

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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TRADE

Purpose Active Conservative Fund

Sold 2% Purpose Gold Bullion ETF (KILO)

Bought 2% iShares S&P/TSX Global Gold Index ETF (XGD)

Purpose Active Balanced Fund

Sold 2% Purpose Gold Bullion ETF (KILO)

Bought 2% iShares S&P/TSX Global Gold Index ETF (XGD)

Purpose Active Growth Fund

Sold 2% Purpose Gold Bullion ETF (KILO)

Bought 2% iShares S&P/TSX Global Gold Index ETF (XGD)

While economists and strategists debate whether bond yields have peaked and when central banks will begin to cut rates and speculators continue to inflate the AI bubble gold has caught our attention. Gold has surged to new highs this week. Traditionally gold – which doesn't pay any interest or dividends tends to fall when bond yields rise. It's certainly managed to shrug off the rise in rates and the strong U.S. dollar over the past year. The move to new highs appears pre-emptive to the Fed and BoC cutting rates later this year.

This week we made a shift within our active suite, transitioning from a full 4% position in gold bullion to a 2% allocation each in gold bullion and the iShares Global Gold ETF (XGD). This move aims to capture potential benefits from both asset classes. Both bullion and gold miners offer diversification benefits, potentially reducing overall portfolio volatility. This "crisis alpha" allows gold to earn superior risk-adjusted returns during crises, and periods of volatility acting as a counterbalance to the rest of the portfolio.

Gold equities may offer higher potential returns compared to the price movements of physical gold, especially considering the current "cheapness" of gold equities relative to historical valuations. Gold equities have diverged considerably from bullion. The ratio of gold to XGD has fallen back down to levels last seen in 2015. We believe there is considerable catchup room for miners given the new highs for gold and a technical breakout.

Miners historically are a higher beta way to play moves in gold prices. Adding gold equity exposure to the fund enhances diversification by adding exposure to a different segment of the gold market. This diversification can help mitigate risk and reduce the portfolio's sensitivity to the commodity market.

Gold's place in the portfolio:

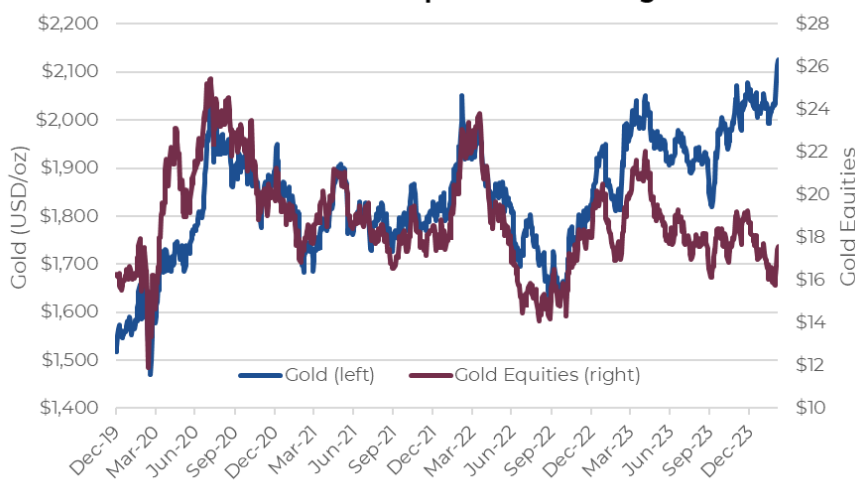
Shifting the fund's gold allocation from a full bullion position to a combination of bullion and equities presents a potential opportunity to capture higher returns and maintain exposure to the "gold" theme. By retaining a 2% allocation in gold bullion, the fund continues to hedge against

potential market downturns and retain exposure to the traditional safe-haven asset.

With rate cuts on the horizon gold remains an attractive asset for investors seeking safe-haven protection and inflation hedge. Gold has concluded a nearly 4-year consolidation following the 2020 highs and has now broken out of overhead resistance. Even more impressive is the move to new highs has occurred without strong demand from retail investors. Physical demand via ETFs continues to trend higher, meanwhile, central bank demand remains robust. Last year was the second-highest increase in global demand from central banks on record, only narrowly lagging the record set in 2022.

By maintaining exposure to both gold bullion and gold equities, the fund can fully capitalize on opportunities in the gold market. Gold equities have lagged in recent years due to cost concerns impacting profitability. With gold prices at new all-time highs and inflationary pressures abating we believe the miners are attractively priced now that the headwinds have died down.

Bullion and Gold Equites have diverged



Source: Bloomberg, Purpose Investments

Gold equities have diverged considerably from bullion. We believe there is considerable catchup room for miners given the new highs for gold and a technical breakout

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.

