

This document contains key information you should know about the Palos Equity Income Fund (the “Fund”). Additional details can be found in the fund’s simplified prospectus. You may request a copy from your representative or contact Palos Management Inc. toll-free at (855) 725-6788 or info@palos.ca or visit www.palos.ca.

**Before investing in any fund, think about how it fits with other investments and your tolerance for risk.**

**Quick Facts**

<b>Fund code:</b> PAL101	<b>Fund Manager:</b> Palos Management Inc.
<b>Date series A started:</b> February 18, 2011	<b>Portfolio Manager:</b> Palos Management Inc., Charles Marleau
<b>Total Value of the Fund on April 30, 2024:</b> \$ 27,549,244	<b>Distributions:</b> Quarterly
<b>Management Expense Ratio (MER):</b> 2.68%	<b>Minimum Investment:</b> \$1,000 initial; \$500 additional

**What Does the Fund Invest In?**

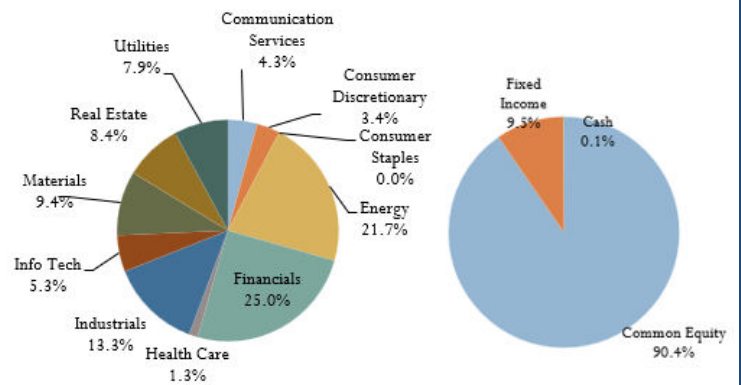
The Fund invests in a portfolio of primarily Canadian income-paying securities, such as equity securities of large-capitalization Canadian issuers that pay dividends or selected debt obligations that pay interest. The Fund also employs short-term trading techniques with the aim of enhancing returns. The Fund holds no more than 25% of non-Canadian securities.

The charts below give you a snapshot of the Fund’s investments on April 30, 2024. The Fund’s investments will change.

**Top 10 Investments (April 30, 2024)**

1	Royal bank of Canada	3.98%
2	Toronto-Dominion Bank	3.85%
3	Canadian Imperial Bank of Commerce	3.69%
4	Bank of Montréal	3.49%
5	BMO Short Federal Bond Index ETF	3.16%
6	BMO short Corporate Bond Index ETF	2.96%
7	National Bank of Canada	2.34%
8	TELUS Corp.	2.13%
9	Canadian Natural Resources Ltd	1.82%
10	Tourmaline Oil Corp.	1.75%
Total percentage of top 10 investments		29.17%
Total number of investments		92

**Investment mix (April 30, 2024)**



**How Risky Is It?**

The value of the Fund can go down as well as up. You could lose money.  
One way to gauge risk is to look at how much a Fund’s returns change over time. This is called “volatility”.  
In general, Funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

**Risk rating**

Palos Management Inc. has rated the volatility of this Fund as **medium**. This rating is based on how much the Fund’s returns have changed from year to year. It doesn’t tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low-risk rating can still lose money. For more information about the risk rating and specific risks that can affect



the fund’s returns, see the “What is a mutual fund and what are the risks of investing in a mutual fund?” section of the fund’s simplified prospectus.

**No guarantees**

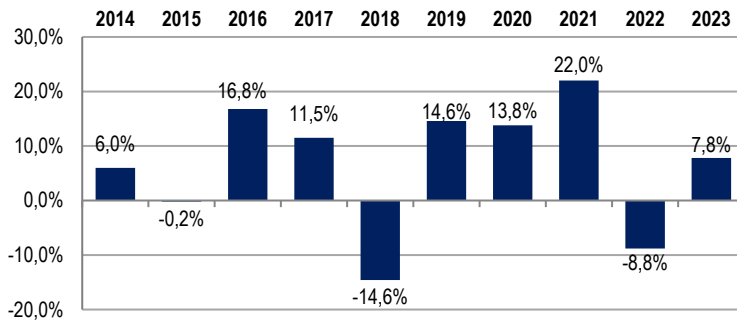
Like most mutual funds, this fund doesn’t have any guarantees. You may not get back the amount of money you invest.

