

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Semi-Annual Financial Statements
June 30, 2020 (Unaudited)

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Statements of Financial Position

As at

	June 30, 2020 (Unaudited)	December 31, 2019
Assets		
Current assets		
Investments	\$ 60,186,196	\$ 31,109,332
Investments, pledged as collateral	120,619,964	93,932,098
Cash	468	1,931,242
Cash, pledged as collateral for derivative agreements	4,660,654	4,989,553
Due from broker	350,000	-
Subscriptions receivable	985,112	206,152
Derivative financial instruments		
Derivative agreement	4,857,574	1,333,103
	<u>191,659,968</u>	<u>133,501,480</u>
Liabilities		
Current liabilities		
Management fees payable (Note 8)	\$ 123,666	\$ 82,049
Accrued performance fees (Note 8)	1,254,049	330,233
Margin borrowings (Note 3)	59,743,858	44,578,033
Redemptions payable	66,650	151,213
Accounts payable and accrued liabilities	153,551	176,532
	<u>61,341,774</u>	<u>45,318,060</u>
Net Assets attributable to holders of redeemable units	<u>\$ 130,318,194</u>	<u>\$ 88,183,420</u>
Net Assets attributable to holders of redeemable units per Class		
Class A	\$ 15,151,021	\$ 9,148,008
Class F	<u>\$ 115,167,173</u>	<u>\$ 79,035,412</u>
Net Assets attributable to holders of redeemable units per unit		
Class A	\$ 11.11	\$ 10.38
Class F	<u>\$ 11.25</u>	<u>\$ 10.46</u>

Approved on behalf of the Manager

"Signed" _____

David Picton
President

"Signed" _____

Arthur Galloway
CFO

(See accompanying notes to the financial statements.)

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Statements of Comprehensive Income

For the six month period ended June 30, 2020 and the period from January 17, 2019 (commencement of operations) to June 30, 2019 (unaudited)

	2020	2019
Investment income		
Net gain (loss) on investments and derivatives		
Interest for distribution purposes	21,818	6,530
Investment income	(155,462)	-
Net realized loss on investments and derivatives	(802,447)	-
Net change in unrealized appreciation on investments and derivatives	11,937,418	345,679
Net gains/losses on financial instruments at fair value through profit or loss	11,001,327	352,209
Expenses (Note 8)		
Management fees	654,856	124,006
Securities borrowing fees	-	11
Performance fees	1,653,428	59,628
Securityholder reporting costs	88,371	-
Other administrative expenses	26,560	49,924
Audit fees	70,570	-
Custody fees	14,844	-
Legal fees	36,143	-
Trustee fees	2,306	-
IRC fees	3,980	-
Interest expense	275,923	65,177
Total expenses	2,826,981	298,746
Net investment income (loss) before absorbed expenses	8,174,346	53,463
Expenses absorbed by manager (Note 8)	-	48,898
Increase in net assets attributable to holders of redeemable units	8,174,346	102,361
Increase in net assets attributable to holders of redeemable units per Class		
Class A	\$ 717,217	\$ 725
Class F	\$ 7,457,129	\$ 101,636
Increase in net assets attributable to holders of redeemable units per Class per unit		
Class A	\$ 0.57	\$ -
Class F	\$ 0.83	\$ 0.04

(See accompanying notes to the financial statements.)

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six month period ended June 30, 2020 and the period from January 17, 2019 (commencement of operations) to June 30, 2019 (unaudited)

	Class A			
	2020	2019		
Net assets attributable to holders of redeemable units, beginning of period	\$ 9,148,008	\$ -		
Increase in net assets attributable to holders of redeemable units	717,217	725		
Capital transactions (Note 7)				
Proceeds from issuance of redeemable units	10,297,871	4,776,993		
Redemption of redeemable units	<u>(5,012,075)</u>	<u>(29,917)</u>		
	5,285,796	4,747,076		
Net Assets attributable to holders of redeemable units, end of period	\$ 15,151,021	\$ 4,747,801		
			Total	
	Class F		2020	
	2020	2019		
Net assets attributable to holders of redeemable units, beginning of period	\$ 79,035,412	\$ -	\$ 88,183,420	\$ -
Increase in net assets attributable to holders of redeemable units	7,457,129	101,636	8,174,346	102,361
Capital transactions (Note 7)				
Proceeds from issuance of redeemable units	68,388,776	48,791,116	78,686,647	53,568,109
Redemption of redeemable units	<u>(39,714,144)</u>	<u>(973,274)</u>	<u>(44,726,219)</u>	<u>(1,003,191)</u>
	28,674,632	47,817,842	33,960,428	52,564,918
Net Assets attributable to holders of redeemable units, end of period	\$ 115,167,173	\$ 47,919,478	\$ 130,318,194	\$ 52,667,279

(See accompanying notes to the financial statements.)

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Statements of Cash Flows

For the six month period ended June 30, 2020 and the period from January 17, 2019 (commencement of operations) to June 30, 2019 (unaudited)

	2020	2019
Operating activities		
Increase in net assets attributable to holders of redeemable units	\$ 8,174,346	102,361
Adjustment for non-cash items:		
Net change in unrealized appreciation on investments and derivatives	(11,937,418)	(345,679)
Net realized loss on investments and derivatives	802,447	-
	<u>(2,960,625)</u>	<u>(243,318)</u>
Changes in operating assets and liabilities:		
Decrease (increase) in accrued interest	-	(560)
Decrease (increase) in accounts payable and accrued liabilities	(22,981)	55,366
Increase in management fee payable	41,617	45,212
Increase in accrued performance fees	923,816	43,388
Decrease in cash, pledged as collateral	-	(2,837,663)
	<u>942,452</u>	<u>(2,694,257)</u>
Proceeds on disposition of investments and derivatives	172,404,048	-
Purchase of investments and derivatives	(220,908,278)	(74,683,725)
	<u>(48,504,230)</u>	<u>(74,683,725)</u>
Net cash used in operating activities	<u>(50,522,403)</u>	<u>(77,621,300)</u>
Financing activities		
Proceeds from issuance of redeemable units **	77,746,194	53,103,425
Redemption of redeemable units **	(44,649,289)	(940,596)
Increase in margin borrowings	15,165,825	25,458,471
Net cash from financing activities	<u>48,262,730</u>	<u>77,621,300</u>
Decrease in cash	<u>(2,259,673)</u>	<u>-</u>
Cash, Beginning of the period	<u>6,920,795</u>	<u>-</u>
Cash, End of the period	<u>\$ 4,661,122</u>	<u>-</u>
Supplemental Information (included in operating activities)		
Cash paid for interest	275,923	65,177
Cash received from interest, net of withholding taxes	21,818	5,970

The amounts of proceeds and redemptions exclude non cash items such as switches and exchanges between classes for the period ended June 30, 2020 amounting to \$161,493 (June 30, 2019 - \$20,984).

