

FUND COMMENTARY

Purpose Core Equity Income Fund

FUND DETAILS

ETF TICKER MGMT FEES	RDE 0.75%
SERIES F MGMT FEES	PFC2901 0.75%
SERIES A MGMT FEES	PFC2900 1.75%

Inception date: **NOV 16, 2015**

DISTRIBUTION FREQUENCY
Monthly

FUND STRUCTURE
Corporate Class

The central banks have started to remove the punchbowl, but for now the markets don't mind as their cups are still full.

FUND MANAGER



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MARKET OVERVIEW

Heading into October, the mood of the market was very cautious. Everyone could recite the fears that would cause an imminent selloff, from earnings misses, to taper plans, to China tensions. But as markets “climbed the wall of worry,” the end result was one of the strongest monthly performances for equities of this post-pandemic rally. There is reason for optimism, the bottle necks are showing some signs of alleviating, earnings season has been a success and the market seems to be fine with the Fed tapering its bond purchase program. The central banks have started to remove the punchbowl, but for now the markets don't mind as their cups are still full.

FUND PERFORMANCE AND POSITIONING

The Purpose Core Equity Income Fund rose 2.9% in October, bringing its year-to-date performance to 19.7%, lagging its benchmark slightly as the fund was somewhat defensively positioned heading into the month expecting September's volatility to continue. Earnings season always brings about a heightened amount of portfolio volatility, and the fund had number of stocks that missed expectations resulting in negative price moves that impacted overall performance.

Within the industrial sector, a miss by Lockheed Martin notably detracted from returns. The company lowered guidance

FUND PERFORMANCE

AS OF OCT 31, 2021

PURPOSE TACTICAL ASSET ALLOCATION FUND	1 MONTH	3 MONTHS	6 MONTHS	YTD	1 YEAR	2 YEARS	3 YEARS	5 YEARS	SINCE INCEPTION
SERIES A	2.83%	2.33%	7.19%	18.62%	33.60%	12.73%	11.02%	8.40%	7.79%
SERIES F	2.92%	2.62%	7.79%	19.71%	35.08%	13.98%	12.26%	9.60%	8.96%

Source: Morningstar

over the next couple of years and the end to the U.S. involvement in Afghanistan did not help sentiment. Periods like this make us remind ourselves why we own it. Defensive budgets have their own cycle—it’s all government business and not tied to the economy the same way other industrial stocks are such as rail stocks. The defense industry has lagged but does provide portfolio diversification benefits. Other detractors included Intel and Medtronic. We used the pullback in Medtronic to further add to the position.

While underweight in energy, the portfolio’s net attribution from the sector was still positive thanks to Suncor, our lone energy producer. Relative valuations compared with peers have been attractive for months, and the market seems to have finally taken notice. Despite being underweight in the sector, Suncor provided a serious amount of positive attribution. After rising nearly 24% in October, it announced that they will be doubling their dividend. Suncor was the largest contributor to the fund followed by Bank of Montreal, Infineon and Canadian National Railway.

Little has changed in overall portfolio construction this month. We further added to our overweight in health care and have maintained high exposure in sectors we believe will benefit from a rising rate environment with a high inflation backdrop. This includes an overweight in banks, and real asset exposure in real estate. We also continue to like the defensive characteristics of U.S. health care exposure and maintain elevated exposure in both pharmaceuticals and medical equipment.