## How has the Fund Performed?

This section tells you how the Series A units of the Fund have performed over the past ten years. Returns are after expenses have been deducted. These expenses reduce the Fund's returns.

### Year-by-year returns

The following chart shows how the Series A units of the Fund performed in each of the past ten calendar years. The series dropped in value in three of these ten years. The range of returns and change from year to year can help you assess how risky the Fund has been in the past. This is not an indication of how the Fund will perform in the future.



### Best and worst 3-month returns

This table shows the best and worst returns for series A units of the Fund in a 3-month period since inception. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ending	If you invested \$1,000 at the beginning of the period
<b>Best Return</b>	19.28%	June 30, 2020	Your investment would rise to \$1,193
<b>Worst return</b>	(24.49%)	March 31, 2020	Your investment would drop to \$755

### Average return

The annual compounded return of Series A units of the Fund was 5.75% since inception. If you had invested \$1,000 in the Fund at inception, your investment would now be worth \$2,098.

## Who is This Fund For?

Investors who:

- Are seeking a medium to long-term investment.
- Want to receive or reinvest quarterly income.
- Are interested in the appreciation potential of securities.
- Have a medium risk tolerance.
- Want a fund that can be held within a registered account (Registered Retirement Savings Plan, Registered Education Savings Plan, Tax-Free Savings Plan)

Don't buy this fund if you do not wish to be exposed to any degree of market volatility or need income on a more frequent basis than quarterly.

## A Word About Tax

In general, you will have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

## How Much Does it Cost?

The following tables show the fees and expenses you could pay to buy, own and sell Series A units of the fund. The fees and expenses – including any commission – can vary among series of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

### 1. Sales Charges

Neither the Fund nor Palos Management Inc. charge you any sales charges. Your representative may charge you an initial sales charge which usually range from 0% to 5% of the value of your investment. This is equivalent to an amount ranging from \$0 to \$50 per \$1,000 invested. The initial sales charge is deducted from the amount you buy. Palos Management Inc. does not receive any of these initial sales charges – they go directly to your representative. Sales charges are negotiated directly with your representative.

### 2. Fund Expenses

You don't pay these expenses directly. They affect you because they reduce the fund's returns.

As of December 31, 2023, the Series A expenses were 2.86% of its value. This equals \$28.60 for every \$1,000 invested.

Annual rate (as a % of the fund's value)	
<b>Management expense ratio (MER) December 31, 2023</b> This is the total of the series A management fee (including the trailing commission) and operating expenses. Palos Management Inc. waived some of the fund's expenses. If it had not done so, the MER would have been higher.	2.68%
<b>Trading Expense ratio (TER)</b> These are the fund's trading costs.	0.18%
<b>Fund expenses</b>	<b>2.86%</b>

### More about the trailing commission

The trailing commission is an ongoing commission paid to your investment dealer (excluding discount brokers). It is paid for as long as you own the fund. It is for services and advice that your representative and their firm provide to you.

Palos Management Inc. pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The current rate is up to 0.75% of the amount of your investment in the Fund. This equals up to \$7.50 for each \$1,000 that you invest in the fund.

### Performance Fee

The Fund pays an incentive fee to Palos Management Inc. equal to 20% of the amount by which the fund outperforms its benchmark, the S&P/TSX Composite Index over the calendar year. Such fee will not be payable if the cumulative total return of the fund is negative.

### 3. Other Fees

You may have to pay other fees when you buy, hold, sell or switch units of the Fund.

Fee	What you pay
Short-term trading fee	Up to 2% of the value of the units, payable on units you sell or switch within 90 days of buying them. This fee goes to the fund.
Transfer fee	You may have to pay your representative a fee of up to 2% of the value of the units you are transferring to a different Palos Fund (in the event Palos offers other funds). The transfer fee is negotiable with your representative.

### What if I Change My Mind?

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive the simplified prospectus or Fund Facts document or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

**For more information, see the securities law of your province or territory or ask a lawyer.**

### For More Information

Contact Palos Management Inc. or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

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To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at [www.securities-administrator.ca](http://www.securities-administrator.ca).