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Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Schedule of Investment Portfolio

As at June 30, 2020 (unaudited)

Number of Shares/ Par Value	Description	Average Cost \$	Fair Value \$	% of Total
EQUITIES				
MUTUAL FUNDS				
16,660,323	Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	170,122,024	180,806,160	
	TOTAL MUTUAL FUNDS	<u>170,122,024</u>	<u>180,806,160</u>	138.74
	TOTAL EQUITIES	<u>170,122,024</u>	<u>180,806,160</u>	138.74
DERIVATIVE AGREEMENT				
	Picton Mahoney Fortified Arbitrage Alternative Fund, Class I		4,857,574	
	Payment Date January 22, 2024 (Notional Value \$65,522,214; see Schedule 2)		4,857,574	
	Total Unrealized gain on derivative agreement		<u>4,857,574</u>	3.73
	TOTAL INVESTMENTS	<u>170,122,024</u>	<u>185,663,734</u>	142.47
	CASH		468	0.00
	OTHER ASSETS, LESS LIABILITIES		<u>(55,346,008)</u>	<u>(42.47)</u>
	TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	<u>170,122,024</u>	<u>130,318,194</u>	100.00

Schedule 1

Investments held by Picton Mahoney Fortified Arbitrage Alternative Fund

Number of Shares/ Par Value	Description	Coupon Rate %	Maturity / Call Date	Average Cost \$	Fair Value \$	% of Total
BONDS						
Foreign Bonds						
United Kingdom						
3,362,300	Delphi Jersey Holdings PLC	5.000%	01-Oct-25	4,365,198	4,910,660	
	Total United Kingdom			<u>4,365,198</u>	<u>4,910,660</u>	<u>1.67</u>
United States of America						
3,515,000	Advanced Disposal Services Inc., Callable	5.625%	15-Nov-24	5,098,868	4,968,307	
2,920,000	Cincinnati Bell Inc., Callable	7.000%	15-Jul-24	4,165,901	4,055,824	
1,761,500	Cincinnati Bell Inc., Callable	8.000%	15-Oct-25	2,525,271	2,504,753	
	Total United States of America			<u>11,790,040</u>	<u>11,528,884</u>	<u>3.92</u>
	Total Foreign Bonds			<u>16,155,238</u>	<u>16,439,544</u>	<u>5.59</u>
	TOTAL BONDS			<u>16,155,238</u>	<u>16,439,544</u>	<u>5.59</u>
STOCKS						
MATERIALS						
586,700	Alacer Gold Corp.			4,797,268	5,473,911	
	TOTAL MATERIALS			<u>4,797,268</u>	<u>5,473,911</u>	<u>1.86</u>
CONSUMER DISCRETIONARY						
28,231	BorgWarner Inc.			1,107,230	1,352,922	
139,300	Caesars Entertainment Corp.			1,916,234	2,293,949	
317,400	CC Neuberger Principal Holdings I			4,473,326	4,567,564	
76,700	Cineplex Inc.			1,049,121	616,668	
175,300	Galileo Acquisition Corp., Warrants, (31Oct26)			3,499	138,033	
175,300	Galileo Acquisition Corp.			2,331,951	2,358,454	
	TOTAL CONSUMER DISCRETIONARY			<u>10,881,361</u>	<u>11,327,590</u>	<u>3.85</u>
FINANCIALS						
48,500	Alberton Acquisition Corp., Warrants, (21Nov23)			2,023	17,119	
169,300	Alussa Energy Acquisition Corp., Class 'A'			2,262,061	2,263,941	
84,600	Alussa Energy Acquisition Corp., Class 'A', Warrants, (31Oct26)			23,576	63,169	
144,000	AMCI Acquisition Corp., Class 'A'			1,982,189	1,997,953	
144,000	AMCI Acquisition Corp., Class 'A', Warrants, (20Nov25)			6,637	107,522	
158,700	Amplitude Healthcare Acquisition Corp.			2,113,076	2,208,374	
79,300	Amplitude Healthcare Acquisition Corp., Warrants, (12Jan26)			21,472	107,658	
265,200	Andina Acquisition Corp. III			1,228,272	1,310,517	
105,800	Apex Technology Acquisition Corp., Class 'A'			1,424,385	1,472,249	
42,280	Apex Technology Acquisition Corp., Class 'A', Warrants, (30Sept26)			15,844	97,579	
48,700	B. Riley Principal Merger Corp. II			678,484	774,208	
127,300	Bespoke Capital Acquisition Corp., Class 'A'			1,689,781	1,688,476	
63,000	Bespoke Capital Acquisition Corp., Class 'A', Warrants, (16Aug27)			24,738	45,330	
35,021	Big Rock Partners Acquisition Corp.			495,686	499,217	
20,400	Big Rock Partners Acquisition Corp., Warrants, (01Dec22)			5,289	12,463	
90,600	Canaccord Genuity Growth II Corp., Class 'A'			273,320	279,954	
52,900	Ceres Acquisition Corp., Class 'A'			699,033	678,671	
26,400	Ceres Acquisition Corp., Class 'A', Warrants, (13Apr25)			374	11,559	
92,300	CF Finance Acquisition Corp., Class 'A'			1,293,650	1,359,575	
48,075	CF Finance Acquisition Corp., Class 'A', Warrants, (30Apr25)			13,086	88,110	
105,600	Chardan Healthcare Acquisition 2 Corp.			1,488,274	1,505,307	
169,300	CHP Merger Corp., Class 'A'			2,271,692	2,289,223	
459,724	Churchill Capital Corp II, Class 'A'			6,463,707	7,052,571	
21,308	Churchill Capital Corp. II, Class 'A', Warrants, (24Sep24)			16,319	83,601	
104,700	Churchill Capital Corp. III			1,478,738	1,548,594	
122,800	CHG Merger Corp., Class 'A'			1,643,195	1,650,461	
61,400	CIIG Merger Corp., Class 'A', Warrants, (31Dec26)			-	79,189	
27,899	Collier Creek Holdings, Class 'A'			407,362	518,897	
31,099	Collier Creek Holdings, Warrants, (26Nov23)			20,389	137,215	
52,900	Crescent Acquisition Corp., Class 'A'			724,065	751,206	
81,800	DFP Healthcare Acquisitions Corp., Class 'A'			1,136,590	1,116,069	
20,450	DFP Healthcare Acquisitions Corp., Class 'A', (01Apr22)			-	40,811	
85,355	E*TRADE Financial Corp.			4,678,783	5,762,610	
169,300	Experience Investment Corp.			2,277,263	2,291,522	
56,432	Experience Investment Corp., Warrants, (01Sep26)			2,175	76,612	
43,507	Far Point Acquisition Corp., Warrants, (01Jun25)			18,672	29,533	
169,300	FinServ Acquisition Corp., Class 'A'			2,278,624	2,286,925	
84,600	FinServ Acquisition Corp., Class 'A', Warrants, (31Dec26)			3,752	128,635	
127,000	Flying Eagle Acquisition Corp.			1,727,375	2,008,637	
423,200	Foley Trasimene Acquisition Corp.			5,888,442	6,130,303	

Schedule 1

Investments held by Picton Mahoney Fortified Arbitrage Alternative Fund (continued)

