

FORTIFIED ARBITRAGE ALTERNATIVE FUND



**THINK AHEAD.
STAY AHEAD.**

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MANAGEMENT'S RESPONSIBILITY STATEMENT

The accompanying financial statements have been prepared by Picton Mahoney Asset Management, the Manager of the Picton Mahoney Fortified Arbitrage 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

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND

STATEMENTS OF FINANCIAL POSITION

As at June 30, 2022 (unaudited) and December 31, 2021

	June 30, 2022 \$	December 31, 2021 \$
Assets		
Current assets		
Long positions at fair value*	376,587,350	327,132,530
Cash	15,728,317	104,985,124
Cash, pledged as collateral	-	23,939,182
Options purchased	78,895	9,199
Unrealized gain on foreign exchange forward contracts at fair value	2,739,835	4,831
Subscriptions receivable	48,293	319,477
Receivable for investments sold	397,962	710,459
Dividends receivable	53,771	100,941
	<u>395,634,423</u>	<u>457,201,743</u>
Liabilities		
Current liabilities		
Short positions at fair value**	10,285,609	26,963,403
Options written	82,990	185,676
Unrealized loss on foreign exchange forward contracts at fair value	131,648	2,452,790
Margin borrowings	29,484,549	120,003,583
Management fee payable	214,540	157,411
Redemptions payable	583,940	91,039
Accrued liabilities	63,142	143,243
Payable for investments purchased	967,453	684,362
Dividends payable	-	9,727
Distributions payable	-	303
	<u>41,813,871</u>	<u>150,691,537</u>
Net Assets Attributable to Holders of Redeemable Units	<u>353,820,552</u>	<u>306,510,206</u>
Net Assets Attributable to Holders of Redeemable Units per Class		
Class A	18,132,007	20,437,662
Class F	198,460,388	205,436,412
Class I	137,228,157	80,636,132
Number of Redeemable Units Outstanding		
Class A	1,583,231	1,757,256
Class F	16,725,398	17,141,481
Class I	10,634,327	6,220,460
Net Assets Attributable to Holders of Redeemable Units per Unit		
Class A	11.45	11.63
Class F	11.87	11.98
Class I	12.90	12.96
	<u>375,748,100</u>	<u>323,684,719</u>
	<u>(10,960,047)</u>	<u>(23,578,227)</u>

* Long positions, at cost

** Short positions, at cost

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

Approved on behalf of the Manager

David Picton

Arthur Galloway




President

CFO

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the six month periods ended June 30 (unaudited)

	2022 \$	2021 \$
Income		
Net gains (losses) on investments and derivatives		
Interest for distribution purposes	25,801	54,345
Dividends	335,067	143,325
Net realized gain (loss) on investments and options	4,525,406	7,167,478
Net realized gain (loss) on foreign exchange forward contracts	(9,978,391)	12,958,013
Change in unrealized appreciation (depreciation) on investments, options and foreign exchange forward contracts	6,679,314	(16,569,581)
Interest and borrowing expense	(230,930)	(90,402)
Dividend expense	(102,474)	(196,561)
Net gains (losses) on investments and derivatives	<u>1,253,793</u>	<u>3,466,617</u>
Other income		
Foreign currency gain (loss) on cash and other assets and liabilities	(2,387,566)	1,906,149
Total Income	<u>(1,133,773)</u>	<u>5,372,766</u>
Expenses		
Management fees	1,277,793	932,717
Transaction costs	259,211	209,404
Harmonized sales tax	153,449	179,838
Administrative fees	102,577	53,712
Securityholder reporting fees	90,150	48,834
Withholding taxes	37,676	9,718
Legal fees	25,091	19,595
Audit fees	24,930	23,213
Independent Review Committee Expense	3,711	4,479
Performance fees	-	1,284,394
Total Expense before Manager Absorption	<u>1,974,588</u>	<u>2,765,904</u>
Less: Expenses Absorbed by Manager	-	-
Total Expense after Manager Absorption	<u>1,974,588</u>	<u>2,765,904</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>(3,108,361)</u>	<u>2,606,862</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class		
Class A	(306,874)	189,630
Class F	(1,990,471)	2,261,841
Class I	(811,016)	155,391
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Class A	(0.18)	0.14
Class F	(0.11)	0.18
Class I	(0.11)	0.47

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six month periods ended June 30 (unaudited)

	2022 \$	2021 \$
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Class A	20,437,662	8,502,586
Class F	205,436,412	72,948,354
Class I	80,636,132	2,710,548
	<u>306,510,206</u>	<u>84,161,488</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Class A	(306,874)	189,630
Class F	(1,990,471)	2,261,841
Class I	(811,016)	155,391
	<u>(3,108,361)</u>	<u>2,606,862</u>
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Class A	4,662,873	13,591,392
Class F	71,281,952	158,797,843
Class I	60,077,000	3,404,500
	<u>136,021,825</u>	<u>175,793,735</u>
Redemption of redeemable units		
Class A	(6,661,654)	(1,681,829)
Class F	(76,267,505)	(24,846,269)
Class I	(2,673,959)	(1,506,538)
	<u>(85,603,118)</u>	<u>(28,034,636)</u>
Net Increase (Decrease) from Redeemable Unit Transactions	<u>50,418,707</u>	<u>147,759,099</u>
Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>47,310,346</u>	<u>150,365,961</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Class A	18,132,007	20,601,779
Class F	198,460,388	209,161,769
Class I	137,228,157	4,763,901
	<u>353,820,552</u>	<u>234,527,449</u>

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

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30 (unaudited)

	2022 \$	2021 \$
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(3,108,361)	2,606,862
Adjustments for:		
Unrealized foreign exchange (gain) loss on cash	1,222,335	(18,150)
Net realized (gain) loss on investments and options	(4,525,406)	(7,167,478)
Change in unrealized (appreciation) depreciation on investments, options and foreign exchange forward contracts	(6,679,314)	16,569,581
(Increase) decrease in interest and other receivables	-	23,662
(Increase) decrease in dividends receivable	47,170	(2,552)
Increase (decrease) in dividends payable	(9,727)	19,104
Increase (decrease) in other payables and accrued liabilities	(80,101)	(104,291)
Increase (decrease) in management fee payable	57,129	153,331
Increase (decrease) in performance fee payable	-	(550,629)
Purchase of long positions and repurchases of investments sold short	(349,969,602)	(314,306,292)
Proceeds from sales of long positions and on investments sold short	290,408,768	203,808,967
Net Cash Generated (Used) by Operating Activities	<u>(72,637,109)</u>	<u>(98,967,885)</u>
Cash Flows from Financing Activities		
Distributions to holders of redeemable units, net of reinvested distributions	(303)	-
Proceeds from redeemable units issued	135,764,253	175,692,322
Amount paid on redemption of redeemable units	(84,581,461)	(27,452,155)
Increase (decrease) in margin borrowings	(90,519,034)	(2,950,240)
Net Cash Generated (Used) by Financing Activities	<u>(39,336,545)</u>	<u>145,289,927</u>
Unrealized foreign exchange gain (loss) on cash	(1,222,335)	18,150
Net increase (decrease) in cash	(111,973,654)	46,322,042
Cash, beginning of period	128,924,306	19,979,504
Cash, End of Period	<u>15,728,317</u>	<u>66,319,696</u>
Cash	15,728,317	31,242,300
Cash, pledged as collateral	-	35,077,396
Net Cash (Overdraft)	<u>15,728,317</u>	<u>66,319,696</u>
Items classified as operating activities:		
Interest received, net of withholding tax	25,801	78,007
Dividends received, net of withholding tax	344,561	131,055
Interest and borrowing expense paid	(230,930)	(90,402)
Dividends paid	(112,201)	(177,457)

Net of non-cash transfers and switches of \$528,756 (2021 - \$422,982)

