

FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND



THINK AHEAD.
STAY AHEAD.

TABLE OF CONTENTS

- 2 Management’s Responsibility Statement
- 3 Notice to Unitholders
- 4 Picton Mahoney Fortified Arbitrage Plus Alternative Fund Financial Statements
- 22 Notes to the Financial Statements

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 27, 2021

NOTICE TO UNITHOLDERS

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

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

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

STATEMENTS OF FINANCIAL POSITION

As at June 30, 2021 (unaudited) and December 31, 2020

| | June 30, 2021 \$ | December 31, 2020 \$ |
|---|------------------------|----------------------------|
| Assets | | |
| Current assets | | |
| Long positions at fair value* | 1,007,566,157 | 481,208,706 |
| Cash | - | 46,683,394 |
| Cash, pledged as collateral | 2,524,742 | 33,834,675 |
| Options purchased | 1,374,018 | 1,417,945 |
| Unrealized gain on foreign exchange forward contracts at fair value | - | 2,049,515 |
| Subscriptions receivable | 662,360 | 3,157,215 |
| Receivable for investments sold | 16,749,366 | 5,272,374 |
| Dividends receivable | 42,512 | 48,105 |
| Interest and other receivable | 8,099 | 181,332 |
| | <u>1,028,927,254</u> | <u>573,853,261</u> |
| Liabilities | | |
| Current liabilities | | |
| Short positions at fair value** | 240,721,703 | 74,838,624 |
| Options written | 567,714 | 1,491,033 |
| Unrealized loss on foreign exchange forward contracts at fair value | 12,039,536 | 10,249 |
| Cash overdraft | 10,910,849 | - |
| Margin borrowings | 254,875,489 | 164,690,746 |
| Management fee payable | 524,207 | 224,853 |
| Performance fee payable | - | 3,856,331 |
| Redemptions payable | 788,933 | 34,156 |
| Accrued liabilities | 145,271 | 185,669 |
| Payable for investments purchased | 8,375,720 | 4,849,182 |
| Dividends payable | 86,363 | 4,386 |
| | <u>529,035,785</u> | <u>250,185,229</u> |
| Net Assets Attributable to Holders of Redeemable Units | <u>499,891,469</u> | <u>323,668,032</u> |
| Net Assets Attributable to Holders of Redeemable Units per Class | | |
| Class A | 46,101,917 | 29,089,392 |
| Class F | <u>453,789,552</u> | <u>294,578,640</u> |
| Number of Redeemable Units Outstanding | | |
| Class A | 3,545,186 | 2,382,865 |
| Class F | <u>34,086,343</u> | <u>23,693,765</u> |
| Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Class A | 13.00 | 12.21 |
| Class F | <u>13.31</u> | <u>12.43</u> |
| * Long positions, at cost | 1,002,679,593 | 467,089,984 |
| ** Short positions, at cost | <u>(222,787,084)</u> | <u>(75,927,074)</u> |

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)

| | 2021 \$ | 2020 \$ |
|--|-------------------|-------------------|
| Income | | |
| Net gains (losses) on investments and derivatives | | |
| Interest for distribution purposes | 95,456 | 21,818 |
| Dividends | 841,222 | - |
| Distributions from underlying funds | - | (155,462) |
| Net realized gain (loss) on investments | 44,856,013 | (802,447) |
| Net realized gain (loss) foreign exchange forward contracts | 27,354,680 | - |
| Change in unrealized appreciation (depreciation) on investments, and derivative agreements | (41,443,564) | 11,937,418 |
| Interest and borrowing expense | (774,728) | (275,923) |
| Dividend expense | (1,109,488) | - |
| Net gains (losses) on investments and derivatives | <u>29,819,591</u> | <u>10,725,404</u> |
| Other income | | |
| Foreign currency gain (loss) on cash and other assets and liabilities | 8,284,771 | - |
| Total Income | <u>38,104,362</u> | <u>10,725,404</u> |
| Expenses | | |
| Performance fees | 9,775,559 | 1,494,603 |
| Management fees | 2,595,699 | 591,952 |
| Harmonized sales tax | 1,326,161 | 245,050 |
| Transaction costs | 1,215,631 | - |
| Securityholder reporting fees | 179,553 | 79,882 |
| Administrative fees | 143,153 | 26,093 |
| Withholding taxes | 57,963 | - |
| Legal fees | 47,331 | 32,671 |
| Audit fees | 33,069 | 63,791 |
| Independent Review Committee Expense | 4,479 | 3,598 |
| Custody fees | - | 13,418 |
| Total Expense before Manager Absorption | <u>15,378,598</u> | <u>2,551,058</u> |
| Less: Expenses Absorbed by Manager | - | - |
| Total Expense after Manager Absorption | <u>15,378,598</u> | <u>2,551,058</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | <u>22,725,764</u> | <u>8,174,346</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class | | |
| Class A | 1,906,077 | 717,217 |
| Class F | <u>20,819,687</u> | <u>7,457,129</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Class A | 0.55 | 0.57 |
| Class F | <u>0.64</u> | <u>0.83</u> |

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)

| | 2021 \$ | 2020 \$ |
|--|---------------------|---------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | |
| Class A | 29,089,392 | 9,148,008 |
| Class F | 294,578,640 | 79,035,412 |
| | <u>323,668,032</u> | <u>88,183,420</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | |
| Class A | 1,906,077 | 717,217 |
| Class F | 20,819,687 | 7,457,129 |
| | <u>22,725,764</u> | <u>8,174,346</u> |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | | |
| Class A | 20,507,322 | 10,297,871 |
| Class F | 203,287,147 | 68,388,776 |
| | <u>223,794,469</u> | <u>78,686,647</u> |
| Redemption of redeemable units | | |
| Class A | (5,400,874) | (5,012,075) |
| Class F | (64,895,922) | (39,714,144) |
| | <u>(70,296,796)</u> | <u>(44,726,219)</u> |
| Net Increase (Decrease) from Redeemable Unit Transactions | <u>153,497,673</u> | <u>33,960,428</u> |
| Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | <u>176,223,437</u> | <u>42,134,774</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | |
| Class A | 46,101,917 | 15,151,021 |
| Class F | 453,789,552 | 115,167,173 |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | <u>499,891,469</u> | <u>130,318,194</u> |

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

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30 (unaudited)

| | 2021 \$ | 2020 \$ |
|---|----------------------|---------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units | 22,725,764 | 8,174,346 |
| Adjustments for: | | |
| Unrealized foreign exchange (gain) loss on cash | 1,878,479 | - |
| Net realized (gain) loss on investments | (44,856,013) | 802,447 |
| Change in unrealized (appreciation) depreciation on investments and derivative agreements | 41,443,564 | (11,937,418) |
| (Increase) decrease in interest and other receivables | 173,233 | - |
| (Increase) decrease in dividends receivable | 5,593 | - |
| Increase (decrease) in dividends payable | 81,977 | - |
| Increase (decrease) in other payables and accrued liabilities | (40,398) | (22,981) |
| Increase (decrease) in management fee payable | 299,354 | 41,617 |
| Increase (decrease) in performance fee payable | (3,856,331) | 923,816 |
| Purchase of long positions and repurchases of investments sold short | (1,520,919,591) | (220,908,278) |
| Proceeds from sales of long positions and on investments sold short | 1,169,106,624 | 172,404,048 |
| Net Cash Generated (Used) by Operating Activities | <u>(333,957,745)</u> | <u>(50,522,403)</u> |
| Cash Flows from Financing Activities | | |
| Proceeds from redeemable units issued | 223,595,159 | 77,746,194 |
| Amount paid on redemption of redeemable units | (66,847,854) | (44,649,289) |
| Increase (decrease) in margin borrowings | 90,184,743 | 15,165,825 |
| Net Cash Generated (Used) by Financing Activities | <u>246,932,048</u> | <u>48,262,730</u> |
| Unrealized foreign exchange gain (loss) on cash | (1,878,479) | - |
| Net increase (decrease) in cash | (87,025,697) | (2,259,673) |
| Cash, beginning of year | 80,518,069 | 6,920,795 |
| Cash, End of Year | <u>(8,386,107)</u> | <u>4,661,122</u> |
| Cash | - | 468 |
| Cash, pledged as collateral | 2,524,742 | 4,660,654 |
| Cash overdraft | (10,910,849) | - |
| Net Cash (Overdraft) | <u>(8,386,107)</u> | <u>4,661,122</u> |
| Items classified as operating activities: | | |
| Interest received, net of withholding tax | 268,689 | 21,818 |
| Dividends received, net of withholding tax | 788,852 | - |
| Interest and borrowing expense paid | (774,728) | (275,923) |
| Dividends paid | (1,027,511) | - |

Net of non-cash transfers and switches of \$2,694,165 (2020 - \$161,493)

