

FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND



**THINK AHEAD.
STAY AHEAD.**

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MANAGEMENT'S RESPONSIBILITY STATEMENT

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

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

Picton Mahoney Asset Management

Toronto, Ontario

August 29, 2022

NOTICE TO UNITHOLDERS

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 MARKET NEUTRAL ALTERNATIVE FUND

STATEMENTS OF FINANCIAL POSITION

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

	June 30, 2022 \$	December 31, 2021 \$
Assets		
Current assets		
Long positions at fair value*	655,898,048	486,901,293
Cash	283,391,815	76,964,962
Options purchased	11,719,595	5,610,432
Unrealized gain on futures contracts	13,805,992	-
Deposits with brokers for securities sold short	212,671,685	173,670,712
Subscriptions receivable	10,234,640	1,646,555
Receivable for investments sold	7,001,075	11,161,757
Dividends receivable	839,233	607,942
	1,195,562,083	756,563,653
Liabilities		
Current liabilities		
Short positions at fair value**	370,234,336	251,495,560
Options written	8,892,637	3,181,475
Unrealized loss on futures contracts	-	4,619,027
Management fee payable	2,024,737	319,695
Performance fee payable	-	909,479
Redemptions payable	1,942,031	321,167
Accrued liabilities	169,427	170,667
Payable for investments purchased	2,416,990	3,143,476
Interest payable	501	410
Dividends payable	558,557	266,434
	386,239,216	264,427,390
Net Assets Attributable to Holders of Redeemable Units	809,322,867	492,136,263
Net Assets Attributable to Holders of Redeemable Units per Class		
Class A	56,899,271	49,077,178
Class F	617,791,610	360,105,280
Class FT****	9,306,419	9,084,746
Class I	32,637,093	16,321,315
Class ETF	92,688,474	57,547,744
Number of Redeemable Units Outstanding		
Class A	4,527,849	3,900,319
Class F	47,499,417	27,777,580
Class FT****	951,062	912,824
Class I	2,293,072	1,157,614
Class ETF	7,400,000	4,610,000
Net Assets Attributable to Holders of Redeemable Units per Unit		
Class A	12.57	12.58
Class F	13.01	12.96
Class FT****	9.79	9.95
Class I	14.23	14.10
Class ETF***	12.53	12.48
	695,118,631	421,160,792
	(449,040,113)	(261,530,060)
	12.55	12.49

* Long positions, at cost

** Short positions, at cost

*** Closing Market Price (TSX)

****Class FT units were first issued on July 8, 2021.

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

Approved on behalf of the Manager

David Picton

Arthur Galloway




President

CFO

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STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the six month periods ended June 30 (unaudited)

	2022 \$	2021 \$
Income		
Net gains (losses) on investments and derivatives		
Interest for distribution purposes	420,231	42,742
Dividends	5,071,825	2,095,528
Net realized gain (loss) on investments and options	8,905,654	9,412,354
Net realized gain (loss) on futures contracts	15,246,320	(13,240,052)
Change in unrealized appreciation (depreciation) on investments, options and futures contracts	(17,203,968)	19,861,996
Interest and borrowing expense	(1,109,175)	(443,726)
Dividend expense	(4,145,033)	(1,547,012)
Net gains (losses) on investments and derivatives	7,185,854	16,181,830
Other income		
Foreign currency gain (loss) on cash and other assets and liabilities	859,080	(624,059)
Total Income	8,044,934	15,557,771
Expenses		
Transaction costs	3,365,965	1,245,457
Management fees	3,198,232	1,302,560
Performance fees	476,370	1,748,911
Harmonized sales tax	427,665	332,056
Administrative fees	197,882	85,100
Securityholder reporting fees	114,100	90,810
Withholding taxes	90,713	61,051
Audit fees	55,640	16,190
Legal fees	30,770	25,430
Independent Review Committee fees	4,344	3,799
Total Expense before Manager Absorption	7,961,681	4,911,364
Less: Expenses Absorbed by Manager	-	-
Total Expense after Manager Absorption	7,961,681	4,911,364
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	83,253	10,646,407
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class		
Class A	(105,581)	963,324
Class F	(52,927)	8,081,740
Class FT****	10,932	-
Class I	115,778	659,785
Class ETF	115,051	941,558
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Class A	(0.02)	0.46
Class F	-	0.51
Class FT****	0.01	-
Class I	0.06	0.77
Class ETF	0.02	0.46

****Class FT units were first issued on July 8, 2021.

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

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

For the six month periods ended June 30 (unaudited)

	2022 \$	2021 \$		2022 \$	2021 \$
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period			Distributions to Holders of Redeemable Units		
Class A	49,077,178	19,711,051	Net investment income		
Class F	360,105,280	130,515,722	Class A	-	-
Class FT****	9,084,746	-	Class F	-	-
Class I	16,321,315	12,070,941	Class FT****	(274,108)	-
Class ETF	57,547,744	15,198,910	Class I	-	-
	<u>492,136,263</u>	<u>177,496,624</u>	Class ETF	-	-
				<u>(274,108)</u>	<u>-</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units			Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>317,186,604</u>	<u>163,061,635</u>
Class A	(105,581)	963,324			
Class F	(52,927)	8,081,740	Net Assets Attributable to Holders of Redeemable Units at End of Period		
Class FT****	10,932	-	Class A	56,899,271	33,158,087
Class I	115,778	659,785	Class F	617,791,610	255,588,014
Class ETF	115,051	941,558	Class FT****	9,306,419	-
	<u>83,253</u>	<u>10,646,407</u>	Class I	32,637,093	11,730,726
			Class ETF	92,688,474	40,081,432
Redeemable Unit Transactions			Net Assets Attributable to Holders of Redeemable Units at End of Period	<u>809,322,867</u>	<u>340,558,259</u>
Proceeds from redeemable units issued					
Class A	14,807,608	14,471,150			
Class F	319,785,094	139,624,761			
Class FT****	8,265,598	-			
Class I	19,350,000	-			
Class ETF	42,303,454	25,389,772			
	<u>404,511,754</u>	<u>179,485,683</u>			
Reinvestments of distributions to holders of redeemable units					
Class A	-	-			
Class F	-	-			
Class FT****	2,758	-			
Class I	-	-			
Class ETF	-	-			
	<u>2,758</u>	<u>-</u>			
Redemption of redeemable units					
Class A	(6,879,934)	(1,987,438)			
Class F	(62,045,837)	(22,634,209)			
Class FT****	(7,783,507)	-			
Class I	(3,150,000)	(1,000,000)			
Class ETF	(7,277,775)	(1,448,808)			
	<u>(87,137,053)</u>	<u>(27,070,455)</u>			
Net Increase (Decrease) from Redeemable Unit Transactions	<u>317,377,459</u>	<u>152,415,228</u>			

****Class FT units were first issued on July 8, 2021.

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

STATEMENTS OF CASH FLOWS

For the six month periods ended June 30 (unaudited)

	2022 \$	2021 \$
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	83,253	10,646,407
Adjustments for:		
Unrealized foreign exchange (gain) loss on cash	(759,897)	369,718
Net realized (gain) loss on investments and options	(8,905,654)	(9,412,354)
Change in unrealized (appreciation) depreciation on investments, options and futures contracts	17,203,968	(19,861,996)
(Increase) decrease in due from manager	-	44,995
(Increase) decrease in interest and other receivables	-	6,474
(Increase) decrease in dividends receivable	(231,291)	(178,405)
(Increase) decrease in deposits with brokers for securities sold short	(39,000,973)	(29,532,238)
Increase (decrease) in interest payable	91	-
Increase (decrease) in dividends payable	292,123	103,434
Increase (decrease) in other payables and accrued liabilities	1,703,802	769,171
Increase (decrease) in performance fee payable	(909,479)	(2,514,036)
Purchase of long positions and repurchases of investments sold short	(1,036,815,153)	(472,343,673)
Proceeds from sales of long positions and on investments sold short	962,870,036	420,773,360
Net Cash Generated (Used) by Operating Activities	(104,469,174)	(101,129,143)
Cash Flows from Financing Activities		
Distributions to holders of redeemable units, net of reinvested distributions	(271,350)	-
Proceeds from redeemable units issued	386,377,321	177,487,388
Amount paid on redemption of redeemable units	(75,969,841)	(25,694,947)
Net Cash Generated (Used) by Financing Activities	310,136,130	151,792,441
Unrealized foreign exchange gain (loss) on cash	759,897	(369,718)
Net increase (decrease) in cash	205,666,956	50,663,298
Cash, beginning of period	76,964,962	23,311,984
Cash, End of Period	283,391,815	73,605,564
Cash	283,391,815	73,605,564
Cash overdraft	-	-
Net Cash (Overdraft)	283,391,815	73,605,564
Items classified as operating activities:		
Interest received, net of withholding tax	420,231	49,216
Dividends received, net of withholding tax	4,749,821	1,856,072
Interest and borrowing expense paid	(1,109,084)	(443,726)
Dividends paid	(3,852,910)	(1,443,578)

Net of non-cash transfers and switches of \$9,546,348 (2021 - \$1,466,399)

