

PIC 3800

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND¹ CLASS A AT A GLANCE

PICTON
MAHONEY

MARCH 2021

FUND OVERVIEW

The investment objective of the Fund is to generate consistent, positive returns, with low volatility and low correlation to equity markets by investing in securities in Canada, the United States and in other foreign jurisdictions. The Fund primarily employs arbitrage strategies, which are specialized investment techniques designed to profit from the successful completion of mergers, take-overs, tender offers, leveraged buyouts, spin-offs, liquidations, and other corporate reorganizations. The most common arbitrage activity the Manager intends to use is merger arbitrage, which involves purchasing the shares of an announced acquisition target company at a discount to the expected merger consideration.

FUND DETAILS

| | |
|---------------------------|--|
| Inception/listing date | January 3, 2019 (Classes A and F) |
| Min investment | C\$500 initial (\$50 additional) |
| Valuation | Daily |
| Management fee | 2.00% (Class A), 1.00% (Class F) |
| Performance fee | 15% (of the amount above a perpetual high watermark) |
| Portfolio Management Team | Craig Chilton, Tom Savage |

FUND CODES

| | |
|----------|----------|
| Class A | Class F |
| PIC 3800 | PIC 3801 |

RISK CLASSIFICATION

| | | | | |
|-----|---------------|--------|----------------|------|
| Low | Low to Medium | Medium | Medium to High | High |
|-----|---------------|--------|----------------|------|

WHY INVEST

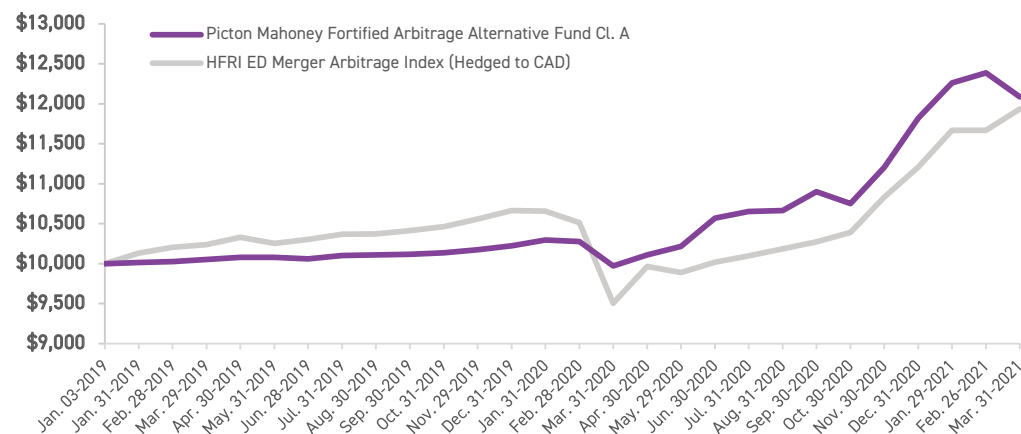
| | |
|-------------------------------------|--|
| DIVERSIFY YOUR PORTFOLIO | With a Fund that seeks low correlation to the overall equity market, low volatility and aims to avoid large drawdowns. |
| BENEFIT FROM PROVEN MANAGERS | With experience running Authentic Hedge [®] merger arbitrage strategies for over 6 years. |
| LOWER INTEREST RATE RISK | In your portfolio with a Fund that may benefit from rising rates, unlike most fixed income and dividend yielding securities. |

COMPOUND RETURNS % – CLASS A

| | 1M | 3M | 6M | YTD | 1Y | Inception* |
|--|--------|-------|--------|-------|--------|------------|
| Picton Mahoney Fortified Arbitrage Alternative Fund ¹ | -2.44% | 2.25% | 10.87% | 2.25% | 21.19% | 8.82% |
| HFRI ED Merger Arbitrage Index (Hedged to CAD) | 1.66% | 6.37% | 16.19% | 6.37% | 25.58% | 8.28% |

* Refers to average annualized performance.

