April 4 2025

Purpose INVESTMENTS

Trade Rationale

Purpose Active Portfolios

Solutions

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%

Trade Activity

Purpose Active Balanced Fund

Trimmed	-1.0%	iShares MSCI EAFE Min Vol Factor ETF (EFAV US)
Trimmed	-0.5%	Purpose Gold Bullion ETF (KILO CN)
Bought	+3.0%	SPDR S&P 500 ETF Trust (SPY US)

* Remainder from Cash

Purpose Active Growth Fund

Bought	+1.0%	Vanguard S&P 500 Index ETF(CAD-hedged)

* Purchased with Cash

SOURCE: PURPOSE INVESTMENTS & BLOOMBERG

Inception date: October 24, 2023

The new tariff regime has triggered a ton of global volatility, with Wednesday's announcement coming in worse than even the most pessimistic expectations. After Thursday night we are now seemingly in a full-blown trade war as China has retaliated against the Tariffs. The immediate market reaction, especially in the S&P 500 and the Mag7, which may not be done, has created an opportunity. This isn't a directional bet on the U.S. or an attempt to overweight equities. It's a measured move to bring our U.S. exposure back to neutral while taking advantage of what we believe are short-term dislocations in the market. We believe these moves are being driven more by uncertainty than by any meaningful shift in long-term fundamentals.

There's no denying the uncertainty around how long these retaliatory scenarios might last or how the U.S. will ultimately use tariffs as bargaining chips. In fact, if the U.S. succeeds in its negotiations, exemptions could follow, which would be a positive outcome. Our focus is on the long-term opportunities that may arise from these market overreactions and valuation dislocations.

In the Balanced model, we're adjusting our portfolio by selling 1.5% cash, 1% MSCI EAFE Min Vol, and a little bit of Gold Bullion to buy 3% SPY, effectively increasing our U.S. equity exposure from 28% to around 31% of our equity sleeve. In our Growth model, we trim 1% cash to add 1% VSP (SPX-hedged).

From a currency standpoint, the Balanced model is currently more hedged than the Growth model. That's why adding a bit more hedging to the Growth model here makes sense. After this trade, about 50% of our U.S. equity exposure across the portfolio will be hedged.

We continue to maintain a defensive posture across the portfolio, even as we lean into opportunities. Our fixed income exposure remains positioned with quality and duration in mind, acting as a stabilizer amid ongoing volatility. On the diversifier front, strategies like option selling and our allocation to gold provide uncorrelated return streams and a degree of downside protection. Within equities, our tilt remains firmly toward dividend-paying companies, adding an element of defensiveness through consistent income and typically lower volatility. We are also not abandoning cash, just putting some to work. Together, these components ensure we're participating thoughtfully while still managing risk.

Our conviction is clear, we are capitalizing on a unique market moment by adhering to the principle of buying low and selling high. The slight trim in our international exposure isn't a negative outlook, it's a strategic reallocation from an area that has outperformed over the past year. Specifically, Min Vol has been a strong outperformer for the past 12 months, both internationally and in the US. This isn't a speculative bet on a single outcome, it's a thoughtful, incremental move to bring our positioning back to neutral. We're still carrying dry powder and remain well-positioned to take further action if market weakness continues.

It is very challenging in an environment like this one to call the bottom. Therefore, it is prudent to set levels for incremental buying. Now, we wait to see who blinks first.

Portfolio Management Team

Craig Basinger, CFA
Chief Market Strategist

Derek Benedet, CMT
Portfolio Manager

Brett Gustafson
Associate Portfolio Manager

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.