

# FORTIFIED ALPHA ALTERNATIVE FUND



**THINK AHEAD.  
STAY AHEAD.**



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## MANAGEMENT'S RESPONSIBILITY STATEMENT

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The accompanying financial statements have been prepared by Picton Mahoney Asset Management, the Manager of the Picton Mahoney Fortified Alpha Alternative Fund (the "Fund"). The Manager is responsible for all of the information and representations contained in these financial statements.

The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgements. Management maintains appropriate processes to ensure that relevant and reliable financial information is produced.

### **Picton Mahoney Asset Management**

Toronto, Ontario

August 29, 2022

## NOTICE TO UNITHOLDERS

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The auditor of the Fund has not reviewed these financial statements.

Picton Mahoney Asset Management, the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice.

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## STATEMENT OF FINANCIAL POSITION

As at June 30, 2022 (unaudited)

	June 30, 2022 \$
<b>Assets</b>	
<b>Current assets</b>	
Long positions at fair value*	34,697,498
Cash	10,957,261
Options purchased*	208,442
Unrealized gain on futures contracts	7,678
Due from Manager	3,060
Subscriptions receivable	33,629
Receivable for investments sold	1,918,968
Dividends receivable	24,016
Interest and other receivable	232,024
	<u>48,082,576</u>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Short positions at fair value**	18,738,737
Options written**	128,390
Management fee payable	9,784
Accrued liabilities	10,165
Payable for investments purchased	2,375,781
Interest payable	88,288
Dividends payable	14,874
	<u>21,366,019</u>
<b>Net Assets Attributable to Holders of Redeemable Units</b>	<u>26,716,557</u>
<b>Net Assets Attributable to Holders of Redeemable Units per Class</b>	
Class A	241,716
Class F	3,248,239
Class FT	36,836
Class I	16,215,704
Class ETF	<u>6,974,062</u>
<b>Number of Redeemable Units Outstanding</b>	
Class A	24,648
Class F	330,626
Class FT	3,782
Class I	1,648,018
Class ETF	<u>710,000</u>
<b>Net Assets Attributable to Holders of Redeemable Units per Unit</b>	
Class A	9.81
Class F	9.82
Class FT	9.74
Class I	9.84
Class ETF***	<u>9.82</u>
	<u>36,797,058</u>
	<u>(20,289,619)</u>
	<u>9.83</u>

\* Long positions, at cost

\*\*Proceeds on investments sold short

\*\*\* Closing Market Price (TSX)

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Manager

David Picton

Arthur Galloway




President

CFO

## STATEMENT OF COMPREHENSIVE INCOME (LOSS)

For the period May 4, 2022 (commencement of operations) to June 30, 2022

	2022 \$
<b>Income</b>	
Net gains (losses) on investments and derivatives	
Interest for distribution purposes	154,544
Dividends	62,213
Net realized gain (loss) on investments and options	(2,513)
Net realized gain (loss) on and futures	(51,329)
Change in unrealized appreciation (depreciation) on investments, options and futures	(458,488)
Interest and borrowing expense	(49,234)
Dividend expense	(65,580)
Net gains (losses) on investments and derivatives	<u>(410,387)</u>
Other income	
Foreign currency gain (loss) on cash and other assets and liabilities	38,413
Total Income	<u>(371,974)</u>
<b>Expenses</b>	
Transaction costs	34,512
Management fees	8,729
Administrative fees	5,304
Harmonized sales tax	2,243
Audit fees	1,416
Legal fees	916
Independent review committee expense	840
Withholding taxes	724
Securityholder reporting fees	520
Performance fees	146
Total expense before manager absorption	<u>55,350</u>
Less expenses absorbed by manager	<u>(3,224)</u>
Total expense after manager absorption	<u>52,126</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>(424,100)</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class</b>	
Class A	(2,170)
Class F	(25,168)
Class FT	(664)
Class I	(354,871)
Class ETF	<u>(41,227)</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit</b>	
Class A	(0.14)
Class F	(0.13)
Class FT	(0.18)
Class I	(0.17)
Class ETF	<u>(0.13)</u>

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period May 4, 2022 (commencement of operations)  
to June 30, 2022

	2022 \$
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>	
Class A	-
Class F	-
Class FT	-
Class I	-
Class ETF	-
	<u>-</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	
Class A	(2,170)
Class F	(25,168)
Class FT	(664)
Class I	(354,871)
Class ETF	(41,227)
	<u>(424,100)</u>
<b>Redeemable Unit Transactions</b>	
Proceeds from redeemable units issued	
Class A	243,886
Class F	3,303,083
Class FT	37,500
Class I	23,037,500
Class ETF	7,015,289
	<u>33,637,258</u>
Reinvestments of distributions to holders of redeemable units	
Class A	-
Class F	-
Class FT	313
Class I	-
Class ETF	-
	<u>313</u>
Redemption of redeemable units	
Class A	-
Class F	(29,676)
Class FT	-
Class I	(6,466,925)
Class ETF	-
	<u>(6,496,601)</u>
<b>Net Increase (Decrease) from Redeemable Unit Transactions</b>	<u>27,140,970</u>
<b>Distributions to Holders of Redeemable Units</b>	
From net investment income	
Class A	-
Class F	-
Class FT	(313)
Class I	-
Class ETF	-
	<u>(313)</u>
<b>Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>26,716,557</u>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>	
Class A	241,716
Class F	3,248,239
Class FT	36,836
Class I	16,215,704
Class ETF	6,974,062
	<u>26,716,557</u>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>	<u>26,716,557</u>

## STATEMENT OF CASH FLOWS

For the period May 4, 2022 (commencement of operations) to  
June 30, 2022

	2022 \$
<b>Cash Flows from Operating Activities</b>	
Increase (decrease) in net assets attributable to holders of redeemable units	(424,100)
Adjustments for:	
Unrealized foreign exchange (gain) loss on cash	(1,194)
Net realized (gain) loss on investments and options	2,513
Change in unrealized (appreciation) depreciation on investments, options and futures	458,488
Purchase of long positions and repurchases of investments sold short	(45,306,409)
Proceeds from sales of long positions and on investments sold short	29,255,730
(Increase) decrease in due from manager	(3,060)
(Increase) decrease in interest and other receivables	(232,024)
(Increase) decrease in dividends receivable	(24,016)
Increase (decrease) in interest payable	88,288
Increase (decrease) in dividends payable	14,874
Increase (decrease) in other payable and accrued liabilities	19,949
<b>Net cash generated (used) by operating activities</b>	<u>(16,150,961)</u>
<b>Cash Flows from Financing Activities</b>	
Proceeds from redeemable units issued	33,603,629
Amount paid on redemption of redeemable units	(6,496,601)
<b>Net cash generated (used) by financing activities</b>	<u>27,107,028</u>
Unrealized foreign exchange gain (loss) on cash	1,194
Net increase (decrease) in cash	10,956,067
Cash, beginning of period	-
<b>Cash, end of period</b>	<u>10,957,261</u>
<b>Cash</b>	10,957,261
<b>Cash overdraft</b>	-
<b>Net Cash (Overdraft)</b>	<u>10,957,261</u>
<b>Items Classified as Operating Activities:</b>	
Dividends received, net of withholding tax	37,473
Dividends paid	(50,706)

The accompanying notes are an integral part of the financial statements.

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
<b>LONG POSITIONS (130.5%)</b>									
<b>Canadian Equities (50.8%)</b>									
<b>Energy (5.0%)</b>									
	4,440	Advantage Energy Ltd.	47,981	35,520	2,320	Sprott Physical Uranium Trust	37,450	32,178	
	1,540	Cameco Corp.	46,196	41,672	2,178	SSR Mining Inc.	60,988	46,827	
	1,540	Canadian Natural Resources Ltd.	123,049	106,522	150	Stella-Jones Inc.	5,142	4,875	
	4,328	Cenovus Energy Inc.	107,764	105,993	27,379	Taseko Mines Ltd.	55,913	38,604	
	1,420	Enbridge Inc.	81,254	77,191	1,360	Wheaton Precious Metals Corp.	77,166	63,077	
	1,304	Enerflex Ltd.	9,939	7,915	322	Winpak Ltd.	13,776	14,165	
	1,200	Enerplus Corp.	20,054	20,412			<u>1,548,039</u>	<u>1,284,755</u>	
	13,035	Freehold Royalties Ltd.	202,366	166,066	<b>Industrial (6.4%)</b>				
	7,096	MEG Energy Corp.	153,575	126,451	3,853	ATS Automation Tooling Systems Inc.	136,209	136,204	
	3,280	NexGen Energy Ltd.	19,145	15,154	1,040	Badger Infrastructure Solutions Ltd.	31,696	29,370	
	4,040	North American Construction Group Ltd.	62,454	57,085	1,368	Bird Construction Inc.	11,132	10,219	
	4,724	NuVista Energy Ltd.	55,981	48,752	200	Boyd Group Services Inc.	30,074	27,732	
	3,171	Parkland Corp.	111,576	110,858	92	Canadian National Railway Co.	13,374	13,321	
	1,718	Pembina Pipeline Corp.	83,459	78,169	3,090	Canadian Pacific Railway Ltd.	287,321	277,822	
	3,716	ShawCor Ltd.	21,291	21,218	240	Cargojet Inc.	35,954	34,202	
	1,696	STEP Energy Services Ltd.	6,546	7,937	4,022	Chorus Aviation Inc.	13,272	13,152	
	1,360	Suncor Energy Inc.	64,177	61,418	687	Dexterra Group Inc.	4,596	3,799	
	20,401	Tidewater Midstream and Infrastructure Ltd.	26,358	26,725	1,880	Exchange Income Corp.	78,904	79,223	
	1,220	Tidewater Renewables Ltd.	15,548	13,969	2,929	Finning International Inc.	92,919	79,347	
	1,388	Total Energy Services Inc.	10,912	10,368	3,280	Hardwoods Distribution Inc.	103,409	92,693	
	2,870	Tourmaline Oil Corp.	205,305	192,089	2,148	Heroux-Devtek Inc.	31,811	29,857	
			<u>1,474,930</u>	<u>1,331,484</u>	4,402	Mullen Group Ltd.	53,345	49,699	
					2,470	Russel Metals Inc.	74,497	64,269	
<b>Materials (4.8%)</b>									
	3,600	Barrick Gold Corp.	104,141	81,936	215	Stantec Inc.	12,214	12,124	
	8,260	Capstone Copper Corp.	43,625	26,845	482	TFI International Inc.	51,138	49,805	
	1,450	CCL Industries Inc.	80,610	88,218	1,060	Thomson Reuters Corp.	129,472	142,241	
	9,636	Chemtrade Logistics Income Fund	70,706	78,148	1,376	Toromont Industries Ltd.	149,389	143,214	
	6,187	Copper Mountain Mining Corp.	14,341	10,518	968	Wajax Corp.	19,965	19,466	
	2,960	Discovery Silver Corp.	4,305	3,404	1,245	Waste Connections Inc.	203,948	198,702	
	6,400	First Quantum Minerals Ltd.	212,346	156,288	1,384	WSP Global Inc.	197,325	201,427	
	836	Franco-Nevada Corp.	162,825	141,552			<u>1,761,964</u>	<u>1,707,888</u>	
	3,500	Frontier Lithium Inc.	10,815	8,050	<b>Consumer Discretionary (2.8%)</b>				
	8,880	GoGold Resources Inc.	21,753	18,204	2,354	Aritzia Inc.	90,689	82,037	
	2,376	Hudbay Minerals Inc.	18,366	12,474	860	AutoCanada Inc.	25,124	21,122	
	4,000	i-80 Gold Corp.	11,240	9,280	966	Boston Pizza Royalties Income Fund	14,772	14,384	
	3,992	K92 Mining Inc.	37,457	31,018	300	BRP Inc.	30,782	23,766	
	4,000	Karora Resources Inc.	24,327	13,280	4,187	Diversified Royalty Corp.	11,432	10,802	
	5,632	Major Drilling Group International Inc.	60,170	50,857	2,611	Gildan Activewear Inc.	104,024	96,738	
	1,127	Methanex Corp.	57,228	55,415	2,512	Park Lawn Corp.	86,669	85,508	
	8,857	Neo Performance Materials Inc.	112,372	110,093	2,072	Pet Valu Holdings Ltd.	66,498	64,025	
	1,048	Nutrien Ltd.	132,525	107,430	824	Pizza Pizza Royalty Corp.	10,478	10,012	
	17,920	OceanaGold Corp.	57,314	44,262	1,825	Sleep Country Canada Holdings Inc.	47,335	43,837	
	3,257	Orla Mining Ltd.	18,293	11,465	5,321	Spin Master Corp.	247,307	223,535	
	6,080	Prime Mining Corp.	17,244	9,910	2,888	Uni-Select Inc.	82,253	82,597	
	2,196	Solaris Resources Inc.	25,601	16,382			<u>817,363</u>	<u>758,363</u>	
					<b>Consumer Staples (2.4%)</b>				
					1,645	Alimentation Couche-Tard Inc.	91,802	82,595	



# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	1,933	Empire Co., Ltd.	80,753	76,643					
	1,799	George Weston Ltd.	280,602	270,516					
	378	Jamieson Wellness Inc.	12,730	13,536					
	1,833	Neighbourly Pharmacy Inc.	45,962	44,909					
	2,255	North West Co Inc.	80,207	75,069					
	7,684	Rogers Sugar Inc.	47,488	46,488					
	6,086	Waterloo Brewing Ltd.	27,792	24,953					
			<u>667,336</u>	<u>634,709</u>					
<b>Health Care (0.2%)</b>					<b>Communication Services (1.7%)</b>				
	2,400	Chartwell Retirement Residences	28,674	26,760	3,506	MDF Commerce Inc.	9,303	7,924	
	960	Cronos Group Inc.	3,726	3,456	2,028	Quebecor Inc.	56,780	55,790	
	10,800	kneat.com Inc.	33,070	28,080	2,952	Rogers Communications Inc.	198,718	182,079	
	680	Zymeworks Inc.	5,653	4,649	6,970	TELUS Corp.	219,115	199,830	
			<u>71,123</u>	<u>62,945</u>	1,198	WildBrain Ltd.	3,103	2,947	
							<u>487,019</u>	<u>448,570</u>	
<b>Financials (8.0%)</b>					<b>Utilities (3.1%)</b>				
	4,686	Alaris Equity Partners Income	82,238	77,506	11,634	AltaGas Ltd.	329,213	315,979	
	2,775	Bank of Montreal	369,976	343,488	1,857	Atco Ltd.	86,394	81,894	
	745	Bank of Nova Scotia	57,283	56,754	1,440	Boralex Inc.	55,790	61,747	
	1,960	Brookfield Asset Management Inc.	123,146	112,230	2,122	Canadian Utilities Ltd.	83,696	81,464	
	5,493	Canaccord Genuity Group Inc.	56,876	46,306	1,748	Capital Power Corp.	77,836	78,677	
	1,292	Canadian Western Bank	41,031	33,631	1,480	Hydro One Ltd.	51,826	51,223	
	4,080	Dominion Lending Centres Inc.	14,570	13,872	3,006	Polaris Infrastructure Inc.	53,541	58,527	
	23,608	Element Fleet Management Corp.	274,229	316,819	7,172	TransAlta Corp.	101,737	105,357	
	920	EQB Inc.	49,663	48,006			<u>840,033</u>	<u>834,868</u>	
	107	Fairfax Financial Holdings Ltd.	71,740	72,985	<b>Real Estate (4.1%)</b>				
	2,452	iA Financial Corp. Inc.	162,528	156,977	5,675	Artis Real Estate Investment Trust	66,896	66,738	
	800	Intact Financial Corp.	141,241	145,248	3,540	Boardwalk Real Estate Investment Trust	169,160	148,255	
	1,040	National Bank of Canada	96,014	87,849	3,433	BSR Real Estate Investment Trust	76,875	66,382	
	107	Onex Corp.	7,573	6,859	1,169	Colliers International Group Inc.	163,944	164,864	
	2,351	Royal Bank of Canada	303,297	293,029	549	Dream Impact Trust	2,665	2,580	
	286	Sprott Inc.	13,080	12,790	9,366	Dream Industrial Real Estate Investment Trust	124,756	113,141	
	740	Sun Life Financial Inc.	44,038	43,645	1,122	European Residential Real Estate Investment Trust	4,031	4,017	
	7,820	Trisura Group Ltd.	262,411	260,641	296	FirstService Corp.	45,677	46,217	
			<u>2,170,934</u>	<u>2,128,635</u>	2,380	Flagship Communities REIT	55,384	47,095	
<b>Information Technology (3.0%)</b>					820	Granite Real Estate Investment Trust	72,565	64,739	
	10,531	Celestica Inc.	139,757	131,848	7,868	H&R Real Estate Investment Trust	97,926	97,957	
	1,407	CGI Inc.	144,248	144,274	5,071	InterRent Real Estate Investment Trust	65,798	60,801	
	50	Constellation Software Inc.	98,937	95,544	1,754	Morguard North American Residential Real Estate Investment	29,971	28,731	
	1,105	Coveo Solutions Inc.	5,655	5,547	6,566	NorthWest Healthcare Properties Real Estate Investment Trust	81,769	79,186	
	1,633	Descartes Systems Group Inc.	122,647	130,624	1,074	Primaris Real Estate Investment Trust	13,235	13,135	
	548	Docebo Inc.	27,511	20,260	1,681	PRO Real Estate Investment Trust	10,304	10,389	
	630	Dye & Durham Ltd.	10,582	13,703	917	Slate Grocery REIT	13,007	13,342	
	585	Kinaxis Inc.	77,833	81,292	11,046	True North Commercial Real Estate Investment Trust	69,040	69,369	
	1,864	Magnet Forensics Inc.	41,505	32,191			<u>1,163,003</u>	<u>1,096,938</u>	
	1,000	Nuvei Corp.	64,137	46,520					
	1,708	Quarterhill Inc.	3,269	3,177					
	450	Shopify Inc.	21,276	18,099					
	2,208	TELUS International CDA Inc.	59,517	71,318					
			<u>816,874</u>	<u>794,397</u>					

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
<b>Index Equivalents (0.0%)</b>					USD	225,000	Trulieve Cannabis Corp. 8.000%, 2026-10-06	285,393	275,271
	1,680	CI Galaxy Ethereum ETF	21,406	7,980	CAD	250,000	Videotron Ltd. 3.125%, 2031-01-15	205,000	188,188
<b>Investment Funds (9.3%)</b>								6,901,112	6,722,778
	263,153	Picton Mahoney Fortified Arbitrage Plus Alternative Fund, Class I Units**	2,500,000	2,485,927	<b>Total Canadian Debt - Long</b>			<b>6,945,657</b>	<b>6,768,053</b>
<b>Total Canadian Equities - Long</b>									
					<b>Global Equities (13.9%)</b>				
					<b>United States Equities (11.7%)</b>				
<b>Canadian Debt (25.3%)</b>									
<b>Government Bonds (0.2%)</b>									
CAD	50,000	Canadian Government Bond 1.000%, 2027-06-01	44,545	45,275	530	Abbott Laboratories	76,218	74,281	
<b>Corporate Bonds (25.1%)</b>					185	Abbvie Inc.	35,575	36,550	
CAD	225,000	Air Canada 4.625%, 2029-08-15	201,938	191,508	544	Advanced Micro Devices Inc.	67,140	53,662	
CAD	700,000	AutoCanada Inc. 5.750%, 2029-02-07	664,125	620,375	248	Agilent Technologies Inc.	38,446	37,996	
CAD	250,000	Bank of Montreal 4.309%, 2027-06-01	250,000	245,810	500	Alcoa Corp.	40,196	29,398	
CAD	525,000	Bank of Nova Scotia 7.023%, 2082-07-27	525,000	527,976	21	Alphabet Inc., Class A	62,826	59,034	
CAD	200,000	Canadian Imperial Bank of Commerce 7.150%, 2082-07-28	199,626	201,868	200	Amylyx Pharmaceuticals Inc.	5,104	4,969	
CAD	300,000	Chemtrade Logistics Income Fund 6.250%, 2027-08-31	306,000	301,050	930	Apollo Global Management Inc.	64,576	58,159	
USD	225,000	Curaleaf Holdings Inc. 8.000%, 2026-12-15	274,563	272,100	160	Arista Networks Inc.	22,966	19,347	
USD	200,000	First Quantum Minerals Ltd. 6.875%, 2026-03-01	254,652	238,118	220	Arthur J Gallagher & Co.	45,175	46,269	
USD	200,000	First Quantum Minerals Ltd. 6.875%, 2027-10-15	250,746	231,346	200	Aspen Aerogels Inc.	5,466	2,549	
CAD	300,000	iA Financial Corp. Inc. 6.611%, 2082-06-30	302,400	296,883	900	BellRing Brands Inc.	27,267	28,896	
CAD	350,000	NuVista Energy Ltd. 7.875%, 2026-07-23	368,228	350,219	40	Broadcom Inc.	30,007	25,067	
CAD	400,000	Parkland Corp. 3.875%, 2026-06-16	356,000	356,000	1,350	CCC Intelligent Solutions Holdings Inc.	14,597	16,021	
CAD	325,000	Parkland Corp. 6.000%, 2028-06-23	312,806	303,807	80	Charles River Laboratories International Inc.	24,762	22,081	
CAD	250,000	Royal Bank of Canada 4.500%, 2080-11-24	237,188	235,503	156	Cheniere Energy Inc.	28,886	26,770	
USD	250,000	Royal Bank of Canada 0.500%, 2085-06-29	263,624	261,492	220	Clear Secure Inc.	8,218	5,676	
CAD	775,000	Secure Energy Services Inc. 7.250%, 2026-12-30	767,063	756,836	175	CME Group Inc.	47,491	46,209	
CAD	40,000	Secure Energy Services Inc. 7.250%, 2026-12-30	39,400	39,017	300	Colgate-Palmolive Co.	29,727	31,013	
CAD	380,000	ShawCor Ltd. 9.000%, 2026-12-10	385,225	384,869	480	Copart Inc.	68,067	67,280	
CAD	200,000	Tamarack Valley Energy Ltd. 7.250%, 2027-05-10	200,750	197,500	136	Crowdstrike Holdings Inc.	30,492	29,571	
USD	40,000	Tervita Corp. 11.000%, 2025-12-01	56,270	56,209	144	Crown Holdings Inc.	20,111	17,121	
USD	150,000	Trulieve Cannabis Corp. 9.750%, 2024-06-18	195,115	190,833	244	Danaher Corp.	78,471	79,795	
					135	Datadog Inc.	17,839	16,585	
					176	Deere & Co.	84,070	67,989	
					200	Dollar Tree Inc.	41,324	40,208	
					460	Doximity Inc.	21,689	20,661	
					240	Edwards Lifesciences Corp.	31,373	29,439	
					235	Eli Lilly & Co.	87,928	98,287	
					88	Expedia Group Inc.	15,930	10,765	
					115	FedEx Corp.	35,339	33,631	
					350	First Republic Bank	65,806	65,104	
					530	Flywire Corp.	16,655	12,053	
					104	Gartner Inc.	34,285	32,443	
					84	Generac Holdings Inc.	26,974	22,818	
					648	HealthEquity Inc.	50,144	51,315	
					583	IBI Group Inc.	7,436	8,395	
					72	Intellia Therapeutics Inc.	4,537	4,807	
					150	Intuitive Surgical Inc.	43,951	38,836	
					130	LPL Financial Holdings Inc.	31,799	30,936	
					456	Maravai LifeSciences Holdings Inc.	17,039	16,711	
					1,030	Marvell Technology Inc.	78,113	57,836	
					156	Mastercard Inc.	70,009	63,485	
					221	Match Group Inc.	22,114	19,867	

