



PALOS WEALTH MANAGEMENT

THE ART OF INVESTMENT

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Palos Management Inc.

1 Place Ville-Marie, Suite 1670, Montreal, Quebec, Canada H3B 2B6

T: +1.514.397.0188

F: +1.514.397.0199

www.palos.ca

Who We Are

Founded in 2001, Palos Management is a boutique investment firm based in Montreal. Our mission is to continuously earn our client's trust in growing, sustaining and protecting their wealth over many generations through exceptional management and service. We offer wealth management solutions, which include investment management, financial planning as well as tax and estate planning. In addition, Palos provides a variety of public and private investment funds as well as merchant banking services.

We are committed to giving our clients personalized advice and solutions that meet their objectives. Our team of professionals believes in the Art of Investment, which goes beyond the numbers and focuses on the people behind them.

Our interests are directly aligned with that of our clients. In fact, most of our financial investments are managed alongside yours. We manage your wealth as though it were our own.

Palos Wealth Management Team

Patrick Gagnon – *President (Palos Wealth Management)*

Graduated from McGill in 1986, Patrick began his career in 1987 as a Research Assistant at McNeil Mantha. By 1992, Patrick became a partner and head of the Institutional desk at Research Capital (Mackie Research Capital Corporation) in Montreal. After a short experience for a bank owned firm, Patrick joined the new kids on the block Griffiths McBurney and Partners (GMP Securities) in 1995. Patrick became one of the first partners in Montreal and rose through the ranks to become Managing Director and Branch Manager of the Montreal office. In 2016 and after 20 years of service with GMP Securities, it was decided that a new challenge awaited and Patrick decided to put his experience and knowledge to work with the Palos Team.

Robert Mendel, CIM – *Portfolio Manager (Palos Wealth Management)*

Robert has 26 years of experience in the securities industry, portfolio management and investment banking. In 1990, he co-founded Pro-Genesis, a securities dealer, and in 1999 with assets totalling over \$425 million, sold it to Dundee Securities where Robert stayed through 2005. Robert left Dundee to pursue investment banking and re-joined the investment industry in 2008 at then GMP Private Client - the forerunner to Richardson GMP. Robert specializes in derivatives trading and various options strategies and was the executing broker for a S&P 500 hedge program that had assets totalling over \$140 million. In 2017, Robert joined Palos Wealth Management, with the task of building up the Wealth management division.

Wakeham Pilot – *Director, Wealth Management*

A staple of Montreal's investment management scene, Wakeham Pilot started his career over 50 years ago at Jones-Heward. A partner at the time of the merger with Nesbitt-Burns, he transitioned into a senior role at BMO Harris Private Banking for more than 20 years. Wakeham joined Palos in 2015 and brought with him a priceless amount of experience and is the foundation for our investment philosophy.

Palos Management Team

Charles Marleau, CIM – *President (Palos Management Inc.) & Senior Portfolio Manager*

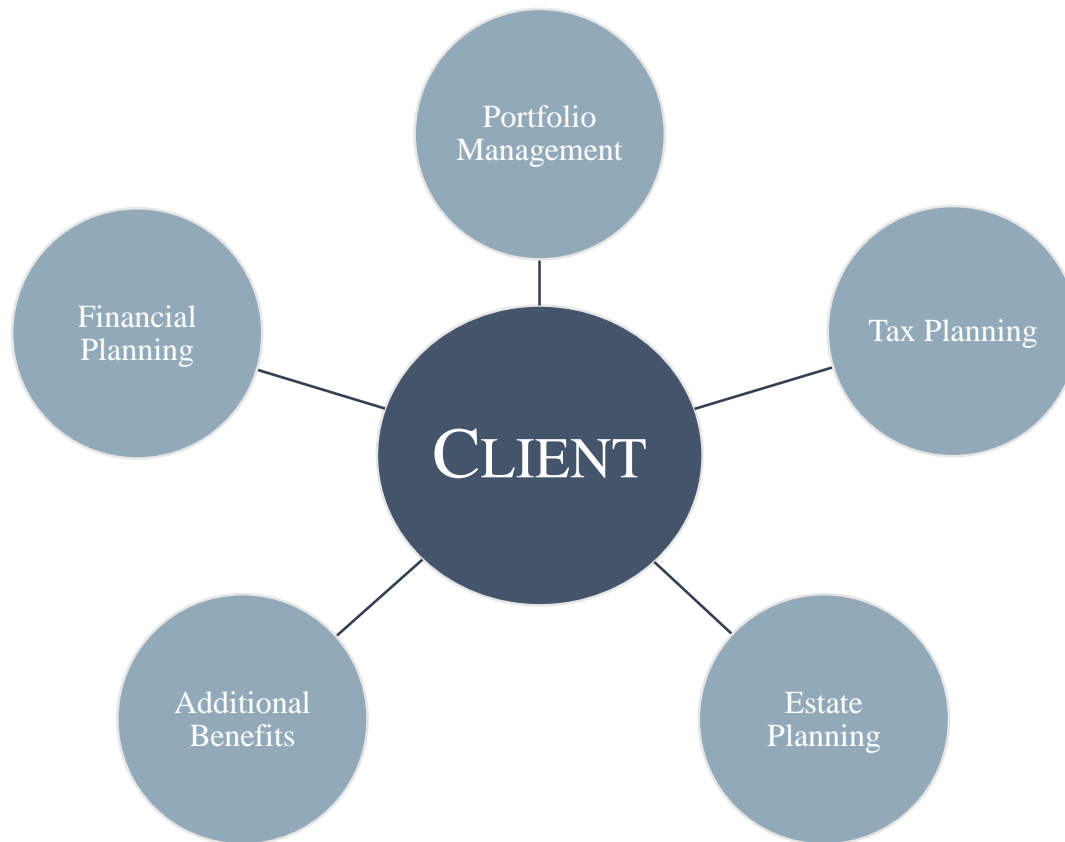
Charles is the founder and president of Palos and acts as a Senior Portfolio Manager of the funds. He sits on the Board of Directors of the Palos International Equity Income Fund PLC and serves on the Board of Directors of a private school and numerous public and private companies. Moreover, Charles is a member of the Institutional Equity Traders Association, Montreal University Club, Montreal Oil Club and the Entrepreneurs Organization. He graduated from McGill University with a Bachelor's degree in Economics and completed the Chartered Investment Manager (CIM) designation.

