Purpose INVESTMENTS

Purpose "WHY" Report

Portfolio construction insights - Why we are tilted the way we are

Purpose Macro Investment Team

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11 March 2026

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	Product	YTD	1 Year	3 Year	5 Year	Common Inception
PABF	Purpose Active Balanced ETF	5.6%	17.9%			18.0%
VBAL	Vanguard Balanced ETF Portfolio	4.0%	14.8%	14.1%	8.3%	18.5%
FBAL	Fidelity All-in-One Balanced ETF	4.5%	14.0%	15.8%		20.3%
XBAL	iShares Core Balanced ETF Portfolio	4.0%	14.7%	14.3%	8.7%	18.7%

Common Inception Date: 2023-10-24
Source: Morningstar Direct, as of February 28, 2026

Multi-Asset Management Team

Team Credentials

Years of Combined Experience
- Deep understanding of asset management, built on decades of market cycles, innovation, and strong investment performance.

Certified Professionals
- Led by 2 CFAs and 1 CMT, ensuring top-tier analytical rigor and technical expertise in market analysis and strategy execution.

$2 Billion AUM Across Mandates
- Managing diverse portfolios to cater to varying risk appetites, from balanced income to growth-focused strategies.

Multi-Asset Managers Since 2015
- Long track record in managing complex, multi-asset portfolios, helping clients achieve both short- and long-term financial objectives.

Craig Basinger, CFA
Chief Market Strategist

Derek Benedet
Portfolio Manager

Nawan Butt, CFA
Head Capital Markets & PM

Brett Gustafson
Associate Portfolio Manager

Gloria Huynh
Investment Analyst

Spencer Morgan
Portfolio Strategy

Asset Allocation tilts - Why

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Active Asset Allocation Strategic Positioning

	House View	Underweight		Neutral		Overweight
Overall	Equity		➡	•		
	Bonds		•			
	Cash				• ⬅	
	Diversifiers				•	
Equities	Canada	•				
	U.S.			➡ •		
	International					•
	Emerging Markets				•	
	Style Allocation (Value <----> Growth)		➡•			
	Size (Small <-----> Large cap)				•	
Fixed Income	Duration (Low <-----> High)			•		
	Government				•	
	Credit			•		
	Credit - Investment Grade				•	
	Credit - High Yield		•			
	Credit - Preferreds	•				
Diversifiers	Volatility Reduction Strategies				•	
	Growth Strategies		•			
	Structured Product / Yield			•		
	Real Assets			•		
		Passive				Active
Act/Pass	Management Approach		•			

Source: Purpose Investments

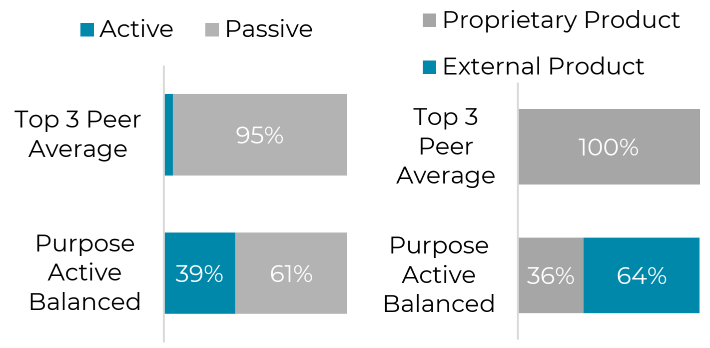
Purpose Active Suite

Why Report in Action

	Holding	Ticker	Weight
Cash	CAD Cash	Cad Cash	0.0%
	Purpose Cash Management ETF	MNY	3.0%
	Purpose USD Cash Management ETF	MNU.U	0.5%
Fixed Income	BMO Aggregate Bond ETF	ZAG	4.5%
	iShares Core Canadian Short Term Bd ETF	XSB	7.4%
	iShares Core Canadian Corporate Bd ETF	XCB	5.8%
	Mackenzie Unconstrained Bond ETF	MUB	3.7%
	Purpose Global Bond ETF	BND	3.9%
	BMO MT US IG Corp Bd Hdgd to CAD ETF	ZMU	3.5%
Balanced	Purpose Tactical Asset Allocation ETF	RTA	6.2%
North American Equity	BMO S&P/TSX Capped Composite ETF	ZCN	5.3%
	Purpose Core Equity Income ETF	RDE	12.4%
	Invesco S&P 500 Equal Weight ETF CAD H	EQL.F	8.9%
	SPDR® S&P 500 ETF	SPY	1.9%
	iShares Expanded Tech-Software Sect ETF	IGV	1.9%
International Equity	Purpose International Dividend ETF	PID	5.7%
	iShares Core MSCI EAFE ETF	IEFA	5.6%
	iShares MSCI Japan ETF	EWJ	2.3%
	iShares MSCI EAFE Min Vol Factor ETF	EFAV	5.1%
	Vanguard FTSE Emerging Mkts All Cap ETF	VEE	3.2%
	Invesco S&P Emerging Markets Low Vol ETF	EELV	2.1%
Diversifiers	Purpose Gold Bullion	KILO	4.0%
	Purpose Premium Yield ETF	PYF	3.2%

Source: Holdings & exposures are for the Purpose Active Balanced Fund/ETF (PABF)

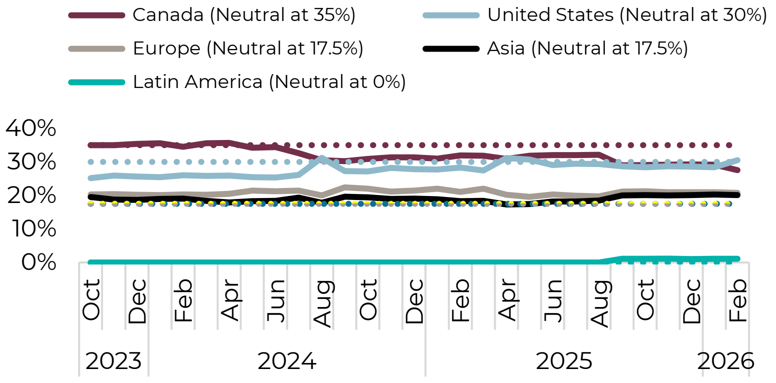
Active Where it matters, Objective Throughout



Source: Purpose Investments, Morningstar, as of Most Recent Portfolio Date, For illustrative purposes only. Peer data based on publicly available information. Investment strategies, fees, and objectives may differ.

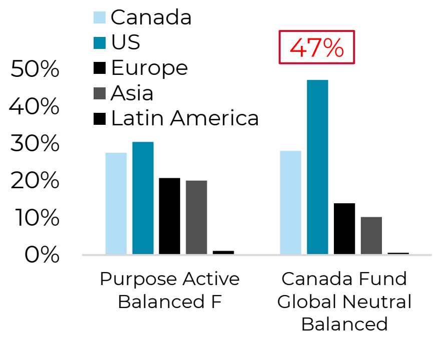
Historical Equity Geographic Exposure

Purpose Active Balanced



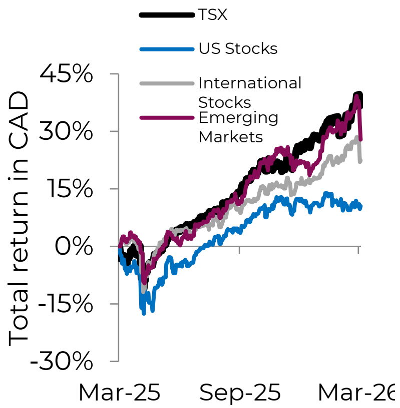
Source: Purpose Investments

Balanced Portfolio Concentration is Narrow



Source: Purpose Investments, Morningstar, Equity Exposure

Market Growth is Broad



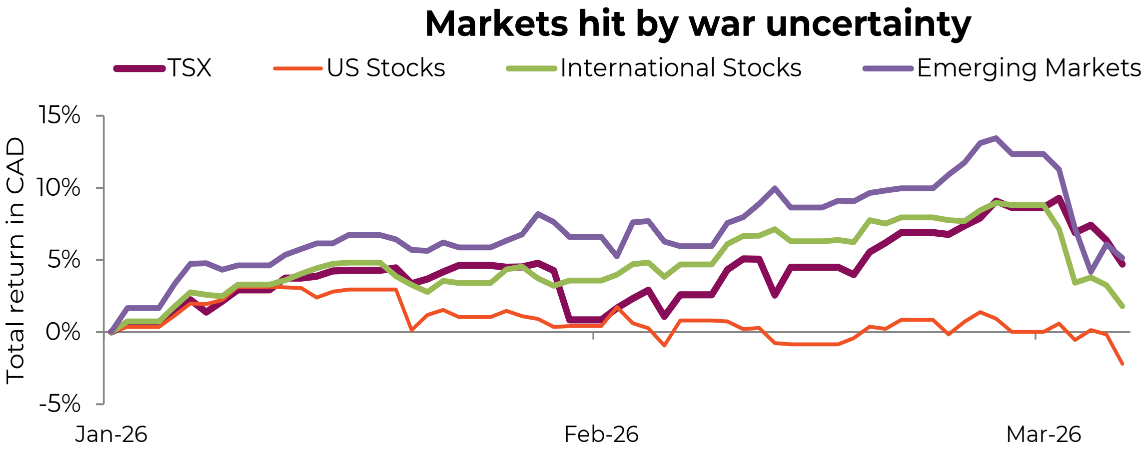
Source: Bloomberg, Purpose Investments

- One-ticket solutions aligned to three risk profiles, Conservative, Balanced, and Growth, with dynamic asset allocation, not static 60/40 mixes.
- TL – Full transparency into our holdings and trade activity is always available, so you can see what you own and why you own it.
- BL – Equity exposures remain dynamic rather than fixed. Our macro framework guides shifts in regional positioning as fundamentals, policy, and sentiment develop over time.
- TR – We use active where markets are less efficient and passive where it keeps fees low. Purpose funds are capped at 40% because no firm is best at everything, and no model should be built with 100% allocation to one fund company.
- BR – Typical balanced portfolios in Canada are heavily overweight US equities, yet US equities have been a laggard for several months globally. We expect this to continue and are positioned accordingly.
- The Why Report provides insight into the current positioning and active tilts within the Purpose Active Portfolios.

