

FORTIFIED ARBITRAGE PLUS 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 Plus 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 PLUS 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*	1,115,330,820	1,033,501,382
Cash	-	30,264,689
Cash, pledged as collateral for forward agreements	21,750,150	11,250,150
Options purchased	239,791	37,909
Unrealized gain on foreign exchange forward contracts at fair value	5,368,960	15,728
Subscriptions receivable	965,427	3,858,158
Receivable for investments sold	1,215,075	1,103,484
Dividends receivable	161,073	332,487
	<u>1,145,031,296</u>	<u>1,080,363,987</u>
Liabilities		
Current liabilities		
Short positions at fair value**	31,692,862	89,371,474
Options written	246,293	771,134
Unrealized loss on foreign exchange forward contracts at fair value	145,821	7,561,741
Unrealized loss on forward agreements	803,912	7,801
Cash overdraft	1,414,662	-
Margin borrowings	495,621,518	425,876,592
Management fee payable	591,010	394,355
Redemptions payable	626,964	276,047
Accrued liabilities	542,300	347,605
Payable for investments purchased	3,062,715	3,085,729
Dividends payable	-	29,479
	<u>534,748,057</u>	<u>527,721,957</u>
Net Assets Attributable to Holders of Redeemable Units	<u>610,283,239</u>	<u>552,642,030</u>
Net Assets Attributable to Holders of Redeemable Units per Class		
Class A	40,378,158	45,280,658
Class F	544,607,195	503,655,827
Class I***	25,297,886	3,705,545
Number of Redeemable Units Outstanding		
Class A	3,361,686	3,680,433
Class F	43,727,499	39,697,277
Class I***	2,677,954	387,165
Net Assets Attributable to Holders of Redeemable Units per Unit		
Class A	12.01	12.30
Class F	12.45	12.69
Class I***	9.45	9.57
	<u>1,112,362,244</u>	<u>1,014,806,743</u>
	<u>(33,921,207)</u>	<u>(74,631,680)</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	21,754	95,456
Dividends	1,093,679	841,222
Net realized gain (loss) on investments	19,114,503	44,856,013
Net realized gain (loss) foreign exchange forward contracts	(24,664,792)	27,354,680
Change in unrealized appreciation (depreciation) on investments, options, foreign exchange forward contracts and forward agreements	13,937,799	(41,443,564)
Interest and borrowing expense	(1,882,020)	(774,728)
Dividend expense	(336,624)	(1,109,488)
Forward agreement fees	(787,091)	-
Net gains (losses) on investments and derivatives	<u>6,497,208</u>	<u>29,819,591</u>
Other income		
Foreign currency gain (loss) on cash and other assets and liabilities	(12,994,739)	8,284,771
Total Income	<u>(6,497,531)</u>	<u>38,104,362</u>
Expenses		
Management fees	3,096,500	2,595,699
Transaction costs	838,918	1,215,631
Harmonized sales tax	368,093	1,326,161
Administrative fees	194,212	143,153
Securityholder reporting fees	190,850	179,553
Withholding taxes	129,518	57,963
Legal fees	60,680	47,331
Audit fees	40,725	33,069
Independent Review Committee Expense	3,711	4,479
Performance fees	-	9,775,559
Total Expense before Manager Absorption	<u>4,923,207</u>	<u>15,378,598</u>
Less: Expenses Absorbed by Manager	-	-
Total Expense after Manager Absorption	<u>4,923,207</u>	<u>15,378,598</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>(11,420,738)</u>	<u>22,725,764</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class		
Class A	(1,024,286)	1,906,077
Class F	(10,170,164)	20,819,687
Class I***	(226,288)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Class A	(0.29)	0.55
Class F	(0.24)	0.64
Class I***	(0.17)	-

***Class I units were first issued on July 27, 2021.

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS 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	45,280,658	29,089,392
Class F	503,655,827	294,578,640
Class I***	3,705,545	-
	<u>552,642,030</u>	<u>323,668,032</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Class A	(1,024,286)	1,906,077
Class F	(10,170,164)	20,819,687
Class I***	(226,288)	-
	<u>(11,420,738)</u>	<u>22,725,764</u>
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Class A	5,460,831	20,507,322
Class F	151,789,286	203,287,147
Class I***	23,300,000	-
	<u>180,550,117</u>	<u>223,794,469</u>
Redemption of redeemable units		
Class A	(9,339,045)	(5,400,874)
Class F	(100,667,754)	(64,895,922)
Class I***	(1,481,371)	-
	<u>(111,488,170)</u>	<u>(70,296,796)</u>
Net Increase (Decrease) from Redeemable Unit Transactions	<u>69,061,947</u>	<u>153,497,673</u>
Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>57,641,209</u>	<u>176,223,437</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Class A	40,378,158	46,101,917
Class F	544,607,195	453,789,552
Class I***	25,297,886	-
Net Assets Attributable to Holders of Redeemable Units at End of Period	<u>610,283,239</u>	<u>499,891,469</u>

***Class I units were first issued on July 27, 2021.

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	(11,420,738)	22,725,764
Adjustments for:		
Unrealized foreign exchange (gain) loss on cash	7,458,844	1,878,479
Net realized (gain) loss on investments	(19,114,503)	(44,856,013)
Change in unrealized appreciation (depreciation) on investments, options, foreign exchange forward contracts and forward agreements	(13,937,799)	41,443,564
(Increase) decrease in interest and other receivables	-	173,233
(Increase) decrease in dividends receivable	171,414	5,593
Increase (decrease) in dividends payable	(29,479)	81,977
(Increase) decrease in cash, pledged as collateral for derivative agreements	(10,500,000)	-
Increase (decrease) in other payables and accrued liabilities	194,695	(40,398)
Increase (decrease) in management fee payable	196,655	299,354
Increase (decrease) in performance fee payable	-	(3,856,331)
Purchase of long positions and repurchases of investments sold short	(1,097,717,001)	(1,520,919,591)
Proceeds from sales of long positions and on investments sold short	978,426,884	1,169,106,624
Net Cash Generated (Used) by Operating Activities	<u>(166,271,028)</u>	<u>(333,957,745)</u>
Cash Flows from Financing Activities		
Proceeds from redeemable units issued	179,354,930	223,595,159
Amount paid on redemption of redeemable units	(107,049,335)	(66,847,854)
Increase (decrease) in margin borrowings	69,744,926	90,184,743
Net Cash Generated (Used) by Financing Activities	<u>142,050,521</u>	<u>246,932,048</u>
Unrealized foreign exchange gain (loss) on cash	(7,458,844)	(1,878,479)
Net increase (decrease) in cash	(24,220,507)	(87,025,697)
Cash, beginning of period	30,264,689	80,518,069
Cash, End of Period	<u>(1,414,662)</u>	<u>(8,386,107)</u>
Cash	-	-
Cash, pledged as collateral	-	2,524,742
Cash, pledged as collateral for forward agreements	21,750,150	-
Cash overdraft	(1,414,662)	(10,910,849)
Net Cash (Overdraft)	<u>20,335,488</u>	<u>(8,386,107)</u>
Items classified as operating activities:		
Interest received, net of withholding tax	21,754	268,689
Dividends received, net of withholding tax	1,135,575	788,852
Interest and borrowing expense paid	(1,882,020)	(774,728)
Dividends paid	(366,103)	(1,027,511)

Net of non-cash transfers and switches of \$4,087,918 (2021 - \$2,694,165)