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2021 (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 (201.8%) | | | | | 55,500 | | Aequi Acquisition Corp. | 712,806 | 687,943 |
| Canadian Equities (6.2%) | | | | | 55,500 | | AF Acquisition Corp. | 694,595 | 676,947 |
| Energy (0.3%) | | | | | 18,500 | | AF Acquisition Corp., Warrants, 2028-03-31 | - | 20,159 |
| | 78,200 | Inter Pipeline Ltd. | 1,386,996 | 1,575,730 | 141,751 | | Alexion Pharmaceuticals Inc. | 29,069,521 | 32,246,615 |
| Materials (0.6%) | | | | | 194,400 | | Alkuri Global Acquisition Corp. | 2,482,450 | 2,383,179 |
| | 1,478,898 | Roxgold Inc. | 3,374,085 | 2,795,117 | 56,497 | | Amplitude Healthcare Acquisition Corp. | 723,111 | 696,103 |
| Consumer Discretionary (2.4%) | | | | | 166,599 | | Anzu Special Acquisition Corp. I | 2,102,916 | 2,001,102 |
| | 143,221 | Great Canadian Gaming Corp. | 6,198,504 | 6,374,767 | 55,533 | | Anzu Special Acquisition Corp. I, Warrants, 2027-12-31 | - | 65,321 |
| | 175,700 | Lion Electric Co. | 2,153,477 | 4,253,697 | 138,900 | | Archimedes Tech SPAC Partners Co. | 1,745,297 | 1,709,676 |
| | 170,944 | Lion Electric Co., Warrants, 2027-04-30 | 218,884 | 1,378,034 | 111,000 | | Arrowroot Acquisition Corp. | 1,400,867 | 1,326,403 |
| | | | 8,570,865 | 12,006,498 | 55,500 | | Arrowroot Acquisition Corp., Warrants, 2026-01-29 | - | 59,104 |
| Consumer Staples (0.0%) | | | | | 111,000 | | Astrea Acquisition Corp. | 1,422,406 | 1,329,152 |
| | 134,050 | TPCO Holding Corp., Warrants, 2026-01-15 | 295,424 | 207,492 | 55,500 | | Astrea Acquisition Corp., Warrants, 2026-01-13 | 1,165 | 46,046 |
| Health Care (0.0%) | | | | | 27,800 | | At Home Group Inc. | 1,248,815 | 1,268,205 |
| | 29,000 | Harvest Health & Recreation Inc. | 151,110 | 149,350 | 55,500 | | Athena Technology Acquisition Corp. | 692,570 | 685,194 |
| Financials (2.9%) | | | | | 138,900 | | Athlon Acquisition Corp. | 1,778,537 | 1,726,876 |
| | 555,300 | BGP Acquisition Corp. | 7,087,467 | 6,738,744 | 30,241 | | ATI Physical Therapy Inc. | 391,719 | 357,248 |
| | 277,700 | BGP Acquisition Corp., Warrants, 2027-12-31 | 9,979 | 309,488 | 111,000 | | Atlantic Coastal Acquisition Corp. | 1,399,442 | 1,327,778 |
| | 58,100 | Ceres Acquisition Corp. | 723,800 | 726,646 | 37,000 | | Atlantic Coastal Acquisition Corp., Warrants, 2027-12-31 | - | 40,319 |
| | 85 | Ceres Acquisition Corp., Warrants, 2025-04-13 | 96 | 255 | 111,000 | | Atlas Crest Investment Corp. II | 1,473,235 | 1,340,148 |
| | 222,200 | Choice Consolidation Corp. | 2,827,620 | 2,737,741 | 27,800 | | Atlas Crest Investment Corp., Warrants, 2026-02-28 | - | 39,588 |
| | 56,600 | Silver Spike III Acquisition Corp. | 683,187 | 707,885 | 55,499 | | B Riley Principal 150 Merger Corp. | 699,742 | 670,062 |
| | 277,700 | VM Hotel Acquisition Corp. | 3,507,765 | 3,198,041 | 1 | | B Riley Principal 150 Merger Corp., Units | 13 | 13 |
| | 21,600 | VM Hotel Acquisition Corp., Class B restricted shares | 230 | 225 | 56,200 | | B Riley Principal 250 Merger Corp. | 683,025 | 693,836 |
| | 7,200 | VM Hotel Acquisition Corp., Class B units | 91,152 | 89,157 | 116,600 | | Big Cypress Acquisition Corp. | 1,491,595 | 1,440,968 |
| | 138,900 | VM Hotel Acquisition Corp., Warrants, 2026-12-31 | 1,295 | 68,800 | 69,316 | | Big Cypress Acquisition Corp., Warrants, 2025-12-07 | 2,458 | 78,959 |
| | | | 14,932,591 | 14,576,982 | 166,600 | | Big Sky Growth Partners Inc. | 2,048,192 | 2,060,942 |
| | | Total Canadian Equities - Long | 28,711,071 | 31,311,169 | 138,900 | | Bite Acquisition Corp. | 1,763,722 | 1,663,236 |
| Global Equities (194.5%) | | | | | 69,400 | | Bite Acquisition Corp., Warrants, 2027-12-31 | - | 60,157 |
| United States Equities (120.7%) | | | | | 55,499 | | BOA Acquisition Corp. | 697,131 | 664,564 |
| | 111,000 | 26 Capital Acquisition Corp. | 1,440,857 | 1,404,750 | 1 | | BOA Acquisition Corp., Units | 13 | 12 |
| | 138,900 | Accelerate Acquisition Corp. | 1,724,877 | 1,666,676 | 18,433 | | BOA Acquisition Corp., Warrants, 2028-02-22 | - | 19,105 |
| | 46,300 | Accelerate Acquisition Corp., Warrants, 2027-12-31 | - | 70,520 | 111,000 | | Bright Lights Acquisition Corp. | 1,417,735 | 1,330,527 |
| | 166,600 | Adit EdTech Acquisition Corp. | 2,129,370 | 1,999,051 | 55,500 | | Bright Lights Acquisition Corp., Warrants, 2027-12-31 | 1,484 | 53,613 |
| | 83,300 | Adit EdTech Acquisition Corp., Warrants, 2027-12-31 | - | 72,205 | 111,000 | | Broadscale Acquisition Corp. | 1,435,104 | 1,333,276 |
| | 166,596 | Advanced Merger Partners Inc. | 2,122,325 | 2,009,318 | 27,800 | | Broadscale Acquisition Corp., Warrants, 2026-02-02 | - | 39,588 |
| | 27,766 | Advanced Merger Partners Inc., Warrants, 2026-06-30 | - | 41,259 | | | | | |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2021 (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 (\$) |
|------|------------------------------------|---|-------------------|-----------------|------|------------------------------------|--|-------------------|-----------------|
| | 55,500 | Build Acquisition Corp. | 692,570 | 683,819 | | 110,995 | D & Z Media Acquisition Corp. | 1,433,383 | 1,334,590 |
| | 56,895 | Capitol Investment Corp.V | 732,228 | 702,416 | | 23,665 | D & Z Media Acquisition Corp., Warrants, 2027-12-31 | 981 | 27,549 |
| | 166,600 | Capstar Special Purpose Acquisition Corp. | 2,123,687 | 2,019,682 | | 83,300 | DD3 Acquisition Corp. II | 1,075,369 | 1,022,219 |
| | 83,300 | Capstar Special Purpose Acquisition Corp., Warrants, 2027-07-09 | 127,604 | 92,825 | | 112,099 | Decarbonization Plus Acquisition Corp. II | 1,385,703 | 1,370,074 |
| | 111,000 | Carney Technology Acquisition Corp. II | 1,424,372 | 1,373,136 | | 1 | Decarbonization Plus Acquisition Corp. II, Units | 13 | 13 |
| | 111,000 | Cascade Acquisition Corp. | 1,434,801 | 1,358,017 | | 1 | Decarbonization Plus Acquisition Corp. III | 13 | 14 |
| | 55,500 | Cascade Acquisition Corp., Warrants, 2027-11-30 | 6,357 | 65,289 | | 111,000 | Delwinds Insurance Acquisition Corp. | 1,425,186 | 1,344,272 |
| | 111,000 | CBRE Acquisition Holdings Inc. | 1,431,518 | 1,334,650 | | 55,500 | Delwinds Insurance Acquisition Corp., Warrants, 2027-08-01 | - | 49,482 |
| | 41,600 | CBRE Acquisition Holdings Inc., Warrants, 2027-12-31 | 1,709 | 55,634 | | 83,200 | DFP Healthcare Acquisitions Corp. | 1,111,916 | 1,024,082 |
| | 166,600 | CF Acquisition Corp. IV | 2,156,060 | 1,999,051 | | 194,400 | DHB Capital Corp. | 2,453,404 | 2,351,885 |
| | 55,500 | CF Acquisition Corp. IV, Warrants, 2025-12-14 | 2,021 | 77,660 | | 64,800 | DHB Capital Corp., Warrants, 2028-03-15 | - | 72,218 |
| | 166,600 | CF Acquisition Corp. V | 2,183,235 | 2,013,493 | | 111,000 | DiamondHead Holdings Corp. | 1,423,241 | 1,373,136 |
| | 55,499 | CF Acquisition Corp. V, Warrants, 2027-12-31 | - | 75,597 | | 26,100 | Digital Media Solutions Inc., Warrants, 2023-04-05 | 30,232 | 45,891 |
| | 111,000 | CF Acquisition Corp. VI | 1,442,161 | 1,338,774 | | 111,000 | Digital Transformation Opportunities Corp. | 1,402,859 | 1,333,276 |
| | 27,800 | CF Acquisition Corp. VI, Warrants, 2028-12-31 | - | 34,012 | | 27,750 | Digital Transformation Opportunities Corp., Warrants, 2028-03-31 | - | 32,026 |
| | 166,600 | CF Acquisition Corp. VIII | 2,082,207 | 2,034,123 | | 22,400 | DILA Capital Acquisition Corp. | 272,845 | 279,320 |
| | 41,650 | CF Acquisition Corp. VIII, Warrants, 2027-12-31 | - | 52,607 | | 83,300 | dMY Technology Group Inc. IV | 1,071,250 | 1,007,778 |
| | 56,599 | CF Finance Acquisition Corp. III | 751,629 | 702,967 | | 16,660 | dMY Technology Group Inc. IV, Warrants, 2027-12-31 | - | 29,295 |
| | 184,100 | Change Healthcare Inc. | 5,541,277 | 5,252,444 | | 111,933 | Domtar Corp. | 7,378,580 | 7,617,809 |
| | 73,067 | Chardan Healthcare Acquisition 2 Corp., Warrants, 2025-03-05 | 78,610 | 57,970 | | 194,398 | DPCM Capital Inc. | 2,602,663 | 2,378,340 |
| | 111,700 | CHP Merger Corp. | 1,443,276 | 1,376,263 | | 110,998 | E.Merge Technology Acquisition Corp. | 1,411,904 | 1,341,498 |
| | 55,500 | Churchill Capital Corp. VI | 705,298 | 677,634 | | 18,433 | E.Merge Technology Acquisition Corp., Warrants, 2025-07-30 | 28,368 | 22,141 |
| | 11,100 | Churchill Capital Corp. VI, Warrants, 2027-12-31 | - | 19,243 | | 55,500 | East Resources Acquisition Co. | 709,209 | 670,761 |
| | 194,400 | Churchill Capital Corp. VII | 2,469,023 | 2,342,256 | | 28,300 | East Resources Acquisition Co., Warrants, 2027-07-01 | 32,972 | 36,796 |
| | 38,900 | Churchill Capital Corp. VII, Warrants, 2028-02-29 | - | 66,956 | | 111,000 | ECP Environmental Growth Opportunities Corp. | 1,412,178 | 1,388,256 |
| | 111,000 | Clarim Acquisition Corp. | 1,425,164 | 1,364,889 | | 83,300 | EdtechX Holdings Acquisition Corp. II | 1,069,406 | 1,024,282 |
| | 111,000 | Class Acceleration Corp. | 1,451,480 | 1,384,132 | | 41,600 | EdtechX Holdings Acquisition Corp. II, Warrants, 2027-06-15 | 954 | 31,485 |
| | 69,400 | Climate Real Impact Solutions II Acquisition Corp. | 896,175 | 869,691 | | 83,300 | Empowerment & Inclusion Capital I Corp. | 1,079,701 | 1,008,809 |
| | 38,387 | Coherent Inc. | 12,284,954 | 12,565,283 | | 41,600 | Empowerment & Inclusion Capital I Corp., Warrants, 2027-12-31 | - | 38,130 |
| | 138,900 | Colicity Inc. | 1,821,537 | 1,732,036 | | 55,500 | Environmental Impact Acquisition Corp. | 707,670 | 707,873 |
| | 111,000 | Compute Health Acquisition Corp. | 1,456,616 | 1,349,770 | | | | | |
| | 27,800 | Compute Health Acquisition Corp., Warrants, 2027-12-31 | - | 51,981 | | | | | |
| | 172,200 | Concord Acquisition Corp. | 2,211,040 | 2,100,364 | | | | | |
| | 86,000 | Concord Acquisition Corp., Warrants, 2025-11-28 | 10,386 | 106,494 | | | | | |
| | 221,176 | Conx Corp. | 2,883,941 | 2,700,475 | | | | | |
| | 83,300 | Crucible Acquisition Corp. | 1,099,401 | 1,000,557 | | | | | |
| | 28,300 | Crucible Acquisition Corp., Warrants, 2025-12-26 | - | 37,146 | | | | | |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2021 (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 (\$) |
|------|----------------------------------|--|-------------------|-----------------|------|----------------------------------|---|-------------------|-----------------|
| | 110,995 | Epiphany Technology Acquisition Corp. | 1,416,717 | 1,337,339 | | 48,550 | G&P Acquisition Corp., Warrants, 2027-03-05 | - | 42,084 |
| | 37,765 | Epiphany Technology Acquisition Corp., Warrants, 2027-12-31 | 1,287 | 52,376 | | 69,400 | Gaming & Hospitality Acquisition Corp. | 886,815 | 857,660 |
| | 111,000 | EQ Health Acquisition Corp. | 1,426,696 | 1,370,387 | | 166,599 | GigCapital4 Inc. | 2,117,825 | 2,032,047 |
| | 138,896 | Equity Distribution Acquisition Corp. | 1,799,406 | 1,695,867 | | 1 | GigCapital4 Inc., Units | 13 | 13 |
| | 30,232 | Equity Distribution Acquisition Corp., Warrants, 2025-09-09 | 51,919 | 44,175 | | 83,297 | GO Acquisition Corp. | 1,060,039 | 1,008,773 |
| | 138,900 | Executive Network Partnering Corp. | 1,747,427 | 1,675,276 | | 28,299 | GO Acquisition Corp., Warrants, 2027-08-31 | 46,878 | 38,547 |
| | 34,700 | Executive Network Partnering Corp., Warrants, 2028-09-25 | 52,429 | 42,539 | | 166,600 | Goal Acquisitions Corp. | 2,113,964 | 2,122,832 |
| | 111,000 | FAST Acquisition Corp. II | 1,381,476 | 1,377,260 | | 41,600 | Golden Arrow Merger Corp. | 519,114 | 512,041 |
| | 115,121 | FG New America Acquisition Corp. | 1,493,872 | 1,455,478 | | 222,200 | Golden Falcon Acquisition Corp. | 2,856,341 | 2,674,456 |
| | 97,100 | Figure Acquisition Corp. I | 1,226,062 | 1,202,387 | | 111,000 | Golden Falcon Acquisition Corp., Warrants, 2026-11-04 | 3,846 | 127,830 |
| | 111,000 | FinServ Acquisition Corp. II | 1,433,372 | 1,333,276 | | 56,900 | Good Works Acquisition Corp. | 745,287 | 701,069 |
| | 27,800 | FinServ Acquisition Corp. II, Warrants, 2026-02-03 | - | 41,310 | | 138,900 | Gores Guggenheim Inc. | 1,742,963 | 1,678,716 |
| | 28,100 | FinTech Acquisition Corp. VI | 346,712 | 351,093 | | 27,780 | Gores Guggenheim Inc., Warrants, 2027-12-31 | - | 47,128 |
| | 111,000 | First Reserve Sustainable Growth Corp. | 1,410,041 | 1,333,276 | | 66,600 | Gores Holdings VII Inc. | 853,516 | 831,304 |
| | 27,750 | First Reserve Sustainable Growth Corp., Warrants, 2027-12-31 | - | 41,235 | | 150,000 | Gores Holdings VIII Inc. | 1,952,860 | 1,842,588 |
| | 55,499 | FirstMark Horizon Acquisition Corp. | 745,400 | 681,745 | | 18,750 | Gores Holdings VIII Inc., Warrants, 2027-12-31 | - | 29,023 |
| | 97,100 | Flame Acquisition Corp. | 1,215,381 | 1,161,506 | | 82,100 | Gores Metropoulos II Inc. | 1,043,309 | 1,005,460 |
| | 48,550 | Flame Acquisition Corp., Warrants, 2028-12-31 | - | 64,328 | | 83,300 | Gores Technology Partners II Inc. | 1,041,790 | 1,022,219 |
| | 138,896 | Foresight Acquisition Corp. | 1,761,052 | 1,701,027 | | 16,660 | Gores Technology Partners II Inc., Warrants, 2027-12-31 | - | 36,928 |
| | 111,000 | Forest Road Acquisition Corp. II | 1,402,908 | 1,347,021 | | 55,500 | Gores Technology Partners Inc. | 698,368 | 690,692 |
| | 22,200 | Forest Road Acquisition Corp. II, Warrants, 2026-01-15 | - | 38,349 | | 11,100 | Gores Technology Partners Inc., Warrants, 2027-12-31 | - | 18,281 |
| | 166,600 | Fortistar Sustainable Solutions Corp. | 2,182,068 | 2,120,769 | | 120,826 | Group Nine Acquisition Corp. | 1,568,242 | 1,511,148 |
| | 102,600 | Fortress Value Acquisition Corp. III | 1,338,093 | 1,245,084 | | 83,300 | Hamilton Lane Alliance Holdings I Inc. | 1,064,512 | 1,040,786 |
| | 6,740 | Fortress Value Acquisition Corp. III, Warrants, 2027-12-31 | - | 10,015 | | 166,600 | Haymaker Acquisition Corp. III | 2,105,396 | 2,003,177 |
| | 111,000 | Fortress Value Acquisition Corp. IV | 1,382,436 | 1,374,511 | | 41,650 | Haymaker Acquisition Corp. III, Warrants, 2025-12-31 | - | 54,154 |
| | 222,200 | Forum Merger IV Corp. | 2,764,488 | 2,679,959 | | 83,300 | Health Assurance Acquisition Corp. | 1,037,478 | 1,032,534 |
| | 55,550 | Forum Merger IV Corp., Warrants, 2027-12-31 | - | 88,736 | | 111,000 | Healthcare Capital Corp. | 1,426,253 | 1,369,013 |
| | 55,500 | FS Development Corp. II | 708,824 | 687,255 | | 138,900 | Healthcare Services Acquisition Corp. | 1,795,875 | 1,664,956 |
| | 83,300 | FTAC Parnassus Acquisition Corp. | 1,056,405 | 1,006,746 | | 69,400 | Healthcare Services Acquisition Corp., Warrants, 2027-12-31 | 2,048 | 76,502 |
| | 20,825 | FTAC Parnassus Acquisition Corp., Warrants, 2026-03-10 | - | 32,234 | | 194,400 | Hudson Executive Investment Corp. II | 2,477,131 | 2,337,441 |
| | 138,900 | Fusion Acquisition Corp. II | 1,768,727 | 1,663,099 | | 49,500 | Hudson Executive Investment Corp. II, Warrants, 2027-01-31 | 1,813 | 72,942 |
| | 46,300 | Fusion Acquisition Corp. II, Warrants, 2027-12-31 | - | 56,181 | | 166,600 | Hudson Executive Investment Corp. III | 2,094,089 | 2,060,942 |
| | 97,100 | G&P Acquisition Corp. | 1,220,101 | 1,171,125 | | 55,400 | HumanCo Acquisition Corp. | 705,118 | 668,867 |
| | | | | | | 111,000 | IG Acquisition Corp. | 1,449,750 | 1,338,774 |
| | | | | | | 55,500 | IG Acquisition Corp., Warrants, 2027-10-05 | 13,763 | 76,973 |
| | | | | | | 22,600 | Ignyte Acquisition Corp. | 289,956 | 280,415 |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2021 (unaudited)