PICTON MAHONEY FORTIFIED ARBITRAGE 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 (\$)
LONG POSITIONS (106.5%)									
Canadian Equities (4.9%)									
Materials (0.8%)									
	66,200	Intertape Polymer Group Inc.	2,606,636	2,679,776					
Industrial (0.9%)									
	108,500	LifeWorks Inc.	3,343,266	3,350,480					
Financials (2.9%)									
	192,500	BGP Acquisition Corp.	2,406,634	2,416,121	57,700		Acropolis Infrastructure Acquisition Corp.	719,815	719,743
	96,200	BGP Acquisition Corp., Warrants, 2027-12-31	41,766	32,885	49,743		Activision Blizzard Inc.	5,039,177	4,995,988
	77,000	Choice Consolidation Corp.	971,355	973,401	54,600		Adit EdTech Acquisition Corp.	690,005	693,047
	23,100	EQB Inc.	1,721,080	1,205,358	10,600		Adit EdTech Acquisition Corp., Warrants, 2027-12-31	2,362	684
	70,366	FG Acquisition Corp.	877,934	878,645	57,700		Advanced Merger Partners Inc.	726,193	727,930
	35,183	FG Acquisition Corp., Warrants, 2030-04-05	-	54,461	19,200		Aequi Acquisition Corp.	246,255	244,700
	288,700	Osisko Green Acquisition Ltd.	2,831,060	2,811,938	6,400		Aequi Acquisition Corp., Warrants, 2027-11-30	1,793	561
	15,000	Osisko Green Acquisition Ltd., Warrants	-	2	19,200		AF Acquisition Corp.	239,242	241,232
	118,800	Osisko Green Acquisition Ltd., Warrants, 2026-07-19	41,188	58,212	6,400		AF Acquisition Corp., Warrants, 2028-03-31	1,998	919
	19,200	Silver Spike III Acquisition Corp.	237,181	250,148	1,253		Alleghany Corp.	1,346,134	1,346,552
	9,600	Silver Spike III Acquisition Corp., Warrants, 2023-07-06	3,467	1,858	28,900		AltC Acquisition Corp.	363,409	359,749
	134,700	VM Hotel Acquisition Corp.	1,674,916	1,642,005	57,700		AltEnergy Acquisition Corp.	727,702	742,816
	3,600	VM Hotel Acquisition Corp., Class B res Jul 1	38	39	28,900		AltEnergy Acquisition Corp., Warrants, 2023-02-06	1,289	5,745
	1,200	VM Hotel Acquisition Corp., Class B Units	15,192	15,479	60,055		American Campus Communities Inc.	4,968,571	4,994,383
	48,100	VM Hotel Acquisition Corp., Warrants, 2026-12-31	12,499	7,446	57,700		Anzu Special Acquisition Corp. I	722,666	729,419
			10,834,310	10,347,998	67,400		Apeiron Capital Investment Corp.	855,990	867,718
Communication Services (0.3%)									
	32,500	Shaw Communications Inc.	1,226,164	1,232,725	14,400		Apeiron Capital Investment Corp., Warrants, 2023-06-24	391	1,486
Total Canadian Equities - Long									
			18,010,376	17,610,979	96,200		Arbor Rapha Capital Bioholdings Corp. I	1,215,434	1,244,661
Global Equities (101.6%)									
United States Equities (60.8%)									
	36,400	26 Capital Acquisition Corp.	468,383	460,623	32,100		Arbor Rapha Capital Bioholdings Corp. I, Warrants, 2023-03-14	866	2,534
	28,900	7GC & Co Holdings Inc.	357,982	366,087	28,900		Arena Fortify Acquisition Corp.	364,475	374,289
	68,000	Accelerate Acquisition Corp.	842,746	856,118	14,400		Arena Fortify Acquisition Corp., Warrants, 2028-12-31	441	1,858
	8,300	Accelerate Acquisition Corp., Warrants, 2027-12-31	3,450	1,724	96,200		Argus Capital Corp.	1,227,145	1,240,938
	64,100	Accretion Acquisition Corp.	807,861	814,443	38,500		Arrowroot Acquisition Corp.	481,927	485,956
	59,300	Accretion Acquisition Corp., Rights	1,547	9,218	19,200		Arrowroot Acquisition Corp., Warrants, 2026-01-29	5,242	1,840
	32,000	Accretion Acquisition Corp., Warrants, 2023-02-19	878	2,683	57,700		Athena Consumer Acquisition Corp.	724,097	745,793
	19,200	Achari Ventures Holdings Corp. I	241,663	247,424	28,900		Athena Consumer Acquisition Corp., Warrants, 2023-07-20	1,008	5,219
	19,200	Achari Ventures Holdings Corp. I, Warrants, 2026-08-05	670	3,341	14,400		Athena Technology Acquisition Corp. II	182,969	182,039
					7,200		Athena Technology Acquisition Corp. II, Warrants, 2023-06-10	257	1,247
					48,100		Athlon Acquisition Corp.	610,288	611,162
					24,100		Athlon Acquisition Corp., Warrants, 2026-03-05	6,071	3,594
					38,500		Atlantic Coastal Acquisition Corp.	483,452	485,707
					48,100		Atlantic Coastal Acquisition Corp. II	605,136	616,126
					24,100		Atlantic Coastal Acquisition Corp. II, Warrants, 2023-06-02	745	2,565

PICTON MAHONEY FORTIFIED ARBITRAGE 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 (\$)
	12,800	Atlantic Coastal Acquisition Corp., Warrants, 2027-12-31	5,001	1,321		77,000	Concord Acquisition Corp. III	973,558	988,797
	48,100	Atlas Crest Investment Corp. II	614,168	608,680		38,500	Conyers Park III Acquisition Corp.	482,441	479,251
	19,200	B Riley Principal 250 Merger Corp.	236,327	241,480		28,900	Crucible Acquisition Corp.	370,557	366,833
	25,000	Banyan Acquisition Corp.	312,540	321,199		9,600	Crucible Acquisition Corp., Warrants, 2025-12-26	4,803	1,238
	12,500	Banyan Acquisition Corp., Warrants, 2028-09-30	368	2,096		38,500	D & Z Media Acquisition Corp.	486,146	487,197
	38,500	Beard Energy Transition Acquisition Corp.	490,583	493,902		70,800	DHB Capital Corp.	885,665	893,197
	19,200	Beard Energy Transition Acquisition Corp., Warrants, 2027-12-31	989	3,715		38,500	DiamondHead Holdings Corp.	485,719	488,190
	57,700	Big Sky Growth Partners Inc.	714,067	724,953		38,500	Digital Transformation Opportunities Corp.	482,122	485,707
	48,100	Bite Acquisition Corp.	602,628	608,680		9,600	Digital Transformation Opportunities Corp., Warrants, 2028-03-31	3,079	1,397
	24,100	Bite Acquisition Corp., Warrants, 2027-12-31	7,479	2,723		19,200	Direct Selling Acquisition Corp.	244,414	248,167
	84,200	Black Mountain Acquisition Corp.	1,052,215	1,080,713		9,600	Direct Selling Acquisition Corp., Warrants, 2023-11-23	1,819	1,251
	57,700	Black Mountain Acquisition Corp., Warrants, 2027-10-15	11,084	13,397		19,200	DTRT Health Acquisition Corp.	242,969	249,281
	18,200	BOA Acquisition Corp.	227,381	229,842		9,600	DTRT Health Acquisition Corp., Warrants, 2022-11-12	1,867	755
	27,300	Bright Lights Acquisition Corp.	346,050	346,524		69,600	Duke Realty Corp.	4,899,728	4,933,464
	36,400	Broadscale Acquisition Corp.	462,267	461,092		38,500	E.Merge Technology Acquisition Corp.	494,996	496,633
	19,200	Build Acquisition Corp.	239,281	242,223		6,400	E.Merge Technology Acquisition Corp., Warrants, 2025-07-30	4,696	1,073
	6,400	Build Acquisition Corp., Warrants, 2023-04-29	1,787	826		48,100	East Resources Acquisition Co.	605,679	619,228
	19,200	C5 Acquisition Corp.	243,676	247,424		28,900	Empowerment & Inclusion Capital I Corp.	366,967	366,833
	9,600	C5 Acquisition Corp., Warrants, 2028-05-19	442	2,477		14,400	Empowerment & Inclusion Capital I Corp., Warrants, 2027-12-31	4,653	1,531
	38,500	Carney Technology Acquisition Corp. II	489,810	490,177		38,500	Epiphany Technology Acquisition Corp.	487,301	487,694
	55,600	CDK Global Inc.	3,852,713	3,928,191		12,800	Epiphany Technology Acquisition Corp., Warrants, 2027-12-31	7,229	1,240
	57,700	CF Acquisition Corp. IV	733,319	732,396		55,200	EQ Health Acquisition Corp.	693,764	699,951
	28,900	CF Acquisition Corp. VII	369,075	370,561		19,200	EQ Health Acquisition Corp., Warrants, 2028-02-02	4,455	2,331
	9,600	CF Acquisition Corp. VII, Warrants, 2026-03-15	636	1,901		48,100	Equity Distribution Acquisition Corp.	616,987	616,436
	38,500	CF Acquisition Corp. VIII	485,124	502,096		96,200	ExcelFin Acquisition Corp.	1,207,128	1,241,559
	9,600	CF Acquisition Corp. VIII, Warrants, 2027-12-31	4,903	3,048		18,600	ExcelFin Acquisition Corp., Warrants, 2023-07-05	551	4,712
	40,900	Churchill Capital Corp. V	505,625	518,623		38,500	FAST Acquisition Corp. II	479,491	484,714
	19,300	Churchill Capital Corp. VI	244,727	243,733		33,700	Figure Acquisition Corp. I	425,284	425,804
	154,000	Churchill Capital Corp. VII	1,922,012	1,940,843		80,300	FinServ Acquisition Corp. II	1,005,481	1,015,118
	26,000	CIIG Capital Partners II Inc.	322,683	332,035		86,900	FinTech Acquisition Corp. VI	1,075,137	1,104,158
	33,600	Citrix Systems Inc.	4,341,582	4,211,594		225,200	First Horizon Corp.	6,710,978	6,350,290
	38,500	Clarim Acquisition Corp.	486,042	487,694		85,500	First Reserve Sustainable Growth Corp.	1,067,996	1,077,546
	3,581	Clarim Acquisition Corp., Warrants, 2027-12-31	882	508		33,700	Flame Acquisition Corp.	420,299	425,586
	38,500	Class Acceleration Corp.	493,143	487,694					
	19,200	Class Acceleration Corp., Warrants, 2028-03-31	4,079	1,858					
	44,600	Climate Real Impact Solutions II Acquisition Corp.	560,399	565,540					
	4,795	Coherent Inc.	1,584,449	1,646,661					
	48,100	Colicity Inc.	614,656	608,680					
	77,000	Compute Health Acquisition Corp.	964,664	974,394					

