

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

September lived up to its reputation with the S&P 500 down 4.2% and S&P/TSX Composite down 2.2% for the month. This brought quarterly returns to nearly zero, in both Canada and the United States. After one of the longest runs of stable returns and minimal drawdown, equity markets are taking a rest at an average of 15% year to date returns across major indices. Most of the tailwinds that have carried the market to these levels are now starting to fade and bring us to what could be a difficult period for capital markets.

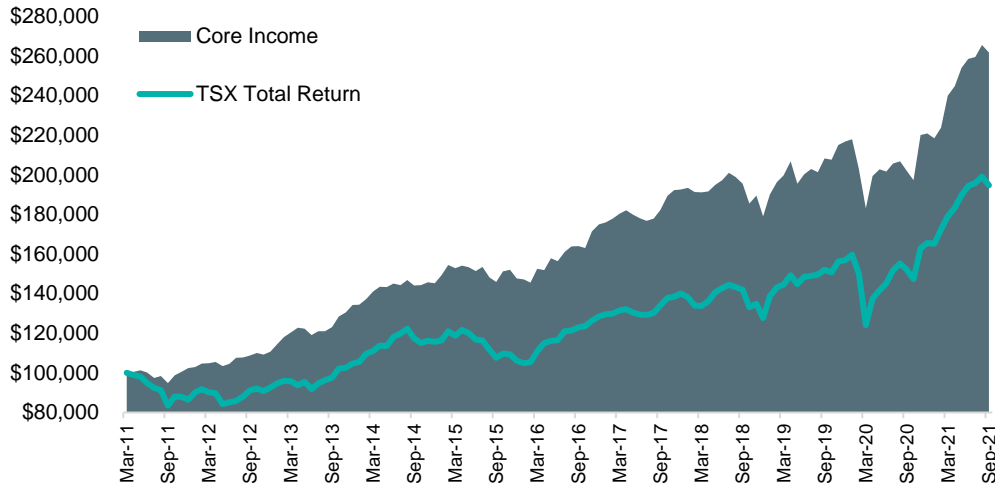
The Purpose Core Income mandate rose +1.2% in the 3rd quarter and is now up +18.5% YTD. Outperforming the S&P/TSX Composite over both time periods. The cyclical value tilt within the portfolio aided performance over the quarter as rising bond yields negatively impacted growth names to a larger degree. A rising U.S. dollar over the quarter also had a positive impact on the portfolio.

Outperformance was aided by several positions that convincingly outperformed markets. After the deal fell through between Canadian National Railway and Kansas City Southern the stock price jumped as investors no longer had to worry about asset divestitures or a prolonged bidding war. Rail volumes continue to be strong and will continue to do so as long as the economic recovery continues and supply chain bottlenecks work themselves out. Grocers have continued their strong run this year, thanks in part to their ability to pass along cost inflation. We began the quarter with a solid overweight in the space but sold George Weston after a stellar run to increase cash ahead of what we expected to be a volatile fall period. We continue to hold Loblaw's which was one of the largest contributors to quarterly returns. Allied Properties notably detracted from returns as the company came under pressure due to rising rates and fears of the fourth wave. Other detractors included both Suncor and Rogers Communications.

Over the course of the quarter, we increased our Energy weighting by adding to Suncor. We also reallocated our gold exposure from Franco Nevada to Barrick. Royalty companies had outperformed producers, but we wanted to gain exposure to commodity prices as we deemed the valuation disconnect to be attractive. Towards the end of the quarter, we de-risked the portfolio slightly, selling UPS and adding Virtu Financial. Virtu is historically negatively correlated to equities and thrives during periods of elevated volatility. A perfect holding for what we anticipated to be a choppy fall for risk assets.

The year has already been a huge success as markets remain near all-time highs, but with supportive measures being pulled back and the risk of earnings disappointments, the risk/reward going forward is looking less attractive than it has in past months. Markets have been due for a correction or volatility for a quite some time, and we will be ready to deploy some of our elevated cash balance to take advantage of any opportunities.

