

QUARTERLY SMA COMMENTARY

Canadian Dividend

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

Inception date: JULY 31, 2008

As we move forward, economic data, Q3 earnings, and the U.S. election will be key factors influencing market direction.

SMA MANAGER



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MARKET OVERVIEW

September's anticipated market volatility did not materialize as expected. While markets experienced initial fluctuations, a mid-month Fed rate cut ignited a surge in risk appetite and optimism. This positive sentiment propelled both Canadian and U.S. markets to new all-time highs. As we move forward, economic data, Q3 earnings, and the U.S. election will be key factors influencing market direction. Despite the current optimism, uncertainties remain, and valuations, particularly in the U.S., appear moderately stretched.

The global economic landscape is evolving. After a strong first half of 2024, growth indicators are showing signs of deceleration. This shift has been reflected in bond yields, which initially declined but have since rebounded, suggesting

potential improvements in growth prospects. Commodities, buoyed by China's stimulus measures, have experienced a general uptrend, indicating increased demand expectations.

The Purpose Canadian Dividend portfolio's third-quarter performance of 7.4% lagged the S&P/TSX Composite's 9.7% gain. Underweight positions in Financials was the largest single detractor of relative performance. Energy stocks, particularly E&P names, faced challenges due to declining oil prices. Gold prices reached record highs, but our gold exposure, including Barrick, remains relatively modest compared to the index. In relation to many other dividend strategies our gold exposure is actually quite high.

PORTFOLIO ACTIVITY

Additionally, consumer-focused names detracted from returns this quarter, with Pet Valu being a notable underperformer. Canadian consumers have been hesitant to spend in discretionary sectors, contributing to the softness in this area of the portfolio.

Top-performing investments for the quarter were led by financials, particularly Royal Bank, along with rate-sensitive names such as TC Energy and Chartwell Retirement Residences. The strong performance of rate-sensitive stocks relative to growth-oriented, cyclical yielders was a key factor in the portfolio's relative underperformance, along with the impact of maintaining a sizable cash balance. While our defensive positioning contributed to portfolio stability, it did negatively affect performance when markets quickly reversed and closed the quarter at all-time highs. Nevertheless, we remain confident in our strategy and believe that patience will be rewarded in the long term.

In the third quarter, we made several portfolio adjustments, focusing on taking profits from overextended positions and identifying better growth opportunities. We initiated a position in Cameco, drawn by its attractive year-low valuations, to increase our exposure to cyclical sectors. Despite being one of the TSX's top performers earlier this year, Cameco experienced a significant pullback from June

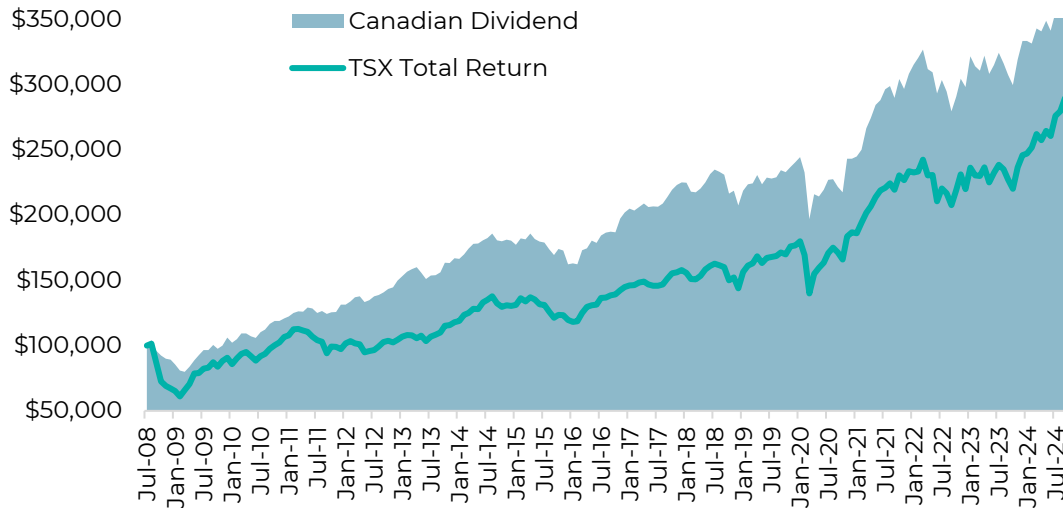
to September, declining by over 30%. The stock has since rebounded, largely due to growing optimism around nuclear energy, particularly following Microsoft's announcement of a deal to help restart Three Mile Island. Additionally, we adjusted our consumer holdings by selling Pet Valu and initiating a new position in Canadian Tire, whose diverse product offerings and attractive valuations make it well-positioned to navigate the challenges facing Canadian consumers.

As we approach a historically volatile period for the markets, we maintain a slightly defensive stance. Our strategy emphasizes elevated cash levels and a focus on defensive sectors such as Healthcare, Consumer Staples, Telecom, and Utilities. We believe this approach will help the portfolio withstand potential market turbulence. Unlike many dividend-focused portfolios, our portfolio maintains a balanced exposure to cyclicals, which have the potential to outperform in a rising interest rate environment. While defensive stocks have performed well recently, the ongoing rebound in cyclical performance is a trend we continue to monitor closely.

