an ETF Share or mutual fund share of the Fund, as applicable.

“**shareholder**” means a holder of a share.

“**SIFT Rules**” has the meaning attributed thereto under “What are the specific risks of investing in a mutual fund? – Tax risk”.

“**Staking Activities**” means the staking of Ether held in the Fund’s portfolio at the discretion of the manager.

“**Staking Service Fee**” has the meaning attributed thereto under “Fees and Expenses – Fees and expenses payable by the Fund”.

“**Sub-Custodians**” means (i) Gemini Trust Company, LLC (“**Gemini**” or the “**Gemini Sub-Custodian**”); and (ii) Coinbase Custody Trust Company, LLC (“**Coinbase Custody**”) and Coinbase, Inc. (“**Coinbase**” and together with Coinbase Custody, the “**Coinbase Entities**” or the “**Coinbase Sub-Custodian**”).

“**Tax Act**” means the *Income Tax Act* (Canada).

“**TFSA**” means a tax-free savings account as defined in the Tax Act.

"**trading day**" means a day on which: (i) a regular session of the Exchange (or such other designated exchange on which the ETF Shares of the Fund may be listed from time to time) is held; (ii) the primary market or exchange for the majority of the securities held by the Fund is open for trading; and (iii) if applicable, the index provider calculates and publishes data relating to the index.

"**treasury bills (*T-bills*)**" means short-term debt securities issued or guaranteed by federal, provincial or other governments. T-bills are issued at a discount and do not pay any interest. The return on a T-bill is the difference between the price you pay and its "face" or par value.

"**unbonding**" refers to the action of communicating with the Ethereum Network to unlock the Ether staked by the Fund and has the meaning attributed thereto under "Risks associated with investing in the Fund – The staking activities: staking timeline and unbonding periods".

"**U.S.**" means the United States of America.

"**valuation agent**" means the company appointed from time to time by the manager to calculate the NAV and NAV per share, initially, CIBC Mellon Global Securities Services Company.

"**valuation date**" means each trading day and any other day designated by the manager on which the NAV of the series of shares, of the Fund and the NAV per share of the series, will be calculated.

"**valuation time**" means 4:00 p.m. (Toronto time) or such other time as the manager may deem appropriate on each valuation date.

RESPONSIBILITY FOR MUTUAL FUND ADMINISTRATION

Manager and Trustee

Purpose Investments Inc.

Purpose Investments Inc., a corporation amalgamated under the laws of the Province of Ontario on March 31, 2018, is the manager of the Fund and is a wholly owned subsidiary of Purpose Unlimited Inc. The address, phone number, email address and website of Purpose is 130 Adelaide Street West, Suite 3100, P.O. Box 109, Toronto, Ontario M5H 3P5, 1-877-789-1517, info@purposeinvest.com and www.purposeinvest.com. The manager manages the Fund pursuant to the terms of a management agreement between the Fund and Purpose (the "**Management Agreement**").

Management Agreement

In accordance with the Management Agreement, as manager of the Fund, the manager:

(a) manages the overall activities and operations of the Fund;

(b) provides or arranges for investment management and administrative services required by the Fund including, but not limited to, all investment services and all services related to issuing, distributing and redeeming shares of the Fund; and

(c) provides all necessary information to shareholders of the Fund.

The Management Agreement will continue indefinitely until the redemption of all the ETF Shares and mutual fund shares unless otherwise terminated in accordance with its terms. However, the manager may resign as manager of the Fund upon 120 days' notice to the Fund. The Fund may terminate the Management Agreement at any time if Purpose is in material default of its obligations under the Management Agreement, ceases to be registered under securities laws in the categories required to perform its duties, becomes bankrupt or insolvent or makes a general assignment for the benefit of its creditors, or is finally determined by a court of competent jurisdiction to have acted with wilful misconduct, bad faith, negligence, reckless disregard of the manager's duties or persistent failure to meet the standard of care in the performance of its obligations under the Management Agreement.

Directors and executive officers of Purpose Investments Inc.

The directors and executive officers of the manager, their municipality of residence and positions with Purpose are as follows:

Name and Municipality of Residence	**Office or Position with the manager**
SOM SEIF Toronto, Ontario	Chief Executive Officer, Chairman, Ultimate Designated Person and Director
TYLER MEYRICK Toronto, Ontario	Chief Financial Officer and Director
VLADIMIR TASEVSKI Toronto, Ontario	Interim Chief Compliance Officer, Chief Operating Officer, and Head of Asset Management, Institutions and Investors and Director

Directors and executive officers of the Fund

The board of directors of the Fund is responsible for supervising the overall business and affairs of the fund that comprises the Fund.

The board of directors of the Fund consists of a minimum of 3 and a maximum of 10 directors. The board of directors of the Fund is currently composed of 4 directors, 3 of whom are unrelated directors within the meaning of the rules of the Exchange and "independent" within the meaning of applicable securities legislation. Directors are appointed to serve on the board of directors of the Fund until such time as they retire or are removed and successors are appointed. The name, municipality of residence, position and office held with the Fund of each of the directors and executive officers of the Fund are as follows:

Name and Municipality of Residence	**Office or Position with Purpose Ether Staking Corp. ETF**
SOM SEIF Toronto, Ontario	President, Chief Executive Officer, Chairman of the Board of Directors and Director
TYLER MEYRICK Toronto, Ontario	Chief Financial Officer
VLADIMIR TASEVSKI Toronto, Ontario	Head of Asset Management, Institutions and Investors
●	Director
●	Director
●	Director

The Fund will appoint three independent members to its board prior to filing the final simplified prospectus. The non-independent members of the board of directors of the Fund are not currently remunerated for their services as members of the board of directors. The Fund reimburses all members of the board of directors for out-of-pocket expenses for attending meetings of the board of directors and committees of the board of directors.

Custodians

Cidel Trust Company acts as the custodian of the assets of the Fund pursuant to a custodial services agreement (the "**Cidel Custodian Agreement**") between Purpose on behalf of the Fund and Cidel Trust Company dated ●, 2024. The address of the custodian is 60 Bloor Street West, Toronto, Ontario, M4W 3B8. Purpose on behalf of the Fund or Cidel Trust Company may terminate the custodian agreement upon at least 90 days' written notice or immediately in the event of a bankruptcy event in respect of a party that is not cured within 30 days. Purpose on behalf of the Fund may terminate the Cidel Custodian Agreement immediately if the custodian ceases to be qualified to act as a custodian of the Fund under applicable law. The custodian is entitled to receive fees from Purpose and to be reimbursed for all expenses and liabilities that are properly incurred by the custodian in connection with the activities of the Fund. Both Gemini and Coinbase will hold Ether on behalf of the Fund as Sub-Custodians.

Sub-Custodians

Gemini Trust Company, LLC

Gemini Trust Company, LLC ("**Gemini**") acts as a sub-custodian of the Fund in respect of the Fund's holdings of Ether pursuant to a sub-custodian agreement between the Custodian, the manager on behalf of the Fund and Gemini dated ●, 2024 (the "**Gemini Sub-Custodian Agreement**").

Gemini is a trust company licensed and regulated by the New York State Department of Financial Services and is qualified to act as a sub-custodian of the Fund for assets held outside of Canada in accordance with NI 81-102. Gemini operates in 49 U.S. States, Canada and certain other international jurisdictions.

As a fiduciary under Section 100 of the New York Banking Law, Gemini is held to specific capital reserve requirements and banking compliance standards. Gemini is also subject to the laws, regulations and rules of applicable governmental or regulatory authorities, including: money service business regulations under the Financial Crimes Enforcement Network ("**FinCEN**"); U.S. state money transmission laws; laws, regulations, and rules of relevant tax authorities; applicable regulations and guidance set forth by FinCEN; the Bank Secrecy Act of 1970; the USA PATRIOT Act of 2001; AML Regulations as mandated by U.S. federal law and any other rules and regulations regarding anti-money laundering/counter-terrorist financing; issuances from the Office of Foreign Assets Control; the New York Banking Law; regulations promulgated by the New York State Department of Financial Services from time to time; the National Futures Association; the Financial Industry Regulatory Authority; and the Commodity Exchange Act.

Gemini will use segregated cold storage ether addresses for the Fund, which are separate from the ether addresses that Gemini uses for its other customers and which are directly verifiable via the Ethereum blockchain. Gemini will at all times record and identify in its books and records that such Ethers constitute the property of the Fund. Gemini will not loan, hypothecate, pledge or otherwise encumber the Fund's Ether, without the Fund's instruction. Gemini, in carrying out its duties concerning the safekeeping of, and dealing with, the Fund's Ether, is required to take reasonable care and use commercially reasonable efforts in executing its responsibilities under the applicable Gemini Sub-Custodian Agreement, and has agreed to adhere to the standard of care required by law, including NI 81-102.

Ether Storage, Security Policies and Practices

Ether private keys are stored in two different forms: "hot wallet" storage, whereby the private keys are connected to the internet, and "cold" storage, where digital currency private keys are stored completely offline. The Fund's Ether will be stored by Gemini offline in cold storage. While under the sub-custodianship of Gemini, the Fund's Ether will only enter "hot" storage in the case of deposits and redemptions, meaning that the Fund's Ether will only be in "hot" storage for a temporary period.

Gemini has adopted the following security policies and practices with respect to digital assets held in cold storage: HSMs are used to generate, store and manage cold storage private keys; multi-signature technology is used to provide both security against attacks and tolerance for losing access to a key or facility, eliminating single points of failure; all HSMs are stored offline in air-gapped environments within a diverse network of guarded, monitored and access-controlled facilities that are geographically distributed; multiple levels of physical security and monitoring controls are implemented to safeguard HSMs within storage facilities; and all fund transfers require the coordinated actions of multiple employees.

Gemini has adopted the following security policies and practices with respect to digital assets held in its hot wallet: HSMs are used to store and manage hot wallet private keys; operational redundancy is achieved through geographic disbursement of failover storage facilities and hardware, thus protecting against service disruptions and single points of failure; all hot wallet HSMs are stored within secured facilities that are access-controlled, guarded, and monitored; tiered access-controls are applied to Gemini's production environment to restrict access to employees based on role, following the principle of least-privilege; administrative access to its production environment requires multi-factor authentication; and Gemini offers additional account level protections such as crypto address whitelisting, which allows customers to restrict withdrawals to addresses only included in the customer's whitelist.

Gemini BSA/AML Program

Gemini has adopted the Gemini BSA/AML Program for its digital asset trading platform and custody service in an effort to maintain the highest possible compliance with applicable laws and regulations relating to anti-money laundering in the U.S. and other countries where it conducts business. This program includes robust internal policies, procedures and controls that combat any attempted use of Gemini for illegal or illicit purposes, including a customer identification program, annual training of all employees and officers in AML Regulation, filing of Suspicious Activity Reports and Currency Transaction Reports with the U.S. Financial Crimes Enforcement Network and annual internal and independent audits of the Gemini BSA/AML Program.

Website Security

Gemini has implemented certain security policies and practices to enhance security on its website, including through the use of two-factor authentication for certain user actions, such as withdrawals; a requirement for strong passwords from its users, which are cryptographically hashed using modern standards; encryption of sensitive user information, both in transit and at rest; the application of rate-limiting procedures to certain account operations such as login attempts to thwart brute force attacks; the transmission of website data over encrypted transport layer security connections; the leveraging of content- security policy and HTTP strict transport security features in modern browsers; partnerships with enterprise vendors to mitigate potential distributed denial-of-service attacks; and the use of separate access controls on internal-only sections of Gemini's website.

Internal Control

In addition to the security policies and procedures discussed above, Gemini has also instituted the following internal controls: multiple signatories are required to transfer funds out of cold storage; the Gemini's Chief Executive Officer and President are unable to individually or jointly transfer funds out of cold storage; all private keys are stored offsite in secure facilities; all employees undergo criminal and credit background checks, and are subject to ongoing background checks throughout their employment; and all remote-access by employees uses public-key authentication (e.g. no passwords, one-time passwords or other phishable credentials are used).

Insurance

Gemini, as a sub-custodian of the Fund's Ether, is responsible for securing the Fund's Ether.

Gemini currently maintains $200 million in specie coverage for digital assets held in its cold storage system. The amounts and continuing availability of this coverage are subject to change at Gemini's sole discretion.

Gemini also maintains separate commercial crime insurance coverage for digital assets custodied in its "hot wallet". To date, Gemini has never experienced a loss due to unauthorized access from its hot wallet or the cold storage vaults.

Coinbase Entities

Coinbase Custody Trust Company, LLC ("**Coinbase Custody**") and Coinbase, Inc. ("**Coinbase**" and together with Coinbase Custody, the "**Coinbase Entities**" and each, a "**Coinbase Entity**") act as a sub-custodian of the Fund pursuant to a sub-custodian agreement between the Custodian, the manager on behalf of the Fund and the Coinbase Entities dated ●, 2024 (the "**Coinbase Sub-Custodian Agreement**" and together with the Gemini Sub-Custodian Agreement, the "**Sub-Custodian Agreements**" and each, a "**Sub-Custodian Agreement**").

Coinbase Custody is duly organized and existing under the laws of New York and is a New York State-chartered limited purpose trust company that is authorized under Article III § 96 of the New York Banking Law to provide custodial services with respect to digital assets. Coinbase is duly organized and existing under the laws of the State of Delaware.

Each of the Coinbase Entities is qualified to act as a sub-custodian of the Fund for assets held outside of Canada in accordance with NI 81-102. Coinbase Custody operates in the U.S., Canada and certain other international jurisdictions.

As a fiduciary under Section 100 of the New York Banking Law, Coinbase Custody is held to specific capital reserve requirements and banking compliance standards and is also subject to the laws, regulations and rules of applicable governmental or regulatory authorities, including: money service business regulations under FinCEN; U.S. state money transmission laws; laws, regulations, and rules of relevant tax authorities; applicable regulations and guidance set forth by FinCEN; the Bank Secrecy Act of 1970; the USA PATRIOT Act of 2001; AML Regulations as mandated by U.S. federal law and any other rules and regulations regarding anti-money laundering/counter-terrorist financing; issuances from the Office of Foreign Assets Control; the New York Banking Law; and regulations promulgated by the New York State Department of Financial Services from time to time.

The Coinbase Entities use segregated cold storage ether addresses for the Fund, respectively, which are separate from the Ether addresses that the Coinbase Entities use for their other customers and which are directly verifiable via the Ether blockchain. Each Coinbase Entity will at all times record and identify in its books and records that such ether are not its property but rather customer property. Neither Coinbase Entity will loan, hypothecate, pledge or otherwise encumber the bitcoin or ether without the Fund's instruction. In carrying out its duties concerning the safekeeping of, and dealing with, the ether, each Coinbase Entity is required to exercise (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; or (b) at least the same degree of care as they exercise with respect to their own property of a similar kind, if this is a higher degree of care than the degree of care referred to in (a).

Ether Storage, Security Policies and Practices

Ether private keys are stored in two different forms: "hot wallet" storage, whereby the private keys are online and stored within a high security environment, and "cold" storage, where digital currency private keys are stored offline. The Ether that the Coinbase Entities hold for the Fund are stored offline in cold storage. When under the purview of the Coinbase Entities, Ether will only enter "hot" storage in the case of deposits and redemptions, meaning that the Ether will only be in "hot" storage for a temporary period and only when appropriate consensus requirements are met by Purpose to initiate such a transaction.

Each of the Coinbase Entities has adopted the following security policies and practices with respect to digital assets held in cold storage: keys are generated offline and split into redundant shards. The decryption keys for these shards are stored on secure physical HSMs. The final shards are stored and managed in geo-redundant, physical secure storage lockers within such Coinbase Entity's secure facilities. Shamir Secret Sharing is used to provide both security against attacks and tolerance for losing access to a key, eliminating single points of failure; all final key shards are stored offline within a diverse network of guarded, monitored and access-controlled facilities that are geographically distributed; multiple levels of physical security and monitoring controls are implemented to safeguard the private keys within storage facilities; and all fund transfers require the coordinated actions of multiple segregated groups of employees.

Each of the Coinbase Entities has adopted the following security policies and practices with respect to digital assets held in its hot wallet: hot wallet private keys are managed online within high security environments; the high security environments can only be accessed via limited programmatic access from pre-defined environments; all human access to the environment is exceptional and requires going through additional authentication mechanisms; private keys are stored in an encrypted, non-exportable format in dedicated resources. Operational redundancy is achieved through services being run in a redundant, high availability mode across geographically redundant facilities, accompanied by regular system backups, thus protecting against service disruptions and single points of failure.

Anti-Money Laundering Policies

Each of the Coinbase Entities has adopted anti-money laundering and sanctions policies for its digital asset exchange and custody service in an effort to maintain a risk-based program for compliance with applicable laws and regulations relating to anti-money laundering in the United States and other countries where it conducts business. This program includes robust internal policies, procedures and controls that combat the attempted use of the Coinbase Entities for illegal or illicit purposes, including a customer identification program, annual training of all employees and officers in anti-money laundering obligations and requirements, filing of Suspicious Activity Reports with the U.S. Financial Crimes Enforcement Network and annual independent audits of the Coinbase Entities' anti-money laundering program.

Website Security

Each of the Coinbase Entities has implemented certain security policies and practices to enhance security on its website, including through the use of two-factor authentication to the platform as well as for meeting consensus requirements on the platform for certain action such as withdrawals; a requirement for strong passwords from its users, which are cryptographically hashed using modern standards; encryption of sensitive user information, both in transit and at rest; the application of rate-limiting procedures to certain account operations such as login attempts to thwart brute force attacks; the transmission of website data over encrypted transport layer security connections; the leveraging of content-security policy and HTTP strict transport security features in modern browsers; partnerships with enterprise vendors to mitigate potential distributed denial-of-service attacks; and the use of separate access controls on internal-only sections of the Coinbase Entity's website.

Internal Controls

In addition to the security policies and procedures discussed above, each of the Coinbase Entities has also instituted the following internal controls: multiple geographically distributed Coinbase operators with distinct roles are required to bring a cold storage wallet online to transfer funds out of cold storage; each Coinbase Entity's Chief Executive Officer and President are unable to individually or jointly transfer funds out of cold storage; all cold storage private keys are stored offline in secure facilities; offers additional optional account level protections such as crypto address allowlisting, which allows customers to restrict withdrawals to addresses only included in the customer's allowlist; all employees undergo background checks, and certain employees with privileged access undergo enhanced background checks; and all remote-access by employees requires multi-factor authentication.

Insurance

As sub-custodian, each of the Coinbase Entities will be responsible for safekeeping the ether deposited by the Fund, respectively. Coinbase Global, Inc., the parent company of the Coinbase Entities, maintains commercial crime insurance coverage that is available to cover losses of customer digital assets custodied in both hot and cold storage. To date, neither Coinbase Entity has experienced a loss due to unauthorized access from its hot wallet or the cold storage vaults where ether are custodied.

Staking

The Fund intends to establish a program to stake a portion of the Fund's Ether through one or more staking service providers. The staking service providers will provide hardware, software and services necessary to enable the Fund to establish validator nodes and stake the Fund's Ether on the Ethereum Network. As a result of any staking activity in which the Fund may engage, the Fund expects to receive staking rewards of Ether. The staking service provider exercises no discretion as to the amount of the Fund's Ether to be staked or timing of the Staking Activities (other than as is incidental in establishing or deactivating validator nodes). The Sub-Custodians will maintain exclusive possession and control of the private keys associated with any staked Ether at all times. Purpose Unlimited Inc., which is the parent company of the manager, may provide staking services to the Fund through its proprietary staking software. The manager will not use Purpose Unlimited Inc. as a staking service provider if the net staking yield earned by the Fund would be lower than what could be earned if an acceptable third-party staking service provider was used instead.

Auditor

The auditor of the Fund is Ernst & Young LLP of Toronto, Ontario.

Registrar

Mutual fund shares

CIBC Mellon Global Securities Services Company, at its principal offices in Toronto, is the registrar and transfer agent for the mutual fund shares of the Fund. The register and transfer ledger of the Fund is kept in Toronto.

ETF Shares

TSX Trust Company, at its principal offices in Toronto, is the registrar and transfer agent and plan agent for the ETF Shares of the Fund. The register and transfer ledger of the Fund is kept in Toronto.

Independent review committee and fund governance

The manager has appointed an independent review committee (the "**IRC**") for the Fund pursuant to NI 81-107. The IRC currently consists of three members, each of whom is an independent director of the Fund and the manager.