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS 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 (182.7%)									
Canadian Equities (8.7%)									
Materials (1.3%)									
	201,000	Intertape Polymer Group Inc.	7,909,862	8,136,480					
Industrial (1.7%)									
	331,700	LifeWorks Inc.	10,220,872	10,242,896					
Consumer Staples (0.0%)									
	100	Neighbourly Pharmacy Inc.	2,445	2,450					
Financials (5.1%)									
	557,000	BGP Acquisition Corp.	7,077,845	6,991,061		92,800	Accretion Acquisition Corp., Warrants, 2023-02-19	-	7,781
	278,500	BGP Acquisition Corp., Warrants, 2027-12-31	28,148	95,202		55,800	Achari Ventures Holdings Corp. I	691,301	719,076
	222,800	Choice Consolidation Corp.	2,830,149	2,816,542		55,800	Achari Ventures Holdings Corp. I, Warrants, 2026-08-05	-	9,710
	77,848	EQB Inc.	5,800,891	4,062,109		167,094	Acropolis Infrastructure Acquisition Corp.	2,083,477	2,084,310
	239,685	FG Acquisition Corp.	2,990,479	2,992,893		148,300	Activision Blizzard Inc.	15,044,524	14,894,660
	119,842	FG Acquisition Corp., Warrants, 2030-04-05	-	185,509		165,300	Adit EdTech Acquisition Corp.	2,108,589	2,098,181
	835,500	Osisko Green Acquisition Ltd.	8,257,784	8,137,770		45,000	Adit EdTech Acquisition Corp., Warrants, 2027-12-31	490	2,902
	63,300	Osisko Green Acquisition Ltd., Warrants	-	6		167,088	Advanced Merger Partners Inc.	2,121,738	2,107,944
	344,100	Osisko Green Acquisition Ltd., Warrants, 2026-07-19	76,180	168,609		55,796	Aequi Acquisition Corp.	714,095	711,107
	55,800	Silver Spike III Acquisition Corp.	675,480	726,994		18,632	Aequi Acquisition Corp., Warrants, 2027-11-30	802	1,634
	27,900	Silver Spike III Acquisition Corp., Warrants, 2023-07-06	1,178	5,398		55,796	AF Acquisition Corp.	696,846	701,031
	389,900	VM Hotel Acquisition Corp.	4,902,955	4,752,915		18,632	AF Acquisition Corp., Warrants, 2028-03-31	1,063	2,675
	21,600	VM Hotel Acquisition Corp., Class B res Jul 1	230	235		3,284	Alleghany Corp.	3,527,679	3,529,192
	7,200	VM Hotel Acquisition Corp., Class B Units	91,152	92,877		83,600	AltC Acquisition Corp.	1,048,252	1,040,659
	139,200	VM Hotel Acquisition Corp., Warrants, 2026-12-31	1,646	21,547		167,100	AltEnergy Acquisition Corp.	2,080,856	2,151,206
			32,734,117	31,049,667		83,600	AltEnergy Acquisition Corp., Warrants, 2023-02-06	838	16,618
Communication Services (0.6%)									
	99,200	Shaw Communications Inc.	3,742,636	3,762,656		183,000	American Campus Communities Inc.	15,134,051	15,218,919
Investment Funds (0.0%)									
	77	Picton Mahoney Fortified Arbitrage Alternative Fund, Class I Units**	1,030	996		167,094	Anzu Special Acquisition Corp. I	2,103,684	2,112,331
Total Canadian Equities - Long									
			54,610,962	53,195,145		194,900	Apeiron Capital Investment Corp.	2,458,586	2,509,172
Global Equities (174.0%)									
United States Equities (104.1%)									
	110,200	26 Capital Acquisition Corp.	1,427,878	1,394,523		41,800	Apeiron Capital Investment Corp., Warrants, 2023-06-24	-	4,314
	83,600	7GC & Co Holdings Inc.	1,031,782	1,058,992		278,500	Argus Capital Corp.	3,548,849	3,592,529
	196,796	Accelerate Acquisition Corp.	2,433,710	2,477,657		111,400	Arrowroot Acquisition Corp.	1,402,076	1,406,116
	24,232	Accelerate Acquisition Corp., Warrants, 2027-12-31	1,790	5,033		55,800	Arrowroot Acquisition Corp., Warrants, 2026-01-29	2,975	5,348
	185,400	Accretion Acquisition Corp.	2,288,106	2,355,658		167,100	Athena Consumer Acquisition Corp.	2,061,091	2,159,828
	171,500	Accretion Acquisition Corp., Rights	-	26,658		83,600	Athena Consumer Acquisition Corp., Warrants, 2023-07-20	821	15,098
						41,800	Athena Technology Acquisition Corp. II	531,215	528,418
						20,900	Athena Technology Acquisition Corp. II, Warrants, 2023-06-10	-	3,621
						139,200	Athlon Acquisition Corp.	1,776,571	1,768,685

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS 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 (\$)
	69,600	Athlon Acquisition Corp., Warrants, 2026-03-05	3,222	10,379		111,400	Class Acceleration Corp.	1,449,574	1,411,145
	111,398	Atlantic Coastal Acquisition Corp.	1,400,305	1,405,372		55,800	Class Acceleration Corp., Warrants, 2028-03-31	2,000	5,398
	139,200	Atlantic Coastal Acquisition Corp. II	1,746,307	1,783,050		129,025	Climate Real Impact Solutions II Acquisition Corp.	1,630,006	1,636,072
	69,600	Atlantic Coastal Acquisition Corp. II, Warrants, 2023-06-02	-	7,407		14,526	Coherent Inc.	4,741,695	4,988,406
	37,166	Atlantic Coastal Acquisition Corp., Warrants, 2027-12-31	578	3,835		139,200	Colicity Inc.	1,815,575	1,761,503
	139,200	Atlas Crest Investment Corp. II	1,815,217	1,761,503		222,800	Compute Health Acquisition Corp.	2,815,121	2,819,416
	55,796	B Riley Principal 250 Merger Corp.	678,527	701,750		222,800	Concord Acquisition Corp. III	2,777,328	2,861,090
	72,500	Banyan Acquisition Corp.	903,160	931,478		111,395	Conyers Park III Acquisition Corp.	1,394,558	1,386,654
	36,200	Banyan Acquisition Corp., Warrants, 2028-09-30	-	6,071		83,600	Crucible Acquisition Corp.	1,096,703	1,061,149
	111,400	Beard Energy Transition Acquisition Corp.	1,411,319	1,429,108		27,900	Crucible Acquisition Corp., Warrants, 2025-12-26	1,418	3,599
	55,800	Beard Energy Transition Acquisition Corp., Warrants, 2027-12-31	636	10,797		111,395	D & Z Media Acquisition Corp.	1,432,091	1,409,645
	167,100	Big Sky Growth Partners Inc.	2,054,446	2,099,474		204,695	DHB Capital Corp.	2,572,678	2,582,386
	139,200	Bite Acquisition Corp.	1,761,970	1,761,503		111,400	DiamondHead Holdings Corp.	1,423,677	1,412,582
	69,600	Bite Acquisition Corp., Warrants, 2027-12-31	3,609	7,865		111,400	Digital Transformation Opportunities Corp.	1,403,918	1,405,397
	245,200	Black Mountain Acquisition Corp.	3,036,508	3,147,158		27,900	Digital Transformation Opportunities Corp., Warrants, 2028-03-31	1,757	4,060
	167,100	Black Mountain Acquisition Corp., Warrants, 2027-10-15	3,189	38,799		55,800	Direct Selling Acquisition Corp.	708,230	721,235
	55,099	BOA Acquisition Corp.	691,041	695,827		27,900	Direct Selling Acquisition Corp., Warrants, 2023-11-23	450	3,635
	82,700	Bright Lights Acquisition Corp.	1,054,385	1,049,725		55,800	DTRT Health Acquisition Corp.	701,278	724,474
	110,200	Broadscale Acquisition Corp.	1,421,535	1,395,944		27,900	DTRT Health Acquisition Corp., Warrants, 2022-11-12	484	2,195
	55,796	Build Acquisition Corp.	695,406	703,910		212,600	Duke Realty Corp.	14,974,070	15,069,748
	18,632	Build Acquisition Corp., Warrants, 2023-04-29	800	2,403		111,398	E.Merge Technology Acquisition Corp.	1,413,719	1,436,986
	55,800	C5 Acquisition Corp.	706,570	719,076		18,633	E.Merge Technology Acquisition Corp., Warrants, 2025-07-30	27,928	3,125
	27,900	C5 Acquisition Corp., Warrants, 2028-05-19	-	7,198		139,200	East Resources Acquisition Co.	1,731,216	1,792,028
	111,398	Carney Technology Acquisition Corp. II	1,424,774	1,418,305		83,600	Empowerment & Inclusion Capital I Corp.	1,079,147	1,061,149
	169,622	CDK Global Inc.	11,728,412	11,983,949		41,800	Empowerment & Inclusion Capital I Corp., Warrants, 2027-12-31	1,863	4,443
	167,100	CF Acquisition Corp. IV	2,153,097	2,121,029		111,395	Epiphany Technology Acquisition Corp.	1,417,000	1,411,082
	83,597	CF Acquisition Corp. VII	1,066,932	1,071,895		37,165	Epiphany Technology Acquisition Corp., Warrants, 2027-12-31	3,619	3,600
	27,899	CF Acquisition Corp. VII, Warrants, 2026-03-15	-	5,524		169,100	EQ Health Acquisition Corp.	2,141,507	2,144,234
	111,400	CF Acquisition Corp. VIII	1,392,603	1,452,819		55,800	EQ Health Acquisition Corp., Warrants, 2028-02-02	2,076	6,773
	27,900	CF Acquisition Corp. VIII, Warrants, 2027-12-31	1,379	8,857		139,196	Equity Distribution Acquisition Corp.	1,796,348	1,783,897
	118,523	Churchill Capital Corp. V	1,454,539	1,502,904		278,500	ExcelFin Acquisition Corp.	3,443,390	3,594,325
	56,082	Churchill Capital Corp. VI	711,107	708,241		53,994	ExcelFin Acquisition Corp., Warrants, 2023-07-05	-	13,679
	445,500	Churchill Capital Corp. VII	5,564,298	5,614,580					
	78,600	CIIG Capital Partners II Inc.	975,497	1,003,767					
	102,604	Citrix Systems Inc.	13,241,614	12,860,905					
	111,398	Clarim Acquisition Corp.	1,424,848	1,411,120					
	10,410	Clarim Acquisition Corp., Warrants, 2027-12-31	412	1,477					