As of 10 Mar 2026

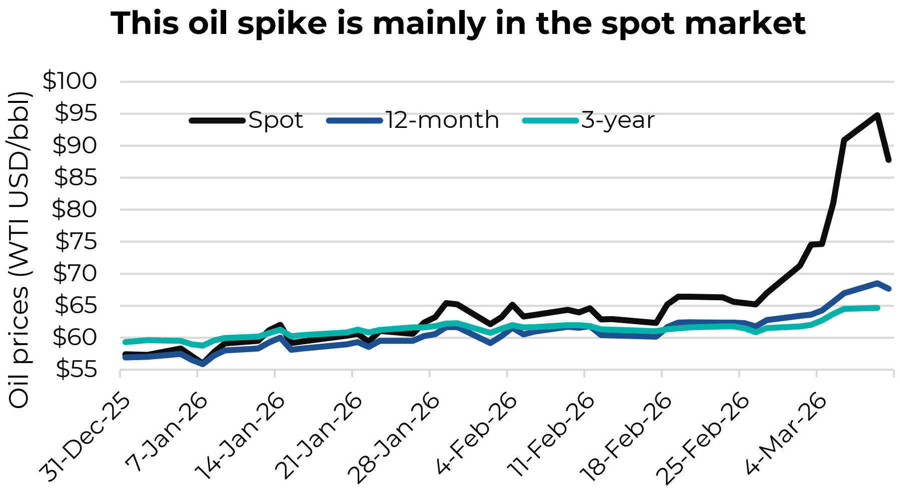
I. Top of Mind

Chart Referencing:
TL = Top Left, TR = Top Right
BL = Bottom Left, BR = Bottom Right

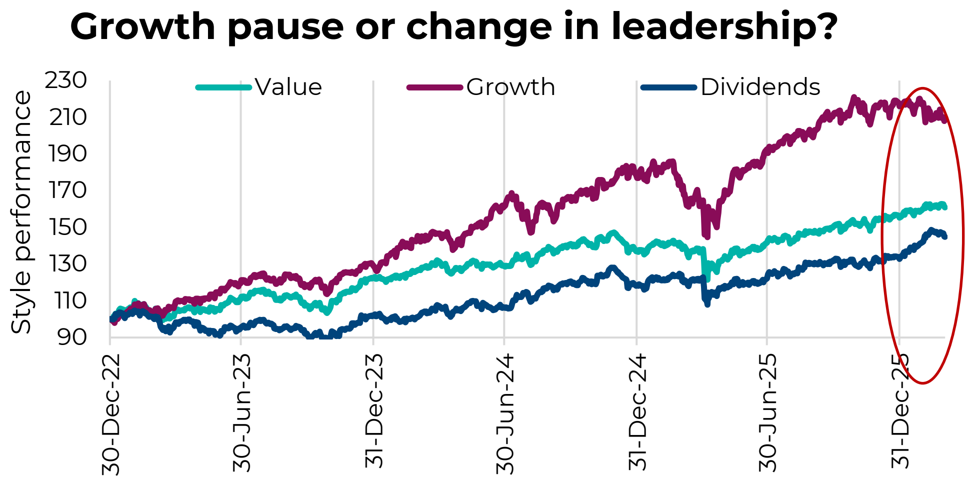


Source: Bloomberg, Purpose Investments

- TL – Markets have been hit by geopolitical uncertainty with outbreak of hostilities in Iran. This is weighing most heavily on markets more sensitive to global trade and energy, namely international and emerging markets
- BL – Oil prices keep grabbing headlines….but the market is not concerned at all if you look farther out on the curve.
- BR – We have seen a rotation in market leadership of late, growth rolling over while value & dividends are doing well. If this is a change in leadership, those often cause a good amount of market volatility and disruption.
- We won't guess the path of this conflict. But our base case is it ends (from a market perspective) as fast as it started. In the meantime we are looking for pockets that might be oversold.



Source: Purpose Investments, Bloomberg

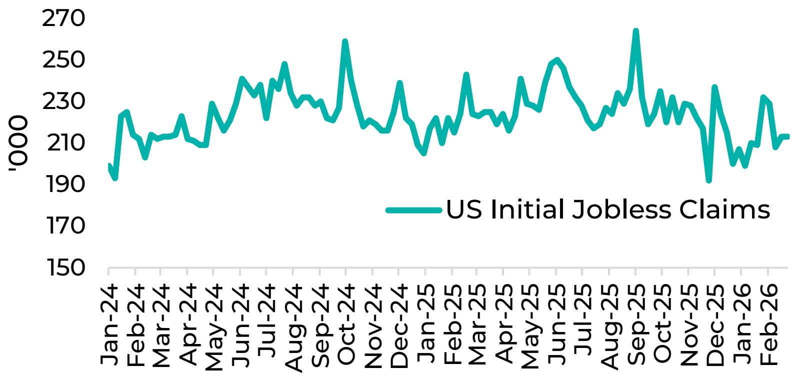


Source: Bloomberg, Purpose Investments

II. Fast Hard Data

Chart Referencing:
TL = Top Left, TR = Top Right
BL = Bottom Left, BR = Bottom Right

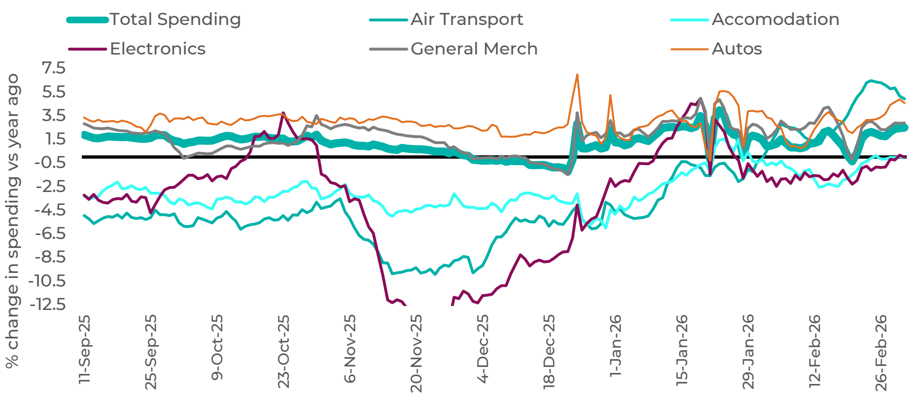
Labour market….not hiring but not firing either



Source: Bloomberg, Purpose Investments

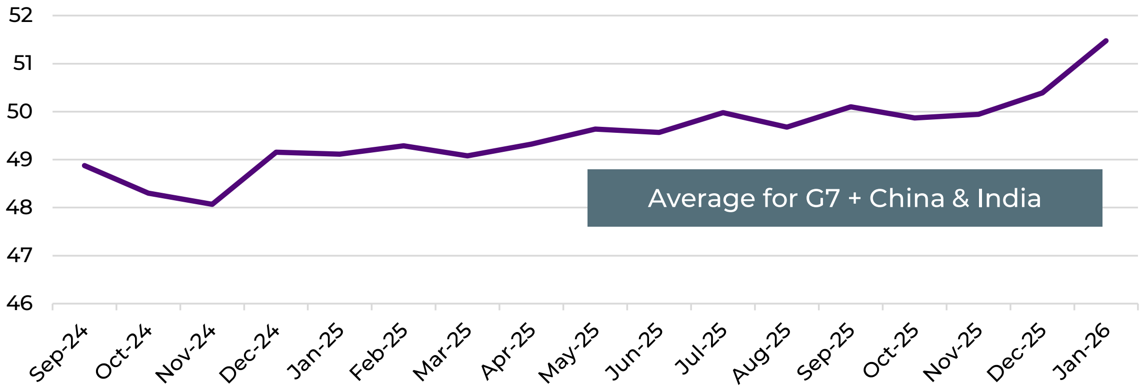
- TL – While nonfarm payrolls were weak showing -92k, initial jobless claims remain stable at lowish levels. Labour is a concern but so far just limited hiring and limited firing.
- BL – Consumer spending has firmed up based on credit/debit card transactions of late. Next few weeks will be interesting with gasoline prices jumping from under $3 to $3.50/gal.
- As we highlighted last month weather has been impacting spending behavior, which is now largely over.
- BR – We do appear to be in some sort of inventory restocking, as manufacturing activity is on the rise globally.
- Overall, no alarm bells as the resilient economy continues. This data may start to show uncertainty / energy price impacts next month, stay tuned.

