

Characteristics

Asset class	Balanced
Geographic	Canada and US
Focus	Income
Objective	Actively managed to provide income and capital preservation with some appreciation
Approx. # of holdings	25-32
Estimated annual trades	22-30
Benchmark	60% TSX/40% Dex

SMA Manager

Craig Basinger
Chief Market Strategist
T: 647.822.1406
craigb@purposeinvest.com

Derek Benedet
Portfolio Manager
T: 416.726.1269
DerekB@purposeinvest.com

Brett Gustafson
Portfolio Analyst
T: 403.689.0012
Brettg@purposeinvest.com

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.

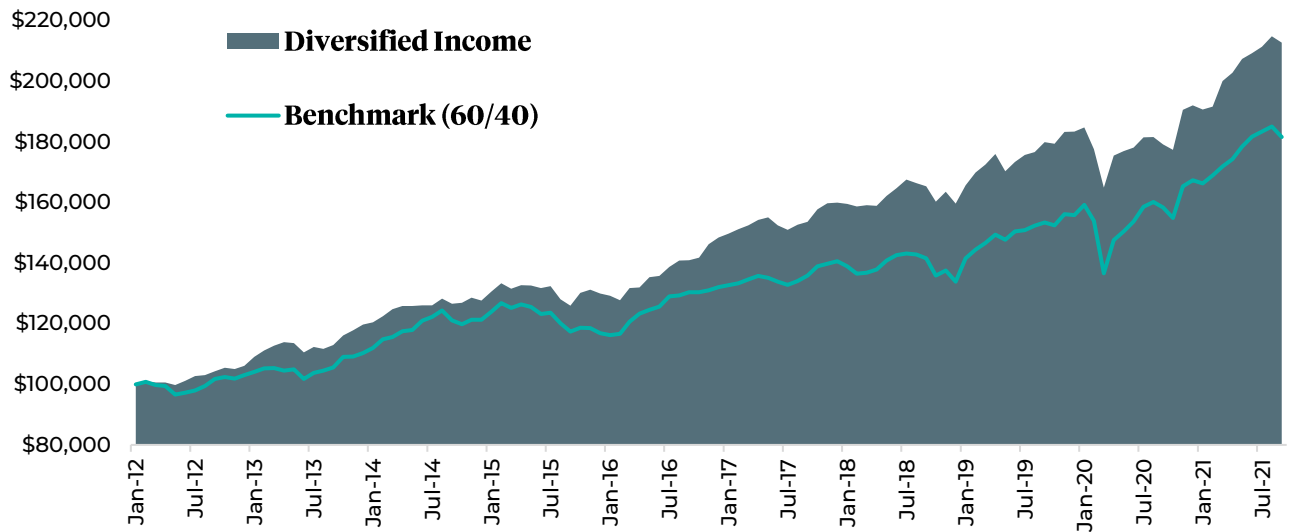
The Purpose Diversified Income mandate rose +1.7% in the 3rd quarter and is now up +10.8% YTD. Outperforming its benchmark over both time periods. The cyclical value tilt within the equity side of the portfolio aided performance over the quarter as rising bond yields negatively impacted growth names to a larger degree. The portfolio's shorter than benchmark duration was also a benefit from a relative standpoint. 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 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.

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. We continue to maintain a slight tilt toward equities compared to our baseline, as we expect bonds to be under pressure as central banks reign in their asset purchase programs and start thinking about raising rates. The Fed has provided further clarity around rate increases in 2022. The Bank of Canada continues to make steady progress towards less accommodative monetary policy and is expected to hike in the back half of 2022.

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 quite some time, and we will welcome irrational thinking, taking advantage of other investors' overreactions.