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS 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 (\$)
	111,400	FAST Acquisition Corp. II	1,385,061	1,402,523		139,200	Healthcare Services Acquisition Corp.	1,791,691	1,766,889
	97,400	Figure Acquisition Corp. I	1,228,081	1,230,661		170,500	Healthcare Trust of America Inc.	6,696,579	6,138,457
	255,900	FinServ Acquisition Corp. II	3,224,058	3,234,978		139,200	Heartland Media Acquisition Corp.	1,745,061	1,786,641
	253,033	FinTech Acquisition Corp. VI	3,118,321	3,215,055		69,600	Heartland Media Acquisition Corp., Warrants, 2027-10-21	-	13,072
	675,800	First Horizon Corp.	20,166,184	19,056,510		167,094	Hennessy Capital Investment Corp. VI	2,099,419	2,071,378
	252,100	First Reserve Sustainable Growth Corp.	3,153,544	3,177,185		194,900	Hudson Executive Investment Corp. II	2,475,814	2,473,899
	97,400	Flame Acquisition Corp.	1,216,876	1,230,033		167,100	Hudson Executive Investment Corp. III	2,096,743	2,112,407
	181,000	Focus Impact Acquisition Corp.	2,237,398	2,321,980		55,700	HumanCo Acquisition Corp.	707,098	707,728
	90,500	Focus Impact Acquisition Corp., Warrants, 2023-04-23	1,126	9,339		111,400	IG Acquisition Corp.	1,448,099	1,422,641
	280,200	Forest Road Acquisition Corp. II	3,493,050	3,540,361		23,000	Ignyte Acquisition Corp.	294,252	292,833
	167,100	Fortistar Sustainable Solutions Corp.	2,177,439	2,114,562		83,600	Industrial Tech Acquisitions II Inc.	1,045,829	1,077,325
	497,500	Forum Merger IV Corp.	6,114,516	6,269,930		41,800	Industrial Tech Acquisitions II Inc., Warrants, 2028-12-31	-	8,088
	11,000	FTAC Emerald Acquisition Corp.	135,247	138,774		167,100	Insight Acquisition Corp.	2,068,239	2,116,718
	136,734	FTAC Parnassus Acquisition Corp.	1,718,256	1,737,352		83,600	Insight Acquisition Corp., Warrants, 2023-02-11	1,522	19,400
	139,200	FTAC Zeus Acquisition Corp.	1,759,250	1,775,868		167,096	INSU Acquisition Corp. III	2,105,116	2,123,134
	69,600	FTAC Zeus Acquisition Corp., Warrants, 2027-12-31	1,035	14,365		111,400	Intelligent Medicine Acquisition Corp., Warrants	1,386,583	1,439,885
	278,496	Fusion Acquisition Corp. II	3,520,391	3,524,220		55,800	Intelligent Medicine Acquisition Corp., Warrants, 2023-01-13	-	9,357
	97,400	G&P Acquisition Corp.	1,222,245	1,248,879		55,800	InterPrivate II Acquisition Corp.	705,587	704,680
	48,800	G&P Acquisition Corp., Warrants, 2027-03-05	2,140	5,659		228,379	InterPrivate III Financial Partners Inc.	2,850,296	2,887,070
	69,595	Gaming & Hospitality Acquisition Corp.	886,599	877,995		111,400	InterPrivate IV InfraTech Partners Inc.	1,382,613	1,408,271
	23,165	Gaming & Hospitality Acquisition Corp., Warrants, 2028-02-04	1,045	3,885		250,700	Jaws Hurricane Acquisition Corp.	3,080,514	3,149,839
	111,400	Glass Houses Acquisition Corp.	1,372,942	1,409,708		69,600	Jiya Acquisition Corp.	894,512	887,036
	83,597	GO Acquisition Corp.	1,061,495	1,076,208		111,398	JOFF Fintech Acquisition Corp.	1,417,132	1,408,246
	27,899	GO Acquisition Corp., Warrants, 2027-08-31	45,251	22		55,800	Juniper II Corp.	695,749	714,757
	197,409	Goal Acquisitions Corp.	2,490,380	2,495,560		306,300	Khosla Ventures Acquisition Co III	3,812,113	3,848,407
	41,797	Golden Arrow Merger Corp.	520,935	527,301		167,100	Khosla Ventures Acquisition Co.	2,148,507	2,101,629
	13,899	Golden Arrow Merger Corp., Warrants, 2026-07-31	352	1,434		208,900	KKR Acquisition Holdings I Corp.	2,605,102	2,638,130
	222,800	Golden Falcon Acquisition Corp.	2,853,202	2,830,913		83,600	KL Acquisition Corp.	1,059,614	1,061,149
	55,800	Golden Falcon Acquisition Corp., Warrants, 2026-11-04	4,924	6,644		27,900	KL Acquisition Corp., Warrants, 2028-01-12	1,978	5,395
	139,196	Gores Holdings IX Inc.	1,741,015	1,727,336		167,100	KnightSwan Acquisition Corp.	2,094,897	2,159,828
	66,884	Gores Holdings VII Inc.	854,798	843,793		83,600	KnightSwan Acquisition Corp., Warrants, 2028-07-21	-	17,060
	66,192	Gores Holdings VIII Inc.	859,875	841,040		11,200	Landcadia Holdings IV Inc.	141,012	141,441
	362,100	Gores Technology Partners II Inc.	4,431,912	4,572,843		208,900	LAVA Medtech Acquisition Corp.	2,580,208	2,683,940
	334,200	Gores Technology Partners Inc.	4,087,367	4,220,503					
	165,721	Group Nine Acquisition Corp.	2,127,599	2,102,456					
	130,897	Hamilton Lane Alliance Holdings I Inc.	1,661,996	1,658,121					
	278,500	Health Assurance Acquisition Corp.	3,456,524	3,549,418					

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	104,400	LAVA Medtech Acquisition Corp., Warrants, 2023-04-01	-	14,235		111,400	NightDragon Acquisition Corp.	1,414,863	1,399,649
	98,181	Lefteris Acquisition Corp.	1,236,053	1,255,094		275,800	Northern Genesis Acquisition Corp. III	3,460,314	3,486,546
	283,700	Legato Merger Corp. II	3,598,816	3,630,329		67,925	Northern Genesis Acquisition Corp. III, Warrants, 2027-12-31	-	28,477
	111,400	Lerer Hippeau Acquisition Corp.	1,408,480	1,405,397		86,045	Northern Genesis Sponsor II LLC	21	41,425
	139,200	LF Capital Acquisition Corp. II	1,753,406	1,793,824		69,428	Northern Genesis Sponsor III LLC	9	9
	69,600	LF Capital Acquisition Corp. II, Warrants, 2026-01-07	-	8,987		138,399	Northern Genesis Sponsor III LLC, Warrants	259,380	267,793
	79,400	LHC Group Inc.	16,807,099	15,951,286		55,800	Northern Star Investment Corp. II	735,914	706,127
	57,600	Liberty Media Acquisition Corp.	742,225	731,127		11,640	Northern Star Investment Corp. II, Warrants, 2028-01-31	-	1,528
	111,398	Live Oak Crestview Climate Acquisition Corp.	1,392,149	1,380,943		111,398	Northern Star Investment Corp. III	1,411,350	1,408,246
	83,600	Live Oak Mobility Acquisition Corp.	1,064,984	1,056,835		111,398	Northern Star Investment Corp. IV	1,409,367	1,408,246
	111,400	Longview Acquisition Corp. II	1,392,329	1,403,960		41,800	OCA Acquisition Corp. Warrants, 2027-12-31	550	1,351
	153,197	Lux Health Tech Acquisition Corp.	1,986,335	1,954,437		20,900	OCA Acquisition Corp., Warrants, 2027-12-31	1,041,758	1,077,325
	366,169	M3-Brigade Acquisition II Corp.	4,523,619	4,633,675		83,600	OmniLit Acquisition Corp. Warrants, 2023-04-06	-	6,470
	55,793	M3-Brigade Acquisition III Corp.	689,829	717,546		83,600	One Equity Partners Open Water I Corp.	1,061,314	1,058,992
	18,631	M3-Brigade Acquisition III Corp., Warrants, 2023-05-11	-	2,958		27,900	One Equity Partners Open Water I Corp., Warrants, 2027-12-31	2,087	4,189
	748,600	Mandiant Inc.	20,809,078	21,070,731		167,100	Orion Acquisition Corp.	2,112,404	2,112,407
	69,600	Marblegate Acquisition Corp.	874,483	887,036		139,200	Oyster Enterprises Acquisition Corp.	1,755,892	1,761,503
	167,097	Mason Industrial Technology Inc.	2,128,618	2,108,058		69,600	Oyster Enterprises Acquisition Corp., Warrants, 2027-12-31	2,661	11,155
	139,200	McLaren Technology Acquisition Corp.	1,729,360	1,797,415		139,200	Papaya Growth Opportunity Corp. I	1,746,290	1,793,824
	69,600	McLaren Technology Acquisition Corp., Warrants, 2023-03-03	-	10,540		69,600	Papaya Growth Opportunity Corp. I, Warrants, 2023-04-19	-	9,427
	111,400	Mercato Partners Acquisition Corp.	1,388,607	1,431,263		222,800	Parabellum Acquisition Corp.	2,736,463	2,828,038
	27,500	Mercato Partners Acquisition Corp., Warrants, 2026-12-28	-	4,966		167,100	Parabellum Acquisition Corp., Warrants, 2023-03-26	-	28,022
	232,300	Meritor Inc.	10,637,738	10,886,534		83,600	Periphos Capital Partnering Corp.	2,665,611	2,644,246
	335,894	Mission Advancement Corp.	4,179,305	4,237,563		20,900	Periphos Capital Partnering Corp., Warrants, 2028-12-10	3,706	12,105
	55,798	Mission Advancement Corp., Warrants, 2028-12-31	2,872	5,938		120,800	Pershing Square Tontine Holdings Ltd.	3,059,636	3,111,860
	83,600	Monument Circle Acquisition Corp.	1,058,950	1,058,992		83,600	Phoenix Biotech Acquisition Corp.	1,055,976	1,081,639
	111,400	Music Acquisition Corp.	1,444,339	1,408,271		41,800	Phoenix Biotech Acquisition Corp., Warrants, 2026-09-01	-	5,397
	55,800	Music Acquisition Corp., Warrants, 2028-02-05	3,089	6,406		13,213	Pine Island Acquisition Corp.	159,167	168,226
	111,400	Nabors Energy Transition Corp.	1,403,300	1,437,011		161,495	Pine Technology Acquisition Corp.	2,023,656	2,035,301
	167,097	New Providence Acquisition Corp. II	2,078,850	2,146,857					
	55,799	New Providence Acquisition Corp. II, Warrants, 2027-12-31	-	7,054					
	87,632	Newbury Street Acquisition Corp.	1,097,786	1,103,285					
	43,766	Newbury Street Acquisition Corp., Warrants, 2027-12-31	1,489	7,339					