Performance

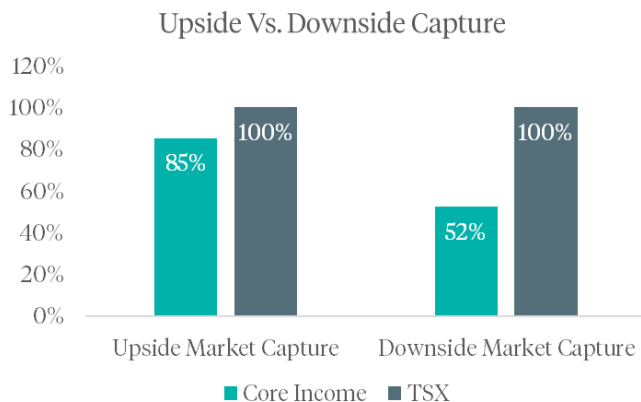


	1-month	3-months	6-months	1-year	YTD	3-year	5-year	7-year	Inception*
Core Income	-1.5%	1.2%	9.1%	29.6%	18.5%	10.2%	9.8%	8.9%	9.6%
Benchmark	-2.2%	0.2%	8.7%	28.0%	17.5%	11.1%	9.6%	7.5%	6.6%
Relative	0.8%	1.1%	0.3%	1.6%	1.0%	-0.9%	0.2%	1.4%	3.0%

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

Risk Management

As dividend paying companies tend to be concentrated in select industries, maintaining a broad diversification is a crucial component of our risk management. At the company level, we continuously monitor both fundamentals and technicals using our deterioration monitor.



	Core Income	TSX
Sharpe	0.91	0.48
Max Drawdown	-16.0%	-22.3%
Standard Deviation	9.4%	11.6%
Downside Deviation	7.1%	10.2%
Beta	0.69	1.00

Composition

Sectors

	Core Income	TSX	+/-
Real Estate	9%	3.2%	5.6%
Health Care	6%	1.0%	5.3%
Cons Staples	5%	3.6%	1.5%
Cash	6%		5.9%
Comm Svs	7%	4.7%	2.3%
Industrials	9%	11.4%	-2.5%
Info Tech	8%	11.3%	-3.0%
Energy	12%	13.5%	-1.2%
Cons Disc	0%	3.6%	-3.6%
Materials	8%	11.7%	-4.1%
Utilities	0%	4.6%	-4.6%
Financials	30%	31.6%	-1.7%

Equity Positions

Name	Industry	Weight	Yield
SUNCOR ENERGY	Energy	3.8%	2.9%
ENBRIDGE INC	Energy	3.0%	6.4%
PEMBINA PIPELINE	Energy	2.1%	6.0%
CAN NATURAL RES	Energy	3.3%	3.8%
BARRICK GOLD CRP	Materials	2.9%	1.9%
YAMANA GOLD INC	Materials	1.9%	2.8%
NUTRIEN LTD	Materials	2.8%	2.7%
UNITED PARCEL-B	Industrials	0.0%	2.2%
CAN NATL RAILWAY	Industrials	3.6%	1.7%
LOCKHEED MARTIN	Industrials	2.0%	3.1%
WASTE MANAGEMENT	Industrials	3.2%	1.5%
INFINEON TEC-ADR	Info Tech	2.3%	0.6%
CISCO SYSTEMS	Info Tech	3.3%	2.7%
OPEN TEXT CORP	Info Tech	2.7%	1.8%
BANK OF NOVA SCO	Financials	5.2%	4.6%
ROYAL BANK OF CA	Financials	5.1%	3.4%
BANK OF MONTREAL	Financials	5.0%	3.3%
JPMORGAN CHASE	Financials	3.3%	2.5%
CITIGROUP INC	Financials	2.2%	2.9%
MANULIFE FIN	Financials	3.0%	4.6%
CI FINANCIAL COR	Financials	2.7%	2.8%
VIRTU FINANCIA-A	Financials	3.5%	3.8%
AMERICAN TOWER C	Real Estate	2.2%	2.0%
ALLIED PROP REIT	Real Estate	3.2%	4.1%
DREAM INDUSTRIAL	Real Estate	3.5%	4.1%
ROGERS COMMUNI-B	Telecom	3.7%	3.4%
TELUS CORP	Telecom	3.3%	4.6%
LOBLAW COS LTD	Cons Staple:	2.4%	1.6%
CLOROX CO	Cons Staple:	2.6%	2.9%
ASTRAZENECA-ADR	Health Care	2.0%	1.5%
PATTERSON COS	Health Care	2.1%	3.2%
BRISTOL-MYER SQB	Health Care	2.1%	3.4%

Country Allocation & Cyclicity

Canada	65.8%
US	30.9%
Cyclical Yield	30.0%
Neutral	29.7%
Interest Rate Sensitives	34.4%

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. All data sourced from Bloomberg and Purpose Investments, unless otherwise noted.