The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the manager and to give an approval or a recommendation, depending on the nature of the conflict of interest matter. At all times, the members of the IRC are required to act honestly and in good faith in the best interests of the Fund and, in connection therewith, will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

As required by NI 81-107, Purpose has established written policies and procedures for dealing with each conflict of interest matter. At least annually, the IRC will review and assess the adequacy and effectiveness of Purpose's written policies and procedures relating to conflict of interest matters and will conduct a self-assessment of the IRC's independence, compensation and effectiveness.

Purpose will maintain records of all matters and/or activities subject to the review of the IRC, including a copy of Purpose's written policies and procedures dealing with conflict of interest matters, minutes of IRC meetings, and copies of materials, including any written reports, provided to the IRC. Purpose will also provide the IRC with assistance and information sufficient for the IRC to carry out its responsibilities under

NI 81-107.

The members of the IRC are entitled to be compensated by the Fund and reimbursed for all reasonable costs and expenses for the duties they perform as IRC members. In addition, the members of the IRC are entitled to be indemnified by the Fund, except in cases of wilful misconduct, bad faith, negligence or breach of their standard of care.

The name and municipality of residence of each of the members of the IRC is as follows:

Name	**Municipality of Residence**
DOUGLAS G. HALL[1]	Halifax, Nova Scotia
RANDALL C. BARNES	Las Vegas, Nevada
JEAN M. FRASER	Toronto, Ontario

Note:
(1) Chair of the IRC.

The IRC prepares, at least annually, a report of its activities for securityholders and makes such reports available on the mutual fund's designated website at www.purposeinvest.com, or at the securityholder's request and at no cost, by contacting us at info@purposeinvest.com. This report and other information about the IRC are also available on SEDAR+ at www.sedarplus.com.

Principal holders of securities

ETF Shares

CDS & Co., the nominee of CDS, is the registered owner of the ETF Shares of the Fund, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, a fund or another investment fund managed by the manager or an affiliate of the manager may beneficially own, directly or indirectly, more than 10% of the ETF Shares, of the Fund.

Voting shares of Purpose Ether Staking Corp. ETF

As at ●, 2024, Purpose Ether Staking Corp. Voting Trust directly owned of record and beneficially, 100 voting shares, representing 100% of the issued and outstanding voting shares of the Fund. The trustees will exercise the voting powers associated with the voting shares to elect the directors of the Fund. A majority of the trustees of Purpose Ether Staking Corp. Voting Trust will be independent of the manager.

There will be at all times at least two directors of the Fund who will be independent of Purpose, and the initial board of directors of the Fund will be comprised of one employee of the manager and three independent directors who are members of the IRC.

Policies and practices

The manager is responsible for the day-to-day management, administration and operation of the Fund.

The manager has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the Fund, including as required by NI 81-107, policies and procedures relating to conflicts of interest. The systems used by the manager in relation to the Fund monitor and manage the business and sales practices, risk and internal conflicts of interest relating to the Fund, while ensuring compliance with applicable regulatory, compliance and corporate requirements. The manager personnel responsible for compliance, together with management of the Fund, ensure that these policies, procedures, practices and guidelines are communicated from time to time to all relevant persons and are updated as necessary (including the systems referred to above) to reflect changing circumstances. The manager also monitors the application of all such policies, procedures, practices and guidelines to ensure their continuing effectiveness.

Compliance with the investment practices and investment restrictions mandated by securities legislation is monitored by the manager on a regular basis.

Personal trading policy

Purpose has developed a personal trading policy for employees ("**policy**") which is designed to prevent potential, perceived or actual conflicts between the interests of Purpose and its staff and the interests of clients and the Fund. Under such policy, all Purpose personnel are required to pre-clear certain personal securities transactions in order to ensure that those trades do not conflict with the best interests of the Fund and have not been offered to the person because of the position they hold in Purpose. Purpose has also adopted the basic principles set out in the Code of Ethics on Personal Investing established by The Investment Funds Institute of Canada.

Investments

The investment objectives of the Fund are disclosed under "What does the Fund invest in? – Investment objectives".

The fundamental investment objectives of the Fund may not be changed without the consent of a majority of shareholders of the Fund. Purpose can make other changes to the investment strategies and activities of the Fund without the consent of shareholders, subject to any required approval of the Canadian securities regulatory authorities and/or the IRC of the Fund.

Purchasing Ether for the Fund's Portfolio

The Fund currently owns ● Ether, which it acquired prior to its change into an investment fund including Ether earned from its Staking Activities. Going forward, the manager expects that Ether will be purchased for the Fund from digital asset trading platforms and over-the-counter trading counterparties (each, a "**Ether Source**"). The manager will conduct due diligence on each proposed Ether Source prior to transacting with such Ether Source in order to confirm its reputation and stability, including by conducting research on the executive officers and significant shareholders of the Ether Source and the regulatory regime, if any, applicable to the Ether Source. The manager will also confirm that each Ether Source maintains appropriate KYC policies and procedures and will not transact with any person or entity that is on a list of designated persons or entities established and maintained under applicable AML Regulation in the jurisdiction of the Ether Source. The manager will ensure that each Ether Source has its head office in a jurisdiction which is a member of the FATF (as defined herein) or its global network of FATF-Style Regional Bodies.

The manager expects that the Fund's Ether Sources will include Gemini, Coinbase and other government regulated trading platforms and OTC counterparties.

The manager will determine where to place the Fund's Ether orders based on the price and liquidity available through the Ether Sources with a view to achieving best execution for the Fund. Once an Ether order has been executed and allocated to the Fund, the manager will review and approve the transaction. Upon approval, the Custodian will be notified and payment for the trade will be settled. Once the Sub-

Custodian receives the Ether on behalf of the Fund, the manager will immediately place the Fund's Ether in cold storage, ensuring that such Ether is allocated to the Fund's account on a segregated basis with the Sub-Custodian. See "Responsibility for mutual fund administration – Sub-Custodians" on pages ● to ●.

Each Sub-Custodian has adopted the anti-money laundering and sanctions policies for its digital asset exchange and custody service as described under "Responsibility for mutual fund administration – Sub-Custodians."

Management fee rebates

ETF Shares

To achieve effective and competitive management fees, the manager may reduce the management fee borne by certain holders of ETF Shares who have signed an agreement with the manager. The manager will pay out the amount of the reduction in the form of a management fee rebate directly to the eligible shareholder. The decision to pay management fee rebates is in the manager's discretion and depends on a number of factors, including the size of the investment and a negotiated fee agreement between the shareholder and the manager. The manager reserves the right to discontinue or change management fee rebates at any time.

Mutual fund shares

To achieve effective and competitive management fees, the manager may reduce the management fee borne by certain holders of mutual fund shares, who have signed an agreement with the manager. The manager will reinvest the amount of the reduction in additional mutual fund shares unless otherwise requested. The decision to pay management fee rebates is in the manager's discretion and depends on a number of factors, including the size of the investment and a negotiated fee agreement between the shareholder and the manager. The manager reserves the right to discontinue or change management fee rebates at any time.

Short-term trading

ETF Shares

At the present time, the manager is of the view that it is not necessary to impose any short-term trading restrictions on the ETF Shares.

Mutual fund shares

If a holder of mutual fund shares redeems mutual fund shares within 30 days of purchasing such mutual fund shares, the manager may charge a short-term trading fee on behalf of the Fund of up to 2% of the value of such shares in circumstances where it determines that the trading activity represents market timing or excessive short-term trading. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the Fund. The fee payable will be deducted from the redemption proceeds when you redeem your securities and such fees will be paid to the Fund.

See "Purchases, switches and redemptions – Short-term trading" on page ●.

Reporting to shareholders

The Fund's fiscal year is the calendar year or such other fiscal period permitted under the Tax Act as the Fund elects. The manager will make available to shareholders and the Fund's board of directors, such financial statements and other continuous disclosure documents as are required by applicable law, including

(i) unaudited interim and audited annual financial statements of the Fund, prepared in accordance with International Financial Reporting Standards and (ii) interim and annual management reports of Fund performance in respect of the Fund.

Any tax information necessary for shareholders to prepare their annual federal income tax returns will be distributed to them within 90 days after the end of the financial year of the Fund.

The manager will keep adequate books and records reflecting the activities of the Fund. A shareholder or his or her duly authorized representative has the right to examine the books and records of the Fund, as the case may be, during normal business hours at the registered office of the manager. Notwithstanding the foregoing, a shareholder shall not have access to any information that, in the opinion of the manager, should be kept confidential in the interests of the Fund.

Remuneration of directors and officers

The members of the board of directors of the Fund, other than the non-independent directors, are paid a fixed annual fee of $●, for their services as members of the board of directors. The Fund also reimburses all members of the board of directors for out-of-pocket expenses for attending meetings of the board of directors and committees of the board of directors. For greater certainty, the Management Agreement provide that any directors, officers or employees of Purpose who are also officers of a Fund shall be paid by Purpose for serving in such capacity and shall not receive any remuneration directly from the Fund.

As at the date hereof, each IRC member will be paid a fixed annual fee of $5,000, plus a $400 fee per fund managed by Purpose, per meeting, subject to a maximum of $70,000 per member per annum over all the funds managed by Purpose, for the duties they perform as IRC members in relation to the funds. This amount will be allocated among the funds in a manner that is fair and reasonable.

For the year ended December 31, 2023, members of the IRC received annual fees and meeting fees in the amount of $252,000 as well as $6,558.45 as reimbursement for expenses in connection with performing their duties for other funds managed by Purpose. These fees and expenses were allocated among the funds managed by Purpose in a manner that was fair and reasonable. For a description of the role of the IRC, please see "Responsibility for mutual fund administration – Independent review committee and fund governance" on page ●.

Material contracts

The material contracts of the Fund are listed below:

(a) the articles of amendment of the Fund;

(b) the Management Agreement as described on page ●;

(c) the Cidel Custodian Agreement as described on page ●;

(d) the sub-custodian agreement between the Custodian, the manager on behalf of the Fund and Gemini dated ●, 2024 (as described on page ●); and

(e) the sub-custodian agreement between the Custodian, the manager on behalf of the Fund and the Coinbase Entities dated ●, 2024 (as described herein).

Copies of the material contracts listed above may be examined by prospective or existing shareholders at the principal office of the manager during ordinary business hours.

Legal proceedings

We are not aware of any material legal proceedings, either pending or ongoing, to which the Fund or Purpose is a party.

Designated website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the mutual funds this document pertains to can be found at the following location: www.purposeinvest.com.

VALUATION OF PORTFOLIO ASSETS

In determining the NAV of the Fund at any time, the valuation agent uses the following principles:

(a) the Fund's Ether will be valued based on a widely recognized ether index, as the case may be, which in the opinion of the manager best reflects the transactional price of ether, as the case may be, initially the CoinDesk Ether Price Index (ETX);

(b) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, are valued at the full amount or at what the manager considers to be the fair value;

(c) bonds, debentures and other debt securities shall be marked-to-market based on prices obtained from a recognized pricing service at the valuation time on the valuation date. Short-term investments, including notes and money market instruments, shall be recorded at their fair value;

(d) any security that is listed or traded on a stock exchange shall be valued at the closing sale price (or such other value as the securities regulatory authorities may permit) last reported at the valuation time on the valuation date on the principal stock exchange on which such security is traded, or, if no reliable closing sale price is available at that time, the security shall be fair valued;

(e) securities of any mutual funds held by the Fund shall be valued at the reported NAV of that mutual fund;

(f) foreign currency accounts shall be expressed in Canadian dollars on the following basis: (i) investments and other assets shall be valued by applying the applicable exchange rate at the end of the relevant valuation period; and (ii) purchases and sales of investments, income and expenses shall be recorded by applying the applicable exchange rate on the dates of such transactions;

(g) the Fund's holdings shall be valued in Canadian dollars before its NAV is calculated;

(h) forward foreign exchange contracts shall be valued as the difference between the value of the contract on the date the contract was originated and the value of the contract on the valuation date. Foreign exchange options shall be valued at their quoted market value. When the contract or option closes or expires, a realized foreign exchange gain or loss shall be recognized;

(i) forward contracts shall be valued as the difference between the value of the contract on the date the contract originated and the value of the contract on the valuation date / current price and the purchase price (i.e. the mark-to-market value of the contract);

(j) clearing corporation options shall be valued at the current market value;

(k) should the Fund write a covered clearing corporation option, the premium received shall be considered a deferred credit with a value equal to the current market value of an option that would have the effect of closing the position. Any difference resulting from revaluation will be treated as an unrealized gain or loss. Deferred credits will be deducted to arrive at the NAV of the fund;

(l) futures contracts shall be valued as the difference between the current price and the purchase price (i.e. the mark-to-market value of the contract);

(m) bullion, coins, certificates or other evidences of precious metals shall be valued at current market value;

(n) restricted securities shall be valued according to reported quotations in common use, or according to the following method, whichever is less: restricted securities shall be valued at that percentage of the market value of unrestricted securities which the fund paid to acquire them, provided that if the time period during which the restrictions on these securities will apply is known, the price may be adjusted to reflect this time period;

(o) all other assets shall be valued at our best estimate of fair value; and

(p) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the valuation agent to be inappropriate under the circumstances, then, notwithstanding the foregoing rules, the valuation agent shall make such valuation as it considers fair and reasonable.

The value of any security or property to which, in the opinion of the valuation agent, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the manager from time to time provides. The manager may also determine the fair value of securities in the following circumstances: (i) when there is a halt trade on a security which is normally traded on an exchange; (ii) on securities that trade on markets that have closed prior to the time of calculation of the NAV of the Fund and for which there is sufficient evidence that the closing price on the market is not the most appropriate value at the time of valuation; and (iii) when there are investment or currency restrictions imposed by a country that affect the Fund's ability to liquidate the assets held in that market.

Each portfolio transaction will be reflected in the calculation of NAV per share, no later than the calculation of NAV per share, next made after the date on which the transaction becomes binding. The issue of shares will be reflected in the calculation of NAV per share, next made after the issue date for such shares, which may be up to two trading days after the date that the subscription order for such shares is accepted. The exchange or redemption of shares will be reflected in the calculation of NAV per share, next made after the exchange request or redemption request is accepted.

The NAV per share of a series of the Fund is calculated in Canadian dollars in accordance with the rules and policies of the Canadian securities administrators or in accordance with any exemption therefrom that the Fund may obtain. The NAV per share of a series of the Fund determined in accordance with the principles set out above may differ from the NAV per share determined under International Financial Reporting Standards.

Copies of this simplified prospectus and financial statements for the Fund will be delivered to shareholders at no cost by calling us at 1-877-789-1517.

CoinDesk Ether Price Index (ETX)

Initially, the manager will use the CoinDesk Ether Price Index as the primary source upon which the Fund's Ether will be valued. The CoinDesk Ether Price Index represents a real-time, U.S. dollar equivalent spot rate for Ethereum. The index value is algorithmically calculated once every second based on observed trading activity on leading Ethereum trading platforms which adhere to AML and KYC regulations. The index, formerly the Tradeblock ETX Index, has been in operation since February 1, 2018 and was launched publicly on March 2, 2018.

The CoinDesk Ether Price Index is designed as a reference rate to track liquidity while also adjusting for deviations caused by anomalies and manipulation attempts at individual exchanges. The key elements of the index's algorithm are: (a) volume weighting (trading platforms with greater liquidity receive a higher weighting in the index, increasing the ability to execute against the index in underlying spot markets), (b) price variance weighting (the index price reflects data points that are discretely weighted in proportion to their variance from the rest of the cohort) and (c) inactivity adjustment (the index's algorithm penalizes stale ticks on any given trading platform. If a trading platform does not have recent trading data, its weighting is gradually reduced until it is de-weighted entirely. If activity resumes on a trading platform, the corresponding weighting for that constituent is gradually increased again until it reaches the appropriate level).

For further information regarding the CoinDesk Ether Price Index visit https://www.coindesk.com/indices/etx.

CALCULATION OF NET ASSET VALUE

The NAV of the series of shares of the Fund and NAV per share of the series of shares will be calculated by the valuation agent as of 4:00 p.m. (Toronto time) (or such other time as the manager deems appropriate) (the "**valuation time**") on each business day (each, a "**valuation date**"). The NAV of the series on a particular date will be equal to the aggregate value of the assets of the Fund attributable to a series less the aggregate value of the liabilities attributable to the series of the Fund including any income, net realized capital gains or other amounts payable to the shareholders of the series on or before such date and the value of the liabilities of the series for management fees, expenses and taxes, expressed in Canadian dollars at the applicable exchange rate on such date divided by the total number of shares of that series outstanding. The NAV per share will fluctuate with the value of the Fund's investments attributable to the series, the income received from the Fund's investments attributable to the series, and the distributions, expenses and taxes paid out of the Fund attributable to the series.

To determine what your investment in the Fund is worth, simply multiply the NAV per share you own by the number of shares you own.

Reporting of net asset value

After 4:00 p.m. (Toronto time) or such other time as the manager deems appropriate on any valuation date, the NAV of the Fund and NAV per share will usually be published in the financial press and may be obtained by visiting Purpose's website at www.purposeinvest.com or by calling 1-877-789-1517.

PURCHASES, SWITCHES AND REDEMPTIONS

You cannot transfer or convert shares of the mutual fund series for ETF Shares or ETF Shares for shares of a mutual fund series. Transferring, which involves moving money from one investment to another, and converting are also known as switching.

You can sell your fund investment by contacting your financial advisor. Selling may also be known as "redeeming". ETF Shares may be sold over the stock exchange for the price then available in the market.

Whether you are buying, selling, transferring or converting your funds directly with the Fund, we base the transaction on the value of the Fund share. The price per share is called the net asset value or "NAV" per share. See "Valuation of portfolio assets" on page ● and "Calculation of net asset value" on page ●.

How to buy, redeem and switch

It is up to you or your investment professional, if applicable, to determine if the series of the Fund is appropriate for you. There is no limit on the number of shares you can buy. See "Fees and expenses" on page ●.

Issuance of Series I Shares

Series I Shares are available to institutional investors or to other investors on a case-by-case basis, in the manager's discretion. The manager does not pay any commissions to dealers in respect of the Series I Shares.

Where a shareholder is or becomes a citizen or resident of the U.S. or a resident of any other foreign country, the manager may require such shareholder to redeem their shares, if their participation has the potential to cause adverse regulatory or tax consequences for the Fund or other shareholders of the Fund. The manager may redeem your shares, if the manager is permitted or required to do so, including in connection with the termination of the Fund, in accordance with applicable law. If the manager redeems your shares, the effect will be the same as if you initiated the transaction. For redemptions in non-registered accounts, the manager may transfer the proceeds to you, and for redemptions in Registered Plans, the manager may transfer the proceeds to a registered savings deposit within the plan. The manager will not give you or your dealer notice prior to taking any action.

For the manager to act on an order to buy or redeem shares, as the case may be, the branch, telephone salesperson or dealer must send the order to us on the same day it is received before 4:00 p.m. (Toronto time) or such other time as indicated on the website for the Fund ("**order cut-off time**") and assume all associated costs.

When you place your order through a financial advisor, the financial advisor sends it to the manager. If the manager receives your order before the order cut-off time your order will be processed using that day's NAV. A separate NAV is calculated for each series of shares. If the manager receives your order after the order cut-off time, your order will be processed using the next business day's NAV. If the manager determines that the NAV will be calculated at a time other than after the usual closing time of Cboe Canada, the NAV paid or received will be determined relative to that time. All orders are processed within two business days. A dealer may establish earlier order cut-off times. Check with your dealer for details.

You have to pay for your shares when you buy them. If the manager does not receive payment in full, the manager will cancel your order and redeem the shares. If the manager redeems the shares, for more than the value for which they were issued, the difference will go to the Fund. If the manager redeems the shares, for less than the value for which they were issued, the manager will pay the difference to the fund and collect this amount, plus the cost of doing so, from your dealer. Your dealer may require you to reimburse the amount paid if it suffers a loss as a result.

The manager has the right to refuse any order to buy shares. The manager must do so within one business day from the time we receive the order. If the manager refuses your order to buy shares the manager will immediately return any funds the manager received with your order.

Issuance of ETF Shares

Purpose, on behalf of the Fund, has applied to have the ETF Shares listed on Cboe Canada. Listing is subject to the approval of Cboe Canada in accordance with its original listing requirements. Cboe Canada has not conditionally approved the Fund's listing application and there is no assurance that Cboe Canada will approve the listing application. Further, there can be no assurance that an active public market for the shares of the Fund will develop or be sustained.