Number of Shares/ Par Value	Description	Average Cost \$	Fair Value \$	% of Total
148,100	Fortress Value Acquisition Corp.	2,061,491	2,070,924	
85,000	Fusion Acquisition Corp.	1,161,738	1,172,423	
93,100	Gigcapital2 Inc.	1,270,207	1,281,621	
93,100	Gigcapital2 Inc., Rights	1,257	34,113	
93,100	Gigcapital2 Inc., Warrants, (01Jul24)	1,903	62,559	
81,800	Gores Holdings IV Inc., Class 'A'	1,098,677	1,121,622	
20,450	Gores Holdings IV Inc., Class 'A', Warrants, (24Jan25)	-	49,973	
190,399	Gores Metropoulos Inc., Class 'A'	2,707,910	2,763,212	
21,099	Gores Metropoulos Inc., Class 'A', Warrants, (25Mar24)	1,727	55,856	
21,800	Graf Industrial Corp., Warrants, (31Dec25)	2,217	67,478	
42,300	Greenrose Acquisition Corp.	565,454	574,265	
127,000	GX Acquisition Corp., Class 'A'	1,736,065	1,758,635	
63,400	Gx Acquisition Corp., Class 'A', Warrants, (24May26)	2,674	98,122	
296,298	Haymaker Acquisition Corp II, Class 'A'	4,046,280	4,163,331	
42,299	Haymaker Acquisition Corp. II, Class 'A', Warrants, (31Oct26)	2,739	90,157	
147,700	Healthcare Merger Corp., Class 'A'	2,017,290	2,009,186	
73,900	Healthcare Merger Corp., Class 'A', Warrants, (17Dec21)	3,240	115,376	
133,500	Hennessy Capital Acquisition Corp. IV, Class 'A'	1,867,371	1,948,326	
52,900	Hennessy Capital Acquisition Corp. IV, Class 'A', Warrants, (25Sep25)	1,887	78,999	
275,000	Hudson Executive Investment Corp.	3,686,834	3,808,068	
42,300	Hycroft Mining Holding Corp., Warrants, (29May25)	10,965	71,783	
94,300	International General Insurance Holdings Ltd., Warrants, (13Mar25)	18,942	43,527	
211,600	Jaws Acquisition Corp.	2,997,002	2,996,207	
169,300	Juniper Industrial Holdings Inc., Class 'A'	2,288,284	2,291,522	
84,600	Juniper Industrial Holdings Inc., Class 'A', Warrants, (13Nov26)	2,964	99,922	
191,300	Kensington Capital Acquisition Corp.	2,614,593	2,602,283	
63,397	Landecadia Holdings II Inc., Class 'A'	857,519	1,407,208	
28,165	Landecadia Holdings II Inc., Class 'A', Warrants, (09May26)	1,104	206,479	
68,000	Legg Mason Inc.	4,660,080	4,592,761	
409,800	Leo Holdings Corp., Class 'A'	5,821,412	5,785,983	
59,300	Leo Holdings Corp., Class 'A', Warrants, (05Apr23)	35,988	100,632	
112,000	LF Capital Acquisition Corp., Class 'A'	1,576,226	1,626,948	
111,800	LF Capital Acquisition Corp., Class 'A', Warrants, (27Jun23)	3,385	136,602	
116,400	LGL Systems Acquisition Corp., Class 'A'	1,566,279	1,566,830	
58,200	LGL Systems Acquisition Corp., Class 'A', Warrants, (12Nov26)	1,737	71,901	
10,600	Lifesci Acquisition Corp.	145,759	152,900	
74,000	Liv Capital Acquisition Corp.	988,708	1,029,740	
317,400	Longview Acquisition Corp.	4,380,548	4,352,113	
439,483	Mercer Park Brand Acquisition Corp., Class 'A'	5,877,479	5,918,690	
188,266	Mercer Park Brand Acquisition Corp., Class 'A', Warrants, (24Jun24)	111,975	166,133	
285,600	Merida Merger Corp. I	3,723,028	3,795,882	
100,600	Merida Merger Corp. I, Warrants, (07Nov26)	71,938	68,287	
127,000	Monocle Acquisition Corp.	1,744,057	1,774,152	
127,000	Monocle Acquisition Corp., Warrants, (12Jun24)	27,255	112,070	
270,200	Netfin Acquisition Corp., Class 'A'	3,683,785	3,943,353	
127,000	Netfin Acquisition Corp., Class 'A', Warrants, (01Aug24)	2,694	281,037	
105,800	New Providence Acquisition Corp., Class 'A'	1,437,113	1,447,832	
52,900	New Providence Acquisition Corp., Class 'A', Warrants, (01Sep24)	1,552	71,817	
354,900	Northview Apartment REIT	12,247,962	12,343,421	
148,099	Oaktree Acquisition Corp., Class 'A'	2,027,634	2,044,772	
211,500	Osprey Technology Acquisition Corp., Class 'A'	2,828,150	2,884,245	
105,700	Osprey Technology Acquisition Corp., Class 'A', Warrants, (30Oct24)	4,407	150,673	
127,000	Pivotal Investment Corp. II, Class 'A'	1,702,746	1,750,014	
42,299	Pivotal Investment Corp. II, Class 'A', Warrants, (01Jun25)	1,213	45,366	
63,400	PropTech Acquisition Corp., Class 'A'	858,873	869,326	
31,700	PropTech Acquisition Corp., Class 'A', Warrants, (01Oct26)	955	30,125	
141,698	RMG Acquisition Corp., Class 'A'	1,925,449	1,967,937	
47,166	RMG Acquisition Corp., Class 'A', Warrants, (21Feb26)	1,200	62,752	
64,800	SC Health Corp., Class 'A'	874,727	889,402	
19,650	SC Health Corp., Warrants, (21Aug24)	859	28,811	
143,300	Silver Spike Acquisition Corp., Class 'A'	1,927,385	1,970,984	
71,650	Silver Spike Acquisition Corp., Class 'A', Warrants, (31Dec24)	-	48,636	
105,600	Social Capital Hedosophia Holdings Corp. II, Class 'A'	1,477,555	1,684,510	
105,600	Social Capital Hedosophia Holdings Corp. II, Class 'A', Warrants, (31Dec25)	-	459,716	
211,200	Social Capital Hedosophia Holdings Corp. III, Class 'A'	3,008,633	3,205,587	
102,300	Software Acquisition Group Inc.	1,369,897	1,451,322	
61,400	South Mountain Merger Corp., Class 'A'	832,034	849,404	
30,700	South Mountain Merger Corp., Class 'A', Warrants, (20Jun24)	-	46,680	
184,847	Spartan Energy Acquisition Corp., Class 'A'	2,550,026	2,690,166	
47,967	Spartan Energy Acquisition Corp., Class 'A', Warrants, (01Oct23)	-	117,209	
306,900	Stable Road Acquisition Corp., Class 'A'	4,135,048	4,145,642	
153,450	Stable Road Acquisition Corp., Warrants, (15May26)	-	127,077	
458,000	Subversive Capital Acquisition Corp., Class 'A'	5,933,312	6,186,718	

Schedule 1

Investments held by Picton Mahoney Fortified Arbitrage Alternative Fund (continued)

