

# PURPOSE CORE DIVIDEND FUND

## COMMENTARY AND REBALANCE UPDATE

PURPOSE  
INVESTMENTS

### FUND DETAILS

ETF Series Ticker Symbol	PDF
FundSERV Series Codes	Series A - PFC400 Series F - PFC401
Management Fee	0.55%
Series A Trailer Fee	1.00%
Distribution Frequency	Monthly
Distribution Type	Canadian Dividends & Capital Gains
Fund Structure	Corporate Class
Inception Date	Sep. 3, 2013

### PORTFOLIO REBALANCING

Weighting Methodology	Equal Weight
Number of Holdings	60
Rebalancing Frequency	Quarterly
Total Available # of Sectors	11
Sector Cap	20%

### PORTFOLIO STATISTICS

AS OF JAN 31, 2019

Number of Holdings	60
Dividend Yield (Gross)	4.06%
Price to Earnings Ratio	13.58x
Price to Book Ratio	3.09x
Price to Cash Flow	10.28x
Average Market Capitalization (\$bil)	\$76.32
5 Year Dividend Growth	8.12%

### PERFORMANCE

AS OF JAN 31, 2019

CLASS	1 MONTH	3 MONTH	6 MONTH	YTD	1 YEAR	3 YEAR	SINCE INCEPTION
ETF	6.59%	2.94%	-2.34%	6.59%	-3.31%	5.76%	8.00%
F	6.59%	2.94%	-2.34%	6.59%	-3.31%	5.76%	8.03%
A	6.49%	2.65%	-2.88%	6.49%	-4.36%	4.61%	6.83%

### TOP 10 HOLDINGS

AS OF JAN 31, 2019

NAME	SECTOR	WEIGHT
Altria Group Inc	Consumer Staples	1.78%
Sonoco Products	Materials	1.78%
Eaton Corp	Industrials	1.78%
WSP Global Inc	Industrials	1.75%
Pembina Pipeline Corp	Energy	1.74%
Camden Property Trust	Real Estate	1.72%
Las Vegas Sands Corp	Consumer Discretionary	1.71%
Lockheed Martin Corp	Industrials	1.71%
EXXON MOBIL CORP	Energy	1.71%
DOMINION ENERGY INC	Utilities	1.70%

### GEOGRAPHIC BREAKDOWN

AS OF JAN 31, 2019

COUNTRY	NUMBER OF HOLDINGS	WEIGHT	CONTRIBUTION TO FUND RETURN <sup>1</sup>
Canada	31	50.09%	3.79%
United States	30	49.91%	2.80%
<b>Total</b>	<b>61</b>	<b>100.00%</b>	<b>6.59%</b>

### BEST & WORST PERFORMING HOLDINGS

FOR THE PERIOD DEC 31, 2018 TO JAN 31, 2019

#### TOP 5 PERFORMING STOCKS

NAME	SECTOR	WEIGHT	CONTRIBUTION TO FUND RETURN <sup>1</sup>	SECURITY RETURN
Restaurant Brands Intern	Consumer Discretionary	1.62%	0.27%	15.48%
Pembina Pipeline Corp	Energy	1.74%	0.26%	16.07%
Intl Business Machines Corp	Information Technology	1.63%	0.26%	18.25%
Ford Motor Co	Consumer Discretionary	1.70%	0.25%	17.01%
Transcanada Corp	Energy	1.67%	0.23%	14.63%

#### BOTTOM 5 PERFORMING STOCKS

NAME	SECTOR	WEIGHT	CONTRIBUTION TO FUND RETURN <sup>1</sup>	SECURITY RETURN
Snc-Lavalin Group Inc	Industrials	1.26%	-0.41%	-20.36%
Mcdonald'S Corp	Consumer Discretionary	1.55%	-0.08%	0.68%
Merck & Co. Inc.	Health Care	1.59%	-0.06%	-2.59%
Pfizer Inc	Health Care	1.63%	-0.05%	-1.92%
Verizon Communications Inc	Communication Services	1.54%	-0.02%	-1.03%