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	322,100	Pivotal Investment Corp. III	4,043,482	4,076,006		222,800	ShoulderUp Technology Acquisition Corp.	2,805,165	2,851,031
	115,048	Plantronics Inc.	5,832,711	5,888,786		111,400	ShoulderUp Technology Acquisition Corp., Warrants, 2023-07-26	1,252	18,681
	41,800	Power & Digital Infrastructure Acquisition II Corp.	531,241	530,575		194,900	Sierra Lake Acquisition Corp.	2,433,104	2,496,526
	20,900	Power & Digital Infrastructure Acquisition II Corp., Warrants, 2024-12-14	-	5,122		69,600	Sierra Lake Acquisition Corp., Warrants, 2028-03-31	588	10,711
	194,898	Priveterra Acquisition Corp.	2,469,458	2,463,817		506,600	Simon Property Group Acquisition Holdings Inc.	6,348,131	6,404,221
	128,000	Progress Acquisition Corp.	1,620,302	1,634,633		111,400	Sizzle Acquisition Corp.	1,389,580	1,435,574
	264,500	Property Solutions Acquisition Corp. II	3,307,453	3,340,284		55,800	Sizzle Acquisition Corp., Warrants, 2026-03-12	-	7,551
	139,200	PWP Forward Acquisition Corp. I	1,755,537	1,752,524		167,100	Social Leverage Acquisition Corp. I	2,116,093	2,118,873
	49,600	Quantum FinTech Acquisition Corp.	632,565	628,941		153,200	Spindletop Health Acquisition Corp.	1,909,823	1,976,213
	111,400	Recharge Acquisition Corp.	1,456,015	1,438,448		76,500	Spindletop Health Acquisition Corp., Warrants, 2028-12-31	-	10,855
	55,800	Recharge Acquisition Corp., Warrants, 2027-10-05	4,649	5,031		55,800	SportsTek Acquisition Corp.	718,044	703,960
	132,010	Research Alliance Corp. II	1,628,611	1,668,814		27,900	SportsTek Acquisition Corp., Warrants, 2027-12-31	1,514	1,443
	139,200	Revolution Healthcare Acquisition Corp.	1,738,364	1,752,524		198,000	Sustainable Development Acquisition I Corp.	2,492,167	2,505,586
	139,200	ROC Energy Acquisition Corp.	1,784,754	1,788,437		55,800	Sustainable Development Acquisition I Corp., Warrants, 2028-12-31	2,205	5,578
	142,500	ROC Energy Acquisition Corp., Rights	-	29,411		547,400	Switch Inc.	23,517,894	23,655,105
	33,665	Rogers Corp.	11,496,153	11,381,621		74,342	Tailwind Acquisition Corp.	949,638	954,184
	55,799	Rosecliff Acquisition Corp. I	706,004	706,107		55,800	Tastemaker Acquisition Corp.	708,033	714,037
	111,400	RXR Acquisition Corp.	1,399,903	1,406,834		27,900	Tastemaker Acquisition Corp., Warrants, 2025-12-31	1,913	2,847
	112,900	Sailpoint Technologies Holdings Inc.	9,147,204	9,128,469		278,492	TCW Special Purpose Acquisition Corp.	3,505,452	3,502,615
	180,417	Sandbridge X2 Corp.	2,274,687	2,269,118		306,296	Tech and Energy Transition Corp.	3,802,820	3,864,161
	60,039	Sandbridge X2 Corp., Warrants, 2027-12-31	4,047	5,855		74,232	Tech and Energy Transition Corp., Warrants, 2027-12-31	4,210	14,363
	167,100	Schultze Special Purpose Acquisition Corp. II	2,067,109	2,121,029		311,700	TEGNA Inc.	8,803,634	8,431,605
	83,600	Schultze Special Purpose Acquisition Corp. II, Warrants, 2028-03-25	-	22,636		83,600	Thunder Bridge Capital Partners III Inc.	1,082,429	1,057,914
	111,398	Science Strategic Acquisition Corp. Alpha	1,408,805	1,409,683		111,400	Tishman Speyer Innovation Corp. II	1,431,308	1,406,834
	37,166	Science Strategic Acquisition Corp. Alpha, Warrants, 2027-12-31	1,536	4,344		111,398	TLG Acquisition One Corp.	1,421,267	1,408,246
	167,100	SCP & CO Healthcare Acquisition Co.	2,122,868	2,110,251		37,166	TLG Acquisition One Corp., Warrants, 2028-01-25	1,425	3,835
	83,600	SCP & CO Healthcare Acquisition Co., Warrants, 2028-01-27	3,544	8,519		278,500	Tribe Capital Growth Corp. I	3,462,939	3,517,085
	13,900	Seaport Global Acquisition II Corp.	174,956	179,125		118,300	Turning Point Therapeutics Inc.	11,082,124	11,483,289
	6,900	Seaport Global Acquisition II Corp., Warrants, 2023-11-01	-	2,225		167,094	Twelve Seas Investment Co II	2,107,901	2,108,020
	222,800	Senior Connect Acquisition Corp. I	2,847,610	2,830,913		55,798	Twelve Seas Investment Co II, Warrants, 2028-03-02	3,077	5,758
	111,400	Senior Connect Acquisition Corp. I, Warrants, 2027-12-31	2,227	10,073		133,400	Twitter Inc.	8,264,805	6,434,078
						55,800	VECTOIQ Acquisition Corp. II	705,402	708,279
						292,097	Velocity Acquisition Corp.	3,628,502	3,688,798

