

PICTON MAHONEY TACTICAL INCOME FUND CLASS A



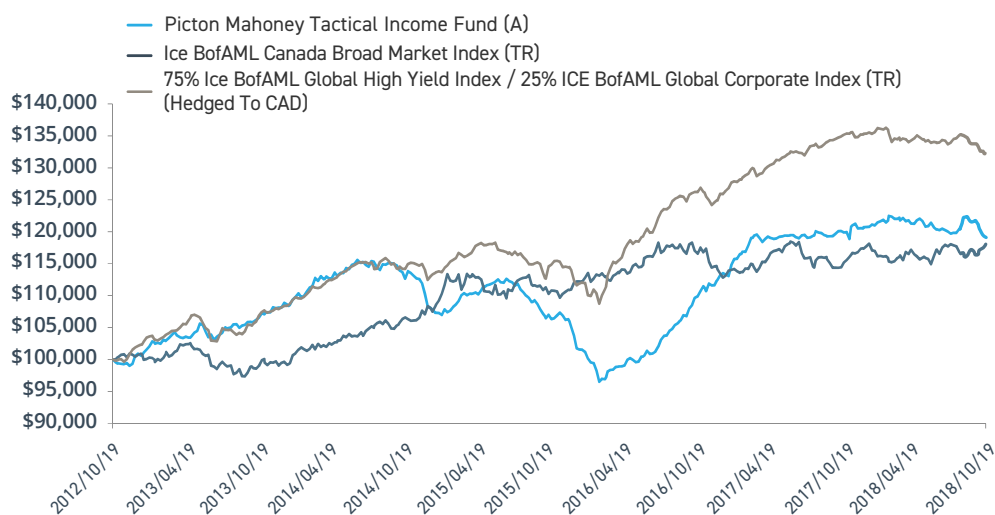
NOVEMBER 2018

OUTLOOK & REVIEW

- > In November, our Fund returned -2.09% (A Class) and -2.04% (F Class) which underperformed the blended benchmark composed of 75% ICE BofAML Global High Yield Index / 25% ICE BofAML Canada Broad Market Index (TR). October's volatility continued into November with another weak month for credit especially in cyclical and commodity related sectors. Detractors in the portfolio were the energy and financial sectors while healthcare and telecom contributed positively.
- > In contrast to October, November saw a flight to safety bid in government bonds. As credit spreads widen out, the all-in yield of the ICE BofAML Global High Yield Index now sits at 7.05% which is up 2.12% vs the lows in October 2017 and is starting to present interesting buying opportunities.
- > As the market awaits key macro catalysts in December (including G20, OPEC, Brexit vote, Fed decision), we remain defensively positioned while focusing on finding unique catalyst-driven yield-with-upside opportunities on the long side and story situations with real credit issues on the short side. While volatile markets can lead to a temporary portfolio mark-to-market impact, we look forward to these opportunities to deploy capital at attractive yields.

PERFORMANCE

Value of \$100,000 invested in Class A on October 19th, 2012



The Value of \$100,000 invested on October 19, 2012 is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of Class A units of the Fund or returns on investment in the Fund.

INVESTMENT OBJECTIVES

The investment objectives are: (i) to provide holders of Units ("Unitholders") with monthly distributions; (ii) to preserve capital and mitigate risk with less volatility and less correlation to high-yield and equity markets; and (iii) to maximize total return to Unitholders through distributions and capital appreciation, in each case through exposure to a diversified portfolio of income producing securities which will be actively managed by the Investment Manager.

INVESTMENT STRATEGIES

The Portfolio will be tactically managed and its composition will vary depending on market conditions but will primarily consist of long and short positions in high yield and investment grade bonds and, to a more limited extent, government bonds, convertible bonds, preferred shares and dividend paying equities, with a focus on North American issuers. In selecting securities for the Portfolio, the Investment Manager will focus on securities that it believes will maximize risk-adjusted returns and preserve capital to build a portfolio with less volatility and less correlation to the broader markets in which the Investment Manager will invest. The Investment Manager utilizes an investment process that combines a quantitative bottom-up approach with fundamental analysis and a top-down overlay. The Investment Manager believes this combination creates a highly disciplined and repeatable investment process consisting of four elements: quantitative discovery, fundamental confirmation, portfolio construction & risk controls and dynamic monitoring.

