

# Palos Mitchell Alpha Fund - Series O

For the period ended June 30, 2024



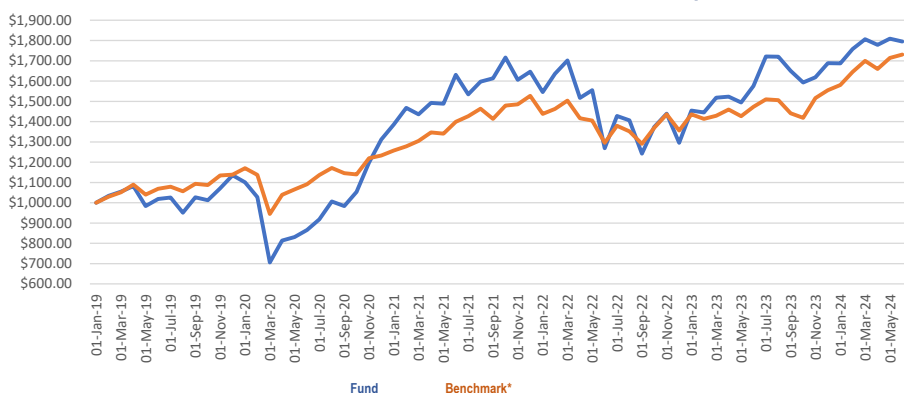
## Fund Description

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, for comparative purposes, is designed to reflect the North American bias of the fund and is comprised of a 50% weighting in the S&P/TSX Composite Index and a 50% weighting in the S&P 500 Index (CAD adjusted). The fund's performance benchmark is based on a 50% weighting in the S&P/TSX Composite Total Return Index and a 50% weighting in the S&P 500 Total Return Index (CAD adjusted). A Total Return index includes dividends of the index constituents whereas an index alone is based on constituent prices and does not include dividends. In other words, performance fees are only realized if the fund's performance exceeds both the total return benchmark and the high-water mark.

Asset Allocation		Equity Sector Mix	
Common Equity	84.9%	Communication Services	0.0%
Options and warrants	3.1%	Consumer Discretionary	12.8%
Cash	12.0%	Consumer Staples	9.1%
<b>TOTAL</b>	<b>100.0%</b>	Energy	12.2%
		Financials	0.1%
		Health Care	1.1%
		Industrials	10.3%
		Materials	17.5%
		Real Estate	0.0%
		Technology	21.9%
		Utilities	0.0%
		Derivatives - Options and warrants	3.1%
		Cash	12.0%
		<b>Total</b>	<b>100.0%</b>

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



## Returns by Period (after fund fees)

Fund	1 Month	3 Month	6 Month	Annualized*				10 Year	Inception*
				1 Year*	3 Year*	5 Year*			
Fund	-0.76%	-0.60%	6.34%	13.92%	3.25%	12.01%		11.41%	
S&P/TSX Composite	-1.77%	-1.31%	4.38%	8.54%	2.75%	5.95%		6.52%	
S&P 500 Index (CAD)	3.71%	4.98%	18.54%	26.83%	11.88%	14.16%		14.69%	

## Performance since inception (after fund fees)

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD	Benchmark
2024	-0.03%	4.17%	2.73%	-1.52%	1.70%	-0.76%							6.34%	11.32%
2023	12.20%	-0.61%	5.03%	0.33%	-1.88%	5.47%	9.23%	-0.09%	-4.01%	-3.53%	1.62%	4.32%	30.28%	14.62%
2022	-6.10%	5.86%	3.99%	-10.82%	2.48%	-18.42%	12.57%	-1.48%	-11.68%	10.56%	4.73%	-9.92%	-21.26%	-11.20%
2021	5.67%	5.89%	-2.20%	3.95%	-0.23%	9.55%	-5.91%	4.06%	1.01%	6.37%	-6.36%	2.44%	25.48%	23.85%
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%	8.33%
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%	13.85%

## Fund Details

Fund Type	Trust
Distribution Frequency	Periodically, as required
Registered Account Eligible	Yes
Base Currency	CAD
Benchmark*	50% S&P/TSX Composite Index (Canada) and a 50% S&P 500 Index (USA) in CAD.
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	\$10.78
Performance Fee	20% above the total return benchmark
High Water Mark	Yes
Valuation	Weekly (on Tuesdays)**
Number of stocks held	36

## Top 15 Equity Holdings

FIRST QUANTUM MINERALS LTD	5.5%
DELL TECHNOLOGIES -C	4.3%
NANOXPLORE INC	4.2%
ULTA BEAUTY INC	4.0%
CROWDSTRIKE HOLDINGS INC - A	4.0%
NVIDIA CORP	3.9%
CANADIAN NATURAL RESOURCES	3.7%
RUSSEL METALS INC	3.6%
ALIMENTATION COUCHE-TARD INC	3.5%
SHOPIFY INC - CLASS A	3.5%
ADVANCED MICRO DEVICES	3.4%
TOURMALINE OIL CORP	3.3%
LULULEMON ATHLETICA INC	3.1%
ATS CORP	3.0%
HERSHEY CO/THE	2.9%

## Portfolio Management Team

**William Mitchell, CIM®**  
*Portfolio Manager*  
**Charles Marleau, CIM®**  
*Chief Investment Officer*  
**Mengyun (Amelia) Li, CFA®**  
*Associate Portfolio Manager*  
**Ryan J. Mitchell**  
*Research and Business Development*

**Fund Administrator:** SGGG Fund Services Inc.

**Auditor:** PricewaterhouseCoopers LLC

**Custodian:** National Bank Independent Network

PALOS MANAGEMENT PERFORMANCE MEASUREMENT UPDATE

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**Note to the Reader regarding Benchmarks:** The fund's performance benchmark is based on a 50% weighting in the S&P/TSX Composite Total Return Index and a 50% weighting in the S&P 500 Total Return Index (CAD adjusted). The S&P/TSX Composite Total Return Index is a capitalization-weighted equity index that tracks the performance of the largest companies listed on Canada's primary stock exchange which is the Toronto Stock Exchange (TSX). The S&P 500 Total Return Index is a market index that tracks the performance of 500 large-cap companies listed on US stock exchanges. It is considered a benchmark for the overall performance of the US stock market. Unlike a standard index, which only measures the price changes of the stocks in the index, a "Total Return" index also considers dividends paid by constituent companies of the Total Return index.

**Note to the Reader regarding active management:** The primary objectives of the fund are 1) protection of capital and 2) to deliver long-term returns that are superior to the benchmark by investing in a select portfolio of North American large capitalization companies. The Fund is actively managed, employing various strategies. The management team employs qualitative, quantitative, technical, and comparative analysis during the security selection process. Covered options strategies are also employed to mitigate risk and generate income. Additionally, macroeconomic and sector analyses are used to determine optimal sector, industry, and geographic allocations within the fund. The fund may hold both long and short positions, with individual security short positions being "covered" for risk mitigation purposes.

An actively managed fund is fundamentally different from an index. An index, in general, is a passive basket of securities, while an actively managed fund, in this case, seeks to generate "alpha". Alpha is generally defined as excess returns above a benchmark's returns. Active management entails sector or individual security weightings that intentionally diverge from the index, periodically elevated cash levels intended as a defensive strategy, covered options strategies for risk mitigation purposes, and tax strategies related to efficient distributions. The fund and the manager incur expenses which are deducted from the assets of the fund, however, the returns presented on this performance sheet are net of expenses.