Number of Shares/ Par Value	Description	Average Cost \$	Fair Value \$	% of Total
207,750	Subversive Capital Acquisition Corp., Warrants, (26Aug24)	191,008	169,225	
84,600	Subversive Real Estate Acquisition REIT L.P., Rights	19,552	57,426	
84,600	Subversive Real Estate Acquisition REIT L.P.	1,112,229	1,125,559	
166,441	Sustainable Opportunities Acquisition Corp.	2,353,940	2,282,199	
92,868	TD Ameritrade Holding Corp.	5,269,794	4,586,703	
84,600	Thunder Bridge Acquisition II Ltd.	1,155,450	1,205,956	
17,800	Tortoise Acquisition Corp.	239,548	773,289	
211,700	Trebia Acquisition Corp.	2,906,336	3,003,371	
49,600	Trident Acquisitions Corp., Warrants, (13Jun21)	873	30,975	
127,000	Trine Acquisition Corp.	1,746,439	1,900,016	
181,400	Tuscan Holdings Corp.	2,542,746	2,519,328	
63,400	Union Acquisition Corp. II	846,862	880,085	
33,800	Willis Towers Watson PLC	9,398,870	9,037,420	
	TOTAL FINANCIALS	188,414,497	197,817,481	67.29
	HEALTH CARE			
63,800	QIAGEN NV.	3,679,537	3,707,983	
132,892	Wright Medical Group NV.	5,296,223	5,361,909	
	TOTAL HEALTH CARE	8,975,760	9,069,892	3.09
	INFORMATION TECHNOLOGY			
25,500	LogMeIn Inc.	2,954,585	2,934,636	
	TOTAL INFORMATION TECHNOLOGY	2,954,585	2,934,636	1.00
	UTILITIES			
41,700	Brookfield Renewable Partners L.P.	2,894,515	2,710,500	
10,600	El Paso Electric Co.	957,619	964,168	
394,369	TerraForm Power Inc., Class 'A'	9,401,731	9,872,689	
	TOTAL UTILITIES	13,253,865	13,547,357	4.61
	TOTAL STOCKS	229,277,336	240,170,867	81.70
	TOTAL INVESTMENTS	245,432,574	256,610,411	87.29
	OPTIONS			
	Put Options			
417	Brookfield Renewable Partners L.P. October 2020, \$90.00 CAD	959,517	1,072,733	
208	Northview Apartment REIT July 2020, \$32.00 CAD	9,516	3,120	
	Total Put Options	969,033	1,075,853	0.37
	TOTAL OPTIONS	969,033	1,075,853	0.37
	TOTAL LONG	246,401,607	257,686,264	87.66
	TOTAL SHORT (Schedule 1)	(41,802,162)	(42,998,856)	(14.63)
	FORWARD CONTRACTS			
	Buy CAD 3,773,389, Sell EUR 2,453,000 @ 1.53828 - Aug 06, 2020	-	29,340	
	Buy CAD 550,318, Sell EUR 360,000 @ 1.52866 - Aug 06, 2020	-	845	
	Buy CAD 181,841,379, Sell USD 129,775,000 @ 1.40121 - Aug 13, 2020	-	5,676,791	
	Buy CAD 2,139,312, Sell USD 1,521,000 @ 1.40652 - Aug 13, 2020	-	74,613	
	Buy CAD 20,609,023, Sell USD 15,139,000 @ 1.36132 - Aug 13, 2020	-	58,411	
	Total Unrealized gain on forward contracts	-	5,840,000	1.99
	Buy CAD 2,336,573, Sell USD 1,726,000 @ 1.35375 - Aug 13, 2020	-	(6,406)	
	Buy EUR 327,000, Sell CAD 502,342 @ 1.53621 - Aug 13, 2020	-	(3,238)	
	Total Unrealized loss on forward contracts	-	(9,644)	-
	TOTAL INVESTMENTS AND FORWARD CONTRACTS	204,599,445	220,517,764	75.02
	Transaction Costs (Note 2)	(90,711)		
	TOTAL NET INVESTMENTS	204,508,734	220,517,764	75.02
	CASH		70,799,917	24.08
	OTHER ASSETS, LESS LIABILITIES		2,667,473	0.90
	TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	204,508,734	293,985,154	100.00

Schedule 2

Derivative Agreement	Purchase date	Maturity Date	Counterparty	Credit* rating	Notional Number of Units	Purchase Price per Unit	Total Purchase Cost	Value to be received	Unrealized Appreciation (Depreciation)
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	January 21, 2019	January 23, 2024	CIBC	A-1	50,000.00	10.0000	500,000	542,625	42,625
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	January 25, 2019	January 23, 2024	CIBC	A-1	59,938.86	10.0102	600,000	650,486	50,486
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	January 30, 2019	January 23, 2024	CIBC	A-1	49,934.09	10.0132	500,000	541,910	41,910
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	February 5, 2019	January 23, 2024	CIBC	A-1	79,801.30	10.0249	800,000	866,044	66,044
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	February 11, 2019	January 23, 2024	CIBC	A-1	99,670.09	10.0331	1,000,000	1,081,670	81,670
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	February 25, 2019	January 23, 2024	CIBC	A-1	99,512.39	10.0490	1,000,000	1,079,958	79,958
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	February 28, 2019	January 23, 2024	CIBC	A-1	149,581.17	10.0280	1,500,000	1,623,330	123,330
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	March 13, 2019	January 23, 2024	CIBC	A-1	99,540.13	10.0462	1,000,000	1,080,259	80,259
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	March 25, 2019	January 23, 2024	CIBC	A-1	149,136.50	10.0579	1,500,000	1,618,504	118,504
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	March 26, 2019	January 23, 2024	CIBC	A-1	86,982.45	10.0595	875,000	943,977	68,977
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	March 27, 2019	January 23, 2024	CIBC	A-1	74,530.46	10.0630	750,000	808,842	58,842
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	March 29, 2019	January 23, 2024	CIBC	A-1	99,230.96	10.0775	1,000,000	1,076,904	76,904
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	April 4, 2019	January 23, 2024	CIBC	A-1	99,096.24	10.0912	1,000,000	1,075,442	75,442
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	April 9, 2019	January 23, 2024	CIBC	A-1	74,273.60	10.0978	750,000	806,054	56,054
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	April 12, 2019	January 23, 2024	CIBC	A-1	49,510.83	10.0988	500,000	537,316	37,316
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	April 18, 2019	January 23, 2024	CIBC	A-1	74,217.75	10.1054	750,000	805,448	55,448
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	April 23, 2019	January 23, 2024	CIBC	A-1	98,920.77	10.1091	1,000,000	1,073,538	73,538
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	April 26, 2019	January 23, 2024	CIBC	A-1	49,319.88	10.1379	500,000	535,244	35,244
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	April 29, 2019	January 23, 2024	CIBC	A-1	246,950.17	10.1235	2,500,000	2,680,027	180,027
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	April 30, 2019	January 23, 2024	CIBC	A-1	197,468.45	10.1282	2,000,000	2,143,026	143,026
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	May 2, 2019	January 23, 2024	CIBC	A-1	24,663.10	10.1366	250,000	267,656	17,656
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	May 6, 2019	January 23, 2024	CIBC	A-1	49,269.34	10.1483	500,000	534,695	34,695
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	May 14, 2019	January 23, 2024	CIBC	A-1	98,732.28	10.1284	1,000,000	1,071,492	71,492
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	May 22, 2019	January 23, 2024	CIBC	A-1	78,953.08	10.1326	800,000	856,838	56,838
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	May 23, 2019	January 23, 2024	CIBC	A-1	24,662.37	10.1369	250,000	267,648	17,648
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	May 31, 2019	January 23, 2024	CIBC	A-1	344,997.54	10.1450	3,500,000	3,744,086	244,086
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	June 11, 2019	January 23, 2024	CIBC	A-1	98,508.58	10.1514	1,000,000	1,069,064	69,064
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	June 20, 2019	January 23, 2024	CIBC	A-1	49,217.44	10.1590	500,000	534,132	34,132
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	June 25, 2019	January 23, 2024	CIBC	A-1	49,265.94	10.1490	500,000	534,659	34,659
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	June 28, 2019	January 23, 2024	CIBC	A-1	49,294.11	10.1432	500,000	534,964	34,964
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	July 5, 2019	January 23, 2024	CIBC	A-1	78,697.56	10.1655	800,000	854,065	54,065
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	July 18, 2019	January 23, 2024	CIBC	A-1	98,168.18	10.1866	1,000,000	1,065,370	65,370
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	July 24, 2019	January 23, 2024	CIBC	A-1	78,466.76	10.1954	800,000	851,561	51,561
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	August 1, 2019	January 23, 2024	CIBC	A-1	342,864.98	10.2081	3,500,000	3,720,942	220,942
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	August 9, 2019	January 23, 2024	CIBC	A-1	68,534.06	10.2139	700,000	743,766	43,766
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	August 23, 2019	January 23, 2024	CIBC	A-1	58,710.14	10.2197	600,000	637,152	37,152
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	September 3, 2019	January 23, 2024	CIBC	A-1	58,647.59	10.2306	600,000	636,473	36,473
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	September 11, 2019	January 23, 2024	CIBC	A-1	48,821.45	10.2414	500,000	529,835	29,835
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	September 19, 2019	January 23, 2024	CIBC	A-1	39,036.96	10.2467	400,000	423,649	23,649
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	September 26, 2019	January 23, 2024	CIBC	A-1	97,575.26	10.2485	1,000,000	1,058,935	58,935
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	October 2, 2019	January 23, 2024	CIBC	A-1	48,752.90	10.2558	500,000	529,091	29,091
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	October 8, 2019	January 23, 2024	CIBC	A-1	219,422.29	10.2542	2,250,000	2,381,280	131,280
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	October 16, 2019	January 23, 2024	CIBC	A-1	107,002.85	10.2801	1,100,000	1,161,248	61,248
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	November 5, 2019	January 23, 2024	CIBC	A-1	96,968.76	10.3126	1,000,000	1,052,353	52,353
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	November 22, 2019	January 23, 2024	CIBC	A-1	96,629.56	10.3488	1,000,000	1,048,672	48,672
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	November 29, 2019	January 23, 2024	CIBC	A-1	144,717.80	10.3650	1,500,000	1,570,550	70,550
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	December 20, 2019	January 23, 2024	CIBC	A-1	62,958.71	10.4176		683,259	683,259
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	December 27, 2019	January 23, 2024	CIBC	A-1	340,083.18	10.2916	3,500,000	3,690,753	190,753
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	January 31, 2020	January 23, 2024	CIBC	A-1	240,119.10	10.4115	2,500,000	2,605,893	105,893
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	February 10, 2020	January 23, 2024	CIBC	A-1	383,402.51	10.4329	4,000,000	4,160,876	160,876
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	February 24, 2020	January 23, 2024	CIBC	A-1	167,472.13	10.4495	1,750,000	1,817,491	67,491
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	March 2, 2020	January 23, 2024	CIBC	A-1	86,372.36	10.4200	900,000	937,356	37,356
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	March 18, 2020	January 23, 2024	CIBC	A-1	(500,000.00)	10.0926	(5,046,300)	(5,426,250)	(379,950)
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	March 23, 2020	January 23, 2024	CIBC	A-1	(610,000.00)	10.0926	(6,156,486)	(6,620,025)	(463,539)
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	March 31, 2020	January 23, 2024	CIBC	A-1	1,776,514.48	10.1322	18,000,000	19,279,655	1,279,655
							65,522,214	70,379,788	4,857,574