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PERFORMANCE (AS AT NOVEMBER 2018)

	1 Mo	3 Mo	6 Mo	1 Yr	3 Yr*	5 Yr*	10 Yr*	Since Inc*
Picton Mahoney Tactical Income Fund – Class A	-2.09%	-1.53%	-1.51%	-1.65%	3.82%	1.87%		2.82%
75% ICE BofAML Global High Yield Index / 25% ICE BofAML Global Corporate Index (TR) (Hedged to CAD)	-0.84%	-1.56%	0.59%	-1.49%	5.17%	4.27%		4.80%
Ice Bofaml Canada Broad Market Index (TR)	1.09%	0.57%	-0.14%	0.35%	1.81%	3.25%		2.60%

Note: (*) refers to average annualized performance

RETURN & RISK ANALYSIS

PERFORMANCE ANALYSIS

	PICTON MAHONEY TACTICAL INCOME FUND (A)	75% ICE BofAML GLOBAL HIGH YIELD INDEX / 25% BofAML GLOBAL CORPORATE INDEX (TR) (HEDGED TO CAD)	ICE BofAML CANADA BROAD MARKET INDEX (TR)
MTD Return	-2.09%	-0.84%	1.09%
YTD Return	-2.02%	-1.76%	0.01%
2013 Annual Return (Calendar Year)	7.71%	6.07%	-1.48%
2014 Annual Return (Calendar Year)	-1.00%	4.65%	9.10%
2015 Annual Return (Calendar Year)	-5.39%	-1.36%	3.57%
2016 Annual Return (Calendar Year)	11.35%	13.18%	1.54%
2017 Annual Return (Calendar Year)	7.01%	6.92%	2.69%

FUND HIGHLIGHTS

Maximum Drawdown	-15.71%	-6.21%	-3.96%
Period of Drawdown	Aug 14 - Feb 16	Jun 15 - Jan 16	May 13 - Aug 13
Time Under Water	29 months	10 months	11 months
Percentage of Positive Months	67.12%	69.86%	58.90%
Beta	0.47	1.00	1.00
Standard Deviation	3.72%	3.33%	4.18%
Sharpe Ratio	0.54	1.17	0.44
Worst Month	-4.13%	-2.69%	-2.06%

TOP 5 LONG POSITION:

Canada	0.50%	02/01/19
Canada	1.75%	03/01/19
Royal Bank of Scotland	1.625%	12/29/49
Standard Chartered	1.6875%	11/29/65
Standard Chartered	1.7125%	12/06/65

EXPOSURES

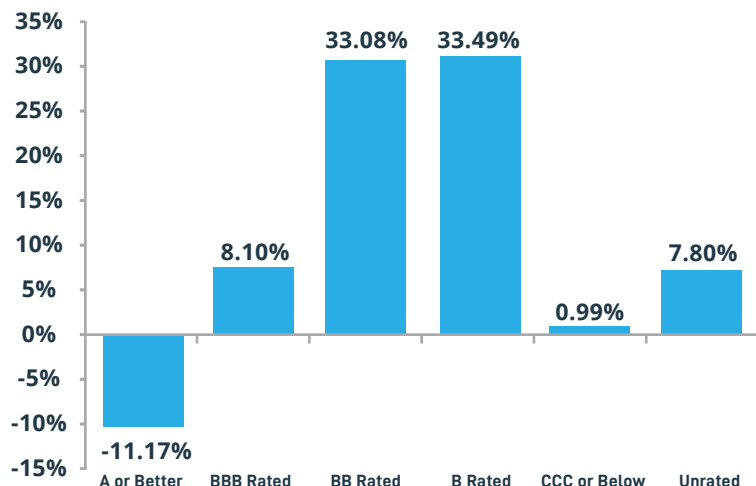
	%
Long	134.37
Short	-64.16
Gross	198.53
Net	70.21

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RATING DISTRIBUTION



SECURITY TYPE ALLOCATION

	Long	Short	Net
Rate	-13.70%	-22.31%	-8.61%
Credit	113.09%	-41.32%	71.77%
Hybrid	7.00%	0.00%	7.00%
Other	0.58%	-0.53%	0.06%
Total	134.37%	-64.16%	70.21%

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1. Based on the net asset value per Class A unit on inception date October 19, 2012, net of the agent's fees as outlined in the fund's prospectus.

This material is intended for use by Investment Advisors, including with their clients.

This report is published on November, 2018. The inception date of the Class A Units of the Fund is October 19, 2012. Performance and Performance Analysis data is presented since inception for Class A Units of the Fund. Maximum Drawdown, Period of Drawdown and Time Under Water are calculated using monthly data. Beta, standard deviation and Sharpe Ratio are calculated using data from each weekly valuation date. Option positions against credit indices are included in the credit component of the security type allocation. Top 5 holdings are reported in alphabetical order. Performance data is compared to 75% ICE BofA Merrill Lynch Global High Yield Index / ICE 25% BofA Merrill Lynch Global Corporate Index (TR) (Hedged to CAD) and the ICE BofA Merrill Lynch Canada Broad Market Index (TR) (for informational purposes only). The composition of the Fund's portfolio will significantly differ from the Index due to the investment strategy employed. This material is for informational purposes only, is subject to change and is not an offer or solicitation to sell units of the Fund. You will usually pay brokerage fees to your dealer if you purchase or sell units of the Fund on the Toronto Stock Exchange. If the units are purchased or sold on the Toronto Stock Exchange, investors may pay more than the current net asset value when buying units of the Fund and may receive less than the current net asset value when selling them. There are ongoing fees and expenses associated with owning units of an investment fund. An investment fund must prepare disclosure documents that contain key information about the fund. You can find more detailed information about the Fund in these documents. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account certain fees such as redemption fees or income taxes payable by any security holder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.