

FUND COMMENTARY

Purpose Core Equity Income Fund

FUND DETAILS

ETF TICKER MGMT FEES	RDE 0.75%
SERIES F MGMT FEES	PFC2901 0.75%
SERIES A MGMT FEES	PFC2900 1.75%

Inception date: **NOV 16, 2015**

DISTRIBUTION FREQUENCY
Monthly

FUND STRUCTURE
Corporate Class

The strong finish to 2023 has certainly carried into the first quarter of 2024.

FUND MANAGER



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MARKET OVERVIEW

Has this become the market that only goes up? The strong finish to 2023 has certainly carried into the first quarter of 2024. U.S. equity markets are up about 10%, Canada a little bit less, and international markets a little more. The resilience of the U.S. economy has remained, and some signs of improvement in Europe and China have fostered a rather 'glass half full' market mindset.

The market doesn't seem to mind the number, and the timing of Fed rate cuts keeps getting pushed out farther and fewer. The market doesn't seem to mind that earnings expectations have remained flat or revised down a little as the indices march higher. It has made for a rather expensive market, and not just in the U.S. The TSX was cheap in October at 12.5x, not its current 15x, which is more normal than cheap.

FUND PERFORMANCE AND POSITIONING

During March, the Purpose Core Equity Income Fund (PFC2901-F Class) returned 3.24%, showcasing a strong performance amidst sometimes challenging market dynamics. While the TSX/S&P Composite enjoyed a strong quarter, up 6.6% overall with a 4.1% surge in March alone, our fund delivered consistent returns while weathering an environment where dividend payers appeared completely off investor radar. Toward the end of the month, value and dividend factors had periods of dominance, with momentum and growth at the back of the pack. A shift in market leadership should prove to be very beneficial for divided-focused strategies.

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This performance, though lagging slightly, reflects a nuanced reality that dividends don't always outperform. It's imperative to note that outsized influences from the materials sector weighed down returns. Additionally, our overweight position in rate-sensitive sectors, particularly Telecom, dragged on performance, as did elevated cash levels. Stable, mature dividend-paying stocks often lag when market performance is exceptionally strong. Within our fund, outsized influence by some of the more rate-sensitive sectors, such as Telecom and Utilities, weighed on our returns, as did not owning high

many growth Technology companies. In fact, underweight Technology was the largest single-sector detractor from an allocation standpoint.

From a sector perspective, notable gains were observed in Energy, Materials, and Financials. These three sectors were the primary contributors to fund performance in March. Holdings across Telecom stocks, Staples, and Technology tempered overall performance. Both Telus and Rogers have been under pressure this year. Reflecting on individual stock performance, certain selections faced challenges, particularly among smaller market cap names such as Enghouse and Jamison Wellness. In both instances, we added to our positions following earnings misses, underscoring our active approach to portfolio management and our aim to capitalize on opportunities.

Other trades over the month included adding to Cameco. After taking profits back in January, the addition reflects our belief in the continued strength of the uranium sector. Uranium prices have stabilized, and miners such as Cameco continue to see elevated amounts of interest. Volumes have been healthy and the recent upgrade by Goldman helped push the stock price out of the narrow trading range it had been consolidating in for the past couple of months. While not a typical "dividend stock," Barrick's commitment to returning capital to shareholders through dividends made it an appealing way to play our bullish stance on gold. Bullion broke out to a new all-time high in March, and gold is still under-owned. We see multiple advantages for its place in a portfolio. We also took some profit in trimming Lundin Mining as well as Merck. Lundin especially has been strong, rising nearly 26% in

March. This strong performance of 'non-traditional' dividend stocks such as Barrick and Lundin underscores the effectiveness of our diversified approach to dividend stock investing.

Towards the end of March, we also added Cisco to the portfolio. Cisco has faced its share of challenges recently, particularly in the wake of chip shortages and excess inventory resulting from pandemic-induced customer over-ordering. These setbacks are well known and seem to be priced into the stock already, presenting an opportunity to add a top-tier Tech company that has deep, longstanding enterprise relationships and dominates the networking space. Despite these short-term hurdles that may take a quarter or two to work out, Cisco's current valuation is attractive. It's well below its five-year average P/E, as well as peers suggesting room for appreciation once these headwinds dissipate.