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Notes to Financial Statements

June 30, 2020 (Unaudited)

1. Establishment of the Fund

Picton Mahoney Fortified Arbitrage Plus Alternative Fund (formerly Vertex Liquid Alternative Fund Plus) (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”) and portfolio advisor (the “Portfolio Advisor”) 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. CIBC Mellon Trust Company is the Trustee and (the “Trustee”) and the Custodian (the “Custodian”) of the Fund. The financial statements are presented in Canadian dollars (CAD). These financial statements were authorized for issue by the Manager on August 28, 2020.

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 (formerly Class B) and Class F 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. As at June 30, 2020, the Fund currently has 2 classes of units: Class A and Class F.

The investment objective of the Fund is to generate consistent, positive returns, with lower volatility and low correlation to equity markets by providing levered exposure to the Picton Mahoney Fortified Arbitrage Alternative Fund (formerly Vertex Liquid Alternative Fund (“VLAF”).

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.

2. Basis of accounting

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”). The financial

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Notes to Financial Statements

June 30, 2020 (Unaudited)

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 and loss.

3. Significant accounting policies

Financial assets and financial liabilities at fair value through profit or loss

a) Classification

i. Assets

The Fund classifies its investments based on both Fund's business model for managing those financial assets and 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 borrowed security is sold on 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.

iii. Other financial assets and other financial liabilities

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.

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.

b) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognized on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities are initially recognized at fair value. Transaction costs related to financial instruments at FVTPL are expensed as incurred in the Statements of Comprehensive Income.

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Notes to Financial Statements

June 30, 2020 (Unaudited)

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statements of Comprehensive Income within net change in unrealized appreciation (depreciation) on investments and derivatives in the period in which they arise.

All other financial assets and liabilities are measured at amortized cost due to their short-term nature.

c) Income Recognition

Dividend income from financial assets at fair value through profit or loss is recognized in the Statements of Comprehensive Income within Dividend income when the Fund's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognized in the Statements of Comprehensive Income as Interest for distribution purposes which represents the coupon interest on debt instruments held by the Fund determined on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities. Interest on cash balances are also recognized in the Statements of Comprehensive Income as Interest for distribution purposes. Net realized gain (loss) and net change in unrealized appreciation (depreciation) of 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. Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognized in profit or loss as an expense.

Fair value measurement

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. For financial statement purposes, investments traded on a recognized exchange, are recorded at fair value, established by last traded market price where the last traded market price falls within the day's bid ask spread. In circumstances where the last traded price is not within that day's bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances.

The value of any security which is not listed or traded on an exchange, but which is listed or traded on another market, including an over-the-counter market, being a marketplace other than an exchange where securities are normally purchased and sold and quotations are in common use in respect thereof, shall be determined in the same manner as a listed security by reference to prices on that market.

Investments in underlying mutual funds are valued on the measurement date at the net asset value per unit reported by such underlying funds.

The value of any security or property for which, in the opinion of the Manager the published market quotations are not readily available shall be the fair value as determined by the Manager based on valuation techniques. The fair value of certain securities is determined by using valuation models that are based, in part, on assumptions that are not supported by observable market inputs. These methods and procedures may include, but are not limited to, performing comparisons with prices of comparable or

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Notes to Financial Statements

June 30, 2020 (Unaudited)

similar securities, discounted cash flow analysis, obtaining valuation related information from issuers and/or other analytical data relating to the investment and using other available indicators of value. These values are independently assessed internally to ensure that they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair values for the aforementioned securities and interests may be materially different from the values that would have been used had a ready market for the investment existed. The fair values of such securities are affected by the perceived credit risks of the issuer, predictability of cash flows and the length of time to maturity.

Cash

Cash is comprised of cash on deposit.

Collateral

Cash collateral provided by the Fund is identified in the Statements of Financial Position as “Cash, pledged as collateral for derivative agreements” described below. 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. Cash pledged by the Fund in respect of the derivative is not included as a component of cash.

In accordance with the derivative agreements, the Fund is required to pledge its cash to the Counterparty as security for performance by the Fund of its obligation under the derivative agreements. The total fair value of the cash pledged as collateral for the derivative agreements as at June 30, 2020 is \$4,660,654 (December 31, 2019 - \$4,989,553).

The Fund earns interest on the restricted cash equal to Canadian overnight rates minus agreed spread.

Derivative Agreements

The Fund entered into derivative agreements with Canadian Imperial Bank of Commerce (“CIBC”), in order to obtain economic exposure to the Class I units (formerly Class O units) of Picton Mahoney Fortified Arbitrage Alternative Fund (formerly Vertex liquid Alternative Fund) (the “Reference Fund”) similar to what would be achieved by an investment directly in the Class I units of the Reference Fund.

Under the terms of the derivative agreements, the Fund agreed to acquire from CIBC Class I units of the Reference Fund at a specified future date, which is decided by the portfolio manager, at a price equal to the net asset value (“NAV”) of the Class I units at the date the derivative agreements were entered into. CIBC, on the specified future date, will deliver Class I units of the Reference Fund, less forward fees. The Fund has also option to terminate the trades at a specified future date, which is decided by the portfolio manager, at its discretion without any penalty.