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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 (\$)
	62,600	Focus Impact Acquisition Corp.	785,247	803,071		57,700	Hennessy Capital Investment Corp. VI	724,866	715,277
	31,300	Focus Impact Acquisition Corp., Warrants, 2023-04-23	1,430	3,230		67,400	Hudson Executive Investment Corp. II	847,598	855,520
	94,900	Forest Road Acquisition Corp. II	1,180,671	1,199,073		57,700	Hudson Executive Investment Corp. III	723,060	729,419
	57,700	Fortistar Sustainable Solutions Corp.	737,920	730,163		19,200	HumanCo Acquisition Corp.	242,251	243,957
	201,300	Forum Merger IV Corp.	2,489,024	2,536,959		38,500	IG Acquisition Corp.	494,688	491,667
	3,200	FTAC Emerald Acquisition Corp.	39,342	40,370		6,800	Ignyte Acquisition Corp.	86,110	86,577
	47,200	FTAC Parnassus Acquisition Corp.	592,649	599,727		28,900	Industrial Tech Acquisitions II Inc.	362,729	372,425
	48,100	FTAC Zeus Acquisition Corp.	611,436	613,644		14,400	Industrial Tech Acquisitions II Inc., Warrants, 2028-12-31	548	2,786
	24,100	FTAC Zeus Acquisition Corp., Warrants, 2027-12-31	1,639	4,974		57,700	Insight Acquisition Corp.	718,516	730,907
	96,200	Fusion Acquisition Corp. II	1,210,757	1,217,360		28,900	Insight Acquisition Corp., Warrants, 2023-02-11	6,185	6,707
	33,700	G&P Acquisition Corp.	423,862	432,107		57,700	INSU Acquisition Corp. III	724,725	733,140
	16,800	G&P Acquisition Corp., Warrants, 2027-03-05	4,354	1,948		38,500	Intelligent Medicine Acquisition Corp., Warrants	486,380	497,626
	24,100	Gaming & Hospitality Acquisition Corp.	304,634	304,040		19,200	Intelligent Medicine Acquisition Corp., Warrants, 2023-01-13	690	3,220
	8,000	Gaming & Hospitality Acquisition Corp., Warrants, 2028-02-04	2,243	1,342		19,200	InterPrivate II Acquisition Corp.	240,987	242,471
	38,500	Glass Houses Acquisition Corp.	475,851	487,197		75,300	InterPrivate III Financial Partners Inc.	943,769	951,910
	28,900	GO Acquisition Corp.	370,889	372,052		38,500	InterPrivate IV InfraTech Partners Inc.	477,195	486,701
	9,600	GO Acquisition Corp., Warrants, 2027-08-31	7,273	7		86,600	Jaws Hurricane Acquisition Corp.	1,070,403	1,088,058
	67,544	Goal Acquisitions Corp.	849,992	853,862		24,100	Jiya Acquisition Corp.	307,832	307,149
	14,400	Golden Arrow Merger Corp.	179,496	181,667		38,500	JOFF Fintech Acquisition Corp.	484,738	486,701
	4,800	Golden Arrow Merger Corp., Warrants, 2026-07-31	963	495		19,200	Juniper II Corp.	242,606	245,938
	77,000	Golden Falcon Acquisition Corp.	970,992	978,367		105,900	Khosla Ventures Acquisition Co III	1,320,533	1,330,546
	19,200	Golden Falcon Acquisition Corp., Warrants, 2026-11-04	9,668	2,286		57,700	Khosla Ventures Acquisition Co.	734,606	725,697
	48,100	Gores Holdings IX Inc.	601,938	596,891		72,200	KKR Acquisition Holdings I Corp.	902,858	911,790
	23,100	Gores Holdings VII Inc.	293,201	291,424		28,900	KL Acquisition Corp.	363,925	366,833
	21,800	Gores Holdings VIII Inc.	279,606	276,992		9,600	KL Acquisition Corp., Warrants, 2028-01-12	3,817	1,856
	125,100	Gores Technology Partners II Inc.	1,537,593	1,579,847		57,700	KnightSwan Acquisition Corp.	725,672	745,793
	115,500	Gores Technology Partners Inc.	1,418,739	1,458,612		28,900	KnightSwan Acquisition Corp., Warrants, 2028-07-21	824	5,898
	57,300	Group Nine Acquisition Corp.	733,071	726,949		3,800	Landcadia Holdings IV Inc.	47,628	47,989
	45,200	Hamilton Lane Alliance Holdings I Inc.	572,790	572,565		72,200	LAVA Medtech Acquisition Corp.	907,081	927,623
	96,200	Health Assurance Acquisition Corp.	1,197,831	1,226,047		36,100	LAVA Medtech Acquisition Corp., Warrants, 2023-04-01	1,402	4,922
	48,100	Healthcare Services Acquisition Corp.	611,104	610,542		33,900	Lefteris Acquisition Corp.	424,833	433,360
	58,100	Healthcare Trust of America Inc.	2,280,198	2,091,756		89,900	Legato Merger Corp. II	1,144,023	1,150,393
	48,100	Heartland Media Acquisition Corp.	604,958	617,367		38,500	Lerer Hippeau Acquisition Corp.	484,150	485,707
	24,100	Heartland Media Acquisition Corp., Warrants, 2027-10-21	774	4,526		48,100	LF Capital Acquisition Corp. II	612,153	619,849
						24,100	LF Capital Acquisition Corp. II, Warrants, 2026-01-07	1,053	3,112

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	26,000	LHC Group Inc.	5,508,949	5,223,343		11,238	Northern Genesis Sponsor III LLC		
	16,900	Liberty Media Acquisition Corp.	222,227	214,515		22,400	Northern Genesis Sponsor III LLC, Warrants	1	1
	38,500	Live Oak Crestview Climate Acquisition Corp.	486,800	477,265		19,200	Northern Star Investment Corp. II	41,981	43,343
	28,900	Live Oak Mobility Acquisition Corp.	365,038	365,341		1,640	Northern Star Investment Corp. II, Warrants, 2028-01-31	245,060	242,968
	38,500	Longview Acquisition Corp. II	482,286	485,211		38,500	Northern Star Investment Corp. III	-	215
	52,900	Lux Health Tech Acquisition Corp.	675,013	674,881		38,500	Northern Star Investment Corp. IV	484,076	486,701
	125,300	M3-Brigade Acquisition II Corp.	1,551,216	1,585,605		14,400	OCA Acquisition Corp.	483,850	486,701
	19,200	M3-Brigade Acquisition III Corp.	240,558	246,929		7,200	OCA Acquisition Corp., Warrants, 2027-12-31	184,412	186,311
	6,400	M3-Brigade Acquisition III Corp., Warrants, 2023-05-11	280	1,016		28,900	OmniLit Acquisition Corp.	1,305	465
	248,100	Mandiant Inc.	6,910,279	6,983,233		28,900	OmniLit Acquisition Corp., Warrants, 2023-04-06	364,580	372,425
	24,100	Marblegate Acquisition Corp.	303,322	307,149		14,400	OmniLit Acquisition Corp., Warrants, 2023-04-06	583	2,229
	57,700	Mason Industrial Technology Inc.	725,851	727,930		28,900	One Equity Partners Open Water I Corp.	363,074	366,087
	48,100	McLaren Technology Acquisition Corp.	605,631	621,090		9,600	One Equity Partners Open Water I Corp., Warrants, 2027-12-31	4,020	1,441
	24,100	McLaren Technology Acquisition Corp., Warrants, 2023-03-03	1,106	3,650		57,700	Orion Acquisition Corp.	724,471	729,419
	38,500	Mercato Partners Acquisition Corp.	485,527	494,647		48,100	Oyster Enterprises Acquisition Corp.	604,837	608,680
	9,400	Mercato Partners Acquisition Corp., Warrants, 2026-12-28	346	1,698		24,100	Oyster Enterprises Acquisition Corp., Warrants, 2027-12-31	5,071	3,863
	76,100	Meritor Inc.	3,484,944	3,566,359		48,100	Papaya Growth Opportunity Corp. I	605,206	619,849
	114,100	Mission Advancement Corp.	1,415,502	1,439,460		24,100	Papaya Growth Opportunity Corp. I, Warrants, 2023-04-19	748	3,264
	19,200	Mission Advancement Corp., Warrants, 2028-12-31	5,352	2,043		77,000	Parabellum Acquisition Corp.	956,019	977,374
	28,900	Monument Circle Acquisition Corp.	365,103	366,087		57,700	Parabellum Acquisition Corp., Warrants, 2023-03-26	1,312	9,676
	38,500	Music Acquisition Corp.	488,438	486,701		28,900	Periphos Capital Partnering Corp.	910,144	914,099
	19,200	Music Acquisition Corp., Warrants, 2028-02-05	6,389	2,204		7,200	Periphos Capital Partnering Corp., Warrants, 2028-12-10	7,545	4,170
	38,500	Nabors Energy Transition Corp.	489,739	496,633		41,700	Pershing Square Tontine Holdings Ltd.	1,056,657	1,074,210
	57,700	New Providence Acquisition Corp. II	726,353	741,328		28,900	Phoenix Biotech Acquisition Corp.	368,786	373,916
	19,200	New Providence Acquisition Corp. II, Warrants, 2027-12-31	1,059	2,427		14,400	Phoenix Biotech Acquisition Corp., Warrants, 2026-09-01	465	1,859
	30,200	Newbury Street Acquisition Corp.	377,588	380,217		4,500	Pine Island Acquisition Corp.	54,706	57,293
	15,100	Newbury Street Acquisition Corp., Warrants, 2027-12-31	3,542	2,532		55,800	Pine Technology Acquisition Corp.	698,678	703,240
	38,500	NightDragon Acquisition Corp.	486,532	483,721		111,300	Pivotal Investment Corp. III	1,392,928	1,408,443
	62,800	Northern Genesis Acquisition Corp. III	782,669	793,891		37,625	Plantronics Inc.	1,907,257	1,925,853
	12,500	Northern Genesis Acquisition Corp. III, Warrants, 2027-12-31	-	5,240		14,400	Power & Digital Infrastructure Acquisition II Corp.	183,708	182,782
	10,748	Northern Genesis Sponsor II LLC	3	5,175		7,200	Power & Digital Infrastructure Acquisition II Corp., Warrants, 2024-12-14	482	1,765

