

Fund Facts



Palos WP Growth Fund

The trust agreement and other significant contracts are available upon request. This Term Sheet is dated January 7, 2019.

Organization Overview

Palos WP Growth Fund (the “Fund”) is an open-ended trust established on October 18, 2016 and amended on January 27, 2017. Palos Management Inc. (the “Firm”) is responsible for the investment decisions of the Fund. Palos Management Inc., a Canadian investment management company, specializes in income oriented securities markets in Canada and the U.S.

Investment Objectives

The Fund aims to provide investors with investment returns over the long term and to produce growth by investing primarily in listed equity securities and convertible debentures of Canadian and US companies.

Investment Strategy

The Manager intends to employ qualitative, quantitative and comparative research to manage a portfolio of selected high growth securities. The Fund shall take both long and short positions and shall employ market and statistical arbitrage techniques to maximize returns. In addition, the Fund will aim to produce returns above the S&P/TSX Toronto Stock Market Index by investing into companies with an attractive growth profile. The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Portfolio Characteristics	
Exposure	150% gross, 125% net
Strategy	Long Bias, high growth securities
Region	Canadian focused
Valuation Currency	Canadian dollars
Currency Hedging	Strategic hedging
Market cap	No bias

Summary of Terms		
	Series A	Series F
Fundserv Code	PAL200	PAL211
Management fee	1/12 of 2% of NAV + taxes (monthly)	1/12 of 1% of NAV + taxes (monthly)
Trailer fee	1%	N/A
High water mark	Perpetual, no reset	
Preferred return (Hurdle rate)	2.50% per quarter (10% annually)	
Performance fee	20% over preferred return and high water mark	
Redemption	Any time	
Redemption notice period	5 business days prior to the valuation day	
Early redemption fees	N/A	
Distribution	Quarterly (optional, at the discretion of the manager)	
Minimum Investment	Initial \$25,000, subsequent \$500 (at the discretion of the manager)	
NAV frequency	Daily	
Eligibility	Accredited investor or \$150K minimum exemption, or BC, NL, NB, NS exemption Canadian residents only; Eligible for registered accounts	

Note 1: Series A – Available to accredited investors

Note 2: Series F – Available to all investors who participate in fee-based programs through their dealers.

Fund Information	
Prime Broker:	NBIN Inc.
Legal Counsel:	Fasken Martineau DuMoulin LLP
Auditor:	PricewaterhouseCoopers LLP
Administrator:	SGGG Fund Services Inc.
Portfolio Managers:	Charles Marleau, CIM

Firm Information	
Firm:	Palos Management Inc.
Role:	Investment Fund Manager & Portfolio Manager
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