

FUND COMMENTARY

# Purpose Tactical Asset Allocation Fund

## FUND DETAILS

<b>ETF TICKER</b> MGMT FEES	<b>RTA</b> 0.75%
<b>SERIES F</b> MGMT FEES	<b>PFC3901</b> 0.75%
<b>SERIES A</b> MGMT FEES	<b>PFC3900</b> 1.75%
<b>SERIES TF5</b> MGMT FEES	<b>PFC3905</b> 0.75%
<b>SERIES TA5</b> MGMT FEES	<b>PFC3906</b> 1.75%

Inception date: **NOV. 16, 2015**

DISTRIBUTION FREQUENCY

**Annual, if any**

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



**Craig Basinger**

CHIEF MARKET STRATEGIST

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## MARKET OVERVIEW

It did not take the markets long for greed to replace the brief period of fear in the markets. China, inflation, the taper, doesn't matter...this market just smiles and makes new highs. In fact, the S&P 500 has now had 13 consecutive monthly record highs. Just for fun, the record is 15, so we will see. 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 Tactical Fund's (Tactical) objective is pretty straightforward—maintain a decent equity weight during good times and when the markets show weakness get defensive quickly (less equity, more bonds/cash). After getting defensive in September, Tactical spent October re-adding to equity.

The month started at 22% equity and finished at 76%. Not enough equity and the fall in the U.S. dollar, had Tactical ending the month up marginally +0.8% (PFC3901 F-class), bringing the one-year performance to 15.0%.

## 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	0.67%	-0.66%	3.39%	7.90%	13.72%	11.30%	10.32%	6.75%	6.10%
SERIES F	0.76%	-0.39%	3.96%	8.88%	14.97%	12.52%	11.50%	7.92%	7.25%

Source: Morningstar

**INVESTMENT GROWTH**

AS OF OCT 31, 2021



One day one of these 2-4% pullbacks in the market will turn into something more nefarious. Until then, Tactical will appear a bit foolish, getting defensive during market wobbles and re-adding equity as things recover. When one of these wobbles turns into a correction, Tactical will once again shine.

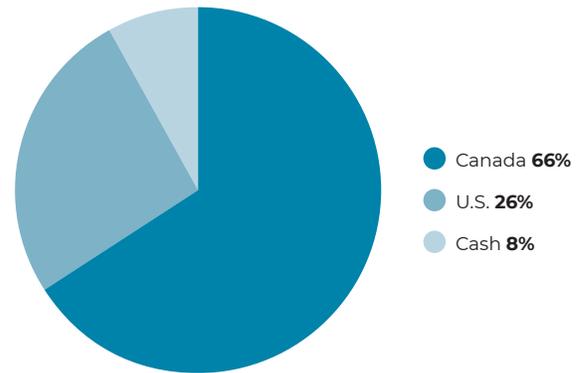
**INVESTMENT PROCESS**

The Purpose Tactical Asset Allocation portfolio uses a systematic, rules-based approach to increase equity exposure in up markets and increase bond exposure in down markets

The holdings oscillate between 100% bonds/cash and 100% equity using a handful of exchange traded funds (ETFs), dependent upon the indicators short-term outlook for the market

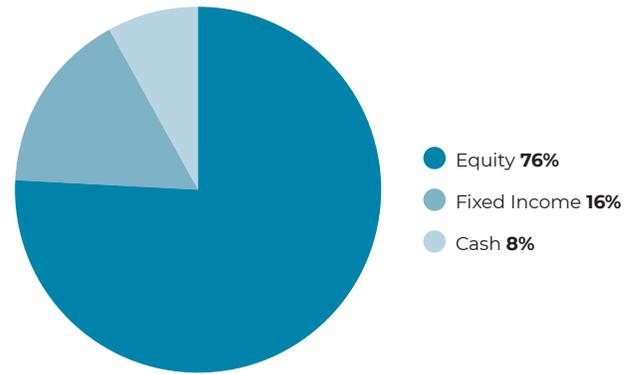
**COUNTRY ALLOCATION**

AS OF OCT 31, 2021



**ASSET ALLOCATION**

AS OF OCT 31, 2021



**TOP HOLDINGS**

AS OF OCT 31, 2021

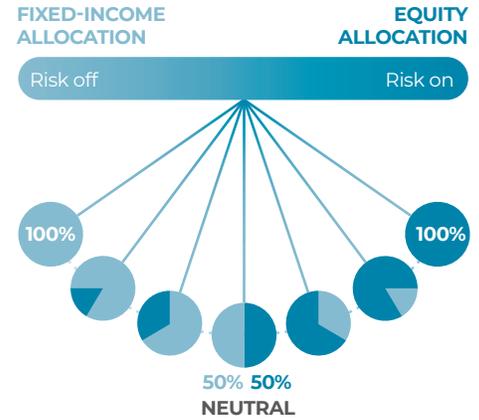
NAME	WEIGHT
HORIZONS S&P/TSX 60 INDEX ET	47.3%
SPDR S&P 500 ETF TRUST	15.5%
ISHARES CORE CANADIAN SHORT	13.2%
INVESCO QQQ TRUST SERIES 1	10.1%
ISHARES CORE S&P/TSX CAPPED	3.4%
ISHARES CORE CAN UNIV BOND	2.4%

### FUND OBJECTIVES

- Actively profiting from market inefficiencies and investors' predictable, emotional mistakes
- Long-term capital appreciation and diversification
- 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



### RISK RATING



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

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.

