

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%

Trade Activity

Action	PABF Fund/ETF	Previous	New	Change
Sold	iShares Expanded Tech-Software Sector ETF (IGV US)	2.4%	0.0%	-2.4%

*Proceeds to Cash

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

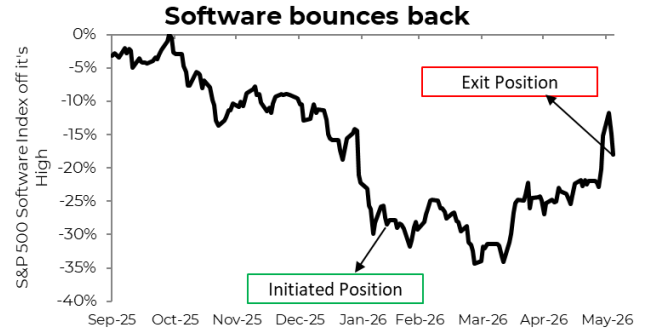
Action	PAGF Fund/ETF	Previous	New	Change
Sold	iShares Expanded Tech-Software Sector ETF (IGV US)	3.5%	0.0%	-3.5%

*Proceeds to Cash

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

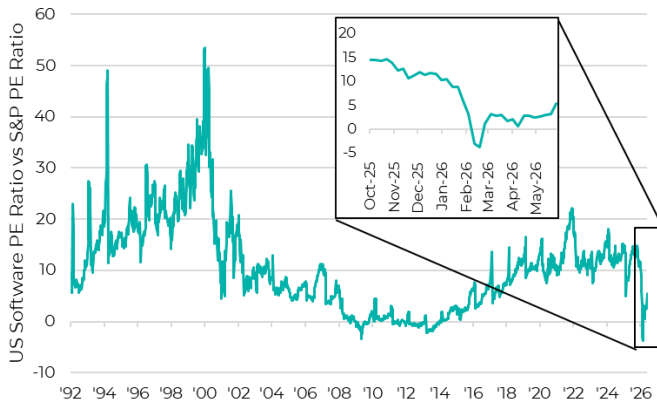
Rationale

We exited our tactical position in US Software on Wednesday morning after a strong bounce from our February entry point. When we entered the position, software had been hit hard on AI disruption fears and valuations had compressed meaningfully. In a rare event, the group was legitimately trading at a discount to the broader US market. This is not something you see very often in a higher-growth part of the market. At the time, we believed the market had taken a potential long-term risk and priced it like we were about to go off a cliff imminently.



Source: Bloomberg, Purpose Investments

Software no longer trading at a discount to S&P



Source: Bloomberg, Purpose Investments

Since then, the subsector has recovered nicely. We did not call the top from a few days ago, as the space has pulled back a bit. But the trade reached our initial target and we are pleased with the outcome. Some of the stocks in the ETF recovered massively, the top 5 names averaged roughly 43% during our holding period which speaks to how strongly sentiment shifted as narratives moved on.

Longer term, there is probably still some upside remaining. AI disruption is a real thing, and it will likely reshape some parts of the software landscape over time. But markets have a bit of a habit lately of overreacting in both directions. Our view in February was that the selloff had gone too far. Our view today is that the easy part of the tactical opportunity has likely played out.

We did not enter software thinking it was going to be a core portfolio piece, we were more of a tourist. We are contrarians by nature, and software gave us one of those chances to step into a high quality growth area when sentiment washed. We are comfortable taking the win and moving onto new potential ideas.

From a portfolio perspective, this also brings us back closer to where we want to be. The software position had left the portfolios positioned a little more aggressively than our broader stance would suggest, with equities slightly overweight. Exiting the position moves us back toward neutral, rebuilds our cash supply and gives us more flexibility to wait for the next opportunity.

Management Team

Craig Basinger, CFA
Chief Market Strategist

Derek Benedet, CMT
Portfolio Manager

Brett Gustafson
Associate Portfolio Manager

Spencer Morgan
Director, Portfolio Strategy



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.