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	240	Microsoft Corp.	85,172	79,512		2,200	International Game Technology PLC	57,237	52,672
	128	Motorola Solutions Inc.	34,436	34,608		2,460	ReNew Energy Global PLC	23,716	20,531
	115	MSCI Inc.	60,142	61,140		25,720	Talon Metals Corp.	17,523	13,117
	1,600	Northern Genesis Acquisition Corp. III	20,236	20,227		1,080	Triton International Ltd.	87,469	73,350
	170	NVIDIA Corp.	41,274	33,243				661,972	581,981
	650	Olaplex Holdings Inc.	12,716	11,814			<b>Total Global Equities - Long</b>	<b>3,985,228</b>	<b>3,706,224</b>
	2,080	Option Care Health Inc.	77,699	74,564					
	110	Palo Alto Networks Inc.	73,079	70,088					
	55	Paycom Software Inc.	19,824	19,874					
	510	Performance Food Group Co.	31,782	30,249					
	480	Phillips 66	58,430	50,766	USD	190,000	Advanced Drainage Systems Inc. 5.000%, 2027-09-30	231,395	226,345
	404	Pinterest Inc.	11,781	9,464	USD	200,000	American Airlines Group Inc. 3.750%, 2025-03-01	229,091	217,841
	35	Pool Corp.	17,438	15,858	USD	325,000	American Airlines Inc. 11.750%, 2025-07-15	476,561	437,041
	180	Procter & Gamble Co.	35,834	33,387	USD	175,000	AMN Healthcare Inc. 4.625%, 2027-10-01	207,311	207,336
	545	Progressive Corp.	77,987	81,741	USD	150,000	Berry Global Inc. 5.625%, 2027-07-15	186,782	184,809
	255	Quanta Services Inc.	41,398	41,229	USD	250,000	Brookfield Property REIT Inc. 4.500%, 2027-04-01	290,408	267,992
	184	RBC Bearings Inc.	39,839	43,898	USD	90,000	CCO Holdings LLC 5.125%, 2027-05-01	111,638	109,942
	105	Roper Technologies Inc.	59,084	53,454	USD	60,000	Centene Corp. 4.250%, 2027-12-15	71,624	72,270
	400	SeaWorld Entertainment Inc.	32,028	22,796	USD	650,000	Centene Corp. 4.625%, 2029-12-15	809,215	780,313
	124	ServiceNow Inc.	73,216	76,062	USD	350,000	CSC Holdings LLC 7.500%, 2028-04-01	412,148	378,182
	1,400	Simply Good Foods Co.	68,553	68,210	USD	500,000	Cushman & Wakefield US Borrower LLC 6.750%, 2028-05-15	658,837	600,188
	230	SiteOne Landscape Supply Inc.	38,281	35,268	USD	150,000	Energy Transfer LP 6.250%, 2049-12-31	164,084	145,283
	130	SolarEdge Technologies Inc.	43,373	45,895	USD	350,000	Freeport Minerals Corp. 7.125%, 2027-11-01	515,901	489,861
	376	Spirit Realty Capital Inc.	20,083	18,324	USD	205,000	FXI Holdings Inc. 12.250%, 2026-11-15	279,199	235,850
	232	Sprout Social Inc.	16,038	17,379	USD	90,000	Graphic Packaging International LLC 4.750%, 2027-07-15	110,402	109,763
	128	Synopsys Inc.	45,827	50,145	USD	450,000	Horizon Therapeutics USA Inc. 5.500%, 2027-08-01	566,307	559,072
	700	Targa Resources Corp.	67,560	53,880	USD	90,000	Level 3 Financing Inc. 5.250%, 2026-03-15	110,242	109,654
	360	TJX Cos Inc.	28,061	25,936	USD	110,000	Live Nation Entertainment Inc. 5.625%, 2026-03-15	136,057	134,971
	712	Travel + Leisure Co.	48,156	35,654	USD	35,000	Live Nation Entertainment Inc. 6.500%, 2027-05-15	44,851	44,340
	65	Ulta Beauty Inc.	33,227	32,321	USD	200,000	Lumen Technologies Inc. 5.125%, 2026-12-15	229,091	217,693
	186	United Rentals Inc.	68,989	58,282	USD	65,000	Maxar Technologies Inc. 7.750%, 2027-06-15	82,370	83,550
	90	UnitedHealth Group Inc.	57,516	59,630	USD	195,000	MGM Resorts International 5.750%, 2025-06-15	247,736	239,938
	70	Vertex Pharmaceuticals Inc.	21,805	25,445	USD	105,000	Molina Healthcare Inc. 3.875%, 2030-11-15	119,556	115,990
	1,360	Vintage Wine Estates Inc.	16,927	13,789					
	1,700	Vivid Seats Inc.	20,932	16,381					
	440	W R Berkley Corp.	38,359	38,743					
	3	Wayfair Inc.	207	169					
	1,300	WillScot Mobile Mini Holdings Corp.	57,919	54,367					
	76	Wolfspeed Inc.	8,299	6,220					
	200	Zoetis Inc.	43,611	44,346					
			<u>3,323,256</u>	<u>3,124,243</u>					
		<b>International Equities (2.2%)</b>							
	8,560	Alphamin Resources Corp.	10,650	7,105					
	2,980	Brookfield Infrastructure Partners LP	155,119	146,556					
	1,944	Brookfield Renewable Partners LP	87,929	86,955					
	10,780	Centaurus Metals Ltd.	11,200	8,845					
	10,142	Champion Iron Ltd.	67,064	47,870					
	140	CyberArk Software Ltd.	23,642	23,109					
	2,280	Endeavour Mining PLC	74,184	60,716					
	400	Horizon Therapeutics Plc	46,239	41,155					

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
USD	260,000	NRG Energy Inc. 5.250%, 2029-06-15	318,264	299,983	(1,495)	Paramount Resources Ltd.	(55,876)	(45,956)	
USD	190,000	Occidental Petroleum Corp. 8.500%, 2027-07-15	271,421	270,112	(1,800)	Parex Resources Inc.	(44,248)	(39,240)	
USD	225,000	Plains All American Pipeline LP 6.125%, 2049-12-31	238,798	208,973	(800)	PrairieSky Royalty Ltd.	(15,256)	(12,968)	
USD	30,000	Sealed Air Corp. 4.000%, 2027-12-01	35,006	34,965	(3,000)	Secure Energy Services Inc.	(18,467)	(18,000)	
USD	200,000	Sirius XM Radio Inc. 5.000%, 2027-08-01	243,147	239,264	(560)	TC Energy Corp.	(39,207)	(37,341)	
USD	400,000	Stagwell Global LLC 5.625%, 2029-08-15	455,625	416,050	(2,680)	Vermilion Energy Inc.	(72,150)	(65,660)	
USD	200,000	Tenet Healthcare Corp. 6.125%, 2028-10-01	238,194	223,960	(7,820)	Whitecap Resources Inc.	(82,128)	(69,911)	
USD	80,000	TransDigm Inc. 6.250%, 2026-03-15	100,053	99,892			<u>(532,656)</u>	<u>(464,118)</u>	
USD	200,000	VICI Properties LP 4.625%, 2029-12-01	237,504	231,123					
USD	325,000	Vistra Corp. 8.000%, 2049-12-31	422,898	404,663					
USD	90,000	Vistra Operations Co LLC 5.500%, 2026-09-01	110,933	109,844					
			<u>8,962,649</u>	<u>8,507,053</u>					
		<b>International Bonds (8.0%)</b>							
USD	300,000	Barclays Bank PLC 0.688%, 2049-12-31	331,611	319,506	<b>Materials (-1.5%)</b>				
USD	300,000	Barclays Bank PLC 1.063%, 2049-12-31	332,150	319,996	(5,360)	Artemis Gold Inc.	(36,939)	(29,373)	
USD	250,000	HSBC Bank PLC 0.600%, 2049-12-31	263,303	249,468	(316)	Canfor Pulp Products Inc.	(1,599)	(1,580)	
USD	350,000	HSBC Bank PLC 0.750%, 2049-12-31	367,685	348,050	(5,207)	Cascades Inc.	(58,920)	(52,747)	
USD	300,000	HSBC Bank PLC 1.750%, 2049-12-31	316,499	298,870	(5,472)	Equinox Gold Corp.	(41,245)	(31,409)	
USD	275,000	Mclaren Finance PLC 7.500%, 2026-08-01	341,316	264,560	(3,360)	First Majestic Silver Corp.	(42,164)	(31,013)	
USD	300,000	Standard Chartered PLC 3.188%, 2049-12-31	347,097	338,259	(816)	GreenFirst Forest Products Inc.	(1,249)	(1,330)	
		<b>Total Global Debt - Long</b>	<b>11,262,310</b>	<b>10,645,762</b>	(920)	Interfor Corp.	(33,128)	(23,865)	
		<b>Options (0.8%)</b>			(9,150)	Lundin Mining Corp.	(99,635)	(74,664)	
		<b>Total Purchased Options - Refer to Appendix A</b>	<b>271,979</b>	<b>208,442</b>	(3,840)	New Found Gold Corp.	(32,654)	(22,157)	
		<b>Transaction Costs</b>	<b>(8,140)</b>	<b>-</b>	(10,960)	New Gold Inc.	(19,283)	(15,015)	
		<b>Total Long Positions</b>	<b>36,797,058</b>	<b>34,905,940</b>	(4,560)	New Pacific Metals Corp.	(18,277)	(16,735)	
		<b>SHORT POSITIONS (-70.4%)</b>			(5,280)	Sandstorm Gold Ltd.	(46,124)	(40,339)	
		<b>Canadian Equities (-31.6%)</b>			(800)	Teck Resources Ltd.	(37,013)	(31,488)	
		<b>Energy (-1.7%)</b>			(2,796)	West Fraser Timber Co., Ltd.	(36,487)	(34,570)	
	(6,300)	Baytex Energy Corp.	(54,124)	(39,375)		Western Copper & Gold Corp.	(5,947)	(4,949)	
	(5,600)	Birchcliff Energy Ltd.	(57,179)	(49,000)	<b>Industrial (-1.7%)</b>				
	(1,170)	Computer Modelling Group Ltd.	(5,672)	(5,686)	(7,138)	Aecon Group Inc.	(100,999)	(93,722)	
	(4,460)	Ensign Energy Services Inc.	(18,583)	(15,030)	(432)	AG Growth International Inc.	(12,873)	(12,826)	
	(1,540)	Keyera Corp.	(48,967)	(45,276)	(65)	Air Canada	(1,314)	(1,043)	
	(2,080)	Obsidian Energy Ltd.	(20,799)	(20,675)	(152)	Ballard Power Systems Inc.	(1,284)	(1,236)	
					(56)	Bombardier Inc.	(1,279)	(1,082)	
					(1,714)	CAE Inc.	(50,620)	(54,368)	
					(11,431)	Doman Building Materials Group Ltd.	(73,767)	(71,672)	
					(925)	GDI Integrated Facility Services Inc.	(41,082)	(42,236)	
					(589)	GFL Environmental Inc.	(21,647)	(19,531)	
					(155)	K-Bro Linen Inc.	(4,824)	(5,011)	
					(1,552)	MDA Ltd.	(12,544)	(12,385)	
					(2,661)	NFI Group Inc.	(31,958)	(35,631)	
					(4,569)	Savaria Corp.	(64,666)	(59,580)	
					(2,418)	SNC-Lavalin Group Inc.	(59,380)	(53,535)	
							<u>(478,237)</u>	<u>(463,858)</u>	
					<b>Consumer Discretionary (-1.5%)</b>				
	(2,113)	Canada Goose Holdings Inc.		(49,064)	(2,113)	Canada Goose Holdings Inc.	(51,210)	(49,064)	
	(325)	Canadian Tire Corp. Ltd.		(52,780)	(325)	Canadian Tire Corp. Ltd.	(53,196)	(52,780)	
	(912)	Linamar Corp.		(49,740)	(912)	Linamar Corp.	(43,940)	(49,740)	
	(196)	Magna International Inc.		(13,853)	(196)	Magna International Inc.	(14,474)	(13,853)	
	(2,956)	Martinrea International Inc.		(24,564)	(2,956)	Martinrea International Inc.	(24,605)	(24,564)	
	(796)	MTY Food Group Inc.		(40,795)	(796)	MTY Food Group Inc.	(40,673)	(40,795)	
	(1,416)	Pollard Banknote Ltd.		(28,561)	(1,416)	Pollard Banknote Ltd.	(28,871)	(28,561)	
	(835)	Recipe Unlimited Corp.		(10,438)	(835)	Recipe Unlimited Corp.	(10,943)	(10,438)	