US Consumer spending firming



Source: Bloomberg, Purpose Investments

PMI Manufacturing Surveys rising fast



Source: Bloomberg, Purpose Investments

III. Market Cycle

Reasonably Constructive

Market cycle indicators

Grouping	Metric			Better/ Worse
Rates				**0 / 3**
	Net Cuts	✓		-
	Yield Curve	✓		-
	Yield Curve 3m		✓	-
US Economy				**8 / 11**
	Leading Ind (3m)		✓	-
	Leading Ind (6m)		✓	+
	Phili Fed Coincident	✓		-
	Credit (3m)	✓		+
	Recession Prob (NY Fed)		✓	+
	Recession Prob (Clev Fed)		✓	-
	Citi Eco Surprise	✓		+
	GPD Now (Atlanta Fed)	✓		-
	US Unemployment	✓		-
	Consumer Sentiment (3m)	✓		+
Manufacturing	PMI	✓		-
	PMI New Orders	✓		-
	Energy Demand (YoY)	✓		+
	Truck Demand (YoY)	✓		+
	Rail (YoY)	✓		+
Housing	Starts (1yr)		✓	-
	Months Supply (6m)	✓		
	Home Sales		✓	-
	New Home Sales	✓		-
	NAHB Mkt Activity		✓	-

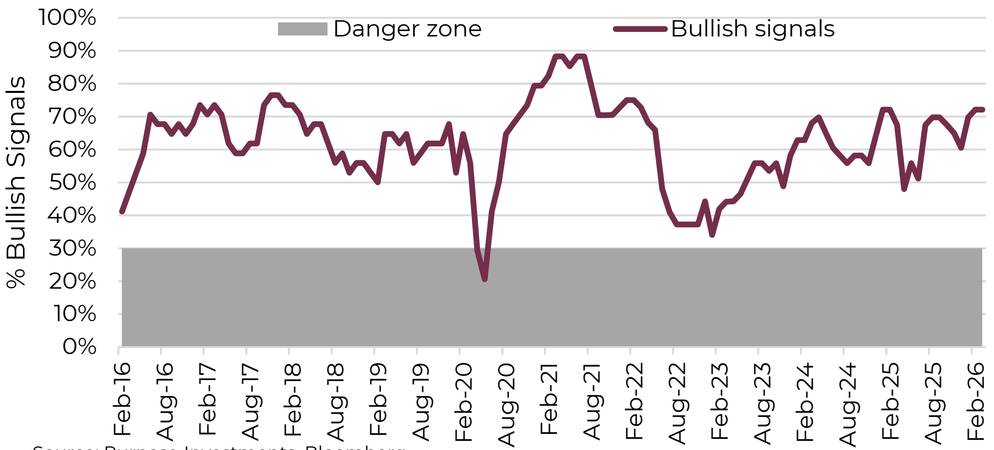
Grouping	Metric			Better/ Worse
Global Economy				**4 / 4**
	Global PMI	✓		+
	Copper (6m)	✓		-
	DRAM (3m)	✓		-
	Oil (3m)	✓		+
	Commodities (3m)	✓		+
	Baltic Freight (3m)		✓	-
	Kospi (2m)	✓		+
	EM (2m)	✓		-
Fundamentals				**5 / 7**
	US: PE		✓	+
	US: EPS Growth	✓		-
	US: EPS 2FY v 1FY	✓		-
	US: 3m EPS Revision	✓		+
	Canada: PE		✓	+
	Canada: EPS Growth	✓		-
	Canada: EPS 2FY v 1FY	✓		-
	Canada: 3m EPS Revision	✓		-
	International: PE		✓	+
	Int: EPS Growth	✓		+
	Int: EPS 2FY v 1FY	✓		-
	Int: 3m EPS Revision	✓		-

Source: Purpose Investments, Bloomberg

*Market Cycle indicators are comprised of over 40 indicators that have in the past proven to be a good forward-looking signal for the broader economy.

- Market cycle indicators remain supportive of markets.
- An upturn in U.S. manufacturing data is the biggest change from last month. This appears to be an uptick in global manufacturing, certainly a positive.
- Globally positives remain as do fundamentals. Only downside is valuations are high.
- All in all, the backdrop still looks reasonably constructive with some improvements.

Market cycle indicators - improving



Source: Purpose Investments, Bloomberg

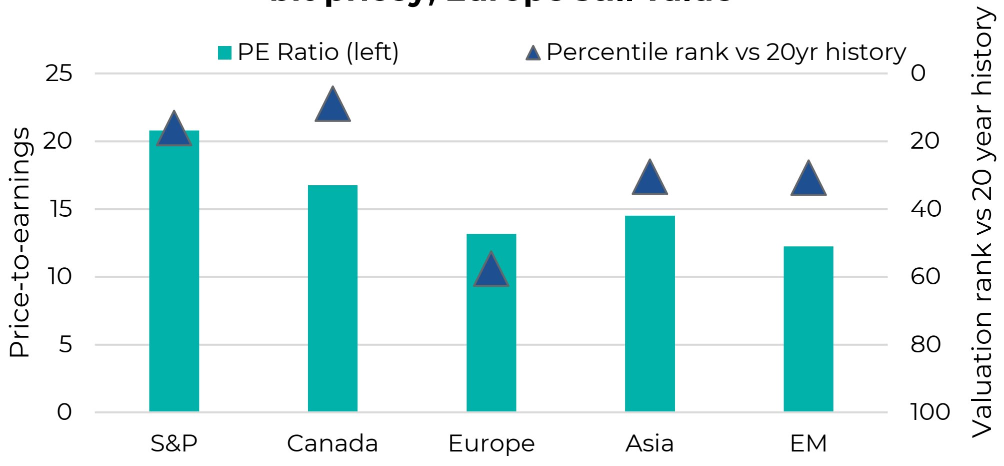
IV. Why now neutral on equities, underweight bonds, overweight cash & diversifiers

Equities

- Adding a U.S. software position in February bringing our equity from a mild underweight to the lower end of the neutral range. Having a defense stance with less equity and more cash makes it easier to jump on these types of opportunities. More on this later in the WHY report.
- BL – Even with the small software add, we are generally more tilted towards value and dividends vs the growth factor. While not convinced this change in leadership is on, it certainly is moving the right direction given our exposures in equity.
- TR – Valuations are historically elevated for the U.S. and now Canada after its awesome run last year. Still decent value in Europe with emerging markets & Asia a little pricey.
- We are now on the lighter end of neutral for equities. Still lots of flexibility if this current market weakness extends lower. However, we do believe this geopolitical risk could dissipate quickly.

Purpose Active Balanced	Current Position	Baseline
Cash	5.9%	2%
Bonds	29.7%	36%
Equities	57%	57%
Diversifiers	7.2%	5%

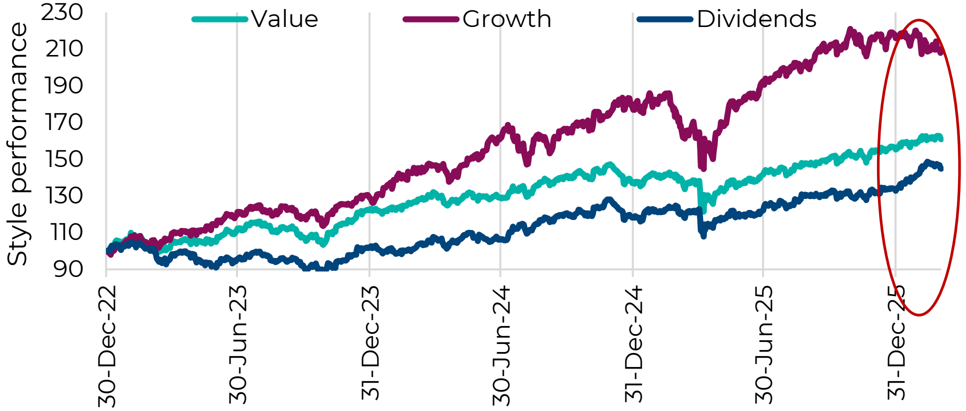
Valuations: Canada & US expensive, EM & Asia bit pricey, Europe still value



Source: Bloomberg, Purpose Investments

As of 10 Mar 2026

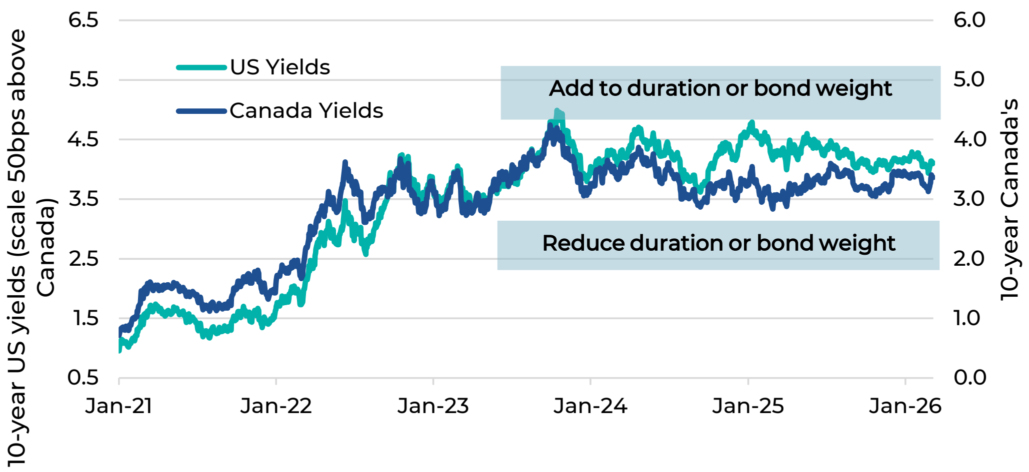
Growth pause or change in leadership?



