

Palos Mitchell Alpha Fund

For the period ended December 31, 2020

PALOS

Fund Description

The Palos-Mitchell Alpha Fund is an open-ended trust established on January 29, 2019. The fund is actively managed and has the dual objectives of capital preservation and generating long-term returns that are superior to the benchmark. The performance benchmark is designed to reflect the North American bias of the fund and is comprised of a 50% weighting in the TSX Composite Total Return Index (TRA) and a 50% weighting in the S&P 500 Total Return Index (TRA, CAD adjusted). NOTE: Using a Total Return Index which tracks expected returns from both capital gains and distributions (e.g. dividends or interest) more accurately reflects the performance of the markets compared to using an index alone.

Investment Objectives

The fund managers seek to create alpha (i.e. generate enhanced returns) by implementing strategies that aim for capital appreciation, income, risk mitigation, and capitalizing on tactical opportunities as they arise. The active strategies include holding common stocks, conservative covered options strategies, tactical sector rotation, and the hedging of risk.

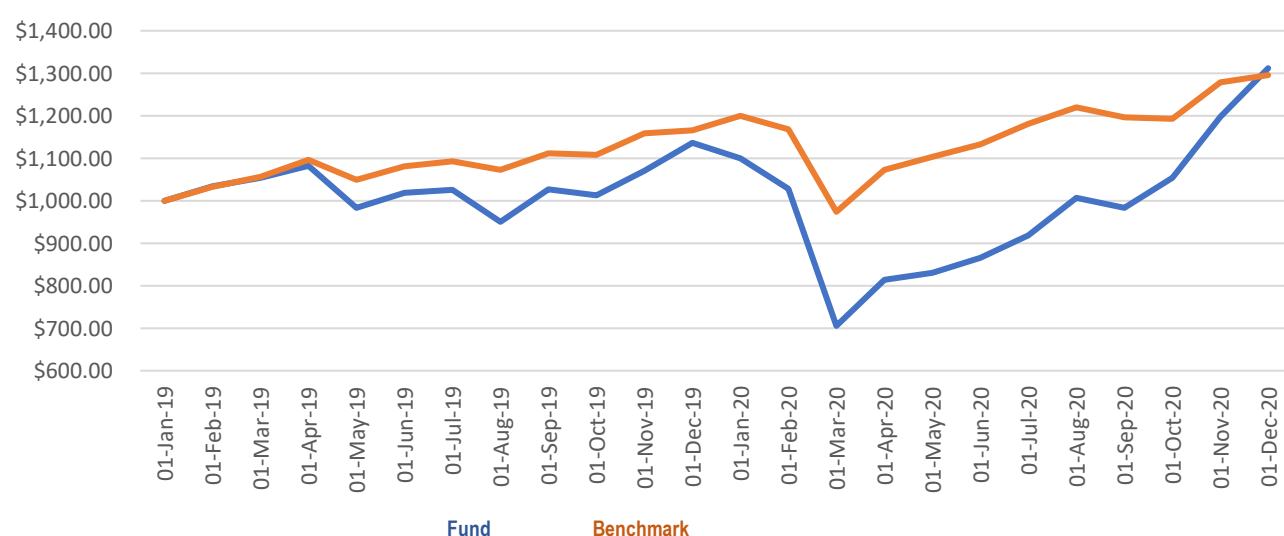
Asset Allocation

Common Equity	81.2%
Options and warrants	6.9%
Cash	11.9%
TOTAL	100.0%

Equity Sector Mix

Communication Services	0.0%
Consumer Discretionary	7.6%
Consumer Staples	3.8%
Energy	17.1%
Financials	0.0%
Health Care	7.0%
Industrials	4.3%
Technology	17.1%
Materials	17.3%
Real Estate	0.0%
Utilities	7.2%
Derivatives - Options and warrants	6.9%
Cash	11.9%
Total	100.0%

Fund Performance - Cumulative Growth of \$1,000 Since Inception



Returns by Period (after fund fees)

	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	10 Year	Inception
Fund	9.52%	33.36%	51.57%	15.50%				15.21%
S&P/TSX TRA	1.28%	8.97%	14.13%	5.60%				9.66%
S&P 500 TRA	1.43%	7.57%	14.55%	16.48%				19.18%

Performance since inception (after fund fees)

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD	Benchmark
2021														
2020	-3.13%	-6.60%	-31.34%	15.35%	2.06%	4.20%	6.09%	9.60%	-2.26%	7.13%	13.67%	9.52%	15.50%	11.13%
2019	N/A	3.38%	2.00%	2.65%	-9.11%	3.49%	0.70%	-7.27%	8.03%	-1.41%	5.71%	6.10%	13.57%	16.58%

Fund Details

Fund Type	Trust
Distribution Frequency	Periodically, as required
Registered Account Eligible	Yes
Base Currency	CAD
Performance Benchmark	50% weighting in the S&P/TSX Composite Total Return Index (Canada) and a 50% weighting in the S&P 500 Total Return Index (CAD adjusted).
Minimum Investment	\$25,000 or at the discretion of the manager

Series O

Management Fee	No management fee for clients of Palos Wealth Management Inc.
Series Inception Date	29-Jan-19
FundSERV Code	PAL300
Unit Price	\$11.90
Performance Fee	20% of performance above the benchmark
High Water Mark	Yes
Valuation	Weekly (on Tuesdays)
Number of stocks held	43

Top 15 Equity Holdings

LIGHTSPEED POS INC-SUB VOTE	5.1%
TESLA INC	5.1%
FIRST QUANTUM MINERALS LTD	3.9%
APPLE INC	3.8%
CONVERGE TECHNOLOGY S SOLUTIONS	3.4%
BIRCHCLIFF ENERGY LTD	3.0%
SEVEN GENERATIONS ENERGY - A	3.0%
METRO INC/CN	2.9%
LITHIUM AMERICAS CORP	2.7%
BORALEX INC -A	2.7%
CENOVUS ENERGY INC	2.6%
LULULEMON ATHLETICA INC	2.5%
INNERGEX RENEWABLE ENERGY	2.5%
YAMANA GOLD INC	2.5%
NANOXPLORE INC	2.4%

Portfolio Management Team

William Mitchell, CIM
Portfolio Manager

Charles Marleau, CIM
Portfolio Manager

Amelia Li
Portfolio Administrator

Fund Administrator: SGGG Fund Services Inc.

Auditor: PricewaterhouseCoopers LLC

PALOS MANAGEMENT PERFORMANCE MEASUREMENT UPDATE