Palos Equity Income Fund

For the period ending October 30, 2026

PALOS

Reasons To Own The Fund

- Quarterly distributions, currently targeting $0.10 per unit per quarter
- The fund is managed to have lower volatility than the S&P/TSX Composite Index
- Short selling is used to execute certain short-term trading strategies

Investment Objectives

The Fund's primary objectives are:

- Provide long term capital growth
- Provide an attractive and steady stream of income
- Deliver trading-enhancing returns

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.

Asset Allocation

Common Equity	95.0%
Preferred Equity	0.0%
Fixed Income	4.7%
Cash	0.3%

Market Exposure

Long	99.7%
Short	0.0%
Cash	0.3%

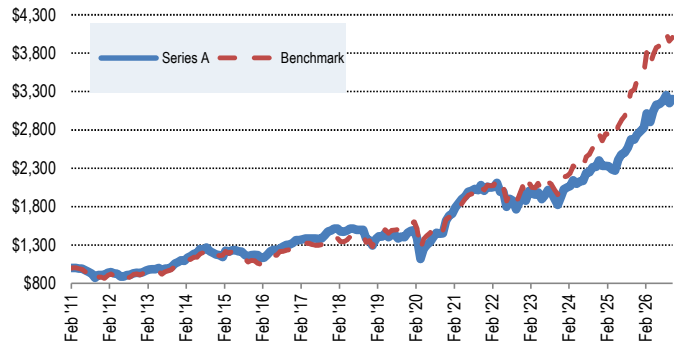
Geographic Allocation

Canada	100.0%
USA	0.0%

Top Sector Mix

Communication Services	1.8%
Consumer Discretionary	1.0%
Consumer Staples	1.3%
Energy	17.1%
Financials	22.9%
Health Care	3.5%
Industrials	17.8%
Materials	10.8%
Real Estate	7.8%
Technology	6.0%
Utilities	5.0%
Fixed Income	4.7%
Cash	0.3%
Total	100.0%

Fund Performance (Series A) - Cumulative Growth of $1,000



Trailing Compounded Returns (Series A) - Net of All Fees

	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	10 Year	Inception
Series A	1.75%	0.68%	5.32%	19.55%	20.60%	9.00%	9.40%	7.67%
Benchmark	1.24%	1.65%	6.00%	20.35%	26.95%	14.34%	12.44%	9.21%

Fund Details

Fund Type	Mutual Fund
Distribution Frequency	Quarterly
Base Currency	CAD
Benchmark	S&P/TSX Composite Index
Minimum Investment	$1,000
Additional Investment	$500

Series A

Management Fee	1.50%
Series Inception Date	Feb 18, 2011
FundSERV Code	PAL101
Load Structure	Front End
Unit Price	$9.97

Series F

Management Fee	0.75%
Series Inception Date	Feb 24, 2012
FundSERV Code	PAL102
Load Structure	No Load
Unit Price	$11.08

Top Holdings Within The Underlying Fund

TORONTO-DOMINION BANK	4.0%
CAN IMPERIAL BK OF COMMERCE	3.9%
ROYAL BANK OF CANADA	3.8%
BANK OF MONTREAL	3.7%
NATIONAL BANK OF CANADA	2.5%
SHOPIFY INC - CLASS A	2.1%
BMO SHORT CORPORATE BOND IND	2.1%
CANADIAN NATURAL RESOURCES	2.1%
ENBRIDGE INC	1.9%
BMO SHORT FEDERAL BOND INDEX	1.7%

Portfolio Management Team

The portfolio management team at Palos has specialized expertise managing Canadian income funds.

Charles Marleau, CIM®
Chief Investment Officer
William Mitchell, CIM®
Portfolio Manager
Steven Pavao, CFA
Portfolio Manager