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	(1,847)	Restaurant Brands International Inc.	(124,082)	(119,261)		(664)	TECSYS Inc.	(18,774)	(22,237)
			(391,994)	(389,056)		(74)	VerticalScope Holdings Inc.	(1,227)	(903)
								(243,879)	(244,300)
<b>Consumer Staples (-1.4%)</b>					<b>Communication Services (-1.0%)</b>				
	(533)	Andrew Peller Ltd.	(3,425)	(3,118)		(3,332)	Aimia Inc.	(15,313)	(15,327)
	(132)	GURU Organic Energy Corp.	(1,198)	(1,057)		(950)	BCE Inc.	(63,107)	(60,107)
	(60)	Lassonde Industries Inc.	(7,566)	(7,144)		(580)	Cogeco Communications Inc.	(54,879)	(50,501)
	(484)	Loblaw Cos Ltd.	(54,343)	(56,188)		(725)	Cogeco Inc.	(49,946)	(49,481)
	(1,360)	Metro Inc.	(93,779)	(93,962)		(13,163)	Corus Entertainment Inc.	(51,459)	(46,465)
	(578)	Premium Brands Holdings Corp.	(57,212)	(53,922)		(1,447)	Shaw Communications Inc.	(51,465)	(54,885)
	(3,116)	Primo Water Corp.	(56,355)	(53,564)				(286,169)	(276,766)
	(1,921)	Saputo Inc.	(51,212)	(53,922)					
	(5,222)	SunOpta Inc.	(35,426)	(51,959)					
			(360,516)	(374,836)					
<b>Health Care (-0.1%)</b>					<b>Utilities (-1.6%)</b>				
	(3,408)	Aurora Cannabis Inc.	(11,177)	(5,794)		(2,907)	Algonquin Power & Utilities Corp.	(51,423)	(50,291)
	(1,080)	Curaleaf Holdings Inc.	(7,390)	(7,031)		(1,264)	Altius Renewable Royalties Corp.	(11,088)	(10,504)
	(108)	dentalcorp Holdings Ltd.	(1,236)	(1,286)		(889)	Emera Inc.	(53,860)	(53,607)
	(93)	HLS Therapeutics Inc.	(1,257)	(1,132)		(2,060)	Fortis Inc.	(127,626)	(125,351)
			(21,060)	(15,243)		(3,015)	Innergex Renewable Energy Inc.	(49,888)	(52,160)
						(4,788)	Superior Plus Corp.	(54,798)	(54,392)
						(4,453)	TransAlta Renewables Inc.	(76,946)	(73,252)
								(425,629)	(419,557)
<b>Financials (-2.8%)</b>					<b>Real Estate (-3.1%)</b>				
	(1,925)	Canadian Imperial Bank of Commerce	(132,996)	(120,334)		(1,579)	Allied Properties Real Estate Investment Trust	(53,093)	(52,407)
	(5,837)	CI Financial Corp.	(89,032)	(79,792)		(2,186)	Altus Group Ltd.	(98,766)	(97,474)
	(1,215)	Definity Financial Corp.	(40,121)	(40,423)		(2,598)	Automotive Properties Real Estate Investment Trust	(34,372)	(35,047)
	(6,679)	ECN Capital Corp.	(38,902)	(36,801)		(1,224)	Canadian Apartment Properties REIT	(56,183)	(54,860)
	(6,236)	Fiera Capital Corp.	(58,683)	(57,995)		(3,423)	Crombie Real Estate Investment Trust	(55,474)	(55,213)
	(816)	Firm Capital Mortgage Investment Corp.	(10,319)	(9,392)		(3,275)	CT Real Estate Investment Trust	(53,879)	(54,267)
	(1,620)	First National Financial Corp.	(55,543)	(53,638)		(3,922)	Dream Office Real Estate Investment Trust	(86,464)	(76,008)
	(583)	goeasy Ltd.	(63,237)	(57,192)		(3,126)	Killam Apartment Real Estate Investment Trust	(52,768)	(53,611)
	(428)	Great-West Lifeco Inc.	(13,439)	(13,452)		(3,652)	Minto Apartment Real Estate Investment Trust	(52,016)	(53,465)
	(990)	Home Capital Group Inc.	(29,052)	(24,116)		(173)	Morguard Corp.	(20,137)	(18,857)
	(377)	IGM Financial Inc.	(13,034)	(13,007)		(1,322)	Nexus Industrial REIT	(12,821)	(12,810)
	(7,760)	Manulife Financial Corp.	(189,637)	(173,205)		(3,661)	Real Matters Inc.	(17,101)	(18,598)
	(430)	Power Corp. of Canada	(14,393)	(14,242)		(2,625)	RioCan Real Estate Investment Trust	(52,949)	(52,553)
	(2,220)	Propel Holdings Inc.	(17,551)	(14,075)		(3,671)	Slate Office REIT	(17,440)	(17,070)
	(153)	Timbercreek Financial Corp.	(1,300)	(1,216)		(2,246)	SmartCentres Real Estate Investment Trust	(65,900)	(61,743)
	(240)	TMX Group Ltd.	(32,726)	(31,440)		(9,373)	StorageVault Canada Inc.	(53,333)	(55,582)
	(289)	VersaBank	(3,043)	(2,728)		(600)	Summit Industrial Income REIT	(10,103)	(10,266)
			(803,008)	(743,048)		(3,635)	Tricon Residential Inc.	(46,854)	(47,437)
								(839,653)	(827,268)
<b>Information Technology (-0.9%)</b>									
	(4,729)	Absolute Software Corp.	(44,199)	(52,492)					
	(1,129)	Blackberry Ltd.	(7,609)	(7,835)					
	(1,540)	Converge Technology Solutions Corp.	(11,889)	(7,900)					
	(2,356)	Copperleaf Technologies Inc.	(22,881)	(15,078)					
	(1,254)	Enghouse Systems Ltd.	(40,422)	(35,651)					
	(43)	Lightspeed Commerce Inc.	(1,276)	(1,234)					
	(1,060)	Open Text Corp.	(52,053)	(51,611)					
	(40)	Shopify Inc.	(2,013)	(1,612)					
	(469)	Sierra Wireless Inc.	(9,453)	(14,140)					
	(1,493)	Softchoice Corp.	(32,083)	(33,607)					

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
<b>Index Equivalents (-14.3%)</b>					(350)		Cardinal Health Inc.	(23,977)	(23,599)
	(33,000)	Horizon S&P/TSX 60 Index ETF	(1,642,559)	(1,516,680)	(15)		CarMax Inc.	(1,818)	(1,751)
	(79,823)	iShares S&P/TSX 60 Index ETF	(2,493,892)	(2,315,665)	(47)		Carvana Co.	(2,262)	(1,369)
			(4,136,451)	(3,832,345)	(13)		Catalent Inc.	(1,747)	(1,799)
					(310)		Caterpillar Inc.	(81,232)	(71,484)
		<b>Total Canadian Equities - Short</b>	<b>(9,029,916)</b>	<b>(8,461,629)</b>	(260)		CBRE Group Inc.	(27,435)	(24,688)
					(13)		Ceridian HCM Holding Inc.	(927)	(790)
		<b>Canadian Debt (-1.8%)</b>			(175)		CH Robinson Worldwide Inc.	(24,009)	(22,884)
		<b>Corporate Bonds (-1.8%)</b>			(50)		Chevy Inc.	(1,769)	(2,239)
CAD	(150,000)	First Capital Real Estate Investment Trust 3.753%, 2027-07-12	(134,256)	(136,821)	(252)		Cincinnati Financial Corp.	(40,594)	(38,677)
USD	(125,000)	GFL Environmental Inc. 4.750%, 2029-06-15	(144,537)	(133,680)	(90)		Clorox Co.	(17,322)	(16,367)
USD	(125,000)	Precision Drilling Corp. 6.875%, 2029-01-15	(155,426)	(144,550)	(33)		CloudFlare Inc.	(1,749)	(1,862)
CAD	(80,000)	RioCan Real Estate Investment Trust 4.628%, 2029-05-01	(75,549)	(75,742)	(39)		Coinbase Global Inc.	(5,088)	(2,366)
			(509,768)	(490,793)	(433)		Confluent Inc.	(14,086)	(12,981)
		<b>Total Canadian Debt - Short</b>	<b>(509,768)</b>	<b>(490,793)</b>	(62)		Coupa Software Inc.	(6,340)	(4,567)
					(127)		Coupang Inc.	(1,929)	(2,089)
		<b>Global Equities (-19.8%)</b>			(24)		DexCom Inc.	(2,577)	(2,307)
		<b>United States Equities (-10.4%)</b>			(170)		Digital Realty Trust Inc.	(29,947)	(28,471)
	(38)	10X Genomics Inc.	(2,360)	(2,218)	(140)		DocuSign Inc.	(14,178)	(10,362)
	(285)	3M Co.	(53,928)	(47,576)	(23)		DoorDash Inc.	(2,111)	(1,904)
	(560)	Aflac Inc.	(41,843)	(39,969)	(304)		Editas Medicine Inc.	(5,549)	(4,639)
	(260)	AGCO Corp.	(42,551)	(33,103)	(943)		Enerpac Tool Group Corp.	(24,623)	(23,136)
	(5)	Align Technology Inc.	(1,808)	(1,526)	(19)		Etsy Inc.	(2,090)	(1,794)
	(10)	Alnylam Pharmaceuticals Inc.	(1,845)	(1,881)	(39)		Exact Sciences Corp.	(2,583)	(1,982)
	(540)	AMC Entertainment Holdings Inc.	(9,846)	(9,439)	(267)		First Solar Inc.	(25,475)	(23,465)
	(1,000)	American Airlines Group Inc.	(17,198)	(16,357)	(11)		Five Below Inc.	(1,714)	(1,610)
	(415)	Apple Inc.	(83,427)	(73,191)	(15)		Five9 Inc.	(1,974)	(1,764)
	(98)	Asana Inc.	(2,992)	(2,222)	(21)		Floor & Decor Holdings Inc.	(2,064)	(1,706)
	(14)	AutoZone Inc.	(35,280)	(38,812)	(917)		Freshworks Inc.	(18,421)	(15,555)
	(18)	Avalara Inc.	(1,757)	(1,639)	(400)		fuboTV Inc.	(1,848)	(1,274)
	(968)	Avangrid Inc.	(55,241)	(57,589)	(600)		FuelCell Energy Inc.	(3,193)	(2,902)
	(15)	Axon Enterprise Inc.	(1,901)	(1,803)	(170)		Gap Inc.	(2,265)	(1,807)
	(380)	AZEK Co Inc.	(10,039)	(8,206)	(192)		GATX Corp.	(26,473)	(23,321)
	(20)	Ball Corp.	(1,705)	(1,774)	(432)		General Electric Co.	(43,087)	(35,481)
	(1,150)	Bank of New York Mellon Corp.	(64,693)	(61,875)	(600)		General Mills Inc.	(55,019)	(58,396)
	(610)	Bank OZK	(30,953)	(29,531)	(400)		Gilead Sciences Inc.	(31,425)	(31,893)
	(320)	Bed Bath & Beyond Inc.	(5,149)	(2,052)	(243)		Gitlab Inc.	(14,360)	(16,657)
	(480)	Berkshire Hills Bancorp Inc.	(15,430)	(15,337)	(38)		Guardant Health Inc.	(2,105)	(1,977)
	(80)	Biogen Inc.	(20,491)	(21,046)	(19)		Guidewire Software Inc.	(1,834)	(1,740)
	(25)	Block Inc.	(2,943)	(1,982)	(1,040)		Hawaiian Holdings Inc.	(21,809)	(19,198)
	(480)	Bloom Energy Corp.	(10,401)	(10,216)	(896)		Healthcare Services Group Inc.	(19,724)	(20,122)
	(13)	Boeing Co.	(2,495)	(2,293)	(500)		Healthpeak Properties Inc.	(15,274)	(16,711)
	(340)	Boston Properties Inc.	(49,733)	(39,025)	(264)		Henry Schein Inc.	(28,577)	(26,134)
	(820)	Bread Financial Holdings Inc.	(57,385)	(39,201)	(1,864)		Hilltop Holdings Inc.	(71,392)	(64,103)
	(300)	Bumble Inc.	(12,215)	(10,894)	(800)		HNI Corp.	(36,744)	(35,799)
	(10)	Burlington Stores Inc.	(2,211)	(1,757)	(820)		HP Inc.	(39,239)	(34,674)
					(1,200)		Hyllion Holdings Corp.	(4,964)	(4,984)
					(17)		IAC/InterActiveCorp	(1,785)	(1,666)
					(7)		Illumina Inc.	(1,727)	(1,665)
					(960)		Inovio Pharmaceuticals Inc.	(3,339)	(2,142)
					(7)		Insulet Corp.	(1,901)	(1,968)
					(1,150)		Intel Corp.	(66,141)	(55,496)
					(24)		ITT Inc.	(2,274)	(2,082)
					(1,680)		Kennametal Inc.	(55,690)	(50,342)
					(2,100)		KeyCorp	(49,853)	(46,674)
					(39)		Lucid Group Inc.	(905)	(863)



# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
<b>Global Debt (-16.7%)</b>					USD	(100,000)	Sunnova Energy Corp. 5.875%, 2026-09-01	(117,705)	(110,936)
<b>United States Bonds (-12.7%)</b>					USD	(125,000)	Advantage Sales & Marketing Inc. 6.500%, 2028-11-15	(145,223)	(138,541)
USD	(125,000)	APX Group Inc. 5.750%, 2029-07-15	(131,452)	(124,931)	USD	(140,000)	Taylor Morrison Communities Inc. 5.125%, 2030-08-01	(164,222)	(150,231)
USD	(75,000)	Atkore Inc. 4.250%, 2031-06-01	(85,095)	(80,493)	USD	(75,000)	Tri Pointe Homes Inc. 5.700%, 2028-06-15	(92,482)	(83,663)
USD	(150,000)	CHS/Community Health Systems Inc. 5.625%, 2027-03-15	(176,599)	(164,271)	USD	(75,000)	United Wholesale Mortgage LLC 5.500%, 2029-04-15	(82,095)	(74,250)
USD	(120,000)	Cleveland-Cliffs Inc. 4.875%, 2031-03-01	(140,548)	(136,816)	USD	(70,000)	Winnebago Industries Inc. 6.250%, 2028-07-15	(84,633)	(82,847)
USD	(110,000)	Edgewell Personal Care Co. 5.500%, 2028-06-01	(133,885)	(129,383)	<b>International Bonds (-4.0%)</b>				
USD	(150,000)	Frontier Communications Holdings LLC 5.875%, 2027-10-15	(179,317)	(174,632)	USD	(200,000)	Adient Global Holdings Ltd. 4.875%, 2026-08-15	(234,731)	(226,804)
USD	(125,000)	Hilcorp Energy I LP 6.000%, 2031-02-01	(154,812)	(139,904)	USD	(250,000)	Constellium SE 3.750%, 2029-04-15	(274,229)	(257,254)
USD	(75,000)	Installed Building Products Inc. 5.750%, 2028-02-01	(90,509)	(86,087)	USD	(125,000)	Diamond BC BV 4.625%, 2029-10-01	(137,696)	(129,171)
USD	(125,000)	McGraw-Hill Education Inc. 5.750%, 2028-08-01	(141,865)	(138,379)	USD	(150,000)	FMG Resources August 2006 Pty Ltd. 5.875%, 2030-04-15	(182,879)	(175,813)
USD	(75,000)	Medline Borrower LP 5.250%, 2029-10-01	(83,194)	(80,331)	USD	(250,000)	Grifols Escrow Issuer SA 4.750%, 2028-10-15	(287,172)	(280,172)
USD	(125,000)	Novelis Corp. 4.750%, 2030-01-30	(146,417)	(134,331)	<b>Total Global Debt - Short</b>				
USD	(150,000)	Owens & Minor Inc. 6.625%, 2030-04-01	(179,906)	(176,557)	<b>Options (-0.5%)</b>				
USD	(100,000)	Paysafe Finance PLC 4.000%, 2029-06-15	(103,662)	(93,171)	<b>Total Written Options - Refer to Appendix A</b>				
USD	(150,000)	Performance Food Group Inc. 5.500%, 2027-10-15	(184,680)	(179,465)	<b>Transaction Costs</b>				
USD	(75,000)	PG&E Corp. 5.250%, 2030-07-01	(87,850)	(79,759)	<b>Total Short Positions</b>				
USD	(125,000)	PGT Innovations Inc. 4.375%, 2029-10-01	(138,183)	(127,360)	<b>Total</b>				
USD	(75,000)	Post Holdings Inc. 5.625%, 2028-01-15	(90,696)	(92,040)	<b>Futures Contracts (0.0%)</b>				
USD	(125,000)	Range Resources Corp. 4.750%, 2030-02-15	(152,418)	(144,865)	<b>Total Futures Contracts - Refer to Appendix B</b>				
USD	(65,000)	Rocket Mortgage LLC 3.625%, 2029-03-01	(72,001)	(66,085)	<b>TOTAL INVESTMENT PORTFOLIO (60.1%)</b>				
USD	(125,000)	Roller Bearing Co of America Inc. 4.375%, 2029-10-15	(145,375)	(137,407)	<b>Other Assets Net of Liabilities (39.9%)</b>				
USD	(110,000)	Simmons Foods Inc/ Simmons Prepared Foods Inc. 4.625%, 2029-03-01	(125,320)	(119,459)	<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100.0%)</b>				
USD	(125,000)	SM Energy Co. 6.500%, 2028-07-15	(159,141)	(148,538)	<b>16,507,439 16,046,491</b>				

