

Characteristics

Asset class	Equity
Geographic	Canada & Max 35% US
Focus	Dividend & Dividend Growth
Objective	Actively managed to provide income with some capital appreciation
Approx. # of holdings	25-30
Estimated annual trades	22-30
Benchmark	TSX Total Return
Benchmark 2	80% DJ Select Canadian Div/ 20% Dow Jones Select Div

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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 Core Income mandate rose 6.0% in the first quarter, handily outperforming both the S&P 500 (C\$) and the S&P/TSX Composite. This brings the trailing 1-year return to 23.3%, a respectable return for a lower volatility dividend mandate, especially compared to the 20.2% return of its benchmark.

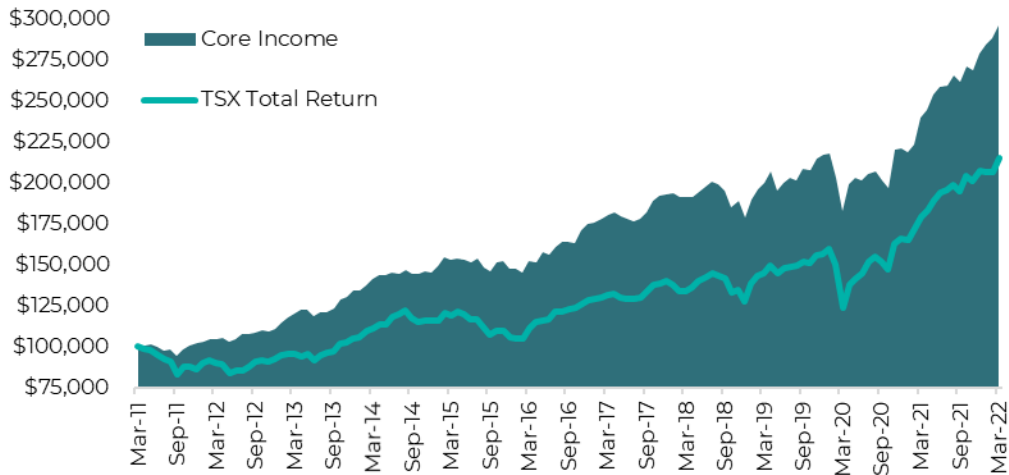
As war broke out, we continued to back off cyclicals as gold and oil prices approached all-time highs. This is a move we began on the initial spike in commodities on the break-out in February. As contrarians at heart, we wanted to sell-the news. We've materially reduced the fund's exposure to Energy and precious metals in selling Canadian Natural Resources and 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 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 continued delays in global supply chains. The top contributors to the portfolio's performance in the first quarter were Suncor, Virtu Financial and Nutrien. Infineon and Magna detracted from the performance, as 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. Health Care currently makes up 8.1% of the portfolio, not nearly as big as the funds 26.6% exposure to Financials, but relative to its benchmark, the portfolio currently has an +7.5% overweight. Early in the quarter, we further added to Core Incomes Health Care exposure adding to AstraZeneca. The largest sector underweight within the portfolio is now Energy.

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)

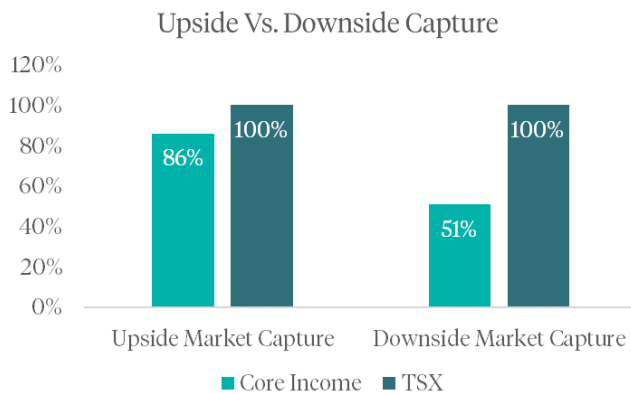


Gross of fees

	1-month	3-months	6-months	1-year	YTD	3-year	5-year	7-year	Inception*
Core Income	2.5%	6.0%	13.0%	23.3%	6.0%	14.0%	10.4%	9.9%	10.9%
Benchmark	4.0%	3.8%	10.5%	20.2%	3.8%	14.1%	10.3%	8.9%	9.1%
Relative	-1.5%	2.1%	2.5%	3.1%	2.1%	-0.2%	0.1%	1.0%	1.8%