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
LONG POSITIONS (82.6%)									
Canadian Equities (56.0%)									
Energy (7.5%)									
	261,600	Advantage Energy Ltd.	2,300,837	2,092,800		37,400	Prime Mining Corp., Warrants, 2024-04-27	-	-
	91,800	Cameco Corp.	2,614,662	2,484,108		129,100	Solaris Resources Inc.	1,347,804	963,086
	89,100	Canadian Natural Resources Ltd.	6,410,310	6,163,047		90,700	Sprott Physical Uranium Trust	1,330,076	1,258,009
	77,500	Cenovus Energy Inc.	1,258,110	1,897,975		125,700	SSR Mining Inc.	3,008,414	2,702,550
	75,700	Enbridge Inc.	3,555,209	4,115,052		77,600	Wheaton Precious Metals Corp.	4,272,139	3,599,088
	66,700	Enerplus Corp.	1,114,657	1,134,567				62,659,766	55,718,489
	756,900	Freehold Royalties Ltd.	8,050,105	9,642,906	Industrial (8.1%)				
	416,200	MEG Energy Corp.	5,214,399	7,416,684		139,400	ATS Automation Tooling Systems Inc.	5,506,544	4,927,790
	190,000	NexGen Energy Ltd.	1,141,744	877,800		30,800	Badger Infrastructure Solutions Ltd.	931,089	869,792
	196,800	North American Construction Group Ltd.	3,225,248	2,780,784		9,900	Boyd Group Services Inc.	1,613,411	1,372,734
	138,300	Parkland Corp.	5,040,094	4,834,968		180,900	Canadian Pacific Railway Ltd.	16,194,945	16,264,719
	80,900	Suncor Energy Inc.	3,699,514	3,653,444		14,000	Cargojet Inc.	2,411,260	1,995,140
	1,004,266	Tidewater Midstream and Infrastructure Ltd.	1,368,344	1,315,588		65,900	Drone Delivery Canada Corp., Warrants, 2022-08-05	-	4,613
	52,300	Tidewater Renewables Ltd.	783,629	598,835		71,300	Hardwoods Distribution Inc.	2,721,196	2,014,938
	169,600	Tourmaline Oil Corp.	5,737,492	11,351,328		82,400	Heroux-Devtek Inc.	1,236,672	1,145,360
			51,514,354	60,359,886		53,242	Lion Electric Co.	414,116	289,142
						96,463	Lion Electric Co, Warrants, 2027-04-30	127,862	108,257
Materials (6.9%)						11,200	TFI International Inc.	1,455,836	1,157,296
	278,000	Aris Gold Corp., Warrants, 2025-07-29	-	86,180		61,494	Thomson Reuters Corp.	7,527,400	8,251,880
	176,900	Barrick Gold Corp.	4,937,978	4,026,244		50,850	Toromont Industries Ltd.	5,285,716	5,292,468
	482,100	Capstone Copper Corp.	2,922,022	1,566,825		71,100	Waste Connections Inc.	10,798,707	11,347,560
	83,700	CCL Industries Inc.	5,127,493	5,092,308		74,400	WSP Global Inc.	11,022,614	10,828,176
	73,650	Critical Elements Lithium Corp., Warrants, 2023-11-02	-	-				67,247,368	65,869,865
	152,250	Discovery Metals Corp., Warrants, 2022-08-07	-	-	Consumer Discretionary (3.3%)				
	251,900	Discovery Silver Corp.	313,928	289,685		58,200	Aritzia Inc.	2,299,997	2,028,270
	372,800	First Quantum Minerals Ltd.	9,177,515	9,103,776		48,400	AutoCanada Inc.	1,463,103	1,188,704
	43,600	Franco-Nevada Corp.	7,908,190	7,382,352		17,600	BRP Inc.	1,557,816	1,394,272
	89,000	Freemgold Ventures Ltd., Warrants, 2022-07-29	-	-		105,800	Gildan Activewear Inc.	5,012,721	3,919,890
	202,700	Frontier Lithium Inc.	595,659	466,210		137,100	Park Lawn Corp.	4,482,858	4,666,884
	428,800	GoGold Resources Inc.	1,242,801	879,040		113,466	Pet Valu Holdings Ltd.	3,221,520	3,506,099
	140,000	Hudbay Minerals Inc.	1,216,977	735,000		179,400	Spin Master Corp.	8,082,015	7,536,594
	239,100	i-80 Gold Corp.	671,871	554,712		91,600	Uni-Select Inc.	2,027,396	2,619,760
	132,300	K92 Mining Inc.	764,932	1,027,971				28,147,426	26,860,473
	234,700	Karora Resources Inc.	956,465	779,204	Consumer Staples (2.5%)				
	328,100	Major Drilling Group International Inc.	2,987,909	2,962,743		96,900	Alimentation Couche-Tard Inc.	5,060,124	4,865,349
	165,400	Neo Performance Materials Inc.	2,734,539	2,055,922		31,630	Flow Beverage Corp., Warrants, 2023-06-29	-	158
	59,300	Nutrien Ltd.	5,827,931	6,078,843		73,300	George Weston Ltd.	10,375,514	11,022,121
	1,060,200	OceanaGold Corp.	2,712,344	2,618,694		157,285	Neighbourly Pharmacy Inc.	4,421,480	3,853,483
	200,400	Orla Mining Ltd.	946,154	705,408		18,250	TPCO Holding Corp., Warrants, 2026-01-15	4,761	2,001
	58,500	Osisko Development Corp.	780,975	362,115		179,305	Waterloo Brewing Ltd.	860,206	735,151
	175,500	Osisko Development Corp., Warrants, 2027-03-02	-	-				20,722,085	20,478,263
	20,050	Osisko Mining Inc., Warrants	-	-	Health Care (0.4%)				
	95,300	Pan American Silver Corp., Rights, 2029-02-22	85,973	87,233		16,900	Carebook Technologies Inc., Warrants	-	-
	205,700	Prime Mining Corp.	789,677	335,291					

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	10,800	Charlottes Web Holdings Inc., Warrants	-	54					
	116,700	Chartwell Retirement Residences	1,467,627	1,301,205					
	47,127	Cronos Group Inc.	279,556	169,657					
	11,200	Green Organic Dutchman Holdings Ltd., Warrants, 2022-12-19	-	112					
	88,700	HEXO Corp., Warrants	-	-					
	14,500	HEXO Corp., Warrants, 2025-05-21	-	-					
	501,500	kneat.com Inc.	1,504,304	1,303,900					
	30,500	Mind Medicine MindMed Inc., Warrants, 2024-01-07	-	1,678					
	34,100	Spectral Medical Inc., Warrants	-	-					
	33,535	Zymeworks Inc.	774,531	229,271					
			<u>4,026,018</u>	<u>3,005,877</u>					
		Financials (12.3%)							
	124,700	Bank of Montreal	17,559,942	15,435,366					
	114,800	Brookfield Asset Management Inc.	7,408,532	6,573,448					
	74,400	Canadian Western Bank	2,601,324	1,936,632					
	151,100	Dominion Lending Centres Inc.	614,167	513,740					
	1,390,416	Element Fleet Management Corp.	17,422,222	18,659,387					
	48,500	EQB Inc.	3,348,059	2,530,730					
	99,400	iA Financial Corp. Inc.	6,315,866	6,363,588					
	44,700	Intact Financial Corp.	6,235,052	8,115,732					
	60,600	National Bank of Canada	5,597,465	5,118,882					
	197,053	Osisko Green Acquisition Ltd.	1,950,825	1,919,296					
	14,346	Osisko Green Acquisition Ltd., Warrants	-	1					
	98,526	Osisko Green Acquisition Ltd., Warrants, 2026-07-19	19,705	48,278					
	107,800	Royal Bank of Canada	13,270,161	13,436,192					
	45,600	Sun Life Financial Inc.	2,714,401	2,689,488					
	456,400	Trisura Group Ltd.	13,254,382	15,211,812					
			<u>98,312,103</u>	<u>98,552,572</u>					
		Information Technology (3.9%)							
	204,900	Celestica Inc.	2,956,958	2,565,348					
	37,300	CGI Inc.	3,923,624	3,824,742					
	2,825	Constellation Software Inc.	5,380,430	5,398,208					
	64,300	Descartes Systems Group Inc.	5,584,772	5,143,357					
	32,593	Docebo Inc.	1,799,289	1,204,963					
	35,500	Dye & Durham Ltd.	973,884	772,125					
	28,600	Kinaxis Inc.	4,401,167	3,974,256					
	72,100	Magnet Forensics Inc.	1,931,722	1,245,167					
	48,600	Nuvei Corp.	4,527,164	2,260,872					
	27,000	Shopify Inc.	1,267,334	1,085,940					
	126,300	TELUS International CDA Inc.	4,390,650	4,079,490					
			<u>37,136,994</u>	<u>31,554,468</u>					
		Communication Services (2.6%)							
	139,500	FansUnit Entertainment Inc., Warrants, 2024-07-15	-	-					
	127,900	MDF Commerce Inc.	1,312,726	289,054					
	74,200	Quebecor Inc.	2,151,090	2,041,242					
	174,000	Rogers Communications Inc.	11,308,242	10,732,320					
	264,500	TELUS Corp.	8,396,721	7,583,215					
			<u>23,168,779</u>	<u>20,645,831</u>					
		Utilities (3.3%)							
	501,100	AltaGas Ltd.	12,381,757	13,609,876					
	81,700	Boralex Inc.	3,113,254	3,503,296					
	86,700	Hydro One Ltd.	2,811,355	3,000,687					
	98,000	Polaris Infrastructure Inc.	1,987,082	1,908,060					
	342,200	TransAlta Corp.	3,926,945	5,026,918					
			<u>24,220,393</u>	<u>27,048,837</u>					
		Real Estate (3.2%)							
	90,400	Boardwalk Real Estate Investment Trust	3,736,991	3,785,952					
	133,880	BSR Real Estate Investment Trust	2,524,674	2,588,763					
	34,016	Colliers International Group Inc.	4,352,972	4,797,276					
	111,200	Dream Industrial Real Estate Investment Trust	1,500,936	1,343,296					
	18,400	FirstService Corp.	3,231,574	2,872,976					
	115,200	Flagship Communities REIT	2,554,469	2,279,570					
	49,600	Granite Real Estate Investment Trust	4,169,762	3,915,920					
	83,100	H&R Real Estate Investment Trust	1,109,684	1,034,595					
	296,300	InterRent Real Estate Investment Trust	4,169,175	3,552,637					
			<u>27,350,237</u>	<u>26,170,985</u>					
		Index Equivalents (0.0%)							
	70,700	CI Galaxy Ethereum ETF	876,847	335,825					
		Investment Funds (2.0%)							
	1,644,268	Picton Mahoney Fortified Alpha Alternative Fund, Class I Units**	16,442,677	16,178,772					
		Total Canadian Equities - Long	461,825,047	452,780,143					
		Canadian Debt (0.1%)							
		Corporate Bonds (0.1%)							
USD	757,086	Aris Gold Corp. 7.500%, 2027-08-26	989,202	976,608					
		Total Canadian Debt - Long	989,202	976,608					
		Global Equities (25.1%)							
		United States Equities (21.4%)							
	30,550	Abbott Laboratories	4,610,743	4,281,697					
	10,900	Abbvie Inc.	2,046,531	2,153,510					
	31,100	Advanced Micro Devices Inc.	3,717,660	3,067,796					