The Fund has agreed to pay a forward fee, on a monthly basis, which is a floating amount based on prevailing short-term market rates and a spread applied to the daily notional value of the derivative agreements.

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Notes to Financial Statements

June 30, 2020 (Unaudited)

During the term of the derivative agreements, the Fund will deposit cash, as pledge, in its margin account with CIBC. This pledge will be kept at 10% of the notional amount at the time the derivative agreements were entered into. The Fund's restricted cash has been pledged to the counterparty as security for performance by the Fund for its obligations under the derivative agreements.

The derivative agreements are valued each day by applying the value of the Reference Fund versus the notional cost amount less outstanding forward fees. The derivatives agreements are fair valued using the NAV of the Class I units of the Reference Fund at each valuation date. All unrealized gains (losses) from the derivative agreements are included in "Net change in unrealized appreciation (depreciation) on investments and derivatives" in the Statements of Comprehensive Income. When the agreements are partially closed out, closed out or expire, the gains (losses) realized are included in "Net realized gain (loss) on investments and derivatives" in the Statements of Comprehensive Income.

Foreign currency translation

The Fund's subscriptions and redemptions are denominated in Canadian dollars which is also its functional and presentation currency. Assets and liabilities in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the year end. Purchases and sales of investments and income and expenses are translated into Canadian dollars at the rate of exchange prevailing at the transaction date. Foreign exchange gains and losses relating to investments and derivatives are included in "net realized gain (loss) on investments and derivatives" and "net change in unrealized (depreciation) appreciation on investments and derivatives".

Leverage

Leverage occurs when the Fund's notional exposure to underlying assets is greater than the amount invested, and may not exceed 300% of the Fund's NAV. Notional exposure equals to the total of the following: (i) the aggregate value of the Fund's outstanding indebtedness; (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. The calculation excludes cash and other net assets of the Fund.

During the period, the Fund's leverage position ranged from 96.71% to 144.39% (December 31, 2019 0.00% to 111.21%) of the Fund's NAV and the Reference Fund's leverage positions ranged from 6.06% to 20.43% (December 31, 2019- 3.13% to 26.30%) of the Reference Fund's NAV. The primary sources of leverage were the margin borrowings, which is governed by a prime brokerage agreement between the Fund and CIBC, used to purchase the Reference Fund and the position in the derivative agreement.

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 margin borrowings from CIBC are due on demand.

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Notes to Financial Statements

June 30, 2020 (Unaudited)

The margin borrowings are secured by the direct investment in Class I units of the Reference Fund.

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 from January 1, 2020 to June 30, 2020, the average margin borrowing was \$52,604,736 (December 31, 2019 - \$24,636,702).

Increase (decrease) in net assets attributable to holders of redeemable units for each Class

Increase (decrease) in net assets attributable to holders of redeemable units per unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units for the period per class, divided by the weighted average units outstanding during the period for that class.

Net Assets attributable to holders of redeemable units and related per unit amounts

The Fund issues two classes of redeemable units, which are redeemable at the holder’s option and do not have identical rights. Such units are classified as financial liabilities. Redeemable units can be put back to the Fund at any dealing date for cash equal to a proportionate share of the Fund’s net asset value attributable to the unit class. Units are redeemable daily. The redeemable units are carried at the redemption amount that is payable at the Statements of Financial Position date if the holder exercises the right to put the unit back to the Fund. Redeemable units are issued and redeemed at the holder’s option at prices based on the Fund’s net asset value per unit at the time of issue or redemption. The Fund’s net asset value per unit is calculated by dividing the net assets attributable to the holders of each class of redeemable units with the total number of outstanding redeemable units for each respective class. Investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit (NAV) for transactions with unitholders. As at June 30, 2020, there were no differences between the Fund’s net asset value per security and its net assets per security calculated in accordance with IFRS.

A separate NAV is calculated for each Class of units of the Fund by taking the Class’ proportionate share of the Fund’s common assets less that Class’ proportionate share of the Fund’s common liabilities and deducting from this amount all liabilities that relate solely to a specific Class. The NAV per unit for each Class is determined by dividing the NAV of each Class by the number of units of that Class outstanding on the valuation date.

Classification of redeemable units issued by the Fund

Under IFRS, IAS 32 requires that units or shares of an entity which 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 do not meet the criteria in IAS 32 for classification as equity and therefore, have been classified as financial liabilities.

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Notes to Financial Statements

June 30, 2020 (Unaudited)

Taxation

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund has determined that it is in substance not taxable and therefore does not record income taxes in the Statements of Comprehensive Income nor does it recognize any deferred tax assets or liabilities in the Statements of Financial Position. As at December 31, 2019, the Fund had \$nil of unused capital losses and \$168,934 of non-capital losses expiring in 2039.

4. Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments in applying its accounting policies and to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual amounts could differ from those estimates.

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 valuation techniques and may be determined using reputable pricing sources. Broker quotes as obtained from the pricing sources may be indicative and not executable. Where no market data is available, the Fund may value positions using its own models, which are usually 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. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk, 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. See Note 5 for more information on the fair value measurement of the Fund's financial instruments.

5. Fair value disclosure

The Fund classifies fair value measurements within a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows.

Level 1- quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3- unobservable inputs for the asset or liability.

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The Fund's financial instruments which are recorded at fair value have been categorized based upon this fair value hierarchy. The following fair value hierarchy tables present information about the Fund's financial instruments measured at fair value as at June 30, 2020 and December 31, 2019:

Financial Assets at fair value as at June 30, 2020				
	Level 1	Level 2	Level 3	Total
Reference Fund	\$ 180,806,160	\$ -	\$ -	\$ 180,806,160
Derivative agreements		4,857,574	-	4,857,574
	\$ 180,806,160	\$ 4,857,574	\$ -	\$ 185,663,734

Financial Assets at fair value as at December 31, 2019				
	Level 1	Level 2	Level 3	Total
Reference Fund	\$ 125,041,430	\$ -	\$ -	\$ 125,041,430
Derivative agreements	-	1,333,103	-	1,333,103
	\$ 125,041,430	\$ 1,333,103	\$ -	\$ 126,374,533

Investments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an investment classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, investments 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. Likewise, if an investment classified as Level 2 or Level 3, subsequently becomes actively traded and/or have a quoted price available, it is transferred into Level 1.

The Fund uses the following techniques to determine the Level 2 fair value measurements:

Derivative agreements - The fair value of the derivative agreements are determined using the Reference Fund's net asset value, on the measurement date, multiplied by the notional units held, less the notional costs.

Level 3 fair value measurements and sensitivity analysis

There were no level 3 securities held for assets and liabilities as at June 30, 2020 and December 31, 2019.

6. Interest in unconsolidated structured entities

The Fund has determined that its investments in Reference Fund is an unconsolidated structured entity. The determination is based on the fact that decision making about the Reference Fund is not governed by the voting right or other similar right held by the Fund.

The Fund may invest in the Reference Fund whose investment objectives range from achieving short-term to long-term income and capital growth potential. Reference Fund may use leverage in a manner consistent with their respective investment objectives and as permitted by Canadian securities regulatory authorities. Reference Fund finances its operations by issuing redeemable units which are puttable at the holders' option and entitles the holder to a proportionate value in the fund's Net Assets. The change in fair value of the Reference Fund during the period is included in "Net change in unrealized appreciation (depreciation) on investments and derivatives" in the Statements of Comprehensive Income.

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The Fund does not provide and has not committed to providing any additional significant financial or other support to the unconsolidated structured entities other than its investments in the unconsolidated structured entities.