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Core Income	8.0%	21.2%	8.3%	1.6%	18.6%	10.1%	-7.1%	21.1%	1.9%	26.4%
Benchmark	7.2%	13.0%	10.6%	-8.3%	21.1%	9.1%	-8.9%	22.9%	5.6%	25.1%
Relative	0.8%	8.3%	-2.3%	9.9%	-2.5%	1.0%	1.8%	-1.7%	-3.7%	1.3%

Risk Metrics



	Core Income	TSX
Sharpe	1.00	0.54
Max Draw down	-16.0%	-22.3%
Standard Deviation	9.3%	11.5%
Downside Deviation	7.1%	10.1%
Beta	0.69	1.00

Composition

Sectors

	Core Income	TSX	+/-
Real Estate	7.8%	2.7%	5.1%
Health Care	8.1%	0.6%	7.4%
Cons Staples	2.8%	3.9%	-1.0%
Cash	1.8%		1.8%
Comm Svs	7.9%	5.2%	2.7%
Industrials	13.5%	11.4%	2.1%
In fo Tech	7.8%	6.3%	1.5%
Energy	8.7%	16.9%	-8.2%
Cons Disc	4.6%	3.2%	1.4%
Materials	7.5%	13.8%	-6.4%
Utilities	3.0%	4.8%	-1.8%
Financials	26.4%	31.1%	-4.7%

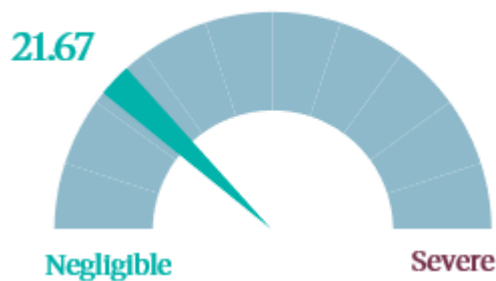
Equity Positions

Name	Industry	Weight	Yield
SUNCOR ENERGY	Energy	4.9%	4.0%
ENBRIDGE INC	Energy	3.8%	5.9%
BARRICK GOLD CRP	Materials	3.5%	1.6%
NUTRIEN LTD	Materials	4.0%	1.7%
CAN NATL RAILWAY	Industrials	3.4%	1.9%
LIFEWORX INC	Industrials	2.2%	3.9%
LOCKHEED MARTIN	Industrials	2.4%	2.4%
EMERSON ELEC CO	Industrials	2.4%	2.2%
WASTE MANAGEMENT	Industrials	3.1%	1.6%
INFINEON TEC-ADR	Info Tech	1.4%	1.1%
CISCO SYSTEMS	Info Tech	2.9%	2.9%
OPEN TEXT CORP	Info Tech	3.5%	2.1%
BANK OF NOVA SCO	Financials	5.1%	4.7%
ROYAL BANK OF CA	Financials	4.8%	3.5%
BANK OF MONTREAL	Financials	5.0%	3.7%
JPMORGAN CHASE	Financials	2.4%	3.0%
CITIGROUP INC	Financials	1.5%	4.1%
MANULIFE FIN	Financials	2.9%	4.9%
VIRTU FINANCIA-A	Financials	4.6%	2.6%
MAGNA INTL	Consumer D	2.1%	3.0%
RESTAURANT BRAND	Consumer D	2.5%	3.6%
ALGONQUIN POWER	Utilities	3.0%	4.3%
AMERICAN TOWER C	Real Estate	1.9%	2.2%
ALLIED PROP REIT	Real Estate	3.0%	4.0%
DREAM INDUSTRIAL	Real Estate	2.9%	4.5%
ROGERS COMMUNI-B	Telecom	4.3%	2.7%
TELUS CORP	Telecom	3.7%	3.9%
LOBLAW COS LTD	Cons Staple	2.8%	1.2%
ASTRAZENECA-ADR	Health Care	3.3%	2.9%

Country Allocation & Cyclicity

Canada	65.6%
US	30.7%
Cyclical Yield	36.8%
Neutral	31.5%
Interest Rate Sensitives	29.8%

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.