

Trade Rationale

Purpose Active Portfolios

FUND CODE/TICKER

PURPOSE ACTIVE BALANCED

ETF TICKER	PABF
MGMT FEES	0.20%
SERIES F	PFC22101
MGMT FEES	0.20%
SERIES A	PFC22100
MGMT FEES	1.20%

PURPOSE ACTIVE GROWTH

ETF TICKER	PAGF
MGMT FEES	0.20%
SERIES F	PFC22201
MGMT FEES	0.20%
SERIES A	PFC22200
MGMT FEES	1.20%

PURPOSE ACTIVE CONSERVATIVE

ETF TICKER	PACF
MGMT FEES	0.20%
SERIES F	PFC22001
MGMT FEES	0.20%
SERIES A	PFC22000
MGMT FEES	1.20%

Portfolio Management Team



Craig Basinger, CFA

CHIEF MARKET STRATEGIST
T: 647.822.1406
craigb@purposeinvest.com



Derek Benedet, CMT

PORTFOLIO MANAGER



Brett Gustafson

PORTFOLIO ANALYST

Purpose Active Conservative Fund

Sold -6.0% Invesco S&P 500 Equal Weight Index ETF (EQL)
Bought +6.0% Invesco S&P 500 Equal Weight Index ETF CAD hedged (EQL.F)

Purpose Active Balanced Fund

Sold -10.0% Invesco S&P 500 Equal Weight Index ETF (EQL)
Bought +10.0% Invesco S&P 500 Equal Weight Index ETF CAD hedged (EQL.F)

Purpose Active Growth Fund

Sold -8.9% Invesco S&P 500 Equal Weight Index ETF (EQL)
Bought +8.9% Invesco S&P 500 Equal Weight Index ETF CAD hedged (EQL.F)

Dancing with Dollars

The trade war tango has begun following President-elect Donald Trump's somewhat surprising announcement of a potential 25% tariff on all imports from Canada and Mexico. The Loonie immediately reacted, falling well over a penny in late evening trading. While it regained some ground during the day, the potential for new tariffs, though severe, remains uncertain and may be a negotiating tactic ahead of the USMCA renewal in 2026.

A Contrarian Play

This news drove the Canadian dollar to its weakest level since April 2020. With U.S. dollar positioning and valuations stretched, and the Canadian dollar technically oversold, we believe the risk/reward now favours partially hedging our U.S. dollar exposure within our multi-asset portfolios.

Speculators are heavily short the CAD and long the USD, making our hedged exposure a contrarian move. We generally

avoid trading with the crowd, so increasing our hedged exposure aligns with our strategy. Rate differentials are at extremes, and the Canadian dollar is significantly undervalued from a purchasing power parity standpoint. Even with these factors, the Canadian dollar's failure to breach the 70-cent mark suggests a significant level of resistance.

We believe the risk/reward now favours partially hedging our U.S. dollar exposure within our multi-asset portfolios

Hedging Strategy

Typically, we don't hedge USD exposure as it serves as a safe-haven diversifier for Canadian portfolios. However, with the Canadian dollar reaching new lows, we're adjusting our strategy. We're switching our Invesco S&P 500 Equal Weighted

Index ETF (EQL.TO) to its hedged version (EQL/F.TO). Both ETFs have a 26-basis point management fee, but the hedged version is expected to outperform in a weakening U.S. dollar environment.

Over the past two months, the U.S. dollar index has surged over 7%, a significant move in the currency market. While the future of 2025 remains uncertain, we believe we may have seen a near-term peak in the U.S. dollar

For further reading, we discussed whether [To Hedge or Not to Hedge](#) in a Market Ethos at the end of October. At that time, we were on the fence, but the recent USD strength has led us to partially hedge our exposure.

DISCLAIMER

All data sourced from Bloomberg 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. All data sourced from Bloomberg and Purpose Investments, unless otherwise noted.