GROWTH OF \$10,000 INVESTMENT – CLASS A



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WHAT WE'RE HOLDING RIGHT NOW

RISK/REWARD ANALYSIS – CLASS A

| | Fund | HFRIMAI |
|-------------------------------|-----------------|------------------|
| Maximum Drawdown | -3.15% | -10.89% |
| Time Under Water | 4 months | 10 months |
| Percentage of Positive Months | 80.00% | 80.00% |
| Beta | 0.47 | 1.00 |
| Standard Deviation (%) | 6.59% | 8.93% |
| Sharpe Ratio | 1.20 | 0.78 |
| Worst Month | -2.97% | -9.58% |

EXPOSURE BREAKOUT

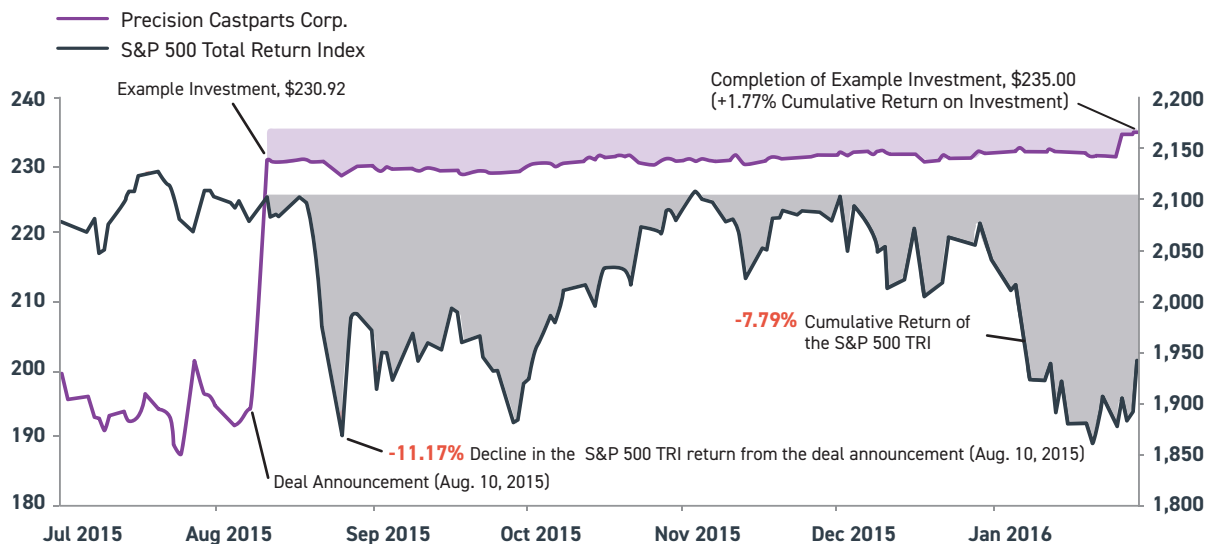
| Exposure | % |
|--------------|---------------|
| Long Equity | 94.03 |
| Short Equity | -15.82 |
| Gross | 109.85 |
| Net | 78.21 |

GEOGRAPHIC BREAKOUT

| Net exposure | % |
|---------------|--------------|
| Canada | 4.35 |
| United States | 73.83 |
| Other | 0.03 |

EXAMPLE OF MERGER ARBITRAGE

Illustrated below, is the all-cash acquisition of Precision Castparts Corp. by Berkshire Hathaway Inc. with a comparison to the U.S. stock market over the same time period. A profit can be generated from the closing of the spread between the market price and deal price, which occurred independently of the market's return.



Source: Bloomberg L.P., PMAM Research. Date range 01/07/2015 - 29/01/2016

HOLDINGS INFORMATION

| Average Market Cap | # of Deals | # of SPACs ² |
|--------------------|------------|-------------------------|
| \$23.43 Billion | 23 | 347 |

¹ Picton Mahoney Fortified Arbitrage Alternative Fund (formerly, Vertex Liquid Alternative Fund) effective on January 13, 2020. This material is intended for use by Investment Advisors. ² Special Purpose Acquisition Companies ("SPACs") are companies formed to raise capital in an initial public offering ("IPO") with the purpose of using the proceeds to acquire one or more unspecified businesses or assets to be identified after the IPO. There is no guarantee that a hedging strategy will be effective or achieve its intended effect. The use of derivatives or short selling carries several risks which may restrict a strategy in realizing its profits, limiting its losses, or, which cause a strategy to realize a loss. There may additional costs and expenses associated with the use of derivatives and short selling in a hedging strategy. Commissions, trailing commissions, management fees, performance fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Alternative funds can only be purchased through an IROC registered dealer and are available only in those jurisdictions where they may be lawfully offered for sale. This document is not intended to provide legal, accounting, tax or investment advice.