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	67,400	Priveterra Acquisition Corp.	847,189	852,042		166,900	Simon Property Group		
	44,300	Progress Acquisition Corp.	554,847	565,736			Acquisition Holdings Inc.	2,084,587	2,109,878
	91,400	Property Solutions Acquisition Corp. II	1,143,834	1,154,261		38,500	Sizzle Acquisition Corp.	486,447	496,137
	48,100	PWP Forward Acquisition Corp. I	602,701	605,578		19,200	Sizzle Acquisition Corp., Warrants, 2026-03-12	493	2,598
	16,400	Quantum FinTech Acquisition Corp.	208,028	207,956		57,700	Social Leverage Acquisition Corp. I	726,010	731,652
	38,500	Recharge Acquisition Corp.	496,435	497,130		52,900	Spindletop Health Acquisition Corp.	667,968	682,387
	19,200	Recharge Acquisition Corp., Warrants, 2027-10-05	8,711	1,731		26,500	Spindletop Health Acquisition Corp., Warrants, 2028-12-31	928	3,760
	45,600	Research Alliance Corp. II	564,338	576,456		19,200	SportsTek Acquisition Corp.	242,610	242,223
	48,100	Revolution Healthcare Acquisition Corp.	601,737	605,578		9,600	SportsTek Acquisition Corp., Warrants, 2027-12-31	2,954	497
	48,100	ROC Energy Acquisition Corp.	617,689	617,987		63,600	Sustainable Development Acquisition I Corp.	798,075	804,824
	42,400	ROC Energy Acquisition Corp., Rights	-	8,751		19,200	Sustainable Development Acquisition I Corp., Warrants, 2028-12-31	4,829	1,919
	10,977	Rogers Corp.	3,760,766	3,711,155		179,700	Switch Inc.	7,721,682	7,765,471
	19,200	Rosecliff Acquisition Corp. I	241,852	242,966		25,700	Tailwind Acquisition Corp.	334,423	329,861
	38,500	RXR Acquisition Corp.	482,147	486,204		19,200	Tastemaker Acquisition Corp.	242,845	245,690
	37,400	Sailpoint Technologies Holdings Inc.	3,034,176	3,023,957		9,600	Tastemaker Acquisition Corp., Warrants, 2025-12-31	3,604	980
	62,300	Sandbridge X2 Corp.	781,482	783,552		96,200	TCW Special Purpose Acquisition Corp.	1,204,343	1,209,915
	20,800	Sandbridge X2 Corp., Warrants, 2027-12-31	7,247	2,028		105,900	Tech and Energy Transition Corp.	1,317,335	1,336,010
	57,700	Schultze Special Purpose Acquisition Corp. II	718,222	732,396		25,700	Tech and Energy Transition Corp., Warrants, 2027-12-31	7,837	4,973
	28,900	Schultze Special Purpose Acquisition Corp. II, Warrants, 2028-03-25	1,334	7,825		102,100	TEGNA Inc.	2,887,101	2,761,844
	38,500	Science Strategic Acquisition Corp. Alpha	484,357	487,197		28,900	Thunder Bridge Capital Partners III Inc.	366,954	365,714
	12,800	Science Strategic Acquisition Corp. Alpha, Warrants, 2027-12-31	3,292	1,496		38,500	Tishman Speyer Innovation Corp. II	488,412	486,204
	57,700	SCP & CO Healthcare Acquisition Co.	727,958	728,674		38,500	TLG Acquisition One Corp.	484,865	486,701
	28,900	SCP & CO Healthcare Acquisition Co., Warrants, 2028-01-27	6,311	2,945		12,800	TLG Acquisition One Corp., Warrants, 2028-01-25	3,949	1,321
	4,800	Seaport Global Acquisition II Corp.	60,910	61,856		96,200	Tribe Capital Growth Corp. I	1,197,507	1,214,878
	2,400	Seaport Global Acquisition II Corp., Warrants, 2023-11-01	138	774		39,400	Turning Point Therapeutics Inc.	3,691,367	3,824,527
	77,000	Senior Connect Acquisition Corp. I	983,777	978,367		57,700	Twelve Seas Investment Co II	722,969	727,930
	38,500	Senior Connect Acquisition Corp. I, Warrants, 2027-12-31	8,630	3,481		19,200	Twelve Seas Investment Co II, Warrants, 2028-03-02	5,604	1,981
	77,000	ShoulderUp Technology Acquisition Corp.	977,223	985,320		43,600	Twitter Inc.	2,718,816	2,102,892
	38,500	ShoulderUp Technology Acquisition Corp., Warrants, 2023-07-26	1,495	6,456		19,200	VECTOIQ ACQUISITION CORP II	241,583	243,709
	67,400	Sierra Lake Acquisition Corp.	844,179	863,345		98,300	Velocity Acquisition Corp.	1,217,108	1,241,399
	24,100	Sierra Lake Acquisition Corp., Warrants, 2028-03-31	4,413	3,709		63,900	Viveon Health Acquisition Corp., Warrants, 2027-12-31	12,447	3,709
						23,100	VMG Consumer Acquisition Corp.	293,215	297,384
						11,500	VMG Consumer Acquisition Corp., Warrants, 2023-07-03	580	1,728
						6,100	VMware Inc.	915,390	896,878
						127,192	Vonage Holdings Corp.	3,314,507	3,091,119
						28,900	Warrior Technologies Acquisition Co.	363,794	370,561

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	14,400	Warrior Technologies Acquisition Co., Warrants, 2028-03-31	3,598	955		101,800	Avista Public Acquisition Corp. II	1,284,265	1,328,934
	148,700	Welbilt Inc.	4,474,711	4,567,151		57,700	Battery Future Acquisition Corp.	744,105	739,839
	55,600	Zendesk Inc.	5,355,963	5,312,417		28,900	Battery Future Acquisition Corp., Warrants, 2023-05-26	1,245	6,710
	19,200	Z-Work Acquisition Corp.	241,867	243,461		3,800	BCLS Acquisition Corp.	49,245	48,528
			<u>214,797,408</u>	<u>214,621,810</u>		28,800	Biohaven Pharmaceutical Holding Co., Ltd.	5,254,452	5,413,235
						28,900	BioPlus Acquisition Corp.	367,150	374,661
						14,400	BioPlus Acquisition Corp., Warrants, 2023-07-19	1,131	1,115
						27,300	Biotech Acquisition Co.	346,766	348,637
						221,400	Bleuacacia Ltd.	2,779,106	2,787,420
						134,700	Bleuacacia Ltd., Rights	3,262	19,999
						67,400	Bleuacacia Ltd., Warrants, 2024-06-21	3,452	10,859
						100,200	Blockchain Coinvestors Acquisition Corp. I	1,263,001	1,282,196
						58,600	BlueRiver Acquisition Corp.	745,480	743,064
						26,800	Brigade-M3 European Acquisition Corp.	340,681	338,794
						33,300	Bullpen Parlay Acquisition Co.	426,854	434,281
						19,200	Bullpen Parlay Acquisition Co., Warrants, 2023-05-17	755	3,715
						67,400	BYTE Acquisition Corp.	841,797	855,520
						33,700	BYTE Acquisition Corp., Warrants, 2028-12-31	10,619	4,130
						57,700	Cactus Acquisition Corp. 1 Ltd.	727,048	740,583
						28,900	Cactus Acquisition Corp. 1 Ltd., Warrants, 2023-07-20	931	4,392
						84,100	Cartesian Growth Corp.	1,056,906	1,066,411
						48,100	Cartica Acquisition Corp.	612,196	621,710
						24,100	Cartica Acquisition Corp., Warrants, 2028-04-30	973	3,734
						7,800	Catalyst Partners Acquisition Corp.	96,148	98,001
						96,200	Catcha Investment Corp.	1,193,264	1,218,601
						72,700	CC Neuberger Principal Holdings II	948,792	936,861
						57,700	CC Neuberger Principal Holdings III	744,973	732,396
						57,700	Chain Bridge I	726,673	742,816
						28,900	Chain Bridge I, Warrants, 2028-12-31	1,512	8,310
						38,500	Chenghe Acquisition Co.	495,517	498,620
						66,600	Cohn Robbins Holdings Corp.	860,295	853,956
						19,200	Colonnade Acquisition Corp. II	241,146	242,471
						57,700	Compass Digital Acquisition Corp.	711,853	718,254
						19,200	Consilium Acquisition Corp. I Ltd.	240,139	242,471
						19,200	Consilium Acquisition Corp. I Ltd., Rights	526	2,477
						9,600	Consilium Acquisition Corp. I Ltd., Warrants, 2027-06-01	294	1,053
International Equities (40.8%)									
	86,600	10X Capital Venture Acquisition Corp. III	1,093,594	1,117,102					
	9,600	10X Capital Venture Acquisition Corp. III, Warrants, 2027-12-31	284	1,238					
	38,500	7 Acquisition Corp.	485,430	494,150					
	19,200	7 Acquisition Corp., Warrants, 2026-11-05	1,239	2,776					
	57,700	ABG Acquisition Corp. I	717,641	728,674					
	29,200	AEA-Bridges Impact Corp.	379,036	373,654					
	57,700	African Gold Acquisition Corp.	722,563	728,674					
	57,700	Agile Growth Corp.	722,657	730,907					
	19,200	Agile Growth Corp., Warrants, 2027-12-31	6,315	4,953					
	93,900	Ahren Acquisition Corp.	1,203,293	1,202,185					
	36,400	Alpha Capital Acquisition Co.	459,594	463,910					
	48,100	ALSP Orchid Acquisition Corp. I	613,024	619,228					
	24,100	ALSP Orchid Acquisition Corp. I, Warrants, 2028-11-30	1,085	2,801					
	57,700	Altimar Acquisition Corp. III	723,543	730,163					
	5,800	Altimeter Growth Corp. 2	75,462	73,658					
	6,000	AMERICAS TECHNOLOGY ACQUISITION CORP, Warrants, 2027-12-31	2,475	438					
	38,500	Andretti Acquisition Corp.	482,396	495,640					
	19,200	Andretti Acquisition Corp., Warrants, 2023-03-23	695	4,706					
	96,200	Anthemis Digital Acquisitions I Corp.	1,206,357	1,238,456					
	48,100	Anthemis Digital Acquisitions I Corp., Warrants, 2023-04-01	2,336	7,446					
	19,200	AP Acquisition Corp.	246,427	248,167					
	9,600	AP Acquisition Corp., Warrants, 2026-12-07	326	2,353					
	38,500	Apollo Strategic Growth Capital II	490,563	488,190					
	27,300	ArcLight Clean Transition Corp. II	343,071	350,397					
	38,500	Arctos NorthStar Acquisition Corp.	483,087	487,694					
	125,100	Ares Acquisition Corp.	1,568,367	1,586,302					
	9,600	ARYA Sciences Acquisition Corp. V	120,141	120,368					
	77,000	Ascendant Digital Acquisition Corp. III	975,267	994,260					
	35,200	Aurora Acquisition Corp.	439,211	444,983					
	38,500	Authentic Equity Acquisition Corp.	489,338	489,184					

