

# Palos Mitchell Alpha Fund

For the period ended September 30, 2021

# PALOS

## Fund Description

The fund is an open-ended trust established on January 29, 2019. The fund's objectives are to 1) protect capital and 2) deliver superior long-term returns by investing in a selected portfolio of North American equities. The fund is actively managed and seeks to generate trading enhanced returns by implementing strategies designed to generate income, mitigate risk, and capitalize on market opportunities as they arise.

The fund's 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 and a 50% weighting in the S&P 500 Total Return Index (CAD adjusted). A total return index tracks both capital gains and distributions attributed to the components of the index.

## Fund Details

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

## Series O

|                              |   |
|------------------------------|---|
| <b>Management Fee</b>        | No management fee for clients of Palos Wealth Management Inc. |
| <b>Series Inception Date</b> | 29-Jan-19   |
| <b>FundSERV Code</b>         | PAL300  |
| <b>Unit Price</b>            | \$10.26   |
| <b>Performance Fee</b>       | 20% of performance above the benchmark                        |
| <b>High Water Mark</b>       | Yes   |
| <b>Valuation</b>             | Weekly (on Tuesdays)  |
| <b>Number of stocks held</b> | 44  |

## Top 15 Equity Holdings

|                               |      |
|-------------------------------|------|
| NANOXPLORE INC                | 5.1% |
| LIGHTSPEED COMMERCE INC       | 3.3% |
| VICINITY MOTOR CORP           | 2.9% |
| CONVERGE TECHNOLOGY SOLUTIONS | 2.8% |
| PULTEGROUP INC                | 2.6% |
| LEGATO MERGER CORP            | 2.4% |
| KIRKLAND LAKE GOLD LTD        | 2.4% |
| AGNICO EAGLE MINES LTD        | 2.4% |
| IMAX CORP                     | 2.2% |
| CAE INC                       | 2.1% |
| FARMERS EDGE INC              | 2.0% |
| SPARTAN DELTA CORP            | 2.0% |
| NEWMONT CORP                  | 1.9% |
| CRITICAL ELEMENTS LITHIUM CO  | 1.5% |
| TAMARACK VALLEY ENERGY LTD    | 1.5% |

## 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

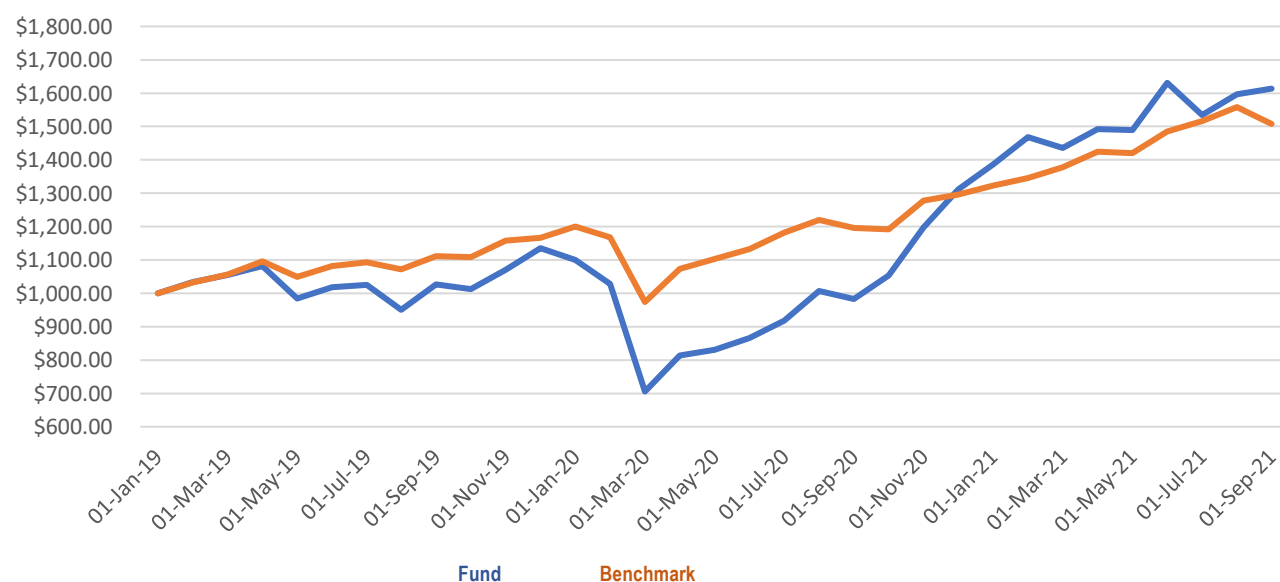
## Asset Allocation

|                      |               |
|----------------------|---------------|
| Common Equity        | 55.3%         |
| Options and warrants | 13.1%         |
| Cash                 | 31.6%         |
| <b>TOTAL</b>         | <b>100.0%</b> |

## Equity Sector Mix

|                                    |               |
|------------------------------------|---------------|
| Communication Services             | 3.4%          |
| Consumer Discretionary             | 4.6%          |
| Consumer Staples                   | 0.0%          |
| Energy                             | 7.4%          |
| Financials                         | 2.4%          |
| Health Care                        | 0.8%          |
| Industrials                        | 8.0%          |
| Technology                         | 11.5%         |
| Materials                          | 17.2%         |
| Real Estate                        | 0.0%          |
| Utilities                          | 0.0%          |
| Derivatives - Options and warrants | 13.1%         |
| Cash                               | 31.6%         |
| <b>Total</b>                       | <b>100.0%</b> |

## 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 |
|-------------|---------|---------|---------|--------|--------|--------|---------|-----------|
| <b>Fund</b> | 1.01%   | -1.10%  | 12.36%  | 63.99% |        |        |         | 19.64%    |
| S&P/TSX TR  | -2.22%  | 0.17%   | 8.70%   | 28.02% |        |        |         | 13.51%    |
| S&P 500 TR  | -4.19%  | 2.84%   | 10.03%  | 23.91% |        |        |         | 19.62%    |

## Performance since inception (after fund fees)

|             | Jan.   | Feb.   | Mar.    | Apr.   | May    | Jun.  | Jul.   | Aug.   | Sep.   | Oct.   | Nov.   | Dec.  | YTD    | Benchmark |
|-------------|--------|--------|---------|--------|--------|-------|--------|--------|--------|--------|--------|-------|--------|-----------|
| <b>2021</b> | 5.67%  | 5.89%  | -2.20%  | 3.95%  | -0.23% | 9.55% | -5.91% | 4.06%  | 1.01%  |        |        |       | 22.97% | 16.42%    |
| <b>2020</b> | -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%    |
| <b>2019</b> | 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%    |

PALOS MANAGEMENT PERFORMANCE MEASUREMENT UPDATE

