

FUND COMMENTARY

# Purpose Core Equity Income Fund

**FUND DETAILS**

<b>ETF TICKER</b> MGMT FEES	<b>RDE</b> 0.75%
<b>SERIES F</b> MGMT FEES	<b>PFC2901</b> 0.75%
<b>SERIES A</b> MGMT FEES	<b>PFC2900</b> 1.75%

Inception date: **NOV 16, 2015**

DISTRIBUTION FREQUENCY  
**Monthly**

FUND STRUCTURE  
**Corporate Class**

**After such a long run of tranquil equity markets steadily heading higher, we ran into some volatility in September, as is often the seasonal case.**

**FUND MANAGER**



**Craig Basinger**

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**MARKET OVERVIEW**

After such a long run of tranquil equity markets steadily heading higher, we ran into some volatility in September, as is often the seasonal case. There are many culprits and volatility will likely persist in the months ahead, feeding a bumpier ride to finish what is already a great year for investing. Some concern over the pending start of tapering quantitative easing has bond yields rising. This 'transitory' inflation remains, teaching investors transitory in the inflation world is longer than most think. And then we have an earnings season where inflationary pressures are due to impact company earnings. The TSX dipped 2.2% in September, while pain south of the border was more acute seeing the S&P 500 drop 4.7% (total return, local currencies).

**FUND PERFORMANCE AND POSITIONING**

Within the portfolio, there were some hits and some misses during the month. Gold names, with a current 4.7% weight, fell as the bullion declined on higher yields. This was more than offset by gains in energy names with natural gas and oil advancing strongly during the month. High bond yields put downward pressure on interest rate sensitives including REITs, health care, and telcos. Financials, which typically gain from higher yields, helped partially offset.

During the month, we did some adding on weakness in the REIT, health care, and telcos sectors. The biggest change was an exit from UPS. Labour pressures are becoming a concern in the

**FUND PERFORMANCE**

AS OF SEPT 30, 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	-2.32%	-0.22%	5.86%	15.35%	26.90%	11.05%	7.91%	7.83%	7.39%
SERIES F	-2.23%	0.06%	6.45%	16.31%	28.31%	12.29%	9.11%	9.02%	8.56%

Source: Morningstar

economy, and they are very labour intensive with over ½ million employees. Plus, a track record of stumbles during the busy holiday season was a concern. We also added Virtue Financial, a market-maker based in the U.S. The majority of order flow for ETFs and other investment vehicles flows through companies such as Virtue. We added as low volatility over the past year has pushed the share price done. This company does better when volatility is higher and, given our

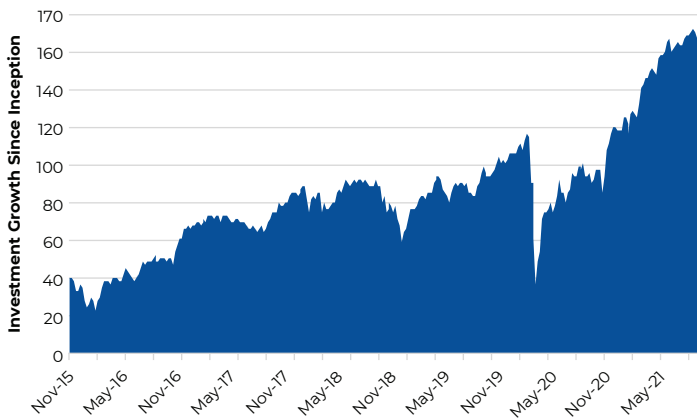
view for the rest of the year, this could provide a nice stabilizer.

The Purpose Core Equity Income Fund fell 2.2% during September, bringing the one-year return to 28.3% and 9.0% annualized over the past five years. Given the expectation of higher yields with some inflationary pressures and reasonable valuations in the dividend space, we continue to believe investors should have a healthy allocation to dividend strategies.

