MULVIHILL PREMIUM YIELD

5-YEAR TRACK RECORD

7.0%

CURRENT YIELD
MONTHLY DISTRIBUTIONS

MPY HIGHLIGHTS

ACHIEVED 5-YEAR TRACK RECORD

7.4% TOTAL RETURN PER ANNUM*

TOTAL DISTRIBUTIONS PAID SINCE INCEPTION $2.74

DISTRIBUTION HAS GROWN 54% SINCE INCEPTION

ROC DISTRIBUTIONS

LOWER VOLATILITY & DRAWDOWNS

Distribution Details

Current Yield**	7.0%
Distribution Frequency	Monthly
Distribution Amount	$0.064/ mo
Cumulative Distributions Paid (SI)	$2.74
Tax treatment	ROC***

The Mulvihill Premium Yield Fund ("MPY") Class F celebrated its 5-year anniversary on November 30, 2024, with the announcement of an 18% increase in its monthly distribution, raising it from $0.0541 to $0.06400. The fund has achieved a year-to-date total return of 21.4%.

Since its inception five years ago, MPY has delivered an annualized total return of 7.4%. Over this period, the fund has grown its distribution by 54% and increased its target yield from the initial 5.0% to the current 7.0%. Moreover, 100% of the distributions since inception have been provided as tax-efficient return of capital (ROC). This yield growth has also been accompanied by a rise in the fund's net asset value (NAV), which has increased from $10.00 at inception to $10.95. Notably, these achievements have been realized with volatility and portfolio drawdowns more akin to fixed income investments than equities.

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*Since Inception of Class F units on 11/29/2019 to November 30, 2024
**Current Yield based on most recently declared distribution annualized, as a percentage of the net asset value as of November 30, 2024
Actual yield changes daily based on market conditions
***100% of 2020 -2023 distributions were ROC
See disclosure or visit www.mulvihill.com for further information about the fund

MPY: A 5-YEAR LOOK BACK

When MPY launched in November 2019, it was built around three core investment objectives:

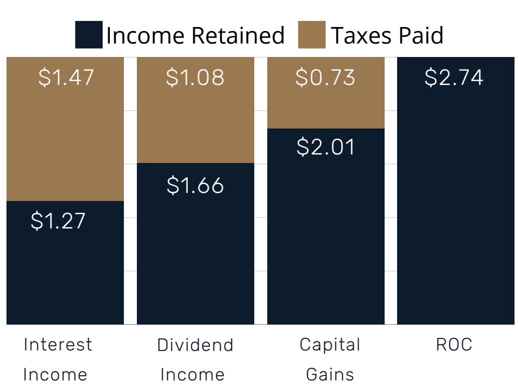
- Delivering an enhanced, tax-efficient yield of 5%
- Generating additional capital appreciation
- Reducing portfolio risk and volatility

Yield Objective

MPY launched with a target yield of 5% at a time when U.S. 10-year Treasury yields were below 2% and on the verge of dropping to near zero, as the COVID-induced global slowdown began just months later. Five years on, MPY has paid $2.74 in total distributions, increased its distribution rate three times for a cumulative rise of 54%, and now targets a yield of 7%, up from its original 5%.

The distributions paid have been entirely in the form of tax-efficient return of capital (ROC), offering additional benefits to investors compared to receiving income through interest, dividends, or capital gains. With the current size of the tax-loss pool, we expect fund distributions to remain in the form of ROC for the foreseeable future.

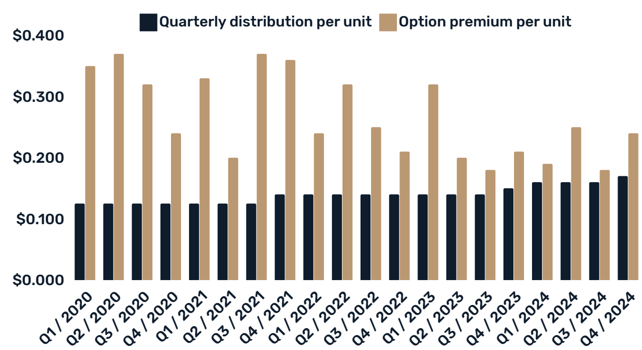
The amount of $2.74 in distributions that investors would have received versus the taxes paid, under various tax assumptions (for illustrative purposes only).