## FUND COMMENTARY

- Equity markets staged a strong rebound in January, recovering much of the losses suffered the previous month. Despite signs of sluggish global PMI data heightening fears of a growth slowdown, markets grew increasingly optimistic that a resolution to the US/China trade standoff was imminent. Sentiment was further bolstered by a dramatic dovish shift by the Federal Reserve, which promised “patience” in considering the path for further interest rate hikes. Earnings season commenced with investor concern over revenue warnings largely alleviated by better-than-expected results. ‘To retest or not to retest?’ That is the question looking forward, as a large proportion of market participants are waiting for a dip with dry powder to deploy.
- In equities, cyclical commodity and interest-rate-sensitive sectors were the most profitable. Real estate and energy were the best performers, while consumer staples and healthcare trailed. Defensive factors such as quality and low volatility, in addition to momentum, trailed growth and high-volatility names.
- Fund performance was positive in this environment, delivering a monthly return of 6.59%. Dividend stocks generally performed well as rates came under pressure. All sectors contributed positively in this environment, with the exception of healthcare, which detracted slightly. The strongest contribution came from the energy sector, where outperformance was linked to a powerful rebound in crude oil prices. With respect to domestic exposure, Canadian crude oil differentials (the difference between the Canadian and midcontinental US benchmark prices) narrowed significantly following local production cuts and a strong bid for heavier grades in general. This development meaningfully improved the perception of producer economics.

## SECTOR ATTRIBUTION

FOR THE PERIOD DEC 31, 2018 TO JAN 31, 2019

NAME	WEIGHT	CONTRIBUTION TO FUND RETURN <sup>1</sup>	INDEX RETURN <sup>2</sup>
Energy	13.59%	1.26%	0.58%
Utilities	13.40%	0.89%	0.11%
Consumer Discretionary	9.99%	0.86%	1.07%
Financials	11.71%	0.75%	1.14%
Consumer Staples	13.39%	0.69%	0.43%
Industrials	9.79%	0.67%	1.06%
Communication Services	11.49%	0.51%	1.05%
Real Estate	5.07%	0.40%	0.31%
Information Technology	3.30%	0.37%	1.39%
Materials	5.01%	0.29%	0.15%
Health Care	3.26%	-0.11%	0.74%
<b>Total</b>	<b>100.00%</b>	<b>6.59%</b>	<b>8.01%</b>

## SECTOR YIELD BREAKDOWN

AS OF JAN 31, 2019

SECTOR	FUND TRAILING 12M DIVIDEND YIELD (GROSS)	INDEX TRAILING 12M DIVIDEND YIELD (GROSS) <sup>2</sup>	FUND TRAILING 12M EXCESS DIVIDEND YIELD (GROSS)
Information Technology	4.36%	0.39%	3.97%
Health Care	2.92%	0.48%	2.44%
Consumer Discretionary	3.89%	1.73%	2.16%
Consumer Staples	3.45%	1.47%	1.98%
Industrials	4.04%	2.17%	1.87%
Materials	3.25%	1.47%	1.78%
Energy	4.59%	3.26%	1.33%
Financials	4.41%	3.81%	0.60%
Communication Services	4.44%	3.96%	0.48%
Real Estate	5.02%	4.67%	0.35%
Utilities	4.25%	5.01%	-0.77%

## PORTFOLIO ADDITIONS & DELETIONS

ADDITIONS	WEIGHT (2019-01-31)	DELETIONS	WEIGHT (2019-01-24)
CenterPoint Energy Inc	1.67%	Finning International Inc	1.71%
Dominion Energy Inc.	1.67%	Empire Co Ltd	1.68%
Eaton Corp PLC	1.65%	Emera Inc	1.70%
Exxon Mobil Corp	1.67%	CAE Inc	1.64%
Imperial Oil Ltd	1.62%	Northland Power Inc	1.72%
Intact Financial Corp	1.64%	Norbord Inc	1.62%
McDonald's Corp	1.64%	Parkland Fuel Corporation	1.66%
SNC-Lavalin Group Inc	1.66%	Keyera Corp	1.71%
		TFI International Inc	1.67%

<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.

<sup>2</sup> Index source: S&P 500 Level 1 GICS.

- The next quarterly rebalance is scheduled for April 2019.

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.