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	38,500	Constellation Acquisition Corp. I	486,485	488,190		17,600	European Biotech Acquisition Corp., Warrants, 2026-05-10	3,149	2,245
	12,800	Constellation Acquisition Corp. I, Warrants, 2027-12-31	3,521	2,153		57,700	EVe Mobility Acquisition Corp.	744,015	737,606
	38,500	Corner Growth Acquisition Corp.	485,193	489,680		28,900	EVe Mobility Acquisition Corp., Warrants, 2023-05-12	1,023	3,355
	12,800	Corner Growth Acquisition Corp., Warrants, 2027-12-31	7,533	835		38,500	Finnovate Acquisition Corp.	486,699	493,653
	28,900	COVA Acquisition Corp.	364,731	366,460		28,900	Finnovate Acquisition Corp., Warrants, 2023-04-15	963	3,433
	33,700	Crescera Capital Acquisition Corp.	428,243	436,019		71,600	Fintech Evolution Acquisition Group	886,729	905,137
	16,800	Crescera Capital Acquisition Corp., Warrants, 2023-04-20	860	4,009		12,800	Fintech Evolution Acquisition Group, Warrants, 2028-03-31	4,646	1,498
	36,400	Crown PropTech Acquisitions	460,892	462,501		48,100	Frazier Lifesciences Acquisition Corp.	609,795	613,023
	38,500	Decarbonization Plus Acquisition Corp. IV	484,811	492,164		57,700	Freedom Acquisition I Corp.	726,160	730,907
	19,200	Deep Lake Capital Acquisition Corp.	244,238	243,957		52,800	Frontier Acquisition Corp.	661,157	667,475
	9,600	Deep Lake Capital Acquisition Corp., Warrants, 2027-12-31	2,598	991		9,600	Frontier Investment Corp.	119,281	120,121
	173,200	DHC Acquisition Corp.	2,147,247	2,189,520		36,100	FTAC Athena Acquisition Corp.	459,214	456,826
	25,700	DHC Acquisition Corp., Warrants, 2027-12-31	8,864	2,364		90,000	FTAC Hera Acquisition Corp.	1,127,064	1,137,742
	57,700	Disruptive Acquisition Corp. I	722,897	727,930		36,400	G Squared Ascend I Inc.	460,741	460,623
	19,200	Disruptive Acquisition Corp. I, Warrants, 2026-03-06	6,379	3,467		19,200	G Squared Ascend II Inc.	236,319	242,966
	52,500	Disruptive Capital Acquisition Co., Ltd.	896,401	822,459		62,000	Galata Acquisition Corp.	784,846	790,176
	26,250	Disruptive Capital Acquisition Co., Ltd., Warrants, 2026-10-07	897	18,507		9,600	Galata Acquisition Corp., Warrants, 2028-12-31	1,799	991
	48,100	DP Cap Acquisition Corp. I	606,782	617,367		38,500	Games & Esports Experience Acquisition Corp.	495,453	497,130
	24,100	DP Cap Acquisition Corp. I, Warrants, 2023-04-22	1,119	4,817		10,400	Games & Esports Experience Acquisition Corp., Warrants, 2023-10-21	374	1,073
	57,800	Dragoneer Growth Opportunities Corp. III	722,168	728,446		17,800	Global Blue Group Holding AG, Warrants, 2025-08-31	24,593	6,188
	19,300	Elliott Opportunity II Corp.	240,936	241,991		57,700	Global Partner Acquisition Corp. II	729,670	733,885
	35,200	Emerging Markets Horizon Corp.	446,808	449,978		24,100	Global Synergy Acquisition Corp.	304,621	309,636
	9,600	Emerging Markets Horizon Corp., Warrants, 2023-02-08	255	1,362		12,000	Global Synergy Acquisition Corp., Warrants, 2027-12-31	4,393	1,029
	57,700	Enphys Acquisition Corp.	720,105	716,766		96,200	Global Technology Acquisition Corp. I	1,205,447	1,238,456
	28,900	Enphys Acquisition Corp., Warrants, 2024-07-15	1,344	5,965		48,100	Global Technology Acquisition Corp. I, Warrants, 2023-07-13	2,093	9,307
	105,900	Enterprise 4.0 Technology Acquisition Corp.	1,330,964	1,370,162		28,900	GoGreen Investments Corp.	363,046	373,543
	52,900	Enterprise 4.0 Technology Acquisition Corp., Warrants, 2023-09-24	2,813	11,601		14,400	GoGreen Investments Corp., Warrants, 2023-06-04	612	4,458
	67,400	ESGEN Acquisition Corp.	845,690	873,778		38,500	Green Visor Financial Technology Acquisition Corp. I	486,740	497,130
	33,700	ESGEN Acquisition Corp., Warrants, 2023-06-28	1,577	7,825		19,200	Green Visor Financial Technology Acquisition Corp. I, Warrants, 2023-05-08	822	3,344
	57,700	ESM Acquisition Corp.	723,184	729,419		48,100	Growth For Good Acquisition Corp.	610,544	606,819
	52,900	European Biotech Acquisition Corp.	652,579	667,374		48,100	Growth For Good Acquisition Corp., Rights	992	8,066

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	24,100	Growth For Good Acquisition Corp., Warrants, 2023-06-14	785	3,109		19,200	Jaws Juggernaut Acquisition Corp.	240,017	241,480
	67,400	HCM ACQUISITION CORP	847,604	872,908		48,100	Jaws Mustang Acquisition Corp.	619,266	609,921
	33,700	HCM ACQUISITION CORP, Warrants, 2027-12-31	964	4,130		67,400	Kairos Acquisition Corp.	852,039	857,259
	15,100	Health Sciences Acquisitions Corp. 2	200,051	194,004		37,700	Kairos Acquisition Corp., Warrants, 2027-12-31	14,567	1,221
	80,900	Healthcare AI Acquisition Corp.	1,026,192	1,035,226		28,900	Kensington Capital Acquisition Corp. V	363,561	368,697
	26,500	Healthcare AI Acquisition Corp., Warrants, 2026-12-14	1,138	6,153		125,100	Kernel Group Holdings Inc.	1,553,738	1,584,688
	57,700	HH&L Acquisition Co.	745,798	730,907		54,400	Kernel Group Holdings Inc., Warrants, 2027-01-31	8,088	7,361
	28,900	HH&L Acquisition Co., Warrants, 2027-01-31	8,689	6,338		62,600	Keyarch Acquisition Corp.	791,045	794,996
	115,500	HIG Acquisition Corp.	1,459,000	1,475,016		54,900	Keyarch Acquisition Corp., Rights	-	12,039
	137,300	Highland Transcend Partners I Corp.	1,725,420	1,746,315		31,300	Keyarch Acquisition Corp., Warrants, 2028-07-25	893	4,841
	18,700	Horizon Acquisition Corp. II	240,065	239,051		72,200	L Catterton Asia Acquisition Corp.	900,118	912,722
	24,100	HPX Corp.	312,013	310,258		6,700	L Catterton Asia Acquisition Corp., Warrants, 2026-03-15	2,574	864
	139,600	Hunt Cos Acquisition Corp. I	1,771,152	1,809,783		19,200	LAMF Global Ventures Corp. I	243,595	246,681
	19,200	Hunt Cos Acquisition Corp. I, Warrants, 2028-12-31	625	3,715		9,600	LAMF Global Ventures Corp. I, Warrants, 2023-04-04	494	1,293
	38,500	Ibere Pharmaceuticals	482,731	487,197		38,500	Lazard Growth Acquisition Corp. I	490,689	485,707
	19,200	Ibere Pharmaceuticals, Warrants, 2027-12-31	4,929	1,981		28,900	LDH Growth Corp. I	363,135	364,223
	28,900	Iconic Sports Acquisition Corp.	363,389	372,797		48,100	Lead Edge Growth Opportunities Ltd.	601,406	608,680
	132,600	Independence Holdings Corp.	1,665,231	1,677,983		95,200	Leo Holdings Corp. II	1,200,001	1,210,846
	24,100	Infinite Acquisition Corp.	306,396	307,149		77,000	Levere Holdings Corp.	963,569	971,415
	12,000	Infinite Acquisition Corp., Warrants, 2023-05-03	767	3,703		7,600	Levere Holdings Corp., Warrants, 2028-12-31	3,080	929
	1,600	Inflection Point Acquisition Corp.	19,761	20,051		14,400	LIV Capital Acquisition Corp. II	183,510	186,125
	38,500	Innovative International Acquisition Corp.	484,126	499,116		10,800	LIV Capital Acquisition Corp. II, Warrants, 2027-02-16	-	1,881
	19,200	Innovative International Acquisition Corp., Warrants, 2023-04-03	625	2,301		16,400	Macondray Capital Acquisition Corp. I	205,138	210,495
	57,700	Investcorp Europe Acquisition Corp. I	744,954	745,793		5,500	Macondray Capital Acquisition Corp. I, Warrants, 2026-05-17	177	709
	47,500	Investcorp India Acquisition Corp.	618,168	617,018		67,400	Marlin Technology Corp.	855,538	860,736
	19,200	ION Acquisition Corp. 3 Ltd.	235,256	241,480		26,100	Metals Acquisition Corp.	321,692	329,608
	38,500	Itiquira Acquisition Corp.	493,507	488,687		38,500	Moringa Acquisition Corp.	487,510	487,694
	19,200	Itiquira Acquisition Corp., Warrants, 2027-12-31	3,742	1,617		16,000	Moringa Acquisition Corp., Warrants, 2026-02-10	4,554	1,860
	50,700	IX Acquisition Corp.	620,821	641,582		38,500	Motive Capital Corp. II	489,181	491,170
	38,500	Jack Creek Investment Corp.	483,478	488,439		28,900	Mountain & Co I Acquisition Corp.	366,080	377,271
	19,200	Jack Creek Investment Corp., Warrants, 2027-12-31	7,299	1,942		14,400	Mountain & Co I Acquisition Corp., Warrants, 2023-08-24	504	1,858
	28,900	Jaguar Global Growth Corp. I	367,766	370,561		38,500	New Vista Acquisition Corp.	490,699	487,694
	28,900	Jaguar Global Growth Corp. I, Rights	-	6,338		57,700	Newcourt Acquisition Corp.	723,328	748,026
	14,450	Jaguar Global Growth Corp. I, Warrants, 2027-02-11	-	2,600		28,900	Newcourt Acquisition Corp., Warrants, 2028-04-12	944	2,513
	19,200	Jatt Acquisition Corp.	240,878	246,433		28,900	Noble Rock Acquisition Corp.	365,771	366,087
						9,600	Noble Rock Acquisition Corp., Warrants, 2027-12-31	3,332	1,341