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	13,900	Agilent Technologies Inc.	2,371,458	2,129,593		52,816	Northern Genesis		
	27,600	Alcoa Corp.	2,076,939	1,622,775			Sponsor III LLC, Warrants	98,988	102,196
	1,240	Alphabet Inc., Class A	3,742,561	3,485,826		10,100	NVIDIA Corp.	2,097,707	1,974,999
	11,800	Amylyx Pharmaceuticals Inc.	301,130	293,166		39,100	Olaplex Holdings Inc.	764,887	710,661
	55,100	Apollo Global Management Inc.	4,247,905	3,445,793		98,000	Option Care Health Inc.	3,059,870	3,513,093
	6,400	Arista Networks Inc.	961,016	773,891		6,500	Palo Alto Networks Inc.	4,435,295	4,141,547
	13,000	Arthur J Gallagher & Co.	2,643,223	2,734,088		3,200	Paycom Software Inc.	1,216,203	1,156,296
	9,900	Aspen Aerogels Inc.	396,852	126,173		28,300	Performance Food Group Co.	1,725,416	1,678,535
	50,400	BellRing Brands Inc.	1,560,527	1,618,194		1,966	Pershing Square Tontine Holdings Ltd., Warrants	-	1,091
	1,700	Broadcom Inc.	1,307,912	1,065,345		27,700	Phillips 66	3,091,845	2,929,650
	83,400	CCC Intelligent Solutions Holdings Inc.	907,285	989,758		25,150	Pinterest Inc.	1,119,063	589,154
	4,500	Charles River Laboratories International Inc.	1,560,581	1,242,054		1,600	Pool Corp.	797,187	724,914
	9,100	Cheniere Energy Inc.	1,382,319	1,561,586		10,900	Procter & Gamble Co.	2,002,842	2,021,763
	11,100	Clear Secure Inc.	534,539	286,370		31,700	Progressive Corp.	4,534,452	4,754,468
	10,300	CME Group Inc.	2,738,039	2,719,757		14,300	Quanta Services Inc.	2,340,355	2,312,069
	17,900	Colgate-Palmolive Co.	1,810,787	1,850,450		8,800	RBC Bearings Inc.	2,299,025	2,099,481
	28,000	Copart Inc.	4,113,868	3,924,667		6,200	Roper Technologies Inc.	3,292,026	3,156,304
	5,300	CrowdStrike Holdings Inc.	1,040,055	1,152,406		16,700	SeaWorld Entertainment Inc.	1,389,069	951,738
	12,200	Danaher Corp.	4,033,279	3,989,763		7,100	ServiceNow Inc.	4,651,812	4,355,140
	8,000	Datadog Inc.	1,158,105	982,844		83,100	Simply Good Foods Co.	3,772,142	4,048,769
	10,250	Deere & Co.	4,114,558	3,959,608		13,100	SiteOne Landscape Supply Inc.	2,838,430	2,008,716
	11,200	Dollar Tree Inc.	2,083,053	2,251,645		7,709	SolarEdge Technologies Inc.	2,705,296	2,721,549
	26,600	Doximity Inc.	1,631,773	1,194,773		13,300	Spirit Realty Capital Inc.	711,452	648,170
	7,600	Edwards Lifesciences Corp.	1,175,772	932,231		13,500	Sprout Social Inc.	1,180,854	1,011,255
	13,050	Eli Lilly & Co.	4,170,475	5,458,065		4,625	Synopsys Inc.	1,286,809	1,811,889
	189,171	Embark Technology Inc., Warrants, 2027-12-31	203,262	31,162		40,100	Targa Resources Corp.	3,033,095	3,086,565
	7,200	Expedia Group Inc.	1,579,551	880,751		20,100	TJX Cos Inc.	1,695,163	1,448,086
	6,700	FedEx Corp.	2,051,000	1,959,388		41,900	Travel + Leisure Co.	2,657,280	2,098,189
	20,300	First Republic Bank	3,987,490	3,776,038		39,800	TreeHouse Foods Inc.	1,921,526	2,147,050
	30,900	Flywire Corp.	1,045,832	702,726		3,850	Ulta Beauty Inc.	1,969,417	1,914,422
	5,000	Gartner Inc.	1,621,159	1,559,751		11,000	United Rentals Inc.	3,736,489	3,446,776
	4,795	Generac Holdings Inc.	1,685,527	1,302,509		5,180	UnitedHealth Group Inc.	3,195,954	3,432,062
	37,900	HealthEquity Inc.	2,999,247	3,001,317		2,700	Vertex Pharmaceuticals Inc.	841,060	981,441
	3,900	Intellia Therapeutics Inc.	481,286	260,396		58,100	Vintage Wine Estates Inc.	806,687	589,079
	8,600	Intuitive Surgical Inc.	2,925,225	2,226,601		10,500	Vintage Wine Estates Inc., Warrants, 2024-12-31	-	19,640
	7,400	LPL Financial Holdings Inc.	1,809,914	1,760,987		99,400	Vivid Seats Inc.	1,233,562	957,816
	17,500	Maravai LifeSciences Holdings Inc.	1,012,165	641,334		19,700	W R Berkley Corp.	1,382,613	1,734,633
	61,700	Marvell Technology Inc.	4,308,415	3,464,566		55,663	WillScot Mobile Mini Holdings Corp.	1,680,029	2,327,848
	7,650	Mastercard Inc.	3,414,128	3,113,209		3,256	Wolfspeed Inc.	461,497	266,496
	13,061	Match Group Inc.	1,306,918	1,174,146		11,340	Zoetis Inc.	2,507,205	2,514,425
	14,100	Microsoft Corp.	4,580,391	4,671,323				<u>182,395,435</u>	<u>172,489,682</u>
	5,000	Motorola Solutions Inc.	1,309,339	1,351,874			International Equities (3.7%)		
	6,500	MSCI Inc.	3,659,429	3,455,761		495,500	Alphamin Resources Corp.	632,213	411,265
	115,000	Northern Genesis Acquisition Corp. III	1,443,599	1,453,781		119,700	Brookfield Infrastructure Partners LP	5,040,791	5,886,846
	28,750	Northern Genesis Acquisition Corp. III, Warrants, 2027-12-31	-	12,053		96,150	Brookfield Renewable Partners LP	4,319,669	4,300,790
	17,046	Northern Genesis Sponsor II LLC	8	8,207		629,738	Centaurus Metals Ltd.	598,186	516,705
	26,495	Northern Genesis Sponsor III LLC	3	3		587,602	Champion Iron Ltd.	2,260,942	2,773,481
						8,100	CyberArk Software Ltd.	1,367,881	1,337,009
						124,206	Endeavour Mining PLC	3,786,138	3,307,606
						23,200	Horizon Therapeutics Plc	3,011,078	2,386,977

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	118,500	International Game Technology PLC	3,261,472	2,837,079		(1,639)	GDI Integrated Facility Services Inc.	(77,700)	(74,837)
	141,800	ReNew Energy Global PLC	1,387,257	1,183,465		(2,391)	GFL Environmental Inc.	(84,074)	(79,286)
	992,900	Talon Metals Corp.	486,922	506,379		(2,529)	K-Bro Linen Inc.	(79,660)	(81,763)
	61,900	Triton International Ltd.	4,592,292	4,204,013		(36,229)	Savaria Corp.	(495,153)	(472,426)
			30,744,841	29,651,615		(3,366)	SNC-Lavalin Group Inc.	(80,830)	(74,523)
		Total Global Equities - Long	213,140,276	202,141,297				(5,430,978)	(4,614,794)
		Options (1.4%)					Consumer Discretionary (-0.9%)		
		Total Purchased Options - Refer to Appendix A	19,737,904	11,719,595		(18,800)	Canadian Tire Corp. Ltd.	(3,118,926)	(3,053,120)
		Transaction Costs	(573,798)	-		(1,014)	Magna International Inc.	(79,577)	(71,670)
		Total Long Positions	695,118,631	667,617,643		(3,412)	Pollard Banknote Ltd.	(77,257)	(68,820)
						(5,898)	Recipe Unlimited Corp.	(79,443)	(73,725)
						(58,927)	Restaurant Brands International Inc.	(4,264,950)	(3,804,916)
								(7,620,153)	(7,072,251)
		SHORT POSITIONS (-46.9%)					Consumer Staples (-1.1%)		
		Canadian Equities (-19.3%)				(8,000)	GURU Organic Energy Corp.	(72,581)	(64,080)
		Energy (-3.2%)				(654)	Lassonde Industries Inc.	(77,996)	(77,865)
	(370,100)	Baytex Energy Corp.	(2,787,039)	(2,313,125)		(27,100)	Loblaw Cos Ltd.	(2,878,090)	(3,146,039)
	(329,000)	Birchcliff Energy Ltd.	(3,089,528)	(2,878,750)		(79,700)	Metro Inc.	(5,165,573)	(5,506,473)
	(190,887)	Ensign Energy Services Inc.	(423,028)	(643,289)		(838)	Premium Brands Holdings Corp.	(81,043)	(78,177)
	(100)	Imperial Oil Ltd.	(6,199)	(6,068)		(4,563)	Primo Water Corp.	(79,674)	(78,438)
	(88,300)	Keyera Corp.	(2,733,611)	(2,596,020)		(2,948)	Saputo Inc.	(77,907)	(82,750)
	(102,800)	Obsidian Energy Ltd.	(797,614)	(1,021,832)				(8,432,864)	(9,033,822)
	(88,400)	Paramount Resources Ltd.	(3,099,034)	(2,717,416)			Health Care (-0.1%)		
	(103,700)	Parex Resources Inc.	(2,645,302)	(2,260,660)		(125,791)	Aurora Cannabis Inc.	(1,030,855)	(213,845)
	(47,900)	PrairieSky Royalty Ltd.	(913,458)	(776,459)		(61,700)	Curaleaf Holdings Inc.	(467,076)	(401,667)
	(174,500)	Secure Energy Services Inc.	(1,075,230)	(1,047,000)		(6,522)	dentalcorp Holdings Ltd.	(74,659)	(77,677)
	(25,900)	TC Energy Corp.	(1,678,587)	(1,727,012)		(5,646)	HLS Therapeutics Inc.	(76,326)	(68,712)
	(145,500)	Vermilion Energy Inc.	(4,031,528)	(3,564,750)				(1,648,916)	(761,901)
	(463,800)	Whitecap Resources Inc.	(4,475,712)	(4,146,372)			Financials (-4.1%)		
			(27,755,870)	(25,698,753)		(20,000)	Bank of Nova Scotia	(1,531,984)	(1,523,600)
						(112,600)	Canadian Imperial Bank of Commerce	(8,047,998)	(7,038,626)
		Materials (-2.3%)				(124,474)	CI Financial Corp.	(2,166,269)	(1,701,560)
	(262,900)	Artemis Gold Inc.	(1,799,548)	(1,440,692)		(68,833)	Definity Financial Corp.	(2,187,820)	(2,290,074)
	(298,000)	Equinox Gold Corp.	(2,726,709)	(1,710,520)		(453,100)	ECN Capital Corp.	(2,628,881)	(2,496,581)
	(164,300)	First Majestic Silver Corp.	(2,681,973)	(1,516,489)		(273,700)	Fiera Capital Corp.	(2,767,310)	(2,545,410)
	(50,300)	Interfor Corp.	(1,813,887)	(1,304,782)		(2,245)	First National Financial Corp.	(80,494)	(74,332)
	(544,200)	Lundin Mining Corp.	(6,225,656)	(4,440,672)		(19,619)	goeasy Ltd.	(2,155,913)	(1,924,624)
	(148,900)	New Found Gold Corp.	(1,155,196)	(859,153)		(48,327)	Home Capital Group Inc.	(1,430,733)	(1,177,246)
	(535,200)	New Gold Inc.	(1,102,920)	(733,224)		(464,400)	Manulife Financial Corp.	(10,996,207)	(10,365,402)
	(127,700)	New Pacific Metals Corp.	(636,396)	(468,659)		(2,265)	Power Corp. of Canada	(80,003)	(75,017)
	(255,000)	Sandstorm Gold Ltd.	(2,144,826)	(1,948,200)		(66,769)	Propel Holdings Inc.	(711,173)	(423,315)
	(47,300)	Teck Resources Ltd.	(2,167,232)	(1,861,728)		(9,292)	Timbercreek Financial Corp.	(78,970)	(73,871)
	(20,400)	West Fraser Timber Co., Ltd.	(2,186,566)	(2,014,908)		(14,300)	TMX Group Ltd.	(1,942,711)	(1,873,300)
			(24,640,909)	(18,299,027)				(36,806,466)	(33,582,958)
		Industrial (-0.6%)					Information Technology (-0.2%)		
	(187,499)	Aecon Group Inc.	(2,968,752)	(2,461,862)		(11,221)	Blackberry Ltd.	(79,543)	(77,874)
	(3,923)	Air Canada	(79,319)	(62,925)		(85,100)	Converge Technology Solutions Corp.	(907,235)	(436,563)
	(9,195)	Ballard Power Systems Inc.	(77,704)	(74,755)					
	(3,436)	Bombardier Inc.	(78,494)	(66,384)					
	(2,544)	CAE Inc.	(82,451)	(80,696)					
	(173,100)	Doman Building Materials Group Ltd.	(1,326,841)	(1,085,337)					

