

Characteristics

Asset class	Equity
Geographic	Canada
Focus	Dividend & Dividend Growth
Objective	Actively managed to provide income with some capital appreciation
Approx. # of holdings	20-28
Estimated annual trades	16-24
Benchmark	TSX Total Return
Benchmark 2	DJ Select Canadian Dividend

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Quarterly Commentary

A lot was thrown at risk-markets in the first quarter. They had to absorb a lot of big macro news from the war in Ukraine and associated sanctions on Russia, Covid flare ups, and the troubling property crisis in China. Sprinkle in some high inflation and central bank pivots and this pushed many equity markets into their first corrections (i.e., a drop of 10% or more) since the pandemic-induced bear of Q1 2020. However, in what may end up being a classic case of markets “climbing a wall of worry,” equity markets rose in March to offset much of the early damage.

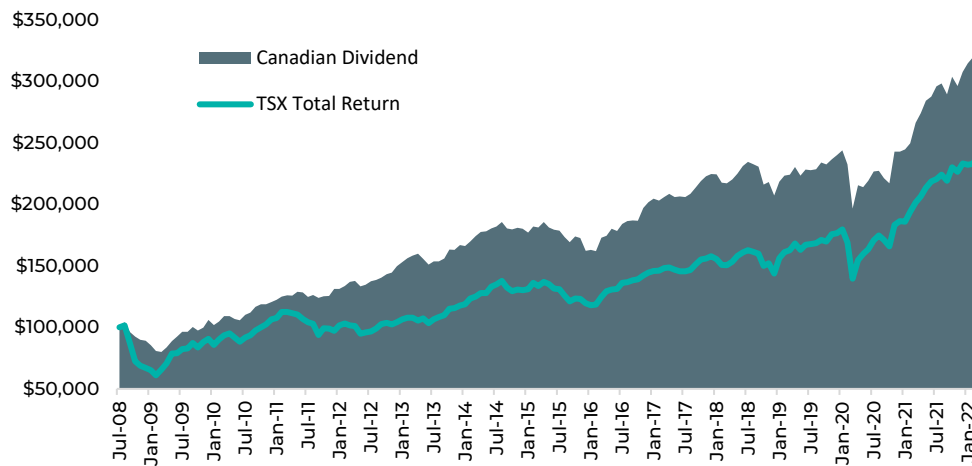
The Purpose Canadian Dividend mandate rose 6.1% in the first quarter, handily outperforming both the S&P/TSX Composite, which rose 3.8%. This brings the trailing 1-year return to 22.6%, a respectable return for a lower volatility dividend mandate, especially compared to the 20.2% return of its benchmark. As war broke out, we continued to back off cyclicals as gold and oil prices approached all-time highs. As contrarians at heart, we wanted to sell-the news. We materially reduced the fund’s exposure to Energy and precious metals in trimming Suncor and exiting B2Gold Corp. It’s our belief that the best time to be selling is amid frantic buying.

The portfolio continues to lean to less good’s sensitive companies and more towards services. A recent addition within the portfolio fund is Restaurant Brands. Besides continued tailwinds from reopening service-based companies such as Restaurant Brands owners of Burger King, Tim Horton’s and Popeyes are also less affected by the continued delays in global supply chains. The top contributors to the portfolio’s performance in the first quarter were Suncor, Barrick and Lundin Mining. Lifeworks and Magna were material detractors from the performance. Auto sector sales remain materially impacted by chip shortages, high prices and plummeting consumer sentiment. The road to recovery in the auto space hit another setback with the conflict in Europe but we believe pent-up demand will lead to sales normalization for the industry over the medium-term.

The most notable overweights from a sector standpoint are Health Care, Real Estate and Communication Services. Communication Services which is primarily Telecom companies in Canada currently makes up 9.1% of the portfolio, not nearly as big as the funds 20.7% exposure to Financials, but relative to its benchmark the portfolio currently has an +3.9% overweight. Earlier in the quarter, we further added to Utilities exposure adding Algonquin Power. Though rising rates continue to be a concern for rate sensitive securities, the defensive attributes of Utilities make them an important portfolio diversifier.

We don’t doubt this relief rally could keep going or even make new highs. But 2022 is the year of volatility and we believe another correction looms. Earnings expectations are high, and it’s our belief that given the difficult macro backdrop, equity fundamentals face a major down risk. It appears to be increasingly the time to start thinking a bit more defensively for what lies ahead.