PICTON MAHONEY FORTIFIED ARBITRAGE 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 (\$)
	45,500	North Atlantic Acquisition Corp.	571,403	586,930		67,400	RMG Acquisition Corp. III	849,634	855,520
	20,200	Onyx Acquisition Co I	254,838	260,832		60,300	Rocket Internet Growth Opportunities Corp.	751,618	760,731
	10,100	Onyx Acquisition Co I, Warrants, 2023-01-07	348	1,563		38,500	Ross Acquisition Corp. II	481,101	487,694
	28,900	Orion Biotech Opportunities Corp.	355,590	363,105		24,100	Sarissa Capital Acquisition Corp.	310,245	307,460
	14,400	Oxus Acquisition Corp.	182,644	185,568		7,300	Sarissa Capital Acquisition Corp., Warrants, 2027-10-23	6,332	941
	14,400	Oxus Acquisition Corp., Warrants, 2023-01-27	400	1,898		77,000	SciON Tech Growth I	975,292	981,347
	28,900	Pathfinder Acquisition Corp.	364,705	366,087		96,200	Screaming Eagle Acquisition Corp.	1,203,134	1,190,060
	38,500	Patria Latin American Opportunity Acquisition Corp.	493,467	498,123		57,700	Sculptor Acquisition Corp. I	736,069	738,350
	19,250	Patria Latin American Opportunity Acquisition Corp., Warrants, 2027-03-10	-	3,474		28,900	Sculptor Acquisition Corp. I, Warrants, 2023-04-15	1,392	8,574
	77,000	Pearl Holdings Acquisition Corp.	992,953	997,239		28,900	SDCL EDGE Acquisition Corp.	361,009	363,474
	38,500	Pearl Holdings Acquisition Corp., Warrants, 2026-12-15	1,496	7,946		28,900	Semper Paratus Acquisition Corp.	364,955	373,170
	77,000	Pegasus Digital Mobility Acquisition Corp.	962,614	988,797		14,400	Semper Paratus Acquisition Corp., Warrants, 2026-11-04	606	2,972
	19,200	Pegasus Digital Mobility Acquisition Corp., Warrants, 2022-12-28	1,508	10,363		33,900	Silver Crest Acquisition Corp.	428,718	431,173
	62,600	Perception Capital Corp. II	787,006	811,550		75,100	Silver Spike Acquisition Corp. II	930,759	948,898
	31,300	Perception Capital Corp. II, Warrants, 2028-12-31	712	3,799		10,400	Silver Spike Acquisition Corp. II, Warrants, 2026-02-26	5,575	805
	38,500	Peridot Acquisition Corp. II	482,832	487,197		82,900	SILVERspac Inc.	1,014,782	1,031,946
	48,100	Pioneer Merger Corp.	609,054	611,162		111,000	Slam Corp.	1,389,611	1,404,646
	28,900	Plum Acquisition Corp. I	360,283	365,341		77,000	Soar Technology Acquisition Corp.	985,443	1,010,152
	24,100	Pontem Corp.	305,214	306,216		14,400	Soar Technology Acquisition Corp., Warrants, 2027-12-31	3,277	2,183
	57,700	Population Health Investment Co Inc.	740,700	736,117		11,600	Social Capital Hedosophia Holdings Corp. IV	148,736	148,588
	19,200	Population Health Investment Co Inc., Warrants, 2025-10-01	9,906	2,477		136,384	Social Capital Hedosophia Holdings Corp. VI	1,766,018	1,746,979
	86,600	Portage Fintech Acquisition Corp.	1,086,536	1,083,589		15,000	Social Capital Suvretta Holdings Corp. I	187,211	191,365
	24,100	Powered Brands	305,303	306,527		49,200	Social Capital Suvretta Holdings Corp. II	605,487	616,888
	8,000	Powered Brands, Warrants, 2027-12-31	2,079	842		16,600	Social Capital Suvretta Holdings Corp. III	206,884	214,133
	28,900	PowerUp Acquisition Corp.	369,229	372,052		49,300	Social Capital Suvretta Holdings Corp. IV	606,718	617,506
	14,450	PowerUp Acquisition Corp., Warrants, 2027-02-18	-	2,237		19,200	Sound Point Acquisition Corp. I Ltd.	244,602	249,158
	50,900	Primavera Capital Acquisition Corp.	648,613	645,426		9,600	Sound Point Acquisition Corp. I Ltd., Warrants, 2027-03-02	-	1,741
	38,500	Prime Impact Acquisition I	491,857	496,633		25,000	Sports Ventures Acquisition Corp.	314,905	317,652
	12,800	Prime Impact Acquisition I, Warrants, 2030-10-01	9,082	1,044		38,500	ST Energy Transition I Ltd.	492,478	490,177
	19,200	Prospector Capital Corp.	243,503	243,957		22,600	Summit Healthcare Acquisition Corp.	276,181	283,659
	17,000	Provident Acquisition Corp.	216,319	216,003		38,500	Supernova Partners Acquisition Co III Ltd.	482,024	485,707
	96,200	Pyrophyte Acquisition Corp.	1,214,432	1,240,938		59,500	SVF Investment Corp.	880,134	886,512
	38,500	RCF Acquisition Corp.	484,684	494,647		28,900	SVF Investment Corp. 2	496,027	487,694
	59,500	RedBall Acquisition Corp.	760,385	765,221		38,500	Tailwind International Acquisition Corp.	481,131	487,222
	28,900	Rice Acquisition Corp. II	358,699	363,850					
	48,100	Rigel Resource Acquisition Corp.	607,112	616,746					

PICTON MAHONEY FORTIFIED ARBITRAGE 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 (\$)
	12,800	Tailwind International Acquisition Corp., Warrants, 2028-03-01	4,272	1,319		57,700	Warburg Pincus Capital Corp. I-A	729,398	730,163
	84,700	Talon 1 Acquisition Corp.	1,077,579	1,099,149		96,200	Warburg Pincus Capital Corp. I-B	1,208,398	1,216,119
	12,000	Talon 1 Acquisition Corp., Warrants, 2023-04-18	433	2,554				142,900,533	144,354,561
	77,000	Target Global Acquisition I Corp.	981,280	984,327			Total Global Equities - Long	357,697,941	358,976,371
	25,700	Target Global Acquisition I Corp., Warrants, 2027-12-31	1,068	4,807			Options (0.0%)		
	28,900	TCV Acquisition Corp.	363,807	363,477			Total Purchased Options - Refer to Appendix A	122,677	78,895
	19,200	Tekcorp Digital Acquisition Corp.	249,429	245,690			Transaction Costs	(82,894)	-
	19,200	Thrive Acquisition Corp.	239,690	248,910			Total Long Positions	375,748,100	376,666,245
	9,600	Thrive Acquisition Corp., Warrants, 2023-03-09	220	640			SHORT POSITIONS (-2.9%)		
	57,699	Tio Tech A	713,597	727,173			Canadian Equities (-0.8%)		
	19,233	Tio Tech A, Warrants, 2028-03-31	-	3,967		(23,100)	EQB Inc.	(1,767,529)	(1,227,765)
	38,500	TKB Critical Technologies 1	483,887	498,123			Communication Services (-0.5%)		
	19,200	TKB Critical Technologies 1, Warrants, 2023-01-08	592	4,827		(56,725)	TELUS Corp.	(1,617,949)	(1,626,306)
	38,500	TLGY Acquisition Corp.	492,689	495,640			Total Canadian Equities - Short	(3,385,478)	(2,854,071)
	19,200	TLGY Acquisition Corp., Warrants, 2023-01-14	658	2,972			Global Equities (-2.1%)		
	234,700	TortoiseEcofin Acquisition Corp. III	2,972,748	2,924,592			United States Equities (-2.1%)		
	19,717	TortoiseEcofin Acquisition Corp. III, (R16JUL22)	74	76		(761)	Broadcom Inc.	(493,978)	(476,899)
	34,234	Tower Semiconductor Ltd.	2,068,689	2,039,326		(47,690)	Healthcare Realty Trust Inc.	(1,662,663)	(1,673,290)
	115,900	Trine II Acquisition Corp.	1,460,587	1,486,089		(4,364)	II-VI Inc.	(366,347)	(286,816)
	38,500	Turmeric Acquisition Corp.	491,821	491,667		(32,910)	Prologis Inc.	(4,957,265)	(4,994,533)
	10,900	Turmeric Acquisition Corp., Warrants, 2025-10-08	5,868	1,055				(7,480,253)	(7,431,538)
	38,500	Twin Ridge Capital Acquisition Corp.	481,742	487,446			Total Global Equities - Short	(7,480,253)	(7,431,538)
	12,800	Twin Ridge Capital Acquisition Corp., Warrants, 2028-12-31	4,089	1,486			Options (0.0%)		
	37,600	two/CA	467,848	473,868			Total Written Options - Refer to Appendix A	(91,259)	(82,990)
	77,000	TZP Strategies Acquisition Corp.	977,631	977,374			Transaction Costs	(3,057)	-
	25,700	TZP Strategies Acquisition Corp., Warrants, 2027-12-31	5,741	2,652			Total Short Positions	(10,960,047)	(10,368,599)
	24,100	UTA Acquisition Corp.	309,617	308,392			Foreign Currency Forward Contracts (0.7%)		
	28,900	Vahanna Tech Edge Acquisition I Corp.	368,991	372,238			Total Currency Hedge - Refer to Appendix B	2,608,187	
	14,400	Vahanna Tech Edge Acquisition I Corp., Warrants, 2024-07-13	490	2,786			TOTAL INVESTMENT PORTFOLIO (104.3%)	364,788,053	368,905,833
	86,600	Valuence Merger Corp. I	1,102,094	1,118,219			Other Assets Net of Liabilities (-4.3%)		(15,085,281)
	43,300	Valuence Merger Corp. I, Warrants, 2027-03-01	-	7,122			TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100.0%)		353,820,552
	48,100	Vector Acquisition Corp. II	601,757	608,060					
	57,700	VPC Impact Acquisition Holdings II	728,447	729,419					
	48,100	Vy Global Growth	622,398	613,842					
	36,400	Waldencast Acquisition Corp.	457,674	462,501					

