

Characteristics

Asset class	Equity
Geographic	US
Focus	Dividend & Dividend Growth
Objective	Actively managed to provide income with some capital appreciation
Approx. # of holdings	25-30
Estimated annual trades	16-24
Benchmark	S&P 500 TR
Benchmark 2	DJ Select Dividend

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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 U.S. Dividend mandate fell 2.3% in the 3rd quarter and is up 9.6% YTD. The cyclical value tilt within the portfolio hindered performance overall, though it did help buttress the sudden burst of volatility in the latter half of September when as rising bond yields primarily impacted growth names.

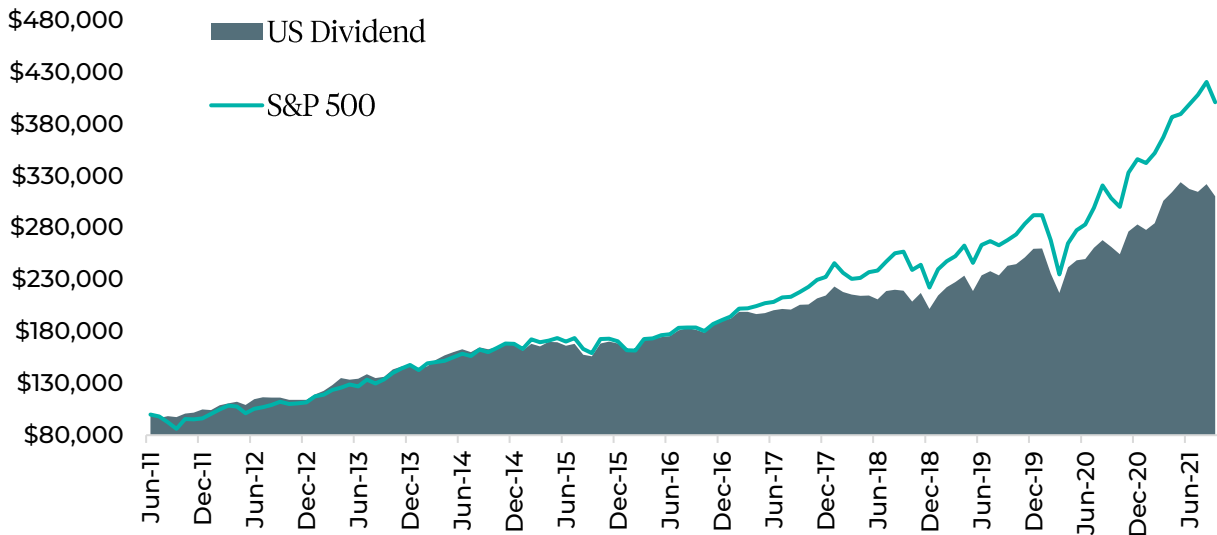
Overweight Financial exposure contributed over course of the quarter, with names such as JP Morgan and MetLife outpacing benchmark returns. The portfolio continues to lean heavily into Financials to benefit from rising interest rates in the near future. Waste Management was one of the biggest contributors to the portfolio's performance in the quarter. It is a high-quality business that is benefiting from continued economic growth and has been less impacted from labour shortages that have plagued other industries.

Selection of specific names such as Newmont and Ericsson did not meaningfully contribute to returns this quarter. Both companies fell by more than 10%. We continue to believe that gold miners are attractively priced at current levels and do provide a necessary level of portfolio diversification. Ericsson had a strong run up into the spring but has been consolidating for nearly five months. Valuations have returned to levels not seen since March of 2020 and we continue to like the exposure to the continued rollout of 5G networking equipment.

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 while, and we will be ready to take advantage of any opportunities.