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	(121,879)	Copperleaf Technologies Inc.	(1,754,063)	(780,026)		(599)	Alnylam Pharmaceuticals Inc.	(110,515)	(112,696)
	(2,623)	Lightspeed Commerce Inc.	(77,774)	(75,280)		(26,287)	AMC Entertainment Holdings Inc.	(993,034)	(459,468)
	(2,840)	Shopify Inc.	(208,854)	(114,447)		(58,000)	American Airlines Group Inc.	(997,489)	(948,686)
	(3,824)	Softchoice Corp.	(80,562)	(86,078)		(24,300)	Apple Inc.	(5,055,093)	(4,285,617)
	(4,511)	VerticalScope Holdings Inc.	(74,821)	(55,034)		(5,478)	Asana Inc.	(203,146)	(124,227)
			<u>(3,182,852)</u>	<u>(1,625,302)</u>		(530)	AutoZone Inc.	(1,270,053)	(1,469,304)
		Communication Services (-0.8%)				(1,086)	Avalara Inc.	(132,515)	(98,903)
	(18,055)	Aimia Inc.	(77,983)	(83,053)		(53,900)	Avangrid Inc.	(3,340,180)	(3,206,661)
	(54,200)	BCE Inc.	(3,663,767)	(3,429,234)		(1,251)	Axon Enterprise Inc.	(192,836)	(150,352)
	(33,800)	Cogeco Communications Inc.	(3,354,450)	(2,942,966)		(23,080)	AZEK Co Inc.	(609,813)	(498,387)
	(1,154)	Cogeco Inc.	(80,173)	(78,761)		(1,222)	Ball Corp.	(104,200)	(108,404)
	(2,251)	Shaw Communications Inc.	(78,832)	(85,380)		(65,800)	Bank of New York Mellon Corp.	(3,849,285)	(3,540,309)
			<u>(7,255,205)</u>	<u>(6,619,394)</u>		(35,500)	Bank OZK	(1,757,897)	(1,718,628)
		Utilities (-1.2%)				(14,200)	Bed Bath & Beyond Inc.	(433,562)	(91,037)
	(118,200)	Algonquin Power & Utilities Corp.	(2,277,575)	(2,044,860)		(24,600)	Berkshire Hills Bancorp Inc.	(842,739)	(786,025)
	(106,700)	Fortis Inc.	(6,432,282)	(6,492,695)		(3,700)	Biogen Inc.	(996,606)	(973,373)
	(7,112)	Superior Plus Corp.	(80,711)	(80,792)		(1,498)	Block Inc.	(194,821)	(118,763)
	(54,451)	TransAlta Renewables Inc.	(976,832)	(895,719)		(20,000)	Bloom Energy Corp.	(455,977)	(425,686)
			<u>(9,767,400)</u>	<u>(9,514,066)</u>		(601)	Boeing Co.	(130,598)	(105,994)
		Real Estate (-1.0%)				(19,700)	Boston Properties Inc.	(2,551,886)	(2,261,172)
	(58,305)	Altus Group Ltd.	(3,019,813)	(2,599,820)		(39,700)	Bread Financial Holdings Inc.	(3,901,256)	(1,897,890)
	(54,700)	Artis Real Estate Investment Trust	(708,365)	(643,272)		(18,900)	Bumble Inc.	(769,544)	(686,302)
	(5,951)	Automotive Properties Real Estate Investment Trust	(79,176)	(80,279)		(632)	Burlington Stores Inc.	(139,711)	(111,062)
	(1,705)	Canadian Apartment Properties REIT	(79,260)	(76,418)		(20,600)	Cardinal Health Inc.	(1,493,865)	(1,388,976)
	(4,815)	Crombie Real Estate Investment Trust	(80,035)	(77,666)		(919)	CarMax Inc.	(115,079)	(107,261)
	(14,766)	Dream Impact Trust	(79,911)	(69,400)		(2,890)	Carvana Co.	(209,582)	(84,178)
	(67,576)	Dream Office Real Estate Investment Trust	(1,621,556)	(1,309,623)		(797)	Catalent Inc.	(107,120)	(110,304)
	(672)	Morguard Corp.	(78,730)	(73,248)		(16,400)	Caterpillar Inc.	(4,303,678)	(3,781,719)
	(14,657)	Real Matters Inc.	(80,478)	(74,458)		(13,000)	CBRE Group Inc.	(1,508,761)	(1,234,398)
	(70,100)	SmartCentres Real Estate Investment Trust	(2,184,492)	(1,927,049)		(1,089)	Ceridian HCM Holding Inc.	(88,862)	(66,136)
	(13,913)	StorageVault Canada Inc.	(80,497)	(82,504)		(10,300)	CH Robinson Worldwide Inc.	(1,301,374)	(1,346,858)
	(72,500)	Summit Industrial Income REIT	(1,411,580)	(1,240,475)		(2,527)	Chewy Inc.	(129,642)	(113,177)
			<u>(9,503,893)</u>	<u>(8,254,212)</u>		(12,200)	Cincinnati Financial Corp.	(1,900,908)	(1,872,444)
		Index Equivalents (-3.8%)				(3,284)	Clorox Co.	(566,582)	(597,222)
	(1,066,000)	iShares S&P/TSX 60 Index ETF	(33,845,166)	(30,924,660)		(1,981)	CloudFlare Inc.	(104,994)	(111,799)
		Total Canadian Equities - Short	(175,890,672)	(156,001,140)		(968)	Coinbase Global Inc.	(219,751)	(58,713)
		Global Equities (-26.1%)				(20,246)	Confluent Inc.	(1,167,113)	(606,946)
		United States Equities (-19.3%)				(2,723)	Coupa Software Inc.	(513,121)	(200,567)
	(1,791)	10X Genomics Inc.	(160,904)	(104,542)		(6,025)	Coupanq Inc.	(155,519)	(99,093)
	(17,000)	3M Co.	(3,626,119)	(2,837,865)		(1,472)	DexCom Inc.	(178,440)	(141,519)
	(30,000)	Aflac Inc.	(2,118,110)	(2,141,199)		(9,400)	Digital Realty Trust Inc.	(1,654,267)	(1,574,265)
	(14,300)	AGCO Corp.	(2,311,391)	(1,820,657)		(8,449)	DocuSign Inc.	(1,272,398)	(625,376)
	(359)	Align Technology Inc.	(133,164)	(109,601)		(1,506)	DoorDash Inc.	(176,525)	(124,661)
						(9,200)	Editas Medicine Inc.	(546,829)	(140,394)
						(7,300)	eHealth Inc.	(508,166)	(87,858)
						(11,000)	Embark Technology Inc.	(126,398)	(7,170)
						(55,200)	Enerpac Tool Group Corp.	(1,502,233)	(1,354,330)
						(1,113)	Etsy Inc.	(129,516)	(105,109)
						(2,368)	Exact Sciences Corp.	(170,064)	(120,321)
						(17,621)	First Solar Inc.	(1,640,895)	(1,548,617)
						(674)	Five Below Inc.	(105,026)	(98,620)
						(1,032)	Five9 Inc.	(138,735)	(121,329)
						(1,332)	Floor & Decor Holdings Inc.	(154,963)	(108,179)
						(37,843)	Freshworks Inc.	(1,059,813)	(641,928)

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2022 (unaudited)

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	(11,272)	Farfetch Ltd.	(191,288)	(104,109)			Global Debt (-0.4%)		
	(10,897)	Galaxy Digital Holdings Ltd.	(69,753)	(52,633)			International Bonds (-0.4%)		
	(22,300)	GLOBALFOUNDRIES Inc.	(1,226,781)	(1,160,422)	EUR	(2,460,000)	Bundesrepublik Deutschland Bundesanleihe 0.000%, 2031-02-15	(3,779,643)	(2,976,138)
	(34,514)	Grab Holdings Ltd.	(169,626)	(112,640)			Total Global Debt - Short	(3,779,643)	(2,976,138)
	(397)	Monday.com Ltd.	(71,365)	(52,830)			Options (-1.1%)		
	(1,402)	Novocure Ltd.	(137,978)	(125,692)			Total Written Options - Refer to Appendix A	(18,200,968)	(8,892,637)
	(36,624)	On Holding AG	(999,762)	(834,790)			Transaction Costs	(423,276)	-
	(6,645)	Pagseguro Digital Ltd.	(141,205)	(87,775)			Total Short Positions	(449,040,113)	(379,126,973)
	(61,300)	Rio Tinto PLC, ADR	(5,843,620)	(4,823,534)			Futures Contracts (1.7%)		
	(6,100)	Stratsys Ltd.	(147,975)	(147,460)			Total Futures Contracts - Refer to Appendix B		13,805,992
	(28,400)	Whitehaven Coal Ltd.	(95,518)	(121,928)			TOTAL INVESTMENT PORTFOLIO (37.4%)	246,078,518	302,296,662
	(1,791)	Wix.com Ltd.	(220,658)	(151,441)			Other Assets Net of Liabilities (62.6%)		507,026,205
	(5,105)	XP Inc.	(126,058)	(118,271)			TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100.0%)		809,322,867
	(1,166)	Yandex NV	(69,207)	(28,487)					
			(13,476,532)	(11,144,313)					
		International Index Equivalents (-5.4%)							
	(47,600)	iShares 20+ Year Treasury Bond ETF	(8,135,338)	(7,053,239)					
	(71,000)	iShares iBoxx \$ High Yield Corporate Bond ETF	(7,523,360)	(6,741,712)					
	(27,300)	iShares JP Morgan USD Emerging Markets Bond ETF	(3,446,749)	(3,004,613)					
	(53,000)	iShares MSCI Emerging Markets ETF	(3,014,651)	(2,741,544)					
	(41,500)	SPDR Consumer Staples Select Sector Fund	(3,817,433)	(3,864,026)					
	(79,900)	SPDR Industrial Select Sector Fund	(9,943,216)	(9,001,917)					
	(73,700)	SPDR S&P Metals & Mining ETF	(4,579,723)	(4,126,029)					
	(60,800)	SPDR S&P Retail ETF	(5,821,636)	(4,561,451)					
	(8,500)	Vanguard Real Estate ETF	(1,223,520)	(998,987)					
	(6,800)	Vanguard Total Stock Market ETF	(1,802,245)	(1,654,519)					
			(49,307,871)	(43,748,037)					
		Total Global Equities - Short	(250,745,554)	(211,257,058)					