Source: Bloomberg, Purpose Investments

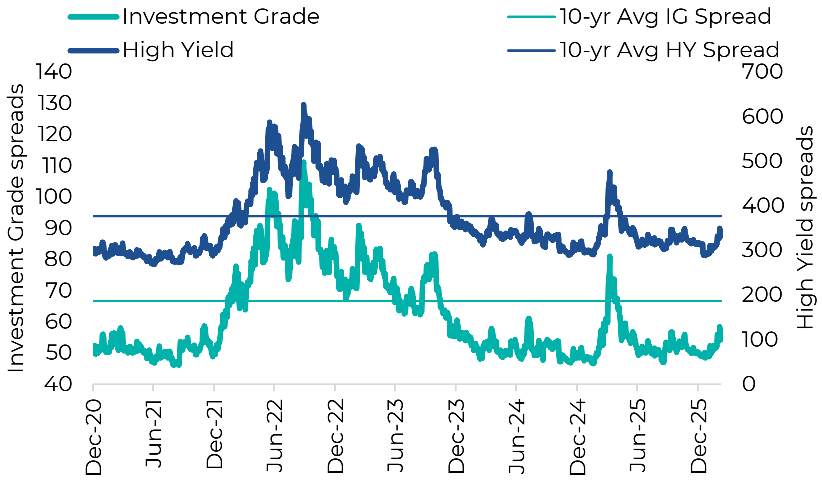
IV. Why now neutral on equities, underweight bonds, overweight cash & diversifiers

Yields tick higher but still within middle of recent range



Source: Bloomberg, Purpose Investments

Credit spreads - up but still very low



Source: Bloomberg, Purpose Investments

Purpose Active Balanced	Current Position	Baseline
Cash	5.9%	2%
Bonds	29.7%	36%
Equities	57%	57%
Diversifiers	7.2%	5%

Bonds

- TL – Bonds are a more meaningful underweight. Yields remain rangebound and credit spreads are historically low. At this point we believe the risk of breaking out of this range is higher to the upside than downside (higher yields, not lower).
- BL- There has been a move higher in spreads with heightened geopolitical risk, but these remain just off very low levels.
- Bond exposure is crucial in case an economic slowdown develops due to this geopolitical uncertainty. However, we do believe the near term path for yields is more likely to be higher on improving economic data.

Cash & Diversifiers

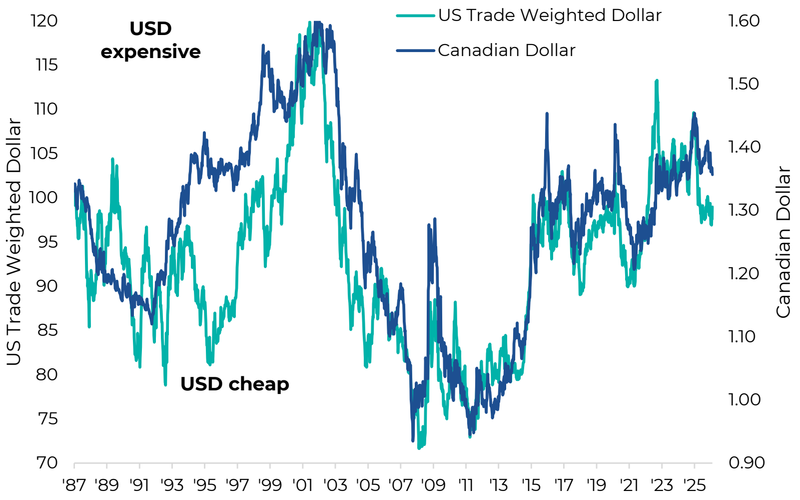
- Our overweight in cash and diversifiers was softened due to cash usage to buy software. This highlights the optionality of the portfolio to potentially take advantage of price misallocations.

V. Why partial hedged USD

Canadian Dollar - back to middle of range

Source: Bloomberg, Purpose Investments

USD is still on the expensive side



Source: Bloomberg, Purpose Investments,

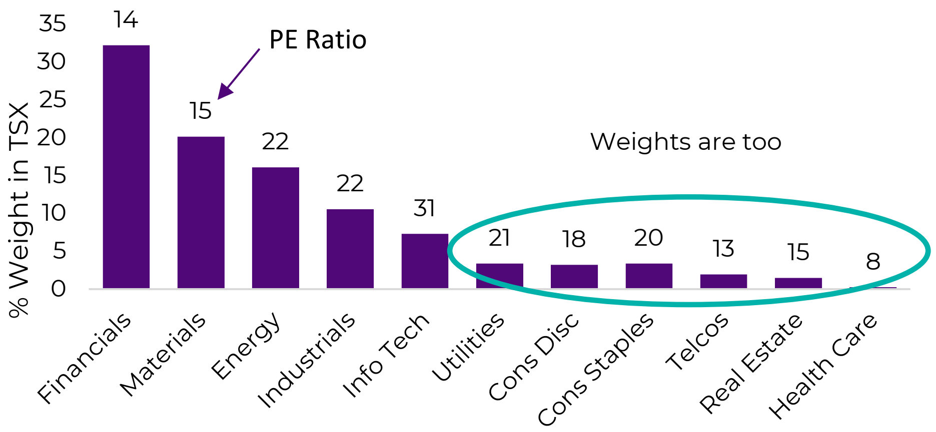
Purpose Active Balanced	Hedged
% of US Equity	50%
% of US Fixed Income	57%

- Love it or hate it the USD, especially vs CAD, is a safe haven currency for portfolios. Generally this has us not wanting to hedge. However with less Fed independence and some erosion of U.S. exceptionalism, this may not be as strong a characteristic.
- Top – The US dollar has been appreciating on geopolitical risks, however so has the CAD thanks to our old 'petro currency' label.
- We do remain mild USD bears and maintaining partial currency hedges on US denominated assets. If CAD goes up too much we would likely entertain reducing the amount hedged.
- Bottom – Overall though, the USD is still expensive against its trade weighted peers and the CAD. This supports our mild bearish vs on USD, even against the CAD.

As of 10 Mar 2026

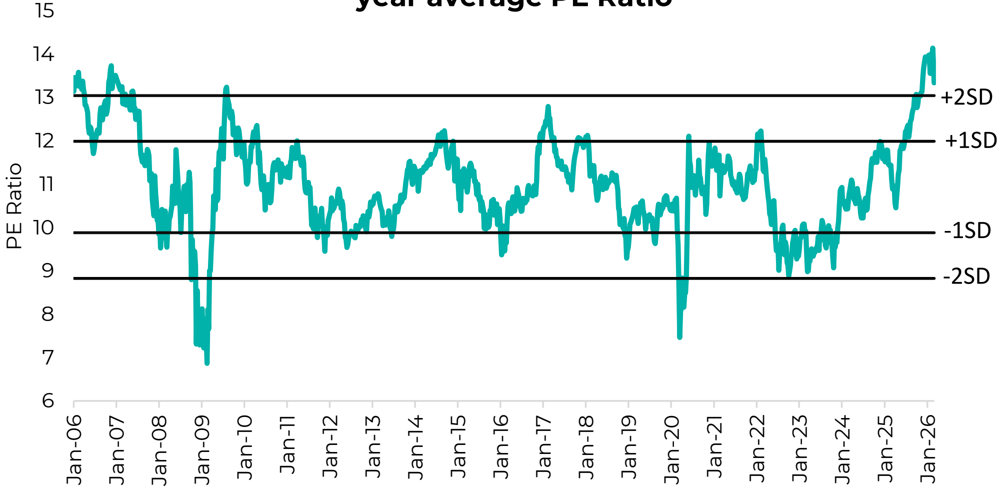
VI. Why equity exposure is: 1) underweight Canada

What could drive TSX in 2026?



Source: Bloomberg, Purpose Investments

Canadian banks now over +2 standard deviations above 20 year average PE Ratio

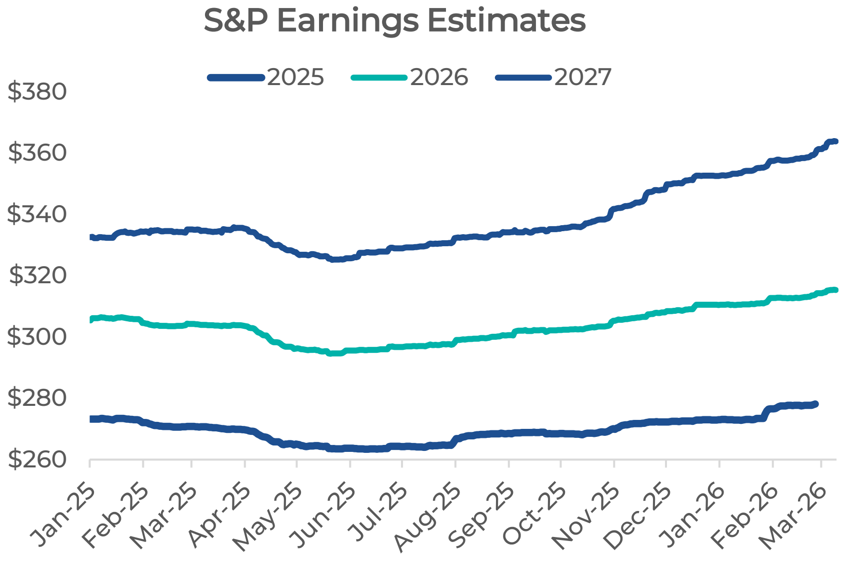


Source: Bloomberg, Purposee Investments

Purpose Active Balanced	Current Position	Baseline
Canada	28%	35%
United States	31%	30%
International	42%	35%