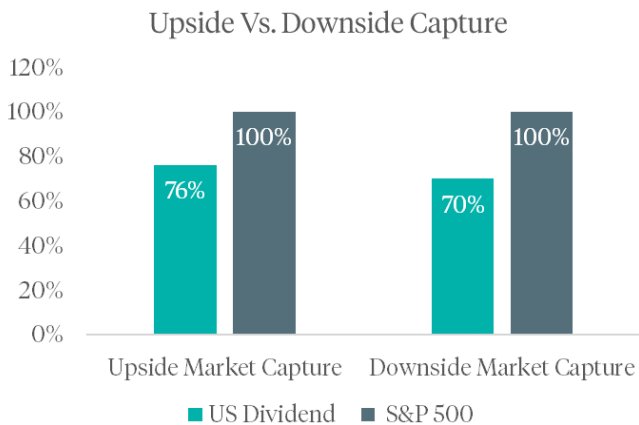
Performance



	1-month	3-months	6-months	1-year	YTD	3-year	5-year	7-year	incep
US Dividend	-3.6%	-2.3%	1.4%	18.6%	9.6%	12.3%	11.3%	9.7%	11.7%
S&P 500	-4.6%	0.6%	9.2%	30.0%	15.9%	16.0%	16.9%	14.0%	14.5%
+/-	1.0%	-2.9%	-7.7%	-11.4%	-6.3%	-3.7%	-5.6%	-4.4%	-2.8%

	2012	2013	2014	2015	2016	2017	2018	2019	2020
US Dividend	8.9%	28.0%	14.2%	1.0%	13.6%	12.2%	-6.0%	28.8%	8.9%
S&P 500	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%
+/-	-7.1%	-4.4%	0.5%	-0.3%	1.6%	-9.7%	-1.6%	-2.7%	-9.5%

Risk Management



	US Dividend	S&P 500
Sharpe	1.04	1.07
Max Drawdown	-17%	-20%
SD	11.3%	13.6%
Downside Deviation	7.5%	9.9%
Beta	0.72	1.00

Composition

Sector

	US Dividend	S&P 500	+/-
Energy	3%	3%	0%
Materials	8%	3%	5%
Industrials	8%	8%	0%
Info Tech	15%	28%	-13%
Financials	26%	11%	15%
Cons Disc	3%	12%	-9%
Cons Staples	13%	6%	7%
Telecom	3%	11%	-8%
Utilities	3%	2%	0%
Health Care	11%	13%	-2%
Real Estate	3%	3%	0%
Cash	3%		3%

Cyclicality

	Dividend	S&P	+/-
Global Cyclical	11%	5%	5%
NA Cyclical	23%	36%	-12%
Interest Sensitive	32%	26%	6%
Defensive + Cash	30%	30%	1%

Equity Positions

Name	Sector	Weight	Yield
CHEVRON CORP	Energy	3.0%	5.0%
AVIENT CORP	Materials	4.1%	1.8%
NEWMONT CORP	Materials	3.8%	4.0%
UNITED PARCEL SERVICE-CL B	Industrials	0.0%	2.2%
WASTE MANAGEMENT INC	Industrials	4.2%	1.5%
LOCKHEED MARTIN CORP	Industrials	4.0%	3.1%
INTL BUSINESS MACHINES CORP	Info Tech	2.0%	4.7%
ERICSSON (LM) TEL-SP ADR	Info Tech	3.0%	1.9%
INFINEON TECHNOLOGIES-ADR	Info Tech	3.2%	0.6%
INTEL CORP	Info Tech	3.3%	2.7%
CISCO SYSTEMS INC	Info Tech	3.5%	2.7%
BLACKROCK INC	Financials	4.8%	1.9%
METLIFE INC	Financials	2.8%	3.0%
JPMORGAN CHASE & CO	Financials	5.6%	2.5%
GOLDMAN SACHS GROUP INC	Financials	5.9%	2.1%
CITIGROUP INC	Financials	3.7%	2.9%
VIRTU FINANCIAL INC-CLASS A	Financials	3.6%	3.8%
AMERICAN TOWER CORP	Real Estate	2.9%	2.0%
MCDONALD'S CORP	Cons Disc	3.0%	2.3%
KIMBERLY-CLARK CORP	Cons Staples	2.3%	3.4%
PROCTER & GAMBLE CO/THE	Cons Staples	4.2%	2.4%
CONAGRA BRANDS INC	Cons Staples	3.4%	3.8%
CLOROX COMPANY	Cons Staples	3.3%	2.9%
ASTRAZENECA PLC-SPONS ADR	Health Care	3.2%	1.5%
BRISTOL-MYERS SQUIBB CO	Health Care	2.2%	3.4%
PATTERSON COS INC	Health Care	2.9%	3.2%
ORGANON & CO	Health Care	0.1%	3.4%
MERCK & CO. INC.	Health Care	2.6%	3.3%
XCEL ENERGY INC	Utilities	2.9%	2.8%
VERIZON COMMUNICATIONS INC	Telecom	1.8%	5.0%
AT&T INC	Telecom	1.4%	8.2%

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.