\*CCY denotes local currency of debt security

\*\*The Picton Mahoney Fortified Alpha Alternative Fund holds 0.41% of the net assets of Picton Mahoney Fortified Arbitrage Plus Alternative Fund. Picton Mahoney Asset Management acts as the trustee and manager for all of the funds listed above.



# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## APPENDIX A

### OPTIONS (0.3%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Altgas Ltd.	Call Option	31	\$29	September, 2022	1,344	1,845
Apollo Global Management Inc.	Call Option	23	\$60	September, 2022	2,251	2,003
Arc Resources Ltd.	Call Option	25	\$19	August, 2022	1,600	1,375
Arc Resources Ltd.	Call Option	31	\$23	July, 2022	1,736	9
Ats Automation Tooling	Call Option	17	\$38	July, 2022	1,632	502
Canadian Western Bank	Call Option	31	\$34	September, 2022	1,542	140
Chicago Board Options Exchange	Call Option	20	\$35	July, 2022	3,431	3,741
Crude Oil OPT IPE	Call Option	1	\$150	February, 2023	3,581	2,619
Crude Oil OPT IPE	Call Option	1	\$150	November, 2022	3,504	1,793
Datadog Inc.	Call Option	5	\$115	July, 2022	1,890	545
Datadog Inc.	Call Option	1	\$135	July, 2022	113	9
DEERE & Co	Call Option	3	\$350	August, 2022	3,674	1,413
DEERE & Co	Call Option	1	\$390	August, 2022	326	105
Doximity Inc.	Call Option	16	\$40	August, 2022	6,095	5,573
Element Fleet Management	Call Option	31	\$14	August, 2022	605	1,054
First Quantum Minerals Ltd.	Call Option	25	\$35	August, 2022	2,100	425
First Quantum Minerals Ltd.	Call Option	11	\$43	August, 2022	226	55
Gold Futures OPT(CMX)	Call Option	2	\$1,995	November, 2022	12,142	8,617
HG Copper Futures	Call Option	1	\$480	November, 2022	5,902	1,129
Hudbay Minerals Inc.	Call Option	36	\$9	October, 2022	1,944	270
Invesco QQQ Trust	Call Option	4	\$293	July, 2022	1,941	503
Invesco QQQ Trust	Call Option	18	\$304	July, 2022	4,832	1,765
Invesco QQQ Trust	Call Option	4	\$320	July, 2022	122	18
iShares 20+ Year Treasury	Call Option	25	\$118	July, 2022	2,461	2,386
iShares 20+ Year Treasury	Call Option	19	\$120	August, 2022	3,653	3,934
iShares 20+ Year Treasury	Call Option	8	\$130	August, 2022	349	413
iShares 20+ Year Treasury	Call Option	20	\$130	July, 2022	464	129
iShares MSCI Emerging Market	Call Option	37	\$44	August, 2022	2,840	1,122
Meta Platforms Inc.	Call Option	5	\$230	August, 2022	2,205	590
S&P 500 Index 3Wk	Call Option	1	\$3,820	July, 2022	4,601	1,096
S&P 500 Index 3Wk	Call Option	2	\$3,820	July, 2022	16,708	9,172
S&P 500 Index 3Wk	Call Option	3	\$3,920	July, 2022	2,565	97
S&P 500 Index 3Wk	Call Option	4	\$3,930	July, 2022	18,849	10,965
S&P 500 Index 3Wk	Call Option	2	\$3,955	July, 2022	5,401	1,251
S&P 500 Index 3Wk	Call Option	1	\$3,980	July, 2022	242	4
S&P 500 Index 3Wk	Call Option	1	\$4,000	July, 2022	1,437	2
S&P 500 Index 3Wk	Call Option	2	\$4,020	July, 2022	7,079	1,987
S&P 500 Index 3Wk	Call Option	1	\$4,060	July, 2022	1,263	613
S&P 500 Index 3Wk	Call Option	2	\$4,140	July, 2022	1,028	464
S&P 500 Index 3Wk	Call Option	3	\$4,240	October, 2022	19,485	15,073
S&P 500 Index 3Wk	Call Option	4	\$4,320	September, 2022	13,102	6,656
S&P 500 Index 3Wk	Call Option	2	\$4,480	September, 2022	12,443	1,303
S&P 500 Index 3Wk	Call Option	1	\$4,480	September, 2022	1,401	967
S&P 500 Index 3Wk	Call Option	1	\$4,600	August, 2022	2,060	106
Suncor Energy Inc.	Call Option	23	\$49	August, 2022	4,830	4,094
Suncor Energy Inc.	Call Option	6	\$56	August, 2022	342	318
US 10Y Note Futures	Call Option	13	\$120	August, 2022	7,076	15,197
US 10Y Note Futures	Call Option	13	\$120	July, 2022	3,726	6,551
					<u>198,143</u>	<u>119,998</u>
C\$ Curr. 9 am.	Put Option	6	\$76	July, 2022	1,171	193
HG Copper Futures	Put Option	2	\$350	July, 2022	3,057	2,935
iPATH S&P 500 VIX Short-Term	Put Option	124	\$20	July, 2022	17,536	480
iShares iBoxx High Yield Corp. Bond	Put Option	56	\$71	July, 2022	4,204	2,745
iShares iBoxx High Yield Corp. Bond	Put Option	186	\$72	July, 2022	15,114	14,396
iShares MSCI EAFE ETF	Put Option	15	\$60	July, 2022	1,320	1,248
iShares MSCI Taiwan	Put Option	15	\$52	July, 2022	1,252	3,821
S&P 500 Index 3Wk	Put Option	1	\$3,760	July, 2022	4,496	9,887
S&P 500 Index 3Wk	Put Option	3	\$3,840	July, 2022	21,464	44,716
S&P E-Mini 2nd Week	Put Option	3	\$3,600	July, 2022	1,838	1,693
SPDR Energy Select Sector	Put Option	4	\$82	July, 2022	606	5,766
US 10Y Note Futures	Put Option	4	\$115	July, 2022	1,778	564
					<u>73,836</u>	<u>88,444</u>
<b>Total Purchased Options</b>					<b>271,979</b>	<b>208,442</b>

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## APPENDIX A

### OPTIONS (0.3%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Altgas Ltd.	Written Call Option	(28)	\$31	September, 2022	(378)	(588)
Apollo Global Management	Written Call Option	(11)	\$63	September, 2022	(572)	(603)
Apollo Global Management	Written Call Option	(2)	\$65	September, 2022	(459)	(71)
Apollo Global Management	Written Call Option	(11)	\$68	September, 2022	(1,498)	(319)
Arc Resources Ltd.	Written Call Option	(25)	\$21	August, 2022	(689)	(638)
Arc Resources Ltd.	Written Call Option	(25)	\$25	July, 2022	(413)	(1)
Ats Automation Tooling	Written Call Option	(22)	\$40	July, 2022	(1,101)	(462)
Canadian Western Bank	Written Call Option	(22)	\$36	September, 2022	(451)	(99)
Chicago Board Options Exchange	Written Call Option	(20)	\$40	July, 2022	(2,154)	(2,283)
Datadog Inc.	Written Call Option	(7)	\$125	July, 2022	(1,423)	(257)
DEERE & Co	Written Call Option	(5)	\$370	August, 2022	(3,285)	(1,058)
Doximity Inc.	Written Call Option	(18)	\$45	August, 2022	(4,244)	(3,599)
Doximity Inc.	Written Call Option	(5)	\$50	August, 2022	(1,224)	(532)
Element Fleet Management	Written Call Option	(22)	\$15	August, 2022	(121)	(231)
First Quantum Minerals Ltd.	Written Call Option	(25)	\$38	August, 2022	(981)	(213)
First Quantum Minerals Ltd.	Written Call Option	(10)	\$40	August, 2022	(293)	(65)
Hudbay Minerals Inc.	Written Call Option	(33)	\$10	October, 2022	(743)	(149)
Invesco QQQ Trust	Written Call Option	(8)	\$310	July, 2022	(709)	(108)
Invesco QQQ Trust	Written Call Option	(18)	\$316	July, 2022	(1,836)	(522)
Invesco QQQ Trust	Written Call Option	(4)	\$325	July, 2022	(70)	(13)
iShares 20+ Year Treasury	Written Call Option	(35)	\$123	July, 2022	(1,235)	(768)
iShares 20+ Year Treasury	Written Call Option	(28)	\$125	August, 2022	(2,427)	(2,763)
iShares 20+ Year Treasury	Written Call Option	(8)	\$135	August, 2022	(223)	(273)
iShares 20+ Year Treasury	Written Call Option	(40)	\$135	July, 2022	(477)	(79)
iShares MSCI Emerging Market	Written Call Option	(11)	\$45	August, 2022	(496)	(255)
iShares MSCI Emerging Market	Written Call Option	(11)	\$47	August, 2022	(204)	(50)
iShares MSCI Emerging Market	Written Call Option	(19)	\$48	August, 2022	(255)	(51)
Meta Platforms Inc.	Written Call Option	(4)	\$255	July, 2022	(130)	(13)
Meta Platforms Inc.	Written Call Option	(4)	\$255	August, 2022	(684)	(196)
S&P 500 Index 3Wk	Written Call Option	(2)	\$3,860	July, 2022	(6,489)	(658)
S&P 500 Index 3Wk	Written Call Option	(4)	\$3,900	July, 2022	(17,838)	(6,218)
S&P 500 Index 3Wk	Written Call Option	(4)	\$3,950	July, 2022	(1,798)	(66)
S&P 500 Index 3Wk	Written Call Option	(3)	\$3,960	July, 2022	(11,195)	(5,960)
S&P 500 Index 3Wk	Written Call Option	(2)	\$4,025	July, 2022	(1,813)	(1)
S&P 500 Index 3Wk	Written Call Option	(2)	\$4,035	July, 2022	(2,344)	(316)
S&P 500 Index 3Wk	Written Call Option	(10)	\$4,100	July, 2022	(7,867)	(3,773)
S&P 500 Index 3Wk	Written Call Option	(3)	\$4,260	July, 2022	(1,243)	(184)
S&P 500 Index 3Wk	Written Call Option	(6)	\$4,400	September, 2022	(12,340)	(6,230)
S&P 500 Index 3Wk	Written Call Option	(6)	\$4,400	October, 2022	(18,710)	(14,125)
S&P 500 Index 3Wk	Written Call Option	(2)	\$4,600	September, 2022	(1,430)	(1,006)
S&P 500 Index 3Wk	Written Call Option	(3)	\$4,620	September, 2022	(8,918)	(900)
S&P 500 Index 3Wk	Written Call Option	(2)	\$4,750	August, 2022	(1,462)	(97)
SPDR Energy Select Sector	Written Call Option	(5)	\$96	August, 2022	(2,186)	(71)
Suncor Energy Inc.	Written Call Option	(32)	\$52	August, 2022	(3,808)	(3,392)
US 10Y Note Futures	Written Call Option	(13)	\$124	August, 2022	(1,296)	(3,144)
US 10Y Note Futures	Written Call Option	(13)	\$124	July, 2022	(788)	(786)
					<u>(130,300)</u>	<u>(63,186)</u>
Altgas Ltd.	Written Put Option	(5)	\$23	August, 2022	(161)	(95)
Apollo Global Management	Written Put Option	(3)	\$45	July, 2022	(304)	(281)
Arc Resources Ltd.	Written Put Option	(4)	\$15	August, 2022	(256)	(310)
Arc Resources Ltd.	Written Put Option	(9)	\$16	August, 2022	(194)	(1,049)
C\$ Curr. 9 am.	Written Put Option	(6)	\$75	July, 2022	(541)	(39)
Canadian Western Bank	Written Put Option	(9)	\$27	July, 2022	(272)	(1,094)
DEERE & Co	Written Put Option	(1)	\$260	July, 2022	(628)	(134)
HG Copper Futures	Written Put Option	(2)	\$330	July, 2022	(1,292)	(1,032)
Hudbay Minerals Inc.	Written Put Option	(9)	\$7	July, 2022	(158)	(1,134)
Invesco QQQ Trust	Written Put Option	(3)	\$242	July, 2022	(1,042)	(221)
iPATH S&P 500 VIX Short-Term	Written Put Option	(88)	\$16	July, 2022	(2,424)	(45)
iPATH S&P 500 VIX Short-Term	Written Put Option	(88)	\$17	July, 2022	(4,088)	(78)
iPATH S&P 500 VIX Short-Term	Written Put Option	(112)	\$18	July, 2022	(6,947)	(144)
iPATH S&P 500 VIX Short-Term	Written Put Option	(112)	\$19	July, 2022	(10,719)	(217)

