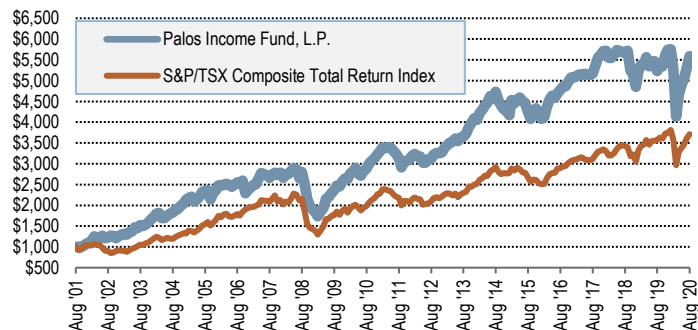


Fund: Palos Income Fund, L.P.

Unit price: \$7.77

Fund Performance - Cumulative Growth of 1,000



Fund Palos Income Fund, L.P.  
 Benchmark S&P/TSX Composite Total Return Index

| Return Analysis Since Inception | Fund    | Benchmark |
|---------------------------------|---------|-----------|
| Compounded annual return        | 9.48%   | 7.14%     |
| Average monthly return          | 0.84%   | 0.65%     |
| Largest monthly return          | 12.46%  | 11.46%    |
| Largest monthly loss            | -21.86% | -17.38%   |
| Percentage of positive months   | 67.98%  | 63.60%    |
| Percentage of negative months   | 32.02%  | 36.40%    |
| Average monthly positive return | 2.84%   | 2.77%     |
| Average monthly negative return | -3.41%  | -3.06%    |
| Cumulative ROR                  | 459.38% | 270.54%   |
| Growth of \$1,000               | \$5,594 | \$3,705   |

| Risk Analysis Since Inception | Fund   | Benchmark |
|-------------------------------|--------|-----------|
| Sharpe Ratio                  | 0.57   | 0.42      |
| Annualized Standard Deviation | 13.79% | 13.20%    |
| Downside Deviation            | 12.89% | 11.57%    |

Top Holdings Within The Underlying Fund

|                                      |                              |
|--------------------------------------|------------------------------|
| ROYAL BANK OF CANADA                 | SUNCOR ENERGY INC            |
| TORONTO-DOMINION BANK                | NATIONAL BANK OF CANADA      |
| BANK OF NOVA SCOTIA                  | SHOPIFY INC - CLASS A        |
| BANK OF MONTREAL                     | CANADIAN NATL RAILWAY CO     |
| ISHARES S&P/TSX 60 INDEX ETF (SHORT) | CANADIAN PACIFIC RAILWAY LTD |

Trailing Compounded Returns - Net of All Fees

|           | 1 Month | 3 Month | 6 Month | 1 Year | 3 Year | 5 Year | 10 Year | Inception |
|-----------|---------|---------|---------|--------|--------|--------|---------|-----------|
| Fund      | 4.87%   | 14.21%  | 5.58%   | 6.71%  | 2.60%  | 5.60%  | 6.84%   | 9.48%     |
| Benchmark | 2.35%   | 9.57%   | 3.35%   | 3.80%  | 6.04%  | 6.81%  | 6.45%   | 7.14%     |