One of the highlights in March was the timely addition to the energy sector last month. Our newest position, Cenovus Energy had a significant contribution to returns. Energy overall has been quite strong, and with nearly an 18% weight, the Fund is well positioned to benefit from the ongoing tightness in energy markets.

Maybe this market will keep going higher despite all the arguments for weakness. If the Purpose Core Equity Income Fund is positioned to continue to benefit from the surge in cyclical areas of the market, it should also play defence should markets begin to wobble. More importantly, if (or perhaps when) the euphoria ends, our tilts toward Telcos, Utilities, and Staples, as well as an elevated cash balance, provide a good balance between offence and defence.

FUND PERFORMANCE

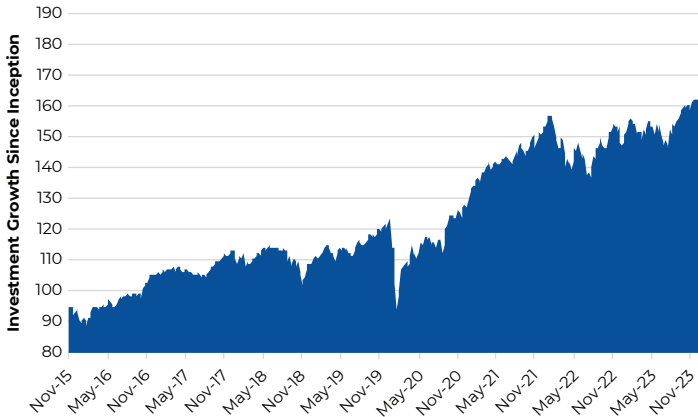
ALL PERFORMANCE DATA AS AT MAR 31, 2024

PURPOSE CORE EQUITY INCOME FUND	1 MONTH	3 MONTHS	6 MONTHS	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
Series A	3.15%	4.98%	12.81%	4.98%	10.25%	7.60%	8.55%	7.19%
Series F	3.24%	5.26%	13.43%	5.26%	11.48%	8.80%	9.76%	8.37%

Source: Morningstar

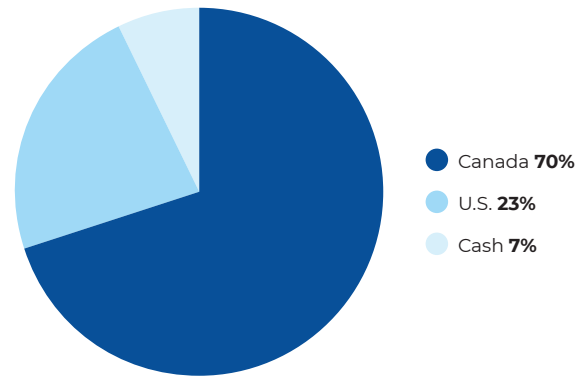
INVESTMENT GROWTH

AS AT MAR 31, 2024



COUNTRY ALLOCATION

AS AT MAR 31, 2024



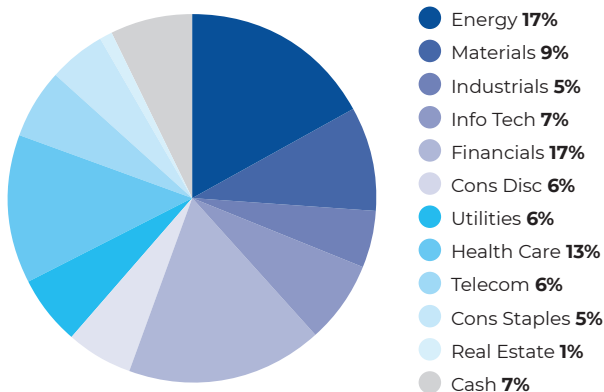
TOP 10 HOLDINGS

AS AT MAR 31, 2024

NAME	WEIGHT
Royal Bank of Canada	4.9%
Barrick Gold Corp	4.3%
Bank of Nova Scotia/The	4.3%
TC Energy Corp	4.3%
ARC Resources Ltd	4.1%
Bank of Montreal	3.8%
Procter & Gamble Co/The	3.6%
Emera Inc	3.6%
Purpose USD Cash Management Fund	3.5%
Finning International Inc	3.4%

INVESTMENT GROWTH

AS AT MAR 31, 2024



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

RISK RATING



INVESTMENT PROCESS



¹Contribution 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.

² 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.