Bechara Haddad – *Portfolio Manager*

Bechara is responsible for supporting the portfolio managers in equity and industry analysis, developing models and maintaining performance reports. Previously, Bechara was an analyst at a portfolio management and CRM software company, where he specialized in finance, reporting and performance calculations. Bechara earned his Bachelor in Commerce with a specialization in finance from the John Molson School of Business at Concordia University, and is currently pursuing the CFA designation.

Our Mission & Vision

We aim to provide our clients with multi-disciplinary services to satisfy their needs.



The Art of Investment

Today, with information instantly available at the fingertips of all investors, the advantage one investor has over another is the ability to interpret that information. While we have the most efficient systems and tools at our disposal to help analyze companies, we believe true value is found in meeting and building relationships with management teams and in visiting their operations. It is the people behind the numbers that we seek to know and understand and ultimately invest in.

As such, we consider the following characteristics when making an investment decision:

High Insider
Ownership

Strong Free Cash Flow

Experienced
Management Teams

Sustainable Dividends

Growth Opportunities

Unique Market
Position

Idea Generation

The Investment Committee

- Meets daily to review macro and company specific news

Adjustments to the Portfolio

- Tools: Bloomberg, research, fundamental analysis, meeting with management

Review and Reassessment

- Monitor weightings and market movements

Portfolio Construction

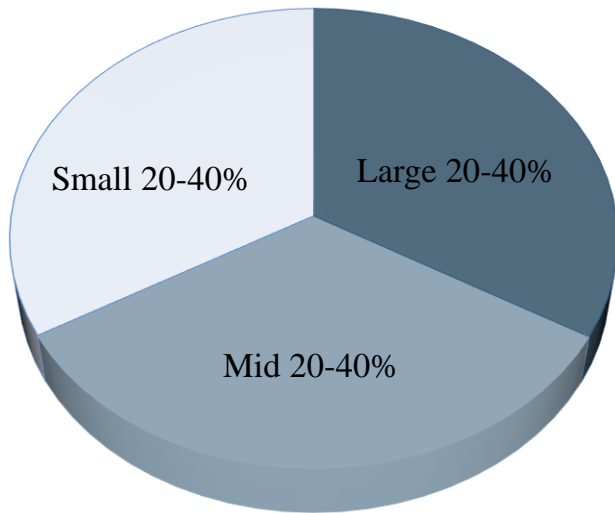
MARKET CAPITALIZATION

Targets

Large cap. (greater than 5B): 20-40%

Mid cap. (between 1B and 5B): 20-40%

Small cap. (less than 1B): 20-40%



POSITION SIZING

Initial stock positions are typically accumulated (and exited) incrementally in 2 to 4 tranches.

Capitalization	Conviction Level	Position Size
Large cap.	Initial position High conviction	1.0% 3.0%
Mid cap.	Initial position High conviction	1.0% 2.5%
Small cap.	Initial position High conviction	0.5% 2.0%

During holding periods, positions may be trimmed to take profit or increased during draw-downs

Conviction level may change based on company and industry news

Equity Income Strategy

Strategy Objectives

1. Provide an attractive and steady stream of income
2. Deliver trading-enhanced returns
3. Maintain lower volatility than the S&P/TSX Total Return Composite Index

EFFICIENT PORTFOLIO

Core Portfolio 60% - 80%

- Long-bias, dividend equity and fixed income
- Canadian (some US)
- Industry-theme driven
- Fundamental analysis
- Company management meetings
- Medium to long term holding period
- Dynamic Asset Allocation
- Large mid small micro cap
- Alternative Asset Funds

Active Trading Strategies 20% - 30%

- Short term holding period / high turnover
- Aims to enhance returns of core portfolio
- Opportunistic
- Aims to increase alpha, some strategies do not add market risk
- Option strategies

Our Fees

Doing Things Differently

At Palos Wealth, we believe in doing things simple. We believe in a one fee equitable approach and providing services that exceed expectations. As such, payable quarterly, our fee is 1% of the account value. We believe that your returns must foremost exceed our fees.

Appendix

Service Providers

PALOS WEALTH MANAGEMENT INC.

Prime Broker and Custodian	National Bank Correspondent Network
Insurance Coverage	CIPF (Canadian Investor Protection Fund)
Auditor (firm and funds)	Price Waterhouse Coopers LLP
Legal	Fasken Martineau LLP

Contact Us

Palos Wealth Management Inc.

1 Place Ville Marie, Suite 1670
Montreal, Quebec
H3B 2B6

Patrick Gagnon T. 514-307-0490
pgagnon@palos.ca

Robert Mendel T. 514-307-0459
rmendel@palos.ca

F. 514.397.0199

www.palos.ca