

# Term Sheet

## Palos WP Growth Fund

# PALOS

This Term Sheet provides a summary of the key terms and conditions of the Palos -Mitchell Alpha Fund as of June 30, 2025. The trust agreement and other important information are available upon request.

### Organization Overview

The Palos WP Growth Fund (the "Fund") is an open-ended trust established on October 18, 2016 and amended on January 27, 2017. Palos Wealth Management Inc. (the "Firm"), a Canadian wealth and investment management company, acts as the investment fund manager and portfolio manager of the Fund.

### Investment Objectives

The Fund aims to provide investors with long-term investment returns that are superior to the returns of the S&P/TSX Composite Index (the "Index"). The index is comprised of a broadly diversified basket of Canadian public companies.

### Investment Strategy

The Manager aims to generate superior returns by investing in companies characterized as "growth companies". The Manager employs qualitative, quantitative, and comparative research in the security selection process. Given the fund's growth profile, the manager will tend to focus on small and mid-capitalization companies as these companies offer the best prospects for growth. Securities held in the fund can include exchange-listed equities, convertible debentures, and equity warrants. The Manager has the discretion to hold both long and short positions. The manager may also elect to hold fixed-income securities, cash, or cash equivalents during periods of market weakness or for other reasons as determined by the Manager.

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)	
Outperformance definition	A calendar year in which the fund outperforms the market (meaning when the fund's return exceeds the S&P/TSX Composite Total Return Index and achieves a return over 10%) a performance fee corresponding to 20% of the outperformance will be paid to Palos Management Inc. Performance fees are crystalized quarterly.	
Redemption notice period	Daily, prior to 3:00 p.m. (Eastern time)	
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 all accredited investors.

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

Fund Information	
Prime Broker:	National Bank Independent Network
Legal Counsel:	Fasken Martineau DuMoulin LLP
Auditor:	PricewaterhouseCoopers LLP
Administrator:	SGGG Fund Services Inc.
Risk classification:	Speculative
Portfolio Managers:	Wakeham Pilot Charles Marleau, CIM

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