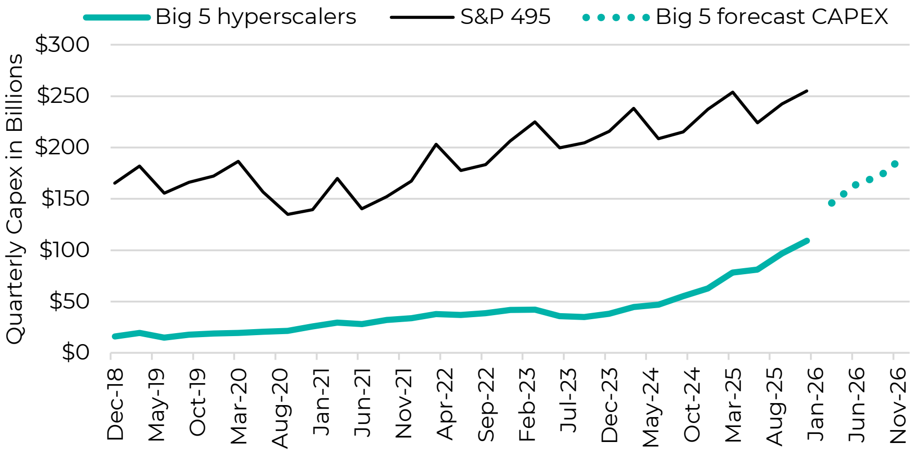
- **We have an underweight in Canada after taking profits late last year on strong gains. Canada has some really great long-term prospects from an equity market perspective, this is more of a shorter-term tactical shift, albeit early once again.**
- Financials and materials drove performance in 2025. Could gold continue to drive the materials sector? Maybe but could also reverse quickly. The recent gyrations certainly support this view. Meanwhile banks are trading very expensive after their 2025 run. This does make it hard to see where returns could be sourced in 2026.
- Six sectors have such small weights they really don't matter from an overall index performance perspective. Info Tech has been beaten down from 43x to 31x on the software selloff, still expensive.
- So that leaves Energy and Industrials, which we had been more constructive on to start the year. But they have both run pretty hard, even with no progress USMCA.
- Energy – had been up strong year-to-date then conflict helped push a little higher. But has been flat even with oil touching $100/bbl. We did reduce some energy exposure in our dividend strategy right after hostilities broke out.
- Industrials – USMCA renegotiations may create a dip which would make the sector more attractive.
- While underweight, at 28% it is still a healthy Canadian equity weight.

VII. Why equity exposure is: 2) equal weight US



Source: Bloomberg, Purpose Investments

Capex boom is very market & economic friendly



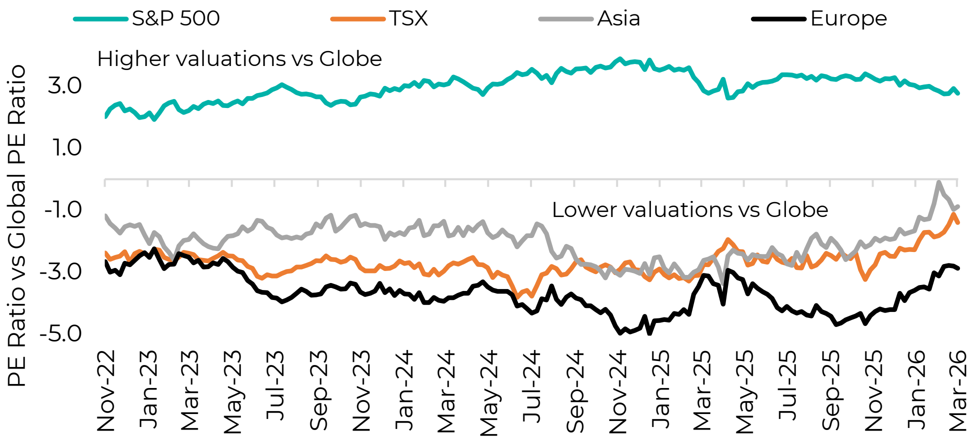
Source: Bloomberg, Purpose Investments, Hyperscalers include AMZN, MSFT, GOOGL, META & ORCL

Purpose Active Balanced	Current Position	Baseline
Canada	28%	35%
United States	31%	30%
International	42%	35%

- We are roughly equal weight U.S., albeit our baseline is a bit less than most peers. Again, don't care about peers but worth noting.
- U.S. is trading around 22x forward estimates, which isn't too crazy. Although that has proven to be the valuation ceiling on a number of occasions going back many years. This does have the U.S. trading at premium vs other markets, not anything new.
- Top – Earnings estimates have been steadily revised higher since last summer, putting S&P back into low double digit earnings growth. That does help a bit with the high valuation as we expect returns to be more earnings growth driven as multiple expansion from here is a stretch.
- Bottom – Capex spending around AI infrastructure is a boon for U.S. corporate earnings, for now. And these capex number keep rising, a few months ago it was $150B forecast for Q4 2026, now its $195B. This kind of unbridled spending does continue to support earnings growth for S&P even as consumer softens a bit.
- We are pretty neutral on U.S. equities and believe there is more upside elsewhere, on both an absolute and risk-adjusted basis. Any stumble in AI would have broad and material ramifications given weights of the megacap tech names.
- However, we did put on a shorter-term trade in U.S. software in February, that increased our U.S. exposure. More on that shortly.

VIII. Why equity exposure is: 3) overweight International

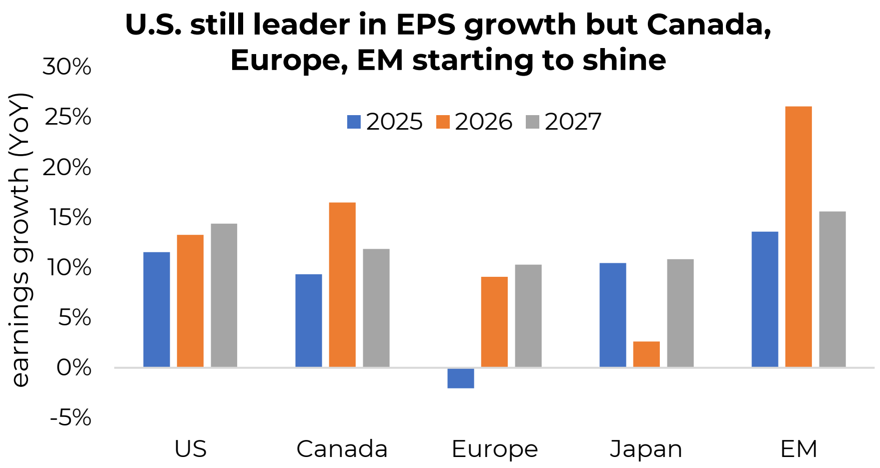
PE Ratios compared to the PE Ratio of the globe



Source: Bloomberg, Purpose Investments

Purpose Active Balanced	Current Position	Baseline
Canada	28%	35%
United States	31%	30%
International	42%	35%

- Top – The valuation discount for international has narrowed over the past year, largely thanks to stronger equity market performance.
- This recent bought of weakness due to the conflict in and around Iran has weighed more heavily on international equities. This has lowered the valuations a little.
- BL – 2026 earnings growth is expected to really shine in Canada, Europe and EM, especially relative to 2025. We would note much of Canada's earnings growth is coming from gold, it is real but market won't overpay for cyclical earnings. Overall, earnings growth in 2026 does appear to be improved on the international side of things.
- Developed Asian markets, mainly driven by Japan, has seen their valuations rise. It does appear Japan is being rerated (finally) and we do believe they deserve a higher valuation. The Nikkei was up almost 15% but has now tempered to +8% year-to-date.
- If we see much more weakness on the international side, this may be an opportunity for us to add a little more.
- The world is still overweight American and underweight international
- Rising fiscal spending globally should continue to help economic growth
- Internationally regulation & corporate philosophy continues to become more shareholder friendly



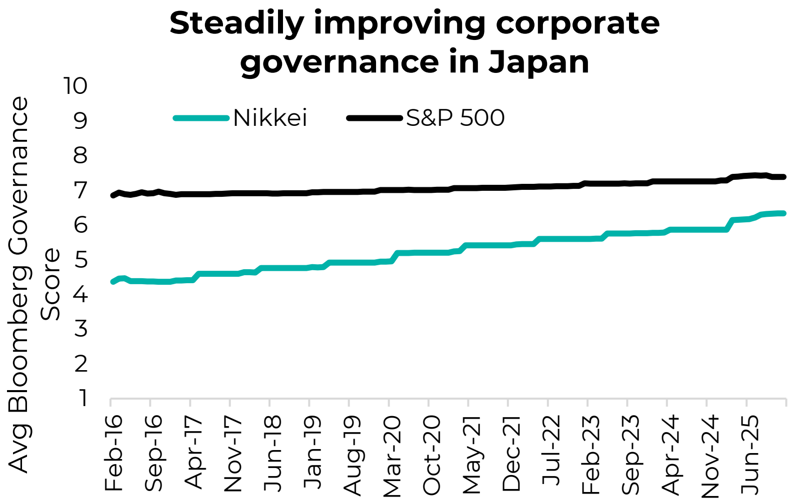
Source: Bloomberg, Purpose Investments, local currency except for Emerging Markets is USD