*CCY denotes local currency of debt security

**The Picton Mahoney Fortified Market Neutral Alternative Fund holds 60.56% of the net assets of Picton Mahoney Fortified Alpha Alternative Fund. Picton Mahoney Asset Management acts as the trustee and manager for all of the funds listed above.

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

APPENDIX A

OPTIONS (0.3%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Advanced Micro Devices Inc.	Call Option	894	\$105	August, 2022	185,971	58,237
Air Canada	Call Option	1,410	\$27	August, 2022	199,868	2,595
Altagas Ltd.	Call Option	1,913	\$29	September, 2022	82,929	113,824
Apollo Global Management Inc.	Call Option	1,376	\$60	September, 2022	134,657	119,811
Arc Resources Ltd.	Call Option	1,529	\$19	August, 2022	97,856	84,095
Arc Resources Ltd.	Call Option	1,842	\$23	July, 2022	103,152	546
ARK Innovation ETF	Call Option	702	\$64	July, 2022	160,986	51
Ats Automation Tooling	Call Option	953	\$38	July, 2022	91,488	28,114
Canadian Western Bank	Call Option	1,842	\$34	September, 2022	91,640	8,289
Datadog Inc.	Call Option	295	\$115	July, 2022	111,504	32,155
Datadog Inc.	Call Option	89	\$135	July, 2022	10,069	804
DEERE & Co	Call Option	184	\$350	August, 2022	225,328	86,633
DEERE & Co	Call Option	64	\$390	August, 2022	20,862	6,728
Doximity Inc.	Call Option	948	\$40	August, 2022	361,102	330,176
Element Fleet Management	Call Option	909	\$13	August, 2022	25,679	77,265
Element Fleet Management	Call Option	2,754	\$14	August, 2022	78,753	93,636
F5 Inc.	Call Option	69	\$220	July, 2022	68,920	1
F5 Inc.	Call Option	25	\$260	July, 2022	2,873	-
First Quantum Minerals Ltd.	Call Option	1,540	\$35	August, 2022	129,360	26,180
First Quantum Minerals Ltd.	Call Option	755	\$40	August, 2022	178,558	4,908
First Quantum Minerals Ltd.	Call Option	411	\$46	August, 2022	49,731	236
Gildan Activewear Inc	Call Option	1,053	\$47	August, 2022	136,890	16,322
Hudbay Minerals Inc.	Call Option	2,200	\$9	October, 2022	118,800	16,500
IA Financial Corp. Inc.	Call Option	718	\$66	August, 2022	97,684	120,265
IA Financial Corp. Inc.	Call Option	178	\$74	August, 2022	5,474	3,115
International Game Tech	Call Option	1,053	\$22	July, 2022	103,731	16,979
International Game Tech	Call Option	281	\$30	July, 2022	11,451	796
Invesco QQQ Trust	Call Option	1,048	\$304	July, 2022	281,316	102,742
Invesco QQQ Trust	Call Option	799	\$326	August, 2022	312,158	92,760
Invesco QQQ Trust	Call Option	718	\$334	July, 2022	95,086	4,168
iShares 20+ Year Treasury	Call Option	1,523	\$118	July, 2022	149,935	145,380
iShares 20+ Year Treasury	Call Option	1,147	\$120	August, 2022	220,537	237,471
iShares 20+ Year Treasury	Call Option	1,053	\$128	July, 2022	190,558	8,150
iShares 20+ Year Treasury	Call Option	459	\$130	August, 2022	20,044	23,683
iShares MSCI Emerging Market	Call Option	2,210	\$44	August, 2022	169,641	66,994
Kinross Gold Corp.	Call Option	1,695	\$8	July, 2022	56,359	-
Meta Platforms Inc.	Call Option	295	\$230	August, 2022	130,088	34,819
Nuvei Corp.	Call Option	179	\$64	July, 2022	59,249	1,969
Nvidia Corp.	Call Option	170	\$240	July, 2022	158,718	76
Roblox Corp.	Call Option	448	\$35	October, 2022	207,559	346,739
Roblox Corp.	Call Option	179	\$55	October, 2022	27,255	34,173
Rogers Communications	Call Option	1,148	\$68	August, 2022	168,412	28,700
Rogers Communications	Call Option	344	\$76	August, 2022	9,546	1,422
S&P 500 Index 3Wk	Call Option	70	\$3,820	July, 2022	322,096	76,752
S&P 500 Index 3Wk	Call Option	17	\$3,900	July, 2022	38,534	1,371
S&P 500 Index 3Wk	Call Option	234	\$3,920	July, 2022	200,070	7,546
S&P 500 Index 3Wk	Call Option	264	\$3,930	July, 2022	1,244,065	723,662
S&P 500 Index 3Wk	Call Option	82	\$3,980	July, 2022	19,850	344
S&P 500 Index 3Wk	Call Option	49	\$4,000	July, 2022	70,429	79
S&P 500 Index 3Wk	Call Option	91	\$4,020	July, 2022	322,087	90,387
S&P 500 Index 3Wk	Call Option	61	\$4,060	July, 2022	77,054	37,376
S&P 500 Index 3Wk	Call Option	112	\$4,140	July, 2022	57,542	26,005
S&P 500 Index 3Wk	Call Option	184	\$4,240	October, 2022	1,195,060	924,482
S&P 500 Index 3Wk	Call Option	278	\$4,260	August, 2022	414,167	279,713
S&P 500 Index 3Wk	Call Option	217	\$4,320	September, 2022	710,793	361,096
S&P 500 Index 3Wk	Call Option	106	\$4,480	September, 2022	674,199	69,051
S&P 500 Index 3Wk	Call Option	205	\$4,500	July, 2022	194,658	3,376
S&P 500 Index 3Wk	Call Option	267	\$4,750	August, 2022	525,321	12,055
S&P 500 Index 3Wk	Call Option	209	\$5,200	August, 2022	14,100	1,195

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

APPENDIX A

OPTIONS (0.3%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Spin Master Corp.	Call Option	1,076	\$46	August, 2022	293,210	153,330
Suncor Energy Inc.	Call Option	1,385	\$49	August, 2022	290,850	246,530
Suncor Energy Inc.	Call Option	347	\$56	August, 2022	19,779	18,391
Trisura Group Ltd	Call Option	1,075	\$37	August, 2022	222,525	198,875
Wsp Global Inc	Call Option	431	\$145	August, 2022	149,126	265,065
Wsp Global Inc	Call Option	130	\$165	August, 2022	13,130	9,880
					12,210,422	5,884,068
Euribor 3M	Put Option	180	\$100	March, 2023	42,319	664,512
iPATH S&P 500 VIX Short-Term	Put Option	5,207	\$17	August, 2022	681,550	120,902
iPATH S&P 500 VIX Short-Term	Put Option	6,854	\$18	August, 2022	1,274,235	313,867
iPATH S&P 500 VIX Short-Term	Put Option	13,653	\$20	July, 2022	1,868,496	52,835
iPATH S&P 500 VIX Short-Term	Put Option	7,023	\$20	August, 2022	1,998,393	928,580
S&P 500 Index 3Wk	Put Option	58	\$3,760	July, 2022	260,791	573,473
S&P 500 Index 3Wk	Put Option	191	\$3,840	July, 2022	1,366,570	2,846,926
SPDR Energy Select Sector	Put Option	232	\$82	July, 2022	35,128	334,432
					7,527,482	5,835,527
Total Purchased Options					19,737,904	11,719,595
Advanced Micro Devices	Written Call Option	(734)	\$115	August, 2022	(149,371)	(18,463)
Advanced Micro Devices	Written Call Option	(206)	\$130	August, 2022	(31,055)	(1,993)
Air Canada	Written Call Option	(1,222)	\$31	August, 2022	(54,074)	(490)
Altagas Ltd.	Written Call Option	(1,723)	\$31	September, 2022	(23,261)	(36,183)
Apollo Global Management	Written Call Option	(684)	\$63	September, 2022	(35,585)	(37,499)
Apollo Global Management	Written Call Option	(140)	\$65	September, 2022	(32,159)	(4,966)
Apollo Global Management	Written Call Option	(626)	\$68	September, 2022	(86,073)	(18,169)
Arc Resources Ltd.	Written Call Option	(1,529)	\$21	August, 2022	(42,124)	(38,990)
Arc Resources Ltd.	Written Call Option	(1,474)	\$25	July, 2022	(24,321)	(74)
ARK Innovation ETF	Written Call Option	(739)	\$69	July, 2022	(95,623)	(1,907)
Ats Automation Tooling	Written Call Option	(569)	\$40	July, 2022	(28,478)	(11,949)
Ats Automation Tooling	Written Call Option	(451)	\$44	July, 2022	(17,702)	(1,016)
Canadian Western Bank	Written Call Option	(1,289)	\$36	September, 2022	(26,425)	(5,801)
Datadog Inc.	Written Call Option	(410)	\$125	July, 2022	(83,320)	(15,073)
DEERE & Co	Written Call Option	(273)	\$370	August, 2022	(179,369)	(57,754)
Doximity Inc.	Written Call Option	(1,044)	\$45	August, 2022	(246,154)	(208,740)
Doximity Inc.	Written Call Option	(296)	\$50	August, 2022	(72,733)	(31,501)
Element Fleet Management	Written Call Option	(2,181)	\$15	August, 2022	(23,798)	(22,901)
F5 Inc.	Written Call Option	(96)	\$240	July, 2022	(35,069)	-
First Quantum Minerals Ltd.	Written Call Option	(1,540)	\$38	August, 2022	(60,445)	(13,090)
First Quantum Minerals Ltd.	Written Call Option	(1,227)	\$43	August, 2022	(201,228)	(6,135)
Gildan Activewear Inc	Written Call Option	(1,265)	\$52	August, 2022	(49,651)	(6,958)
Hudbay Minerals Inc.	Written Call Option	(1,980)	\$10	October, 2022	(44,550)	(8,910)
IA Financial Corp. Inc.	Written Call Option	(1,004)	\$70	August, 2022	(59,236)	(53,212)
International Game Tech	Written Call Option	(350)	\$24	July, 2022	(15,336)	(3,030)
International Game Tech	Written Call Option	(934)	\$27	July, 2022	(76,024)	(4,521)
Invesco QQQ Trust	Written Call Option	(1,050)	\$316	July, 2022	(107,099)	(30,475)
Invesco QQQ Trust	Written Call Option	(600)	\$335	August, 2022	(144,189)	(38,699)
Invesco QQQ Trust	Written Call Option	(863)	\$344	July, 2022	(61,776)	(2,783)
Invesco QQQ Trust	Written Call Option	(574)	\$352	August, 2022	(136,070)	(12,587)
Invesco QQQ Trust	Written Call Option	(231)	\$356	July, 2022	(34,166)	(447)
Invesco QQQ Trust	Written Call Option	(338)	\$375	July, 2022	(76,872)	(18)
Invesco QQQ Trust	Written Call Option	(467)	\$380	August, 2022	(46,189)	(2,108)
iShares 20+ Year Treasury	Written Call Option	(2,670)	\$123	July, 2022	(94,244)	(58,551)
iShares 20+ Year Treasury	Written Call Option	(1,723)	\$125	August, 2022	(149,365)	(170,028)
iShares 20+ Year Treasury	Written Call Option	(459)	\$135	August, 2022	(12,769)	(15,690)
iShares 20+ Year Treasury	Written Call Option	(1,581)	\$136	July, 2022	(111,602)	(4,079)
iShares MSCI Emerging Market	Written Call Option	(668)	\$45	August, 2022	(30,124)	(15,510)
iShares MSCI Emerging Market	Written Call Option	(661)	\$47	August, 2022	(12,252)	(2,984)
iShares MSCI Emerging Market	Written Call Option	(1,103)	\$48	August, 2022	(14,804)	(2,979)