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|------|------------------------------------|--|-------------------|-----------------|------|------------------------------------|---|-------------------|-----------------|
| | 166,596 | INSU Acquisition Corp. III | 2,103,670 | 2,001,066 | | 16,660 | Live Oak Mobility | | |
| | 18,432 | INSU Acquisition Corp. III, Warrants, 2026-12-31 | 702 | 26,704 | | | Acquisition Corp., Warrants, 2028-03-04 | - | 31,358 |
| | 55,500 | InterPrivate II Acquisition Corp. | 703,867 | 666,638 | | 55,496 | Locust Walk Acquisition Corp. | 706,559 | 679,647 |
| | 11,100 | InterPrivate II Acquisition Corp., Warrants, 2028-12-31 | - | 15,533 | | 18,432 | Locust Walk Acquisition Corp., Warrants, 2027-12-31 | 504 | 22,824 |
| | 55,500 | InterPrivate III Financial Partners Inc. | 703,842 | 666,638 | | 194,400 | Longview Acquisition Corp. II | 2,432,341 | 2,359,106 |
| | 11,100 | InterPrivate III Financial Partners Inc., Warrants, 2027-12-31 | - | 15,876 | | 38,880 | Longview Acquisition Corp. II, Warrants, 2026-05-10 | - | 65,959 |
| | 55,500 | InterPrivate IV InfraTech Partners Inc. | 703,816 | 673,510 | | 41,597 | Lux Health Tech Acquisition Corp. | 580,258 | 509,429 |
| | 11,100 | InterPrivate IV InfraTech Partners Inc., Warrants, 2027-12-31 | - | 15,395 | | 111,000 | M3-Brigade Acquisition II Corp. | 1,399,099 | 1,336,025 |
| | 84,100 | Jaws Hurricane Acquisition Corp. | 1,021,437 | 1,047,657 | | 37,000 | M3-Brigade Acquisition II Corp., Warrants, 2027-12-31 | - | 52,919 |
| | 69,400 | Jiya Acquisition Corp. | 895,533 | 854,223 | | 166,597 | Mason Industrial Technology Inc. | 2,130,114 | 1,992,373 |
| | 110,998 | JOFF Fintech Acquisition Corp. | 1,416,853 | 1,327,754 | | 55,499 | Mason Industrial Technology Inc., Warrants, 2027-12-31 | - | 61,831 |
| | 37,766 | JOFF Fintech Acquisition Corp., Warrants, 2027-12-31 | - | 47,701 | | 197,784 | Maxim Integrated Products Inc. | 22,674,815 | 25,804,302 |
| | 70,300 | Kansas City Southern | 25,481,370 | 24,668,026 | | 111,000 | MCAP Acquisition Corp. | 1,404,576 | 1,322,279 |
| | 27,800 | Kensington Capital Acquisition Corp. II | 375,763 | 342,526 | | 37,000 | MCAP Acquisition Corp., Warrants, 2027-12-31 | - | 46,275 |
| | 83,300 | Khosla Ventures Acquisition Co II | 1,045,671 | 1,022,219 | | 139,500 | MDH Acquisition Corp. | 1,811,384 | 1,665,239 |
| | 138,900 | Khosla Ventures Acquisition Co III | 1,743,555 | 1,702,796 | | 69,800 | MDH Acquisition Corp., Warrants, 2028-02-02 | - | 68,300 |
| | 166,600 | Khosla Ventures Acquisition Co. | 2,148,727 | 2,040,312 | | 124,997 | MedTech Acquisition Corp. | 1,608,394 | 1,510,687 |
| | 41,600 | KINS Technology Group Inc. | 533,785 | 507,920 | | 41,599 | MedTech Acquisition Corp., Warrants, 2025-12-18 | 1,620 | 51,136 |
| | 21,200 | KINS Technology Group Inc., Warrants, 2025-12-31 | 592 | 21,973 | | 130,700 | Merida Merger Corp. I | 1,703,719 | 1,610,363 |
| | 208,200 | KKR Acquisition Holdings I Corp. | 2,598,720 | 2,588,449 | | 90,200 | Merida Merger Corp. I, Warrants, 2026-11-07 | 140,967 | 132,916 |
| | 83,300 | KL Acquisition Corp. | 1,059,035 | 1,000,557 | | 166,599 | Mission Advancement Corp. | 2,102,867 | 2,003,165 |
| | 28,300 | KL Acquisition Corp., Warrants, 2028-01-12 | 919 | 32,941 | | 55,533 | Mission Advancement Corp., Warrants, 2028-12-31 | - | 55,684 |
| | 11,300 | Landcadia Holdings IV Inc. | 142,527 | 136,709 | | 226,700 | Montes Archimedes Acquisition Corp. | 2,885,730 | 2,776,342 |
| | 2,825 | Landcadia Holdings IV Inc., Warrants, 2028-12-31 | - | 3,778 | | 83,300 | Monument Circle Acquisition Corp. | 1,057,656 | 1,035,628 |
| | 55,500 | Lefteris Acquisition Corp. | 720,784 | 670,074 | | 111,000 | Music Acquisition Corp. | 1,446,812 | 1,329,152 |
| | 68,400 | Legato Merger Corp. | 866,658 | 848,690 | | 55,500 | Music Acquisition Corp., Warrants, 2028-02-05 | - | 58,417 |
| | 111,000 | Lerer Hippeau Acquisition Corp. | 1,407,269 | 1,353,893 | | 43,600 | NavSight Holdings Inc. | 554,712 | 538,818 |
| | 55,500 | Liberty Media Acquisition Corp. | 715,687 | 699,626 | | 87,203 | Newbury Street Acquisition Corp. | 1,094,233 | 1,079,833 |
| | 180,600 | LightJump Acquisition Corp. | 2,297,842 | 2,184,930 | | 111,000 | NightDragon Acquisition Corp. | 1,414,558 | 1,341,523 |
| | 90,200 | LightJump Acquisition Corp., Warrants, 2027-12-31 | 2,163 | 89,378 | | 22,200 | NightDragon Acquisition Corp., Warrants, 2027-12-31 | - | 37,662 |
| | 83,300 | Lionheart Acquisition Corp. II | 1,056,112 | 1,017,061 | | 492,497 | Northern Genesis Acquisition Corp. II | 6,348,796 | 6,061,989 |
| | 41,600 | Lionheart Acquisition Corp. II, Warrants, 2026-02-14 | 53,511 | 47,392 | | 99,499 | Northern Genesis Acquisition Corp. II, Warrants, 2027-12-31 | (45,180) | 204,528 |
| | 113,295 | Live Oak Acquisition Corp. II | 1,482,766 | 1,391,706 | | 271,700 | Northern Genesis Acquisition Corp. III | 3,410,660 | 3,290,438 |
| | 83,300 | Live Oak Mobility Acquisition Corp. | 1,064,436 | 1,010,872 | | | | | |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

