

QUICK FACTS

ETF SERIES	BHAV
MGMT FEE	1.00%
SERIES F	PFC2801
MGMT FEE	1.00%
SERIES A	PFC2800
MGMT FEE	2.00%
PERFORMANCE FEE*	10.00%

*On the increase in the NAV in a year when performance of the Fund exceeds the positive return of the benchmark

FEBRUARY 2021

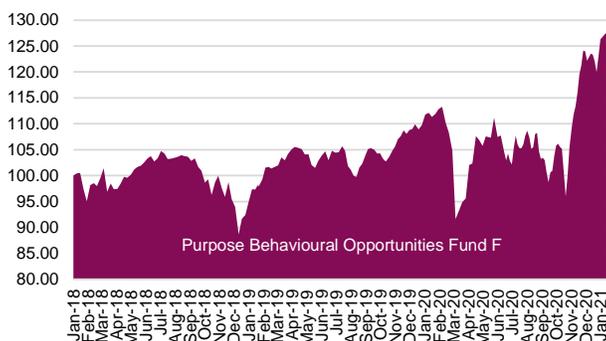
The Purpose Behavioural Opportunities Fund is the first of its kind in Canada. A Fund focused on profiting from other investors' emotional mistakes. We all make mistakes when investing, overreacting to news, becoming anchored in our opinions, framing our decisions based on what we originally paid, and the list goes on. These mistakes detract from long-term investment performance and, under certain circumstances, can lead to mis-priced assets or stocks. The Fund (BHAV) uses numerous strategies, each designed to profit from potentially mis-priced assets/stocks caused by investors' emotions or behavioural biases.

The Fund (F-Class) fell 0.17% in January in what turned out to be a rather topsy-turvy January. The fund had a great start, but a poor finish. Mid-month the fund was having a stellar run up to the onset of what has been a rather busy earnings season. Despite holding what we would consider being an elevated cash balance of over 20% the fund was keeping pace with the market, thanks in large part to Aphria. After taking a step back last month, the stock resumed its strong run and was the largest contributor to returns by a significant margin. Other notable mentions were Chipotle Mexican Grill and Exxon Mobile, which has been benefiting from the runup in oil prices.

The largest detractor was Las Vegas Sands Corp, which sold off aggressively after its founder Sheldon Adelson passed away in early January. In this fund, we focus on a few narrow behavioural strategies and apply little merit to the rationale behind price fluctuations.

INVESTMENT GROWTH

Investment Growth Since Inception



Source: Richardson Wealth, As at January 31 2021

**SUBADVISOR: RICHARDSON WEALTH /
CONNECTED WEALTH ®**

At Connected Wealth, Craig Basinger and his team manage upwards of \$1 billion, with a focus on long term wealth building strategies. The team consists of three portfolio managers and two analysts, headed by Mr. Basinger, who has worked in investment management since 1995. Their guiding principles are transparency, cost efficiency, and connectedness.

We pride ourselves on a strict adherence to our risk management system and exited the position when it fell through our set stop levels. A mechanical approach to risk management is one of the best way mitigate behavioural mistakes and falling prey to our inherent behavioural biases.

As mentioned, the Fund was quite active this past month, adding eight new companies in our Earnings Overreaction Strategy. Select names include Freeport-McMoran, Bank of New York Mellon, United Airlines and Tesla. While diverse in terms of industry exposures, all the companies have one thing in common. They experienced a significant negative price reaction on earnings, which we view as an overreaction, which creates a behavioural opportunity.

There was no shortage of behavioral mistakes on full display in the market in January. The Reddit fueled mania in GameStop and the rest of the stocks caught up on the hype will no doubt make into behavioural textbooks as a case study in the future. You really had all the classic behavioural mistakes on full display playing out in real time. While we were closely monitoring the situation, we did not participate.