As of 10 Mar 2026

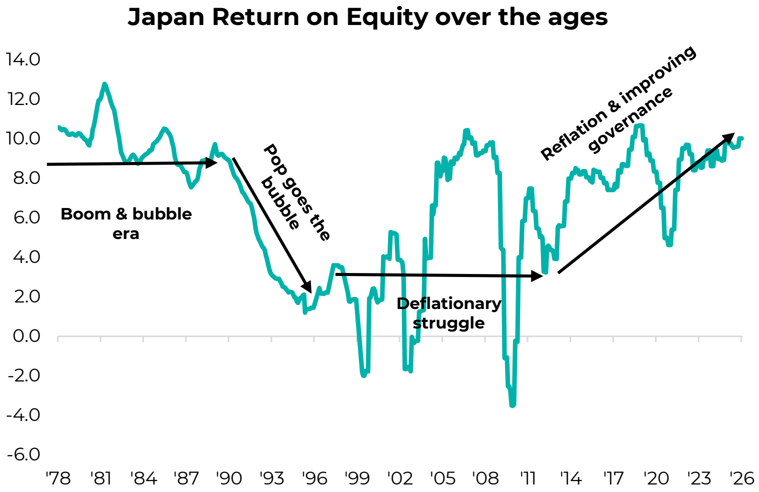
IX. Why overweight Japan

Purpose Active Balanced	Current Position	Baseline
Japan	10.7%	8.0%

Baseline is based on Japan exposure in 35% EAFE baseline allocation



Source: Bloomberg, Purpose Investments



Source: Bloomberg, Purpose Investments

- We have more Japan exposure than most peers, and have had so for sometime. Our current positions that have some Japanese equity exposure include EFAV (28%), IEFA (25%), PID (17%) & EWJ (100%) totaling out to 10.7% of our overall equity exposure.
- It has worked out well, we constantly revisit our rationales and here is our current thinking

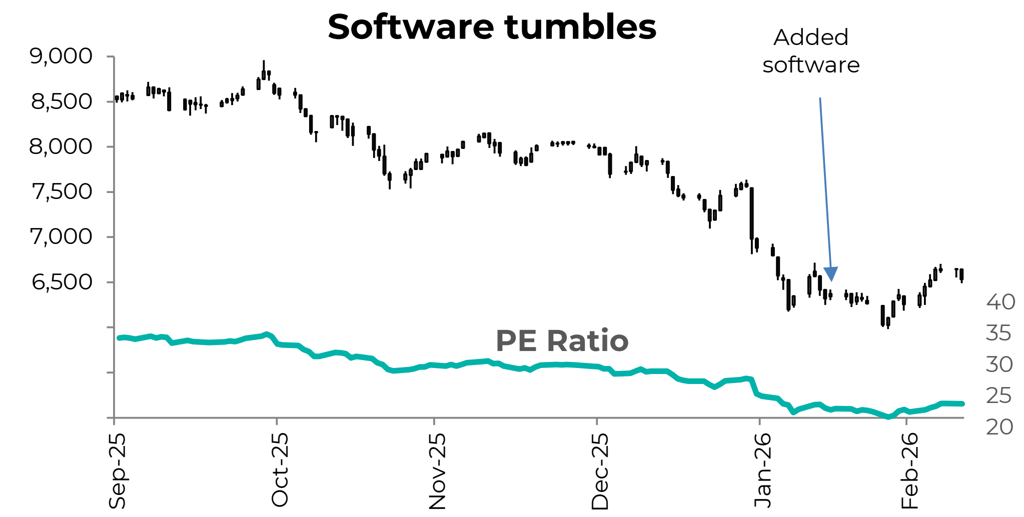
1. The yen is still very cheap which is still supportive for owning. On the downside, much of the move over the past year has been multiple expansion and its expensive from a PE perspective.
2. Regulatory change is slow but it is gaining momentum. Companies are gradually improving their governance (top) as it pertains to shareholders. This is also evident in rising dividends as the EWJ has gone from a yield of 1.5% a decade ago to over 4% today.
3. We have been seeing steadily improving ROE (bottom), which is helping re-rating the market.
4. Diversifier and under-owned: The Japanese equity market including currency exposure does provide a good diversifier with a much lower correlation than U.S. equities vs the TSX. We also believe most global investors remain light on Japan exposure, making this still a bit of a contrarian play.

- The strong gains have taken a step back on the geopolitical/energy concerns of late. We still remain positive on this tilt.

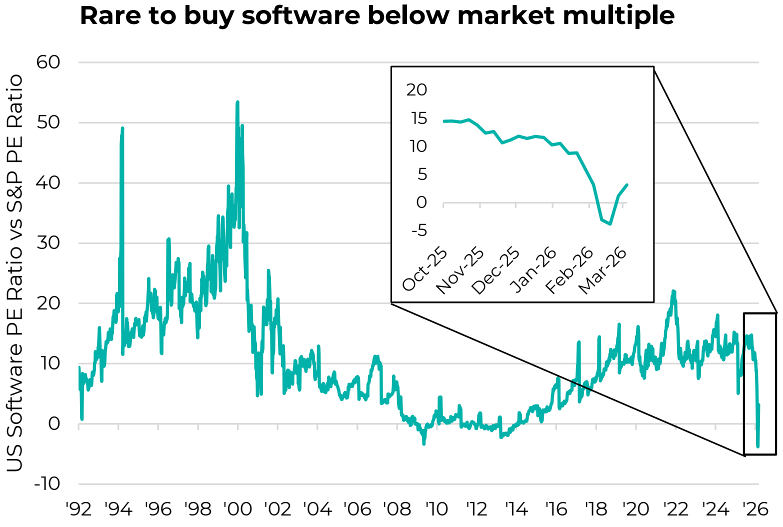
As of 10 Mar 2026

X. Why tactical trade in software

Purpose Active Balanced	Current Position	Baseline
Software ETF (IGV)	2%	0%



Source: Bloomberg, Purpose Investments

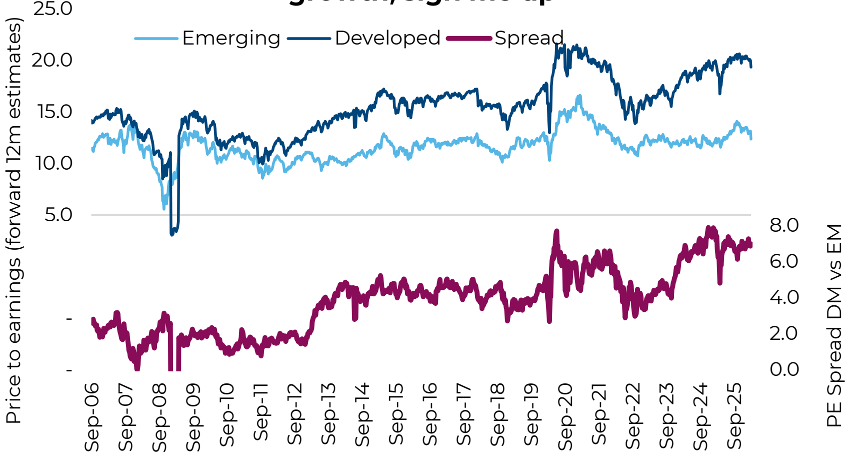


Source: Bloomberg, Purpose Investments

- The software sector has been hammered on concerns AI is going to disrupt many of the business models. Compounding the impact was the nosebleed valuations at the start of the sell-off. We are talking a 20-25% drawdown (albeit from elevated levels) with a valuation contraction from 35x to 23x. Believe this is overdone. The longer-term risks are real but the speed of the drop is assuming too much disruption in the near term.
- Valuations are not cheap at 23x, as there was a time long ago software traded 12-14x. However, 23x is roughly the overall market multiple for a much higher growth part of the market. Even if that growth tempers somewhat, this does look like a good short term overreaction.
- We believe this is somewhat of a Deepseek moment for software. If you recall Deepseek news of a much cheaper to train LLM sent many AI companies lower for a few weeks. As the excitement faded, shares recovered. This may play out in similar fashion for the software names.
- Longer term there are bigger risks so this is more of a shorter term tactical move on what we believe to be an overreaction.
- This has already started to work and software was one of the few things that went higher following the outbreak of hostilities and broader market weakness.

XI. Why overweight emerging markets

Materially cheaper valuations + faster earnings growth, sign me up

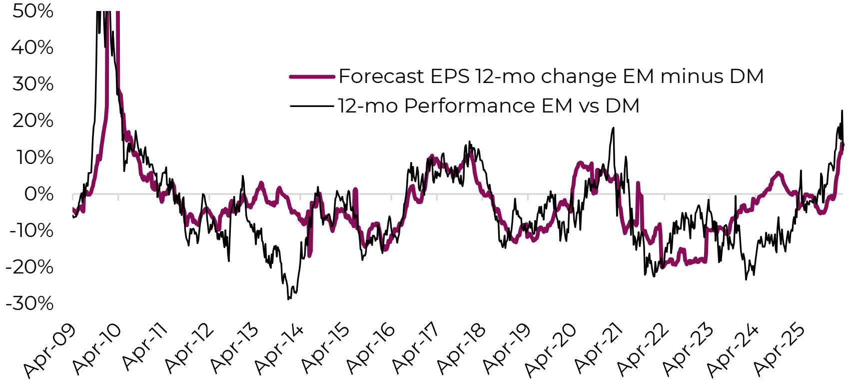


Source: Bloomberg, Purpose Investments

Purpose Active Balanced	Current Position	Baseline
Emerging Markets	9.3%	5%
Developed Markets	90.7%	95%

- Emerging markets have been hit a bit more than other markets from the outbreak of hostilities. If we didn't already have a full overweight, we would be adding as our long term thesis remains. Plus our base case for hostilities is markets will move on quicker, but who knows.
- TL – The valuation gap between emerging and developed markets remains historically high, almost 7 points even after a strong year of EM performance in '25. This provides a great buffer.
- BL – Cheap valuations isn't new but add higher relative earnings growth between EM vs DM, this historically correlates well with relative performance. In fact, look at how well it fits with earnings growth accelerating recently for EM. We love lines that move together.
- BR – Flows are accelerating, big time. Given limited exposure globally, this flow trend could continue for some time.
- All together, still risks and this is a more volatile asset class, but we're comfortable with larger allocation.