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|------|----------------------------------|--|-------------------|-----------------|------|----------------------------------|--|-------------------|-----------------|
| | 67,925 | Northern Genesis Acquisition Corp. III, Warrants, 2027-12-31 | - | 121,120 | | 138,900 | Pivotal Investment Corp. III | 1,824,191 | 1,719,996 |
| | 166,970 | Northern Genesis Sponsor II LLC | 21 | 21 | | 138,900 | Power & Digital Infrastructure Acquisition Corp. | 1,762,345 | 1,690,756 |
| | 301,373 | Northern Genesis Sponsor II LLC, Warrants | 578,202 | 559,784 | | 34,700 | Power & Digital Infrastructure Acquisition Corp., Warrants, 2028-02-12 | - | 59,727 |
| | 69,428 | Northern Genesis Sponsor III LLC | 9 | 9 | | 439,500 | PPD Inc. | 25,025,954 | 25,083,653 |
| | 138,399 | Northern Genesis Sponsor III LLC, Warrants | 259,380 | 257,069 | | 29,187 | PRA Health Sciences Inc. | 5,736,289 | 5,971,054 |
| | 129,014 | Northern Genesis Sponsor LLC | 17 | 2,600,218 | | 194,398 | Priveterra Acquisition Corp. | 2,470,546 | 2,318,159 |
| | 58,200 | Northern Star Investment Corp. II | 769,884 | 717,807 | | 64,766 | Priveterra Acquisition Corp., Warrants, 2027-12-31 | - | 81,002 |
| | 11,640 | Northern Star Investment Corp. II, Warrants, 2028-01-31 | - | 35,170 | | 127,700 | Progress Acquisition Corp. | 1,620,805 | 1,538,611 |
| | 111,000 | Northern Star Investment Corp. III | 1,410,649 | 1,344,272 | | 63,800 | Progress Acquisition Corp., Warrants, 2027-12-31 | 1,404 | 55,302 |
| | 18,500 | Northern Star Investment Corp. III, Warrants, 2028-02-25 | - | 28,177 | | 139,400 | Proofpoint Inc. | 29,561,211 | 29,994,234 |
| | 111,000 | Northern Star Investment Corp. IV | 1,408,145 | 1,353,893 | | 230,400 | Property Solutions Acquisition Corp. II | 2,904,168 | 2,784,566 |
| | 18,500 | Northern Star Investment Corp. IV, Warrants, 2027-12-31 | - | 33,217 | | 76,300 | Property Solutions Acquisition Corp. II, Warrants, 2026-03-01 | - | 123,772 |
| | 110,998 | Novus Capital Corp. II | 1,423,995 | 1,340,124 | | 81,699 | PTK Acquisition Corp. | 1,036,435 | 997,514 |
| | 37,766 | Novus Capital Corp. II, Warrants, 2027-12-31 | - | 55,183 | | 55,500 | PTK Acquisition Corp., Warrants, 2025-12-31 | 59,475 | 35,737 |
| | 439,400 | Nuance Communications Inc. | 29,072,213 | 29,621,249 | | 138,900 | PWP Forward Acquisition Corp. I | 1,756,021 | 1,682,156 |
| | 41,600 | OCA Acquisition Corp. | 535,454 | 522,859 | | 27,780 | PWP Forward Acquisition Corp. I, Warrants, 2027-12-31 | - | 33,715 |
| | 111,000 | Omnichannel Acquisition Corp. | 1,439,921 | 1,351,144 | | 124,400 | QTS Realty Trust Inc. | 11,857,402 | 11,907,623 |
| | 55,500 | Omnichannel Acquisition Corp., Warrants, 2027-12-30 | 2,565 | 70,100 | | 138,900 | Quantum FinTech Acquisition Corp. | 1,773,335 | 1,725,156 |
| | 83,300 | One Equity Partners Open Water I Corp. | 1,060,785 | 1,002,620 | | 111,000 | Recharge Acquisition Corp. | 1,457,300 | 1,348,395 |
| | 28,300 | One Equity Partners Open Water I Corp., Warrants, 2027-12-31 | 1,005 | 31,539 | | 55,500 | Recharge Acquisition Corp., Warrants, 2027-10-05 | 1,690 | 56,355 |
| | 166,600 | Orion Acquisition Corp. | 2,111,708 | 1,992,862 | | 83,300 | Revolution Healthcare Acquisition Corp. | 1,040,191 | 1,012,935 |
| | 41,650 | Orion Acquisition Corp., Warrants, 2026-02-19 | - | 49,203 | | 16,660 | Revolution Healthcare Acquisition Corp., Warrants, 2028-12-31 | - | 28,882 |
| | 55,500 | OTR Acquisition Corp. | 726,910 | 690,004 | | 55,499 | Rosecliff Acquisition Corp. I | 704,696 | 663,877 |
| | 28,300 | OTR Acquisition Corp., Warrants, 2025-12-31 | 784 | 29,440 | | 1 | Rosecliff Acquisition Corp. I, Units | 13 | 12 |
| | 138,900 | Oyster Enterprises Acquisition Corp. | 1,756,101 | 1,719,996 | | 18,433 | Rosecliff Acquisition Corp. I, Warrants, 2027-12-31 | - | 18,491 |
| | 83,300 | Periphos Capital Partnering Corp. | 2,665,025 | 2,528,470 | | 111,000 | RXR Acquisition Corp. | 1,398,185 | 1,334,650 |
| | 21,200 | Periphos Capital Partnering Corp., Warrants, 2028-12-10 | 1,467 | 56,442 | | 22,200 | RXR Acquisition Corp., Warrants, 2026-03-08 | - | 28,590 |
| | 161,100 | Pine Technology Acquisition Corp. | 2,024,444 | 1,935,051 | | 179,820 | Sandbridge X2 Corp. | 2,272,939 | 2,153,226 |
| | 53,700 | Pine Technology Acquisition Corp., Warrants, 2028-03-31 | - | 55,531 | | 59,940 | Sandbridge X2 Corp., Warrants, 2027-12-31 | - | 77,935 |
| | | | | | | 111,000 | Science Strategic Acquisition Corp. Alpha | 1,407,312 | 1,366,264 |
| | | | | | | 166,600 | SCP & CO Healthcare Acquisition Co. | 2,122,077 | 2,077,446 |
| | | | | | | 76,500 | Seaport Global Acquisition Corp. | 1,005,561 | 943,509 |
| | | | | | | 177,700 | Senior Connect Acquisition Corp. I | 2,288,201 | 2,226,861 |
| | | | | | | 111,000 | SilverBox Engaged Merger Corp. I | 1,404,820 | 1,333,276 |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

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| | 37,000 | SilverBox Engaged Merger Corp. I, Warrants, 2027-12-31 | - | 35,284 | | 1 | USHG Acquisition Corp., Units | 13 | 12 |
| | 111,000 | Simon Property Group Acquisition Holdings Inc. | 1,468,734 | 1,340,148 | | 23,133 | USHG Acquisition Corp., Warrants, 2028-12-31 | - | 29,505 |
| | 22,200 | Simon Property Group Acquisition Holdings Inc., Warrants, 2026-02-04 | - | 40,136 | | 55,500 | VECTOIQ ACQUISITION CORP II | 703,494 | 687,255 |
| | 450,074 | Slack Technologies Inc. | 24,330,515 | 24,689,532 | | 66,600 | Velocity Acquisition Corp. | 859,663 | 820,583 |
| | 166,600 | Social Leverage Acquisition Corp. I | 2,116,270 | 2,005,034 | | 83,300 | Ventoux CCM Acquisition Corp. | 1,074,836 | 1,026,345 |
| | 41,600 | Social Leverage Acquisition Corp. I, Warrants, 2027-12-31 | - | 56,149 | | 83,300 | Ventoux CCM Acquisition Corp., Rights | - | 23,219 |
| | 138,900 | Spartan Acquisition Corp. III | 1,767,537 | 1,730,316 | | 333,781 | Ventoux CCM Acquisition Corp., Warrants, 2025-09-30 | 1,567 | 37,175 |
| | 55,500 | SportsTek Acquisition Corp. | 717,797 | 661,140 | | 166,544 | VEREIT Inc. | 19,657,375 | 18,983,805 |
| | 27,800 | SportsTek Acquisition Corp., Warrants, 2027-12-31 | - | 26,163 | | 222,044 | Viveon Health Acquisition Corp. | 2,149,723 | 2,041,688 |
| | 119,071 | Star Peak Corp. II | 1,488,088 | 1,459,709 | | 222,044 | Viveon Health Acquisition Corp., Rights | - | 74,266 |
| | 56,198 | Starboard value Acquisition Corp. | 734,765 | 695,899 | | 222,044 | Viveon Health Acquisition Corp., Warrants, 2027-12-31 | 3,963 | 96,647 |
| | 111,000 | Sustainable Development Acquisition I Corp. | 1,417,957 | 1,399,252 | | 172,200 | VPC Impact Acquisition Holdings III Inc. | 2,183,459 | 2,108,893 |
| | 74,515 | Tailwind Acquisition Corp. | 954,354 | 919,950 | | 194,600 | W R Grace & Co. | 16,350,757 | 16,656,040 |
| | 55,500 | Tastemaker Acquisition Corp. | 705,966 | 670,074 | | 83,300 | Warrior Technologies Acquisition Co. | 1,054,238 | 998,494 |
| | 28,300 | Tastemaker Acquisition Corp., Warrants, 2025-12-31 | 895 | 25,932 | | 41,650 | Warrior Technologies Acquisition Co., Warrants, 2028-03-31 | - | 39,197 |
| | 277,698 | TCW Special Purpose Acquisition Corp. | 3,504,678 | 3,342,445 | | 44,074 | Weingarten Realty Investors | 1,727,068 | 1,750,276 |
| | 92,566 | TCW Special Purpose Acquisition Corp., Warrants, 2028-12-31 | - | 108,882 | | 173,202 | Xilinx Inc. | 30,133,989 | 31,021,766 |
| | 222,200 | Tech and Energy Transition Corp. | 2,772,672 | 2,751,498 | | 55,500 | Zanite Acquisition Corp. | 693,374 | 691,379 |
| | 83,298 | Thimble Point Acquisition Corp. | 1,093,515 | 1,020,131 | | 55,499 | Z-Work Acquisition Corp. | 708,887 | 667,313 |
| | 83,300 | Thunder Bridge Capital Partners III Inc. | 1,083,743 | 1,002,620 | | 1 | Z-Work Acquisition Corp., Units | - | 12 |
| | 16,700 | Thunder Bridge Capital Partners III Inc., Warrants, 2028-02-15 | - | 26,883 | | 18,433 | Z-Work Acquisition Corp., Warrants, 2027-12-31 | - | 20,543 |
| | 111,000 | Tishman Speyer Innovation Corp. II | 1,431,896 | 1,356,642 | | | | 600,772,794 | 603,154,072 |
| | 22,200 | Tishman Speyer Innovation Corp. II, Warrants, 2027-12-31 | - | 35,462 | | | International Equities (73.8%) | | |
| | 110,998 | TLG Acquisition One Corp. | 1,421,564 | 1,329,128 | | 83,300 | ABG Acquisition Corp. I | 1,067,254 | 1,016,030 |
| | 37,766 | TLG Acquisition One Corp., Warrants, 2028-01-25 | - | 37,062 | | 56,596 | ACON S2 Acquisition Corp. | 748,372 | 693,819 |
| | 111,000 | Tribe Capital Growth Corp. I | 1,416,655 | 1,340,148 | | 138,900 | AEA-Bridges Impact Corp. | 1,851,423 | 1,675,276 |
| | 27,750 | Tribe Capital Growth Corp. I, Warrants, 2026-03-05 | - | 45,359 | | 55,500 | AEA-Bridges Impact Corp., Warrants, 2025-12-31 | 14,626 | 65,977 |
| | 41,000 | Tuscan Holdings Corp. II, Warrants, 2025-07-16 | 90,470 | 51,278 | | 166,600 | African Gold Acquisition Corp. | 2,108,336 | 1,990,799 |
| | 82,097 | TWC Tech Holdings II Corp. | 1,058,709 | 1,009,489 | | 125,000 | African Gold Acquisition Corp., Warrants, 2028-03-13 | - | 97,516 |
| | 166,599 | Twelve Seas Investment Co II | 2,108,112 | 1,990,788 | | 166,599 | Agile Growth Corp. | 2,105,228 | 1,994,913 |
| | 55,533 | Twelve Seas Investment Co II, Warrants, 2028-03-02 | - | 61,202 | | 55,533 | Agile Growth Corp., Warrants, 2027-12-31 | - | 65,328 |
| | 69,399 | USHG Acquisition Corp. | 896,357 | 833,585 | | 54,800 | Ajax I | 769,331 | 675,873 |
| | | | | | | 55,500 | Alpha Capital Acquisition Co. | 720,226 | 667,325 |
| | | | | | | 27,800 | Alpha Capital Acquisition Co., Warrants, 2027-12-31 | - | 28,572 |
| | | | | | | 83,300 | Altimar Acquisition Corp. II | 1,103,201 | 1,002,620 |
| | | | | | | 20,800 | Altimar Acquisition Corp. II, Warrants, 2027-12-31 | - | 29,878 |

