

QUICK FACTS

ETF SERIES	BHAV
MGMT FEE	1.00%
SERIES F	PFC2801
MGMT FEE	1.00%
SERIES A	PFC2800
MGMT FEE	2.00%
PERFORMANCE FEE*	10.00%

*On the increase in the NAV in a year when performance of the Fund exceeds the positive return of the benchmark

DECEMBER 2019

The Purpose Behavioural Opportunities Fund remains the first and only of its kind in Canada, focused on profiting from other investors' emotional mistakes. We all make mistakes when investing, overreacting to news, becoming anchored in our opinions, framing our decisions based on what we originally paid and the list goes on. These mistakes detract from long-term investment performance and, under certain circumstances, can lead to mispriced assets or stocks. The Fund (BHAV) launched in January 2018 employing seven different strategies, each designed to profit from potentially mispriced assets/stocks caused by investors' emotions or behavioural biases.

In November, the Fund (F-class) had its second-best month since inception, rising 5.24% and bringing the year-to-date return to 18.12%. This compares to the S&P/TSX Composite rising 3.59% and the S&P 500 rising 3.63% in Canadian dollar terms for the month. During the month, the Fund had been running close to its maximum 60% exposure to US markets, but after some profit-taking in certain positions, the Fund's US exposure has been reduced to 55%.

It was a light month in terms of trading. We added some new names to our earnings overreaction strategy, such as NFI Group, Palo Alto Networks and Deere & Co. The strategy remains the Fund's largest, sitting at a 59.6% net allocation.

INVESTMENT GROWTH

Investment Growth Since Inception



Source: Richardson GMP, As at November 30 2019

**SUBADVISOR: RICHARDSON GMP /
CONNECTED WEALTH®**

At Connected Wealth, Craig Basinger and his team manage upwards of \$700 million, with a focus on long term wealth building strategies. The team consists of three portfolio managers and two analysts, headed by Mr. Basinger, who has worked in investment management since 1995. Their guiding principles are transparency, cost efficiency, and connectedness.

Our emotional cascade strategy is a long and short strategy designed to take advantage of sudden moves on news events, which cause investors to overreact and lose sight of the long-term. The abundant and persistent news flow often skews the risk/return trade-off, creating an opportunity. In terms of targeted behavioural biases, this strategy draws on the availability bias which causes investors to focus more on recent or widely available information. This become especially acute when the quantity of new information spikes, due to some news or critical event.

Our most recent notable trade in this strategy was buying TD Ameritrade in early October after news that they were eliminating trading commissions in order to compete with their key competitor, Charles Schwab. The stock was hammered, falling nearly 30% in the days that followed. After a short period, the stock began to rebound and spiked higher in late November on news that Charles Schwab will acquire TD Ameritrade. We exited the position shortly after the announcement, as we expect the proposed acquisition is likely to undergo in-depth scrutiny by the US Department of Justice into next year. We preferred to lock in the gains, allowing us to redeploy the capital into other mispriced assets, rather than wait out the regulatory approval of the deal. This was a very profitable trade, earning over 30% in less than two months.

TOP HOLDINGS

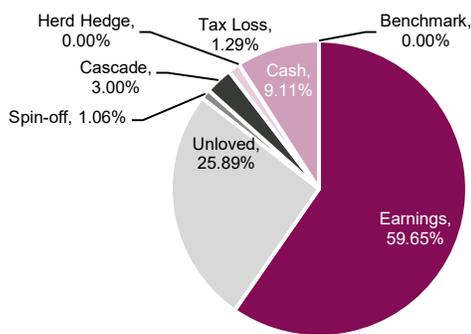
NAME	WEIGHT
WW INTERNATIONAL INC	3.07%
IBM CORP	2.88%
HOME CAPITAL GROUP INC	2.69%
CAE INC	2.48%
RITCHIE BROS AUCTIONEERS	2.37%
FLIR SYSTEMS INC	2.29%
SHOPIFY INC - CLASS A	2.24%
FRANCO-NEVADA CORP	2.15%
CATERPILLAR INC	2.13%
PALO ALTO NETWORKS INC	2.05%

Source: Richardson GMP, As at November 30 2019

THE STRATEGIES

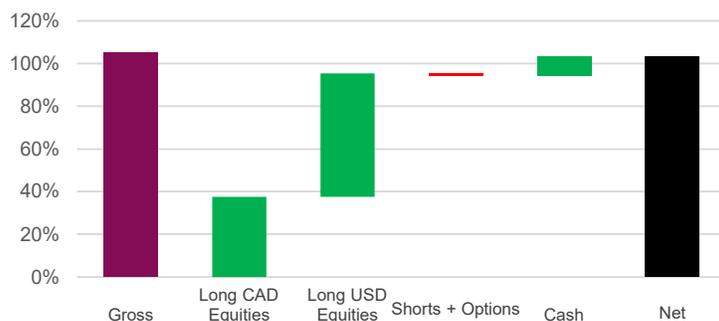
Strategy	Behavioural Bias	Description
Unloved to Less Unloved	Unloved to Less Unloved	Unloved companies – those with few analyst BUY ratings – tend to be neglected and beaten down. This long-only strategy is triggered by an unloved company receiving some upgrades and becoming less unloved
Earnings Overreaction	Earnings Overreaction	Availability bias causes investors to overreact to earnings in the short term. Asymmetric recovery found as higher-quality companies tend to recover from misses relatively quickly while lower-quality companies give back gains from positive surprises. This is a long/short strategy.
Emotional Cascade	Emotional Cascade	On spikes in news, investors often overreact, losing sight of the long term. This is especially evident when information is plentiful and one-sided, skewing the risk/return trade-off and creating an opportunity. This is a long/short strategy.
Indexing Bias	Indexing Bias	While somewhat counterintuitive, once a company is added to an index, it often underperforms for a period. Conversely, those removed often partially recover. This is a long/ short strategy.
Crowded Trades	Crowded Trades	Contrarian – when everyone is betting on one outcome, it is often the opposite that occurs. We use non-commercial open futures contracts to measure. As contrarian strategies often take time, we tend to use longer-dated options.
Neglect	Neglect	Small spin-offs are often discarded by portfolio managers as the positions are too small to matter. This creates temporary selling pressure, which this strategy takes advantage of. This is usually a long strategy.
Herd Hedge	Herd Hedge	When market sentiment is skewed in one direction and demonstrates irrational exuberance or pessimism, we take a contrarian position in the options market.

STRATEGY ALLOCATION



Source: Richardson GMP, As at November 30 2019

PORTFOLIO EXPOSURE



Source: Richardson GMP, As at November 30 2019

DESIGNED FOR

- Actively profiting from market inefficiencies and investors' predictable, emotional mistakes
- Long-term capital appreciation and diversification
- Exposure to Canadian and U.S. equity markets

RISK RATING



PERFORMANCE

	1-MO	3-MO	6-MO	YTD	1-YEAR	SINCE INCEPTION*
Purpose Behavioural Opportunities A	5.15%	4.47%	7.34%	16.83%	8.91%	3.41%
Purpose Behavioural Opportunities F	5.24%	4.89%	8.03%	18.12%	10.28%	4.67%

*The inception date of the Purpose Behavioural Opportunities Fund was January 17th, 2018

Source: Richardson GMP, As at November 30 2019

All data sourced to Bloomberg unless otherwise noted.

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Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the prospectus before investing. If the securities are purchased or sold on a stock exchange, you may pay more or receive less than the current net asset value. The indicated rate of return is the historical annual compounded total return including changes in share/unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

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