As at June 30, 2020

Holding	% of Net Assets	Country of Establishment & Principal Place of Business	% of Ownership Interest
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	138.74%	Canada	61.50%

The Fund also has an indirect interest in the Reference Fund through the Derivative agreements, representing 54.01% of net assets and 23.94% of ownership interest.

As at December 31, 2019

Holding	% of Net Assets	Country of Establishment & Principal Place of Business	% of Ownership Interest
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	141.80%	Canada	59.93%

The Fund also has an indirect interest in the Reference Fund through the Derivative agreements, representing 57.73% of net assets and 24.40% of ownership interest.

Investment Entity

The fund has determined that it meets the definition of an "investment entity" and as a result, it measures subsidiaries, if any, at FVTPL. An investment entity is an entity that obtains funds from one or more investors for the purposes of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. The most significant judgement that the Fund has made in determining that it meets this definition is that fair value is the primary measurement attribute used to measure and evaluate the performance of substantially all of its investments.

7. Redeemable units

Redeemable units transactions include amounts representing unit subscriptions, unit redemptions, and units reinvested. Units are redeemable daily. The Fund generally has no restrictions or specific capital requirements on the subscription and redemptions of units. In accordance with the objectives and the risk management policies outlined in Note 10, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being managed by investing the majority of assets in investments that can be readily disposed. The following table summarizes the changes in the number of redeemable units during the period:

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	June 30, 2020		June 30, 2019	
	Class A	Class F	Class A	Class F
Units - beginning of period	881,362	7,554,501	-	-
Redeemable units issued	984,828	6,650,027	474,943	4,844,532
Redeemable units reinvested			-	-
Redeemable units redeemed	(502,433)	(3,969,954)	(2,966)	(96,539)
Units - end of period	1,363,757	10,234,574	471,977	4,747,993

8. Fees and expenses

a) Management fees

As consideration for the services provided by the Manager, the Fund pays the Manager a management fee, monthly in arrears. The management fee is calculated daily, on each business day, as a percentage of the NAV of each class of Units that comprise the Fund. The management fee may vary from class to class and will be deducted as an expense of each Fund in the calculation of the net profits of such Fund. The management fee for each of the existing classes of Units is as follows:

Class A: 1/365 of 2% (2% per annum) of the aggregate NAV of the Class A Units on the preceding business day plus applicable taxes.

Class F: 1 1/365 of 1% (1% per annum) of the aggregate NAV of the Class F Units on the preceding business day plus applicable taxes.

Management fees amounting to \$654,856 were incurred for the period ended June 30, 2020 (June 30, 2019 - \$124,006) of which \$123,666 (December 31, 2019 - \$82,049) were outstanding at period end.

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.

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.

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Performance fees amounting to \$1,653,428 were incurred for the period ended June 30, 2019 (June 30, 2019– \$59,628) of which \$1,254,049 (December 31, 2019 – \$330,233) were outstanding at period end.

c) *Other fees and expenses*

The Fund is responsible for the payment of all fees and expenses relating to its operation, including the fees and expenses of the record-keeper, audit, accounting, administration (other than advertising and promotional expenses which are paid for by the Manager), record keeping and legal fees and expenses, custody and safekeeping charges, all costs and expenses associated with the qualification for sale of units, providing financial and other reports to unitholders and convening and conducting meetings of Unitholders, all taxes, assessments or other governmental charges levied against the Fund, interest and all brokerage and other fees relating to the purchase and sale of the assets of the Fund. The Manager will pay for all expenses associated with the identification and management of the Fund's investments (other than direct expenses such as interest charges on margin borrowings and brokerage fees, which are the responsibility of the Fund).

At the discretion of the Manager, certain expenses, as defined in the simplified prospectus, were absorbed during the period in the amount of \$nil (June 30, 2019 - \$48,898).

9. *Soft dollar commissions*

Soft dollar commissions relate to amounts paid to brokers in exchange for research or other services provided to the Manager. The Fund paid \$nil in soft dollar commissions during the period (June 30, 2019 - \$nil).

10. *Financial risk management*

The Fund may use various forms of leverage that increases the effect of any investment value changes on capital. These include the use of margin borrowings and derivatives. While borrowing and leverage present opportunities for increasing total return, they have the effect of potentially increasing losses as well.

If the gains on financial assets made with borrowed funds are less than the costs of the leverage or, under certain circumstances, if the borrowing is terminated by the applicable lenders or counterparties in advance of its stated term, the value of the Fund's net assets attributable to holders of redeemable units will decrease. Therefore, any event that adversely affects the value of an investment by the Fund would be magnified to the extent leverage is employed. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss which would be greater than if leverage were not used.

The Fund's financial instruments consist of investments, investments pledged as collateral, derivative agreements, cash, cash pledged as collateral, subscriptions receivable, management fees payable, accrued performance fees, margin borrowings, accounts payable and accrued liabilities, and redemptions payable. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The Manager maintains a risk management practice that includes daily monitoring of the returns-based risk profile of the Fund. The purpose of such practices is to minimize the potential adverse effect of each risk on the Fund's financial performance while being

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consistent with the Fund's investment objective. The risks include market risk (including interest rate risk, other price risk, and currency risk), credit risk and liquidity risk. These risks and related risk management practices employed by the Fund are discussed below.

a) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investment in the Reference Fund is subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum loss of capital on investment in the Reference Fund is limited to the fair value of the position. On the derivative agreement, the maximum loss of capital is limited to the notional cost of the derivative agreement. The Manager monitors the Fund's overall market positions on a daily basis and positions are maintained within established ranges.

As of June 30, 2020, if the market price of Class I units of the Reference Fund had increased or decreased by 5%, with all other variables held constant, this would have directly increased or decreased net assets by \$9,040,308 (December 31, 2019 - \$6,252,072) approximately. The indirect exposure through the derivative agreement in Class I units of the Reference Fund would have increased or decreased net assets by \$3,518,989 (December 31, 2019 - \$2,545,405) approximately. The combined impact of such 5% increase or decrease would have increased or decreased net assets by \$12,559,297 (December 31, 2019 - \$8,797,477) or 10% of the Fund's net assets (December 31, 2019 - 10%), as a result of the Fund's leverage structure. Actual results may differ from this sensitivity analysis and those results could be material.

b) 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 25 basis points the Fund's borrowing costs would increase or decrease by approximately \$149,360 (December 31, 2019 - \$235,383).

As at June 30, 2020 and December 31, 2019, the Fund did not hold any interest-bearing securities. As a result, the Fund had no significant interest rate risk due to fluctuations in the prevailing level of market interest rates which could impact the Fund's cash flows and the fair values of its interest-bearing investments.

The Fund was exposed to indirect interest risk to the extent the Reference Fund invests in such instruments. The table below summarizes the Reference Fund's exposure to interest rate risk as at June 30, 2020.

	Less than 1 year	1 - 5 years	More than 5 years	Total
As at June 30, 2020				
Financial Assets				
Bonds	\$ -	\$ 9,024,131	\$ 7,415,413	\$ 16,439,544

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c) *Currency risk*

Currency risk is the risk that the value of net investments denominated in currencies, other than Canadian dollars, the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The Fund does not hold assets and liabilities, including cash and investments, that are denominated in currencies other than the Canadian dollar. It is therefore not directly exposed to currency risk.

The Fund is exposed to indirect currency risk to the extent that the Reference Fund invests in such instruments. The tables below summarize the Reference Fund's exposure to currency risk as at June 30, 2020 and December 31, 2019.