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|------|----------------------------------|---|-------------------|-----------------|------|----------------------------------|---|-------------------|-----------------|
| | 166,600 | Altimar Acquisition Corp. III | 2,098,512 | 2,011,429 | | 155,400 | CC Neuberger Principal Holdings II | | |
| | 41,650 | Altimar Acquisition Corp. III, Warrants, 2028-12-31 | - | 56,733 | | 28,300 | CC Neuberger Principal Holdings II, Warrants, 2025-07-29 | 2,013,932 | 1,903,148 |
| | 17,000 | Altimeter Growth Corp. 2 | 219,969 | 215,773 | | | | 49,341 | 47,660 |
| | 69,400 | AMERICAS TECHNOLOGY ACQUISITION CORP | 886,467 | 859,379 | | 166,600 | CC Neuberger Principal Holdings III | 2,239,546 | 2,017,619 |
| | 34,700 | Americas Technology Acquisition Corp., Warrants, 2027-12-31 | 847 | 27,938 | | 33,300 | CC Neuberger Principal Holdings III, Warrants, 2027-12-31 | - | 52,369 |
| | 223,501 | Apollo Strategic Growth Capital | 2,960,217 | 2,706,721 | | 98,300 | Centricus Acquisition Corp. | 1,251,701 | 1,205,075 |
| | 111,000 | Apollo Strategic Growth Capital II | 1,452,333 | 1,338,774 | | 93,994 | Cerberus Telecom Acquisition Corp. | 1,229,807 | 1,155,778 |
| | 22,200 | Apollo Strategic Growth Capital II, Warrants, 2027-12-31 | - | 33,813 | | 277,698 | Cohn Robbins Holdings Corp. | 3,576,062 | 3,387,148 |
| | 166,600 | ArcLight Clean Transition Corp. II | 2,090,650 | 2,027,934 | | 55,500 | Colonnade Acquisition Corp. II | 701,313 | 671,105 |
| | 33,320 | ArcLight Clean Transition Corp. II, Warrants, 2023-02-04 | - | 71,793 | | 11,100 | Colonnade Acquisition Corp. II, Warrants, 2027-12-31 | - | 14,707 |
| | 111,000 | Arctos NorthStar Acquisition Corp. | 1,398,493 | 1,374,511 | | 109,395 | Consonance-HFW Acquisition Corp. | 1,425,934 | 1,345,492 |
| | 194,400 | Ares Acquisition Corp. | 2,492,561 | 2,347,070 | | 111,000 | Constellation Acquisition Corp. I | 1,421,539 | 1,374,511 |
| | 38,900 | Ares Acquisition Corp., Warrants, 2027-12-31 | - | 60,212 | | 110,995 | Corner Growth Acquisition Corp. | 1,421,518 | 1,338,713 |
| | 142,000 | Ascendant Digital Acquisition Corp. | 1,827,930 | 1,749,591 | | 37,765 | Corner Growth Acquisition Corp., Warrants, 2027-12-31 | 1,323 | 56,117 |
| | 289,672 | Athene Holding Ltd. | 22,154,197 | 24,212,269 | | 83,300 | COVA Acquisition Corp. | 1,063,434 | 1,040,786 |
| | 144,524 | Aurora Acquisition Corp. | 1,786,391 | 1,773,531 | | 111,000 | Crown PropTech Acquisitions | 1,421,454 | 1,364,889 |
| | 2 | Aurora Acquisition Corp., Units | 25 | 26 | | 104,500 | D8 Holdings Corp. | 1,321,787 | 1,290,139 |
| | 99,200 | Austerlitz Acquisition Corp. I | 1,276,111 | 1,218,565 | | 55,500 | Deep Lake Capital Acquisition Corp. | 709,532 | 696,190 |
| | 222,200 | Austerlitz Acquisition Corp. II | 2,833,880 | 2,677,208 | | 222,198 | DHC Acquisition Corp. | 2,803,756 | 2,668,929 |
| | 55,550 | Austerlitz Acquisition Corp. II, Warrants, 2027-12-31 | - | 85,984 | | 74,066 | DHC Acquisition Corp., Warrants, 2027-12-31 | - | 92,179 |
| | 111,000 | Authentic Equity Acquisition Corp. | 1,433,715 | 1,389,630 | | 166,599 | Disruptive Acquisition Corp. I | 2,091,294 | 2,001,102 |
| | 154,818 | Avanti Acquisition Corp. | 1,978,562 | 1,867,264 | | 1 | Disruptive Acquisition Corp. I, Units | 13 | 12 |
| | 11,300 | BCLS Acquisition Corp. | 156,492 | 147,344 | | 55,533 | Disruptive Acquisition Corp. I, Warrants, 2026-03-06 | - | 63,258 |
| | 83,300 | Biotech Acquisition Co. | 1,072,026 | 1,041,817 | | 83,300 | Dragoneer Growth Opportunities Corp. II | 1,121,652 | 1,041,817 |
| | 168,997 | BlueRiver Acquisition Corp. | 2,211,678 | 2,031,999 | | 39,600 | Dragoneer Growth Opportunities Corp. III | 496,947 | 490,366 |
| | 56,399 | BlueRiver Acquisition Corp., Warrants, 2026-01-04 | - | 67,038 | | 111,000 | EJF Acquisition Corp. | 1,406,732 | 1,329,152 |
| | 83,300 | Bridgetown 2 Holdings Ltd. | 1,080,687 | 1,052,132 | | 37,000 | EJF Acquisition Corp., Warrants, 2027-02-28 | - | 37,570 |
| | 55,500 | Broadstone Acquisition Corp. | 701,019 | 679,008 | | 166,599 | ESM Acquisition Corp. | 2,105,675 | 2,001,102 |
| | 1,174,212 | Brookfield Property Partners LP | 26,111,619 | 27,553,764 | | 55,533 | ESM Acquisition Corp., Warrants, 2026-02-02 | - | 69,454 |
| | 194,400 | BYTE Acquisition Corp. | 2,432,851 | 2,322,998 | | 69,399 | European Biotech Acquisition Corp. | 864,619 | 830,148 |
| | 97,200 | BYTE Acquisition Corp., Warrants, 2028-12-31 | - | 154,064 | | 1 | European Biotech Acquisition Corp., Units | 12 | 12 |
| | 83,300 | Cartesian Growth Corp. | 1,057,685 | 1,029,439 | | 23,133 | European Biotech Acquisition Corp., Warrants, 2026-05-10 | - | 27,500 |
| | 138,896 | Catcha Investment Corp. | 1,764,107 | 1,661,468 | | | | | |
| | 2 | Catcha Investment Corp., Units | 25 | 25 | | | | | |
| | 46,232 | Catcha Investment Corp., Warrants, 2027-12-31 | - | 56,110 | | | | | |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2021 (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 (\$) |
|------|------------------------------------|--|-------------------|-----------------|------|------------------------------------|--|-------------------|-----------------|
| | 69,400 | European Sustainable Growth Acquisition Corp. | 887,100 | 874,848 | | 34,700 | HPX Corp., Warrants, 2025-07-14 | 40,650 | 37,808 |
| | 258,050 | Far Peak Acquisition Corp. | 3,319,705 | 3,179,451 | | 111,000 | Ibere Pharmaceuticals | 1,405,065 | 1,329,152 |
| | 37,484 | Far Peak Acquisition Corp., Warrants, 2025-12-07 | 7,945 | 65,911 | | 55,500 | Ibere Pharmaceuticals, Warrants, 2027-12-31 | - | 52,231 |
| | 111,000 | Fintech Evolution Acquisition Group | 1,400,574 | 1,325,028 | | 282,745 | IHS Markit Ltd. | 33,343,697 | 39,444,817 |
| | 37,000 | Fintech Evolution Acquisition Group, Warrants, 2028-03-31 | - | 45,817 | | 222,200 | Independence Holdings Corp. | 2,809,772 | 2,751,498 |
| | 55,500 | Fortress Capital Acquisition Corp. | 710,192 | 688,630 | | 44,440 | Independence Holdings Corp., Warrants, 2028-03-31 | - | 66,036 |
| | 55,496 | Frazier Lifesciences Acquisition Corp. | 716,843 | 670,713 | | 110,995 | Investindustrial Acquisition Corp. | 1,459,590 | 1,341,462 |
| | 18,432 | Frazier Lifesciences Acquisition Corp., Warrants, 2025-11-30 | 720 | 25,335 | | 37,765 | Investindustrial Acquisition Corp., Warrants, 2027-10-30 | - | 48,635 |
| | 166,600 | Freedom Acquisition I Corp. | 2,125,419 | 2,001,114 | | 56,600 | ION Acquisition Corp. 3 Ltd. | 693,505 | 687,560 |
| | 41,650 | Freedom Acquisition I Corp., Warrants, 2027-12-31 | - | 55,701 | | 27,600 | ironSource Ltd. | 360,262 | 358,859 |
| | 138,900 | Frontier Acquisition Corp. | 1,753,625 | 1,675,276 | | 54,200 | Isos Acquisition Corp. | 684,320 | 663,097 |
| | 34,725 | Frontier Acquisition Corp., Warrants, 2028-12-31 | - | 60,200 | | 37,000 | Isos Acquisition Corp., Warrants, 2026-03-01 | - | 45,817 |
| | 111,000 | FTAC Athena Acquisition Corp. | 1,453,418 | 1,400,627 | | 111,000 | Itiquira Acquisition Corp. | 1,471,010 | 1,375,885 |
| | 222,200 | FTAC Hera Acquisition Corp. | 2,801,406 | 2,682,711 | | 110,996 | Ivanhoe Capital Acquisition Corp. | 1,427,995 | 1,397,827 |
| | 55,550 | FTAC Hera Acquisition Corp., Warrants, 2027-12-31 | - | 90,799 | | 110,994 | Jack Creek Investment Corp. | 1,412,226 | 1,327,706 |
| | 110,998 | G Squared Ascend I Inc. | 1,417,454 | 1,356,618 | | 55,497 | Jack Creek Investment Corp., Warrants, 2027-12-31 | 806 | 55,685 |
| | 22,198 | G Squared Ascend I Inc., Warrants, 2027-12-31 | - | 33,260 | | 56,000 | Jaws Juggernaut Acquisition Corp. | 697,229 | 697,608 |
| | 56,000 | G Squared Ascend II Inc. | 682,112 | 694,140 | | 138,900 | Jaws Mustang Acquisition Corp. | 1,851,643 | 1,678,716 |
| | 108,807 | Global Blue Group Holding AG, Warrants, 2025-08-31 | 210,595 | 199,409 | | 34,700 | Jaws Mustang Acquisition Corp., Warrants, 2026-01-30 | - | 54,141 |
| | 166,600 | Global Partner Acquisition Corp. II | 2,130,972 | 2,042,375 | | 172,200 | Kairos Acquisition Corp. | 2,195,325 | 2,068,379 |
| | 69,400 | Global Synergy Acquisition Corp. | 882,867 | 833,598 | | 108,774 | Kairos Acquisition Corp., Warrants, 2027-12-31 | 4,555 | 106,409 |
| | 34,700 | Global Synergy Acquisition Corp., Warrants, 2027-12-31 | 908 | 33,950 | | 111,000 | Kernel Group Holdings Inc. | 1,418,282 | 1,337,399 |
| | 43,607 | Health Sciences Acquisitions Corp. 2 | 655,554 | 550,784 | | 55,500 | Kernel Group Holdings Inc., Warrants, 2027-01-31 | - | 71,475 |
| | 71,309 | HealthCor Catalio Acquisition Corp. | 923,555 | 869,773 | | 55,499 | Kismet Acquisition Three Corp. | 705,495 | 661,815 |
| | 38,900 | Helix Acquisition Corp. | 529,212 | 497,594 | | 1 | Kismet Acquisition Three Corp., Units | 13 | 12 |
| | 166,600 | HH&L Acquisition Co. | 2,260,507 | 2,001,114 | | 18,433 | Kismet Acquisition Three Corp., Warrants, 2027-12-31 | - | 18,502 |
| | 83,300 | HH&L Acquisition Co., Warrants, 2027-01-31 | - | 89,751 | | 55,499 | Kismet Acquisition Two Corp. | 705,367 | 665,251 |
| | 166,597 | HIG Acquisition Corp. | 2,155,271 | 2,003,141 | | 1 | Kismet Acquisition Two Corp., Units | 13 | 12 |
| | 55,499 | HIG Acquisition Corp., Warrants, 2025-10-23 | 12,260 | 78,339 | | 18,433 | Kismet Acquisition Two Corp., Warrants, 2027-12-31 | - | 20,771 |
| | 110,995 | Highland Transcend Partners I Corp. | 1,460,899 | 1,337,339 | | 124,998 | L Catterton Asia Acquisition Corp. | 1,571,302 | 1,501,412 |
| | 37,765 | Highland Transcend Partners I Corp., Warrants, 2027-12-31 | 5,576 | 51,441 | | 41,666 | L Catterton Asia Acquisition Corp., Warrants, 2026-03-15 | - | 46,435 |
| | 53,896 | Horizon Acquisition Corp. II | 710,595 | 652,043 | | 41,600 | L&F Acquisition Corp. | 540,372 | 514,102 |
| | 69,400 | HPX Corp. | 882,253 | 846,488 | | 21,200 | L&F Acquisition Corp., Warrants, 2027-05-23 | 652 | 21,786 |
| | | | | | | 111,000 | Lazard Growth Acquisition Corp. I | 1,455,261 | 1,344,272 |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2021 (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 (\$) |
|------|----------------------------------|---|-------------------|-----------------|------|----------------------------------|--|-------------------|-----------------|
| | 22,200 | Lazard Growth Acquisition Corp. I, Warrants, 2027-12-31 | - | 31,614 | | 166,600 | Poema Global Holdings Corp. | 2,127,942 | 1,996,988 |
| | 83,300 | LDH Growth Corp. I | 1,049,812 | 1,004,683 | | 83,300 | Poema Global Holdings Corp., Warrants, 2027-12-31 | 2,917 | 78,704 |
| | 16,660 | LDH Growth Corp. I, Warrants, 2028-12-31 | - | 23,415 | | 69,400 | Pontem Corp. | 885,692 | 860,238 |
| | 138,900 | Lead Edge Growth Opportunities Ltd. | 1,742,956 | 1,682,156 | | 166,600 | Population Health Investment Co Inc. | 2,198,805 | 2,023,808 |
| | 34,725 | Lead Edge Growth Opportunities Ltd., Warrants, 2028-12-31 | - | 60,200 | | 55,500 | Population Health Investment Co Inc., Warrants, 2025-10-01 | 2,693 | 73,536 |
| | 272,401 | Leo Holdings Corp. II | 3,467,198 | 3,277,002 | | 69,400 | Powered Brands | 884,032 | 860,238 |
| | 69,400 | Leo Holdings Corp. II, Warrants, 2028-01-07 | - | 83,360 | | 166,600 | Primavera Capital Acquisition Corp. | 2,134,000 | 2,100,139 |
| | 33,320 | Leo Holdings III Corp., Warrants, 2028-03-02 | - | 47,862 | | 110,995 | Prime Impact Acquisition I | 1,444,845 | 1,340,088 |
| | 222,198 | Levere Holdings Corp. | 2,780,524 | 2,690,941 | | 37,765 | Prime Impact Acquisition I, Warrants, 2030-10-01 | 4,897 | 46,764 |
| | 74,066 | Levere Holdings Corp., Warrants, 2028-12-31 | - | 91,716 | | 55,496 | Prospector Capital Corp. | 709,283 | 665,903 |
| | 111,000 | Magnum Opus Acquisition Ltd. | 1,392,916 | 1,322,279 | | 18,432 | Prospector Capital Corp., Warrants, 2025-12-22 | 597 | 21,685 |
| | 55,500 | Magnum Opus Acquisition Ltd., Warrants, 2027-12-31 | - | 57,757 | | 55,495 | Provident Acquisition Corp. | 710,722 | 666,578 |
| | 194,400 | Marlin Technology Corp. | 2,484,164 | 2,421,695 | | 28,297 | Provident Acquisition Corp., Warrants, 2026-01-12 | 427 | 28,733 |
| | 181,082 | Marquee Raine Acquisition Corp. | 2,299,810 | 2,219,912 | | 222,196 | Queen's Gambit Growth Capital | 2,818,026 | 2,668,905 |
| | 56,600 | Marquee Raine Acquisition Corp., Units | 725,551 | 719,100 | | 32,432 | Queen's Gambit Growth Capital, Warrants, 2027-12-31 | 4,845 | 40,562 |
| | 111,000 | Moringa Acquisition Corp. | 1,435,410 | 1,326,403 | | 172,199 | RedBall Acquisition Corp. | 2,318,565 | 2,083,293 |
| | 55,500 | Moringa Acquisition Corp., Warrants, 2026-02-10 | - | 52,231 | | 24,533 | RedBall Acquisition Corp., Warrants, 2022-08-17 | 63,494 | 32,810 |
| | 222,196 | Motive Capital Corp. | 2,868,511 | 2,688,165 | | 168,100 | Reinvent Technology Partners | 2,078,048 | 2,077,416 |
| | 46,232 | Motive Capital Corp., Warrants, 2025-12-09 | 1,737 | 54,555 | | 111,000 | Reinvent Technology Partners Y | 1,405,556 | 1,386,881 |
| | 110,998 | New Vista Acquisition Corp. | 1,462,460 | 1,329,128 | | 84,100 | Rice Acquisition Corp. II | 1,024,248 | 1,064,320 |
| | 37,766 | New Vista Acquisition Corp., Warrants, 2027-12-31 | - | 46,766 | | 138,900 | RMG Acquisition Corp. III | 1,773,657 | 1,719,996 |
| | 83,300 | NextGen Acquisition Corp. II | 1,045,258 | 1,061,416 | | 141,700 | Rocket Internet Growth Opportunities Corp. | 1,778,123 | 1,702,028 |
| | 83,297 | Noble Rock Acquisition Corp. | 1,077,639 | 997,427 | | 35,425 | Rocket Internet Growth Opportunities Corp., Warrants, 2027-12-31 | - | 57,904 |
| | 27,799 | Noble Rock Acquisition Corp., Warrants, 2027-12-31 | - | 29,260 | | 111,000 | Ross Acquisition Corp. II | 1,386,859 | 1,333,276 |
| | 138,896 | North Atlantic Acquisition Corp. | 1,767,700 | 1,671,788 | | 37,000 | Ross Acquisition Corp. II, Warrants, 2026-02-12 | - | 43,984 |
| | 46,232 | North Atlantic Acquisition Corp., Warrants, 2025-10-20 | 1,267 | 60,111 | | 69,395 | Sarissa Capital Acquisition Corp. | 921,511 | 852,442 |
| | 111,000 | Oaktree Acquisition Corp. II | 1,436,060 | 1,358,017 | | 21,446 | Sarissa Capital Acquisition Corp., Warrants, 2027-10-23 | 944 | 35,586 |
| | 13,800 | Oaktree Acquisition Corp. II, Warrants, 2027-09-15 | 23,000 | 21,019 | | 222,196 | SciON Tech Growth I | 2,852,409 | 2,688,165 |
| | 83,300 | Orion Biotech Opportunities Corp. | 1,010,554 | 1,041,817 | | 74,032 | SciON Tech Growth I, Warrants, 2025-11-01 | 2,926 | 96,257 |
| | 111,000 | Pathfinder Acquisition Corp. | 1,420,625 | 1,338,774 | | 110,998 | SciON Tech Growth II | 1,408,259 | 1,333,252 |
| | 22,200 | Pathfinder Acquisition Corp., Warrants, 2027-12-31 | - | 31,064 | | 37,766 | SciON Tech Growth II, Warrants, 2027-12-31 | - | 43,244 |
| | 111,000 | Peridot Acquisition Corp. II | 1,402,986 | 1,339,461 | | 111,000 | Silver Crest Acquisition Corp. | 1,409,460 | 1,380,009 |
| | 22,200 | Peridot Acquisition Corp. II, Warrants, 2028-04-30 | - | 30,514 | | 138,900 | Silver Spike Acquisition Corp. II | 1,745,419 | 1,676,996 |
| | 110,995 | Pioneer Merger Corp. | 1,413,853 | 1,362,079 | | 34,725 | Silver Spike Acquisition Corp. II, Warrants, 2026-02-26 | - | 58,050 |
| | 83,300 | Plum Acquisition Corp. I | 1,037,234 | 1,024,282 | | | | | |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2021 (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 (\$) |
|------|------------------------------------|--|-------------------|-----------------|------|------------------------------------|--|----------------------|----------------------|
| | 166,600 | Slam Corp. | 2,154,935 | 2,058,879 | | 111,000 | Twin Ridge Capital | | |
| | 218,400 | Soaring Eagle Acquisition Corp. | 2,728,258 | 2,693,625 | | 37,000 | Twin Ridge Capital Acquisition Corp. | 1,398,855 | 1,326,403 |
| | 28,300 | Social Capital Hedosophia Holdings Corp. IV | 392,275 | 364,105 | | | Warrants, 2028-12-31 | - | 41,547 |
| | 55,500 | Social Capital Hedosophia Holdings Corp. VI | 785,082 | 701,001 | | 55,500 | two/CA | 700,908 | 676,947 |
| | 83,300 | Sports Ventures Acquisition Corp. | 1,062,325 | 1,001,589 | | 222,200 | TZP Strategies Acquisition Corp. | 2,868,849 | 2,745,995 |
| | 28,300 | Sports Ventures Acquisition Corp., Warrants, 2027-12-31 | 1,066 | 34,693 | | 111,000 | Vector Acquisition Corp. II | 1,402,663 | 1,364,889 |
| | 83,300 | Supernova Partners Acquisition Co II Ltd. | 1,067,076 | 1,000,557 | | 194,400 | Virgin Group Acquisition Corp. II | 2,439,455 | 2,356,699 |
| | 20,825 | Supernova Partners Acquisition Co II Ltd., Warrants, 2027-12-31 | - | 30,945 | | 38,880 | Virgin Group Acquisition Corp. II, Warrants, 2026-03-13 | - | 61,626 |
| | 113,000 | Supernova Partners Acquisition Co III Ltd. | 1,418,102 | 1,361,496 | | 166,600 | VPC Impact Acquisition Holdings II | 2,112,521 | 2,017,619 |
| | 22,600 | Supernova Partners Acquisition Co III Ltd., Warrants, 2027-03-31 | - | 33,583 | | 41,650 | VPC Impact Acquisition Holdings II, Warrants, 2027-12-31 | - | 59,311 |
| | 107,740 | Sustainable Opportunities Acquisition Corp. | 1,422,729 | 1,327,472 | | 138,900 | Vy Global Growth | 1,865,364 | 1,711,396 |
| | 111,000 | SVF Investment Corp. | 1,427,160 | 1,358,017 | | 111,000 | Waldencast Acquisition Corp. | 1,386,286 | 1,367,638 |
| | 111,000 | SVF Investment Corp. 2 | 1,464,604 | 1,367,638 | | 37,000 | Waldencast Acquisition Corp., Warrants, 2027-12-31 | - | 50,399 |
| | 97,100 | SVF Investment Corp. 3 | 1,269,952 | 1,195,173 | | 166,600 | Warburg Pincus Capital Corp. I-A | 2,128,460 | 2,021,745 |
| | 140,500 | Switchback II Corp. | 1,730,795 | 1,720,671 | | 33,320 | Warburg Pincus Capital Corp. I-A, Warrants, 2027-12-31 | - | 58,177 |
| | 110,998 | Tailwind International Acquisition Corp. | 1,399,244 | 1,329,128 | | 166,600 | Warburg Pincus Capital Corp. I-B | 2,116,324 | 2,038,249 |
| | 37,766 | Tailwind International Acquisition Corp., Warrants, 2028-03-01 | - | 43,943 | | 33,320 | Warburg Pincus Capital Corp. I-B, Warrants, 2022-02-17 | - | 53,638 |
| | 194,400 | Tailwind Two Acquisition Corp. | 2,465,555 | 2,325,405 | | 85,199 | Willis Towers Watson PLC | 23,644,050 | 24,267,514 |
| | 64,800 | Tailwind Two Acquisition Corp., Warrants, 2028-03-09 | - | 80,242 | | 138,897 | Yucaipa Acquisition Corp. | 1,792,003 | 1,697,599 |
| | 149,533 | Talend SA | 12,030,264 | 12,146,918 | | | | <u>366,218,073</u> | <u>368,868,177</u> |
| | 83,300 | TCV Acquisition Corp. | 1,050,311 | 1,022,219 | | | Total Global Equities - Long | 966,990,867 | 972,022,249 |
| | 55,500 | Tekcorp Digital Acquisition Corp. | 747,263 | 670,074 | | | Global Debt (0.8%) | | |
| | 28,300 | Tekcorp Digital Acquisition Corp., Warrants, 2027-10-26 | 1,211 | 38,548 | | | United States Bonds (0.8%) | | |
| | 28,300 | Tiga Acquisition Corp. | 374,838 | 351,490 | USD | 3,220,000 | WR Grace & Co-Conn 4.875%, 2027-06-15 | 4,126,972 | 4,232,739 |
| | 13,800 | Tiga Acquisition Corp., Warrants, 2026-11-27 | 793 | 19,139 | | | Total Global Debt - Long | 4,126,972 | 4,232,739 |
| | 69,400 | TPG Pace Beneficial II Corp. | 877,652 | 866,254 | | | Options (0.3%) | | |
| | 111,000 | TPG Pace Solutions Corp. | 1,409,650 | 1,369,013 | | | Total Purchased Options - Refer to Appendix A | 3,029,802 | 1,374,018 |
| | 114,199 | Trebia Acquisition Corp. | 1,499,331 | 1,399,983 | | | Transaction Costs | (179,119) | - |
| | 166,600 | TREPONT ACQUISITION CORP I | 2,187,339 | 2,040,312 | | | Total Long Positions | 1,002,679,593 | 1,008,940,175 |
| | 83,300 | Trepont Acquisition Corp. I, Warrants, 2025-11-24 | 2,768 | 92,314 | | | SHORT POSITIONS (-48.3%) | | |
| | 113,400 | Tuatar Capital Acquisition Corp. | 1,449,750 | 1,359,295 | | | Canadian Equities (-5.6%) | | |
| | 56,700 | Tuatar Capital Acquisition Corp., Warrants, 2027-12-31 | - | 80,743 | | | Materials (-0.6%) | | |
| | 110,995 | Turmeric Acquisition Corp. | 1,436,398 | 1,359,330 | | (418,727) | Fortuna Silver Mines Inc. | (3,508,016) | (2,893,404) |
| | 37,765 | Turmeric Acquisition Corp., Warrants, 2025-10-08 | 1,270 | 43,028 | | | | | |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2021 (unaudited)