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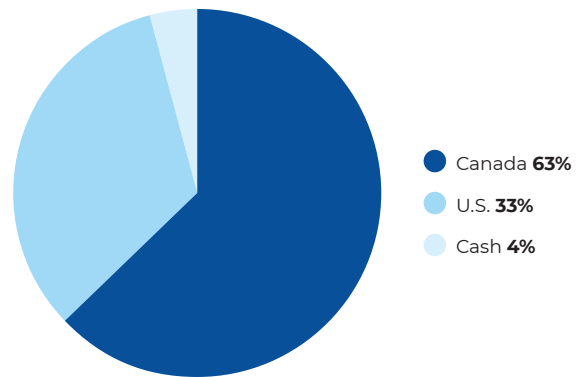
**INVESTMENT GROWTH**

AS OF SEPT 30, 2021



**COUNTRY ALLOCATION**

AS OF SEPT 30, 2021



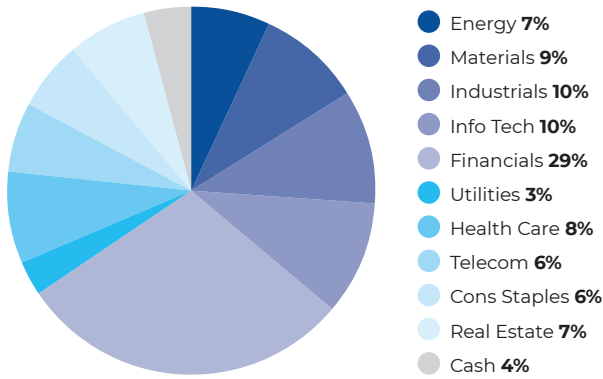
**TOP 10 HOLDINGS**

AS OF SEPT 30, 2021

NAME	WEIGHT
Royal Bank of Canada	5.9%
Bank of Nova Scotia/The	5.1%
Bank of Montreal	5.0%
Suncor Energy Inc	3.5%
Allied Properties Real Estate	3.4%
Manulife Financial Corp	3.3%
Loblaw Cos Ltd	3.2%
Rogers Communications Inc	3.1%
Waste Management Inc	3.0%
Barrick Gold Corp	3.0%

**INVESTMENT GROWTH**

AS OF SEPT 30, 2021



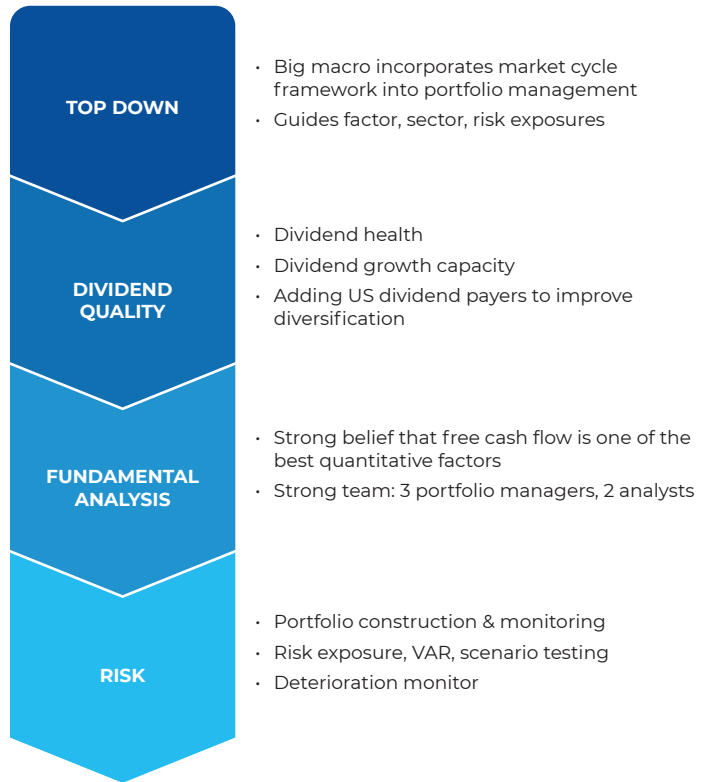
**FUND OBJECTIVES**

- 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**



<sup>1</sup>Contribution 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.

<sup>2</sup> 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.