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## APPENDIX A

### OPTIONS (0.3%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
iShares iBoxx High Yield Corp. Bond	Written Put Option	(262)	\$63	July, 2022	(7,268)	(1,652)
iShares iBoxx High Yield Corp. Bond	Written Put Option	(56)	\$65	July, 2022	(1,341)	(433)
iShares iBoxx High Yield Corp. Bond	Written Put Option	(132)	\$67	July, 2022	(3,646)	(2,128)
iShares MSCI EAFE ETF	Written Put Option	(15)	\$56	July, 2022	(378)	(224)
iShares MSCI Emerging Market	Written Put Option	(11)	\$32	August, 2022	(331)	(117)
iShares MSCI Taiwan	Written Put Option	(15)	\$47	July, 2022	(498)	(629)
Meta Platforms Inc.	Written Put Option	(1)	\$130	July, 2022	(196)	(52)
S&P 500 Index 3Wk	Written Put Option	(1)	\$3,300	July, 2022	(1,343)	-
S&P 500 Index 3Wk	Written Put Option	(1)	\$3,625	July, 2022	(428)	(400)
S&P 500 Index 3Wk	Written Put Option	(4)	\$3,800	July, 2022	(22,664)	(48,838)
S&P E-Mini 2nd Week	Written Put Option	(3)	\$3,400	July, 2022	(383)	(300)
SPDR Energy Select Sector	Written Put Option	(3)	\$72	July, 2022	(288)	(1,068)
SPDR Energy Select Sector	Written Put Option	(3)	\$76	July, 2022	(183)	(2,012)
Suncor Energy Inc.	Written Put Option	(5)	\$40	August, 2022	(495)	(663)
Toronto-Dominion Bank	Written Put Option	(6)	\$82	July, 2022	(594)	(573)
US 10Y Note Futures	Written Put Option	(4)	\$114	July, 2022	(1,047)	(242)
					<u>(70,109)</u>	<u>(65,204)</u>
<b>Total Written Options</b>					<b>(200,409)</b>	<b>(128,390)</b>

## APPENDIX B

### FUTURES CONTRACTS (0.0%)

Issuer	Number of Contracts	Fair Value (C\$)	Contracted Value (C\$)	Unrealized Gain/Loss
CBOE VIX Index Futures, July 2022	3	110,532	105,295	5,237
CBOE VIX Index Futures, December 2022	(1)	(37,161)	(39,602)	2,441
				<u>7,678</u>
<b>Total Futures Contracts</b>				<b><u>7,678</u></b>

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES

As at June 30, 2022 (unaudited)

### 1. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table illustrates the classifications of the Fund's financial instruments within the fair value hierarchy as at June 30, 2022.

ASSETS (LIABILITIES) AT FAIR VALUE AS AT JUNE 30, 2022				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	14,789,776	-	-	14,789,776
Mutual Funds - Long	2,485,927	-	-	2,485,927
Exchange Traded Funds - Long	7,980	-	-	7,980
Bonds - Long	-	17,413,815	-	17,413,815
Options - Long	208,442	-	-	208,442
Futures - Long	7,678	-	-	7,678
Equities - Short	(7,618,290)	-	-	(7,618,290)
Exchange Traded Funds - Short	(6,165,708)	-	-	(6,165,708)
Bonds - Short	-	(4,954,739)	-	(4,954,739)
Options - Short	(128,390)	-	-	(128,390)
<b>Total</b>	<b>3,587,415</b>	<b>12,459,076</b>	<b>-</b>	<b>16,046,491</b>

### 2. OTHER PRICE RISK

Using Beta as a measure of the relationship of the Fund's performance versus its index, if the S&P/TSX Composite Total Return Index were to increase or decrease by 10%, net assets would have increased or decreased by approximately \$250,926. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

The COVID-19 (coronavirus disease) pandemic has caused volatility in global financial markets as well as significant disruptions to global business activity. The continued impact of unanticipated market disruptions, including COVID-19 is uncertain and may exacerbate pre-existing political, social or economic risk, and may disproportionately affect certain issuers, industries or types of securities. Such unanticipated market and economic disruptions, including COVID-19, may be short-term or may last for an extended period of time, and could have effects that cannot necessarily be presently foreseen.

### 3. CURRENCY RISK

The currency risk reflects the net impact after taking into consideration the forward contracts. Foreign currencies to which the Fund had exposure as at June 30, 2022 were as follows:

FINANCIAL INSTRUMENTS				
June 30, 2022 Currency	Monetary \$	Non-Monetary \$	Total \$	Percentage of Net Assets %
United States Dollar	6,034,870	(1,845,028)	4,189,842	15.7%
European Euro	16,355	-	16,355	0.1%
British Pound	40,405	(33,293)	7,112	0.0%
Australian Dollar	(10,870)	8,845	(2,025)	0.0%
<b>Net Exposure</b>	<b>6,080,760</b>	<b>(1,869,476)</b>	<b>4,211,284</b>	<b>15.8%</b>

If the Canadian dollar had strengthened or weakened by 5% in relation to all other currencies held in the investment portfolio, net assets would have decreased or increased by approximately \$210,564. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 4. INTEREST RATE RISK

If the yield curve had shifted in parallel by 1%, with all other variables held constant, net assets will increase or decrease by \$361,199. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at June 30, 2022, the Fund's exposure to debt instruments by maturity were as follows:

Debt Instruments by Maturity Date	June 30, 2022 (\$)		
	Long Positions	Short Positions	Total
1-3 years	648,612	-	648,612
3-5 years	5,332,553	(502,011)	4,830,542
Greater than 5 years	11,432,650	(4,452,728)	6,979,922
<b>Total</b>	<b>17,413,815</b>	<b>(4,954,739)</b>	<b>12,459,076</b>

### 5. CREDIT RISK

The following table shows debt as a percentage of net assets attributable to holders of redeemable units held under each credit rating. All counterparties to derivative contracts had a credit rating of A- or higher. All cash is held with a financial institution with a minimum of credit rating A+.

Bond Ratings	June 30, 2022		
	Net	Long	Short
AAA	0.2%	0.2%	0.0%
A	0.9%	0.9%	0.0%
BBB+	2.1%	2.1%	0.0%
BBB	3.9%	4.2%	-0.3%
BBB-	7.6%	8.1%	-0.5%
BB+	6.8%	8.5%	-1.7%
BB	3.6%	6.0%	-2.4%
BB-	2.5%	5.8%	-3.3%
B+	10.1%	13.4%	-3.3%
B	3.1%	7.9%	-4.8%
B-	0.5%	2.2%	-1.7%
CCC+	1.0%	1.0%	0.0%
CCC	0.3%	0.8%	-0.5%
NR	3.9%	3.9%	0.0%

The above credit ratings are obtained and disclosed from the rating services in the following hierarchical order: 1) Standard & Poor's; 2) Moody's; 3) Dominion Bond Rating Service, using first available.

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 6. UNDERLYING FUND EXPOSURE TO OTHER PRICE RISK, CURRENCY RISK, INTEREST RATE RISK, CREDIT RISK

The Fund may also be exposed to indirect other price risk, currency risk, interest rate risk, and credit risk through its investment in the underlying funds.

The table below summarizes the impact on the Fund's net assets, of reasonable possible changes in the returns of each of the strategies to which the Fund is exposed through the 1 underlying fund in which it invests at period-end. The impact on net assets is calculated by applying a 5% possible movement determined for each strategy as a percentage of the net assets of the Fund. The analysis is based on the assumption that the returns on each strategy have increased or decreased as disclosed with all other variables held constant. The underlying risk disclosures represent the market risks to which the various strategies are exposed; C,F,I,P representing Credit, Foreign Currency, Interest Rate, and Other Price Risks, respectively.

June 30, 2022			Impact on net assets based on 5% increase or decrease
Strategy	Underlying risk exposures	Number of Funds	\$
Canadian Equity	P	1	2,824
US Equity	P	1	121,046
International Equity	P	1	426
<b>Total</b>			<b>124,296</b>

### 7. CONCENTRATION RISK

The table below summarizes the Fund's concentration risk as a percentage of net assets attributable to holders of redeemable units as at June 30, 2022.

Jurisdiction	% of Net Assets
	June 30, 2022
<b>LONG POSITIONS</b>	<b>130.5%</b>
<b>Canadian Equities</b>	<b>50.8%</b>
Investment Funds	9.3%
Financials	8.0%
Energy	5.0%
Industrial	6.4%
Materials	4.8%
Real Estate	4.1%
Consumer Discretionary	2.8%
Information Technology	3.0%
Utilities	3.1%
Consumer Staples	2.4%
Communication Services	1.7%
Health Care	0.2%
<b>Global Equities</b>	<b>13.9%</b>
United States	11.7%
International	2.2%
<b>Canadian Debt</b>	<b>25.3%</b>
Corporate Bonds	25.1%
Government Bonds	0.2%
<b>Global Debt</b>	<b>39.7%</b>
United States Bonds	31.7%
International Bonds	8.0%
<b>Derivatives</b>	<b>0.8%</b>

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

Jurisdiction	% of Net Assets
	June 30, 2022
<b>SHORT POSITIONS</b>	<b>-70.4%</b>
<b>Canadian Equities</b>	<b>-31.6%</b>
Index Equivalents	-14.3%
Financials	-2.8%
Energy	-1.7%
Real Estate	-3.1%
Materials	-1.5%
Industrial	-1.7%
Utilities	-1.6%
Consumer Staples	-1.4%
Consumer Discretionary	-1.5%
Communication Services	-1.0%
Information Technology	-0.9%
Health Care	-0.1%
<b>Global Equities</b>	<b>-19.8%</b>
United States	-10.4%
International Index Equivalents	-8.7%
International	-0.7%
<b>Canadian Debt</b>	<b>-1.8%</b>
Corporate Bonds	-1.8%
Government Bonds	0.0%
<b>Global Debt</b>	<b>-16.7%</b>
United States Bonds	-12.7%
International Bonds	-4.0%
<b>Derivatives</b>	<b>-0.5%</b>

## 8. LIQUIDITY RISK

The table below categorizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Amounts due to holders of redeemable units are disclosed as net assets attributable to holders of redeemable units on the statements of financial position and are due on demand.

June 30, 2022 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	18,738,737	-	-	18,738,737
Accrued liabilities and other payables	-	123,111	-	123,111
Payable for investments purchased	2,375,781	-	-	2,375,781
Derivative liabilities	128,390	-	-	128,390

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 9. FUND UNIT TRANSACTIONS

For the period May 4, 2022 (commencement of operations) to June 30, 2022

	2022				
	Class A	Class F	Class FT	Class I	Class ETF
Units issued and outstanding, beginning of period	-	-	-	-	-
Units issued	24,648	333,634	3,750	2,303,750	710,000
Units reinvested	-	-	32	-	-
Units redeemed	-	(3,008)	-	(655,732)	-
<b>Units issued and outstanding, end of period</b>	<b>24,648</b>	<b>330,626</b>	<b>3,782</b>	<b>1,648,018</b>	<b>710,000</b>
<b>Weighted average number of units held during the period</b>	<b>15,770</b>	<b>199,255</b>	<b>3,758</b>	<b>2,068,118</b>	<b>326,780</b>

### 10. COMMISSIONS

For the period May 4, 2022 (commencement of operations) to June 30, 2022 (in \$000)

	2022
Brokerage commissions	35
Soft Dollar commissions	5

### 11. STRUCTURED ENTITIES

The table below illustrates the Fund's investment in the underlying funds as at June 30, 2022.