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|--|----------------------------------|--|----------------------|----------------------|--|----------------------------------|--|----------------------|----------------------|
| Industrial (-2.3%) | | | | | International Equities (-10.3%) | | | | |
| | (47,981) | Canadian National Railway Co., NYSE | (6,319,550) | (6,269,448) | | (88,918) | Aon PLC | (24,442,345) | (26,289,145) |
| | (52,462) | Canadian Pacific Railway Ltd., NYSE | (4,932,718) | (4,996,350) | | (301,250) | AstraZeneca PLC, ADR | (19,887,694) | (22,344,934) |
| | | | <u>(11,252,268)</u> | <u>(11,265,798)</u> | | (12,038) | Icon PLC | (2,979,624) | (3,081,350) |
| | | | | | | | | <u>(47,309,663)</u> | <u>(51,715,429)</u> |
| Consumer Discretionary (-0.1%) | | | | | Total Global Equities - Short | | | | |
| | (12,100) | Lion Electric Co., NYSE | (231,630) | (291,277) | | | | (195,685,613) | (213,397,761) |
| Health Care (0.0%) | | | | | Options (-0.1%) | | | | |
| | (3,300) | Trulieve Cannabis Corp. | (157,285) | (153,351) | | | Total Written Options - Refer to Appendix A | (730,277) | (567,714) |
| Financials (-2.5%) | | | | | Transaction Costs | | | | |
| | (195,743) | Brookfield Asset Management Inc., NYSE | (10,843,661) | (12,356,950) | | | Total Short Positions | (44,710) | - |
| Utilities (-0.1%) | | | | | Total Short Positions | | | | |
| | (3,887) | Brookfield Infrastructure Corp. | (333,624) | (363,162) | | | | (222,787,084) | (241,289,417) |
| Total Canadian Equities - Short | | | | | Foreign Currency Forward Contracts (-2.4%) | | | | |
| | | | (26,326,484) | (27,323,942) | | | Total Currency Hedge - Refer to Appendix B | - | (12,039,536) |
| Global Equities (-42.6%) | | | | | TOTAL INVESTMENT PORTFOLIO (151.1%) | | | | |
| United States Equities (-32.3%) | | | | | Other Assets Net of Liabilities (-51.1%) | | | | |
| | (292,393) | Advanced Micro Devices Inc. | (32,501,480) | (34,009,206) | | | | 779,892,509 | 755,611,222 |
| | (124,764) | Analog Devices Inc. | (23,737,678) | (26,597,863) | | | | | <u>(255,719,753)</u> |
| | (332,643) | Apollo Global Management Inc. | (23,281,167) | (25,620,876) | TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100.0%) | | | | |
| | (34,976) | II-VI Inc. | (2,940,935) | (3,143,925) | | | | | 499,891,469 |
| | (61,810) | Kimco Realty Corp. | (1,575,002) | (1,595,842) | <i>*CCY denotes local currency of debt security</i> | | | | |
| | (235,367) | Realty Income Corp. | (19,986,102) | (19,451,674) | | | | | |
| | (80,219) | S&P Global Inc. | (34,412,730) | (40,772,064) | | | | | |
| | (34,683) | Salesforce.com Inc. | (9,940,856) | (10,490,882) | | | | | |
| | | | <u>(148,375,950)</u> | <u>(161,682,332)</u> | | | | | |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