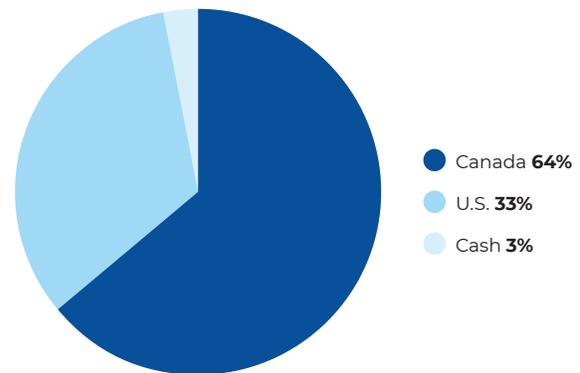
INVESTMENT GROWTH

AS OF OCT 31, 2021



COUNTRY ALLOCATION

AS OF OCT 31, 2021



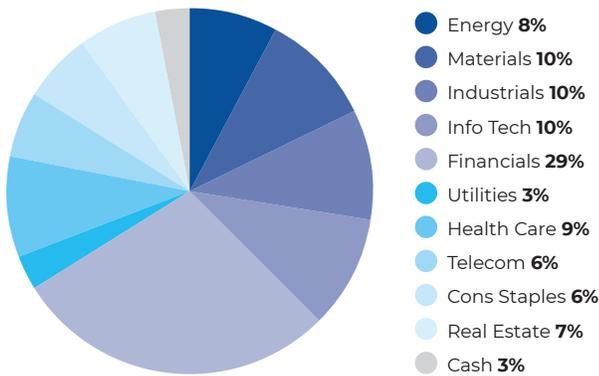
TOP 10 HOLDINGS

AS OF OCT 31, 2021

NAME	WEIGHT
Royal Bank of Canada	5.8%
Bank of Nova Scotia/The	5.2%
Bank of Montreal	5.1%
Suncor Energy Inc	4.1%
Allied Properties Real Estate	3.4%
Loblaw Cos Ltd	3.2%
Manulife Financial Corp	3.1%
Waste Management Inc	3.1%
TELUS Corp	3.0%
Barrick Gold Corp	3.0%

INVESTMENT GROWTH

AS OF OCT 31, 2021



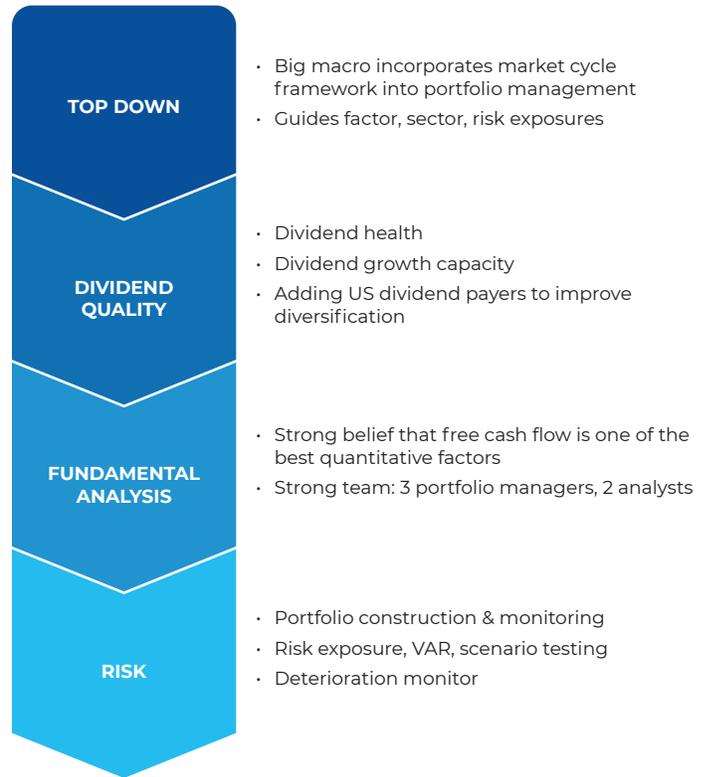
FUND OBJECTIVES

- A steady stream of income from dividend-paying companies
- Long-term capital growth
- Exposure to Canadian and U.S. equity markets

KEY ADVANTAGES

- Dividend-focused investment strategy companies emphasizing dividend health & sustainability and free cash flow generation
- Flexibility to tactically overweight assets in specific sectors and invest up to 35% in U.S. stocks to provide greater return potential and increased diversification

INVESTMENT PROCESS



RISK RATING



¹Contribution to fund return for the period is calculated as the 1 month total return for the ETF Class of the Fund multiplied by the sector/security's average weight of the Fund's net asset value.

² MSCI EAFE sector indices. All data sourced from Bloomberg and Purpose Investments, unless otherwise noted.

Commissions, trailing commissions, management fees and expenses all may be associated with investment fund investments. The prospectus contains important detailed information about the investment fund. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns 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 that would have reduced returns. As with any investment, there are risks to investing in investment funds. There is no assurance that any fund will achieve its investment objective, and its net asset value, yield, and investment return will fluctuate from time to time with market conditions. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. The opinions expressed are provided by the portfolio manager responsible for the management of the Fund's investment portfolio, as specified in the Fund's prospectus. Unless otherwise stated, the source for data cited in any commentary is the portfolio manager. Nothing in any commentary should be considered a recommendation to buy or sell a particular security. The Fund may sell these securities at any time, or purchase securities that have previously been sold. The securities may increase or decrease in value after the date hereof, and the Fund may accordingly gain or lose money on the investment in the securities. The statements by the portfolio managers in their commentaries are intended to illustrate their approach in managing the funds, and do not necessarily reflect the views of Purpose Investments Inc.

