



PALOS EQUITY INCOME FUND – QUARTERLY PORTFOLIO DISCLOSURE

QUARTERLY SUMMARY OF INVESTMENT PORTFOLIO (AS AT MARCH 31, 2011)

About Palos Investment Funds

Founded in 2001, Palos Management is a boutique asset management firm that provides straightforward advice for our clients and offers a full range of domestic, international and income oriented investment products and services.

Palos Investment Funds, one of Palos Management's divisions, offers fund management services and is committed to the goal of preserving and growing our individual and institutional investors' capital. Our fund investment philosophy is to use disciplined yet creative methods to achieve strong performance while managing risk. The specific investment objectives of each fund differ: some of our funds focus on income distributions whereas others offer tax advantages.


Palos Management executives invest significantly in all Palos Investment Fund products, directly aligning our interests with those of our clients.


About the Fund

The Palos Equity Income Fund is our first public, prospectus-based mutual fund. This Fund attempts to mirror the strategies of our flagship fund, the Palos Income Fund L.P., in a format that is eligible to be held in registered accounts such as RRSP or TFSA accounts.

To obtain a copy of the present disclosure, please contact us at our toll-free number or visit our website.

This summary of investment may change due to ongoing portfolio transaction of the Fund. Updates are available on a quarterly basis.

 Toll-free 1-855-725-6788

 www.palosmanagement.com

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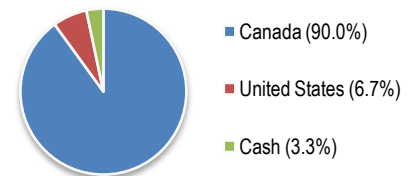
This report lists the top 25 holdings, the sector and country weightings of the Palos Equity Income Fund as at March 31, 2011. For more information, please visit www.palosmanagement.com or contact us at our toll-free number.

Top 25 holdings (as at March 31, 2011)	
Long Positions	% of NAV
Bank of Nova Scotia	3.5%
Toronto-Dominion Bank	3.5%
IESI-BFC	3.3%
TELUS	3.3%
ARC Resources Ltd	3.1%
Royal Bank of Canada	3.0%
SNC-Lavalin Group Inc	2.7%
Teck Resources Ltd	2.6%
Daylight Energy Ltd	2.6%
Vermilion Energy Inc	2.5%
Baytex Energy Corp	2.4%
RioCan Real Estate Investment Trust	2.4%
Northland Power Inc	2.4%
Boardwalk Real Estate Investment Trust	2.3%
Kinross Gold Corp	2.3%
National Bank of Canada	2.2%
Magna International Inc	2.2%
Enbridge Inc	2.2%
Suncor Energy Inc	2.1%
Bonavista Energy Corp	2.0%
Cineplex Inc	1.9%
Philip Morris International Inc	1.7%
Emerson Electric Co	1.7%
Keyera Corp	1.6%
Calloway Real Estate Investment Trust	1.6%

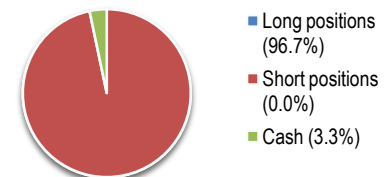
Fund details (as March 31, 2011)	
Net asset value per unit	\$8.77
Distribution per unit	\$0.20
Net asset value (in millions)	\$11.35
Inception date	Feb 18, 2011

Portfolio: Sector weighting	
Consumer Discretionary	6.0%
Consumer Staples	4.1%
Energy	30.2%
Financials	25.1%
Industrials	13.2%
Materials	10.0%
Telecommunication Services	3.7%
Utilities	4.4%
Cash	3.3%

Portfolio: Country weighting



Portfolio: Market exposure



Disclaimer – The risks associated with investing in the Fund are outlined in the simplified prospectus. You should discuss the risks of investing in the Fund with your financial advisor before making an investment in the Fund. Commissions, trailing commissions, management fees and expenses all may be associated with mutual funds investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently. Performance data represents past performance and is not indicative of future performance.