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	111,400	Chenghe Acquisition Co.	1,430,094	1,442,759		83,600	Enphys Acquisition Corp., Warrants, 2024-07-15	892	17,254
	223,798	Cohn Robbins Holdings Corp.	2,875,589	2,869,575		306,300	Enterprise 4.0 Technology Acquisition Corp.	3,796,628	3,962,990
	55,800	Colonnade Acquisition Corp. II	703,361	704,680		153,200	Enterprise 4.0 Technology Acquisition Corp., Warrants, 2023-09-24	1,937	33,596
	167,097	Compass Digital Acquisition Corp.	2,032,606	2,080,037		194,900	ESGEN Acquisition Corp.	2,403,800	2,526,696
	55,800	Consilium Acquisition Corp. I Ltd.	696,197	704,680		97,400	ESGEN Acquisition Corp., Warrants, 2023-06-28	794	22,616
	55,800	Consilium Acquisition Corp. I Ltd., Rights	-	7,198		167,094	ESM Acquisition Corp.	2,105,738	2,112,331
	27,900	Consilium Acquisition Corp. I Ltd., Warrants, 2027-06-01	-	3,059		153,195	European Biotech Acquisition Corp.	1,886,039	1,932,673
	111,398	Constellation Acquisition Corp. I	1,421,915	1,412,557		51,065	European Biotech Acquisition Corp., Warrants, 2026-05-10	1,206	6,515
	37,166	Constellation Acquisition Corp. I, Warrants, 2027-12-31	1,634	6,252		167,100	EVe Mobility Acquisition Corp.	2,155,876	2,136,117
	111,395	Corner Growth Acquisition Corp.	1,421,531	1,416,830		83,600	EVe Mobility Acquisition Corp., Warrants, 2023-05-12	-	9,706
	37,165	Corner Growth Acquisition Corp., Warrants, 2027-12-31	3,084	2,426		111,400	Finnovate Acquisition Corp.	1,388,618	1,428,389
	83,600	COVA Acquisition Corp.	1,064,118	1,060,071		83,600	Finnovate Acquisition Corp., Warrants, 2023-04-15	-	9,932
	97,400	Crescera Capital Acquisition Corp.	1,230,823	1,260,187		207,048	Fintech Evolution Acquisition Group	2,565,422	2,617,412
	48,800	Crescera Capital Acquisition Corp., Warrants, 2023-04-20	-	11,646		37,166	Fintech Evolution Acquisition Group, Warrants, 2028-03-31	2,333	4,348
	110,198	Crown PropTech Acquisitions	1,408,708	1,400,184		139,196	Frazier Lifesciences Acquisition Corp.	1,771,563	1,774,021
	111,400	Decarbonization Plus Acquisition Corp. IV	1,393,189	1,424,078		167,100	Freedom Acquisition I Corp.	2,127,448	2,116,718
	55,800	Deep Lake Capital Acquisition Corp.	711,139	708,999		153,200	Frontier Acquisition Corp.	1,925,047	1,936,689
	27,900	Deep Lake Capital Acquisition Corp., Warrants, 2027-12-31	1,404	2,879		27,895	Frontier Investment Corp.	345,423	349,038
	501,296	DHC Acquisition Corp.	6,214,718	6,337,170		104,528	FTAC Athena Acquisition Corp.	1,331,553	1,322,747
	74,232	DHC Acquisition Corp., Warrants, 2027-12-31	5,308	6,827		260,567	FTAC Hera Acquisition Corp.	3,269,120	3,293,977
	167,094	Disruptive Acquisition Corp. I	2,093,574	2,108,020		110,198	G Squared Ascend I Inc.	1,404,854	1,394,498
	55,798	Disruptive Acquisition Corp. I, Warrants, 2026-03-06	3,250	10,077		55,793	G Squared Ascend II Inc.	680,220	706,031
	232,000	Disruptive Capital Acquisition Co., Ltd.	3,961,237	3,634,484		179,605	Galata Acquisition Corp.	2,265,529	2,289,024
	116,000	Disruptive Capital Acquisition Co., Ltd., Warrants, 2026-10-07	3,965	81,785		27,900	Galata Acquisition Corp., Warrants, 2028-12-31	238	2,879
	139,200	DP Cap Acquisition Corp. I	1,734,594	1,786,641		111,400	Games & Esports Experience Acquisition Corp.	1,427,663	1,438,448
	69,600	DP Cap Acquisition Corp. I, Warrants, 2023-04-22	-	13,912		29,896	Games & Esports Experience Acquisition Corp., Warrants, 2023-10-21	-	3,085
	167,163	Dragoneer Growth Opportunities Corp. III	2,083,398	2,106,734		108,807	Global Blue Group Holding AG, Warrants, 2025-08-31	210,595	37,826
	55,888	Elliott Opportunity II Corp.	693,742	700,745		167,094	Global Partner Acquisition Corp. II	2,130,791	2,125,264
	102,000	Emerging Markets Horizon Corp.	1,290,323	1,303,914		69,600	Global Synergy Acquisition Corp.	883,335	894,218
	27,900	Emerging Markets Horizon Corp., Warrants, 2023-02-08	-	3,959		34,800	Global Synergy Acquisition Corp., Warrants, 2027-12-31	2,546	2,985
	167,100	Enphys Acquisition Corp.	2,072,730	2,075,763		278,500	Global Technology Acquisition Corp. I	3,523,019	3,585,344
						139,200	Global Technology Acquisition Corp. I, Warrants, 2023-07-13	1,212	26,934
						83,600	GoGreen Investments Corp.	1,031,823	1,080,560

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	41,800	GoGreen Investments Corp., Warrants, 2023-06-04	-	12,941		55,800	Itiquira Acquisition Corp., Warrants, 2027-12-31	1,903	4,700
	111,400	Green Visor Financial Technology Acquisition Corp. I	1,388,426	1,438,448		172,600	IX Acquisition Corp.	2,113,487	2,184,162
	55,800	Green Visor Financial Technology Acquisition Corp. I, Warrants, 2023-05-08	-	9,717		111,394	Jack Creek Investment Corp.	1,412,758	1,413,225
	139,200	Growth For Good Acquisition Corp.	1,768,523	1,756,116		55,797	Jack Creek Investment Corp., Warrants, 2027-12-31	3,761	5,643
	139,200	Growth For Good Acquisition Corp., Rights	-	23,343		83,600	Jaguar Global Growth Corp. I	1,060,401	1,071,933
	69,600	Growth For Good Acquisition Corp., Warrants, 2023-06-14	-	8,978		83,600	Jaguar Global Growth Corp. I, Rights	-	18,333
	194,900	HCM Acquisition Corp.	2,443,410	2,524,182		41,800	Jaguar Global Growth Corp. I, Warrants, 2027-02-11	-	7,522
	97,400	HCM Acquisition Corp., Warrants, 2027-12-31	-	11,936		55,800	Jatt Acquisition Corp.	694,571	716,197
	43,707	Health Sciences Acquisitions Corp. 2	647,030	561,546		55,800	Jaws Juggernaut Acquisition Corp.	694,608	701,801
	233,937	Healthcare AI Acquisition Corp.	2,961,969	2,993,544		139,200	Jaws Mustang Acquisition Corp.	1,843,411	1,765,094
	76,500	Healthcare AI Acquisition Corp., Warrants, 2026-12-14	-	17,763		194,900	Kairos Acquisition Corp.	2,462,489	2,478,927
	167,100	HH&L Acquisition Co.	2,247,957	2,116,718		109,074	Kairos Acquisition Corp., Warrants, 2027-12-31	10,396	3,532
	83,600	HH&L Acquisition Co., Warrants, 2027-01-31	4,371	18,333		83,600	Kensington Capital Acquisition Corp. V	1,045,821	1,066,541
	334,197	HIG Acquisition Corp.	4,232,838	4,267,929		362,100	Kernel Group Holdings Inc.	4,509,913	4,586,855
	397,305	Highland Transcend Partners I Corp.	5,019,979	5,053,310		157,100	Kernel Group Holdings Inc., Warrants, 2027-01-31	2,753	21,258
	54,096	Horizon Acquisition Corp. II	709,151	691,534		181,000	Keyarch Acquisition Corp.	2,286,969	2,298,631
	69,600	HPX Corp.	882,970	896,014		187,100	Keyarch Acquisition Corp., Rights	-	41,030
	403,798	Hunt Cos Acquisition Corp. I	5,095,403	5,234,862		90,500	Keyarch Acquisition Corp., Warrants, 2028-07-25	-	13,997
	55,800	Hunt Cos Acquisition Corp. I, Warrants, 2028-12-31	-	10,797		208,894	L Catterton Asia Acquisition Corp.	2,605,184	2,640,749
	111,400	Ibere Pharmaceuticals	1,406,143	1,409,708		19,498	L Catterton Asia Acquisition Corp., Warrants, 2026-03-15	1,280	2,515
	55,800	Ibere Pharmaceuticals, Warrants, 2027-12-31	2,762	5,758		55,800	LAMF Global Ventures Corp. I	702,028	716,916
	83,600	Iconic Sports Acquisition Corp.	1,033,800	1,078,404		27,900	LAMF Global Ventures Corp. I, Warrants, 2023-04-04	-	3,757
	383,688	Independence Holdings Corp.	4,827,745	4,855,369		111,400	Lazard Growth Acquisition Corp. I	1,452,284	1,405,397
	69,600	Infinite Acquisition Corp.	879,660	887,036		83,600	LDH Growth Corp. I	1,051,121	1,053,600
	34,800	Infinite Acquisition Corp., Warrants, 2023-05-03	-	10,738		139,200	Lead Edge Growth Opportunities Ltd.	1,743,599	1,761,503
	4,500	Inflection Point Acquisition Corp.	55,836	56,394		275,601	Leo Holdings Corp. II	3,496,038	3,505,361
	111,400	Innovative International Acquisition Corp.	1,375,997	1,444,196		222,796	Levere Holdings Corp.	2,783,161	2,810,744
	55,800	Innovative International Acquisition Corp., Warrants, 2023-04-03	-	6,687		22,139	Levere Holdings Corp., Warrants, 2028-12-31	913	2,706
	167,100	Investcorp Europe Acquisition Corp. I	2,156,561	2,159,828		41,800	LIV Capital Acquisition Corp. II	531,266	540,280
	140,100	Investcorp India Acquisition Corp.	1,823,269	1,819,880		31,350	LIV Capital Acquisition Corp. II, Warrants, 2027-02-16	-	5,459
	55,800	ION Acquisition Corp. 3 Ltd.	683,569	701,801		47,296	Macondray Capital Acquisition Corp. I	586,280	607,047
	111,400	Itiquira Acquisition Corp.	1,467,437	1,414,019		15,732	Macondray Capital Acquisition Corp. I, Warrants, 2026-05-17	-	2,029
						194,895	Marlin Technology Corp.	2,483,319	2,488,920
						87,742	Metals Acquisition Corp.	1,077,355	1,108,065
						111,400	Moringa Acquisition Corp.	1,433,763	1,411,145

