August 26, 2026

Purpose INVESTMENTS

Trade Rationale

Purpose Active Portfolios

Solutions

Trade Activity

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

Action	PABF Fund/ETF	Previous	New	Change
Sold	Purpose Premium Yield ETF (PYF CN)	3.1%	0.0%	-3.1%
Bought	Purpose Global Bond ETF (BND CN)	3.5%	6.6%	+3.1%

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	Purpose Premium Yield ETF (PYF CN)	2.0%	0.0%	-2.0%
Bought	Purpose Global Bond ETF (BND CN)	2.8%	4.8%	+2.0%

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

Action	PACF Fund/ETF	Previous	New	Change
Sold	Purpose Premium Yield ETF (PYF CN)	3.8%	0.0%	-3.8%
Bought	Purpose Global Bond ETF (BND CN)	8.4%	12.1%	+3.8%

SOURCE: PURPOSE INVESTMENTS & BLOOMBERG

Inception date: October 24, 2023

Sentiment on bonds is about as poor as we have heard it in some time, and it keeps coming up as a recurring theme in nearly every conversation we have with clients and other market participants. That kind of one-sided positioning is usually worth paying attention to, and it adds to our confidence in putting a bit more money to work in fixed income today.

To be clear, this is not a wholesale shift in stance. Even after this trade, the Balanced portfolio remains overweight cash and underweight bonds. We still prefer diversified sources of defense over leaning on any single one. But bonds are becoming harder to ignore.

Our framework for trading the bond market over the past few years has been fairly simple: add duration or bond weight when yields sit near the top of their range, and pull it back when yields sit near the bottom. Bond pricing has become noticeably more elastic. When yields climb toward the top of the range, buyers tend to step in and push them back down. When yields fall toward the bottom, sellers appear, or buyers simply step aside, and yields drift back higher. It has been a profitable way to trade the range for a few years running, and right now U.S. 10-year yields are once again bumping up against the top of that range.

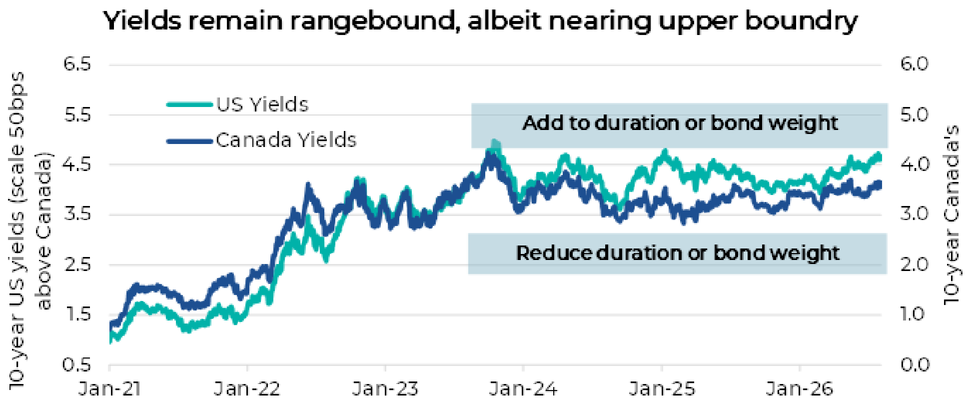
Purpose Premium Yield Fund (PYF) did exactly what we asked of it, generating income and providing stability in the specific moments the portfolio needed it most. But at these levels we are opting for a bit more defense. If a recessionary shock does show up, we would expect Purpose Global Bond Fund (BND) to hold up better than PYF.

We are not calling for a recession any time soon. These yields, especially on a real basis, are simply too attractive to pass up right now. And at some yield level, something tends to break, and pull markets lower with it.

The trade does not represent a meaningful step down in income for the portfolio. BND carries an indicated yield of 5.6%, versus 6.4% for PYF, a modest give-up given the shift in risk profile. BND is also a genuine duration manager within the sleeve, which we value, currently running a duration of 4.25 years. For the overall Balanced portfolio, this leaves duration essentially unchanged at 4.6 years. Today's trade is more a change in composition than a change in overall interest rate sensitivity.

In the Balanced portfolio, bond weight increases by 3%, funded by an equal reduction in diversifiers, which moves that sleeve into an underweight position with gold bullion now our sole diversifier holding. BND is majority U.S. bonds, which captures the bulk of our intended exposure to higher U.S. 10-year yields while preserving much of our existing investment-grade overweight.

Nothing here is a recession call. It is a modestly sized asset allocation trade, using proceeds from a position that we believe executed its intended role in the portfolio.



Source: Bloomberg, Purpose Investments

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DISCLAIMER

All data sourced from Bloomberg unless otherwise noted.

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