The ETF Shares are available to all investors. ETF Shares are Canadian dollar denominated. See "What are the specific risks of investing in a mutual fund? – Currency risk" on page ●.

The Cboe Canada ticker symbol for the ETF Shares of the Fund is as follows:

Fund	ETF Shares	Cboe Canada Ticker Symbol
Purpose Ether Staking Corp. ETF	ETF Shares	●

Subject to the approval of Cboe Canada, the ETF Shares will be listed on Cboe Canada and offered on a continuous basis, and there is no maximum number of ETF Shares that may be issued. Once listed, an investor will be able to buy or sell ETF Shares on Cboe Canada through registered brokers and dealers in the province or territory where the investor resides. Investors will incur customary brokerage commissions in buying or selling the ETF Shares.

All orders to purchase ETF Shares directly from the Fund must be placed by designated brokers or dealers. The Fund reserved the absolute right to reject any subscription order placed by a designated broker or dealer. No fees will be payable by the Fund to a designated broker or dealer in connection with the issuance of ETF Shares. On the issuance of ETF Shares, Purpose may, in its discretion, charge an administrative fee to a designated broker or dealer to offset the expenses (including any applicable additional listing fees) incurred in issuing the ETF Shares. There is no minimum investment required for ETF Shares of the Fund.

The manager will enter into a designated broker agreement with a designated broker pursuant to which the designated broker will agree to perform certain duties relating to the ETF Shares of the Fund including, without limitation: (i) to subscribe for ETF Shares, on an ongoing basis in connection with the rebalancing of and adjustments to the portfolio of the Fund; and (ii) to post a liquid two-way market for the trading of ETF Shares, on Cboe Canada (or such other designated exchange on which the ETF Shares, of the Fund may be listed from time to time). The manager may, in its discretion from time to time, reimburse any designated broker for certain expenses incurred by the designated broker in performing these duties.

The designated broker agreement provides, or will provide, that the manager may from time to time require the designated broker to subscribe for ETF Shares of the Fund for cash in a dollar amount not to exceed 0.30% of the NAV of the ETF Shares of a Fund per quarter. The number of ETF Shares issued will be the subscription amount divided by the NAV per ETF Share, next determined following the delivery by the manager of a subscription notice to the designated broker. Payment for the ETF Shares must be made by the designated broker, and the ETF Shares will be issued by no later than the second trading day after the subscription notice has been delivered.

On any trading day, a designated broker or dealer may place a subscription order for the prescribed number of ETF Shares (or an integral multiple thereof) of the Fund. If a subscription order is received by the Fund by 9:00 a.m. (Toronto time) on a trading day (or such later time on such trading day as the manager may permit), the Fund will issue to the designated broker or dealer the prescribed number of ETF Shares (or an integral multiple thereof) by no later than the second trading day following the effective date of the subscription order or on such other day as mutually agreed between the manager and the designated broker or dealer, provided that payment for such ETF Shares has been received.

For each prescribed number of ETF Shares issued, a designated broker or dealer must deliver payment consisting of: cash in an amount equal to the NAV of the ETF Shares of the Fund next determined following the receipt of the subscription order and cash subscription fee.

The manager may, in its discretion, increase or decrease the prescribed number of ETF Shares from time to time.

ETF Shares may be issued by the Fund to designated brokers in connection with the rebalancing of and adjustments to the Fund or its portfolio when cash redemptions of ETF Shares, as applicable, occur. See "Purchases, switches and redemptions – Issuance of ETF Shares" on page ●.

Short-term trading

Mutual fund shares

Most mutual funds are considered long-term investments, so the manager discourages investors from buying, redeeming or switching shares frequently.

Some investors may seek to trade fund shares frequently in an effort to benefit from differences between the value of a fund's shares and the value of the underlying securities ("**market timing**"). Frequent trading in order to time the market or otherwise can negatively impact the value of the Fund to the detriment of other shareholders. Excessive short-term trading can also reduce the Fund's return because the Fund may be forced to hold additional cash to pay redemption proceeds or, alternatively, to sell portfolio holdings, thereby incurring additional trading costs.

Depending on the particular circumstances, the manager may employ a combination of preventative and detective measures to discourage and identify excessive short-term trading in the Fund, including:

(a) imposition of short-term trading fees; and

(b) monitoring of trading activity and refusal of trades.

ETF Shares

At the present time, the manager is of the view that it is not necessary to impose any short-term trading restrictions on the ETF Shares of the Fund, as the ETF Shares are generally traded by investors on an exchange in the secondary market in the same way as other listed securities. In the few situations where ETF Shares are not purchased in the secondary market, purchases usually involve a designated broker or a dealer upon whom the manager may impose a subscription or redemption fee, which is intended to compensate the Fund for any costs and expenses incurred in relation to the trade.

Short-term trading fees for mutual fund shares

If you redeem mutual fund shares within 30 days of purchase, the manager may charge a short-term trading fee on behalf of the Fund in circumstances where we determine that the trading activity represents market timing or excessive short-term trading. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the Fund.

Fees charged will be paid directly to the Fund and are designed to deter excessive trading and offset its associated costs. For the purposes of determining whether the fee applies, we will consider the shares that were held the longest to be the shares which are redeemed first. The fee will not apply in certain circumstances, including:

(a) pre-authorized or systematic withdrawal plans;

(b) redemptions of shares purchased by the reinvestment of dividends/distributions; or

(c) redemptions initiated by Purpose or a mutual fund where redemption notice requirements have been established by Purpose.

Monitoring of trading activity

The manager regularly monitors transactions in the Fund. The manager has established criteria for the Fund that the manager applies fairly and consistently in an effort to eliminate trading activity that the manager deems potentially detrimental to long-term shareholders. The manager has the right to restrict or reject any purchase order without any prior notice, including transactions accepted by your dealer.

Generally speaking, your trading may be considered excessive if you sell your shares of the Fund within 30 days of buying them on more than one occasion.

The manager has the right to consider trading activity in multiple accounts under common ownership, control or influence as trading in a single account when exercising our right to reject a purchase. **Whether your trading is considered excessive will be determined by the manager in its sole discretion.**

Purchases

Generally, different series of shares are intended for different types of investors. The money that investors pay to purchase shares of any series is tracked on a series-by-series basis, in the fund's administration records. Here, the Fund currently offers a single series of shares. In the event the Fund issues an additional series of shares, the money that investors pay to purchase shares of any series will be tracked on a series-by-series basis and the assets of all series of the Fund will be combined in a single pool to create one portfolio for investment purposes.

When you buy mutual fund shares, the price you pay is the NAV of those shares. Each series of shares has a separate NAV in Canadian dollars. See "Purchases, switches and redemptions – Issuance of ETF Shares" on page ● for information regarding the purchase of ETF Shares.

The manager may limit or "cap" the size of the Fund by restricting new purchases. We will continue redemptions and the calculation of the Fund's shares value for each series. The manager may subsequently decide to start accepting new purchases to the Fund at any time.

Switches

No switching of ETF Shares and mutual fund shares

ETF Shares may not be switched for mutual fund shares and mutual fund shares may not be switched for ETF Shares.

Redemptions

Mutual fund shares

You can sell some or all of your mutual fund shares at any time. This is called a redemption. Redemptions will only be permitted in certain minimum amounts. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page ● for details. Your dealer or financial advisor must send your redemption request on the same day it is received. The dealer must assume all associated costs. Redemption requests for the Fund are processed in the order in which they are received. The manager will not process redemption requests specifying a forward date or specific price.

Redemption orders which are received by the manager before 4:00 p.m. (Toronto time) or such other order cut-off time as specified by the manager on any valuation date will be priced using that day's NAV. Redemption orders which are received by the manager after 4:00 p.m. (Toronto time) or such other cut-off time as specified by the manager on a valuation date will be priced on the next valuation date. If the manager decides to calculate NAV at a time other than after the usual closing time of Cboe Canada, the NAV value received will be determined relative to that time. Note that your dealer may establish an earlier cut-off time.

Redemption requests for mutual fund shares of the Fund must be for an amount of at least $1,000 (unless the account balance is less than $1,000). If your balance falls below the minimum required balance for the Fund or series or you otherwise become ineligible to hold the Fund or series the manager may redeem your shares.

Within two business days following each valuation date, we will pay to each shareholder who has requested a redemption the value of the shares, determined on the valuation date. Payments will be considered made upon deposit of the redemption proceeds in the shareholder's bank account or the mailing of a cheque in a postage prepaid envelope addressed to the shareholder unless the cheque is not honoured for payment.

Your redemption transaction will not be processed until your dealer has received all documentation. Your dealer will inform you of the documentation it requires. Your dealer must provide all required documents within 10 business days of the date your redemption order is processed. If not, we will repurchase the shares for your account. If the cost of repurchasing the shares is less than the redemption proceeds, the Fund will keep the difference. If the cost of repurchasing the shares is more than the redemption proceeds, your dealer must pay the difference and any related costs. Your dealer may require you to reimburse the amount paid if the dealer suffers a loss.

If you redeem shares of the Fund, you can tell us to mail you a cheque or transfer the proceeds to your bank account with any financial institution. **For non-registered accounts, you are responsible for tracking and reporting to the Canada Revenue Agency (the "CRA") any capital gains or losses that you realize**

from redeeming shares. If you hold your funds in a Registered Plan, withholding tax may apply if you withdraw money from the plan.

ETF Shares

On any trading day, holders of ETF Shares may redeem ETF Shares of the Fund for cash at a redemption price per ETF Share equal to the lesser of (a) in respect of the ETF Shares, 95% of the closing price for the ETF Shares on Cboe Canada on the effective date of redemption and (b) the net asset value per ETF Share. "**Market price**" means the weighted average trading price of the ETF Shares on the Canadian marketplaces on which the ETF Shares have traded on the effective date of the redemption. Because holders of ETF Shares will generally be able to sell ETF Shares at the market price on Cboe Canada (or such other designated exchange on which the ETF Shares of the Fund may be listed from time to time) through a registered broker or dealer subject only to customary brokerage commissions, holders of ETF Shares are advised to consult their brokers, dealers or investment advisors before redeeming their ETF Shares for cash.

In order for a cash redemption to be effective on a trading day, a cash redemption request in the form prescribed by the manager from time to time must be delivered to the manager at its registered office by 9:00 a.m. (Toronto time) on the trading day (or such later time on such trading day as the manager may permit). If a cash redemption request is not received by the delivery deadline noted immediately above on a trading day, the cash redemption request will be effective on the next trading day. Payment of the redemption price will be made by no later than the second trading day after the effective day of the redemption. Cash redemption request forms may be obtained from your registered broker or dealer.

Shareholders that redeem ETF Shares prior to the ex-dividend date for the record date for any dividend/distribution will not be entitled to receive that dividend/distribution.

In connection with the redemption of ETF Shares, the Fund will generally dispose of securities or other assets to satisfy the redemption.

Exchange of ETF Shares for cash

On any trading day, a holder of ETF Shares may exchange the prescribed number of ETF Shares (or an integral multiple thereof) for cash.

To effect an exchange of a prescribed number of ETF Shares, a holder of ETF Shares must submit an exchange request in the form prescribed by the Fund from time to time to the manager at its registered office by 9:00 a.m. (Toronto time) on a trading day (or such later time on such trading day as the manager may permit). The exchange redemption request forms may be obtained from any registered broker or dealer. The exchange price will be equal to the NAV of the ETF Shares, of the Fund on the effective day of the exchange request, payable by delivery of cash. The ETF Shares will be redeemed in the exchange.

If an exchange request is not received by the submission deadline noted immediately above on a trading day, the exchange order will be effective on the next trading day. Settlement of exchanges for cash will be made by no later than the second trading day after the effective day of the exchange request.

Holders of ETF Shares should be aware that the NAV per ETF Share of the Fund will decline by the amount of the dividend/distribution on the ex-dividend date, which is one trading day or such other day as announced by the manager prior to the dividend or distribution record date. A shareholder that is no longer a holder of record on the applicable dividend or distribution record date will not be entitled to receive that dividend/distribution.

Costs associated with exchange and redemption

The manager may charge to a holder of ETF Shares, in its discretion, an ETF Share, administrative fee of up to 2% of the exchange or redemption proceeds of the Fund to offset certain transaction costs associated with the exchange or redemption of ETF Shares of the Fund.

Exchange and redemption of ETF Shares through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which the holder of ETF Shares holds its ETF Shares. Beneficial owners of ETF Shares should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold ETF Shares, as the case may be, sufficiently in advance of the cut-off times described above to allow such CDS Participants to notify CDS and for CDS to notify the manager prior to the relevant cut-off time.

When you may not be allowed to redeem your shares

Under extraordinary circumstances, you may not be allowed to redeem your shares. The manager may suspend your right to redeem if:

(a) normal trading is suspended on any stock exchange or market where more than 50% of the assets of the Fund are listed or traded; or

(b) we get permission from the Canadian securities administrators to allow us to temporarily suspend the redemption of shares.

If we suspend trading in the Fund and you had requested a redemption of your shares in the Fund, you can withdraw your request or receive payment based on the first NAV per share determined after the end of the suspension.

The Fund will not allow the purchase of shares when the right to redeem shares is suspended.

Special considerations for holders of ETF Shares

The provisions of the "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of ETF Shares. The Fund obtained exemptive relief from the securities regulatory authorities to permit holders of ETF Shares to acquire more than 20% of the ETF Shares of the Fund through purchases on the Exchange (or such other designated exchange on which the ETF Shares of the Fund may be listed from time to time) without regard to the take-over bid requirements of Canadian securities legislation, provided that any such holder, and any person acting jointly or in concert with the holder, undertakes to the manager not to vote more than 20% of the ETF Shares of the Fund at any meeting of shareholders.

Non-resident shareholders

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act), be the beneficial owners of a majority of the shares of the Fund. The manager may require declarations as to the jurisdictions in which a beneficial owner of shares is resident and, if a partnership, its status as a Canadian partnership. If the manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the shares of the Fund then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the manager may make a public announcement thereof. If the manager determines that more than 40% of such shares are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the manager may send a notice to such non-resident shareholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the manager may consider equitable and practicable, requiring them to sell their shares or a portion thereof within a specified period of not less than 30 days. If the shareholders receiving such notice have not sold the specified number of shares or provided the manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the manager may on behalf of such shareholders sell such shares and, in the interim, shall suspend the voting and distribution rights attached to such shares. Upon such sale, the affected holders shall cease to be beneficial holders of shares and their rights shall be limited to receiving the net proceeds of sale of such shares.

Notwithstanding the foregoing, the manager may determine not to take any of the actions described above if the manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Fund as a mutual fund corporation for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Fund as a mutual fund corporation for purposes of the Tax Act.

Registration and transfer through CDS – ETF Shares

Registration of interests in, and transfers of, ETF Shares will be made only through CDS. ETF Shares must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of ETF Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such ETF Shares. Upon purchase of any ETF Shares the owner will receive only the customary confirmation; physical certificates evidencing your ownership will not be issued. References in this simplified prospectus to a holder of ETF Shares mean, unless the context otherwise requires, the beneficial owner of such ETF Shares.

Neither the Fund nor the manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in the ETF Shares or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of ETF Shares to pledge such ETF Shares or otherwise take action with respect to such owner's interest in such ETF Shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the ETF Shares through the book-based system in which case certificates for ETF Shares in fully registered form will be issued to beneficial owners of such ETF Shares to their nominees.

OPTIONAL SERVICES

This section tells you about the optional services we offer to investors.

Dividend/distribution reinvestment plan

Mutual fund shares

The Fund may earn income from their investments. The Fund may also realize capital gains when investments are sold at a profit. The Fund pays out its income (less expenses) and net realized capital gains to investors in the form of dividends and may also pay amounts as returns of capital to investors. We call all of these types of payments distributions.

Distributions payable on mutual fund shares of the Fund are automatically reinvested in additional mutual fund shares. Holders of mutual fund shares who wish to receive cash as of a particular dividend/distribution record date should speak with their broker, dealer or investment advisor for details.

ETF Shares

The Fund has adopted a reinvestment plan, which provides that a holder of ETF Shares (an "**ETF plan participant**") may elect to automatically reinvest all dividends paid on the ETF Shares held by that ETF plan participant in additional ETF Shares ("**ETF plan shares**") of the Fund in accordance with the terms of the reinvestment plan and the dividend or distribution reinvestment agency agreement between the manager, on behalf of the Fund, and the plan agent, as may be amended. The key terms of the reinvestment plan are as described below.

Holders of ETF Shares who are not residents of Canada may not participate in the reinvestment plan and any holder of ETF Shares, who ceases to be a resident of Canada will be required to terminate its participation in the reinvestment plan. The Fund will be not be required to purchase ETF plan shares if such purchase would be illegal.

A holder of ETF Shares who wishes to enroll in the reinvestment plan as of a particular dividend/distribution record date should notify the CDS Participant through which the holder holds its ETF Shares, sufficiently in advance of that dividend/distribution record date to allow such CDS Participant to notify CDS by 4:00 p.m. (Toronto time) on the dividend/distribution record date.

Dividends or distributions, as the case may be, that ETF plan participants are due to receive will be used to purchase ETF plan shares on behalf of such ETF plan participants in the market.

No fractional ETF plan shares will be purchased under the reinvestment plan. Any funds remaining after the purchase of whole ETF plan shares will be credited to the plan participant via its CDS Participant in lieu of fractional ETF plan shares.

The automatic reinvestment of the dividends/distributions under the reinvestment plan will not relieve ETF plan participants of any income tax applicable to such dividends/distributions. See "Income tax considerations" on page ●.

ETF plan participants may voluntarily terminate their participation in the reinvestment plan as of a particular dividend/distribution record date by notifying their CDS Participant sufficiently in advance of that dividend/distribution record date. ETF plan participants should contact their CDS Participant to obtain details of the appropriate procedures for terminating their participation in the reinvestment plan. Beginning on the first dividend/distribution payment date after such notice is received from an ETF plan participant and accepted by a CDS Participant, dividends/distributions to such ETF plan participant will be made in cash. Any expenses associated with the preparation and delivery of such termination notice will be borne by the ETF plan participant exercising its right to terminate participation in the reinvestment plan. Purpose may terminate the reinvestment plan, in its sole discretion, upon not less than 30 days' notice to: (i) the CDS Participants through which the ETF plan participants hold their ETF Shares; (ii) the plan agent; and (iii) if necessary, Cboe Canada (or such other designated exchange on which the ETF Shares of the Fund may be listed from time to time).

Purpose may amend, modify or suspend the reinvestment plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to: (i) the CDS Participants through which the ETF plan participants hold their ETF Shares; (ii) the plan agent; and (iii) if necessary, Cboe Canada (or such other designated exchange on which the ETF Shares of the Fund may be listed from time to time).

Pre-authorized cash contribution

Mutual fund shares

If you want to invest in mutual fund shares of the Fund on a regular basis, you can use our pre-authorized purchase plan so that money is automatically withdrawn from your bank account at regular intervals and invested in the Fund. This plan allows you to take advantage of dollar-cost averaging.

Here is how the plan works:

(a) See "Purchases, switches and redemptions – How to buy, redeem and switch" on page ● for the minimum initial investment and the minimum additional investments required for the Fund or series.

(b) You must have at least $5,000 in your account to set up a pre-authorized cash contribution.

(c) You can invest weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account you have. For more information, please ask your dealer.

(d) The manager will automatically transfer money from your bank account with any financial institution to purchase shares in the Fund.

(e) The manager will cancel your participation in the plan if your payment is returned because there are not sufficient funds in your bank account.

You may choose this option when you first buy mutual fund shares or at any time afterwards. Please contact your dealer or advisor for details. You must set up your pre-authorized purchase plan through your advisor. The manager must receive at least five business days' notice to set up a pre-authorized purchase plan.

We do not charge a fee for setting up your pre-authorized purchase plan. However, your initial investment must meet the minimum initial investment and the minimum additional investments required for the Fund. You can only buy mutual fund shares in Canadian dollars through your pre-authorized purchase plan.

You may change your pre-authorized purchase plan instructions or cancel such plan at any time as long as we receive at least two business days' notice. If you redeem all of the shares in your account, the manager will terminate your pre-authorized purchase plan unless you tell us otherwise.