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS 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 (\$)
	46,396	Moringa Acquisition Corp., Warrants, 2026-02-10	2,368	5,392		41,800	PowerUp Acquisition Corp., Warrants, 2027-02-18	-	6,470
	111,398	Motive Capital Corp. II	1,408,688	1,421,179		171,100	Primavera Capital Acquisition Corp.	2,186,397	2,169,594
	83,600	Mountain & Co I Acquisition Corp.	1,040,932	1,091,344		111,395	Prime Impact Acquisition I	1,443,792	1,436,947
	41,800	Mountain & Co I Acquisition Corp., Warrants, 2023-08-24	-	5,392		37,165	Prime Impact Acquisition I, Warrants, 2030-10-01	6,179	3,030
	111,398	New Vista Acquisition Corp.	1,458,584	1,411,120		55,796	Prospector Capital Corp.	710,532	708,948
	167,100	Newcourt Acquisition Corp.	2,061,054	2,166,295		56,995	Provident Acquisition Corp.	727,503	724,182
	83,600	Newcourt Acquisition Corp., Warrants, 2028-04-12	708	7,268		278,500	Pyrophyte Acquisition Corp.	3,460,487	3,592,529
	83,597	Noble Rock Acquisition Corp.	1,076,654	1,058,954		111,400	RCF Acquisition Corp.	1,387,293	1,431,263
	27,899	Noble Rock Acquisition Corp., Warrants, 2027-12-31	1,631	3,898		253,999	RedBall Acquisition Corp.	3,257,288	3,266,647
	137,796	North Atlantic Acquisition Corp.	1,750,570	1,777,508		83,600	Rice Acquisition Corp. II	1,020,115	1,052,522
	58,500	Onyx Acquisition Co I	726,893	755,379		139,200	Rigel Resource Acquisition Corp.	1,732,103	1,784,846
	29,200	Onyx Acquisition Co I, Warrants, 2023-01-07	-	4,520		194,900	RMG Acquisition Corp. III	2,467,255	2,473,899
	83,600	Orion Biotech Opportunities Corp.	1,015,776	1,050,365		174,600	Rocket Internet Growth Opportunities Corp.	2,178,869	2,202,714
	41,800	Oxus Acquisition Corp.	523,021	538,663		111,398	Ross Acquisition Corp. II	1,389,917	1,411,120
	41,800	Oxus Acquisition Corp., Warrants, 2023-01-27	-	5,511		69,595	Sarissa Capital Acquisition Corp.	918,570	887,870
	83,600	Pathfinder Acquisition Corp.	1,067,546	1,058,992		21,146	Sarissa Capital Acquisition Corp., Warrants, 2027-10-23	2,654	2,725
	111,400	Patria Latin American Opportunity Acquisition Corp.	1,423,948	1,441,322		222,796	SciON Tech Growth I	2,849,808	2,839,484
	55,700	Patria Latin American Opportunity Acquisition Corp., Warrants, 2027-03-10	-	10,052		278,498	Screaming Eagle Acquisition Corp.	3,479,308	3,445,210
	222,800	Pearl Holdings Acquisition Corp.	2,874,295	2,885,519		167,100	Sculptor Acquisition Corp. I	2,123,608	2,138,273
	111,400	Pearl Holdings Acquisition Corp., Warrants, 2026-12-15	-	22,992		83,600	Sculptor Acquisition Corp. I, Warrants, 2023-04-15	-	24,803
	222,800	Pegasus Digital Mobility Acquisition Corp.	2,744,028	2,861,090		83,600	SDCL EDGE Acquisition Corp.	1,042,352	1,051,433
	55,800	Pegasus Digital Mobility Acquisition Corp., Warrants, 2022-12-28	853	30,116		83,600	Semper Paratus Acquisition Corp.	1,042,207	1,079,482
	181,000	Perception Capital Corp. II	2,239,325	2,346,495		41,800	Semper Paratus Acquisition Corp., Warrants, 2026-11-04	-	8,627
	90,500	Perception Capital Corp. II, Warrants, 2028-12-31	-	10,985		114,000	Silver Crest Acquisition Corp.	1,445,268	1,449,963
	111,400	Peridot Acquisition Corp. II	1,404,165	1,409,708		251,700	Silver Spike Acquisition Corp. II	3,125,559	3,180,260
	139,195	Pioneer Merger Corp.	1,761,204	1,768,621		35,000	Silver Spike Acquisition Corp. II, Warrants, 2026-02-26	2,758	2,709
	83,600	Plum Acquisition Corp. I	1,039,884	1,056,835		240,116	SILVERspac Inc.	2,929,555	2,988,983
	69,595	Pontem Corp.	885,608	884,279		321,318	Slam Corp.	4,037,487	4,066,110
	167,100	Population Health Investment Co Inc.	2,192,970	2,131,806		222,796	Soar Technology Acquisition Corp.	2,829,502	2,922,829
	55,800	Population Health Investment Co Inc., Warrants, 2025-10-01	6,012	7,198		41,483	Soar Technology Acquisition Corp., Warrants, 2027-12-31	869	6,288
	250,697	Portage Fintech Acquisition Corp.	3,146,289	3,136,866		33,700	Social Capital Hedosophia Holdings Corp. IV	438,445	431,672
	69,595	Powered Brands	884,289	885,177		372,687	Social Capital Hedosophia Holdings Corp. VI	4,871,314	4,773,847
	23,165	Powered Brands, Warrants, 2027-12-31	915	2,438		50,573	Social Capital Suvretta Holdings Corp. I	626,943	645,194
	83,600	PowerUp Acquisition Corp.	1,064,468	1,076,247		142,464	Social Capital Suvretta Holdings Corp. II	1,744,727	1,786,267
						56,000	Social Capital Suvretta Holdings Corp. III	694,333	722,376
						142,672	Social Capital Suvretta Holdings Corp. IV	1,746,836	1,787,035

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS 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 (\$)
	55,800	Sound Point Acquisition Corp. I Ltd.	708,391	724,114		74,232	TZP Strategies Acquisition Corp., Warrants, 2027-12-31	3,068	7,660
	27,900	Sound Point Acquisition Corp. I Ltd., Warrants, 2027-03-02	-	5,058		69,600	UTA Acquisition Corp.	891,532	890,627
	83,900	Sports Ventures Acquisition Corp.	1,067,413	1,066,039		83,600	Vahanna Tech Edge Acquisition I Corp.	1,062,352	1,076,786
	111,400	ST Energy Transition I Ltd.	1,423,160	1,418,330		41,800	Vahanna Tech Edge Acquisition I Corp., Warrants, 2024-07-13	-	8,088
	65,547	Summit Healthcare Acquisition Corp.	797,552	822,698		250,700	Valuence Merger Corp. I	3,179,943	3,237,155
	111,400	Supernova Partners Acquisition Co III Ltd.	1,396,586	1,405,397		125,350	Valuence Merger Corp. I, Warrants, 2027-03-01	-	20,616
	201,600	SVF Investment Corp.	2,541,167	2,564,144		139,200	Vector Acquisition Corp. II	1,744,352	1,759,707
	111,400	SVF Investment Corp. 2	1,462,191	1,411,145		167,100	VPC Impact Acquisition Holdings II	2,114,016	2,112,407
	111,398	Tailwind International Acquisition Corp.	1,400,823	1,409,755		139,200	Vy Global Growth	1,857,006	1,776,442
	37,166	Tailwind International Acquisition Corp., Warrants, 2028-03-01	1,417	3,831		110,198	Waldencast Acquisition Corp.	1,375,364	1,400,184
	245,100	Talon 1 Acquisition Corp.	3,099,362	3,180,653		167,100	Warburg Pincus Capital Corp. I-A	2,128,168	2,114,562
	34,800	Talon 1 Acquisition Corp., Warrants, 2023-04-18	-	7,407		278,500	Warburg Pincus Capital Corp. I-B	3,506,581	3,520,678
	222,796	Target Global Acquisition I Corp.	2,830,648	2,848,106			Total Global Equities - Long	421,837,172	426,342,226
	74,232	Target Global Acquisition I Corp., Warrants, 2027-12-31	-	13,885			Options (0.0%)		
	83,600	TCV Acquisition Corp.	1,052,607	1,051,443			Total Purchased Options - Refer to Appendix A	373,956	239,791
	55,800	Tekcorp Digital Acquisition Corp.	745,718	714,037			Transaction Costs	(274,683)	-
	55,800	Thrive Acquisition Corp.	688,011	723,395			Total Long Positions	1,112,362,244	1,115,570,611
	27,900	Thrive Acquisition Corp., Warrants, 2023-03-09	-	1,861			SHORT POSITIONS (-5.2%)		
	167,100	Tio Tech A	2,058,265	2,105,940			Canadian Equities (-1.5%)		
	55,700	Tio Tech A, Warrants, 2028-03-31	-	11,489			Financials (-0.7%)		
	111,400	TKB Critical Technologies 1	1,375,997	1,441,322		(77,848)	EQB Inc.	(5,957,269)	(4,137,621)
	55,800	TKB Critical Technologies 1, Warrants, 2023-01-08	-	14,029			Communication Services (-0.8%)		
	111,400	TLGY Acquisition Corp.	1,419,187	1,434,137		(173,462)	TELUS Corp.	(4,947,571)	(4,973,156)
	55,800	TLGY Acquisition Corp., Warrants, 2023-01-14	-	8,638			Total Canadian Equities - Short	(10,904,840)	(9,110,777)
	679,000	TortoiseEcofin Acquisition Corp. III	8,610,536	8,461,005			Global Equities (-3.7%)		
	84,354	TortoiseEcofin Acquisition Corp. III, (R16JUL22)	318	326			United States Equities (-3.7%)		
	104,414	Tower Semiconductor Ltd.	6,275,338	6,219,961		(2,334)	Broadcom Inc.	(1,514,680)	(1,462,656)
	335,215	Trine II Acquisition Corp.	4,187,999	4,298,183		(139,710)	Healthcare Realty Trust Inc.	(4,873,834)	(4,901,979)
	111,395	Turmeric Acquisition Corp.	1,435,860	1,422,577		(13,220)	II-VI Inc.	(1,109,546)	(868,862)
	31,572	Turmeric Acquisition Corp., Warrants, 2025-10-08	2,213	3,054		(101,135)	Prologis Inc.	(15,240,161)	(15,348,588)
	111,398	Twin Ridge Capital Acquisition Corp.	1,400,414	1,410,401				(22,738,221)	(22,582,085)
	37,166	Twin Ridge Capital Acquisition Corp., Warrants, 2028-12-31	2,071	4,315			Total Global Equities - Short	(22,738,221)	(22,582,085)
	108,866	Two/CA	1,356,086	1,372,024			Options (0.0%)		
	222,796	TZP Strategies Acquisition Corp.	2,865,775	2,827,988			Total Written Options - Refer to Appendix A	(268,855)	(246,293)
							Transaction Costs	(9,291)	-
							Total Short Positions	(33,921,207)	(31,939,155)