Monthly Performance (Series A) - Returns Are Net of All Fees

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD	Benchmark
2026	1.53%	6.71%	-3.69%	4.60%	2.88%	0.34%	1.32%	2.35%	-3.31%	1.75%			14.95%	14.37%
2025	-0.08%	-0.15%	-1.73%	-0.74%	6.34%	2.75%	0.84%	2.79%	4.26%	-0.10%	2.32%	1.66%	19.41%	31.68%
2024	1.32%	0.97%	3.42%	-2.07%	1.57%	0.11%	4.99%	0.36%	2.94%	0.22%	3.64%	-2.90%	15.25%	21.64%
2023	6.68%	-1.56%	-0.74%	1.26%	-4.18%	2.31%	3.74%	-1.54%	-3.80%	-4.48%	5.57%	5.09%	7.75%	11.75%
2022	-0.63%	0.52%	2.69%	-5.54%	-0.08%	-9.84%	5.76%	-1.45%	-5.79%	5.43%	5.85%	-4.60%	-8.75%	-5.83%
2021	0.86%	5.10%	2.96%	2.96%	1.96%	3.11%	0.50%	1.29%	-0.81%	3.20%	-3.45%	2.63%	21.98%	25.09%
2020	0.48%	-6.71%	-19.44%	11.39%	4.26%	2.71%	4.77%	4.36%	-0.87%	0.09%	11.70%	4.29%	13.83%	5.60%
2019	6.54%	2.56%	-0.46%	3.13%	-3.44%	2.10%	0.08%	-3.30%	1.84%	-0.66%	4.22%	1.59%	14.63%	22.89%
2018	-0.11%	-2.63%	-0.28%	1.07%	1.69%	-0.05%	-0.78%	0.07%	-0.04%	-7.53%	-1.63%	-5.05%	-14.59%	-8.89%
2017	-0.05%	0.78%	0.92%	0.07%	0.13%	-0.29%	-0.19%	0.44%	2.79%	3.82%	0.63%	1.93%	11.45%	9.10%
2016	-3.16%	0.36%	3.71%	3.62%	1.67%	-0.83%	2.26%	1.78%	1.74%	0.27%	1.85%	2.55%	16.78%	21.08%
2015	-2.00%	7.01%	-0.85%	1.31%	0.45%	-1.45%	-0.34%	-3.78%	-1.65%	1.48%	0.75%	-0.75%	-0.20%	-8.32%
2014	-0.88%	3.84%	2.00%	2.24%	1.27%	4.08%	-0.97%	2.84%	-4.14%	-1.49%	-1.79%	-0.83%	5.97%	10.55%
2013	2.63%	1.05%	0.57%	-0.11%	1.38%	-2.65%	2.21%	-0.08%	2.22%	4.35%	1.42%	2.74%	16.71%	12.99%
2012	2.67%	1.28%	-1.76%	-0.26%	-4.51%	0.18%	1.92%	0.30%	2.50%	0.78%	-0.50%	1.06%	3.50%	7.19%
2011		0.10%	0.19%	-0.83%	-0.02%	-2.14%	-2.28%	-2.53%	-5.84%	3.80%	0.19%	0.40%	-8.88%	-13.32%

PALOS

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Palos is the investment fund manager and portfolio manager of the Palos Equity Income Fund (the "Fund").

The risks associated with investing in the Fund are described in the Fund's simplified prospectus available at: www.palos.ca. These risks are based on the Fund's investment objectives and strategies and describe the material risks of investing in the Fund under normal market conditions, when considering the Fund's portfolio as a whole rather than individual investments. You should discuss these risks with your investment advisor before investing.

Commissions, trailing commissions, management fees, and expenses may all be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate of return is the historical annual compounded rate of return, which includes changes in unit value and the reinvestment of all distributions, but does not take into account sales, redemptions, distributions, optional charges, or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

The Fund does not have a principal distributor. However, the Fund is available on a "no-load" basis if your investment advisor or discount broker has entered into a Series F agreement with Palos. To purchase the Series F Units of the Fund, your investment advisor must be managing your account on a "wrap" or flat-fee basis. Series F units are also available to investors who wish to purchase them through a discount broker who is not required to conduct a suitability assessment. The Fund does not pay trailer fees on Series F units. However, the Fund pays fees and operating expenses, including management fees, performance fees, brokerage commissions, taxes, registrar fees, audit and legal fees, Independent Review Committee fees, and other fund expenses. For more information, please refer to the Fund's prospectus under the heading "Fees and expenses payable by the Fund". Palos Funds are not available for non-Canadian residents.

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 widely recognized Canadian equity indices : the S&P/TSX Composite Total Return Index and the S&P/TSX Venture Composite Index. Palos has selected the S&P/TSX Composite Total Return Index as the most appropriate benchmark, as it is more comparable to the fund's investment strategy. However, important differences exist between the benchmark and the Fund's investment strategy that investors and potential investors should understand in order to interpret performance comparison meaningfully.

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% - 10% of its total composition) and bonds (approximately 5% - 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 short selling, while the benchmark index is long only. As a result, 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).

Palos Wealth Management
1 Place Ville-Marie, Suite 1670, Montreal, QC, H3B 2B6, Canada
Tel 514.397.0188
Fax 514.397.0199
www.palos.ca