TOP HOLDINGS

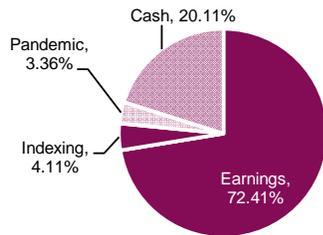
NAME	WEIGHT
APHRIA INC	6.8%
CHIPOTLE MEXICAN GRILL INC	6.2%
SPOTIFY TECHNOLOGY SA	5.2%
CANADIAN NATL RAILWAY CO	5.2%
SHOPIFY INC - CLASS A	5.1%
EXXON MOBIL CORP	4.1%
ELECTRONIC ARTS INC	4.1%
CELESTICA INC	3.9%
BANK OF NEW YORK MELLON CORP	3.9%
FREEPORT-MCMORAN INC	3.9%

Source: Richardson Wealth, As at January 31 2021

THE STRATEGIES

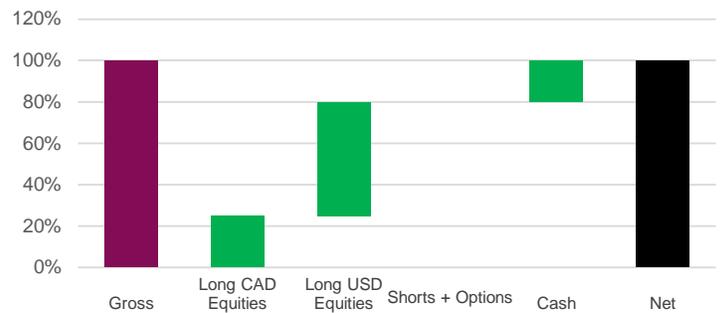
Strategy	Behavioural Bias	Description
Unloved to Less Unloved	Unloved to Less Unloved	Unloved companies – those with few analyst BUY ratings – tend to be neglected and beaten down. This long-only strategy is triggered by an unloved company receiving some upgrades and becoming less unloved
Earnings Overreaction	Earnings Overreaction	Availability bias causes investors to overreact to earnings in the short term. Asymmetric recovery found as higher-quality companies tend to recover from misses relatively quickly while lower-quality companies give back gains from positive surprises. This is a long/short strategy.
Emotional Cascade	Emotional Cascade	On spikes in news, investors often overreact, losing sight of the long term. This is especially evident when information is plentiful and one-sided, skewing the risk/return trade-off and creating an opportunity. This is a long/short strategy.
Indexing Bias	Indexing Bias	While somewhat counterintuitive, once a company is added to an index, it often underperforms for a period. Conversely, those removed often partially recover. This is a long/ short strategy.
Crowded Trades	Crowded Trades	Contrarian – when everyone is betting on one outcome, it is often the opposite that occurs. We use non-commercial open futures contracts to measure. As contrarian strategies often take time, we tend to use longer-dated options.
Neglect	Neglect	Small spin-offs are often discarded by portfolio managers as the positions are too small to matter. This creates temporary selling pressure, which this strategy takes advantage of. This is usually a long strategy.
Herd Hedge	Herd Hedge	When market sentiment is skewed in one direction and demonstrates irrational exuberance or pessimism, we take a contrarian position in the options market.

STRATEGY ALLOCATION



Source: Richardson Wealth, As at January 31 2021

PORTFOLIO EXPOSURE



Source: Richardson Wealth, As at January 31 2021

DESIGNED FOR

- Actively profiting from market inefficiencies and investors' predictable, emotional mistakes
- Long-term capital appreciation and diversification
- Exposure to Canadian and U.S. equity markets

RISK RATING



PERFORMANCE

	1-MO	3-MO	6-MO	YTD	1-YEAR	2-YEAR	3-YEAR	INCEPT.*
Purpose Behavioural Opportunities A	-0.26%	13.96%	7.38%	-0.26%	1.75%	5.97%	3.35%	2.83%
Purpose Behavioural Opportunities F	-0.17%	14.26%	7.95%	-0.17%	2.83%	7.16%	4.55%	4.01%

*The inception date of the Purpose Behavioural Opportunities Fund was January 17th, 2018

Source: Morningstar, As at January 31 2021

All data sourced to Bloomberg unless otherwise noted.

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Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the prospectus before investing. If the securities are purchased or sold on a stock exchange, you may pay more or receive less than the current net asset value. The indicated rate of return is the historical annual compounded total return including changes in share/unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

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