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

APPENDIX A

OPTIONS (0.3%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Kinross Gold Corp.	Written Call Option	(1,695)	\$9	July, 2022	(17,798)	-
Meta Platforms Inc.	Written Call Option	(220)	\$255	July, 2022	(7,142)	(709)
Meta Platforms Inc.	Written Call Option	(220)	\$255	August, 2022	(37,617)	(10,784)
Nuvei Corp.	Written Call Option	(269)	\$80	July, 2022	(32,011)	-
Nvidia Corp.	Written Call Option	(172)	\$270	July, 2022	(71,176)	(8)
Roblox Corp.	Written Call Option	(628)	\$45	October, 2022	(159,369)	(246,267)
Rogers Communications	Written Call Option	(1,607)	\$72	August, 2022	(98,027)	(8,839)
S&P 500 Index 3Wk	Written Call Option	(98)	\$3,860	July, 2022	(317,960)	(32,236)
S&P 500 Index 3Wk	Written Call Option	(328)	\$3,950	July, 2022	(147,400)	(5,371)
S&P 500 Index 3Wk	Written Call Option	(159)	\$3,960	July, 2022	(593,310)	(315,857)
S&P 500 Index 3Wk	Written Call Option	(93)	\$4,025	July, 2022	(84,311)	(43)
S&P 500 Index 3Wk	Written Call Option	(606)	\$4,100	July, 2022	(484,904)	(228,650)
S&P 500 Index 3Wk	Written Call Option	(184)	\$4,260	July, 2022	(76,261)	(11,274)
S&P 500 Index 3Wk	Written Call Option	(251)	\$4,330	August, 2022	(222,684)	(153,794)
S&P 500 Index 3Wk	Written Call Option	(329)	\$4,400	September, 2022	(676,657)	(341,637)
S&P 500 Index 3Wk	Written Call Option	(368)	\$4,400	October, 2022	(1,147,543)	(866,330)
S&P 500 Index 3Wk	Written Call Option	(186)	\$4,525	August, 2022	(149,844)	(31,191)
S&P 500 Index 3Wk	Written Call Option	(203)	\$4,620	September, 2022	(603,454)	(60,882)
S&P 500 Index 3Wk	Written Call Option	(4)	\$4,640	July, 2022	(1,148)	(29)
S&P 500 Index 3Wk	Written Call Option	(209)	\$4,650	August, 2022	(124,496)	(16,850)
S&P 500 Index 3Wk	Written Call Option	(209)	\$4,750	July, 2022	(166,358)	(794)
S&P 500 Index 3Wk	Written Call Option	(224)	\$4,800	August, 2022	(313,813)	(7,946)
S&P 500 Index 3Wk	Written Call Option	(231)	\$4,800	August, 2022	(193,606)	(9,684)
S&P 500 Index 3Wk	Written Call Option	(181)	\$4,925	July, 2022	(569,024)	(233)
S&P 500 Index 3Wk	Written Call Option	(144)	\$5,000	August, 2022	(48,912)	(1,868)
S&P 500 Index 3Wk	Written Call Option	(24)	\$5,125	August, 2022	(57,055)	(183)
S&P 500 Index 3Wk	Written Call Option	(174)	\$5,200	August, 2022	(231,120)	(995)
SPDR Energy Select Sector	Written Call Option	(246)	\$96	August, 2022	(107,528)	(3,491)
Spin Master Corp.	Written Call Option	(1,399)	\$49	August, 2022	(243,426)	(108,423)
Suncor Energy Inc.	Written Call Option	(1,942)	\$52	August, 2022	(231,098)	(205,852)
Trisura Group Ltd	Written Call Option	(1,182)	\$40	August, 2022	(158,388)	(135,930)
Wsp Global Inc	Written Call Option	(602)	\$155	August, 2022	(89,698)	(139,965)
					<u>(10,287,823)</u>	<u>(3,912,378)</u>
Advanced Micro Devices	Written Put Option	(97)	\$60	July, 2022	(16,916)	(3,066)
Air Canada	Written Put Option	(376)	\$18	August, 2022	(21,654)	(94,376)
Altagas Ltd.	Written Put Option	(286)	\$23	August, 2022	(9,224)	(5,434)
Apollo Global Management	Written Put Option	(185)	\$45	July, 2022	(18,755)	(17,301)
Arc Resources Ltd.	Written Put Option	(229)	\$15	August, 2022	(14,656)	(17,748)
Arc Resources Ltd.	Written Put Option	(553)	\$16	August, 2022	(11,890)	(64,425)
Canadian Western Bank	Written Put Option	(553)	\$27	July, 2022	(16,728)	(67,190)
DEERE & Co	Written Put Option	(35)	\$260	July, 2022	(21,967)	(4,695)
Element Fleet Management	Written Put Option	(281)	\$10	July, 2022	(5,199)	(31)
Euribor 3M	Written Put Option	(184)	\$99	March, 2023	(28,490)	(266,749)
First Quantum Minerals Ltd.	Written Put Option	(205)	\$26	July, 2022	(14,145)	(45,510)
Gildan Activewear Inc	Written Put Option	(104)	\$37	July, 2022	(28,496)	(12,740)
Gildan Activewear Inc	Written Put Option	(209)	\$38	July, 2022	(24,871)	(36,575)
Hudbay Minerals Inc.	Written Put Option	(550)	\$7	July, 2022	(9,625)	(69,300)
IA Financial Corp. Inc.	Written Put Option	(145)	\$52	July, 2022	(13,304)	(697)
International Game Tech	Written Put Option	(226)	\$16	July, 2022	(25,815)	(7,434)
Invesco QQQ Trust	Written Put Option	(166)	\$242	July, 2022	(57,654)	(12,206)
iPATH S&P 500 VIX Short-Term	Written Put Option	(9,904)	\$15	August, 2022	(550,202)	(44,715)
iPATH S&P 500 VIX Short-Term	Written Put Option	(5,052)	\$16	July, 2022	(139,185)	(2,582)
iPATH S&P 500 VIX Short-Term	Written Put Option	(39,599)	\$16	August, 2022	(3,263,401)	(434,186)
iPATH S&P 500 VIX Short-Term	Written Put Option	(13,981)	\$17	July, 2022	(504,880)	(12,400)
iPATH S&P 500 VIX Short-Term	Written Put Option	(14,266)	\$18	July, 2022	(777,551)	(18,402)
iPATH S&P 500 VIX Short-Term	Written Put Option	(4,389)	\$19	July, 2022	(420,057)	(8,492)
iShares 20+ Year Treasury	Written Put Option	(208)	\$105	July, 2022	(21,090)	(2,549)

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

APPENDIX A

OPTIONS (0.3%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
iShares MSCI Emerging Market	Written Put Option	(661)	\$32	August, 2022	(20,288)	(7,037)
Kinross Gold Corp.	Written Put Option	(677)	\$5	July, 2022	(16,417)	(46,036)
Lundin Mining Corp.	Written Put Option	(1,063)	\$10	July, 2022	(66,969)	(174,864)
Meta Platforms Inc.	Written Put Option	(43)	\$130	July, 2022	(8,421)	(2,219)
Rogers Communications	Written Put Option	(287)	\$56	July, 2022	(23,821)	(3,301)
S&P 500 Index 3Wk	Written Put Option	(47)	\$3,300	July, 2022	(67,830)	(8)
S&P 500 Index 3Wk	Written Put Option	(45)	\$3,625	July, 2022	(19,237)	(17,995)
S&P 500 Index 3Wk	Written Put Option	(29)	\$3,650	July, 2022	(19,886)	(2,151)
S&P 500 Index 3Wk	Written Put Option	(268)	\$3,800	July, 2022	(1,518,460)	(3,272,109)
SPDR Energy Select Sector	Written Put Option	(130)	\$72	July, 2022	(12,476)	(46,283)
SPDR Energy Select Sector	Written Put Option	(130)	\$76	July, 2022	(7,924)	(87,201)
Spin Master Corp.	Written Put Option	(108)	\$37	July, 2022	(14,472)	(1,674)
Suncor Energy Inc.	Written Put Option	(276)	\$40	August, 2022	(27,324)	(36,570)
Toronto-Dominion Bank	Written Put Option	(289)	\$82	July, 2022	(28,611)	(27,600)
Trisura Group Ltd	Written Put Option	(160)	\$26	July, 2022	(23,840)	(4,000)
Wsp Global Inc	Written Put Option	(86)	\$120	July, 2022	(21,414)	(2,408)
					(7,913,145)	(4,980,259)
Total Written Options					(18,200,968)	(8,892,637)

APPENDIX B

FUTURES CONTRACTS (1.7%)

Issuer	Number of Contracts	Fair Value (C\$)	Contracted Value (C\$)	Unrealized Gain/Loss
S&P TSX 60 Futures, September 2022	(407)	(92,999,500)	(100,604,362)	7,604,862
E-mini S&P 500 Futures, September 2022	(415)	(101,431,510)	(107,530,248)	6,098,738
CBOE VIX Index Futures, July 2022	55	2,026,417	1,924,025	102,392
				13,805,992
Total Futures Contracts				13,805,992

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

FUND SPECIFIC NOTES

As at June 30, 2022 (unaudited)

1. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table illustrates the classifications of the Fund's financial instruments within the fair value hierarchy as at June 30, 2022 and December 31, 2021.