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS 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 (\$)
		Foreign Currency Forward Contracts (0.9%)		
		Total Currency Hedge - Refer to Appendix B		5,223,139
		Forward Agreements (-0.1%)		
		Total Forward Agreements - Refer to Appendix C		(803,912)
		TOTAL INVESTMENT PORTFOLIO (178.3%)	1,078,441,037	1,088,050,683
		Other Assets Net of Liabilities (-78.3%)		(477,767,444)
		TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100.0%)		610,283,239

*CCY denotes local currency of debt security

**The Picton Mahoney Fortified Arbitrage Plus Alternative Fund holds a direct interest of 0.00% of the net assets of Picton Mahoney Fortified Arbitrage Alternative Fund. The Picton Mahoney Fortified Arbitrage Plus Alternative Fund also has an indirect interest in the Picton Mahoney Fortified Arbitrage Alternative Fund through the forward agreements representing 21.99% of net assets and 37.93% of ownership interest. Picton Mahoney Asset Management acts as the trustee and manager for all of the funds listed above.

APPENDIX A

OPTIONS (0.0%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Citrix Systems Inc.	Put Option	181	\$80	September, 2022	16,931	35,022
Turning Point Therapeutics	Put Option	156	\$50	October, 2022	4,615	2,153
Turning Point Therapeutics	Put Option	107	\$60	July, 2022	2,074	1,552
Vonage Holdings Corp.	Put Option	1,417	\$15	December, 2022	350,336	201,064
					373,956	239,791
	Total Purchased Options				373,956	239,791
Activision Blizzard Inc.	Written Call Option	(140)	\$80	September, 2022	(44,479)	(32,958)
Activision Blizzard Inc.	Written Call Option	(282)	\$80	August, 2022	(50,742)	(52,382)
Social Capital Hedosophia	Written Call Option	(3,519)	\$10	August, 2022	(65,599)	(24,966)
Switch Inc.	Written Call Option	(724)	\$34	July, 2022	(20,257)	(46,355)
Switch Inc.	Written Call Option	(749)	\$34	August, 2022	(29,780)	(19,323)
Turning Point Therapeutics	Written Call Option	(4)	\$80	July, 2022	(122)	(58)
					(210,979)	(176,042)
Activision Blizzard Inc.	Written Put Option	(140)	\$80	September, 2022	(57,876)	(70,251)
					(57,876)	(70,251)
	Total Written Options				(268,855)	(246,293)

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

APPENDIX B

FOREIGN EXCHANGE FORWARD CONTRACTS (0.9%)

Purchased Currency	Sold Currency	Forward Rate	Maturity Date	Fair Value (\$)	Counterparty	Credit Rating
CAD \$592,574,854	USD \$455,242,000	1.30167	2022-08-11	5,339,375	Canadian Imperial Bank of Commerce	A-1
USD \$6,195,000	CAD \$7,963,177	0.77796	2022-08-11	27,776	Canadian Imperial Bank of Commerce	A-1
CAD \$62,950	GBP \$39,000	1.61410	2022-08-04	1,809	Canadian Imperial Bank of Commerce	A-1
Unrealized gain on foreign exchange forward contracts at fair value				5,368,960		
USD \$3,963,000	CAD \$5,159,885	0.76804	2022-08-11	(47,845)	Canadian Imperial Bank of Commerce	A-1
CAD \$3,877,310	USD \$3,082,000	1.25805	2022-08-11	(97,976)	Canadian Imperial Bank of Commerce	A-1
Unrealized loss on foreign exchange forward contracts at fair value				(145,821)		
Net unrealized gain (loss) on foreign exchange forward contracts at fair value				5,223,139		

APPENDIX C

FORWARD AGREEMENTS (-0.1%)

Derivative Agreements	Purchase Date	Maturity Date	Counterparty	Credit Rating	Notional Number of Units	Purchase Price per Unit	Total Purchase Cost (\$)	Value to be Received (\$)	Unrealized Gain (Loss) (\$)
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	03-Dec-21	07-Dec-26	Canadian Imperial Bank of Commerce	A-1	75	13.33	1,000	1,000	-
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	08-Dec-21	07-Dec-26	Canadian Imperial Bank of Commerce	A-1	(75)	13.35	(1,000)	(1,000)	-
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	13-Dec-21	07-Dec-26	Canadian Imperial Bank of Commerce	A-1	5,621,810	13.34	75,000,000	74,654,727	(345,273)
Picton Mahoney Fortified Arbitrage Alternative Fund, Class I	02-May-22	07-Dec-26	Canadian Imperial Bank of Commerce	A-1	4,614,071	13.00	60,000,000	59,541,361	(458,639)
							<u>135,000,000</u>	<u>134,196,088</u>	<u>(803,912)</u>

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS 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	1,053,833,244	61,496,580	-	1,115,329,824
Mutual Funds - Long	996	-	-	996
Options - Long	239,791	-	-	239,791
Forward Contracts - Long	-	5,368,960	-	5,368,960
Equities - Short	(31,692,862)	-	-	(31,692,862)
Options - Short	(246,293)	-	-	(246,293)
Forward Contracts - Short	-	(145,821)	-	(145,821)
Forward Agreement - Short	-	(803,912)	-	(803,912)
Margin borrowings	(495,621,518)	-	-	(495,621,518)
Total	526,513,358	65,915,807	-	592,429,165

ASSETS (LIABILITIES) AT FAIR VALUE AS AT DECEMBER 31, 2021				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	986,163,072	47,338,310	-	1,033,501,382
Options - Long	37,909	-	-	37,909
Forward Contracts - Long	-	15,728	-	15,728
Equities - Short	(89,371,474)	-	-	(89,371,474)
Options - Short	(771,134)	-	-	(771,134)
Forward Contracts - Short	-	(7,561,741)	-	(7,561,741)
Forward Agreement - Short	-	(7,801)	-	(7,801)
Margin borrowings	(425,876,592)	-	-	(425,876,592)
Total	470,181,781	39,784,496	-	509,966,277

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	11,285,039	7,298,469
	11,285,039	7,298,469
December 31, 2021		
Equities - Long	5,465,902	-
	5,465,902	-

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 PLUS 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			Net \$
	Gross Assets / (Liabilities) \$	Financial Instruments \$	Collateral received/paid \$	
June 30, 2022				
Derivative assets - Foreign exchange forward contracts	5,368,960	(145,821)	-	5,223,139
Derivative liabilities - Foreign exchange forward contracts	(145,821)	145,821	-	-
Derivative liabilities - Forward agreements	(803,912)	-	803,912	-
December 31, 2021				
Derivative assets - Foreign exchange forward contracts	15,728	(15,728)	-	-
Derivative liabilities - Foreign exchange forward contracts	(7,561,741)	15,728	-	(7,546,013)
Derivative liabilities - Forward agreements	(7,801)	-	7,801	-

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 10%, net assets would have increased or decreased by approximately \$59,683,823 (December 31, 2021 - \$53,650,263).