Performance

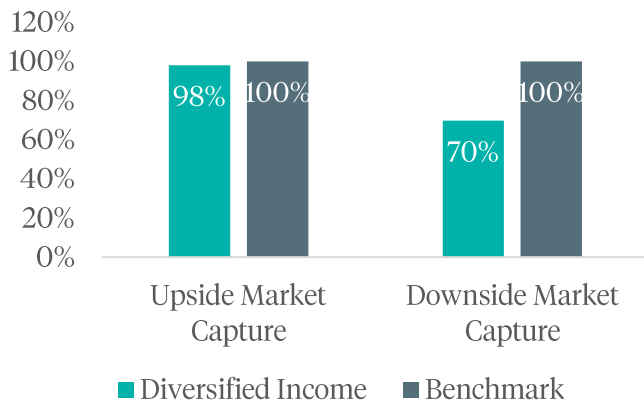


	1-month	3-months	6-months	1-year	YTD	3-year	5-year	7-year	Inception
Diversified Income	-1.0%	1.7%	6.4%	18.8%	10.8%	8.8%	8.6%	7.7%	8.1%
Benchmark (60/40)	-1.9%	-0.1%	5.7%	14.7%	8.5%	8.6%	6.8%	6.0%	6.4%
+/-	0.9%	1.8%	0.7%	4.1%	2.3%	0.1%	1.7%	1.7%	1.8%

	2013	2014	2015	2016	2017	2018	2019	2020
Diversified Income	12.9%	6.6%	1.8%	14.2%	7.7%	-0.1%	14.8%	4.8%
Benchmark (60/40)	7.1%	9.9%	-3.6%	13.0%	6.5%	-4.8%	16.4%	7.4%
+/-	5.7%	-3.4%	5.5%	1.3%	1.2%	4.6%	-1.5%	-2.6%

Risk Management

Upside Vs. Downside Capture



	Diversified Income	Benchmark
Sharpe	1.11	0.73
Max Drawdown	-10.7%	-14.2%
SD	6.4%	7.3%
Downside Deviation	5.0%	6.8%
Beta	0.76	1.00

Composition

Sectors

	Diversified Income
Energy	11.7%
Materials	7%
Industrials	8%
Cons Disc	0%
Cons Staples	4%
Financials	30%
Health Care	7%
Info Tech	4%
Telecom	7%
Utilities	3%
Real Estate	14%

Portfolio Tilt

	Portfolio	Baseline
Equities	62.9%	60.0%
Bonds + Cash	37%	40%

Positions

Name	Industry	Weight	Yield
PEMBINA PIPELINE CORP	Energy	2.2%	6.0%
ENBRIDGE INC	Energy	2.4%	6.4%
SUNCOR ENERGY INC	Energy	2.8%	2.9%
NUTRIEN LTD	Materials	2.6%	2.7%
YAMANA GOLD INC	Materials	1.5%	2.8%
UNITED PARCEL SERVICE-CL B	Industrials	0.0%	2.2%
WASTE MANAGEMENT INC	Industrials	2.1%	1.5%
CANADIAN NATL RAILWAY CO	Industrials	2.8%	1.7%
CISCO SYSTEMS INC	Information Technology	2.6%	2.7%
BANK OF NOVA SCOTIA	Financials	3.7%	4.6%
ROYAL BANK OF CANADA	Financials	4.7%	3.4%
JPMORGAN CHASE & CO	Financials	3.6%	2.5%
CITIGROUP INC	Financials	2.6%	2.9%
VIRTU FINANCIAL INC-CLASS A	Financials	2.2%	3.8%
MANULIFE FINANCIAL CORP	Financials	2.4%	4.6%
ALGONQUIN POWER & UTILITIES	Utilities	1.7%	4.7%
ROGERS COMMUNICATIONS INC-B	Communication Service	1.8%	3.4%
TELUS CORP	Communication Service	2.5%	4.6%
PROCTER & GAMBLE CO/THE	Consumer Staples	2.4%	2.4%
LOBLAW COMPANIES LTD	Consumer Staples	3.3%	1.6%
PATTERSON COS INC	Health Care	2.2%	3.2%
ASTRAZENECA PLC-SPONS ADR	Health Care	2.0%	1.5%
DREAM INDUSTRIAL REAL ESTATE	Real Estate	3.9%	4.1%
ALLIED PROPERTIES REAL ESTATE	Real Estate	3.0%	4.1%
AMERICAN TOWER CORP	Real Estate	2.0%	2.0%
	Type		
CANADA GOV	1% 1 Jun 2027	4.9%	1.32%
ISHARES CORE CANADIAN SHORT	XSB	14.6%	2.01%
ROYAL BANK OF CANADA	4.5% 24 Nov 80	5.3%	4.93%
WELLS FARGO & COMPANY	3.874 21 May 25	4.5%	1.97%
BC PROV 2.3%	18-Jun-26	5.5%	1.44%

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.