ASSETS (LIABILITIES) AT FAIR VALUE AS AT JUNE 30, 2022				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	635,872,898	2,533,945	-	638,406,843
Mutual Funds - Long	16,178,772	-	-	16,178,772
Exchange Traded Funds - Long	335,825	-	-	335,825
Bonds - Long	-	976,608	-	976,608
Options - Long	11,719,595	-	-	11,719,595
Futures - Long	13,805,992	-	-	13,805,992
Equities - Short	(292,557,014)	(28,487)	-	(292,585,501)
Exchange Traded Funds - Short	(74,672,697)	-	-	(74,672,697)
Bonds - Short	-	(2,976,138)	-	(2,976,138)
Options - Short	(8,892,637)	-	-	(8,892,637)
Total	301,790,734	505,928	-	302,296,662

ASSETS (LIABILITIES) AT FAIR VALUE AS AT DECEMBER 31, 2021				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	482,119,969	3,804,128	-	485,924,097
Bonds - Long	-	977,196	-	977,196
Options - Long	5,610,432	-	-	5,610,432
Equities - Short	(247,889,290)	-	-	(247,889,290)
Bonds - Short	-	(3,606,270)	-	(3,606,270)
Options - Short	(3,181,475)	-	-	(3,181,475)
Futures - Short	(4,619,027)	-	-	(4,619,027)
Total	232,040,609	1,175,054	-	233,215,663

2. TRANSFERS BETWEEN LEVELS 1 AND 2

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

	Transfer from Level 1 to 2 \$	Transfer from Level 2 to 1 \$
June 30, 2022		
Equities - Long	4,613	-
	4,613	-
December 31, 2021		
Equities - Long	44,722	-
	44,722	-

As of June 30, 2022 and December 31, 2021, the equity securities transferred out of Level 1 relate to positions which were thinly traded on and around the period end, but were actively traded on December 31, 2021 and December 31, 2020, respectively.

3. OTHER PRICE RISK

Using Beta as a measure of the relationship of the Fund's performance versus its index, if the S&P/TSX Composite Total Return Index were to increase or decrease by 10%, net assets would have increased or decreased by approximately \$29,710,023 (December 31, 2021 - \$14,749,244). 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 MARKET NEUTRAL ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

4. CURRENCY RISK

Foreign currencies to which the Fund had exposure as at June 30, 2022 and December 31, 2021 were as follows:

FINANCIAL INSTRUMENTS				
June 30, 2022 Currency	Monetary \$	Non-Monetary \$	Total \$	Percentage of Net Assets %
United States Dollar	31,926,273	(19,229,360)	12,696,913	1.6%
British Pound	2,303,228	(1,945,115)	358,113	0.0%
Australian Dollar	(149,348)	394,777	245,429	0.0%
European Euro	162,675	-	162,675	0.0%
Net Exposure	34,242,828	(20,779,698)	13,463,130	1.6%

FINANCIAL INSTRUMENTS				
December 31, 2021 Currency	Monetary \$	Non-Monetary \$	Total \$	Percentage of Net Assets %
United States Dollar	14,732,368	(4,600,816)	10,131,552	2.1%
European Euro	44,325	-	44,325	0.0%
Australian Dollar	(7,831,447)	(68,074)	(7,899,521)	-1.6%
British Pound	2,303,228	(1,945,115)	358,113	0.0%
Net Exposure	6,945,246	(4,668,890)	2,276,356	0.5%

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 \$673,157 (December 31, 2021 - \$113,818). 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 \$229,144 (December 31, 2021 - \$299,367). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at June 30, 2022 and December 31, 2021, the Fund's exposure to debt instruments by maturity were as follows:

Debt Instruments by Maturity Date	June 30, 2022 (\$)		
	Long Positions	Short Positions	Total
Greater than 5 years	976,608	(2,976,138)	(1,999,530)
Total	976,608	(2,976,138)	(1,999,530)

Debt Instruments by Maturity Date	December 31, 2021 (\$)		
	Long Positions	Short Positions	Total
Greater than 5 years	977,196	(3,606,270)	(2,629,074)
Total	977,196	(3,606,270)	(2,629,074)

6. CREDIT RISK

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

Bond Ratings	June 30, 2022			Bond Ratings	December 31, 2021		
	Net	Long	Short		Net	Long	Short
AAA	-0.4%	0.0%	-0.4%	AAA	-0.7%	0.0%	-0.7%
NR	0.1%	0.1%	0.0%	NR	0.2%	0.2%	0.0%

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

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

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

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

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

June 30, 2022			Impact on net assets based on 5% increase or decrease
Strategy	Underlying risk exposures	Number of Funds	\$
Canadian Equity	P	1	272,159
US Equity	P	1	(93,523)
International Equity	P	1	(1,239)
Canadian Fixed Income	C,I	1	254,973
US Fixed Income	C,F,I	1	376,568
Total			808,939

As at December 31, 2021, the Fund did not have any investment in the underlying funds and therefore did not have any exposure to indirect other price risk, currency risk, interest rate risk, and credit risk.

8. CONCENTRATION RISK

The table below summarizes the Fund's concentration risk as a percentage of net assets attributable to holders of redeemable units as at June 30, 2022 and December 31, 2021.

Jurisdiction	% of Net Assets	
	June 30, 2022	December 31, 2021
LONG POSITIONS	84.3%	100.1%
Canadian Equities	56.0%	67.5%
Financials	12.3%	18.7%
Industrial	8.1%	8.3%
Energy	7.5%	6.5%
Materials	6.9%	9.3%
Information Technology	3.9%	4.8%
Consumer Discretionary	3.3%	4.4%
Utilities	3.3%	4.3%
Real Estate	3.2%	5.7%
Communication Services	2.6%	0.9%
Consumer Staples	2.5%	1.7%
Investment Funds	2.0%	0.0%
Health Care	0.4%	1.2%
Index Equivalents	0.0%	1.7%
Global Equities	25.1%	31.3%
United States Equities	21.4%	26.8%
Information Technology	5.4%	8.0%
Health Care	4.7%	4.3%
Financials	3.3%	2.9%
Industrial	2.9%	4.5%
Consumer Staples	1.8%	1.5%
Consumer Discretionary	1.4%	2.6%
Energy	0.9%	0.3%
Communication Services	0.7%	1.6%
Materials	0.2%	0.6%
Real Estate	0.1%	0.2%
Utilities	0.0%	0.3%

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

Jurisdiction	% of Net Assets	
	June 30, 2022	December 31, 2021
International Equities	3.7%	4.5%
Utilities	1.4%	1.6%
Materials	0.9%	1.2%
Industrial	0.5%	0.4%
Consumer Discretionary	0.4%	0.7%
Health Care	0.3%	0.0%
Information Technology	0.2%	0.3%
Financials	0.0%	0.2%
Index Equivalents	0.0%	0.1%
Corporate Bonds	0.1%	0.2%
Canada	0.1%	0.2%
Derivatives	3.1%	1.1%
SHORT POSITIONS	-46.9%	-52.6%
Canadian Equities	-19.3%	-19.7%
Financials	-4.1%	-5.1%
Index Equivalents	-3.8%	-5.5%
Energy	-3.2%	-1.4%
Materials	-2.3%	-1.8%
Utilities	-1.2%	-1.5%
Consumer Staples	-1.1%	-0.9%
Real Estate	-1.0%	-1.1%
Consumer Discretionary	-0.9%	-1.1%
Communication Services	-0.8%	0.0%
Industrial	-0.6%	-0.6%
Information Technology	-0.2%	-0.6%
Health Care	-0.1%	-0.1%
Global Equities	-26.1%	-30.7%
United States Equities	-19.3%	-29.6%
Financials	-4.5%	-5.6%
Information Technology	-4.3%	-4.5%
Industrial	-4.1%	-3.2%
Utilities	-1.4%	-1.4%
Real Estate	-1.2%	-1.7%
Health Care	-1.1%	-1.9%
Materials	-0.9%	-0.9%
Consumer Discretionary	-0.8%	-1.7%
Consumer Staples	-0.6%	-0.5%
Communication Services	-0.4%	-0.8%
Index Equivalents	0.0%	-7.4%
International Equities	-6.8%	-1.1%
Index Equivalents	-5.4%	0.0%
Materials	-0.9%	-0.6%
Information Technology	-0.3%	-0.5%
Consumer Discretionary	-0.2%	0.0%
Government Bonds	-0.4%	-0.7%
International	-0.4%	-0.7%
Derivatives	-1.1%	-1.5%

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

9. LIQUIDITY RISK

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

June 30, 2022 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	370,234,336	-	-	370,234,336
Redemptions payable	1,942,031	-	-	1,942,031
Accrued liabilities and other payables	-	2,753,222	-	2,753,222
Payable for investments purchased	2,416,990	-	-	2,416,990
Derivative liabilities	8,892,637	-	-	8,892,637

December 31, 2021 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	251,495,560	-	-	251,495,560
Redemptions payable	321,167	-	-	321,167
Accrued liabilities and other payables	-	1,666,685	-	1,666,685
Payable for investments purchased	3,143,476	-	-	3,143,476
Derivative liabilities	7,800,502	-	-	7,800,502

10. FUND UNIT TRANSACTIONS

For the six month periods ended June 30 (unaudited)

