

PIC 3801

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND¹ CLASS F AT A GLANCE

PICTON
MAHONEY

AUGUST 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
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WHY INVEST

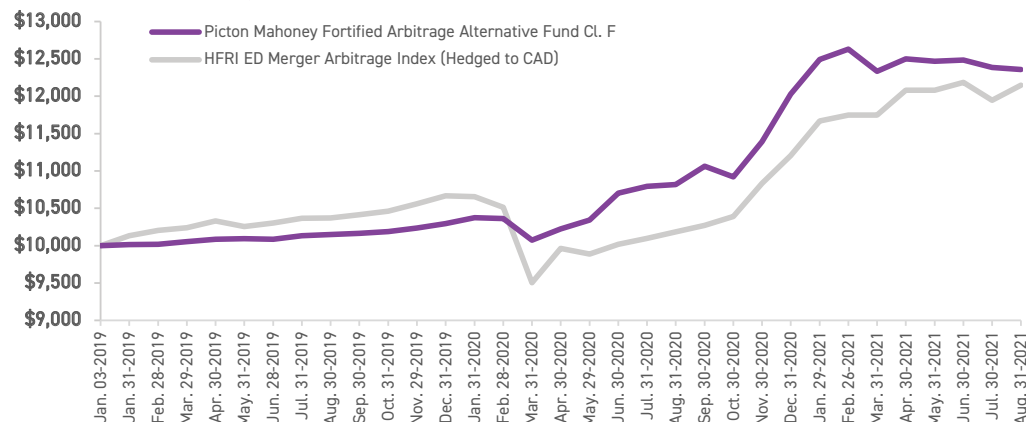
DIVERSIFY YOUR PORTFOLIO	With a Fund that seeks low correlation to the overall equity market, low volatility and aims to avoid large drawdowns.
BENEFIT FROM PROVEN MANAGERS	With experience running Authentic Hedge® merger arbitrage strategies for over 6 years.
LOWER INTEREST RATE RISK	In your portfolio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

COMPOUND RETURNS % – CLASS F

	1M	3M	6M	YTD	1Y	Inception*
Picton Mahoney Fortified Arbitrage Alternative Fund ¹	-0.22%	-0.88%	-2.15%	2.73%	14.25%	8.29%
HFRI ED Merger Arbitrage Index (Hedged to CAD)	1.20%	0.23%	3.29%	8.26%	19.28%	7.64%

* Refers to average annualized performance.

GROWTH OF \$10,000 INVESTMENT – CLASS F



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WHAT WE'RE HOLDING RIGHT NOW

RISK/REWARD ANALYSIS – CLASS F

	Fund	HFRIMAI
Maximum Drawdown	-2.92%	-10.89%
Time Under Water	4 months	10 months
Percentage of Positive Months	74.19%	77.42%
Beta	0.50	1.00
Standard Deviation (%)	6.15%	8.35%
Sharpe Ratio	1.22	0.78
Worst Month	-2.80%	-9.58%

EXPOSURE BREAKOUT

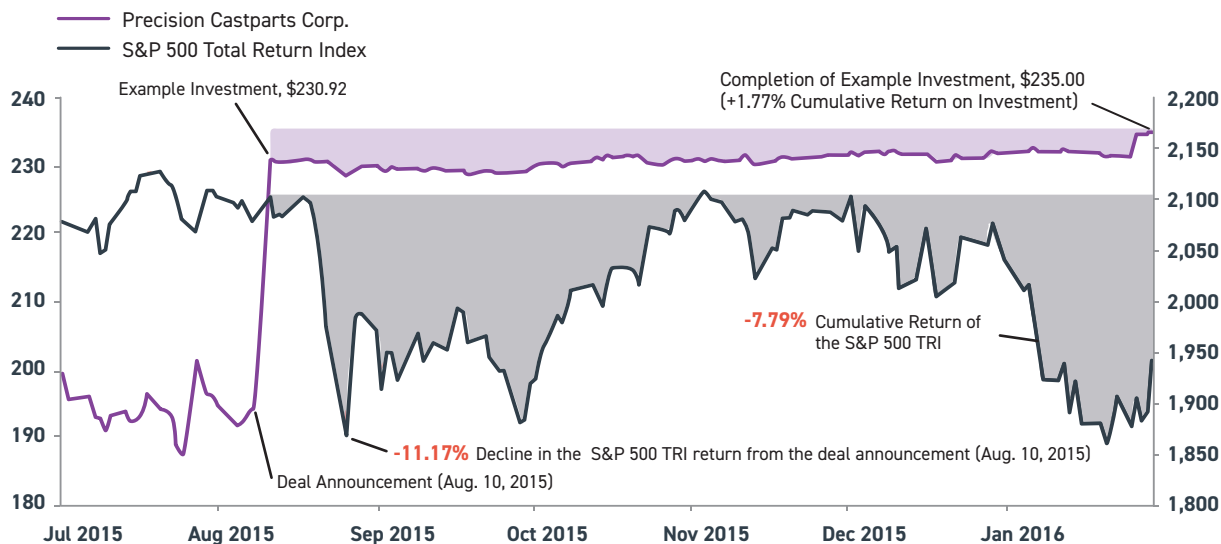
Exposure	%
Long Equity	89.82
Short Equity	-13.70
Gross	103.52
Net	76.12

GEOGRAPHIC BREAKOUT

Net exposure	%
Canada	3.72
United States	71.63
Other	0.77

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
\$19.82 Billion	28	322

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.