Monthly Performance - Returns Are Net of All Fees

|      | Jan.   | Feb.   | Mar.    | Apr.   | May    | Jun.   | Jul.   | Aug.   | Sep.    | Oct.    | Nov.    | Dec.   | YTD     | Benchmark |
|------|--------|--------|---------|--------|--------|--------|--------|--------|---------|---------|---------|--------|---------|-----------|
| 2020 | 0.10%  | -8.01% | -21.86% | 12.46% | 5.20%  | 3.28%  | 5.45%  | 4.87%  |         |         |         |        | -2.78%  | -1.06%    |
| 2019 | 7.61%  | 2.93%  | -0.01%  | 3.45%  | -3.95% | 2.02%  | 0.31%  | -4.26% | 2.54%   | -0.49%  | 5.23%   | 2.22%  | 18.34%  | 22.89%    |
| 2018 | 0.01%  | -2.80% | -0.16%  | 1.34%  | 2.12%  | -0.31% | -0.64% | 0.23%  | 0.37%   | -8.34%  | -1.65%  | -5.77% | -14.98% | -8.89%    |
| 2017 | 0.02%  | 0.67%  | 0.72%   | -0.12% | 0.39%  | -0.31% | -0.14% | 0.69%  | 3.47%   | 3.90%   | 0.89%   | 1.79%  | 12.53%  | 9.10%     |
| 2016 | -3.49% | 1.08%  | 5.42%   | 4.60%  | 1.84%  | -0.95% | 2.25%  | 1.92%  | 1.50%   | 0.36%   | 1.99%   | 2.13%  | 19.98%  | 21.08%    |
| 2015 | -2.48% | 8.72%  | -1.73%  | 1.91%  | 1.28%  | -1.91% | -1.04% | -4.81% | -3.75%  | 3.71%   | 2.27%   | -2.41% | -1.00%  | -8.32%    |
| 2014 | -1.02% | 3.97%  | 1.93%   | 2.55%  | 1.46%  | 3.65%  | -1.53% | 3.86%  | -4.58%  | -2.57%  | -2.02%  | -0.93% | 4.41%   | 10.55%    |
| 2013 | 3.52%  | 1.59%  | 1.67%   | 0.67%  | 2.22%  | -1.56% | 2.34%  | 0.52%  | 2.14%   | 4.02%   | 2.86%   | 2.63%  | 24.99%  | 12.99%    |
| 2012 | 2.97%  | 1.16%  | -1.83%  | 0.04%  | -4.78% | 0.20%  | 2.60%  | 0.28%  | 3.20%   | 1.30%   | -0.38%  | 0.85%  | 5.47%   | 7.19%     |
| 2011 | 2.13%  | 3.02%  | -0.41%  | 0.70%  | -0.20% | -2.50% | -1.82% | -3.54% | -6.86%  | 4.82%   | 0.33%   | 1.18%  | -3.63%  | -8.71%    |
| 2010 | -0.90% | 5.00%  | 2.32%   | 2.71%  | -4.62% | -1.80% | 4.22%  | 2.13%  | 4.31%   | 2.11%   | 1.90%   | 2.93%  | 21.79%  | 17.61%    |
| 2009 | -3.83% | -5.15% | 6.82%   | 4.35%  | 11.44% | 2.20%  | 4.11%  | 3.29%  | 4.56%   | -0.77%  | 4.57%   | 3.14%  | 39.35%  | 35.05%    |
| 2008 | -4.31% | 3.04%  | 0.44%   | 2.43%  | 2.51%  | -0.94% | -7.33% | 5.57%  | -10.81% | -13.85% | -7.74%  | -4.39% | -31.70% | -33.00%   |
| 2007 | 2.47%  | 2.56%  | 0.40%   | 5.88%  | 4.70%  | -0.87% | -0.91% | -2.46% | 2.60%   | 2.20%   | -2.13%  | 1.99%  | 17.30%  | 9.83%     |
| 2006 | 5.09%  | -0.27% | 1.04%   | 0.76%  | -1.18% | -1.90% | 2.43%  | 1.78%  | -0.73%  | 2.52%   | -11.46% | 3.36%  | 0.44%   | 17.26%    |
| 2005 | 4.68%  | 1.97%  | 1.18%   | -5.07% | 2.22%  | 2.93%  | 5.01%  | 1.51%  | 0.74%   | -9.52%  | 7.41%   | 2.72%  | 15.64%  | 24.13%    |
| 2004 | 2.99%  | 4.95%  | 0.59%   | -6.66% | 0.24%  | 3.12%  | 2.58%  | 1.83%  | 3.57%   | 1.04%   | 3.86%   | 2.83%  | 22.47%  | 14.48%    |
| 2003 | 3.04%  | 0.90%  | -0.98%  | 4.16%  | 1.32%  | 7.43%  | -1.52% | 4.80%  | -1.37%  | 2.45%   | 3.35%   | 4.97%  | 32.05%  | 26.72%    |
| 2002 | 2.07%  | 5.40%  | 7.65%   | -7.93% | 3.63%  | 6.06%  | -4.90% | 1.51%  | 3.37%   | -0.37%  | -4.12%  | 4.28%  | 16.50%  | -12.44%   |
| 2001 |        |        |         |        |        |        |        |        | 0.24%   | 0.21%   | 2.31%   | 5.50%  | 8.42%   | 4.57%     |

Investment Objectives

The Fund's primary objectives are:  
 - To preserve capital  
 - To provide a steady stream of income  
 - To deliver trading-enhancing returns