Source: Mulvihill Capital, Bloomberg
Assumes highest marginal tax-rate in Ontario

The option writing strategies have delivered a consistent stream of monthly income, complementing and enhancing the portfolio's underlying dividend income. On average, MPY has generated 0.9% per month in option premiums, providing confidence in our ability to raise and sustain distributions over the long term.

MPY distributions have been funded from option premiums generated



Source: Mulvihill Capital, Bloomberg

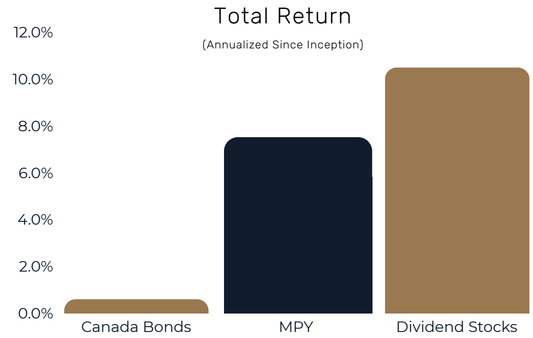
Capital Appreciation Objective

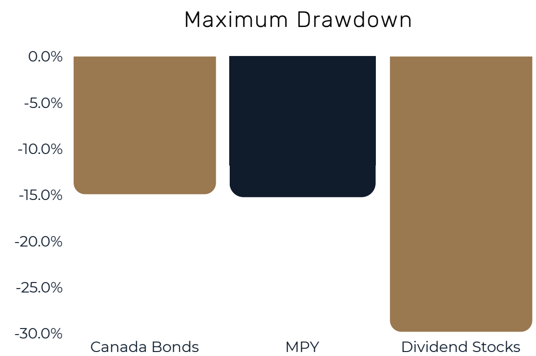
Since its inception, MPY has delivered annualized returns of 7.4%, successfully meeting its objective of generating additional capital appreciation and achieving total returns that exceed the initial 5% yield target.

Risk Objective

Over the past five years, the investment landscape has undergone a notable shift, marking the apparent end of the 40-year bull market in bonds. This change has prompted investors to reassess the role bonds play in their portfolios. As an alternative yield source, MPY has demonstrated strong performance, offering total returns comparable to equities but with volatility levels more aligned with bonds.

From a risk perspective, beyond volatility, maximum drawdown—the measure of how much a portfolio declines from its peak to its trough—is particularly significant. MPY's maximum drawdown of 14.9% was comparable to that of bonds and approximately half the nearly 30% drawdown experienced by the S&P/TSX Dividend Aristocrats. Despite matching bonds in drawdowns, MPY significantly outperformed, achieving a 7.4% annualized total return versus the Canada Aggregate's modest 0.6%.





*Since Inception of Class F units on 11/29/2019 to November 30, 2024
Canada Bonds = Bloomberg Canada Aggregate Bond Index
MPY = Mulvihill Premium Yield (Class F)
Dividend Stocks = S&P/TSX Dividend Aristocrats Index
Source: Mulvihill Capital, Bloomberg

2025 OUTLOOK: SHOW ME THE EARNINGS

Over the past five years, we've seen Trump come and go, then return again. We've endured a global pandemic that brought the world economy to a standstill, witnessed inflation surge to levels unseen since the 1970s, and watched a Federal Reserve transition from appearing lost to potentially achieving the impossible. We've experienced rising and falling interest rates, alongside escalating wars and geopolitical tensions. Through it all, stocks have generally performed well, while bonds have faced significant challenges.

Today, we find ourselves in a unique market environment where both multiples and earnings are on the rise. While it's clear we are no longer in the early stages of this bull market, it might not be as late in the cycle as some suggest. Factors like easing policy, deregulation, and tax incentives could still provide additional tailwinds to earnings and economic growth, potentially extending current market trends for some time.

At current levels, the case for significant multiple expansion is weak. Markets are undeniably expensive compared to historical norms, and the elevated P/E ratios will need to adjust eventually. This adjustment could come from either a decline in prices or a rise in earnings. As we look to 2025, the market may shift into a "show me the earnings" phase, where strong earnings growth will be critical to justify current valuations and market returns are likely to align more closely with earnings growth. If growth falters, investors will have no option but to reconsider paying the current 27x earnings for the S&P 500.

