

# Term Sheet



## Palos-Mitchell Alpha Fund

This Term Sheet provides a summary of the key terms and conditions of the Palos-Mitchell Alpha Fund as of December 1, 2025. The trust agreement and other important information are available upon request.

### Organization Overview

The Palos-Mitchell Alpha Fund (the “Fund”) is an open-ended trust established on January 29, 2019. Palos Wealth Management Inc. (“Palos”, the “Firm” or the “Manager”), a Canadian wealth and investment management company, acts as the investment fund manager and portfolio manager of the Fund.

### Investment Objectives

The Fund's primary objectives are to 1) protect capital and 2) deliver superior long-term returns by investing in a core portfolio of primarily large and mid-capitalization global equities. The Fund is actively managed and uses a thematic, fundamental, and probabilistic approach for security selection. To achieve its objectives, the Manager will seek to enhance returns through opportunistic or event-driven trading, risk mitigation strategies, and tail risk hedging.

### Investment Strategy

The Fund invests in developed global markets as defined by the MSCI World Index. The Manager favors North American-listed securities to benefit from greater liquidity, time-zone alignment, and a strong regulatory framework. The Fund’s core investments include listed equities, listed derivatives (options), and depository receipts. The Fund may hold short positions at the discretion of the Manager. Furthermore, the Manager employs derivatives strategies to mitigate risk, increase convexity, or monetize volatility. Tail-risk mitigation strategies leverage expertise in derivatives and risk management to help protect the portfolio against adverse market conditions.

Fund information	
Exposure	150% of NAV
Strategy	Long bias, active
Region	Globally focused
Valuation Currency	Canadian dollars
Currency Hedging	Strategic
Market cap	Large and mid-cap bias
Derivatives	Yes (listed options)

Summary		
	Series A	Series F
Fundserv Code	PAL310	PAL320
Management Fee	2.5% of NAV (1.25% trailer fee to dealer firm)	1.25% of NAV
High Water Mark	Yes, perpetual	
Hurdle Rate	Absolute 5%	
Performance Fee	20% of the performance above the Hurdle Rate	
NAV Frequency (Valuation Day)	Once a week, on Tuesday, and on the last Business Day of each month. If a Tuesday is not a Business Day, the valuation will take place on the preceding Business Day.	
Redemption	Once a week. The payment is effected on the last Business Day of the week.	
Redemption Notice Period	5 Business Day prior to the Valuation Day	
Distribution Reinvestment Option	Yes	
Distribution	On the last Business Day of each calendar quarter and at year-end (at the discretion of the manager)	
Minimum Investment	Initial \$500, subsequent \$500	
Eligibility	Accredited investor exemption; Canadian residents only (excluding Newfoundland and Labrador); Eligible for registered accounts.	
Registered Accounts	RRSP, TFSA, RRRIF, LIF, RESP, RDSP, FHSA	

Fund Information	
Prime Broker and Custodian:	National Bank Independent Network
Legal Counsel:	Fasken Martineau DuMoulin LLP
Auditor:	PricewaterhouseCoopers LLP
Fund Administrator:	SGGG Fund Services Inc.
Fund Team:	William Mitchell, CIM® (PM) Alexandre Frenette, CIM®, CAIA™ (PM) Ryan J. Mitchell

Contact Information	
Firm:	Palos Wealth Management Inc.
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