Unlike many dividend focused portfolios, our portfolio maintains a balanced exposure to cyclicals, which can outperform during rising interest rate environments



PERFORMANCE (GROSS OF FEES)

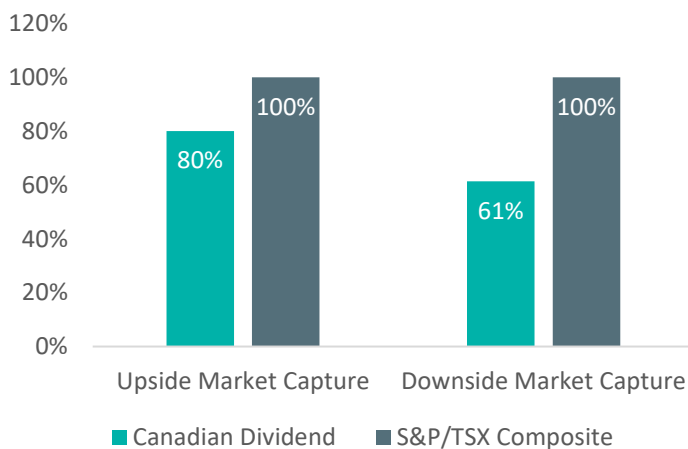


	1-month	3-months	6-months	1-year	YTD	3yr	5yr	10yr	Inception*
CW Canadian Dividend	3.1%	7.4%	6.9%	19.3%	10.0%	8.1%	9.4%	7.3%	8.4%
S&P/TSX Total Return	3.6%	11.1%	10.5%	27.3%	17.8%	9.7%	11.1%	8.1%	6.8%
+/-	-0.6%	-3.7%	-3.6%	-8.1%	-7.8%	-1.5%	-1.7%	-0.8%	1.6%

	2015	2016	2017	2018	2019	2020	2021	2022	2023
CW Canadian Dividend	-10.1%	24.5%	11.3%	-7.8%	15.9%	1.2%	26.6%	-3.2%	11.8%
S&P/TSX Total Return	-8.3%	21.1%	9.1%	-8.9%	22.9%	5.6%	25.1%	-5.8%	11.8%
+/-	-1.7%	3.4%	2.2%	1.1%	-7.0%	-4.4%	1.5%	2.6%	0.0%

RISK METRICS

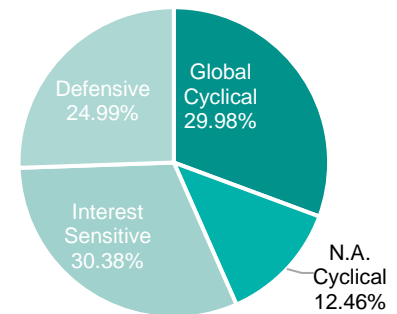
Upside Vs. Downside Capture



	Canadian Dividend	S&P/TSX Composite
Sharpe	0.69	0.43
Max Drawdown	-23.3%	-39.9%
SD	10.9%	13.7%
Downside Deviation	8.1%	11.8%
Beta	0.67	0.89

COMPOSITION

<u>Name</u>	<u>Industry</u>	<u>Weight</u>	<u>Yield</u>		<u>Cdn Dividend</u>	<u>TSX</u>	<u>+/-</u>
TC ENERGY CORP	Energy	3.6%	6.3%	Energy	20.8%	17.5%	3.3%
SOUTH BOW CORP	Energy	0.4%	9.4%	Comm Svs	6.2%	3.0%	3.2%
SUNCOR ENERGY INC	Energy	3.1%	4.1%	Health Care	3.5%	0.3%	3.2%
VEREN INC	Energy	3.2%	5.2%	Utilities	5.8%	3.8%	2.0%
ARC RESOURCES LTD	Energy	4.4%	2.8%	Real Estate	4.1%	2.2%	1.9%
CENOVUS ENERGY INC	Energy	2.6%	3.0%	Cons Disc	3.0%	3.3%	-0.3%
CAMECO CORP	Energy	3.6%	0.2%	Materials	11.4%	12.2%	-0.8%
LUNDIN MINING CORP	Materials	2.1%	2.6%	Cons Staples	2.5%	4.0%	-1.5%
WHEATON PRECIOUS METALS CORP	Materials	3.9%	1.0%	Industrials	8.8%	12.8%	-4.0%
BARRICK GOLD CORP	Materials	3.2%	2.0%	Info Tech	0.0%	8.6%	-8.6%
NUTRIEN LTD	Materials	2.2%	4.4%	Financials	19.7%	32.1%	-12.4%
FINNING INTERNATIONAL INC	Industrials	4.8%	2.5%	Cash	10.4%		10.4%
CANADIAN NATL RAILWAY CO	Industrials	4.0%	2.2%				
OPEN TEXT CORP	Information Tec	3.7%	3.1%				
ROYAL BANK OF CANADA	Financials	5.8%	3.4%				
BANK OF NOVA SCOTIA	Financials	3.3%	5.9%				
BANK OF MONTREAL	Financials	4.7%	5.0%				
TORONTO-DOMINION BANK	Financials	3.4%	4.7%				
SUN LIFE FINANCIAL INC	Financials	2.6%	4.1%				
CANADIAN TIRE CORP-CLASS A	Cons Disc	3.0%	4.4%				
CHARTWELL RETIREMENT RESIDEN	Health Care	3.5%	4.1%				
ALLIED PROPERTIES REAL ESTAT	Real Estate	1.2%	9.1%				
DREAM INDUSTRIAL REAL ESTATE	Real Estate	2.8%	5.1%				
ROGERS COMMUNICATIONS INC-B	Comm Svs	2.8%	3.8%				
TELUS CORP	Comm Svs	3.4%	7.0%				
NORTHLAND POWER INC	Utilities	1.9%	5.5%				
EMERA INC	Utilities	3.8%	5.8%				
JAMIESON WELLNESS INC	Cons Staples	2.5%	2.4%				
PURPOSE HIGH INTEREST SAVING	Cash	6.3%	4.0%				
	Cash	4.1%	3.8%				



All data sourced from Bloomberg unless otherwise noted.

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