ETF Shares

The manager may in its discretion, offer ETF plan participants the option to make pre-authorized cash contributions under the reinvestment plan by notifying their CDS Participant sufficiently in advance to allow such CDS Participant to notify the plan agent by 5:00 p.m. (Toronto time) at least ten business days before the last business day of the month. An ETF plan participant may invest a minimum of $100 and a maximum of $5,000 per pre-authorized cash contribution no more frequently than monthly. The manager reserves the right to reject any request for pre-authorized cash contributions.

Distributions due to ETF plan participants, along with any pre-authorized cash contributions, will be applied, on behalf of ETF plan participants, to purchase ETF plan shares in the market. ETF plan shares will be allocated pro rata based on the number of ETF Shares, held by ETF plan participants. ETF plan shares will be credited for the benefit of ETF plan participants to the account of the CDS Participant through whom that ETF plan participant holds ETF Shares.

Systematic withdrawal plan

Mutual fund shares

If you would like to make regular withdrawals from your non-registered investment in the Fund, you can open a systematic withdrawal plan. Here is how the plan works:

(a) You can choose to withdraw a specified amount weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account you have. For more information, please ask your dealer.

(b) The manager will deposit the money directly to your bank account.

(c) If you decide to discontinue your systematic withdrawal plan and your investment is below the minimum balance for the Fund, the manager may ask you to increase your investment to the minimum amount or to redeem your remaining investment in the Fund.

The manager must receive at least five business days' notice to set up a systematic withdrawal plan. The manager does not charge a fee for such plan. However, the manager may set a minimum withdrawal amount.

You may change your systematic withdrawal plan instructions or cancel such plan at any time as long as the manager receives at least two business days' notice. Most changes must be made through your advisor or dealer.

It is important to remember that if you withdraw more than your investment is earning, you will reduce and eventually use up your original investment. Remember, a systematic withdrawal plan is like a redemption. You are responsible for tracking and reporting to the CRA any capital gains or losses you realize on shares disposed of.

ETF Shares

Under the reinvestment plan, holders of ETF Shares, will also be able to elect to systematically withdraw ETF Shares, by selling a specific dollar amount of ETF Shares, in minimum amounts of $100 and maximum amounts of $5,000 owned by such holder in respect of each subsequent payment date. A holder of an ETF Share, may elect to sell ETF Shares, by notifying the plan agent via the applicable CDS Participant through which such holder holds its ETF Shares, of its intention to so sell ETF Shares. In this regard, the CDS

Participant must, on behalf of such shareholder, (i) provide a systematic withdrawal notice directly to the plan agent that the shareholder wishes to sell ETF Shares, in this manner until the Fund is otherwise notified by 5:00 p.m. (Toronto time) on the applicable record date for which the shareholder no longer wishes to sell ETF Shares, or there remain no further ETF Shares, to be sold on behalf of such shareholder, whichever comes first and (ii) specify the specified dollar amount of ETF Shares, to be sold in respect of each subsequent payment date.

A holder of ETF Shares, who makes pre-authorized cash contributions may not deliver a systematic withdrawal notice under the reinvestment plan.

Registered plans

The Fund may be purchased within all Registered Plans subject to tax rules that deal with prohibited investments. See "Income tax considerations – Taxation of registered plans" on page ●.

Registered Plans receive special treatment under the Tax Act. TFSAs receive generally similar treatment under the Tax Act; however, withdrawals from a TFSA or FHSA are not taxable. In addition, contributions to an RRSP or FHSA are deductible from your taxable earnings up to your allowable limit. You should consult your tax advisor for more information about the tax implications of Registered Plans.

FEES AND EXPENSES

The table set forth below outlines the fees and expenses that you may have to pay directly or indirectly when you invest in the Fund. The Fund may have to pay some of these fees and expenses, which you pay indirectly, because those fees and expenses will reduce the value of your investment in the Fund.

Fees and expenses payable by the Fund	
Management fees	Purpose, as manager of the Fund, is entitled to a management fee payable by the Fund. See the "Fees and expenses" in the fund details table for the Fund beginning on page ● for information on the maximum percentage of the management fee which you will be required to pay as an investor in the Fund. Purpose intends to waive the management fee payable to it by the Fund for the three-month period commencing on the effective date of trading of the Fund's shares as an exchange-traded fund. Purpose is the manager, portfolio manager and promoter of the Fund. Purpose manages the day-to-day business and operations of the Fund and provides all general management and administrative services.
Staking service fee	In addition to the management fee, the manager is entitled to receive a portion of the staking rewards generated for the Fund by the Staking Activities (net of the validator fees) such that no less than 80% of the rewards accrue to the Fund and up to 20% of the rewards accrue to the manager (the "**Staking Service Fee**"). The Staking Service Fee shall be calculated daily and paid monthly, in arrears, plus applicable taxes, and is intended to compensate the manager for the additional work required to administer the Staking Activities for the Fund as described below under "Investment Strategies". The Staking Service Fee charged by the

manager will only be deducted from any rewards generated by the Staking Activities which will generate income to the Fund. The affiliate owned staking service provider will charge a competitive fee. The manager will select the staking provider based on a set of criteria. Generally, and in line with its requirements to act in the best interest of the Fund, the manager will not use Purpose Unlimited Inc. as a staking service provider if the net staking yield earned by the Fund would be lower than what could be earned if an acceptable third-party staking service provider was used instead. Any Staking Service Fee payable to an affiliate of Purpose as validator will be deducted from the Staking Service Fee payable to the manager.

Management fee rebates

To achieve effective and competitive management fees, the manager may reduce the management fee borne by certain shareholders who have signed an agreement with the manager. The manager will pay out the amount of the reduction in the form of a management fee rebate directly to the eligible shareholder. Management fee rebates are reinvested in shares, unless otherwise requested. The decision to pay management fee rebates will be in the manager's discretion and will depend on a number of factors, including the size of the investment and a negotiated fee agreement between the shareholder and the manager. The manager reserves the right to discontinue or change management fee rebates at any time.

Operating expenses

The Fund pays its own operating and administrative expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the manager. Operating expenses include, but are not limited to, portfolio transaction costs (including brokerage commissions), and fees, taxes, audit, accounting and legal fees and expenses, safekeeping, trustee and custodial and sub-custodial fees, any validator fees, interest expenses, registrar and transfer agent fees, regulatory participation fees, administrative costs, the costs of complying with any new governmental or regulatory requirement introduced after the date the Fund is established, investor servicing costs and costs of financial and other reports to investors, as well as renewal prospectuses.

Operating expenses and other costs of the Fund are subject to applicable taxes.

Effect of HST on MERs

The Fund is required to pay HST on management fees and administration fees charged to the Fund. In general, the HST rate depends on the residence of the Fund's shareholders at a certain point in time. Changes in existing HST rates, changes to which provinces impose HST and changes in the breakdown on the residence of the Fund's shareholders will have an impact on the management expense ratio of the Fund year over year.

Fees and expenses payable directly by you

Negotiated fee	Holders of Series I Shares pay a negotiated management fee directly to the manager, plus any additional amounts for administrative expenses, and any additional expenses as may be agreed to by the holder and the manager. The negotiated management fee may vary for the Fund and each investor in a Fund. See the "Fees and expenses" in the fund details table for the Fund beginning on page ● for information on the maximum percentage of the negotiated management fee which you will be required to pay as an investor in Series I Shares of the Fund.
Short-term trading fees	***Mutual fund shares*** If a holder of mutual fund shares redeems mutual fund shares within 30 days of purchasing such mutual fund shares, the manager may charge a short-term trading fee on behalf of the Fund of up to 2% of the value of such shares in circumstances where it determines that the trading activity represents market timing or excessive short-term trading. No short-term trading fees are charged on redemptions made under a systematic withdrawal plan or redemptions that may occur when an investor fails to meet the minimum investment amount for the Fund. At the present time, the manager is of the view that it is not necessary to impose any short-term trading restrictions on the ETF Shares.
Registered tax plan fees	Fees may be payable to your dealer if you transfer an investment within a Registered Plan to another financial institution. None of these fees are paid to Purpose.
Other fees and expenses	You may have to reimburse your dealer if it suffers a loss as a result of our having to redeem your shares for insufficient payment. See "Purchases, switches and redemptions – How to buy, redeem and switch" on page ●.
ETF Share administration fee	You may have to pay the Fund an administration fee of up to 2% of the value of any ETF Shares you exchange or redeem to offset certain transaction costs associated with the exchange or redemption of ETF Shares.

Impact of sales charges

The following table shows the fees that you would pay if:

(a) you invested $1,000 in mutual fund shares or ETF Shares of the Fund; and

(b) you held that investment for one, three, five or 10 years and you redeemed the entire investment immediately before the end of that period.

		Redemption fee before end of:			
	Fee at time of purchase	**1 year**	**3 years**	**5 years**	**10 years**
ETF Shares	Nil	Nil	Nil	Nil	Nil
Series I Shares	Nil	Nil	Nil	Nil	Nil

DEALER COMPENSATION

How your investment professional and dealer are paid

Your investment professional usually is the person through whom you purchase the Fund. Your investment professional could be a broker, financial planner or advisor who is registered to sell mutual funds. Your dealer is the firm for which your investment professional works.

Series I Shares

We do not pay your dealer a commission if you buy Series I Shares. Investors who buy Series I Shares pay a negotiated fee to their dealer for investment advice and other services. The Fund may also charge a short-term trading fee if you redeem your shares within 30 days of buying them. See "Purchases, switches and redemptions – Short-term trading – Short-term trading fees for mutual fund shares" on page ●.

ETF Shares

We do not pay your dealer a commission if you buy ETF Shares. At the present time, we are of the view that it is not necessary to impose any short-term trading restrictions on the ETF Shares. See "Purchases, switches and redemptions – Short-term trading – ETF Shares" on page ●.

Other forms of dealer support

We may participate in co-operative advertising programs with dealers to help them market the Fund. We may use part of the management fee to pay up to 50% of the cost of these advertising programs in accordance with rules set out in National Instrument 81-105 – *Mutual Fund Sales Practice*s.

INCOME TAX CONSIDERATIONS

This section describes the principal Canadian federal income tax considerations applicable to the Fund and to investors in a fund who are individuals (other than trusts) and who, for tax purposes, are residents of Canada, hold shares of the Fund as capital property, have not entered into a "derivative forward agreement" as defined in the Tax Act in respect of shares of the Fund, and are not affiliated with and deal with the Fund at arm's length.

The summary takes into account the current provisions of the Tax Act and the regulations thereunder, as well as all publicly announced proposed amendments to the Tax Act and regulations publicly announced prior to the date hereof (such proposals referred to hereafter as the "**Tax Proposals**"). It also takes into account the published administrative policies and assessing practices of the CRA.

The summary is not intended to be exhaustive. It does not address provincial, territorial or foreign tax considerations. This summary does not constitute legal or tax advice to any particular purchaser or to any particular holder of shares. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in their particular circumstances.

This summary is also based on the assumptions that: (i) none of the issuers of securities held by the Fund will be a foreign affiliate of the Fund or any shareholder; (ii) none of the securities held by a the Fund will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act; (iii) none of the securities held by the Fund will be an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.1 or 94.2 of the Tax Act, or an interest in a non-resident trust other than an "exempt foreign trust" as defined in the Tax Act; and (iv) the Fund will not enter into any arrangement where the result is a dividend rental arrangement for the purposes of the Tax Act.

Status of the Fund

The Fund intends at all relevant times to qualify as a "mutual fund corporation" as defined in the Tax Act. To qualify as a mutual fund corporation, (i) the Fund must be a "Canadian corporation" that is a "public corporation" for purposes of the Tax Act; (ii) the only undertaking of the Fund must be the investing of its funds in property (other than real property or interests in real property or immovables or real rights in immovables); and (iii) at least 95% of the fair market value of all of the issued shares of the capital stock of the Fund must be redeemable at the demand of the holders of those shares.

Tax Proposals released on April 16, 2024 as part of Canada's 2024 Federal Budget (the "**MFC Proposals**") would, for taxation years beginning after 2024, deem certain corporations not to be "mutual fund corporations" after a time at which (i) a person or partnership, or any combination of persons or partnerships that do not deal with each other at arm's length (known in the MFC Proposals as "specified persons") own, in the aggregate, shares of the capital stock of the corporation having a fair market value of more than 10% of the fair market value of all of the issued and outstanding shares of the capital stock of the corporation; and (ii) the corporation is controlled by or for the benefit of one or more specified persons. Having regard to the structure of the Fund, and the intention of the MFC Proposals as described in materials accompanying the 2024 Federal Budget, the Fund does not believe that it would cease to be a mutual fund corporation as a result of their application. The Fund will continue to monitor the progress of the MFC Proposals to assess the impact, if any, that the MFC Proposals could have on the Fund.

Taxation of the Fund

All of a Fund's revenues, deductible expenses, capital gains and capital losses in connection with its investment portfolio, and other items relevant to its tax position (including the tax attributes of all of its assets), will be taken into account in determining the income or loss of the Fund and applicable taxes payable by the Fund as a whole.

As a mutual fund corporation, the Fund is entitled in certain circumstances to a refund of tax paid by it in respect of its net realized capital gains. The amount of the available refund to the Fund in any taxation year is determined by a formula, which is based in part on (i) the amount of Capital Gains Dividends (described below) paid by the Fund to its shareholders, and (ii) the Fund's "capital gains redemptions", which amount is determined in part by reference to the amount paid by the Fund to shareholders on the redemption of shares of the Fund. As a mutual fund corporation, the Fund maintains a capital gains dividend account in respect of capital gains realized by the Fund and from which it may elect to pay dividends ("**Capital Gains Dividends**"). In certain circumstances where the Fund has recognized a capital gain in a taxation year on which tax would be payable by the Fund, it may choose not to pay Capital Gains Dividends in that taxation year in respect thereof and instead pay capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient Capital Gains Dividends and/or capital gains redemptions.

The CRA has stated that it generally treats virtual currencies like a commodity for purposes of the Tax Act. The CRA has expressed the opinion that gains (or losses) of mutual fund corporations resulting from transactions in commodities should generally be treated for tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. As the Fund intends to be a long-term holder of Ether, the Manager anticipates that the Fund will generally treat gains (or losses) as a result of any disposition of Ether as capital gains (or capital losses) although, depending on the circumstances, the Fund may instead include the full amount in (or deduct the full amount from) income. The Fund will treat all rewards earned from Staking Activities on income account.

If any transactions of the Fund are reported by it on capital account but are subsequently determined by the CRA to be on income account, there may be an increase in the net income of the Fund for tax purposes, which may result in tax payable by the Fund. The Fund could also be liable for tax under Part III of the Tax Act to the extent that it has previously designated distributions of such income as Capital Gains Dividends.

The taxable portion of capital gains (net of the allowable portion of capital losses) realized by the Fund will be subject to tax at normal corporate rates applicable to mutual fund corporations, but taxes paid thereon by the Fund are generally refundable on a formula basis when shares of the Fund are redeemed or when a Fund pays capital gains dividends. Accordingly, if sufficient amounts are paid by the Fund on the redemption of its shares or as capital gains dividends, generally the Fund will not pay tax on its capital gains.

With respect to other income received by the Fund, such as income earned from Staking Activities and interest, the Fund will generally be subject to tax at normal corporate rates applicable to mutual fund corporations, subject to permitted deductions for expenses of the Fund.

The Fund may be subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of property may be considered to be a suspended loss when the Fund acquires a property (a "substituted property") that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Fund owns the substituted property 30 days after the original disposition. If a loss is suspended, the Fund cannot deduct the loss from the Fund's gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

The Fund is required to compute its income and gains for tax purposes in Canadian dollars. Therefore, the amount of income, cost, proceeds of disposition and other amounts in respect of investments that are not Canadian dollar denominated will be affected by fluctuations in the exchange rate of the Canadian dollar against the relevant foreign currency.

Taxation of shareholders

A shareholder of the Fund will be required to include in his or her income the Canadian dollar amount of any dividends paid on such shares, other than capital gains dividends, whether received in cash or reinvested in additional shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation will apply to such dividends.

If the Fund pays a return of capital, such amount will generally not be taxable but will reduce the adjusted cost base of the holder's shares of the Fund in respect of which the return of capital was paid. However, where such returns of capital are reinvested in new shares, the holder's overall adjusted cost base of such shares will not be reduced. In the circumstance that reductions to the adjusted cost base of a holder's shares would result in such adjusted cost base becoming a negative amount, that amount will be treated as a capital gain realized by the holder of the shares and the adjusted cost base will then be zero.

Capital gains dividends will be paid to shareholders at the discretion of the Fund's board of directors with respect to the timing and amount, out of the capital gains realized by the Fund. The amount of a capital gains dividend paid to holders of shares will be treated as a capital gain in the hands of the holder and will be subject to the general rules relating to the taxation of capital gains which are described below.

A holder of shares who receives a management fee rebate will include the amount of such rebate in income or in the alternative may reduce the adjusted cost base of the holder's shares by the amount of the rebate.

Upon the actual or deemed disposition of a share, including the redemption of a share for cash proceeds on a switch or otherwise, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the shares exceed (or are exceeded by) the aggregate of the adjusted cost base to the holder of such shares and the costs of disposition. Currently, one-half of a capital gain realized on the disposition will be included in income as a taxable capital gain. One-half of any capital loss realized may be deducted against any taxable capital gains, subject to and in accordance with the detailed rules of the Tax Act. Holders of shares should consult their own advisors with respect to provisions of the Tax Act which reduce any such losses by the amount of certain dividends received on shares.

Tax Proposals released on April 16, 2024 as part of Canada's 2024 Federal Budget propose to generally increase the proportion of a capital gain that would be included in income as a taxable capital gain, or the proportion of a capital loss that would constitute an allowable capital loss, from one-half to two-thirds, effective for dispositions on or after June 25, 2024 (the "Budget Proposal"). The Budget Proposal provides that the one-half inclusion of capital gains will continue to apply to individuals (other than trusts) up to a maximum of $250,000 of net capital gains per year. The Budget Proposal also contemplates adjustments of carried forward or carried back allowable capital losses to account for changes in the relevant inclusion rates. However, no draft legislation to implement the Budget Proposal has yet been publicly announced by the Minister of Finance (Canada), and many aspects of how the Tax Act will be amended in connection with the Budget Proposal remain unclear.

You will be informed each year of the amount of taxable dividends (including eligible dividends) and capital gains dividends that have been paid out to you.

Taxation of Registered Plans

In general, the amount of a distribution paid by the Fund to a Registered Plan on a disposition of mutual fund shares will not be taxable under the Tax Act. However, amounts withdrawn from certain Registered Plans may be subject to tax (other than a return of contributions from a RESP, certain withdrawals from a FHSA or RDSP or withdrawals from a TFSA or FHSA).

Tax implications of the Fund's dividend policy

When an investor purchases shares of the Fund, a portion of the price paid may reflect income or capital gains accrued or realized before such person acquired such shares. This may particularly be the case if such shares are purchased near year-end before a special year-end distribution is paid.

Alternative minimum tax

Investors who receive dividends from the Fund or who realize net capital gains from the disposition of shares of the Fund may be subject to alternative minimum tax under the Tax Act.

Calculating your capital gains or losses when you redeem your shares

You are responsible for tracking and reporting to the CRA any capital gain or loss that you realize. Your capital gain or loss for tax purposes on a redemption of shares is the difference between the amount you receive for the redemption (less any fees) and the adjusted cost base of those shares. One-half of a capital gain or a capital loss is taken into account in determining taxable capital gains and allowable capital losses. Allowable capital losses are only deductible against taxable capital gains in accordance with detailed tax rules. You may also realize capital gains or losses on shares, redeemed to pay any fees in connection with short-term trading fees.

If you have bought shares at various times, you will likely have paid various prices. This includes shares you received through reinvested distributions. Your adjusted cost base of a share of a series is the weighted average cost of all the shares you hold in that series of the Fund.

How to calculate the adjusted cost base of a share of a series of the Fund:

(a) Start with your initial investment, including any sales charges you paid.

(b) Add any additional investments, including any sales charges you paid, including any management fee rebates reinvested in additional shares of the series, if applicable.

(c) Add the amount of any reinvested dividends/distributions or other distributions.

(d) Subtract the adjusted cost base of any shares that were previously sold or redeemed.

(e) Subtract any distributions that have been treated as a return of capital.

(f) Divide by the number of shares of that series that you own.