	2022					2021				
	Class A	Class F	Class FT****	Class I	Class ETF	Class A	Class F	Class I	Class ETF	
Units issued and outstanding, beginning of period"	3,900,319	27,777,580	912,824	1,157,614	4,610,000	1,644,511	10,662,633	929,667	1,290,000	
Units issued	1,172,245	24,488,272	832,421	1,355,220	3,370,000	1,182,739	11,154,570	-	2,090,000	
Units reinvested	-	-	280	-	-	-	-	-	-	
Units redeemed	(544,715)	(4,766,435)	(794,463)	(219,762)	(580,000)	(162,279)	(1,801,884)	(76,459)	(120,000)	
Units issued and outstanding, end of period	4,527,849	47,499,417	951,062	2,293,072	7,400,000	2,664,971	20,015,319	853,208	3,260,000	
Weighted average number of units held during the period	4,243,491	36,763,995	1,360,646	1,797,451	6,135,856	2,082,967	15,956,011	857,432	2,050,552	

****Class FT units were first issued on July 8, 2021.

11. COMMISSIONS

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

	2022	2021
Brokerage commissions	3,366	1,245
Soft Dollar commissions	554	229

12. TAX LOSS CARRY FORWARDS

As at December 31 (in \$000)

	2021
Net capital losses carry forward	10,319
Non-capital losses carry forward	1,641
	2040
	2041
	6,384

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

13. STRUCTURED ENTITIES

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

Underlying Funds	Fair Value of Fund's Investment (in \$000s)	Underlying Fund's Net Assets (in \$000s)	% of Net Assets of the Underlying Fund
As at June 30, 2022			
CI Galaxy Ethereum ETF	336	160,431	0.2%
Picton Mahoney Fortified Alpha Alternative Fund	16,179	26,717	60.6%
As at December 31, 2021			
CI Galaxy Ethereum ETF	1,194	729,704	0.2%
iShares Core S&P/TSX Capped Composite Index ETF	7,319	10,274,158	0.1%
iPath Series B S&P 500 VIX Short-Term Futures ETF	489	1,040,650	0.0%

14. LEVERAGE

During the six month period ended June 30, 2022, the Fund's aggregate exposure reached a low of 112.41% (year ended 2021 - 93.46%) and a high of 293.32% (year ended 2021 - 256.67%) of the Fund's NAV. As at June 30, 2022, the Fund's aggregate exposure was 259.14% (December 31, 2021 - 112.07%) of the Fund's NAV. The primary source of leverage was short positions in equity securities.

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2022 (unaudited)

1. GENERAL INFORMATION

Picton Mahoney Fortified Market Neutral Alternative Fund (the "Fund") is an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a trust agreement dated September 19, 2018 (the "Trust Declaration"). The Fund commenced operations on September 21, 2018. Picton Mahoney Asset Management acts as manager (the "Manager"), portfolio advisor (the "Portfolio Advisor"), and trustee (the "Trustee") for the Fund pursuant to the Trust Declaration. The Manager is responsible for the day-to-day business of the Fund, including the management of the Fund's investment portfolio. The address of the Fund's registered office is 33 Yonge Street, Suite 830, Toronto, Ontario, M5E 1G4. The financial statements are presented in Canadian dollars (CAD). These financial statements were authorized for issue by the Manager on August 29, 2022.

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

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

As at June 30, 2022, the Fund currently has 5 Classes of Units: Class A, Class F, Class FT, Class I and Class ETF. As at June 30, 2022, the Manager holds 1 unit of Class A and 728 units of Class FT.

The investment objective of the Fund is to provide consistent long-term capital appreciation and to provide unitholders with an attractive risk-adjusted rate of return with less volatility than traditional equity markets and low correlation to major equity markets. The Fund invests in long and short positions in equity, derivatives such as such as options, futures, forward contracts and swaps, securities of investment funds, fixed income securities including high yield securities, cash and cash equivalents. The Fund may engage in borrowing for investment purposes.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

These unaudited interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"), as published by the International Accounting Standards Board. The accounting policies and methods of computation followed in these unaudited interim financial statements are consistent with the most recent annual financial statements for the year ended December 31, 2021. These unaudited interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

(b) Classification

(i) Assets

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

(ii) Liabilities

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

(c) Fair Value Measurements

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

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

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

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

(d) Valuation of Investments and Derivatives

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets, which include equities, bonds, options, and warrants are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Securities not listed on any recognized public securities exchange are valued in the same manner based on available public quotations from recognized dealers in such securities. If market quotations are not readily available, securities will be valued at fair value as determined in good faith by or under the supervision of the Manager. The cost of investments represents the amount paid for each security and is determined on an average cost basis.

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

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

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

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

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

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

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

Receivable for investments sold and payable for investments purchased

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

(e) Cash

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

(f) Investment Transactions and Income Recognition

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

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

(g) Valuation of Fund Units

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

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

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

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

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

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

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

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

(h) Foreign Currency Translation

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

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

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

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

(j) Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchange, and transfer taxes and duties. Such costs are expensed and included in "Transaction costs" in the Statement of Comprehensive Income.

(k) Securities Lending Transactions

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

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

(l) Leverage

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

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

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

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

(m) Structured Entities

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

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

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The Fund may invest in underlying funds whose investment objectives range from achieving short- to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives. Underlying funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportionate stake in the respective fund's net assets. The Fund's interests in underlying funds as at June 30, 2022 and December 31, 2021, held in the form of redeemable units, are included at their fair value in the Statement of Financial Position, which represent the Fund's maximum exposure in these underlying funds. The Fund does not provide and has not committed to provide any additional significant financial or other support to the underlying funds. The change in fair value of each of the underlying funds during the periods is included in 'Change in unrealized appreciation (depreciation) of investments, options, and foreign exchange forward contracts' in the Statement of Comprehensive Income.

(n) Offsetting

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

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

4. FINANCIAL INSTRUMENTS RISKS

The Fund is exposed to various financial risks, including market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk. The investment team reviews and rebalances the portfolio on a regular and ongoing basis to maintain the risk reward targets. Portfolios within each strategy are reviewed relative to each other and to

their benchmark. Active industry and security allocations are analyzed. All investments may result in a risk of loss of capital.

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

Price risk:

The Fund trades in financial instruments, taking positions in traded and over-the-counter instruments which may include derivatives. As of June 30, 2022 and December 31, 2021, the Fund held or had exposure to long and short equity positions in publicly traded companies whose securities are actively traded on a recognized public exchange. Equities are susceptible to price risk arising from uncertainties about future prices of those instruments (other than those arising from interest rate risk or currency risk).

Short sales entail certain risks, including the risk that a short sale of a security may expose a Fund to losses if the value of the security increases.

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

Currency risk:

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

Interest rate risk:

Interest rate risk arises when a fund invests in interest-bearing financial instruments and from the possibility that changes in the prevailing levels of market interest rates will affect future cash flows or fair values of such 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

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

The Fund is exposed to credit risk. For other financial assets at amortized cost, the Manager considers both historical analysis and forward looking information in determining any expected credit loss. At June 30, 2022 and December 31, 2021, all receivables for investments sold, dividends receivable, due from manager, deposits with brokers for securities sold short, and cash are held with counterparties with a good credit quality and are due to be settled within one week. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Liquidity Risk:

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

Concentration risk:

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

Leverage Risk:

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

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

5. CAPITAL MANAGEMENT

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

6. REDEEMABLE UNIT TRANSACTIONS

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

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

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

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

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determined following the receipt of the subscription order. When you redeem ETF units of a Fund, you receive the proceeds of your sale in cash at a redemption price per unit equal to 95% of the closing trading price on the effective date of the cash redemption request, subject to a maximum redemption price of the applicable net asset value per unit. As unitholders will generally be able to sell ETF units at the market price on the TSX or another exchange or marketplace through a registered broker or dealer subject only to customary brokerage commissions.

7. DISTRIBUTIONS

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

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

8. TAXATION

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

Non-capital losses have expiry periods of up to 20 years and can be offset against future taxable income. Net capital losses can be carried forward indefinitely and offset against future taxable capital gains. For tax loss carry forward information, please refer to Note 12 in the Fund Specific Notes.

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

Gains and losses realized by the Fund on the disposition of securities will generally be reported as capital gains and capital losses. The Fund will elect under section 39(4) of the Tax Act so that all gains or losses realized on the disposition of securities that are "Canadian securities" (as defined in the Tax Act), including Canadian securities acquired in connection with short sales, will be deemed to be capital gains or losses to the Fund. Generally, gains and losses realized by the Fund from derivative securities and in respect of short sales of securities (other than Canadian securities) will be treated as income and losses of the Fund, except where a derivative is used to hedge securities held on capital account provided there is sufficient linkage and subject to detailed rules in the Tax Act. Whether gains or losses realized by the Fund in respect of a particular security (other than a Canadian security) is on income or capital account will depend largely on factual considerations. Losses incurred by the Fund in a taxation year cannot be allocated to unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act.

9. OPERATING EXPENSES

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

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

10. RELATED PARTY TRANSACTIONS

(a) Management Fees

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

Management Fee Distributions

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

(b) Performance Fees

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

The performance fee is equal to 20% of the amount by which the performance of the applicable class exceeds an annual hurdle rate of return equal to 2%, for each of the Class A units, Class F units, Class FT units, or Class ETF units, plus applicable taxes. The performance fee in respect of each of the Class A units, Class F units, Class FT units, and Class ETF units of the Fund on a particular Valuation Day shall be equal to the product of, (a) 20% of the positive difference between (i) the Unit Price on the Valuation Day; and (ii) the greatest Unit Price on any previous Valuation Day or the Unit Price on the date when the units of the class

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were first issued, where no performance fee liability has previously arisen in respect of units of the class (the "High Water Mark"); less (iii) the hurdle amount (the "Hurdle Amount") per unit on the Valuation Day; and (b) the number of units outstanding on the applicable Valuation Day on which the performance fee is determined, plus applicable taxes.

The Hurdle Amount per unit is the product of (a) 2% for each calendar year (prorated for the number of days in the year); (b) the Unit Price on the applicable Valuation Day; and (c) the number of days since the most recently determined High Water Mark or the beginning of the current calendar year, whichever is most recent. The Manager may make such adjustments to the Unit Price, the High Water Mark and/or the Hurdle Amount per unit as are determined by the Manager to be necessary to account for the payment of any distributions on units, any unit splits or consolidations or any other event or matter that would, in the opinion of the Manager, impact upon the computation of the performance fee. Any such determination of the Manager shall, absent manifest error, be binding on all unitholders. Investors in Class I units may negotiate a different performance fee than the one described herein or no performance fee at all. Any performance fee for Class I units will be paid directly to the Manager. The Manager reserves the right, in its discretion, to discontinue, decrease or waive the performance fee at any time. For the period January 1, 2022 to June 30, 2022, the Fund incurred performance fees of \$476,370 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.

**THINK AHEAD.
STAY AHEAD.**



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