APPENDIX A

OPTIONS (0.2%)

| Issuer | Option Type | Number of Options | Strike \$ | Expiry | Average Cost \$ | Fair Value \$ |
|---------------------------------------|---------------------|-------------------|-----------|---------------|-------------------------|-------------------------|
| Churchill Capital Corp.V | Call Option | 2,242 | \$10 | August, 2021 | 97,629 | 62,466 |
| | | | | | <u>97,629</u> | <u>62,466</u> |
| Lion Electric Co. | Put Option | 1,296 | \$20 | October, 2021 | 1,232,123 | 722,178 |
| Lion Electric Co. | Put Option | 2,333 | \$20 | July, 2021 | 1,585,027 | 534,456 |
| Nuance Communications Inc. | Put Option | 585 | \$42 | January, 2022 | 63,133 | 28,976 |
| Nuance Communications Inc. | Put Option | 838 | \$45 | October, 2021 | 51,890 | 25,942 |
| | | | | | <u>2,932,173</u> | <u>1,311,552</u> |
| Total Purchased Options | | | | | <u>3,029,802</u> | <u>1,374,018</u> |
| Churchill Capital Corp.V | Written Call Option | (2,242) | \$13 | August, 2021 | (53,252) | (34,703) |
| Lion Electric Co. | Written Call Option | (1,296) | \$20 | October, 2021 | (156,908) | (240,726) |
| Lion Electric Co. | Written Call Option | (2,333) | \$20 | July, 2021 | (277,378) | (151,670) |
| Nuance Communications Inc. | Written Call Option | (1,375) | \$55 | August, 2021 | (62,058) | (46,823) |
| Nuance Communications Inc. | Written Call Option | (1,041) | \$55 | July, 2021 | (36,927) | (9,668) |
| Reinvent Technology Partners | Written Call Option | (1,681) | \$10 | July, 2021 | (47,693) | (26,020) |
| | | | | | <u>(634,216)</u> | <u>(509,610)</u> |
| Nuance Communications Inc. | Written Put Option | (561) | \$50 | July, 2021 | (12,860) | (6,947) |
| Pershing Square Tontine Holdings Ltd. | Written Put Option | (841) | \$23 | July, 2021 | (72,403) | (41,656) |
| PPD Inc. | Written Put Option | (279) | \$45 | August, 2021 | (10,798) | (9,501) |
| | | | | | <u>(96,061)</u> | <u>(58,104)</u> |
| Total Written Options | | | | | <u>(730,277)</u> | <u>(567,714)</u> |

APPENDIX B

FOREIGN EXCHANGE FORWARD CONTRACTS (-2.4%)

| Purchased Currency | Sold Currency | Forward Rate | Maturity Date | Fair Value (\$) | Counterparty | Credit Rating |
|---|-------------------|--------------|---------------|----------------------------|------------------------------------|---------------|
| CAD \$3,709,626 | USD \$3,000,000 | 1.23654 | 2021-08-12 | (5,346) | Canadian Imperial Bank of Commerce | A-1 |
| CAD \$1,888,747 | USD \$1,560,000 | 1.21074 | 2021-08-12 | (43,029) | Canadian Imperial Bank of Commerce | A-1 |
| CAD \$2,185,115 | USD \$1,800,000 | 1.21395 | 2021-08-12 | (43,858) | Canadian Imperial Bank of Commerce | A-1 |
| CAD \$3,232,199 | USD \$2,678,000 | 1.20695 | 2021-08-12 | (84,014) | Canadian Imperial Bank of Commerce | A-1 |
| CAD \$486,502,493 | USD \$402,454,000 | 1.20884 | 2021-08-12 | (11,863,289) | Canadian Imperial Bank of Commerce | A-1 |
| Unrealized loss on foreign exchange forward contracts at fair value | | | | <u>(12,039,536)</u> | | |
| Net unrealized gain (loss) on foreign exchange forward contracts at fair value | | | | <u>(12,039,536)</u> | | |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

FUND SPECIFIC NOTES

As at June 30, 2021 (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, 2021 and December 31, 2020.

| ASSETS (LIABILITIES) AT FAIR VALUE AS AT JUNE 30, 2021 | | | | |
|--|--------------------|------------------|---------------|--------------------|
| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
| Equities - Long | 992,189,537 | 11,143,881 | - | 1,003,333,418 |
| Bonds - Long | - | 4,232,739 | - | 4,232,739 |
| Options - Long | 1,374,018 | - | - | 1,374,018 |
| Equities - Short | (240,721,703) | - | - | (240,721,703) |
| Options - Short | (567,714) | - | - | (567,714) |
| Forward Contracts - Short | - | (12,039,536) | - | (12,039,536) |
| Total | 752,274,138 | 3,337,084 | - | 755,611,222 |

| ASSETS (LIABILITIES) AT FAIR VALUE AS AT DECEMBER 31, 2020 | | | | |
|--|--------------------|------------------|---------------|--------------------|
| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
| Equities - Long | 473,345,610 | 429,091 | - | 473,774,701 |
| Bonds - Long | - | 7,434,005 | - | 7,434,005 |
| Options - Long | 1,417,945 | - | - | 1,417,945 |
| Forward Contracts - Long | - | 2,049,515 | - | 2,049,515 |
| Equities - Short | (74,838,624) | - | - | (74,838,624) |
| Options - Short | (1,491,033) | - | - | (1,491,033) |
| Forward Contracts - Short | - | (10,249) | - | (10,249) |
| Total | 398,433,898 | 9,902,362 | - | 408,336,260 |

2. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following table shows the net impact of the Fund's statement 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, 2021 | | | | |
| Derivative assets - Foreign exchange forward contracts | - | - | - | - |
| Derivative liabilities - Foreign exchange forward contracts | (12,039,536) | - | - | (12,039,536) |
| December 31, 2020 | | | | |
| Derivative assets - Foreign exchange forward contracts | 2,049,515 | (10,249) | - | 2,039,266 |
| Derivative liabilities - Foreign exchange forward contracts | (10,249) | 10,249 | - | - |

3. 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 \$48,162,056 (December 31, 2020 - \$29,222,571). 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.

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

4. 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, 2021 and December 31, 2020 were as follows:

| FINANCIAL INSTRUMENTS | | | | | |
|---------------------------|----------------------|--------------------|-------------------------------------|---------------------|----------------------------------|
| June 30, 2021 Currency | Monetary \$ | Non-Monetary \$ | Forward Currency Contracts \$ | Total \$ | Percentage of Net Assets % |
| United States Dollar | (258,782,759) | 750,872,972 | (509,550,544) | (17,460,331) | -3.5% |
| Net Exposure | (258,782,759) | 750,872,972 | (509,550,544) | (17,460,331) | -3.5% |

| FINANCIAL INSTRUMENTS | | | | | |
|-------------------------------|-------------------|--------------------|-------------------------------------|--------------------|----------------------------------|
| December 31, 2020 Currency | Monetary \$ | Non-Monetary \$ | Forward Currency Contracts \$ | Total \$ | Percentage of Net Assets % |
| United States Dollar | 38,479,623 | 373,117,055 | (415,460,318) | (3,863,640) | -1.2% |
| Net Exposure | 38,479,623 | 373,117,055 | (415,460,318) | (3,863,640) | -1.2% |

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 \$873,017 (December 31, 2020 - \$193,182). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

5. INTEREST RATE RISK

If the yield curve had shifted in parallel by 1%, with all other variables held constant, net assets will increase or decrease by \$75,978 (December 31, 2020 - \$52,391). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at June 30, 2021 and December 31, 2020, the Fund's exposure to debt instruments by maturity were as follows:

| Debt Instruments by Maturity Date | June 30, 2021 (\$) | | |
|-----------------------------------|--------------------|-----------------|------------------|
| | Long Positions | Short Positions | Total |
| Greater than 5 years | 4,232,739 | - | 4,232,739 |
| Total | 4,232,739 | - | 4,232,739 |

| Debt Instruments by Maturity Date | December 31, 2020 (\$) | | |
|-----------------------------------|------------------------|-----------------|------------------|
| | Long Positions | Short Positions | Total |
| 3-5 years | 7,434,005 | - | 7,434,005 |
| Total | 7,434,005 | - | 7,434,005 |

6. CREDIT RISK

The following tables show debt as a percentage of net assets attributable to holders of redeemable units held under each credit rating. All counterparties to derivative contracts had a credit rating of A- or higher as at June 30, 2021 and December 31, 2020.

| Bond Ratings | June 30, 2021 | | |
|--------------|---------------|-------|-------|
| | Net | Long | Short |
| BB- | 0.84% | 0.84% | 0.00% |
| CCC+ | 0.00% | 0.00% | 0.00% |

| Bond Ratings | December 31, 2020 | | |
|--------------|-------------------|-------|-------|
| | Net | Long | Short |
| BB- | 0.00% | 0.00% | 0.00% |
| CCC+ | 2.30% | 2.30% | 0.00% |

The above credit ratings are obtained and disclosed from the rating services in the following hierarchical order: 1) Standard & Poor's; 2) Moody's; 3) Dominion Bond Rating Service, using first available. All cash is held with a financial institution with a minimum credit rating of A+.