EM earnings growth accelerating faster than DM



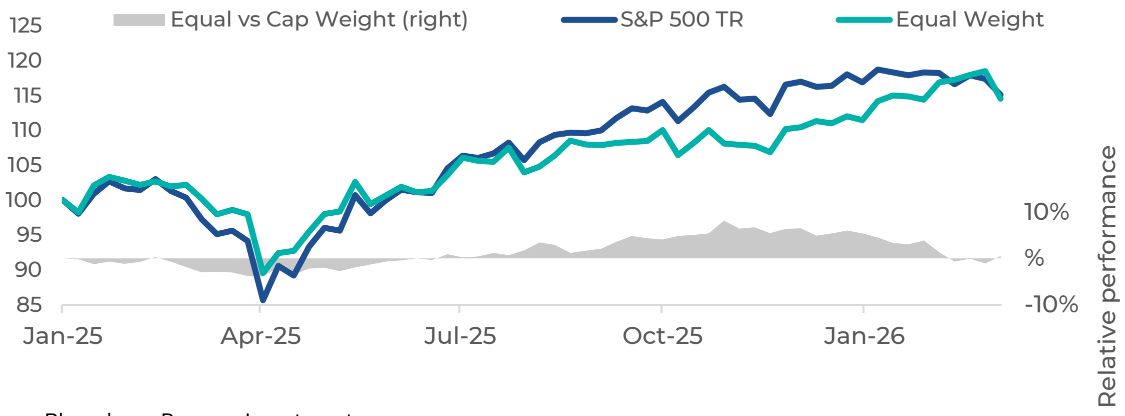
Source: Bloomberg, Purpose Investments

Same as last month, inflows keep accelerating….. go, go, go!!!

Source: Bloomberg, Purpose Investments, 5 of the larger US listed Emerging Market equity ETFs (IEMG, VWO, EEM, SPEM, EMXC) constant pricing

XII. Why equal & market cap weight U.S. equity exposure

Equal weight - don't jinx it, starting to work

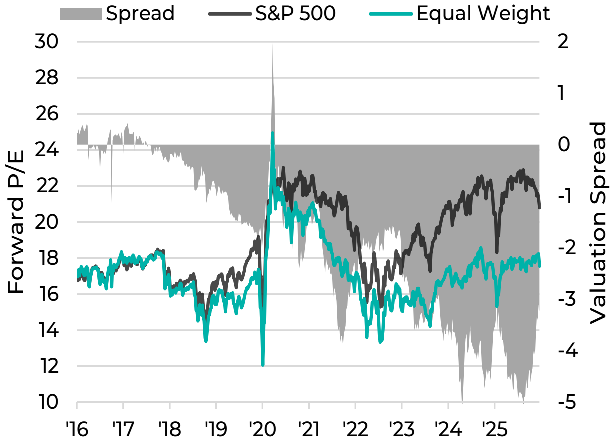


Source: Bloomberg, Purpose Investments

Purpose Active Balanced	Current Position	Baseline
US Equities	31%	30%
Equal Weight	9%	
Market Cap Weight	2%	
Indirect	20%	

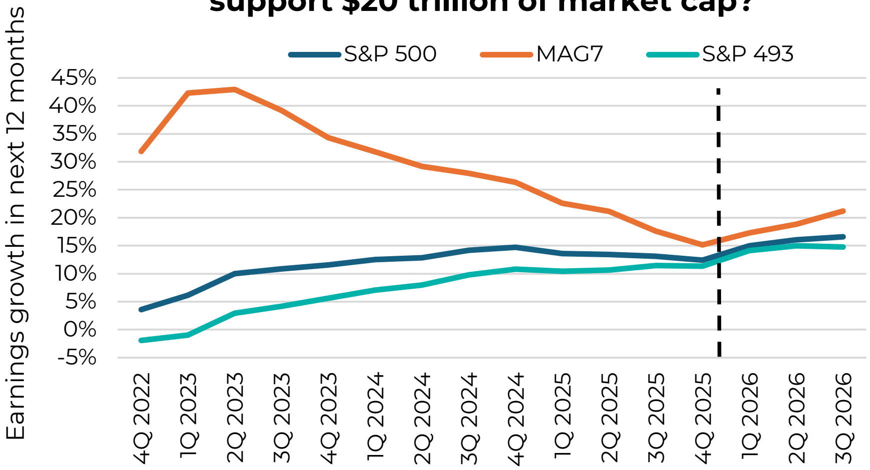
- We are roughly market weight for U.S. but have a more defensive tilt, using more equal weight exposure. This is complimented with a small market cap weight position and indirect exposure via manager positions in U.S. equities. These positions do have a decent amount of large cap tech names.
- This equal weight still has not performed well last year but is starting to work more recently.
- Top – Even earlier in 2025 equal weight did show its more defensive characteristics, which is why we have this tilt. And it is starting to work again.
- BL – Valuations gap between cap weight and equal weight is back to pretty high levels.
- BR – Given slowing earnings among the megacaps compared to the S&P 493, we are surprised equal weight hasn't narrowed the performance gap.
- We are being more patient with this tilt, it is defensive motivated.

Valuation gap still favours equal weight



Source: Bloomberg, Purpose Investments

MAG7 growing faster but is that enough to support $20 trillion of market cap?

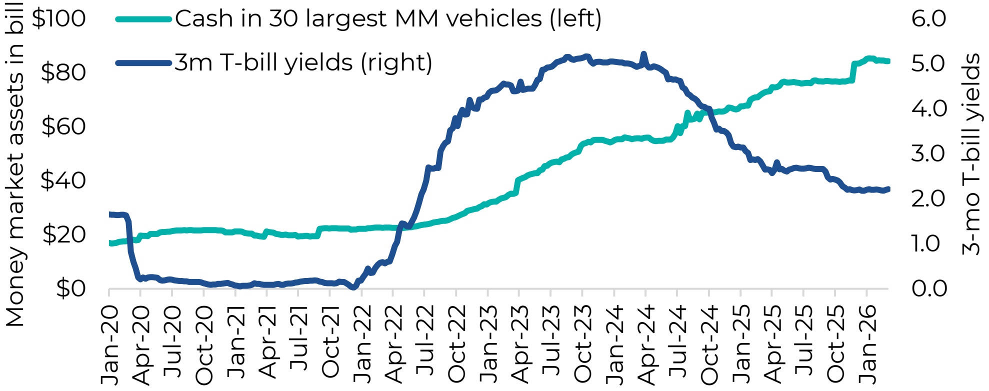


Source: Bloomberg, Purpose Investments

XIII. Why dividends are awesome

Tsunami of Cash - Where will it go?

$84B parked in the 30 largest cash vehicles in Canada.
With yields moving lower at what point does this money look for yield beyond cash? or does it?

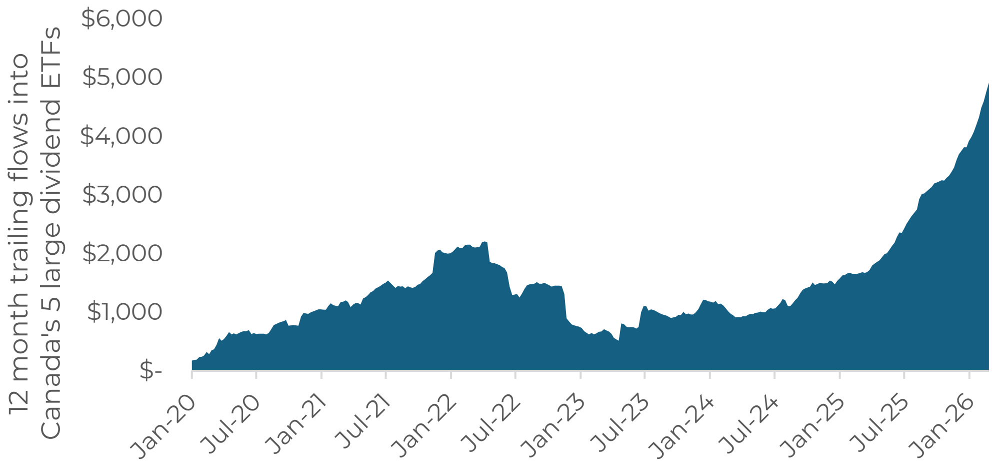


Source: Bloomberg, Purpose Investments, sample of largest 30 money market funds & ETFs & HISAs

Over 1/3 of equity allocation are dividend focused strategies

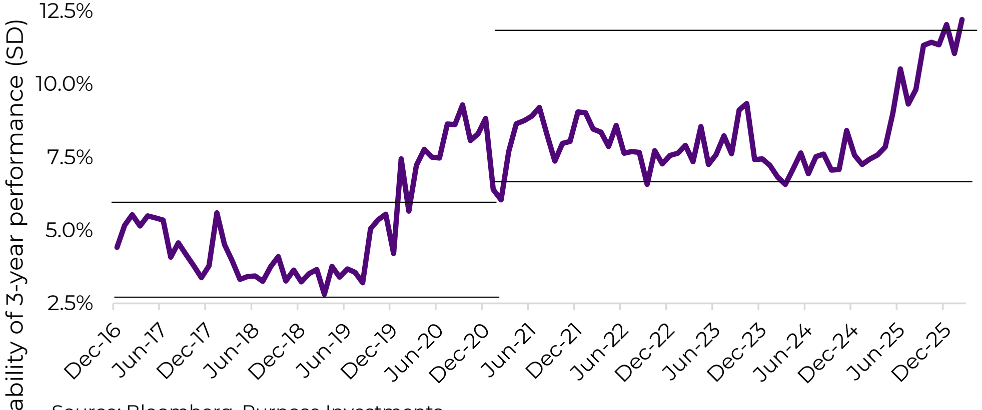
- TL– Cash vehicles, HISAs, money market funds, hoovered up cash in 2022 and 2023. Now with short yields coming down making cash less attractive, and inflows flatlined. Yet there was just a recent jump higher, perhaps investor defensiveness? We do think cash has become less compelling and dividend factor is likely a beneficiary.
- BL – This chart is crazy!!! Every month when updating this chart, it just keeps going up. Money is moving into the dividend space.
- BR – Yields simply went down for much of past 20+ years, this caused most dividend strategies to have closely clustered performance. Now that yields are normal, other factors are increasingly driving performance causing greater disparity in performance among dividend strategies.
- Look for better diversified strategies, that are more active given other variables beyond just yield appear to be driving performance.