Portfolio turnover rate

In general, the higher the portfolio turnover rate of a fund in a year, the greater the chance that a shareholder may receive a capital gains dividend or distribution. If reinvested, this amount will be added to the adjusted cost base of the shareholder's shares, for tax purposes. There is not necessarily a relationship between a high turnover rate and the performance of a fund. However, a high turnover rate for the Fund will increase trading costs, which are expenses payable by the Fund.

Tax reporting

Shareholders will receive an annual tax form relating to the character of amounts paid by the Fund to them on their shares (including eligible dividends or capital gains dividends, for example) to enable them to complete their income tax returns. Shareholders should keep records of the cost of shares, acquired and any return of capital distributions so that they can calculate any capital gain or loss on the redemption or other disposition of their shares.

Eligibility for Registered Plans

It is intended that the shares of the Fund will at all relevant times be qualified investments for trusts governed by Registered Plans.

Notwithstanding the foregoing, the holder of a TFSA, RDSP, or FHSA, a subscriber of a RESP, or the annuitant under a RRSP or RRIF will be subject to a penalty tax in respect of shares of the Fund held by such TFSA, RDSP, FHSA, RESP, RRSP or RRIF, as the case may be, if shares of the Fund are a "prohibited investment" for such plan trusts for the purposes of the Tax Act. Shares of the Fund will not be a "prohibited investment" for trusts governed by a TFSA, RDSP, FHSA, RESP, RRSP or RRIF unless the holder of the TFSA, RDSP, or FHSA, subscriber of the RESP or the annuitant under the RRSP or RRIF, as applicable, does not deal at arm's length with the Fund for purposes of the Tax Act, or has a "significant interest" as defined in the Tax Act in the Fund. Holders and annuitants should consult their own tax advisors with respect to whether shares of the Fund would be a prohibited investment in their circumstances.

Distributions and capital gains

If you hold your shares of the Fund through a Registered Plan, you will not pay tax on distributions or capital gains so long as they remain within the plan. However, any withdrawals or distributions from your Registered Plan may be subject to tax (other than a return of contributions from an RESP or certain withdrawals from a FHSA or an RDSP and withdrawals from a TFSA).

INTERNATIONAL INFORMATION REPORTING

Due diligence and reporting obligations in the Tax Act have been enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement. Dealers through which securityholders hold their shares are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Securityholders, or their controlling person(s), may be requested to provide information to their dealer to identify U.S. persons holding shares. If a securityholder, or their controlling person(s), is a "Specified U.S. Person" (including a U.S. citizen who is a resident of Canada) or if a securityholder does not provide the requested information and indicia of U.S. status are present, Part XVIII of the Tax Act will generally require information about the securityholder's investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA is required to provide that information to the U.S. Internal Revenue Service.

In addition, reporting obligations in the Tax Act have been enacted to implement the Organization for Economic Co-operation and Development Common Reporting Standard (the "**CRS Rules**"). Pursuant to the CRS Rules, Canadian financial institutions are required to have procedures in place to identify accounts held by tax residents of foreign countries other than the U.S. ("**Reportable Jurisdictions**") or by certain entities any of whose "controlling persons" are tax residents of Reportable Jurisdictions. The CRS Rules provide that Canadian financial institutions must report certain account information and other personal identifying details of shareholders or unitholders (and, if applicable, of such controlling persons) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax resident under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Under the CRS Rules, securityholders will be required to provide such information regarding their investment in the Fund to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan (other than a FHSA). Tax Proposals included in Bill C-59, which received its second reading in March 2024, would exempt FHSAs from due diligence and reporting obligations imposed under Part XIX of the Tax Act; however, there can be no assurance that such proposed amendments will be enacted as proposed.

WHAT ARE YOUR LEGAL RIGHTS?

Mutual fund shares

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy shares and get your money back or, in some jurisdictions, to make a claim for damages, if the simplified prospectus, fund facts or financial statements misrepresent any facts about the Fund. You must act within the time limits set by law in the applicable province or territory.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

ETF Shares

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF Shares within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or consult with a legal advisor.

EXEMPTIONS AND APPROVALS

The Fund has received exemptive relief from the Canadian securities regulatory authorities to permit the following:

(a) the purchase by a shareholder of the Fund of more than 20% of the ETF Shares of the Fund through purchases on a stock exchange without regard to the take-over bid requirements of Canadian securities legislation;

(b) to relieve the Fund from the requirement that a prospectus contain a certificate of the underwriters;

(c) to relieve the Fund from the requirement to include in the prospectus a statement respecting purchasers' statutory rights of withdrawal and remedies of rescission as prescribed in Item 11 of Part A of Form 81-101F1 – *Contents of Simplified Prospectus*;

(d) to relieve the Fund from the requirement to prepare and file a long form prospectus in accordance with National Instrument 41-101 – *General Prospectus Requirements* for the ETF Shares in the form prescribed by Form 41-101F2 – *Information Required in an Investment Fund Prospectus* provided that the Fund files a prospectus for the ETF Shares in accordance with the provisions of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of a fund facts document; and

(e) to treat the ETF Shares and the mutual fund shares of each series of shares of the Fund as if such shares were separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102.

CERTIFICATE OF PURPOSE ETHER STAKING CORP. ETF

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the shares offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: May 17, 2024

By: *"Som Seif"*
Som Seif
Chief Executive Officer and Chairman of the Board of Directors

By: *"Jillian Friedman"*
Jillian Friedman
Chief Financial Officer

On behalf of the Board of Directors

By: *"Boris Wertz"*
Boris Wertz
Director

By: *"Colleen McMorrow"*
Colleen McMorrow
Director

CERTIFICATE OF PURPOSE INVESTMENTS INC., MANAGER AND PROMOTER OF PURPOSE ETHER STAKING CORP. ETF

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the shares offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: May 17, 2024

By: *"Som Seif"*
Som Seif
President, Chief Executive Officer and Chairman of the Board of Directors, Purpose Investments Inc., as manager and promoter of Purpose Ether Staking Corp. ETF

By: *"Tyler Meyrick"*
Tyler Meyrick
Chief Financial Officer, Purpose Investments Inc., as manager and promoter of Purpose Ether Staking Corp. ETF

On behalf of the Board of Directors
of Purpose Investments Inc.,
as manager and promoter of the Purpose Ether Staking Corp. ETF

By: *"Som Seif"*
Som Seif
Director

By: *"Tyler Meyrick"*
Tyler Meyrick
Director

By: *"Vladimir Tasevski"*
Vladimir Tasevski
Director

SPECIFIC INFORMATION ABOUT THE FUND DESCRIBED IN THIS DOCUMENT

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a mutual fund?

A mutual fund is a pool of investments made on behalf of people with a similar investment objective. When you invest in a mutual fund, your money is working together with that of many other investors. A professional investment manager invests this money on behalf of the whole group.

Investors share a mutual fund's income, expenses, gains and losses in proportion to their interest in the mutual fund. Mutual funds can give individuals the advantages of a simpler, more accessible, less expensive and less time-consuming method of investing in a portfolio of securities.

Mutual funds own different types of investments, depending on their investment objectives. These investments may include equities like shares, fixed-income securities like bonds and cash or cash equivalents like treasury bills, or units of other mutual funds, called "underlying funds". The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, financial markets and company news. As a result, the value of a mutual fund's shares may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The Fund is considered to be an "alternative mutual fund", meaning it is permitted to employ strategies generally prohibited for conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage. While these strategies will be used in accordance with the Fund's investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Also, market conditions may make it difficult or impossible for an alternative mutual fund to liquidate a position.

What do you own?

When you invest in a mutual fund corporation, such as the Fund, you are buying a portion of that mutual fund corporation called a share. Mutual fund corporations can have one or more classes of shares also known as "funds" and keep track of all the individual investments by recording how many shares of a class each investor owns. The more money you put into a class of a mutual fund corporation, the more shares you get. The price of a share changes every day, depending on how the investments of the class are performing. When the investments of a class rise in value, the price of a share of that class goes up. When the investments of the class drop in value, the price of the share of that class goes down.

Some classes of shares are offered in more than one series. A multi-series structure recognizes that different investors may seek the same investment objective, yet require different investment advice and/or service. Each series of a class represents an investment in the same investment portfolio of the fund. However, each series may charge a different management fee and incur its own specific expenses. As a result, a separate NAV per share is calculated for each series on a daily basis.

The fund you are investing in has a single series of mutual fund shares. See "Calculation of net asset value" on page ●.

What are the general risks of investing in a mutual fund?

As an investor, there is always a risk you could lose money. Mutual funds are no exception, but the degree of risk varies considerably from one mutual fund to the next. As a general rule, investments with the greatest risk have the greatest potential for gains, but also have the greatest potential for losses. The key is to recognize the risk involved with your investment, understand it, and decide whether it is a risk you are comfortable accepting.

The shares of the Fund are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in the Fund. The Fund is an alternative mutual fund pursuant to NI 81-102. The Fund has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the Fund's investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Also, market conditions may make it difficult or impossible for the Fund to liquidate a position.

The Fund is considered an "alternative mutual fund" meaning it is permitted to use strategies generally prohibited by conventional mutual funds under NI 81-102, such as the ability to borrow, up to 50% of the Fund's net asset value, cash to use for investment purposes; sell, up to 50% of the Fund's net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and leverage up to 300% of the Fund's net asset value; among other things. For more information regarding the risks associated with these strategies, please see "Use of leverage" below.

Every securityholder has a different tolerance for risk. To be comfortable with your investments you should think about your risk comfort level before you invest.

This section and the section "What are the specific risks of investing in a mutual fund?" below, describe the risks associated with investing in mutual funds. As you read the descriptions, keep in mind your risk comfort level and your various investments objectives to help determine if the Fund is right for you.

The general risks with investing in a mutual fund include:

Price fluctuation

The price of a mutual fund security will generally vary with the value of the securities it holds. Changes in interest rates, economic and stock market conditions or new company information, for example, may influence the value of securities held by a mutual fund. When you redeem mutual fund securities, their value may be less than your original investment. Changes in rates and market conditions may also cause the value of securities of the mutual fund to change from day to day. The manager and the Fund have no control over the factors that affect the value of the assets held by the Fund, including factors that affect the digital currency markets generally such as general economic and political conditions.

No guarantees

Your investment in the Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund securities are not covered by Canada Deposit Insurance Corporation or any other government deposit insurer.

Suspension of redemptions

Under exceptional circumstances, the Fund may suspend redemptions. See "Purchases, switches and redemptions – When you may not be allowed to redeem your shares" on page ●.

How can an investor in a mutual fund manage risk?

Although the value of your investments may drop in the short term, a longer investment horizon will help to lessen the effects of short-term market volatility. A shorter investment horizon may result in you having to sell your investments in adverse conditions. Ideally, investors in equity funds should have a minimum five- to nine-year investment horizon, which generally provides enough time for the investments to overcome any short-term volatility and grow.

At any given time, however, one mutual fund may outperform another. The key is to have a diversified portfolio of mutual funds to try to ensure that a decline in one mutual fund is offset by growth in another, helping to reduce risk and smooth out returns. Your advisor can help you build a portfolio that's right for you.

What are the specific risks of investing in a mutual fund?

Each mutual fund also has specific risks. The description of the Fund, starting on page ●, sets out the risks that apply to the Fund. Set forth below, in alphabetical order, is a description of each of those risks.

Absence of an active market for the ETF Shares

The Fund has been newly organized as an investment fund and has no previous operating history as an investment fund. Purpose, on behalf of the Fund, has applied to have the ETF Shares listed on Cboe Canada. Listing is subject to the approval of Cboe Canada in accordance with its original listing requirements. Cboe Canada has not conditionally approved the Fund's listing application and there is no assurance that Cboe Canada will approve the listing application. Further, there can be no assurance that an active public market for the shares of the Fund will develop or be sustained.

Asset class risk

Ether may underperform the returns of other securities that track other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

Capital depreciation risk

The Fund may not make any cash distributions. Any distributions may include returns of capital. Also, distributions of cash will reduce the NAV of the Fund which may reduce the Fund's ability to generate future income.

Changes in legislation

There can be no assurance that tax, securities or other laws will not be changed in a manner that adversely affects the distributions received by the Fund or by its shareholders.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency respecting the treatment of mutual fund corporations will not be changed in a manner that adversely affects the Fund or its shareholders. For example, changes to tax legislation or the administration thereof could affect the taxation of the Fund or Ether.

The Fund's operations are subject to a variety of frequently evolving and emerging laws, regulations and guidelines relating to the digital assets and the blockchain industry. Digital asset service providers are, or are expected to become, subject to various legislative and/or regulatory frameworks in Canada, including under anti-money laundering/anti- terrorist financing and economic sanctions laws, securities and derivatives laws, pending retail payment legislation and energy regulation and policy.

Certain custodial crypto asset trading platforms that are regulated as dealers under Canadian securities law ("**Canadian Dealer CTPs**") offer staking services to their clients, and such staking services (when offered by a custodial platform to its retail clients) are regulated, and offered under an exemption from the prospectus requirement of applicable securities laws. In addition, on February 22, 2023, the Canadian Securities Administrators ("**CSA**") announced their view that fiat-backed stablecoins, a popular type of digital asset that is pegged to the value of a fiat currency, are securities or derivatives under Canadian securities laws, and have established criteria for evaluating whether to permit a particular stablecoin to be offered by Canadian Dealer CTPs. More generally, the CSA announced a strengthening of their approach toward the regulation of digital asset trading platform following the collapse of FTX and the subsequent market turmoil. To date, the CSA's assertion of jurisdiction over digital asset activities does not extend to the activities of the Fund.

Changes to laws, regulations and guidelines due to matters beyond the control of the Fund may have an adverse effect on the Fund's operations and the financial condition of the Fund.

Concentration risk

Some mutual funds concentrate their investment holdings in specialized industries, market sectors, asset classes or in a limited number of issuers. Investments in these funds involve greater risk and volatility than broadly based investment portfolios since the performance of one particular industry, market, asset class or issuer could significantly and adversely affect the overall performance of the entire fund. A relatively high concentration of assets in a single or small number of investments may reduce the diversification and liquidity of the Fund.

The Fund is being created to obtain exposure to Ether and is not expected to have significant exposure to any other investments or assets. The NAV per share of the Fund may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the NAV per share of the Fund.

Conflicts of interest risk

The services to be provided or caused to be provided by the manager are not exclusive to the Fund. The manager is not prevented from offering their services to other funds, some of which may invest primarily in the same securities as the Fund from time to time invests and which may be considered competitors of the Fund.

In addition, the directors and officers of the manager or their respective affiliates may be directors, officers or shareholders of corporations which act as the manager of other funds that invest primarily in the same securities as the Fund and which may be considered competitors of the Fund.

Counterparty and deposit risk

Due to the nature of some of the investments that the Fund may undertake, the Fund may rely on the ability of the counterparty to the transaction to perform its obligations. In the event that a counterparty fails to complete its obligations, the Fund will bear the risk of loss of the amount expected to be received under transactions in the event of the default or bankruptcy of a counterparty.

Shares of the Fund do not represent an interest in, or an obligation of, any counterparty and you will not have any recourse against any counterparty in respect of amounts payable by the Fund to you, or by the counterparty to the Fund.

Cryptocurrency risk

Cryptocurrency including Ether, often referred to as “virtual currency” or “digital currency”, operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. Cryptocurrency operates without the oversight of a central authority or the banks and is not backed by any government. Even indirectly, cryptocurrencies may experience high volatility and related investment vehicles may be affected by such volatility. The Fund holds cryptocurrency and may trade at a significant premium or discount to net asset value. Cryptocurrency is not legal tender. Federal, state, provincial, territorial or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in North America is still developing. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware which could have an adverse impact on the net asset value of the shares. Recent events surrounding a cryptocurrency exchange and cryptocurrency trading counterparties in the U.S. may undermine the confidence investors have in the digital assets market and exacerbate recent volatility in the market prices for digital assets including Ether, which may adversely affect the NAV per share of the Fund. Further, while the Fund’s assets are stored in “cold storage” with a reputable cryptocurrency sub-custodian, extreme market volatility may pose risks to a sub-custodian’s business and its ability to operate in its normal course which could impact the ability of the Fund to process redemptions.

Currency exposure risk

The Fund may have indirect exposure through its investments in other securities to U.S. dollar denominated Ether. Canadian investors should be aware that shares of the Fund will not hedge the investor’s investment in the Fund against Canadian currency exposure. Fluctuations in the value of the Canadian dollar relative to the U.S. dollar will impact the relative value of an investor’s investment in Canadian dollars. If the value of the Canadian dollar has increased relative to the U.S. dollar, the return on the Ether converted into Canadian dollars may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, a Canadian investor and the value of such investor’s investment converted into Canadian dollars may benefit from an increase in the value of the U.S. dollar relative to the Canadian dollar.

Currency risk

The assets and liabilities of the Fund are valued in Canadian dollars. Ether is denominated in U.S. dollars, and for the purposes of calculating the NAV of that Fund, the manager will convert, on a daily basis, the value of Ether into Canadian dollars. Fluctuations in the value of the Canadian dollar relative to the foreign currency will impact the NAV of the Fund. If the value of the Canadian dollar has increased relative to the foreign currency, the return on the Fund’s Ether may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, the Fund may benefit from an increase in the value of the foreign currency relative to the Canadian dollar.

Cyber security risk

Cyber security risk is the risk of harm, loss and liability resulting from a failure or breach of information technology systems. Failures or breaches of the information technology systems ("**Cyber Security Incidents**") can result from deliberate attacks or unintentional events and may arise from external or internal sources. Deliberate cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, equipment or systems, or causing operational disruption. Deliberate cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

The primary risks to the Fund from the occurrence of a Cyber Security Incident include disruption in operations, reputational damage, disclosure of confidential information, the incurrence of regulatory penalties, additional compliance costs associated with corrective measures and/or financial loss. Cyber Security Incidents of the Fund's third-party service providers (e.g., administrators, transfer agents, custodians and sub-custodians) or issuers that the Fund invests in can also subject the Fund to many of the same risks associated with direct Cyber Security Incidents.

The manager has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed. Furthermore, the Fund cannot control the cyber security plans and systems put in place by its service providers or any other third party whose operations may affect the Fund or its shareholders. The Fund and its shareholders could be negatively impacted as a result.

Distributions in specie

A portion of the Fund's portfolio may be invested in illiquid securities and instruments. There can be no assurance that all of the Fund's investments will be liquidated prior to the termination of the Fund and that only cash will be distributed to its shareholders. The securities and instruments that shareholders may receive on termination may not be readily marketable and may have to be held for an indefinite period of time.

Exchange rate risk

Changes in foreign currency exchange rates may affect the NAV of the shares of the Fund, that holds investments denominated in currencies other than the Canadian dollar.

Financial institutions may refuse to support transactions involving cryptocurrency risk

In the uncertain regulatory climate for digital assets such as Ether, Canadian regulated financial institutions may cease to support transactions involving digital assets including the receipt of cash proceeds from sales of digital assets. Should this occur, the Fund would be unable to pay out redemption proceeds within the timeframe set out under "Purchases, switches and redemptions – Redemptions" on page ●.

Fluctuations in NAV and NAV per share

The NAV per share of the Fund will vary according to, among other things, the value of the securities held by the Fund. The manager and the Fund have no control over the factors that affect the value of the securities held by the Fund, including factors that affect the equity and bond markets as well as the Ether and cryptocurrency markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to each constituent security.

Illiquid securities risk

If the Fund is unable to dispose of some or all of the securities and/or Ether held by it, the Fund may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities or may be able to do so only at prices which may not reflect the fair value of such investments. Likewise, if certain securities and/or Ether are particularly illiquid, the manager may be unable to acquire the number of securities it would like at a price acceptable to the manager on a timely basis.

The Fund may not always be able to liquidate its digital assets at a desired price. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on digital asset trading platforms. Unexpected market illiquidity may cause substantial losses to the holders of digital assets. The amount of digital assets that the Fund may acquire increases the risks of illiquidity by both making its digital assets difficult to liquidate and in liquidating, the Fund may significantly affect the price of the digital assets.

Large redemption/investors/transaction risk

The Fund may have particular investors who own a large proportion of the outstanding shares of the Fund. For example, other institutions such as banks and insurance companies or other mutual fund companies may purchase shares for their own mutual funds, segregated funds or discretionary managed accounts. Retail investors may also own a significant amount of the Fund.