As at June 30, 2020						
	Monetary exposure **	Non-monetary exposure *	Assets Hedged by forward contracts	Net currency exposure	% of Net assets attributable to holders of redeemable units	5% Decrease /increase
US Dollar	\$ 24,000,088	181,256,871	\$ (201,122,878)	\$ 4,134,081	1.41%	\$ 206,704
Total	\$ 24,000,088	\$ 181,256,871	\$ (201,122,878)	\$ 4,134,081	1.41%	\$ 206,704

As at December 31, 2019						
	Monetary exposure **	Non-monetary exposure *	Assets Hedged by forward contracts	Net currency exposure	% of Net assets attributable to holders of redeemable units	5% Decrease /increase
US Dollar	\$ (5,100,044)	\$ 153,547,162	\$ (147,240,955)	\$ 1,206,163	0.58%	\$ 60,308
Total	\$ (5,100,044)	\$ 153,547,162	\$ (147,240,955)	\$ 1,206,163	0.58%	\$ 60,308

* The non-monetary exposure is net of short securities, if any.

** The monetary exposure is net of loan payables, if any.

At June 30, 2020 and December 31, 2019, should currencies have strengthened or weakened in relation to the Canadian dollar by 5%, with all other variables remaining constant, the decrease or increase in net assets for the period for the Fund would amount to \$176,612 (through direct and indirect ownership of the Reference Fund) (December 31, 2019 - \$50,858).

d) *Liquidity risk*

Liquidity risk is the risk that a fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund's exposure to liquidity risk is concentrated in the cash redemptions of units and borrowings at the daily valuation date. The Fund may, from time to time, invest in derivative contracts traded over the counter or in unlisted securities, which are not traded in an organized market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. Investments held as at June 30, 2020 that may be subject to liquidity risk have been identified on the Schedule of Investment Portfolio.

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There is no guarantee that existing borrowing facilities or arrangements for obtaining leverage, will remain in place for the life of the Fund. The Fund's borrowing facilities are subject to a security interest in favour of the relevant creditors.

Following an event of default under such facilities, the creditors could direct sales of the collateral assets. The prices obtained in any such liquidation or foreclosure sales may not be sufficient to repay the Fund's obligations under the facilities, in which case the Fund would not have any remaining funds to distribute.

Further, most leveraged transactions require the posting of collateral. A decrease in fair value of such financial assets may result in the lender, including derivative counterparties, requiring the Fund to post additional collateral or otherwise sell assets at a time when it may not be in the Fund's best interest to do so. A failure of the Fund to continue to post the required collateral could result in a disposition of Fund's assets at times and prices, which could be disadvantageous to the Fund and could result in substantial losses having a material adverse effect on the Fund. To the extent that a creditor has a claim on the Fund, such claim would be senior to the rights of the redeemable participating unitholders.

Expiration or withdrawal of available financing for leverage positions, and the requirement to post collateral in respect of changes in the fair value of leveraged exposures, can rapidly result in adverse effects to the Fund's access to liquidity and its ability to maintain leveraged positions, and may cause the Fund to incur material losses.

The borrowing facilities to the Fund have no maturity. As of June 30, 2020, the Fund had margin borrowings of \$59,743,858 (December 31, 2019 - \$44,578,033).

The tables below analyze the Fund's financial liabilities as at June 30, 2020 and December 31, 2019 into relevant groupings based on contractual maturity dates. The amounts are contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant. The net assets attributable to holders of redeemable units are redeemable on demand. However, the Manager does not expect that the contractual maturity disclosed below will be representative of the actual cash outflows as holders of the redeemable units typically retain them for longer than a year.

	On demand	Less than 3 months	3 - 12 months	More than 12 months	Total
As at June 30, 2020					
Liabilities					
Management fees payable	\$ -	\$ 123,666	\$ -	\$ -	\$ 123,666
Accrued performance fees	-	1,254,049	-	-	1,254,049
Accounts payable and accrued liabilities	-	153,551	-	-	153,551
Redemption payable	-	66,650	-	-	66,650
Margin borrowings	59,743,858	-	-	-	59,743,858
Redeemable units	130,318,194	-	-	-	130,318,194

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	On demand	Less than 3 months	3 - 12 months	More than 12 months	Total
As at December 31, 2019					
Liabilities					
Financial liabilities at fair value					
Management fees payable	\$ -	\$ 82,049	\$ -	\$ -	\$ 82,049
Accrued performance fees	-	330,233	-	-	330,233
Accounts payable and accrued liabilities	-	176,532	-	-	176,532
Redemption payable	-	151,213	-	-	151,213
Margin borrowings	44,578,033	-	-	-	44,578,033
Redeemable units	88,183,420	-	-	-	88,183,420

e) Credit risk

Credit risk is the risk that a loss could arise when a security issuer or counterparty to a financial instrument is unable to meet its financial obligations. The Fund's main credit risk is from corporate bonds, and derivative contracts. To maximize the credit quality of its investments, the Manager performs ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information. Cash and collateral are held with a prime broker bearing a credit rating of Aa3 or better.

As at June 30, 2020 and December 31, 2019, the Fund did not invest in debt securities, and therefore had no direct exposure to credit risk. The Fund was exposed to indirect credit risk to the extent the Reference Fund invests in such instruments.

The table below summarizes the Reference Fund's exposure to credit risk as at June 30, 2020.

Portfolio by rating category	
Rating	Percentage of net assets June 30, 2020
Below BBB	5.60%
N/R	0.00%
Total	5.60%

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(f) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Reference Fund's concentration risk:

Portfolio by Category	Percentage of net assets (%)	
	As at June 30, 2020	As at December 31, 2019
Long - Bonds - Foreign	5.59	-
Long - Stocks - Energy	-	0.94
Long - Stocks - Materials	1.86	0.94
Long - Stocks - Industrials	-	5.66
Long - Stocks - Consumer Discretionary	3.85	5.74
Long - Stocks - Health Care	3.09	11.47
Long - Stocks - Financials	67.29	50.98
Long - Stocks - Information Technology	1.00	5.42
Long - Stocks - Communication Services	-	2.85
Long - Stocks - Utilities	4.61	8.24
Written Options	0.37	0.07
Forward Contracts -Unrealized Gain	1.99	0.99
Short - Stocks - Energy	-	(0.10)
Short - Stocks - Materials	(1.87)	(0.05)
Short - Stocks - Industrial	(0.36)	-
Short - Stocks - Consumer Discretionary	(0.70)	(0.25)
Short - Stocks - Consumer Staples	(0.43)	-
Short - Stocks - Health Care	-	(2.15)
Short - Stocks - Financials	(7.54)	(5.87)
Short - Stocks - Information Technology	(0.48)	(0.23)
Short - Stocks - Utilities	(3.22)	(4.61)
Short - Call Options	(0.02)	(0.18)
Short - Put Options	(0.01)	-
Cash	24.08	26.89
Other Assets, Less Liabilities	0.90	(6.75)
	<u>100.00</u>	<u>100.00</u>

By virtue of leverage and the Derivative agreement the Fund's exposure is effectively 2x each of the categories stated in the table above.

11. Increase in net assets attributable to holders of redeemable units per unit

The increase in net assets attributable to holders of redeemable units per unit for the periods ended June 30, 2020 and June 30, 2019 is calculated as follows:

Class A	June 30, 2020	June 30, 2019
Increase in net assets attributable to holders of redeemable units	\$ 717,217	\$ 725
Weighted average units outstanding during the period	1,261,659	227,883
Increase in net assets attributable to holders of redeemable units per unit	0.57	0.00

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Class F		June 30, 2020		June 30, 2019
Increase in net assets attributable to holders of redeemable units	\$	7,457,129	\$	101,636
Weighted average units outstanding during the period		8,943,697		2,261,426
Increase in net assets attributable to holders of redeemable units per unit		0.83		0.04