*CCY denotes local currency of debt security

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND

APPENDIX A

OPTIONS (0.0%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Citrix Systems Inc.	Put Option	61	\$80	September, 2022	5,703	11,803
Turning Point Therapeutics	Put Option	53	\$50	October, 2022	1,558	732
Turning Point Therapeutics	Put Option	36	\$60	July, 2022	698	522
Vonage Holdings Corp.	Put Option	464	\$15	December, 2022	114,718	65,838
					<u>122,677</u>	<u>78,895</u>
Total Purchased Options					122,677	78,895
Activision Blizzard Inc.	Written Call Option	(48)	\$80	September, 2022	(15,250)	(11,300)
Activision Blizzard Inc.	Written Call Option	(94)	\$80	August, 2022	(17,567)	(17,461)
Social Capital Hedosophia	Written Call Option	(1,177)	\$10	August, 2022	(21,941)	(8,350)
Switch Inc.	Written Call Option	(240)	\$34	July, 2022	(6,733)	(15,366)
Switch Inc.	Written Call Option	(248)	\$34	August, 2022	(9,864)	(6,398)
Turning Point Therapeutics	Written Call Option	(2)	\$80	July, 2022	(61)	(29)
					<u>(71,416)</u>	<u>(58,904)</u>
Activision Blizzard Inc.	Written Put Option	(48)	\$80	September, 2022	(19,843)	(24,086)
					<u>(19,843)</u>	<u>(24,086)</u>
Total Written Options					(91,259)	(82,990)

APPENDIX B

FOREIGN EXCHANGE FORWARD CONTRACTS (0.7%)

Purchased Currency	Sold Currency	Forward Rate	Maturity Date	Fair Value (\$)	Counterparty	Credit Rating
CAD \$302,980,614	USD \$232,763,000	1.30167	2022-08-11	2,729,997	Canadian Imperial Bank of Commerce	A-1
USD \$2,101,000	CAD \$2,700,667	0.77796	2022-08-11	9,420	Canadian Imperial Bank of Commerce	A-1
CAD \$14,527	GBP \$9,000	1.61410	2022-08-04	418	Canadian Imperial Bank of Commerce	A-1
Unrealized gain on foreign exchange forward contracts at fair value				<u>2,739,835</u>		
USD \$1,245,000	CAD \$1,621,009	0.76804	2022-08-11	(15,031)	Canadian Imperial Bank of Commerce	A-1
CAD \$1,487,015	USD \$1,182,000	1.25805	2022-08-11	(37,576)	Canadian Imperial Bank of Commerce	A-1
CAD \$32,168,625	USD \$25,000,000	1.28675	2022-08-11	(79,041)	Canadian Imperial Bank of Commerce	A-1
Unrealized loss on foreign exchange forward contracts at fair value				<u>(131,648)</u>		
Net unrealized gain (loss) on foreign exchange forward contracts at fair value				<u>2,608,187</u>		

PICTON MAHONEY FORTIFIED ARBITRAGE 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 and December 31, 2021.

ASSETS (LIABILITIES) AT FAIR VALUE AS AT JUNE 30, 2022				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	356,220,028	20,367,322	-	376,587,350
Options - Long	78,895	-	-	78,895
Forward Contracts - Long	-	2,739,835	-	2,739,835
Equities - Short	(10,285,609)	-	-	(10,285,609)
Options - Short	(82,990)	-	-	(82,990)
Forward Contracts - Short	-	(131,648)	-	(131,648)
Margin borrowings	(29,484,549)	-	-	(29,484,549)
Total	316,445,775	22,975,509	-	339,421,284

ASSETS (LIABILITIES) AT FAIR VALUE AS AT DECEMBER 31, 2021				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	312,976,173	14,156,357	-	327,132,530
Options - Long	9,199	-	-	9,199
Forward Contracts - Long	-	4,831	-	4,831
Equities - Short	(26,963,403)	-	-	(26,963,403)
Options - Short	(185,676)	-	-	(185,676)
Forward Contracts - Short	-	(2,452,790)	-	(2,452,790)
Margin borrowings	(120,003,583)	-	-	(120,003,583)
Total	165,832,710	11,708,398	-	177,541,108

2. TRANSFERS BETWEEN LEVELS 1 AND 2

The following table presents the transfers between Levels 1 and 2 for securities held at June 30, 2022 and December 31, 2021.

	Transfer from Level 1 to 2 \$	Transfer from Level 2 to 1 \$
June 30, 2022		
Equities - Long	3,901,141	2,522,525
	<u>3,901,141</u>	<u>2,522,525</u>
December 31, 2021		
Equities - Long	1,802,967	-
	<u>1,802,967</u>	<u>-</u>

As of June 30, 2022 and December 31, 2021, the equity security transferred out of Level 1 relates to a position which had a price that was calculated off an over the counter exchange, but was actively traded on December 31, 2021 and December 31, 2020, respectively.

The equity securities transferred into Level 1 relate to positions for which significant trading activity existed on June 30, 2022 but which were thinly traded around December 31, 2021.

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

3. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following table shows the net impact of the Fund's Statements of Financial Position if all set-off rights were exercised.

Financial Assets and Liabilities	Amounts Eligible for Offset			
	Gross Assets / (Liabilities) \$	Financial Instruments \$	Collateral received/paid \$	Net \$
June 30, 2022				
Derivative assets - Foreign exchange forward contracts	2,739,835	(131,648)	-	2,608,187
Derivative liabilities - Foreign exchange forward contracts	(131,648)	131,648	-	-
December 31, 2021				
Derivative assets - Foreign exchange forward contracts	4,831	(4,831)	-	-
Derivative liabilities - Foreign exchange forward contracts	(2,452,790)	4,831	-	(2,447,959)

4. OTHER PRICE RISK

Using Beta as a measure of the relationship of the Fund's performance versus its index, if the HFRI ED Merger Arbitrage Index (Hedged to Canadian dollar) were to increase or decrease by 5%, net assets would have increased or decreased by approximately \$17,514,972 (December 31, 2021 - \$15,069,981). 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.

5. 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 and December 31, 2021 were as follows:

FINANCIAL INSTRUMENTS					
June 30, 2022 Currency	Monetary \$	Non-Monetary \$	Forward Currency Contracts \$	Total \$	Percentage of Net Assets %
United States Dollar	(25,802,208)	356,976,356	(329,709,930)	1,464,218	0.4%
British Pound	(829,799)	840,966	(14,099)	(2,932)	0.0%
Net Exposure	(26,632,007)	357,817,322	(329,724,029)	1,461,286	0.4%

FINANCIAL INSTRUMENTS					
December 31, 2021 Currency	Monetary \$	Non-Monetary \$	Forward Currency Contracts \$	Total \$	Percentage of Net Assets %
United States Dollar	(117,974,511)	294,367,250	(175,308,799)	1,083,940	0.4%
British Pound	(898,204)	903,817	(25,663)	(20,050)	0.0%
Net Exposure	(118,872,715)	295,271,067	(175,334,462)	1,063,890	0.4%

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 \$73,064 (December 31, 2021 - \$53,195). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

6. INTEREST RATE RISK

The Fund uses various forms of leverage that increase the Fund's interest costs. There is no guarantee that existing borrowing arrangements or other arrangements for obtaining leverage can be refinanced at rates as favourable to the Fund as those available in the past. Should interest rates increase or decrease by 100 basis points (December 31, 2021 - 25 basis points) the Fund's borrowing costs would increase or decrease approximately by \$294,845 (December 31, 2021 - \$300,009).

If the yield curve had shifted in parallel by 1%, with all other variables held constant, net assets will increase or decrease by \$nil (December 31, 2021 - \$nil). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material. The Manager reviews the interest rate exposure on a regular basis.

As at June 30, 2022 and December 31, 2021, 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
Less than 1 year	-	(29,484,549)	(29,484,549)
Total	-	(29,484,549)	(29,484,549)

Debt Instruments by Maturity Date	December 31, 2021 (\$)		
	Long Positions	Short Positions	Total
Less than 1 year	-	(120,003,583)	(120,003,583)
Total	-	(120,003,583)	(120,003,583)

7. CREDIT RISK

As of June 30, 2022 and December 31, 2021, the Fund had no exposure to debt instruments and therefore had no exposure to credit risk.

8. 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 and December 31, 2021.