Underlying Funds	Fair Value of Fund's Investment (in \$000s)	Underlying Fund's Net Assets (in \$000s)	% of Net Assets of the Underlying Fund
<b>As at June 30, 2022</b>			
CI Galaxy Ethereum ETF	8	160,431	0.0%
Picton Mahoney Fortified Arbitrage Plus Alternative Fund	2,486	610,283	0.4%

### 12. LEVERAGE

During the period May 4, 2022 (commencement of operations) to June 30, 2022, the Fund's aggregate exposure reached a low of 27.13% and a high of 169.78% of the Fund's NAV. As at June 30, 2022, the Fund's aggregate exposure was 143.64% of the Fund's NAV. The primary source of leverage was short positions in equity and fixed income securities.



# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2022 (unaudited)

### 1. GENERAL INFORMATION

Picton Mahoney Fortified Alpha Alternative Fund (the "Fund") is an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a trust agreement dated September 19, 2018, as amended and restated as of June 26, 2019, July 7, 2020, August 17, 2020 and July 8, 2021, and further amended and restated April 20, 2022 (the "Trust Declaration"). The Fund commenced operations on May 4, 2022. Picton Mahoney Asset Management acts as manager (the "Manager"), portfolio advisor (the "Portfolio Advisor"), and trustee (the "Trustee") for the Fund pursuant to the Trust Declaration. The Manager is responsible for the day-to-day business of the Fund, including the management of the Fund's investment portfolio. The address of the Fund's registered office is 33 Yonge Street, Suite 830, Toronto, Ontario, M5E 1G4. The financial statements are presented in Canadian dollars (CAD). These financial statements were authorized for issue by the Manager on August 29, 2022.

The Fund may issue an unlimited number of classes or series and may issue an unlimited number of units of each class or series. The Fund has created Class A, Class F, Class FT, Class I, and Class ETF units.

Class A units are available to all investors. Class F units are available to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs. Class FT units are available to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs. Class FT units are designed to provide cash flow to investors by making monthly distributions of cash. Class I units are available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager. Class ETF units are listed and issued and sold on a continuous basis and will be available to investors that purchase such units on the TSX through a registered broker or dealer in the province or territory where the investor resides.

As at June 30, 2022, the Fund currently has 5 Classes of Units: Class A, Class F, Class FT, Class I and Class ETF. As at June 30, 2022, the Manager 37,510 units of Class A, 37,500 units of Class F, 37,500 units of Class I, and 37,656 units of Class FT.

The investment objective of the Fund is to provide consistent long-term capital appreciation to unitholders with an attractive risk-adjusted rate of return.

The Fund invests globally in long and short positions in equity securities, fixed income securities (including high yield securities, distressed debt, floating rate loans, senior loans and unsecured loans), special purpose acquisition companies, master limited partnerships, derivatives such as options, futures, forward contracts, swaps, commodity derivatives, volatility-linked derivatives, currencies, securities of investment funds, cash and cash equivalents. The Fund may engage in borrowing for investment purposes.

The Fund is considered an "alternative fund" meaning it has received exemptions from National Instrument 81-102 - Investment Funds ("NI 81-102") to permit it to use strategies generally prohibited by conventional mutual funds, such as the ability to borrow, up to 50% of the Fund's net asset value, cash to use for investment purposes; sell, up to 50% of the Fund's net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and leverage up to 300% of the Fund's net asset value.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Fund.

#### (a) Basis of Preparation

These unaudited interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"), as published by the International Accounting Standards Board. These unaudited interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

#### (b) Classification

##### (i) Assets

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

##### (ii) Liabilities

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss. As such, the Fund classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss. The Fund's policy requires the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

#### (c) Fair Value Measurements

The Fund utilizes a three tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. The three levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values are classified as Level 1 when the related security or derivative is actually traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2022 (unaudited)

measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

### (d) Valuation of Investments and Derivatives

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets, which include equities, bonds, options, and warrants are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

Securities not listed on any recognized public securities exchange are valued in the same manner based on available public quotations from recognized dealers in such securities. If market quotations are not readily available, securities will be valued at fair value as determined in good faith by or under the supervision of the Manager. The cost of investments represents the amount paid for each security and is determined on an average cost basis.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and others commonly used by market participants and which make the maximum use of observable inputs.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investment fund units held as investments are valued at their respective Net Asset Values on the relevant valuation dates as reported by the investment fund manager, as these values are the most readily and regularly available.

Warrants, options, and futures that are not listed on any recognized public securities exchange are valued using the Black-Scholes model and based on observable market inputs.

Foreign exchange forward contracts are valued on each valuation day based on the difference between the value of the contract on the date the contract originated and the value of the contract on the valuation day.

The difference between fair value and the average cost is shown as the change in unrealized appreciation (depreciation) on investments, options and foreign exchange forward contracts.

Other financial assets (held for collection) and other financial liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, where appropriate at the contract's effective interest rate. Due to their

short-term nature, the fair value of other financial assets and financial liabilities carried at amortized cost approximates their carrying amount.

### *Receivable for investments sold and payable for investments purchased*

Receivable for investments sold and payable for investments purchased represent trades that have been contracted for but not yet settled or delivered on the statements of financial position dates. These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Funds measure the loss allowance on receivable for investments sold and payable for investments purchased at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganization, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due or a significant deterioration in a counterparty credit quality. Any contractual payment which is more than 90 days past due is considered credit impaired.

### (e) Cash

Cash is comprised of cash on demand deposit with a Canadian financial institution and is stated at fair value.

### (f) Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date. Expenses are recorded on an accrual basis. Dividend income is recorded on the ex-dividend date. The interest for distribution purposes shown on the statement of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. Realized gains and losses on sale of investments and unrealized appreciation and depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds. Income, common expenses and gains (losses) are allocated to each Class of the Fund based on the Class' prorated share of total Net Asset Value. Interest and borrowing expense and dividend expense on short sales are included within net gains (losses) on investments and derivatives.

Distributions received from investment trusts and underlying funds are recorded as dividend income, interest for distribution purposes, net realized gains (loss) on non-derivative investment or a return of capital, based on the best information available to the Manager. Due to the nature of those investments, actual allocations could vary from this information. Distributions from income trusts and underlying funds that are treated as a return of capital for income tax purposes reduce the average cost of the income trusts and underlying funds.

### (g) Valuation of Fund Units

The Fund's net asset value is calculated at the close of regular trading, normally 4:00pm (Eastern Time), on a day the Toronto Stock Exchange ("TSX") is open (a "Valuation Day"). The net asset value of the Fund will be calculated in Canadian dollars and the units of the Fund are denominated in Canadian dollars.

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2022 (unaudited)

The Fund's units are divided into the Class A, Class F, Class FT, Class I, and Class ETF units. Each class is divided into units of equal value. When you invest in the Fund, you are purchasing units of a specific class of the Fund.

A separate net asset value per unit is calculated for each class of units (the "Unit Price"). The Unit Price is the price used for all purchases, switches, reclassifications and redemptions of units of that class (including purchases made on the reinvestment of distributions). The price at which units are issued or redeemed is based on the next applicable Unit Price determined after the receipt of the purchase or redemption order.

The Unit Price of each class of the Fund is calculated by taking the fair value of all the investments and other assets allocated to the class and subtracting the liabilities allocated to that class. This gives us the net asset value for the class. The Unit Price for the class is obtained by dividing the net asset value for the class by the total number of units of the class that investors in a Fund are holding.

Although the purchases and redemptions of units are recorded on a class basis, the assets attributable to all of the class of a Fund are pooled to create one fund for investment purposes.

Each class pays its proportionate share of fund costs in addition to its management fee and performance fee. The difference in fund costs, management fees and performance fees between each class means that each class has a different Unit Price.

Any purchase, switch, reclassification or redemption instruction received after 4:00pm (Eastern Time) on Valuation Day will be processed on the next Valuation Day.

ETF units of the Fund are available for purchase or sale on the TSX through a registered broker or dealer. The cut-off time for ETF units of the Fund is 2:00pm (Eastern Time) on a trading day.

### (h) Foreign Currency Translation

The Fund's functional and presentation currency is Canadian dollars. The fair value of foreign investments and other assets and liabilities are translated into Canadian dollars at the exchange rates prevailing at the close of each valuation day. Purchases and sales of foreign securities and the related income and expenses are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

Foreign exchange gains and losses relating to cash and other assets and liabilities are presented as 'Foreign currency gain (loss) on cash and other assets and liabilities' and those relating to other financial assets and liabilities are presented within 'Net realized gain (loss) on investments, options, and foreign exchange forward contracts and 'Change in unrealized appreciation (depreciation) on investments, options, and foreign exchange forward contracts.

### (i) Increase (decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit of each Class of the Fund is determined by dividing the net increase in net assets attributable to holders of redeemable units from each Class of Units by the weighted average number of Units outstanding of that Class during the year.

### (j) Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies

by regulatory agencies and securities exchange, and transfer taxes and duties. Such costs are expensed and included in "Transaction costs" in the Statement of Comprehensive Income.

### (k) Securities Lending Transactions

The Fund may enter into securities lending transactions. These transactions involve the temporary exchange of securities as collateral with a commitment to deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on securities held as collateral. Income earned from these transactions is recognized on an accrual basis and included in the Statements of Comprehensive Income.

The Fund has entered into a securities lending program with their custodian, RBC Investor Services Trust. The aggregate market value of all securities loaned by the Fund cannot exceed 50% of the assets of the Fund. The Fund will receive collateral of at least 102% of the value of the securities on loan. Collateral will generally be comprised of cash and obligations of, or guaranteed by, the Government of Canada or a province thereof, or a permitted supranational agency as defined in National Instrument 81-102. Securities lending income reported in the Statements of Comprehensive Income is net of a securities lending charge which the Fund's custodian, RBC Investor Services Trust, is entitled to receive.

### (l) Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure that would otherwise not be possible.

The Fund's aggregate exposure to its sources of leverage is calculated as the sum of the following: (i) the market value of short holdings; (ii) the amount of cash borrowed for investment purposes; and (iii) the notional value of the Fund's derivatives positions, excluding any derivatives used for hedging purposes. The Fund's exposure to leverage must not exceed 300% of the Fund's NAV.

The Fund has received exemptive relief from Canadian securities regulatory authorities from certain investment restrictions set out in NI 81-102 that would restrict the ability of the Fund to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Fund that exceed the net asset value of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a Fund's turnover, transaction and market impact costs, interest and other costs and expenses.

The Fund has also obtained exemptive relief such that the Fund is permitted to engage in short selling transactions and cash borrowing up to a combined maximum of 100% of its net asset value, which is in excess of the short sale and cash borrowing limits provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

### (m) Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

Picton Mahoney has determined that all of the underlying funds in which the Fund invests are unconsolidated structured entities. In making this determination, Picton Mahoney evaluated the fact that decision making

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about the underlying funds' activities is not governed by voting or similar rights held by the Fund and other investors in any underlying funds.

The Fund may invest in underlying funds whose investment objectives range from achieving short- to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives. Underlying funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportionate stake in the respective fund's net assets. The Fund's interests in underlying funds as at June 30, 2022, held in the form of redeemable units, are included at their fair value in the Statement of Financial Position, which represent the Fund's maximum exposure in these underlying funds. The Fund does not provide and has not committed to provide any additional significant financial or other support to the underlying funds. The change in fair value of each of the underlying funds during the periods is included in 'Change in unrealized appreciation (depreciation) of investments, options, and foreign exchange forward contracts' in the Statement of Comprehensive Income.

### (n) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

These financial statements, include estimates and assumptions by management that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the period. Actual results could differ from these estimates. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements.

#### *Fair value measurement of derivatives and securities not quoted in an active market*

The Fund holds financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using recognized valuation techniques and may be determined using reputable pricing sources or indicative prices from market makers.

Where no market data is available, the Fund may value positions using its own models, which are based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager, independent of the party that created them. Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

### 4. FINANCIAL INSTRUMENTS RISKS

The Fund is exposed to various financial risks, including market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk. The investment team reviews and rebalances the portfolio

on a regular and ongoing basis to maintain the risk reward targets. Portfolios within each strategy are reviewed relative to each other and to their benchmark. Active industry and security allocations are analyzed. All investments may result in a risk of loss of capital.

Please refer to the Fund Specific Notes for details of the Fund's financial instruments risks.

#### **Price risk:**

The Fund trades in financial instruments, taking positions in traded and over-the-counter instruments which may include derivatives. As of June 30, 2022, the Fund held or had exposure to long and short equity positions in publicly traded companies whose securities are actively traded on a recognized public exchange. Equities are susceptible to price risk arising from uncertainties about future prices of those instruments (other than those arising from interest rate risk or currency risk).