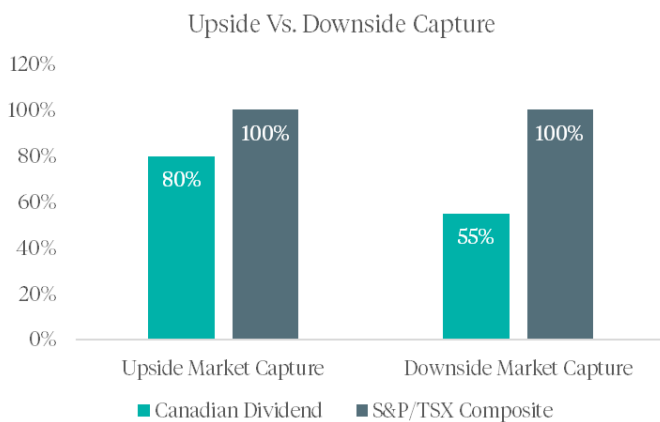
Performance (gross of fees)



	1-month	3-months	6-months	1-year	YTD	3yr	5yr	10 yr	Inception*
CW Canadian Dividend	2.0%	6.1%	12.8%	22.6%	6.1%	13.4%	9.6%	9.1%	9.0%
S&P/TSX Total Return	4.0%	3.8%	10.6%	20.2%	3.8%	14.2%	10.3%	9.1%	6.7%
+/-	-2.0%	2.2%	2.2%	2.4%	2.2%	-0.8%	-0.7%	0.0%	2.4%

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
CW Canadian Dividend	14.0%	11.5%	8.0%	-10.1%	24.5%	11.3%	-7.8%	15.9%	1.2%	26.6%
S&P/TSX Total Return	7.2%	13.0%	10.6%	-8.3%	21.1%	9.1%	-8.9%	22.9%	5.6%	25.1%
+/-	6.8%	-1.5%	-2.5%	-1.7%	3.4%	2.2%	1.1%	-7.0%	-4.4%	1.5%

Risk Metrics



Sharpe
 Max Drawdown
 SD
 Downside Deviation
 Beta

	Canadian Dividend	S&P/TSX Composite
Sharpe	0.76	0.42
Max Drawdown	-23.3%	-39.9%
SD	10.7%	13.7%
Downside Deviation	8.7%	12.6%
Beta	0.64	1.00

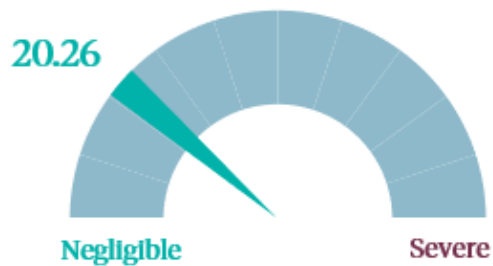
Composition

Sectors	
	Canadian Dividend
Energy	11.36%
Materials	13.60%
Industrials	11.33%
Consumer Dis	6.37%
Cons Staples	4.35%
Financials	20.75%
Health Care	3.54%
Info Tech	3.44%
Telecom	9.12%
Utilities	4.35%
Real Estate	5.66%
Cash	6.14%

Equity Positions			
Name	Industry	Weight	Yield
TC ENERGY CORP	Energy	3.0%	5.0%
ENBRIDGE INC	Energy	4.0%	5.9%
SUNCOR ENERGY INC	Energy	4.4%	4.0%
LUNDIN MINING CORP	Materials	3.8%	2.8%
WHEATON PRECIOUS METALS CORP	Materials	3.6%	1.2%
BARRICK GOLD CORP	Materials	4.5%	1.6%
TFI INTERNATIONAL INC	Industrials	3.7%	1.3%
LIFEWORKS INC	Industrials	2.9%	4.0%
CANADIAN NATL RAILWAY CO	Industrials	4.6%	1.9%
TRANSCONTINENTAL INC-CL A	Materials	1.9%	5.3%
OPEN TEXT CORP	Info Tech	3.5%	2.1%
ROYAL BANK OF CANADA	Financials	4.5%	3.5%
BANK OF NOVA SCOTIA	Financials	4.5%	4.7%
BANK OF MONTREAL	Financials	5.2%	3.8%
MANULIFE FINANCIAL CORP	Financials	3.6%	5.0%
SUN LIFE FINANCIAL INC	Financials	2.6%	3.8%
MAGNA INTERNATIONAL INC	Cons Disc	2.4%	3.0%
RESTAURANT BRANDS INTERN	Cons Disc	4.0%	3.6%
CHARTWELL RETIREMENT RESIDEN	Health Care	3.5%	4.7%
ALLIED PROPERTIES REAL ESTAT	Real Estate	3.2%	3.9%
DREAM INDUSTRIAL REAL ESTATE	Real Estate	2.5%	4.5%
ROGERS COMMUNICATIONS INC-B	Telecom	4.5%	2.7%
TELUS CORP	Telecom	4.5%	3.9%
ALGONQUIN POWER & UTILITIES	Utilities	4.3%	4.3%
LOBLAW COMPANIES LTD	Cons Staples	4.3%	1.2%

Cyclical Vs. Defensive	
	CW Canadian Dividend
Global Cyclical	22.96%
N.A. Cyclical	16.77%
Interest Sensitive	36.32%
Defensive	23.95%

ESG Risk Rating Score



Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments and the use of an asset allocation service. Please read the prospectus(es) of the mutual funds in which investments may be made under the asset allocation service before investing. The indicated rates of return are the historical annual compounded total returns assuming the investment strategy recommended by the asset allocation service is used and after deduction of the fees and charges in respect of the service. The returns are based on the historical annual compounded total returns of the participating funds including changes in share/unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder in respect of a participating fund that would have reduced returns. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated. Note that the Manager of these asset allocation services changed from Richardson Wealth LTD. to Purpose Investments Inc. in September 2021.