Jurisdiction	% of Net Assets	
	June 30, 2022	December 31, 2021
LONG POSITIONS	106.5%	106.7%
Canadian Equities	4.9%	5.2%
Financials	2.9%	3.0%
Industrial	0.9%	0.0%
Materials	0.8%	1.9%
Communication Services	0.3%	0.0%
Real Estate	0.0%	0.3%
Global Equities	101.6%	101.5%
United States Equities	60.8%	55.9%
Financials	37.7%	37.2%
Information Technology	12.0%	6.6%
Real Estate	3.4%	4.2%
Communication Services	2.8%	0.9%
Health Care	2.6%	3.3%
Industrial	2.3%	1.2%
Consumer Discretionary	0.0%	1.4%
Consumer Staples	0.0%	0.9%
Materials	0.0%	0.2%

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

Jurisdiction	% of Net Assets	
	June 30, 2022	December 31, 2021
International Equities	40.8%	45.6%
Financials	38.7%	38.9%
Health Care	1.5%	0.0%
Information Technology	0.6%	2.1%
Industrial	0.0%	4.2%
Materials	0.0%	0.4%
Derivatives	0.0%	0.0%
SHORT POSITIONS	-2.9%	-9.7%
Canadian Equities	-0.8%	-1.3%
Communication Services	-0.5%	0.0%
Financials	-0.3%	0.0%
Materials	0.0%	-1.2%
Consumer Discretionary	0.0%	-0.1%
Global Equities	-2.1%	-7.5%
United States Equities	-2.1%	-7.5%
Real Estate	-1.9%	-0.3%
Information Technology	-0.2%	-2.2%
Financials	0.0%	-5.0%
Derivatives	0.0%	-0.9%

9. 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 statement of financial position and are due on demand.

June 30, 2022	On Demand	< 3 months	> 3 months	Total
Financial Liabilities	\$	\$	\$	\$
Short positions	10,285,609	-	-	10,285,609
Redemptions payable	583,940	-	-	583,940
Accrued liabilities and other payables	-	277,682	-	277,682
Payable for investments purchased	967,453	-	-	967,453
Derivative liabilities	214,638	-	-	214,638
Margin borrowings	29,484,549	-	-	29,484,549

December 31, 2021	On Demand	< 3 months	> 3 months	Total
Financial Liabilities	\$	\$	\$	\$
Short positions	26,963,403	-	-	26,963,403
Distributions payable	303	-	-	303
Redemptions payable	91,039	-	-	91,039
Accrued liabilities and other payables	-	310,381	-	310,381
Payable for investments purchased	684,362	-	-	684,362
Derivative liabilities	2,638,466	-	-	2,638,466
Margin borrowings	120,003,583	-	-	120,003,583

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

10. FUND UNIT TRANSACTIONS

For the six month periods ended June 30 (unaudited)

	2022			2021		
	Class A	Class F	Class I	Class A	Class F	Class I
Units issued and outstanding, beginning of period	1,757,256	17,141,481	6,220,460	727,387	6,129,733	216,048
Units issued	402,595	5,964,524	4,620,021	1,119,548	12,812,763	257,134
Units redeemed	(576,620)	(6,380,607)	(206,154)	(139,038)	(2,004,945)	(113,772)
Units issued and outstanding, end of period	1,583,231	16,725,398	10,634,327	1,707,897	16,937,551	359,410
Weighted average number of units held during the period	1,733,915	18,212,784	7,652,025	1,316,707	12,703,517	330,443

11. COMMISSIONS

For the six month periods ended June 30 (in \$000) (unaudited)

	2022	2021
Brokerage commissions	259	209
Soft Dollar commissions	3	21

12. TAX LOSS CARRY FORWARDS

As at December 31 (in \$000)

	2021
Net capital losses carry forward	-
Non-capital losses carry forward	-

13. LEVERAGE

During the six month period ended June 30, 2022, the Fund's aggregate exposure reached a low of 6.46% (year ended 2021 - 11.49%) and a high of 54.28% (year ended 2021 - 57.01%) of the Fund's NAV. As at June 30, 2022, the Fund's aggregate exposure was 12.74% (December 31, 2021 - 53.47%) of the Fund's NAV. The primary source of leverage was short positions in equity securities and margin borrowings, which is governed by a prime brokerage agreement between the Fund and CIBC.

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2022 (unaudited)

1. GENERAL INFORMATION

Picton Mahoney Fortified Arbitrage Alternative Fund (formerly Vertex Liquid Alternative Fund) (the "Fund") was formed on January 3, 2019 under the laws of British Columbia. The Fund commenced operations on January 17, 2019. Picton Mahoney Asset Management acts as manager (the "Manager"), portfolio advisor (the "Portfolio Advisor") and trustee (the "Trustee") for the Fund. 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.

On October 21, 2019, the Manager and Vertex One Asset Management Inc. ("Vertex"), the previous manager for the Fund, entered into a purchase agreement (the "Purchase Agreement") pursuant to which the Manager acquired the investment fund management contracts for the Fund as of January 13, 2020 (the "Transaction").

Unitholders of the Fund approved the change of manager from Vertex to the Manager at a special meeting of the Fund's unitholders on November 28, 2019.

Further details of the Transaction were provided in a management information circular that was sent to unitholders in connection with the meetings as required by securities regulations, which is also available under the Fund's profile at www.sedar.com. On closing of the Transaction, the Manager became the investment fund manager and Portfolio Advisor of the Fund.

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, and Class I (formerly Class O) units.

Class A units are available to all investors. Class F units have lower fees than Class A units and are generally available only to investors who have fee-based accounts with dealers who have been approved by us to sell Class F units. Class I units are available to the Picton Mahoney Fortified Arbitrage Plus Alternative Fund, other investment funds managed by the Manager, institutional investors and to other investors on a case-by-case basis, all at the discretion of the Manager. There are no fees associated with this class in order to prevent fee duplication. As at June 30, 2022, the Fund currently has 3 classes of units: Class A, Class F, and Class I.

The investment objective of the Fund is to generate consistent, positive returns, with low volatility and low correlation to equity markets by investing in securities in Canada, the United States and in other foreign jurisdictions.

The Fund falls within the definition of an "alternative mutual fund" set out in NI 81-102 as it is permitted to use strategies generally prohibited by other types of mutual funds, such as the ability to invest more than 10% of its NAV in securities of a single issuer, either directly or through the use of specified derivatives, the ability to borrow cash, up to 50% of its NAV, to use for investment purposes, the ability to sell securities short (the combined level of cash borrowing and short selling is limited to 50% of its NAV in aggregate), and the ability to use leverage through the use of cash borrowing, short selling and specified derivatives. The maximum aggregate exposure to these sources of leverage, as calculated in accordance with section 2.9.1 of NI 81-102, shall not exceed 300% of the fund's NAV.

The Fund currently has an agreement whereby the Picton Mahoney Fortified Arbitrage Plus Alternative Fund has entered into derivative agreements with Canadian Imperial Bank of Commerce ("CIBC") in order to obtain economic

exposure to the Fund's Class I units (formerly Class O units), similar to what would be achieved by an investment directly in the Class I units of the Fund.

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. The accounting policies and methods of computation followed in these unaudited interim financial statements are consistent with the most recent annual financial statements for the year ended December 31, 2021. 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).

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2022 (unaudited)

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 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) Collateral

Cash collateral provided by the Fund is identified in the Statements of Financial Position as "Cash, pledged as collateral", if any. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its Statements of Financial Position separately from other assets and identifies the asset as "Investments, pledged as collateral". Where the party to whom the collateral is provided does not have the right to sell or re-pledge, the collateral provided is disclosed in the notes to the financial statements.

(g) 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.

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Distributions received from investment fund holdings are recognized by the Fund in the same form in which they were received from the underlying funds and are recognized on the distribution date.

(h) 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.

The Fund's units are divided into the Class A, Class F, and Class I 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.

(i) 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'.

(j) 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.

(k) 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.

(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) Margin Borrowings

Borrowings are recognized at fair value net of transaction costs incurred. They are subsequently valued at amortized cost; any difference is recognized in the Statements of Comprehensive Income over the period of the borrowing using the effective interest method.

The Fund has a margin borrowing facility for investment purposes up to 50% of its most recently calculated net asset value attributable to holders of redeemable units. The margin borrowing facility has no maturity and bears interest at Canadian overnight rates plus agreed spread with CIBC. The margin borrowing facility can be settled by the Fund at its discretion without any penalty. The securities held with CIBC form collateral for the margin borrowings. As at June 30, 2022, the total value of securities held as collateral was \$277,201,577 (December 31, 2021 - \$142,160,126). The margin borrowings from CIBC are due on demand. The carrying value of the margin borrowing approximates its fair value and is shown as "Margin borrowings" in the Statements of Financial Position. For the period January 1, 2022 to June 30, 2022, the Fund borrowed a minimum of \$7,070,290 (year ended December 31, 2021 - \$nil) and a maximum of \$119,882,793 (year ended December 31, 2021 - \$120,003,583) under this margin borrowing facility.

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(n) 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 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 and December 31, 2021, 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.

(o) 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 and December 31, 2021, 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

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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 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 June 30, 2022 and December 31, 2021, all receivables for investments sold, dividends receivable, 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 6-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.

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

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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, and Class I units will be automatically reinvested in additional units.

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. For tax loss carry forward information, please refer to Note 12 in the Fund Specific Notes.

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 2.00% and on Class F units is 1.00%. 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 is entitled to a performance fee in relation to each Class A Units and Class F Units that is equal to 15% of the amount by which the total return of the class of Units exceeds the previous high water mark for each applicable class of Units. Any day a performance fee is paid for the Fund, a high water mark is set, which is equal to the NAV of such Fund on such date, after deducting all fees and expenses. No further performance fee will be paid until the NAV, adjusted for any distributions since the high water mark was last set, exceeds this high water mark value. This high water mark is perpetual and cannot be reset. Deficiencies to the high water mark accrue for each day the Fund does not exceed the high water mark and performance fees will not be accrued until the class of Units of the Fund has exceeded the high water mark. There is no performance fee associated with Class I Units of the Fund.

Performance fees for the Fund will be calculated and accrued (and become payable) daily, and such accrued fees will be paid by the Fund quarterly such that, to the extent possible, the Unit price each day will reflect any performance fees payable at the end of such day. The Manager reserves the right to change the period for which any performance fee may be paid by a Fund to the Manager.

Performance fees are subject to applicable taxes. No change in the Manager's performance fee payment policy will be made without at least 60 days notice to the unitholders. The Manager has reserved the right to change the period for which any performance fee may be paid by the Fund to the Manager.

For the period January 1, 2022 to June 30, 2022, the Fund incurred no performance fees.

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(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.**



PICTON MAHONEY ASSET MANAGEMENT CORPORATE INFORMATION

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