Short sales entail certain risks, including the risk that a short sale of a security may expose a Fund to losses if the value of the security increases. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. In addition, a short sale by a Fund requires the Fund to borrow securities in order that the short sale may be transacted. There is no assurance that the lender of the securities will not require the security to be paid back by a Fund before the Fund wants to do so, possibly requiring the Fund to borrow the security elsewhere or purchase the security on the market at an unattractive price. Moreover, the borrowing of securities entails the payment of a borrowing fee. The borrowing fee may increase during the borrowing period, adding to the expense of the short sale strategy. There is also no guarantee that the securities sold short can be repurchased by a Fund due to supply and demand constraints in the equity markets. Finally, in order to maintain the appropriate ratios between the long portfolio and the short portfolio of a Fund, the Manager may be required to buy or sell short securities at unattractive prices. The maximum risk resulting for financial instruments held long is determined by the fair value of the instrument.

#### **Currency risk:**

Currency risk is the risk that the cash and securities held by the Fund as well as due to and due from broker balances may be valued in or have exposure to currencies other than the Canadian dollar which is the functional currency of the Fund. The prices of the foreign securities are denominated in foreign currencies which are converted to the Fund's functional currency for determining fair value and, accordingly, each Class Net Asset Value will be affected by fluctuations in the value of such foreign currencies relative to the Canadian dollar.

#### **Interest rate risk:**

Interest rate risk arises when a fund invests in interest-bearing financial instruments and from the possibility that changes in the prevailing levels of market interest rates will affect future cash flows or fair values of such financial instruments. There is minimal fair value sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates. Market prices may also be affected by changes in market interest rates. Also, changes in the market interest rate may affect the borrowing expenses of the short positions held by the Fund.

#### **Credit risk:**

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been

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received by the broker. The trade will fail if either party fails to meet its obligation. However, there are risks involved in dealing with custodians or prime brokers who settle trades and in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

The Fund is exposed to credit risk. For other financial assets at amortized cost, the Manager considers both historical analysis and forward looking information in determining any expected credit loss. At December 31, 2021, all receivables for investments sold, dividends receivable, due from manager, due from manager, deposits with brokers for securities sold short, and cash are held with counterparties with a good credit quality and are due to be settled within one week. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

### Liquidity Risk:

Liquidity risk is the risk that a Fund will not be able to generate sufficient cash availability to execute its payment obligations. The Fund primarily invests in liquid securities that are readily realizable in an active market which is essential if the Fund is required to fund daily redemptions in the course of operations. The Fund from time to time may invest in restricted securities through private placements. However, this type of investment does not constitute a significant percentage of the Fund's Net Asset Value. The Fund may also maintain a cash reserve to accommodate normal-type redemptions. All liabilities of the Fund mature in one year or less. Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

### Concentration risk:

Concentration risk arises as a result of the concentration of financial instrument exposures within the same category, whether it is geographic region, asset type or industry sector.

### Leverage Risk:

The Fund has received exemptive relief from Canadian securities regulatory authorities from certain investment restrictions set out in NI 81-102 that would restrict the ability of the Fund to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Fund that exceed the net asset value of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a Fund's turnover, transaction and market impact costs, interest and other costs and expenses.

Pursuant to the terms of the exemptive relief, the Fund's aggregate gross exposure, calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the aggregate market value of the Fund's long positions; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. If the Fund's aggregate gross exposure exceeds three times the Fund's net asset value, the Fund must, as quickly as is commercially reasonable, take all

necessary steps to reduce the aggregate gross exposure to three times the Fund's net asset value or less.

## 5. CAPITAL MANAGEMENT

The capital of a Fund is represented by the issued and outstanding units and the net asset value attributable to participating unitholders. The Manager utilizes the capital of the Fund in accordance with the Fund's investment objectives, strategies and restrictions, as outlined in the Fund's prospectus, while maintaining sufficient liquidity to meet normal redemptions. The Fund does not have any externally imposed capital requirements.

## 6. REDEEMABLE UNIT TRANSACTIONS

The Fund is permitted to have an unlimited number of Classes of Units having such terms and conditions as the Manager may determine. Additional Classes may be offered in future on different terms, including having different fee and dealer compensation terms and different minimum subscription levels. Each Unit of a Class represents an undivided ownership interest in the Net Asset Value of the Fund attributable to that Class of Units.

Investors may be admitted to the Fund or may acquire additional Units on a daily basis. Units of the Fund are offered at the Class Net Asset Value per Unit calculated as of the applicable Valuation Date. The minimum initial investment in the Fund is \$2,000 for all Classes and the Manager has the discretion to accept a lesser initial subscription, provided, in each case, that the issuance of Units in respect of such subscription shall otherwise be exempt from the prospectus requirements of applicable securities legislation. Subsequent investments are subject to an additional minimum investment of CAD \$500 subject to applicable securities legislation. The capital of the Fund is represented by issued redeemable Units with no par value. The Units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's Net Asset Value per Unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of Units other than as described above. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and in the Fund Specific Notes of each Fund.

IAS 32, Financial Instrument - Recognition and Measurement, requires that units of an entity that include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Fund's units have been classified as financial liabilities. The Fund has multiple series of units that carry different management fee rates and therefore do not have identical features. As all units are equally subordinate, the units also would not meet the requirements of IAS 32 and therefore do not meet the conditions to be classified as equity.

Generally, all orders to purchase ETF units directly from a Fund must be placed by a Designated Broker or an "ETF Dealer", which is a registered dealer (that may or may not be a Designated Broker) that has entered into an agreement with us authorizing the dealer to subscribe for, purchase and redeem ETF units from one or more Funds on a continuous basis from time to time. For each Prescribed Number of Units issued, an ETF Dealer must deliver payment consisting of, either: (i) a group of securities or assets representing the constituents of the Fund (a "Basket of Securities") for each Prescribed Number of Units for which the subscription order has been accepted and cash, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value of the Prescribed Number of Units next determined following the receipt of the subscription order; or

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(ii) cash only, securities other than Baskets of Securities or a combination of securities other than Baskets of Securities and cash, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value of the Prescribed Number of Units next determined following the receipt of the subscription order. When you redeem ETF units of a Fund, you receive the proceeds of your sale in cash at a redemption price per unit equal to 95% of the closing trading price on the effective date of the cash redemption request, subject to a maximum redemption price of the applicable net asset value per unit. As unitholders will generally be able to sell ETF units at the market price on the TSX or another exchange or marketplace through a registered broker or dealer subject only to customary brokerage commissions.

### 7. DISTRIBUTIONS

The Fund intends to distribute net income and net realized capital gains, if any, to Unitholders at the end of each taxation year to ensure that the Fund is not liable for income tax under Part I of the Income Tax Act (Canada) (the "Act"), after taking into account any loss carry forwards and capital gains refunds.

All annual distributions paid on Class A, Class F, Class I and Class ETF units will be automatically reinvested in additional units. All annual distributions paid on Class FT units will be automatically paid in cash.

### 8. TAXATION

The Fund qualifies as a "mutual fund trust" and will be subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. The Fund deducts, in computing its income in each taxation year, the full amount available for deduction in each year and, therefore, provided the Fund makes distributions in each year of its net income and net realized capital gains, it will generally not be liable in such year for any tax on its net income or profit under Part I of the Tax Act. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred tax asset.

Non-capital losses have expiry periods of up to 20 years and can be offset against future taxable income. Net capital losses can be carried forward indefinitely and offset against future taxable capital gains.

The Fund is required to include in income for each taxation year any dividends received by it in a taxation year and all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. In computing its income, the Fund will take into account any loss carry-forwards, any capital gains refund and all deductible expenses, including management fees.

Gains and losses realized by the Fund on the disposition of securities will generally be reported as capital gains and capital losses. The Fund will elect under section 39(4) of the Tax Act so that all gains or losses realized on the disposition of securities that are "Canadian securities" (as defined in the Tax Act), including Canadian securities acquired in connection with short sales, will be deemed to be capital gains or losses to the Fund. Generally, gains and losses realized by the Fund from derivative securities and in respect of short sales of securities (other than Canadian securities) will be treated as income and losses of the Fund, except where a derivative is used to hedge securities held on capital account provided there is sufficient linkage and subject to detailed rules in the Tax Act. Whether gains or losses realized by the Fund in respect of a particular

security (other than a Canadian security) is on income or capital account will depend largely on factual considerations. Losses incurred by the Fund in a taxation year cannot be allocated to unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act.

### 9. OPERATING EXPENSES

The Manager is responsible for the day-to-day operations of the Fund. The Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the Manager. Operating expenses include, but are not limited to, brokerage commissions and fees, taxes, audit and legal fees, fees of the members of the Independent Review Committee ("IRC"), costs and fees in connection with the operation of the IRC, safekeeping and custodial fees, interest expenses, operating, administrative and systems costs, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses, annual information forms and fund facts.

With the exception of Class specific expenses, all other expenses are allocated to each Class of the Fund based on the Class' pro-rated share of total Net Asset Value of the Fund. The Manager may from time to time waive any portion of the fees and reimbursement of expenses otherwise payable to it, but no such waiver affects its right to received fees and reimbursement of expenses subsequently accruing to it.

### 10. RELATED PARTY TRANSACTIONS

#### (a) Management Fees

The Manager receives a management fee payable for providing its services to the Fund. The management fee varies for each class of units. The management fee is calculated and accrued daily based on a percentage of the net asset value of the class of units of the Fund, plus applicable taxes, and is payable on the last business day of each calendar quarter. This fee differs among the classes of units of the Fund. The annual management fee payable by the Fund to the Manager on Class A units is 1.95% and on Class F units, Class FT units, and Class ETF units is 0.95%. The management fee for Class I units of the Fund is negotiated by the investor and paid directly by the investor, and would not exceed the management fee payable on Class A units of the Fund.

#### Management Fee Distributions

The Manager may, in its discretion, agree to charge a reduced management fee as compared to the fee that the Manager otherwise would be entitled to receive from the Fund with respect to investments in the Fund by unitholders who hold a minimum amount of units during any period and/or meet other criteria as determined by the Manager from time to time. In such cases, an amount equal to the difference between the management fee otherwise chargeable and the reduced fee payable by the Fund will be distributed regularly by the Fund to those unitholders as "Management Fee Distributions". The Manager reserves the right, in its discretion, to discontinue or change Management Fee Distributions at any time.

#### (b) Performance Fees

The Manager receives a performance fee in respect of each of the Class A units, Class F units, Class FT units, and Class ETF units of the Fund. The performance fee for each class shall be calculated and become a liability of the Fund on each Valuation Day and shall be payable at the end of each calendar quarter.

The performance fee is equal to 20% of the amount by which the performance of the applicable class exceeds an annual hurdle rate of return equal to 2%, for each of the Class A units, Class F units, Class FT

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units, or Class ETF units, plus applicable taxes. The performance fee in respect of each of the Class A units, Class F units, Class FT units, and Class ETF units of the Fund on a particular Valuation Day shall be equal to the product of, (a) 20% of the positive difference between (i) the Unit Price on the Valuation Day; and (ii) the greatest Unit Price on any previous Valuation Day or the Unit Price on the date when the units of the class were first issued, where no performance fee liability has previously arisen in respect of units of the class (the "High Water Mark"); less (iii) the hurdle amount (the "Hurdle Amount") per unit on the Valuation Day; and (b) the number of units outstanding on the applicable Valuation Day on which the performance fee is determined, plus applicable taxes.

The Hurdle Amount per unit is the product of (a) 2% for each calendar year (prorated for the number of days in the year); (b) the Unit Price on the applicable Valuation Day; and (c) the number of days since the most recently determined High Water Mark or the beginning of the current calendar year, whichever is most recent. The Manager may make such adjustments to the Unit Price, the High Water Mark and/or the Hurdle Amount per unit as are determined by the Manager to be necessary to account for the payment of any distributions on units, any unit splits or consolidations or any other event or matter that would, in the opinion of the Manager, impact upon the computation of the performance fee. Any such determination of the Manager shall, absent manifest error, be binding on all unitholders. Investors in Class I units may negotiate a different performance fee than the one described herein or no performance fee at all. Any performance fee for Class I units will be paid directly to the Manager. The Manager reserves the right, in its discretion, to discontinue, decrease or waive the performance fee at any time. For the period May 4, 2022 to June 30, 2022, the Fund incurred performance fees of \$146 plus applicable taxes. At the Manager's discretion, these fees were waived for the period.

### (c) Fund-on-Fund Fees and Expenses

When the Fund invests in an underlying fund, the underlying fund may pay a management and performance fee and other expenses in addition to the fees and expenses payable by the Fund. The fees and expenses of the underlying fund will have an impact on the management expense ratio of the Fund. However, the Fund will not pay a management or performance fee that, to a reasonable person, would duplicate a fee payable by the underlying fund(s) for the same service. In addition, the Fund will not pay any sales charges, redemption fees or short-term trading fees for its purchase or redemption of units of any underlying fund that is managed by the Manager, or that, in respect of the other underlying funds, to a reasonable person, would duplicate a fee payable by an investor in any underlying fund.

**THINK AHEAD.  
STAY AHEAD.**



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## **PICTON MAHONEY ASSET MANAGEMENT CORPORATE INFORMATION**

### **Corporate Address**

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### **Auditor**

#### **PricewaterhouseCoopers LLP**

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### **Fund Administration & Transfer Agent**

#### **Picton Mahoney Funds**

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