If one of those investors redeems a large amount of their investment in the Fund, the Fund may have to sell its portfolio investments at unfavourable prices to meet the redemption request. This can result in significant price fluctuations to the net asset value of the Fund and may potentially reduce the returns of the Fund.

The Fund may also be forced to change the composition of its portfolio significantly. Such actions may result in considerable price fluctuations to the Fund's NAV and negatively impact its returns. Such risk is higher where a substantial shareholder engages in short term trading or excessive trading. The Fund does, however, have policies and procedures designed to monitor, detect and deter inappropriate short-term or excessive trading. See "Purchases, switches and redemptions of securities – Short-term trading".

No ownership interest in the portfolio risk

An investment in the Fund does not constitute an investment in the underlying assets such as cash, cash equivalents or cryptocurrency. Shareholders of the Fund will not own the cryptocurrency or cash or cash equivalents held by the Fund.

Regulation of blockchain and digital assets

The regulatory and legal regimes governing blockchain technologies and digital assets across the globe are uncertain and evolving, and new regulations, protocols or policies, including a change of laws, potential bans or restrictions on the trading of digital assets, may impact the demand for Ether and materially and adversely affect the Fund.

As digital assets have grown in popularity and in market size, governments, regulators and self-regulators (including law enforcement and national security agencies) around the world are examining the operations of digital asset issuers, customers and platforms. To the extent that any Canadian or other government or quasi-governmental agency imposes additional substantial regulation on any part of the digital asset industry in general, the issuance of digital assets, and trading and ownership of and transactions involving the purchase and sale or pledge of such assets, may be adversely affected, which could adversely affect the Fund's businesses and investments.

As digital assets have grown in both popularity and market size, the U.S. Congress and a number of U.S. federal and state agencies (including the Financial Crimes Enforcement Network, the U.S. Securities and Exchange Commission (the "**SEC**"), the Commodity Futures Trading Commission, the Financial Industry Regulatory Authority, the Consumer Financial Protection Bureau, the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, the Internal Revenue Service (IRS) and state financial institution and securities regulators) have been examining the operations of digital asset networks, digital asset users and the digital asset markets, with particular focus on the extent to which digital assets can be used to launder the proceeds of illegal activities or fund criminal or terrorist enterprises and the safety and soundness of exchanges or other service providers that hold or custody digital assets for users. Many of these state and federal agencies have issued consumer advisories regarding the risks posed by digital assets to investors. President Biden's March 9, 2022 Executive Order signals an ongoing focus on digital asset policy and regulation in the United States. A number of reports issued pursuant to the Executive Order have focused on various risks related to the digital asset ecosystem, and have recommended additional legislation and regulatory oversight. In addition, U.S. federal and state agencies, have issued rules or guidance about the treatment digital asset transactions or requirements for businesses engaged in digital asset activity.

In addition, the SEC and U.S. state securities regulators have issued warnings and instituted legal proceedings in which they argue that certain digital assets may be classified as securities and that both those digital assets and any related initial coin offerings are subject to securities regulations. The chair of the SEC has called for federal legislation centering on digital asset trading, lending, and decentralized finance platforms, seeking "additional plenary authority" to write rules for digital asset trading and lending. At the same time, the chair has also stated that the SEC has authority under existing laws to regulate the digital asset sector.

Various other foreign jurisdictions have, and may continue to, in the near future, adopt laws, regulations or directives that affect a digital asset network, the digital asset markets, and their users, particularly digital asset exchanges and service providers that fall within such jurisdictions' regulatory scope. For example:

- China has made transacting in cryptocurrencies illegal for Chinese citizens in mainland China, and additional restrictions may follow.

- South Korea requires virtual asset service providers to register and comply with its anti-money laundering and counter-terrorism funding framework, and provides the government with the authority to close digital asset exchanges that do not comply with specified processes.

- The Reserve Bank of India in April 2018 banned the entities it regulates from providing services to any individuals or business entities dealing with or settling digital assets. In March 2020, this ban was overturned in the Indian Supreme Court, although the Reserve Bank of India is currently challenging this ruling.

- The United Kingdom's Financial Conduct Authority published final rules in October 2020 banning the sale of derivatives and exchange traded notes that reference certain types of digital assets, contending that they are "ill-suited" to retail investors citing extreme volatility, valuation challenges and association with financial crime. A new bill is expected to become law in 2023, which will bring digital asset activities within the scope of existing laws governing financial institutions, markets and assets.

- The European Council of the European Union approved the text of the Markets in Crypto-Assets Regulation ("**MiCA**") in October 2022, establishing a regulatory framework for digital asset services across the European Union. MiCA is intended to serve as a comprehensive regulation of digital asset markets and imposes various obligations on digital asset issuers and service providers. The main aims of MiCA are industry regulation, consumer protection, prevention of market abuse and upholding the integrity of digital asset markets. MiCA is expected to pass the European Parliament in 2023 and come into effect in 2024.

The effect of any future regulatory change on digital asset issuers and participants in general is impossible to predict, but such change could materially and adversely affect the Fund's trading execution, the value of its assets, the prospects for new products and services to be offered by the Fund, and the value of any investment in the Fund.

The legal status of digital assets varies substantially from jurisdiction to jurisdiction and is still undefined and changing in many of them. Likewise, various government agencies, departments, and courts have classified and continue to classify digital assets differently. Changes in laws, regulations, policies and practices could have an adverse effect on the Fund, its strategies, business and investments. For example, regulatory agencies could shut down or restrict the operation of digital asset trading platforms, using digital assets or blockchain-based technologies, providing certain services with respect to the foregoing, or otherwise limit the use of digital assets. This, and any other changes in laws, regulations, policies and practices, could lead to a loss of any investment made by or in the Fund, and may trigger regulatory action by securities or other regulators, and result in a material impact to the Fund's business operations and revenue streams. Furthermore, various jurisdictions may, in the near future, adopt laws, regulations or directives that affect digital assets, the related markets and digital asset trading platforms and the ability to use, trade and hold digital assets. Such laws, regulations or directives may conflict with one another and may negatively affect the acceptance of digital assets by customers, merchants and service providers and may therefore impede the growth or sustainability of the digital assets economy in Canada, the United States or other locations and globally, or otherwise negatively affect the value of digital assets. Although there continues to be uncertainty about the full impact of these and other regulatory changes, the Fund may become subject to a more complex regulatory framework in the near future and incur additional costs to comply with new requirements as well as to monitor for compliance with any new requirements in the future.

Reliance on key personnel

The manager depends, to a great extent, on the services of a limited number of individuals in connection with the services provided to the Fund. The loss of such services or the loss of some key individuals could impair the ability of the manager to perform their management, administrative and portfolio advisory services, as applicable, on behalf of the Fund.

Risk of loss

An investment in the Fund is not guaranteed by any entity. Unlike bank accounts or guaranteed investment certificates, an investment in the Fund is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Risk related to future results

Historical returns of the Ether from time to time should not be taken as an indication of their future returns. The trading price of the Ether at any time will fluctuate and will determine the NAV of the Fund, and it is impossible to predict whether trading prices of the Ether will increase or decrease. Trading prices will be influenced by both the complex and interrelated political, economic, financial and other factors that can affect the capital markets generally and the equity trading markets on which the portfolio securities are traded, and by various circumstances that can influence the value of a particular security.

Risk relating to residency of the Sub-Custodians

Each of the Sub-Custodians is resident outside of Canada and all or a substantial portion of its assets are located outside Canada. As a result, anyone seeking to enforce legal rights against a Sub-Custodian in Canada may find it difficult to do so.

Risk relating to SOC 2 Type 2 Report of the Sub-Custodians

In accordance with each Sub-Custodian Agreement, the Sub-Custodians will provide the manager, on an annual basis, a SOC 2 Type 2 Report in respect of its internal controls during the course of the calendar year and the manager will make such SOC 2 Type 2 Report available for review by the auditor of the Fund in connection with the audit of the Fund's annual financial statements. However, there is a risk that such SOC 2 Type 2 Report of the Sub-Custodians will not be available. In the event that the SOC 2 Type 2 Report is not available, the manager will request confirmation from the Sub-Custodians in writing to permit the auditor of the Fund to test its internal controls. Although the manager has received reasonable assurances from the Custodian and the Sub-Custodians that such written confirmation will be provided in the event that a SOC 2 Type 2 Report of the Sub-Custodians is not available, there is a risk that such written confirmation will not be provided and/or that the auditor will not be able to test the internal controls of the Custodian and the Sub-Custodians directly. The Fund has filed an undertaking with applicable securities regulatory authorities that provides that while it is a reporting issuer, the Fund will obtain from the Sub-Custodians of the Fund's Ether, as the case may be, either a SOC 2 Type 2 Report or written confirmation from the Sub-Custodians to permit the Fund's auditor to test its controls.

In the event that the auditor of the Fund cannot: (i) review a SOC 2 – Type 2 Report of the Sub-Custodians; or (ii) test the internal controls of the Sub-Custodians directly in connection with its audit of the Fund's annual financial statements, the auditor would not be able to complete its audit of the annual financial statements of the Fund in accordance with the current guidance of the Canadian Public Accountability Board.

Risk relating to standard of care of the manager, Custodian and Sub-Custodians

The manager, the Custodian and the Sub-Custodians are subject to a contractual standard of care in carrying out its duties on behalf of the Fund. In the case that the Fund suffers a loss of its Ether and each of the manager, the Custodian and the Sub-Custodians satisfied its respective standard of care, the Fund will bear the risk of loss as with respect to these parties.

Under the terms of the Cidel Custodian Agreement, the Custodian is required to exercise the standard of care required by NI 81-102. However, the Custodian will not be liable to the Fund for any loss of an underlying fund's Ether held by the Sub-Custodians unless such loss is directly caused by the Custodian's gross negligence, fraud, wilful default, or the breach of its standard of care. In the event of such loss, the Custodian is required to take reasonable steps to enforce such rights as it may have against the Sub-Custodians pursuant to the terms of the applicable Sub-Custodian Agreement and applicable law.

Risk relating to valuation of the Fund's assets

The valuation of the Fund's assets may involve uncertainties and judgement determinations, and, if such valuations should prove to be incorrect, the NAV per share could be adversely affected. The manager may face a conflict of interest in valuing the Ether, held by the Fund because the values assigned will affect the calculation of the management fee payable by the Fund to it.

Tax risk

There can be no assurance that the tax laws applicable to the Fund under the Tax Act or under foreign tax regimes, or the administration thereof, will not be changed in a manner which could adversely affect the Fund or shareholders.

If the Fund ceases to qualify as a "mutual fund corporation" under the Tax Act, the income tax considerations described in "Income tax considerations – Taxation of the Fund" on page ● would be materially and adversely different in certain respects.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund corporations will not be changed in a manner that adversely affects the Fund or its shareholders. For example, changes to tax legislation or the administration thereof could affect the taxation of the Fund.

If some or all of the transactions undertaken by the Fund are reported on capital account but are subsequently determined to be on income account, the net income of the Fund for tax purposes and the taxable component of distributions to shareholders could increase. Any such redetermination by the CRA may result in the Fund being liable for additional taxes. Such potential liability may reduce NAV per series.

The Fund will generally treat gains (or losses) as a result of any disposition of Ether as capital gains (or capital losses), as the Fund intends to be a long-term holder of Ether. The CRA has stated that it generally treats virtual currencies as a commodity for purposes of the Tax Act. The CRA has also expressed the opinion that gains (or losses) of mutual fund corporations resulting from transactions in commodities should generally be treated for income tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. If any transactions of the Fund are reported by it on capital account but are subsequently determined by the CRA to be on income account, there may be an increase in the net income of the Fund for tax purposes, which may result in tax payable by the Fund. The Fund could also be liable for tax under Part III of the Tax Act to the extent that it has previously designated distributions of such income as Capital Gains Dividends.

Trading price of ETF Shares

ETF Shares may trade in the market at a premium or discount to the NAV per ETF Share. There can be no assurance that the ETF Shares will trade at prices that reflect their NAV. The trading price of the ETF Shares will fluctuate in accordance with changes in the Fund's NAV, as well as market supply and demand on Cboe Canada (or such other designated exchange on which the ETF Shares of the Fund may be traded from time to time). However, given that generally only a prescribed number of ETF Shares are issued to designated brokers and dealers, and that holders of a prescribed number of ETF Shares (or an integral multiple thereof) may redeem such ETF Shares at their NAV, the manager believes that large discounts or premiums to the NAV of the ETF Shares should not be sustained.

Use of leverage

As "alternative mutual funds", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Fund that exceed the net asset value of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase the Fund's turnover, transaction and market impact costs, interest and other costs and expenses.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, the Fund's aggregate gross exposure, calculated as the sum of the following, must not exceed three times the Fund's NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. If the Fund's aggregate gross exposure exceeds three times the Fund's NAV, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the Fund's NAV or less.

Pursuant to NI 81-102, the Fund may borrow cash up to a maximum of 50% of its net asset value and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its net asset value. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 50% of its net asset value. If the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the Fund exceeds 50% of the Fund's net asset value, the Fund must, as quickly as commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to 50% or less of the Fund's net asset value.

Risks associated with investing in the Fund

In addition to the considerations set out elsewhere in this simplified prospectus, the following are certain considerations relating to an investment in the Fund that prospective investors should consider before purchasing shares of the Fund.

Attacks on the Ethereum Network risk

The Ethereum Network is periodically subject to distributed denial of service attacks resulting in limited, restricted or halt in access or ability to transact. This risk has been substantially mitigated since Ethereum transitioned to a proof-of-stake network beginning in December 2020 with the launch of the Beacon Chain and culminating with the Merge in September 2022.

Additional upgrades are planned and these upgrades will result in new iterations of the Ethereum network. Many of the contemplated upgrades the Ethereum network will include updates to material aspects of its source code. Although some of these upgrades have been successfully implemented, such as the Merge, the Shanghai upgrade and the Dencun upgrade, previously successful upgrades do not guarantee that future upgrades will be successful, and any failure to properly implement future changes could have a material adverse effect on the value of Ether and the value of the ETF Shares and the mutual fund shares.

Competitors to Ether risk

To the extent a competitor to Ether gains popularity and greater market share, the use and price of Ether could be negatively impacted, which may adversely affect an investment in the Fund. Similarly, Ether and the price of Ether could be negatively impacted by competition from incumbents in the credit card and payments industries, which may adversely affect the NAV per share of the Fund.

Control of the Ethereum Network risk

If an entity or group gains control over a meaningful portion of the Ethereum network's validators, it is possible with malicious intent for such entity or group to prevent transactions from being confirmed, create false transactions or attempt to alter a portion of the blockchain's history. Under the current consensus implementation, an entity, or group of entities that control 66% of validators for a period of approximately 12 minutes would be able to finalize a false set of transactions.

Different than a proof-of-work network which is susceptible to 51% attacks and a network design where no transaction is ever truly considered 'final,' in proof-of-stake, should an entity or group attempt to attack the network with 51% control, it would be possible for the entity or group to produce irregular state transitions. However, such irregular state transactions could not achieve finality without a 66% control of validators.

Much of the above is theoretical and has not taken place to date on the Ethereum proof-of-stake network so there is a risk that a 51% attack could produce a different outcome than described.

Should a 51% of 66% attack on the network emerge and succeed, this would significantly erode trust in the Ethereum network to store value and confirm assets and activities within the ecosystem in a reliable and trustworthy way.

Decrease in block reward risk

In the event of a material decrease in the block reward to the Ethereum Network, stakers may cease to provide their validation services to the consensus mechanism for the Ethereum network blockchain. If some stakers decide to stop participating because the yield is too low, remaining stakers will enjoy a higher yield.

Decrease in demand for and usage of Ether risk

There is no assurance that Ether will maintain its long-term value in terms of purchasing power in the future or that the acceptance of Ether as a means of exchange, store of value and/or unit of account by consumers around the world will continue to grow. In the event that the price of Ether declines, the manager expects the NAV per share of the Fund to decline proportionately. As relatively new products and technologies, Ether and the Ethereum Network have yet to become widely accepted as a means of payment for goods and services by many major retail and commercial outlets, and use of Ether by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for Ether transactions, process wire transfers to or from digital asset trading platforms, ether related companies or service providers, or maintain accounts for persons or entities transacting in Ether. Conversely, a significant portion of Ether demand is generated by speculators and investors seeking to profit from the short- or long-term holding of Ether. A decrease in demand and use of Ether could adversely affect the NAV per share of the Fund.

Dependence on Ether developers risk

While many contributors to Ether's software are employed by companies in the industry, most of them are not directly compensated for helping to maintain the protocol. As a result, there are no contracts or guarantees that such individuals will continue to contribute to Ether's software development.

Dependence on the internet risk

Ether validators relay transactions to one another via the internet, and when blocks are validated they are also forwarded via the internet. Users and developers access Ethereum via the internet. Thus, the Ethereum Network is dependent upon the continued functioning of the internet.

Hacking of digital asset trading platforms risk

In the event that a digital asset trading platform is hacked such an event may result in the closure or temporary closure of a digital asset trading platform or reduce investor confidence in Ether generally which could affect the price of Ether and in turn adversely affect the NAV per share of the Fund.

Improper transfers risk

Ether transfers are irreversible. An improper transfer (whereby Ether is accidentally sent to the wrong recipient), whether accidental or resulting from theft, can only be undone by the receiver of the Ether agreeing to send the Ether back to the original sender in a separate subsequent transaction. To the extent an investment fund erroneously transfers, whether accidental or otherwise, Ether in incorrect amounts or to the wrong recipients, the investment fund may be unable to recover the Ether, which could adversely affect an investment in securities of the investment fund.

Increased regulation of Ether risk

The regulation of Ether (globally) continues to evolve any may restrict the use of Ether or otherwise impact the demand for Ether in the future.

Because the cryptoasset markets are largely unregulated today, many marketplaces and OTC counterparties that trade or facilitate trading exclusively in cryptoassets are not subject to registration or licensing requirements with any financial services regulatory body and, therefore, are not directly subject to prescribed KYC, reporting and recordkeeping requirements which apply financial services firms and other "reporting entities" under AML Regulation. The manager will use all reasonable efforts to confirm that each digital asset trading platform and institutional liquidity provider from which the Fund may purchase Ether has adopted KYC procedures which reflect industry best practices to seek to ensure compliance with AML Regulation requirements which apply generally in the jurisdictions where they carry on business. In addition, each Sub-Custodian is a reporting entity under the U.S. Bank Secrecy Act and AML Regulation in the U.S. and has adopted the adopted the anti-money laundering and sanctions policies for its digital asset exchange and custody service as described under "Responsibility for mutual fund administration – Sub-Custodians."

Increase in transaction fees risk

Ether validators functioning in their transaction confirmation capacity, collect fees for confirming blocks. Validators confirm transactions by adding previously unconfirmed transactions to new blocks in the blockchain. Validators are not forced to confirm any specific transaction, but they are economically incentivized to confirm valid transactions as a means of collecting fees. If validators collude in an anticompetitive manner to reject low transaction fees, then Ether users could be forced to pay higher fees, thus reducing the attractiveness of the Ethereum Network. Ether validating occurs globally and it may be difficult for authorities to apply antitrust regulations across multiple jurisdictions. Any collusion among validators to attempt an attack on the Ethereum Network may adversely impact confidence in the Ethereum Network, Ether and the NAV of the shares.

Limited history of Ether and digital asset trading platforms risk

Ether and cryptocurrencies generally are new technological innovations with a limited history. There is no assurance that usage of Ether and its blockchain will continue to grow. Increased volatility of Ether and/or a reduction in its price could adversely affect the NAV per share of the Fund.

Digital asset trading platforms have a limited operating history. Since 2015, several digital asset trading platforms have been closed or experienced disruptions due to fraud, failure, security breaches or distributed denial of service attacks. In many of these instances, the customers of such trading platforms were not compensated or made whole for the partial or complete loss of funds held at digital asset trading platforms. The potential for instability of digital asset trading platforms and the closure or temporary shutdown of exchanges due to fraud, business failure, hackers, distributed denial of service attacks or malware or government-mandated regulation may reduce confidence in Ether, which may adversely affect the NAV of the shares.

Public digital asset trading platforms have a limited history. The price of Ether on trading platforms throughout the world has historically been volatile and subject to influence by any number of factors including supply and demand, geo-political uncertainties, macroeconomic concerns such as inflation, speculative investor interest, and the level of liquidity on such exchanges. See "What are the specific risks of investing in a mutual fund? – Risks associated with investing in the Fund - Volatility in the price of Ether".