Fund Details

Margin/equity ratio 10%-15%  
 Max. margin/equity ratio 25%  
 Inception Date Sep. 2001

Top Sector Mix

|                        |        |
|------------------------|--------|
| Consumer Discretionary | 8.9%   |
| Consumer Staples       | 5.3%   |
| Energy                 | 9.7%   |
| Financials             | 21.7%  |
| Health Care            | 2.4%   |
| Industrials            | 17.1%  |
| Technology             | 8.5%   |
| Basic Materials        | 12.6%  |
| Communication Services | 4.1%   |
| Utilities              | 7.0%   |
| Real Estate            | 8.1%   |
| Total                  | 105.4% |

Asset Allocation

|                  |        |
|------------------|--------|
| Common Equity    | 101.8% |
| Preferred Equity | 0.0%   |
| Fixed Income     | 0.0%   |
| Cash             | -1.8%  |

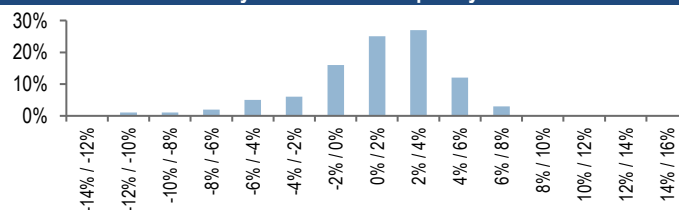
Market Exposure

|       |        |
|-------|--------|
| Long  | 107.7% |
| Short | 5.9%   |
| Gross | 113.6% |
| Net   | 101.8% |

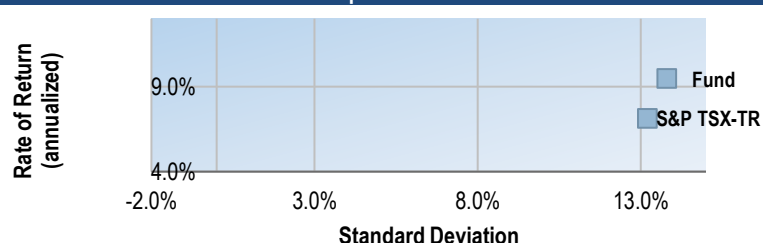
Geographic Allocation

|        |       |
|--------|-------|
| Canada | 96.3% |
| USA    | 3.7%  |

Fund Performance - Monthly Total Return Frequency



Plot of Risk versus Return Since Inception





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**Note to the Reader regarding Benchmarks:** This performance sheet uses a benchmark, the S&P/TSX Composite Total Return Index, as a comparison to the fund. Generally, there are two primarily Canadian indices that are widely known and followed: the S&P/TSX Composite Total Return Index and the S&P/TSX Venture Composite Index. Of the two, Palos has selected the S&P/TSX Composite Total Return Index as a benchmark because Palos believes that it is more comparable to the fund's investment strategy. However, there are certain differences between the index and the fund's investment strategy that investors and potential investors should understand in order for the comparison to be meaningful.

The primary investment strategy employed by the Fund is to apply qualitative, quantitative and comparative research in order to build and manage a portfolio of select high-grade and undervalued dividend-paying equity securities and income-paying debt securities. As a result, there are certain sectors that the fund is typically less exposed to than the benchmark, such as the highly volatile materials sector, because companies in this sector generally do not pay income at a level that is sufficient for the fund's strategy, and being less exposed lowers the fund's volatility. In addition, the fund typically chooses not to be exposed to certain sectors at all. Furthermore, the benchmark is composed purely of common stocks, while the fund includes preferred shares (approximately 5% of its total composition) and bonds (approximately 15%), although these allocations fluctuate. The fund is also partially exposed to the US market (approximately 8%, although this may fluctuate). The fund also uses short-term tactical trading strategies in addition to its primary investment strategy, and uses derivatives, such as covered call options, on a regular basis. The fund may also employ a limited amount of leverage and short selling, while the benchmark index is unleveraged and long only. As a result of the sector weighting, diversified asset allocation, geographical allocation, short term trading, short selling strategies, and covered call options, the fund usually has lower volatility than the benchmark, and different returns than the benchmark.

Finally, it is important to note that the fund is fundamentally different from the index. An index, in general, is a passive basket of securities, while the fund is actively managed. The fund and the manager incur expenses which are deducted from the assets of the fund (however, the returns presented on this performance sheet are net of expenses).

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