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

7. CONCENTRATION RISK

The table below summarizes the Fund's concentration risk as a percentage of net assets attributable to holders of redeemable units as at June 30, 2021 and December 31, 2020.

| Jurisdiction | % of Net Assets | |
|-------------------------------|-----------------|-------------------|
| | June 30, 2021 | December 31, 2020 |
| LONG POSITIONS | 201.8% | 149.7% |
| Canadian Equities | 6.2% | 14.6% |
| Financials | 2.9% | 9.1% |
| Consumer Discretionary | 2.4% | 3.1% |
| Materials | 0.6% | 0.0% |
| Energy | 0.3% | 0.0% |
| Industrial | 0.0% | 1.6% |
| Communication Services | 0.0% | 0.8% |
| Global Equities | 194.5% | 131.8% |
| United States Equities | 120.7% | 82.5% |
| Financials | 59.5% | 55.9% |
| Information Technology | 30.8% | 16.6% |
| Health Care | 13.8% | 7.9% |
| Real Estate | 6.5% | 0.0% |
| Industrial | 4.9% | 1.7% |
| Materials | 4.9% | 0.0% |
| Consumer Discretionary | 0.3% | 0.0% |
| Energy | 0.0% | 0.3% |
| Consumer Staples | 0.0% | 0.1% |
| International Equities | 73.8% | 49.3% |
| Financials | 57.9% | 47.6% |
| Industrial | 7.9% | 1.6% |
| Real Estate | 5.5% | 0.0% |
| Information Technology | 2.5% | 0.1% |
| Corporate Bonds | 0.8% | 2.3% |
| United States | 0.8% | 2.3% |
| Derivatives | 0.3% | 1.0% |
| SHORT POSITIONS | -50.7% | -23.5% |
| Financials | -2.5% | 0.0% |
| Industrial | -2.3% | 0.0% |
| Materials | -0.6% | 0.0% |
| Consumer Discretionary | -0.1% | 0.0% |
| Utilities | -0.1% | 0.0% |
| Global Equities | -42.6% | -23.0% |
| United States Equities | -32.3% | -14.8% |
| Information Technology | -14.8% | -11.4% |
| Financials | -13.3% | -2.2% |
| Real Estate | -4.2% | 0.0% |
| Industrial | 0.0% | -0.7% |
| Communication Services | 0.0% | -0.3% |
| Energy | 0.0% | -0.2% |
| International Equities | -10.3% | -8.2% |
| Financials | -5.2% | -6.0% |
| Health Care | -5.1% | -2.2% |
| Derivatives | -2.5% | -0.5% |

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

8. LIQUIDITY RISK

The tables below categorize the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables 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, 2021 Financial Liabilities | On Demand \$ | < 3 months \$ | > 3 months \$ | Total \$ |
|--|-----------------|------------------|------------------|-------------|
| Short positions | 240,721,703 | - | - | 240,721,703 |
| Redemptions payable | 788,933 | - | - | 788,933 |
| Accrued liabilities and other payables | - | 9,131,561 | - | 9,131,561 |
| Derivative liabilities | 12,607,250 | - | - | 12,607,250 |
| Margin borrowings | 254,875,489 | - | - | 254,875,489 |
| Cash overdraft | 10,910,849 | - | - | 10,910,849 |

| December 31, 2020 Financial Liabilities | On Demand \$ | < 3 months \$ | > 3 months \$ | Total \$ |
|--|-----------------|------------------|------------------|-------------|
| Short positions | 74,838,624 | - | - | 74,838,624 |
| Redemptions payable | 34,156 | - | - | 34,156 |
| Accrued liabilities and other payables | - | 9,120,421 | - | 9,120,421 |
| Derivative liabilities | 1,501,282 | - | - | 1,501,282 |
| Margin borrowings | 164,690,746 | - | - | 164,690,746 |

9. FUND UNIT TRANSACTIONS

For the six month periods ended June 30 (unaudited)

| | 2021 | | 2020 | |
|--|------------------|-------------------|------------------|-------------------|
| | Class A | Class F | Class A | Class F |
| Units issued and outstanding, beginning of period | 2,382,865 | 23,693,765 | 881,362 | 7,554,501 |
| Units issued | 1,577,176 | 15,248,077 | 984,828 | 6,650,027 |
| Units redeemed | (414,855) | (4,855,499) | (502,433) | (3,969,954) |
| Units issued and outstanding, end of period | 3,545,186 | 34,086,343 | 1,363,757 | 10,234,574 |
| Weighted average number of units held during the period | 3,438,459 | 32,540,962 | 1,261,659 | 8,934,697 |

10. COMMISSIONS

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

| | 2021 | 2020 |
|-------------------------|-------|------|
| Brokerage commissions | 1,216 | - |
| Soft Dollar commissions | 125 | - |

11. TAX LOSS CARRY FORWARDS

As at December 31 (in \$000)

| | 2020 |
|----------------------------------|------|
| Net capital losses carry forward | - |
| Non-capital losses carry forward | - |

12. LEVERAGE

During the six month period ended June 30, 2021, the Fund's aggregate exposure reached a low of 46.52% (year ended 2020 - 68.45%) and a high of 113.86% (year ended 2020 - 133.30%) of the Fund's NAV.

As at June 30, 2021, the Fund's aggregate exposure was 108.94% (December 31, 2020 - 68.45%) 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, 2021 (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 27, 2021.

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

Unitholders of the Fund approved the change of manager from Vertex to the Manager at a special meeting of the Fund's unitholders on November 28, 2019. Further details of the Transaction were provided in a management information circular that was sent to unitholders in connection with the meetings as required by securities regulations, which is also available under the Fund's profile at www.sedar.com. On closing of the Transaction, the Manager became the investment fund manager and Portfolio Advisor of the Fund.

The Fund may issue an unlimited number of classes or series and may issue an unlimited number of units of each class or series. The Fund has created Class A (formerly Class B) and Class F units.

Class A units are available to all investors. Class F units have lower fees than Class A units and are generally available only to investors who have fee-based accounts with dealers who have been approved by us to sell Class F units. As at June 30, 2021, the Fund currently has 2 classes of units: Class A and Class F.

The investment objective of the Fund is to generate consistent, positive returns, with 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 financial statements have been prepared in accordance with those requirements of International Financial Reporting Standards. The 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.

(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

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2021 (unaudited)

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.

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

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2021 (unaudited)

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, 2021, the total value of securities held as collateral was \$287,502,865 (December 31, 2020 - \$140,321,997). 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.

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

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

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2021 (unaudited)

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

The derivative agreements are valued each day by applying the value of the Reference Fund versus the notional cost amount less outstanding forward fees. The derivatives agreements are fair valued using the NAV of the Class I units of the Reference Fund at each valuation date. All unrealized gains (losses) from the derivative agreements are included in Net change in unrealized appreciation (depreciation) on investments, 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 are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

Picton Mahoney has determined that all of the underlying funds in which the Fund invests are unconsolidated structured entities. In making this determination, Picton Mahoney evaluated the fact that decision making about the underlying funds' activities is not governed by voting or similar rights held by the Fund and other investors in any underlying funds.

The Fund may invest in underlying funds whose investment objectives range from achieving short- to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives. Underlying funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportionate stake in the respective fund's net assets. The Fund's interests in underlying funds as at June 30, 2021 and December 31, 2020, 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, 2021 and December 31, 2020, the Fund held or had exposure to long and short equity positions in publicly traded companies whose securities are actively traded on a recognized public exchange. Equities are susceptible to price risk arising from uncertainties about future prices of those instruments (other than those arising from interest rate risk or currency risk).

Short sales entail certain risks, including the risk that a short sale of a security may expose a Fund to losses if the value of the security increases. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. In addition, a short sale by a Fund requires the Fund to borrow securities in order that the short sale may be transacted. There is no assurance that the lender of the securities will not require the security to

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2021 (unaudited)

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, 2021 and December 31, 2020, all receivables for investments sold, dividends receivable, due from manager, due from manager, deposits with brokers for securities sold short, and cash are held with counterparties with a good credit quality and are due to be settled within one week. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Liquidity Risk:

Liquidity risk is the risk that a Fund will not be able to generate sufficient cash availability to execute its payment obligations. The Fund primarily

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

Concentration risk:

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

Leverage Risk:

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

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

5. CAPITAL MANAGEMENT

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

6. REDEEMABLE UNIT TRANSACTIONS

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

Investors may be admitted to the Fund or may acquire additional Units on a daily basis. Units of the Fund are offered at the Class Net Asset Value per Unit calculated as of the applicable Valuation Date. The minimum initial investment in the Fund is \$2,000 for all Classes and the Manager has the discretion to accept a lesser initial subscription, provided, in

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2021 (unaudited)

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 and Class F 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 11 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.

Management Fee Distributions

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

(b) Performance Fees

The Manager is entitled to a performance fee in relation to each Class A Units and Class F Units that is equal to 15% of the amount by which the total

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2021 (unaudited)

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 ended June 30, 2021, the Fund incurred performance fees of \$9,775,559 plus applicable taxes.

(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.

11. COMPARATIVE FIGURES

For the period ended June 30, 2020, the Fund reported HST expenses in "Performance fees", "Management fees", "Securityholder reporting costs", "Other administrative expenses", "Audit fees", "Custody fees", "Legal fees", "Trustee fees" and "IRC fees" on the Statement of Comprehensive Income. For the period ended June 30, 2021, the Fund reported such expenses in "Harmonized sales tax" and revised the comparative amounts to conform to the current year presentation.

For the period ended June 30, 2020, the Fund reported trustee and administrative expenses in "Trustee fees" and "Other administrative expenses", respectively, on the Statements of Comprehensive Income. For the period ended June 30, 2021, the Fund reported such expenses in "Administrative fees" and revised the comparative amounts to conform to the current year presentation.

For the period ended June 30, 2020, the Fund reported securities borrowing fees and interest expenses in "Securities borrowing fees" and "Interest expense", respectively, on the Statements of Comprehensive Income. For the period ended June 30, 2021, the Fund reported such expenses in "Interest and borrowing expense" and revised the comparative amounts to conform to the current year presentation.

For the period ended June 30, 2020, the Fund reported net foreign exchange gain (loss) on cash in "Foreign exchange gain on cash" and "Change in unrealized foreign exchange gain on cash" on the Statements of Comprehensive Income. For the period ended June 30, 2021, the Fund reported such amounts in "Foreign currency gain (loss) on cash and other assets and liabilities" and revised the comparative amounts to conform to the current year presentation.

For the period ended June 30, 2020, the Fund reported realized gain (loss) on options and forwards in "Net realized gain on investments and derivatives" on the Statements of Comprehensive Income. For the period ended June 30, 2021, the Fund reported the realized gain (loss) on options in "Net realized gain (loss) on investments and options" and realized gain (loss) on forwards in "Net realized gain (loss) on foreign exchange forward contracts" and revised the comparative amounts to conform to the current year presentation. "Net realized (gain) loss on investments and options" and "Proceeds from sales of long positions and on investments sold short" on the Statements of Cash Flows have also been revised to conform to the presentation on the Statements of Comprehensive Income.

For the period ended June 30, 2020, the Fund reported investments and investments pledged as collateral in "Investments" and "Investments, Pledged as Collateral", respectively, on the Statements of Financial Position. For the period ended June 30, 2021, the Fund reported all investments in "Long Positions at fair value" and reported the value of investments pledged as collateral in the notes to the financial statements. The Fund revised the comparative amounts to conform to the current year presentation.

**THINK AHEAD.
STAY AHEAD.**



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