Lack of insurance risk

It is unlikely that an investment fund or its custodian will maintain insurance against risk of loss of Ether held by the investment fund as such insurance is not currently available in Canada on economically reasonable terms.

The Fund's Ether will be held by the Sub-Custodians offline in "cold storage". Ethers held in cold storage are protected by the Sub-Custodians' security measures, which reflect best practices in the payment industry generally and in the cryptoasset space in particular. The Fund's Ether may also be temporarily held online in a "hot wallet" by the Sub-Custodians. The Sub-Custodians maintain commercial crime insurance for digital assets custodied in its "hot wallet".

Loss of "private keys" risk

The loss or destruction of certain "private keys" (numerical codes required by an investment fund to access its Ether) could prevent the investment fund from accessing its Ether. Loss of these private keys may be irreversible and could result in the loss of all or substantially all of the investment fund's assets.

Risk that the Ethereum blockchain may experience a temporary or permanent fork and/or split

The Ethereum Network's software and protocol are open source. When a modification is released by the developers and a substantial majority of miners consent to the modification, the change is implemented and the Ethereum Network continues uninterrupted. However, if a change were activated with less than a substantial majority consenting to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "hard fork" (i.e. a split) of the Ethereum Network (and the blockchain). One blockchain would be maintained by the pre-modified software and the other by the post-modification software. The effect is that both blockchain algorithms would be running parallel to one another, but each would be building an independent blockchain with independent native assets. After a fork in the blockchain, there may be periods during which exchanges, liquidity, service providers, assets and activities become inaccessible until a resolution or clear dominant fork emerges as being supported by the community. Although forks are likely to be addressed through a community-led effort to merge the two groups, the emergence of a hard fork could adversely affect the value of Ether and adversely affect the NAV per share of the Fund.

The Sub-Custodian Agreements provide that the Sub-Custodians will support the forked network that requires the greatest total threshold number of hash attempts to mine all existing blocks measured during the 48-hour period following the fork, subject to its ability to, under certain circumstances and in consultation with the New York State Department of Financial Services and its licensing partners, make a good faith determination as to the forked network that is most likely to be supported by the greatest number of users and miners and support that network. The Sub-Custodians may, in their discretion, choose to not support the forked network, in which case the Sub-Custodians may abandon the Ether Fork Asset (as defined below), retain the Ether Fork Asset for itself or allow a one-time withdrawal of the Ether Fork Asset by the Fund. The Sub-Custodians may also choose to support the forked network.

The manager will determine how the Fund will deal with a fork in the Ether blockchain. There will likely be many factors relevant to such decision, including the value and liquidity of the new/replacement asset (the "**Ether Fork Asset**"), the timing of when such information becomes available, whether the manager can find another sub-custodian to take custody of the Ether Fork Asset for the Fund and whether a disposition of such Ether Fork Asset would trigger a taxable event for the Fund. As such, if it was in the best interest of the Fund to receive an Ether Fork Asset or otherwise participate in a fork in the Ether blockchain that is not supported by Gemini, the manager could instruct the Custodian to move the Fund's Ether from Gemini to an account with another sub-custodian which would support such fork.

The manager will consult with the auditor of the Fund to ensure that all Ether Fork Assets held by the Fund are properly valued in accordance with International Financial Reporting Standards for the purpose of calculating the NAV of the Fund and NAV per share of the Fund. The manager has confirmed with the auditor of the Fund that in the event of a fork or split of the Ether blockchain (or the blockchain of another Ether Fork Asset held by the Fund), the Fund would not be required to reflect ownership of any resulting Ether Fork Asset on its financial statements until such asset is released by Gemini (or the relevant Ether Fork Asset custodian) into the Fund's account.

Digital assets are also susceptible to "airdrops", whereby promoters entitle existing holders to claim a certain portion of the new digital asset at no-cost. Since airdrops are both uncertain and unguaranteed, the Fund may not derive any benefit from the airdrops.

Risk that demand for Ether may exceed supply

The demand for Ether may develop at a pace which exceeds supply which may frustrate users and cause them to lose faith in the Ethereum Network which may in turn adversely affect the NAV per share of the

Fund.

Risk relating to the cryptography underlying the Ethereum network

The Ethereum Network and Ether as digital asset or token have a limited history. Due to this short history, it is not clear how all elements of Ether will unfold over time, specifically with regard to governance between stakers, developers and users, as well as the long-term security model as the rate of inflation of Ether decreases.

The Ethereum Network and other cryptographic and algorithmic protocols governing the issuance of digital assets represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. The cryptography underlying ether could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to take the Fund's Ether, the functionality of the Ethereum Network may be negatively affected such that it is no longer attractive to users, a reduction in user confidence in the digital asset Ether and/or the demand for Ether may decrease all of which would adversely affect the NAV per share of the Fund.

A significant increase in Ether or the Ethereum Network could affect the ability of the Ethereum Network to accommodate demand.

Short history risk for proof-of-stake blockchain networks

On September 15, 2022, the Ethereum Network transitioned from a "proof-of-work" protocol to a "proof-of-stake" protocol (the "**Merge**") whereby the original execution layer of the Ethereum Mainnet (the "**Mainnet**") was merged with Ethereum's new proof-of-stake consensus layer, the Beacon Chain. The Merge eliminated the need for energy-intensive mining and instead enabled the network to be secured using staked ether. Following the Merge, mining is no longer the means of producing valid blocks. Instead, proof-of-stake validators have adopted this role and are now responsible for processing the validity of all transactions and proposing blocks.

Like mining, validating mints new Ether into circulation. However, unlike mining, validating requires a staked deposit of Ether. The shift to proof-of-stake enhances the Ethereum Network's efficiency as it requires a significantly lower amount of computational power and, therefore, less electricity consumption, to operate.

The Merge upgrade did not include certain anticipated features (such as the ability to withdraw staked Ether), but on April 12, 2023, further upgrades were implemented on the Ethereum Network. Since the completion of these further upgrades, those who have staked Ether have gained the ability to withdraw their staked Ether and certain types of rewards from the Ethereum Network.

Earning Yield Through Staking

Under a proof-of-stake protocol, token holders who voluntarily commit to staking are given the exclusive right to validate transactions and participate in consensus. Token holders can elect to stake their Ether in order to earn staked Ether rewards, similar to a yield. Token holders can actively participate in the staking of their Ether by operating a validator node, which requires a deposit of 32 Ether. Alternatively, token holders can participate in staking by delegating their Ether to a validator node operated by another party. Validator nodes are selected randomly to validate transactions and earn staked Ether rewards for completing such validation. Every 12 seconds, a new block is added to the Ethereum blockchain with the latest transactions processed by the network, and the validator that generated this block is awarded Ether. As such, there is not a competitive race to solve a mathematical puzzle that prevails in a proof-of-work consensus mechanism. One important benefit of the proof-of-stake protocol is the reduction in computing power, computing equipment and energy usage. Independent estimates are that electricity usage has decreased by over 99.5% for proof-of-stake versus proof-of-work, thus aligning with global initiatives for carbon emission reductions.

Fees are paid to validators that participate in the consensus and propose new blocks on the blockchain and other validators earn much lower fees for attesting to each block. Validators perform both roles on a continuous basis and are called upon on a random basis.

The Ether trading market may be impacted by the supply of Ether that voluntarily elects to commit to staking.

Volatility in the price of Ether risk

The Ether markets are sensitive to new developments, and since volumes are still maturing, any significant changes in market sentiment (by way of sensationalism in the media or otherwise) can induce large swings in volume and subsequent price changes. Such volatility can adversely affect the NAV per share of the Fund.

Ether represents a new form of digital value. Ether is priced by the supply and demand of global markets.

The price of Ether on public digital asset trading platforms has a limited history. Ether prices on the digital asset trading platforms as a whole have been volatile and subject to influence by many factors including the levels of liquidity on digital asset trading platforms. Ether may trade at different prices across the various digital asset trading platforms and there may be times where Ether will trade at a premium on one trading platform to other platforms. Volatility in the price of Ether on Ether trading platforms could adversely affect the NAV per share of the Fund.

The staking activities: staking timeline and unbonding periods

As a result of the implementation of certain Ethereum Network upgrades, those who have staked Ether are now able to withdraw their staked Ether and rewards from the Ethereum Network. Despite these upgrades, there are still risks associated with withdrawing all or some of the staked Ether (“**unbonding**”). The timing associated with the process of unbonding Ether has improved, but if for any reason it is delayed, the manager will not be able to withdraw or liquidate the staked Ether. If there is a delay in the unbonding of Ether, this may prevent the Fund from realizing the fiat value of the staked Ether and rewards earned on staked Ether during the unbonding period. Given the volatility of Ether, the value of the staked Ether at the time of completion of the unbonding period may be significantly less than the value of the Ether at the time a decision is taken to withdraw staked Ether. Such delay may adversely affect the business and liquidity of the Fund, and the value of the shares.

The staking activities: reliance on third-party vendors

The Staking Activities could be disrupted if the Fund’s validator infrastructure or any third-party service providers selected to act as validators, or even the vendors and third-party service providers of any third-party service providers acting as validators, experience operational or other systems difficulties, terminate their services, fail to comply with regulations, raise their prices or dispute key intellectual property rights sold or licensed to, or developed for, the Fund. The Fund may also suffer the consequences of such vendors’ and third-party service providers’ mistakes. For example, if the Sub-Custodians or any third-party service providers selected to act as validators fail to behave as expected, suffer cybersecurity attacks, experience security issues or encounter other problems, the assets of the Fund may be irretrievably lost. The failure or capacity restraints of vendors and third-party services, a cybersecurity breach involving any third-party service providers or the termination or change in terms or price of a vendor, third-party software license or service agreement on which the Fund relies, could disrupt the Staking Activities. Replacing vendors and third-party service providers or addressing other issues with vendors and third-party service providers could entail significant delay, expense and disruption for the Fund. As a result, if these vendors and third-party service providers experience difficulties, are subject to cybersecurity breaches, terminate their services, dispute the terms of intellectual property agreements or raise their prices, and the manager is unable to replace them with other vendors and service providers, particularly on a timely basis, the Staking Activities could be interrupted or disrupted.

The staking activities: slashing and missed rewards

The Ethereum Network dictates requirements for participation in the relevant decentralized governance activity and may impose slashing penalties if the relevant activities are not performed correctly, such as if the validator acts maliciously on the network, "double signs" any transactions or experiences extended downtime. If any service provider selected to act as validator for the Staking Activities is slashed by the Ethereum Network, a variable amount of assets of the Fund will be burned by the Ethereum Network and irretrievable by the Fund. There is no assurance that the Fund or any staking service providers will not be subject to slashing penalties or that the Fund will be able to recover any percentage of Ether that has been subject to slashing penalties.

Validator downtime incurs a minor inactivity penalty by the Ethereum Network not exceeding the activity reward earned when a validator is functioning correctly ($0.02 every 6 minutes). Penalties incurred during downtime can be offset by the validator resuming its duties. During a period of extended downtime, the Fund and the shareholders may also be prevented from obtaining rewards in respect of periods during which the validator is inactive on the Ethereum Network.

The Ethereum Network also imposes "bonding" periods on newly staked Ether during which staked Ether is ineligible for rewards. Once staking is initiated, a validator enters a queue to become "activated," which takes approximately twelve hours. Once initiated, the network acknowledges the Ether to be deposited to the staking smart contract. Once completed, the Ether deposit is officially accessible to the Beacon Chain and remains in a "pending state" until activated. Since only eight validators are activated per epoch, activation timing may vary based on general demand for staking participation across the Ethereum Network and may take from one day up to several weeks to complete. During the bonding period, the staked assets of the Fund will not be eligible to receive any staking rewards and may not be withdrawn. See "Risk associated with investing in the Fund – The staking activities: staking timeline and unbonding periods" on page ●.

The staking activities: due diligence on third-party staking service providers may be insufficient

As noted in "Risks associated with investing in the Fund – The staking activities: slashing and missed rewards" above, the Fund and the shareholders will be exposed to the risk of loss of staked Ether if the staking service provider selected to act as a validator fails to operate its network node(s) in accordance with the rules of the Ethereum Network, as Ether may be "slashed" or inactivity penalties may be applied if the validator node "double signs" or experiences extended downtime. The Fund and the shareholders may also be prevented from obtaining rewards in respect of periods during which the validator is inactive on the Ethereum Network. The manager intends to mitigate these risks by conducting due diligence on staking service providers. In particular, the manager intends to consider the following factors in selecting staking service providers that provide validation services for the Staking Activities:

- the persons that manage and direct the operations of the validator;
- the reputation of the validator and its use by others;
- the amount of crypto assets the validator has staked on its own nodes;
- the measures in place by the validator to operate the nodes securely and reliably;
- the financial status of the validator;
- the quality of the validator's work (i.e., the amount of downtime of the validator, past history of "double signing" and "double attestation/voting"); and
- any slashing penalties previously incurred by the validator.

Notwithstanding these efforts to mitigate risks related to malicious or incompetent validators, new facts may come to light which demonstrate that the manager's initial assessment of a validator was flawed. In such instances, the Fund and the shareholders may be subject to the risks identified in "Risks associated with investing in the Fund – Slashing and missed rewards", and the Staking Activities could be interrupted or disrupted. If the manager believes that its initial assessment of a validator was flawed, it will likely seek out new vendors and third-party service providers to assist it in providing the Staking Activities, which could cause significant interruptions, disruptions or delays. In addition, notwithstanding the occurrence of an event that demonstrates that the Manager's initial assessment of a validator was flawed, the Ether staked with that validator may still be subject to an unbonding period during which the Fund will continue to have to rely on the services provided by such validator. See "Risks associated with investing in the Fund – The staking activities: staking timeline and unbonding periods" above.

Due diligence on the Ethereum Network may be insufficient

In addition to the review described in "Risks associated with investing in the Fund – Due diligence on validators may be insufficient" above, the manager has conducted due diligence on how the Ethereum Network operates and the staking mechanism for Ether. The manager's review focused on, among other things, publicly available information concerning: (i) material technical risks associated with the Ethereum Network's staking mechanism, including any code defects, security breaches and other threats concerning the staking mechanism; (ii) the scope and applicability of slashing and other penalties; (iii) whether the staking mechanism used by the Ethereum Network could be efficiently integrated into the Fund's staking infrastructure; (iv) the legal and regulatory risks associated with the Ethereum Network's staking mechanism, including any pending, potential, or prior civil, regulatory, criminal or enforcement action relating to the issuance, distribution or use of Ether; (v) bonding and unbonding periods; (vi) limits on the number of active validators; (vii) the mechanism for selecting validators; and (viii) token inflation.

Should new facts come to light which demonstrate that the manager's initial review of the Ethereum Network's staking mechanism did not account for an unacceptable risk to the Fund and the shareholders, the manager may determine that it is advisable to discontinue the Staking Activities. The manager's undertaking of these steps may occur concurrently with a rapid decline in the value of Ether and may also be a contributing factor to such decline. The Fund and the shareholders are subject to the risk that there may be very little liquidity in ether while the manager is undertaking these steps – especially if Ether continues to be staked or subject to the unbonding period referenced above in "Risks associated with investing in the Fund – The staking activities: staking timeline and unbonding periods".

The staking activities: no guarantee of receiving rewards

Staking is similar in concept to a yield generation activity. However, staking is not a passive activity and requires the active function of running validator software. Yields are paid in Ether and are variable depending, primarily, on the total amount of Ether staked to the network. These activities are expected to result in Ether-denominated staking income accruing to the Fund.

There is no guarantee that the Fund will receive any rewards in respect of staked Ether. Past rewards are not indicative of future returns. The staking rewards that the Fund may receive from staking Ether, if any, may be affected by, among other factors:

- the total amount of Ether staked by users of the Ethereum Network;
- the amount of transaction fees paid during the produced block;
- the base fee per block;
- the total amount of Ether staked pursuant to the Staking Activities;
- changes to the Ethereum Network as a result of protocol governance decisions;
- changes to validator fees set by approved validators;
- anticipated or unanticipated downtime by approved validators;
- halts, outages or other anticipated or unanticipated interruptions affecting the Ethereum Network;
- temporary outages or other anticipated or unanticipated interruptions affecting third-party service providers involved in the Staking Activities;
- "slashing" of Ether as a result of a violation of Ethereum Network rules by approved validators;
- validators ceasing to be eligible to participate in the Ethereum Network's proof-of-stake mechanism and earn rewards;
- "bonding," "unbonding" or other lock-up periods specified by the Ethereum Network;
- whether staking rewards are re-staked, either automatically by the Ethereum Network or as part of the operational processes of the manager;
- re-delegation of the Ether of the Fund to different validators; and
- delays or other operational factors related to or otherwise impacting the Staking Activities.

The staking activities: regulatory changes to staking

The effect of any future regulatory change on the Fund or Ether is impossible to predict, but any such change could be substantial and adverse to the Fund and the shareholders.

Investment considerations

As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage its assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Fund that exceed the net asset value of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a fund's turnover, transaction and market impact costs, interest and other costs and expenses.

Investment restrictions

Subject to the exceptions described below and the relief set forth under "Exemptions and approvals" on page ● we manage the Fund in accordance with the standard mutual fund investment restrictions and practices (the "restrictions") contained in securities legislation, including NI 81-102, National Instrument 81-104 – *Alternative Mutual Funds* and NI 81-107. The restrictions are designed in part to ensure that the investments of the Fund are diversified and relatively liquid and to ensure the proper administration of the Fund.

DESCRIPTION OF SECURITIES OF THE FUND

The Fund is a mutual fund corporation established under the laws of the Province of Ontario. The authorized capital of the Fund includes one series of mutual fund shares; one series of exchange-traded shares; and 100 voting shares. An unlimited number of mutual fund shares and ETF Shares are authorized for issuance by the Fund.

Purpose, on behalf of the Fund, has applied to have the ETF Shares listed on Cboe Canada. Listing is subject to the approval of Cboe Canada in accordance with its original listing requirements. Cboe Canada has not conditionally approved the Fund's listing application and there is no assurance that Cboe Canada will approve the listing application. Subject to the approval of Cboe Canada, the ETF Shares of the Fund will be listed on Cboe Canada and will be available to all investors.

Series I Shares are for individuals, institutional clients or dealers who have entered into an agreement directly with Purpose to purchase Series I Shares. Holders of Series I Shares pay a negotiated management fee directly to Purpose, plus any additional amounts as may be agreed to by the holder and Purpose.

All shares of the series have equal rights and privileges. The interest of each shareholder in the series is shown by how many shares are registered in the name of such shareholder. No share of the series has any preference or priority over another share of the same series of the Fund.

Shares of the series have the following attributes:

(a) the shares have distribution rights (meaning dividends and/or return of capital payments may be made on the shares);

(b) the shares have no voting rights except as required by securities legislation or applicable corporate law, see "Description of securities of the funds – Meeting of shareholders" on page ● for a description of certain of your voting rights as a shareholder;

(c) the shares have redemption rights;

(d) the conversion rights are as described under the heading “Purchases, switches and redemptions” on page ●;

(e) there are no pre-emptive rights;

(f) the shares of a corporate class cannot be transferred, except in limited circumstances;

(g) there is no liability for further calls or assessments by the Fund;

(h) the shares of a corporate class may be sub-divided or consolidated by the Fund without prior notice to shareholders of the corporate class; and

(i) subject to applicable shareholder approval and notice requirements, these attributes may be amended from time to time by the Fund.

There is no fixed issue price for the shares. Shares are issued only if they are fully paid for.

The Fund may issue fractions of mutual fund shares of the class and series. These fractions have all the rights, privileges, restrictions and conditions (other than the right to vote) applicable to a whole mutual fund share, including the right to receive distributions. The Fund will not issue fractions of ETF Shares.

Holders of the voting shares of the Fund may vote at all shareholder meetings, except at a meeting of a class or series of shares, and are entitled to the amount paid-up thereon on redemption or on the liquidation of the Fund.

In the event of the liquidation, dissolution or winding-up of the Fund or other distribution of assets of the Fund among its shareholders for the purpose of winding up its affairs, shareholders of the corporate class shall have the right to participate in the remaining property of the Fund based on the relative NAV of the corporate class.

Please see “Description of securities of the funds – Meeting of shareholders” below for a description of your voting rights as a mutual fund shareholder.

