

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



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Activity:

Purpose Active Conservative Fund

Sold -3.0% SPDR S&P 500 ETF (SPY)

Bought +3.0% iShares MSCI USA Min Vol Factor ETF (USMV)

Purpose Active Balanced Fund

Trim -2.0% SPDR S&P 500 ETF (SPY)

Sold -4.1% Avantis International Equity ETF (AVDE)

Bought 6.1% iShares MSCI EAFE Min Vol Factor ETF (EFAV)

Purpose Active Growth Fund

Sold -4.0% Avantis International Equity ETF (AVDE)

Bought 4.0% iShares MSCI EAFE Min Vol Factor ETF (EFAV)

A month ago, we increased our exposure to the S&P 500 after seeing a pullback and a spike in volatility. At the time, with the VIX shooting over 60 and the S&P 500 looking oversold, we felt it was more of a mechanical selloff, driven by some leveraged trades unwinding, rather than a sign of deeper economic trouble.

Since then, the market has bounced back to previous highs, but now we're seeing signs that the rebound is breaking down. Add to that the usual seasonal weakness we tend to see in the fall, and it feels like a good time to trim our S&P 500 position to reduce risk in the balanced Portfolio.

We're also selling our position in the Avantis International Equity ETF (AVDE) in both the growth and balanced models. While AVDE gave us some great active management and a different take on international exposure, it comes with more volatility than we're comfortable with right now.

The proceeds from both sales are going into the iShares MSCI EAFE Minimum Volatility ETF (EFAV). This move increases our international exposure while focusing on lowering the overall volatility of the portfolio, especially with the potential swings we expect in U.S. equities. EFAV follows a minimum volatility strategy by selecting stocks from developed markets that have historically shown lower volatility.

What sets EFAV apart is its method of constructing the portfolio. The ETF doesn't just focus on individual stock volatility, it also analyzes correlations between stocks, sectors, and countries to create a smoother, more balanced exposure. Sector and country weights are carefully constrained to ensure that no part of the portfolio becomes too risky or concentrated. The product is optimized to maintain these low-volatility characteristics and rebalanced semi-annually to stay aligned with market

changes. This disciplined approach is what helps EFAV reduce risk during periods of uncertainty while still offering solid exposure to international markets.

Aiming to protect against volatility while still keeping exposure to international markets strong.

In short, this shift puts the portfolio in a more defensive position, aiming to protect against volatility while still keeping exposure to international markets strong. It's all about managing risk while staying diversified.

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.