As of June 30, 2022, if the market price of Class I units of the Reference Fund were to increase or decrease by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$100 (December 31, 2021 - \$100). The indirect exposure through the forward agreement in Class I units of the Reference Fund would have increased or decreased net assets by approximately \$13,419,609 (December 31, 2021 - \$7,499,220). The combined impact of such 10% increase or decrease would have increased or decreased net assets by \$13,419,709 (December 31, 2021 - \$7,499,320), as a result of the Fund's leverage structure. 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	(473,445,285)	1,054,518,494	(578,111,732)	2,961,477	0.5%
British Pound	(3,666,918)	3,716,269	(61,097)	(11,746)	0.0%
Australian Dollar	(3,343)	-	-	(3,343)	0.0%
Net Exposure	(477,115,546)	1,058,234,763	(578,172,829)	2,946,388	0.5%

FINANCIAL INSTRUMENTS					
December 31, 2021 Currency	Monetary \$	Non-Monetary \$	Forward Currency Contracts \$	Total \$	Percentage of Net Assets %
United States Dollar	(373,876,664)	924,739,173	(545,759,115)	5,103,394	0.9%
British Pound	(3,969,204)	3,994,012	(111,207)	(86,399)	0.0%
Net Exposure	(377,845,868)	928,733,185	(545,870,322)	5,016,995	0.9%

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

The Fund is exposed to indirect currency risk to the extent that the Reference Fund invests in such instruments. The table below summarizes the Reference Fund's exposure to currency risk as at June 30, 2022 and December 31, 2021.

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 \$701,585, (through direct and indirect ownership of the Reference Fund) (December 31, 2021 - \$511,150). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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 by approximately \$4,956,215 (December 31, 2021 - \$1,064,691).

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	-	(495,621,518)	(495,621,518)
Total	-	(495,621,518)	(495,621,518)

Debt Instruments by Maturity Date	December 31, 2021 (\$)		
	Long Positions	Short Positions	Total
Less than 1 year	-	(425,876,592)	(425,876,592)
Total	-	(425,876,592)	(425,876,592)

7. CREDIT RISK

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

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

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

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

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

June 30, 2022			Impact on net assets based on 5% increase or decrease
Strategy	Underlying risk exposures	Number of Funds	\$
Canadian Equity	P	1	155,416
US Equity	P	1	6,539,033
International Equity	P	1	15,405
Total			6,709,854

December 31, 2021			Impact on net assets based on 5% increase or decrease
Strategy	Underlying risk exposures	Number of Funds	\$
Canadian Equity	P	1	61,186
US Equity	P	1	3,677,184
International Equity	P	1	11,290
Total			3,749,660

9. 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	182.7%	187.0%
Canadian Equities	8.7%	9.1%
Financials	5.1%	5.0%
Industrial	1.7%	0.0%
Materials	1.3%	3.5%
Communication Services	0.6%	0.0%
Real Estate	0.0%	0.6%
Global Equities	174.0%	177.9%
United States Equities	104.1%	98.4%
Financials	63.6%	63.9%
Information Technology	21.2%	12.1%
Real Estate	5.9%	7.8%
Communication Services	4.9%	1.7%
Health Care	4.5%	6.2%
Industrial	4.0%	2.2%
Consumer Discretionary	0.0%	2.6%
Consumer Staples	0.0%	1.5%
Materials	0.0%	0.4%

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

Jurisdiction	% of Net Assets	
	June 30, 2022	December 31, 2021
International Equities	69.9%	79.5%
Financials	66.2%	67.8%
Health Care	2.7%	0.0%
Information Technology	1.0%	3.6%
Industrial	0.0%	7.4%
Materials	0.0%	0.7%
Derivatives	0.0%	0.0%
SHORT POSITIONS	-5.2%	-17.7%
Canadian Equities	-1.5%	-2.5%
Communication Services	-0.8%	0.0%
Financials	-0.7%	0.0%
Materials	0.0%	-2.2%
Consumer Discretionary	0.0%	-0.3%
Global Equities	-3.7%	-13.7%
United States Equities	-3.7%	-13.7%
Real Estate	-3.3%	-0.5%
Information Technology	-0.4%	-4.2%
Financials	0.0%	-9.0%
Derivatives	0.0%	-1.5%
The following is a summary of the Reference Fund's concentration risk:		
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%
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%

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

Jurisdiction	% of Net Assets	
	June 30, 2022	December 31, 2021
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%

10. 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 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	31,692,862	-	-	31,692,862
Redemptions payable	626,964	-	-	626,964
Accrued liabilities and other payables	-	1,133,310	-	1,133,310
Payable for investments purchased	3,062,715	-	-	3,062,715
Derivative liabilities	1,196,026	-	-	1,196,026
Margin borrowings	495,621,518	-	-	495,621,518
Cash overdraft	1,414,662	-	-	1,414,662

December 31, 2021 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	89,371,474	-	-	89,371,474
Redemptions payable	276,047	-	-	276,047
Accrued liabilities and other payables	-	771,439	-	771,439
Payable for investments purchased	3,085,729	-	-	3,085,729
Derivative liabilities	8,340,676	-	-	8,340,676
Margin borrowings	425,876,592	-	-	425,876,592

11. FUND UNIT TRANSACTIONS

For the six month periods ended June 30 (unaudited)

	2022			2021	
	Class A	Class F	Class I***	Class A	Class F
Units issued and outstanding, beginning of period	3,680,433	39,697,277	387,165	2,382,865	23,693,765
Units issued	447,005	12,025,261	2,445,586	1,577,176	15,248,077
Units redeemed	(765,752)	(7,995,039)	(154,797)	(414,855)	(4,855,499)
Units issued and outstanding, end of period	3,361,686	43,727,499	2,677,954	3,545,186	34,086,343
Weighted average number of units held during the period	3,519,511	42,727,081	1,312,111	3,438,459	32,540,962

***Class I units were first issued on July 27, 2021.

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

12. COMMISSIONS

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

	2022	2021
Brokerage commissions	839	1,216
Soft Dollar commissions	8	125

13. TAX LOSS CARRY FORWARDS

As at December 31 (in \$000)

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

14. STRUCTURED ENTITIES

The table below illustrates the Fund's investment in the underlying funds as at June 30, 2022 and December 31, 2021.

Underlying Funds	Fair Value of Fund's Investment (in \$000s)	Underlying Fund's Net Assets (in \$000s)	% of Net Assets of the Underlying Fund
As at June 30, 2022			
Picton Mahoney Fortified Arbitrage Alternative Fund	1	353,821	0.0%
Picton Mahoney Fortified Arbitrage Alternative Fund, forward agreement	134,196	353,821	37.9%
As at December 31, 2021			
Picton Mahoney Fortified Arbitrage Alternative Fund	1	306,510	0.0%
Picton Mahoney Fortified Arbitrage Alternative Fund, forward agreement	74,992	306,510	24.7%

15. LEVERAGE

During the six month period ended June 30, 2022, the Fund's aggregate exposure reached a low of 83.27% (year ended 2021 - 46.52%) and a high of 104.66% (year ended 2021 - 194.99%) of the Fund's NAV. As at June 30, 2022, the Fund's aggregate exposure was 87.65% (December 31, 2021 - 97.79%) 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 PLUS ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2022 (unaudited)

1. GENERAL INFORMATION

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"), 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 (formerly Class B), Class F and Class I 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 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. 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.

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).

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.

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(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.

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.

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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 \$410,347,337 (December 31, 2021 - \$318,535,994). 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 \$467,675,987 (year ended December 31, 2021 - \$147,236,000) and a maximum of \$568,004,606 (year ended December 31, 2021 - \$460,966,425) under this margin borrowing facility.

(n) 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

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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. 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, options and derivative agreements 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, options and derivative agreements in the Statements of Comprehensive Income.

(o) Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights (including the Reference Fund) 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 (including the Reference Fund) 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.

(p) 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

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borrow securities in order that the short sale may be transacted. There is no assurance that the lender of the securities will not require the security to be paid back by a Fund before the Fund wants to do so, possibly requiring the Fund to borrow the security elsewhere or purchase the security on the market at an unattractive price. Moreover, the borrowing of securities entails the payment of a borrowing fee. The borrowing fee may increase during the borrowing period, adding to the expense of the short sale strategy. There is also no guarantee that the securities sold short can be repurchased by a Fund due to supply and demand constraints in the equity markets. Finally, in order to maintain the appropriate ratios between the long portfolio and the short portfolio of a Fund, the Manager may be required to buy or sell short securities at unattractive prices. The maximum risk resulting for financial instruments held long is determined by the fair value of the instrument.

Currency risk:

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

Interest rate risk:

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

Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been 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, due from manager, deposits with brokers for securities sold short, and cash are held with counterparties with a good credit quality and are due to be settled within one week. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Liquidity Risk:

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

Concentration risk:

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

Leverage Risk:

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

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

5. CAPITAL MANAGEMENT

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

6. REDEEMABLE UNIT TRANSACTIONS

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

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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 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 13 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

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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.

(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

Corporate Address

Picton Mahoney Asset Management

33 Yonge Street, Suite. 830
Toronto, Ontario
Canada M5E 1G4

Telephone: 416.955.4108

Toll free: 1.866.369.4108

Fax: 416.955.4100

Email: service@pictonmahoney.com

www.pictonmahoney.com

Auditor

PricewaterhouseCoopers LLP

18 York Street, Suite 2600
Toronto, Ontario
Canada M5J 0B2

Fund Administration & Transfer Agent

Picton Mahoney Funds

C/O RBC Investor Services Trust,
Shareholder Services
155 Wellington Street West, 3rd Floor
Toronto, ON
Canada M5V 3L3