That said, not all markets are structured like the S&P 500, which is heavily weighted toward high-multiple, high-growth companies. While the S&P 500 trades at 27x earnings, alternatives such as the equal-weighted S&P 500 (21x), the TSX (20x), and EAFE markets (15x) present relatively better value. Investors seeking to diversify away from concentrated U.S. mega caps may find opportunities in these areas.

The concept of relative value extends well beyond equities and is crucial for investors to consider. If stocks are being sold on the basis of being overvalued, where will that capital flow? Potential destinations include cash, treasuries, investment-grade (IG) corporates, or high-yield (HY) bonds. However, the valuation of these asset classes must also be assessed. For example, the bond market's P/E (the inverse of the 10-year yield) stands at 23x, while IG and HY spreads over treasuries remain historically tight.

The bond market remains a source of concern, as emphasized in our outlook last year. At the start of 2024, bonds were widely favored as investors aimed to secure higher yields. However, it has proven to be another tough year for fixed income, with the Canada Aggregate Bond Index achieving only a 4.0% year-to-date return, significantly lagging behind equities, which have gained 25.8%.

Investor sentiment toward treasuries has flipped this year, with widespread caution around long-duration bonds. Many fear a spike in interest rates driven by factors such as persistent deficits, unfavorable supply-demand dynamics, and the potential resurgence of inflation, among others.

I share these concerns and believe that the return of bond vigilantes and a resulting spike in rates could ultimately serve as the catalyst to end this bull market. However, I'm not fully convinced that a surge in long-term yields will be a 2025 story, as some predict. Treasury short positioning is currently near record levels, suggesting that many investors are already heavily aligned on one side of the trade. In such scenarios, markets often surprise by moving in the opposite direction when positioning becomes overly one-sided.

While deficits and rising debt-to-GDP ratios are often cited as key drivers of a potential surge in interest rates, history offers compelling counterexamples. Even today, there are countries with significantly higher debt-to-GDP ratios than the current 120% in the U.S. For instance, China's total debt-to-GDP ratio is nearing 355%, yet its 10-year yield is hovering near all-time lows of around 2%. A similar case can be observed in Japan. These examples underscore that debt levels alone do not determine interest rate movements. Other factors—such as central bank policies, economic growth prospects, and global demand for safe assets—play pivotal roles in shaping yield dynamics.

To be clear, this is not an endorsement of bonds. Even if interest rates decline in an orderly manner, counter to consensus positioning, we anticipate certain equity market segments outperforming fixed income. On the other hand, if rates surge higher, the traditional diversification benefits of bonds—reliable for over four decades—could diminish, exposing investors to unforeseen risks. In our view, equity markets continue to present pockets of relative value and resilience compared to the current fixed-income environment.

Options Strategy

Volatility has experienced dramatic swings over the past five years, prompting an evolution in our option-writing approach. We've shifted towards writing more puts than calls and now view option premiums less as a risk-reduction strategy and more as a tool for income enhancement. This shift has been driven by key market changes, particularly the rise of online trading, DIY investors, and the expansion of options markets. These trends have created an environment where market corrections occur more rapidly compared to the historically gradual, extended bear markets.

Rapid declines diminish the effectiveness of writing options for downside protection. For instance, collecting monthly premium in a market that declines gradually is far more effective than collecting that same premium in a market that falls 10% in a single month. To address this challenge, we've prioritized the increased use of market-hedging strategies to guard against broad market drawdowns, which we believe are a more effective risk management tool in today's environment.

That said, option writing remains a key component of our strategy. It continues to generate valuable income for the portfolio, delivered as capital gains. These gains can be offset by the tax-loss pool embedded in the fund and distributed to investors as tax-efficient return of capital (ROC), maintaining the strategy's tax-advantaged nature.

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Returns are for the periods ended 11/30/2024 and are unaudited. Inception date for Class I is 11/29/2019. The table shows the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on the Net Asset Value per unit, and assumes that distributions made by the Fund were reinvested (at net asset value per unit) in additional units of the Fund.

Performance	1 Yr	3 Yr	5 Yr	SI
Class F	24.9%	5.4%	7.4%	7.4%

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