Modification of terms

The rights attached to the shares of the Fund may only be modified, amended or varied in accordance with the terms of the articles of the Fund and applicable law.

Meeting of shareholders

A meeting of the shareholders of the Fund voting as a single class may be called at any time by Purpose. Except as otherwise required or permitted by law, meetings of shareholders will be held if called by Purpose upon written notice of not less than 21 days nor more than 50 days before the meeting. At any meeting of shareholders, a quorum shall consist of two or more shareholders present in person or by proxy and holding 5% of the shares of the Fund. If no quorum is present at such meeting within one-half hour after the time fixed for the holding of such meeting, the meeting, if convened upon the request of shareholders or for the purpose of considering a change in the manager of the Fund, shall be cancelled, but in any other case, the meeting shall stand adjourned and will be held at the same time and place on the day which is not less than 10 days later. Shareholders present in person or represented by proxy will constitute a quorum.

A meeting of the shareholders of the Fund will be called to approve certain changes as follows:

(a) the basis of the calculation of a fee or expense that is charged to the Fund is changed in a way that could result in an increase in charges to the Fund, except where:

  (i) the Fund is at arm's length with the person or company charging the fee;

  (ii) the shareholders have received at least 60 days' notice before the effective date of the change; and

  (iii) the right to notice described in (ii) is disclosed in the prospectus of the Fund;

(b) a fee or expense is introduced that is to be charged to the Fund or directly to its shareholders by the Fund or Purpose in connection with the holding of shares of the Fund that could result in an increase in charges to the Fund or its shareholders;

(c) the manager is changed, unless the new manager of the Fund is an affiliate of Purpose;

(d) the fundamental investment objectives of the Fund are changed (including the Fund's currency hedging strategy with respect to the ETF Shares and Series I Shares, as applicable);

(e) the Fund decreases the frequency of the calculation of the NAV per share;

(f) the Fund undertakes a reorganization with, or transfers its assets to, another mutual fund, if the Fund ceases to continue after the reorganization or transfer of assets and the transaction results in the shareholders of the Fund becoming securityholders in the other mutual fund, unless:

  (i) the IRC has approved the change;

  (ii) the Fund is being reorganized with, or its assets are being transferred to, another mutual fund to which NI 81-102 and NI 81-107 apply and that is managed by Purpose or an affiliate of Purpose;

  (iii) the shareholders have received at least 60 days' notice before the effective date of the change; and

  (iv) the transaction complies with certain other requirements of applicable Canadian securities legislation;

(g) the Fund undertakes a reorganization with, or acquires assets from, another mutual fund, if the Fund continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming shareholders of the Fund, and the transaction would be a material change to the Fund; or

(h) any other matter which is required by law applicable to the Fund or otherwise to be submitted to a vote of the shareholders of the Fund.

Approval of shareholders will be deemed to have been given if expressed by resolution passed at a meeting of shareholders duly called and held for the purpose of considering the same, by at least a majority of the votes cast. Shareholders are entitled to one vote per whole share held on the record date established for voting at any meeting of shareholders.

The Fund may, without shareholders' approval, enter into a merger or other similar transaction that has the effect of combining the Fund or its assets (a "**Permitted Merger**") with any other investment fund or funds managed by Purpose or an affiliate of Purpose that have investment objectives that are substantially similar to those of the Fund, subject to:

(a) approval of the merger by the IRC;

(b) compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and

(c) written notice to shareholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective NAVs for the purpose of such transaction.

In addition, the auditor of the Fund may not be changed unless:

(a) the IRC has approved the change; and

(b) shareholders have received at least 60 days' notice before the effective date of the change.

Copies of the simplified prospectus and financial statements of the Fund will be delivered to shareholders at no cost by calling us at 1-877-789-1517.

No voting rights

Holders of shares will not have any right to vote securities held by the Fund, unless otherwise agreed to by the manager.

NAME, FORMATION AND HISTORY OF THE FUND

The Fund, formerly Movit Media Corp. ("**Movit**") and Ether Capital Corporation, was incorporated under the *Business Corporations Act* (Ontario). Ether Capital Corporation was the resulting entity following a reverse takeover transaction between Movit, Ethereum Capital Inc. and 2617564 Ontario Inc. completed on April 18, 2018. From ● to ●, the company operated as an industrial issuer and was not considered an investment fund. At a meeting of shareholders held on ●, 2024, the shareholders approved a special resolution converting the company into an investment fund. Existing shareholders of the company who hold common shares will by virtue of the conversion of the company into an investment fund have their common shares changed into ETF Shares, which will continue to be listed on Cboe Canada subject to the approval of Cboe Canada. This prospectus qualifies the continuous distribution of ETF Shares and Series I Shares of the Fund issuable following the conversion of the company into an investment fund.

The Fund is a mutual fund corporation established under the laws of the Province of Ontario.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The manager assigns fund risk ratings to each fund managed by the manager as an additional guide to help you decide whether a fund is right for you. This information is only a guide. The manager determines the risk rating for each fund in accordance with NI 81-102. The investment risk level of a fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the fund as measured by the 10-year standard deviation of the returns of the fund. Just as historical performance may not be indicative of future returns, a fund's historical volatility may not be indicative of its future volatility. You should be aware that other types of risk, both measurable and non-measurable, also exist.

Standard deviation is a statistical measure used to estimate the dispersion of a set of data around the average value of the data. In the context of investment returns, it measures the amount of variability of returns that has historically occurred relative to the average return. The higher the standard deviation, the greater the variability of returns it has experienced in the past.

Using this methodology, the Fund is assigned an investment risk rating in one of the following categories:

(a) **Low** – for funds with a level of risk that is typically associated with investments in money market funds and Canadian fixed income funds;

(b) **Low to Medium** – for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;

(c) **Medium** – for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;

(d) **Medium to High** – for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and

(e) **High** – for funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets and precious metals).

A fund's risk rating is determined by calculating its standard deviation for the most recent 10 years using monthly returns and assuming the reinvestment of all income and capital gains distributions in additional shares of the fund. For those funds that do not have at least 10 years of performance history, we use a reference index that reasonably approximates or, for a newly established fund, that is reasonably expected to approximate, the standard deviation of the fund (or in certain cases a highly similar mutual fund managed by us) as a proxy. There may be times when we believe this methodology produces a result that does not reflect a fund's risk based on other qualitative factors. As a result, the manager may place the fund in a higher risk rating category, as appropriate. The manager reviews the risk rating for the fund on an annual basis or if there has been a material change to the fund's investment objectives or investment strategies.

A copy of the methodology used by the manager to identify the investment risk levels of the funds is available on request, at no cost, by calling 1-877-789-1517, by emailing the manager at info@purposeinvest.com or by writing to us at the address on the back cover of this simplified prospectus.

A GUIDE TO USING THE FUND DESCRIPTION

This section provides additional information that will help you to better understand the description of the Fund that appears on the following pages.

Fund details

This table gives you a brief summary of the Fund. It describes what type of mutual fund it is, when it was established and the series of shares that the Fund offers. The table also highlights that shares of the Fund are a qualified investment for Registered Plans. You will find more information about Registered Plans on page ●. The table also tells you the management fee and administration expenses, if applicable, for the series of shares of the Fund.

What does the Fund invest in?

Investment objectives

This section outlines the investment objectives of the Fund and the type of securities in which the Fund may invest to achieve those investment objectives. A fund's investment objectives may include capital preservation, generating income, capital growth or a combination of the three. Some mutual funds focus on diversification across asset classes, while others take a focused investment theme, investing in a particular country or sector as their objective.

Investment strategies

This section describes the principal investment strategies that the investment advisor uses to achieve the Fund's investment objectives. It gives you a better understanding of how your money is being managed, including, if applicable, with respect to how ESG considerations are incorporated in the investment strategy. The format also allows you to compare more easily how different mutual funds are managed.

This section also highlights any significant investment restrictions adopted by the Fund.

What are the risks of investing in the Fund?

Understanding risk and your comfort with risk is an important part of investing. This section highlights the specific risks of the Fund. We have listed the risks in the order of relevance for the Fund. You will find general information about the risks of investing and descriptions of each specific risk under "What are the specific risks of investing in a mutual fund?" on page ● and "What are the general risks of investing in a mutual fund?" on page ●.

Investment risk classification methodology

This section provides a brief description of the reference index or indices used to determine the risk level of a fund that has less than 10 years of performance history.

Dividend/distribution policy

This section tells you how often the Fund pays out distributions of income and capital or dividends or a return of capital and how they are paid. See "Income tax considerations" on page ● for more information.

Additional information

Past performance and financial highlights

You can find more information, including past performance and financial highlights, in the annual and interim management reports of fund performance for the Fund, when available. For a copy of these documents, at no cost, call us at 1-877-789-1517, visit our website at www.purposeinvest.com, send an email to us at info@purposeinvest.com or ask your dealer.

Price range and trading volume of ETF Shares

There is no historical market price range and monthly trading volume of the ETF Shares because the ETF Shares have not yet traded as such.

PURPOSE ETHER STAKING CORP. ETF

<table>
<tr><td>Fund Type</td><td colspan="2">alternative strategies</td></tr>
<tr><td>Date Started</td><td colspan="2">ETF Shares - ●, 2024

Series I Shares – ●, 2024</td></tr>
<tr><td rowspan="2">Management Fee</td><td>Class or Series</td><td>Management Fee</td></tr>
<tr><td>ETF Shares

Series I Shares</td><td>1.00%(1)

Shareholders of Series I Shares pay a negotiated management fee directly to Purpose of up to 1.00%(1)</td></tr>
<tr><td>Registered Plan/TFSA Eligibility</td><td colspan="2">Eligible</td></tr>
</table>

Note:

(1) Plus applicable HST.

What does the Fund invest in?

Investment objectives

The Fund invests all or substantially all of its assets in long-term holdings of Ether and seeks to provide shareholders with the opportunity for long-term capital appreciation.

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

Investment strategies

To achieve its investment objective, the Fund invests in and holds substantially all of its assets in long-term holdings of Ether in order to provide shareholders with a secure, convenient, lower-cost alternative to a direct investment in Ether.

The Fund will not speculate with regard to short-term changes in Ether prices. The Fund will not use derivatives instruments, the underlying interest of which is Ether.

The Fund may also hold cash and cash equivalents or other money market instruments in order to meet its current obligations.

The U.S. dollar currency exposure within the Fund's portfolio which is allocable to the Fund's shares will not be hedged back to the Canadian dollar.

Generally, the Fund does not intend to borrow money or employ other forms of leverage to acquire Ether for its portfolio. The Fund may however borrow money on a temporary short-term basis to acquire Ether in connection with a subscription for shares by a dealer. Any borrowing by the Fund will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

Staking

The blockchain networks associated with certain digital assets enable holders to earn rewards by participating in transaction confirmation activities through a process known as "staking". Staking refers to proof-of-stake consensus protocols, which are mechanisms for ensuring that transactions are properly recorded on a blockchain. Owners who stake a particular blockchain's native currency validate the block transactions, and those with the most holdings are generally able to validate at a higher rate, proportional to their amount staked. Blockchain networks that employ proof-of-stake protocols generally rely on "validators". Validators are network node operators that serve to verify the accuracy of data being recorded on the blockchain. Validators are typically rewarded in digital assets for their transaction confirmation activities. In order to become a validator, a node operator is required to "stake" digital assets, which is generally accomplished by locking digital assets in the relevant blockchain network. Staked digital assets essentially function as a form of collateral. If validators act maliciously or incompetently, they may lose their staked digital assets and their access to the particular blockchain network through processes known as "slashing" and "jailing". Slashing and jailing are designed to incentivize validators to act with integrity while validating transactions.

Staking has become one of the most common technologies used by blockchains, including the Ethereum Network, to secure their networks. Unlike traditional digital currency mining, which is used to mine older blockchains like Bitcoin and Ethereum 1.0, staking is not reliant on specialized hardware that can rapidly become outdated and does not consume vast amounts of electricity. Instead, staking technology uses validation rights attached to digital asset ownership to make digital asset transactions secure, reliable and sustainable.

How does staking work on the Ethereum Network?

Since the Merge, the Ethereum Network now uses a proof-of-stake consensus mechanism to achieve distributed consensus. The proof-of-stake mechanism relies on validator nodes to stake, a process for verifying transactions included in each new block. Validators are incentivized with Ether rewards in exchange for verifying transactions. The Ethereum Network computes and issues staking rewards once per epoch (roughly every 6 minutes). Any accrued rewards in a given epoch are issued in the first block of the subsequent epoch. Notably, the Merge upgrade did not include certain anticipated features, including the ability to withdraw staked ether and rewards earned from staking. This feature was introduced as a result of Shanghai Upgrade, which was completed on April 12, 2023.

Staking Ether requires the active function of running validator software and equipment. Rewards are paid in Ether and are variable depending, primarily, on the total amount of ether staked to the Ethereum Network. Validators participating in the Ethereum Network's proof-of-stake protocol risk the loss of their staked Ether in the event that such validators fail to comply with the rules of the Ethereum Network (a process called slashing, as referenced above). By engaging in the Staking Activities, the Fund is exposed to such risk of losses caused by the Fund's validators. See the following under "Risk Factors": "The staking activities: reliance on third-party vendors", "The staking activities: slashing and missed rewards" and "The staking activities: due diligence on validators may be insufficient".

The manager expects to engage in the Staking Activities in order to earn rewards for the Fund, which rewards will, following the deduction of applicable fees, be reinvested in the Fund for the benefit of the Fund's shareholders. In carrying out the Staking Activities, the manager will stake Ether held in the Fund's portfolio through one or more staking service providers facilitated by the Sub-Custodians that have experience acting as a validator. As both Sub-Custodians will hold Ether on behalf of the Fund, before the manager allows any third-party service provider to act as validator in respect of the Fund's assets held with the Sub-Custodians, the manager will conduct due diligence on the third-party service provider. For more information on the due diligence that the manager will conduct in respect of validators, see "Risk Factors – Risks associated with investing in the Fund – The staking activities: due diligence on validators may be insufficient" on page ●. Although there is currently no minimum amount of the portfolio assets of the Fund that may be staked, the Fund intends to stake a portion of its Ether from time to time and the manager intends to adopt a measured approach to the Staking Activities, taking into account the liquidity needs of the Fund, the novelty of the investment strategy as well as any applicable regulatory requirements and approvals.

The Staking Activities will generally occur as follows:

- the manager will direct the Sub-Custodians to stake a certain amount of Ether to a validator directly out of the cold wallet administered by the Sub-Custodians on behalf of the Fund;
- rewards, which will be paid in Ether subject to any bonding or lock-up period, may be earned in connection with the staking of the Ether;
- the Sub-Custodians will be entitled to a fee in respect of the rewards and will pay a portion of that fee to any party acting as validator; and
- a portion of the rewards will be delivered to a wallet of the manager held via the Sub-Custodians as payment of the Staking Services Fee (as defined below), and the balance of the rewards will be delivered to a custodial wallet of the Fund held with the Sub-Custodians to be reinvested in the Fund.

Although there is currently no minimum or maximum amount of the portfolio assets of the Fund that may be staked, the manager intends to adopt a measured approach to the Staking Activities, taking into account the liquidity needs of the Fund, the novelty of the investment strategy as well as any applicable regulatory requirements and approvals. The manager intends to initially target staking up to 50% of the Ether held in the portfolio of the Fund.

What are the risks of investing in the Fund?

The direct and indirect risks of investing in the Fund include:

(a) asset class risk;

(b) attacks on the Ethereum Network risk;

(c) changes in legislation risk;

(d) competitors to Ether risk;

(e) concentration risk;

(f) conflicts of interest risk;

(g) control of the Ethereum Network risk;

(h) counterparty risk;

(i) cryptocurrency risk;

(j) currency exposure risk;

(k) currency risk;

(l) cyber security risk;

(m) decrease in block reward risk;

(n) decrease in demand for and usage of Ether risk;

(o) dependence on Ether developers risk;

(p) dependence on the internet risk;

(q) distributions in specie risk;

(r) earning yield through staking risk;

(s) exchange rate risk;

(t) financial institutions may refuse to support transactions involving cryptocurrency;

(u) fluctuations in NAV and NAV per share risk;

(v) hacking of digital asset trading platforms risk;

(w) illiquid securities risk;

(x) improper transfers risk;

(y) increase in transaction fees risk;

(z) increased regulation of Ether risk;

(aa) large redemption/investors/transaction risk;

(bb) limited history of Ether and digital asset trading platforms risk;

(cc) lack of insurance risk;

(dd) loss of “private keys” risk;

(ee) no ownership interest in the portfolio;

(ff) regulation of blockchain and digital assets risk;

(gg) reliance on key personnel risk;

(hh) risk of loss;

(ii) risk relating to due diligence on the Ethereum Network may be insufficient;

(jj) risk relating to due diligence on third-party staking service providers may be insufficient;

(kk) risk related to future results;

(ll) risk relating to regulatory changes to staking;

(mm) risk relating to reliance on third-party vendors;

(nn) risk relating to residency of the Sub-Custodians;

(oo) risk relating to slashing and missed rewards;

(pp) risk relating to SOC 2 Type 2 Report of the Sub-Custodians;

(qq) risk relating to standard of care of the manager, Custodian and Sub-Custodians;

(rr) risk relating to the cryptography underlying the Ethereum Network;

(ss) risk relating to the short history for proof-of-stake blockchain networks;

(tt) risk relating to the staking timeline and unbonding periods;

(uu) risk relating to uncertain tax consequences regarding Staking Activities;

(vv) risk relating to valuation of the Fund's assets;

(ww) risk that the Ethereum blockchain may experience a temporary or permanent fork and/or split;

(xx) risk that demand for Ether may exceed supply;

(yy) risk that the rewards to be received are not guaranteed;

(zz) tax risk;

(aaa) volatility in the price of Ether risk; and

Additional risks associated with an investment in the ETF Shares include:

(a) absence of an active market for the ETF Shares; and

(b) trading price of ETF Shares risk.

Investment risk classification

The manager has assigned a risk rating of high to the Fund.

The Fund's risk classification is based on the Fund's returns and the return of the CoinDesk Ether Price Index. Index returns are converted to Canadian dollars. The CoinDesk Ether Price Index represents a real-time, U.S. dollar equivalent spot rate for Ethereum. The index value is algorithmically calculated once every second based on observed trading activity on leading Ethereum trading platforms which adhere to AML and KYC regulations. The index, formerly the Tradeblock ETX Index, has been in operation since February 1, 2018 and was launched publicly on March 2, 2018. Please see "Investment risk classification methodology" on page ● for a description of how we determined the classification of the Fund's risk level.

Distribution policy

The Fund does not expect to pay regular cash distributions on the fund's shares.

On an annual basis, the Fund will ensure that its income (including income received from special distributions on assets held by the Fund) and net realized capital gains, if any, have been distributed to shareholders to such an extent that the Fund will not be liable for ordinary income tax thereon. To the extent that the fund has not distributed the full amount of its net income or capital gains in any year, the difference between such amount and the amount actually distributed by the Fund will be paid as a "reinvested distribution". Reinvested distributions on shares of the Fund, net of any required withholding taxes, will be reinvested automatically in additional shares of the Fund at a price equal to the NAV per share of the Fund and the shares will be immediately consolidated such that the number of outstanding shares following the distribution will equal the number of shares outstanding prior to the distribution. The tax treatment to shareholders of reinvested distributions is discussed under the heading "Income tax considerations".

In addition to the distributions described above, the Fund may from time to time pay additional distributions on its shares, including without restriction in connection with a special distribution or in connection with returns of capital. For more information see "A guide to using the fund descriptions – What does the fund invest in? - Dividend/distribution policy" on page ●.

PURPOSE ETHER STAKING CORP. ETF

You will find more information about the Fund in its fund facts, management reports of fund performance, financial statements and ETF Facts. These documents are incorporated by reference into this simplified prospectus, which means they legally form part of this simplified prospectus just as if they were printed as part of this simplified prospectus.

You can get a copy of these documents, at your request, and at no cost, by calling toll-free at 1-800-463-0363, or by contacting your dealer.

You can also get copies of this simplified prospectus, the fund facts, the management reports of fund performance, the financial statements and the ETF Facts from the Purpose website at www.purposeinvest.com.

These documents and other information about the funds, such as information circulars and material contracts, are also available at www.sedarplus.com.

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