The dividend winter is over and it's getting hot!!



Source: Bloomberg, Purpose Investments, 5 of the larger Canadian dividend ETFs (VDY, XDIV, XEI, XDV, CDZ), constant pricing

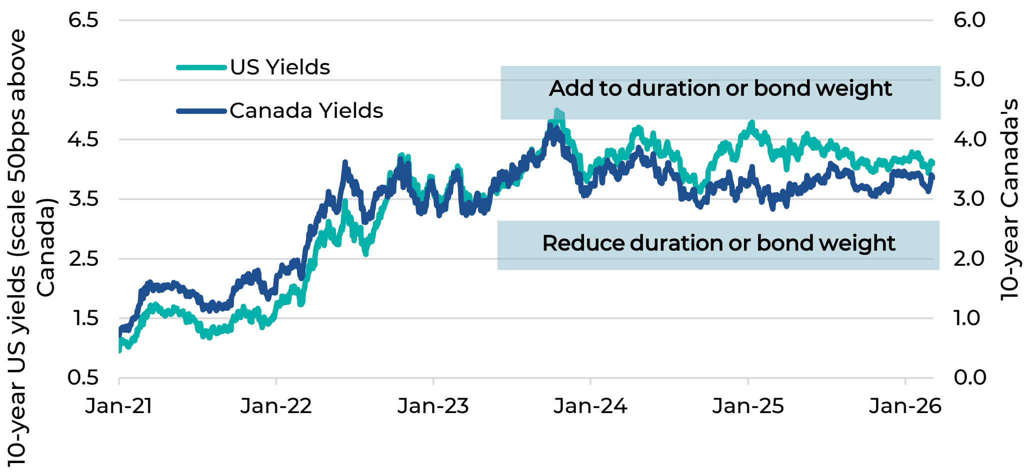
Changing yield world is leading to greater divergence among dividend strategies



Source: Bloomberg, Purpose Investments
Index is based on variance of performance among a selecton of 20 of the largest ETF & Funds with a dividend focus

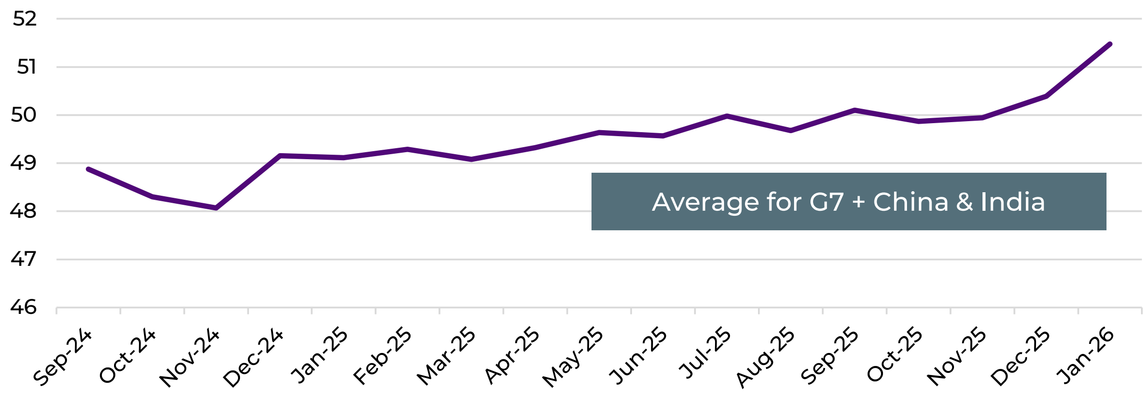
XIV. Why duration of 4.6

Yields tick higher but still within middle of recent range



Source: Bloomberg, Purpose Investments

PMI Manufacturing Surveys rising fast

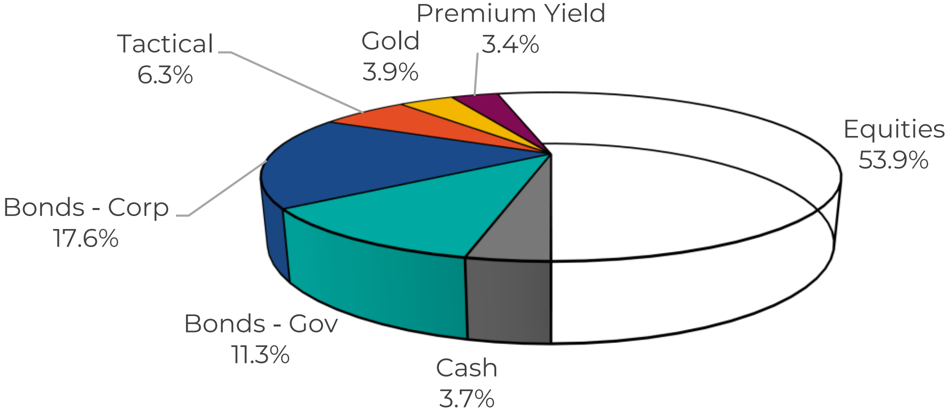


Source: Bloomberg, Purpose Investments

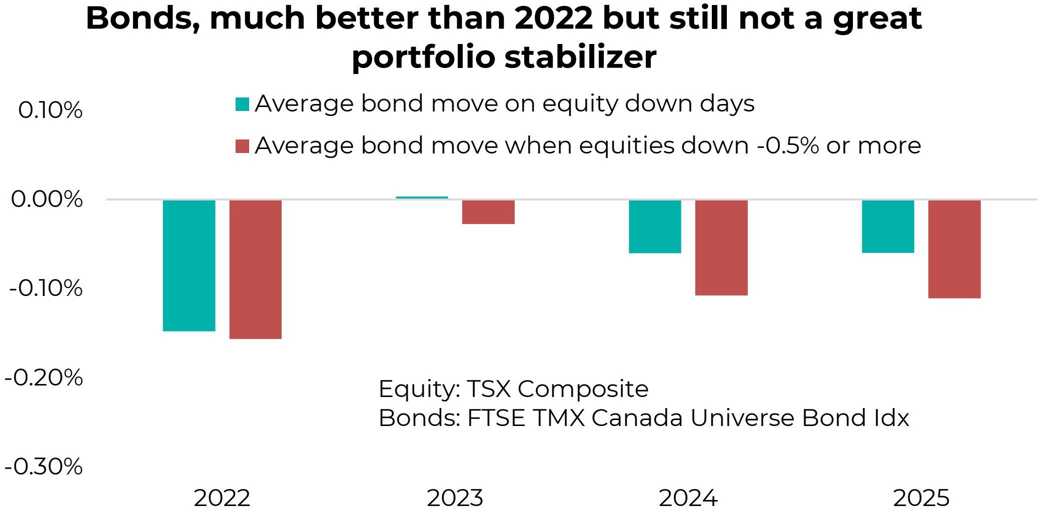
Purpose Active Balanced	Current Position	Baseline
Duration	4.6	5.0

- We believe the current market, with higher inflation and yields than years past, is more challenging for the bond portion of portfolio. While still the cornerstone of defense, a more active duration management is needed.
- TL - We are underweight bonds and reduced duration last September as bond yields have come down. Credit quality is high, with a good allocation to government and investment grade.
- BL – We have seen an uptick in economic activity on the manufacturing side. Things could be heating up a bit but many moving parts. And now with very volatile energy prices, could see inflation tick up.
- Given underweight and moderate duration, we feel comfortable.

XV. Why diversifying defense



Source: Purpose Investments PABF Allocations 4 March 2026



Source: Bloomberg, Purpose Investments

Purpose Active Balanced	% of Portfolio
Bond positions	30%
Cash	6%
Tactical	6.2%
Premium Yield	3.2%
Gold	4%

- Every correction is different, speed, magnitude, duration and the cause. The last 3 have been caused by an exogeneous shock from Covid (2020), Inflation (2022) and policy (2025).
- With more unique corrections rising in frequency, having a more diversified defensive has become more important.
- TL – We diversify our bond allocation (core defense best against economic slowdowns) with other strategies including momentum (tactical), real assets (gold) yield harvesting (premium yield) and of course cash.
- BR – Bonds are not broken, in fact they now carry a higher performance contribution than years past. But, the defensive reflexivity characteristic has been diminished in this higher inflationary environment. Use them, but also diversify your defense.