SIMPLIFIED PROSPECTUS

PICTON MAHONEY FORTIFIED CORE BOND FUND

(Class A, F, I, O and ETF Units)

The units of the Fund are offered under this Simplified Prospectus in all of the provinces and territories of Canada. The units are intended primarily for purchase by residents of Canada.

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.

The Fund and the units of the Fund offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registrations.

October 27, 2023

TABLE OF CONTENTS

PART A: GENERAL DISCLOSURE

INTRODUCTION

In this document, “we”, “us” or “our” refers to Picton Mahoney Asset Management, the manager (“**Manager**”), portfolio advisor (“**Portfolio Advisor**”), trustee (“**Trustee**”) and promoter of Picton Mahoney Fortified Core Bond Fund (the “**Fund**”).

In this document, we refer to the securities issued by the Fund as “**units**”. The owner of a mutual fund unit is referred to as a “**unitholder**”.

References to “you” mean the reader as a potential or actual investor in the Fund.

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. This document is divided into two parts. The first part, from pages 2 through 32, contains general information applicable to all of the Funds. The second part, from pages 34 through 57, contains specific information about the Fund described in this document.

No ETF Dealer (as defined below) or Designated Broker (as defined below) has been involved in the preparation of this Simplified Prospectus or has performed any review of the contents of this Simplified Prospectus and, as such, the ETF Dealers and the Designated Brokers do not perform many of the usual underwriting activities in connection with the distribution by the Fund of their exchange traded fund (“**ETF**”) units under this Simplified Prospectus.

Additional information about the Fund is available in the following documents:

- the most recently filed Fund Facts or ETF Facts, as applicable;
- the most recently filed annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim financial statements filed after those annual financial statements; and
- any interim management report of fund performance filed after those annual management reports of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling toll-free at 1-866-369-4108, or from your dealer.

These documents are available on the Fund’s designated website at www.pictonmahoney.com, or by contacting us at service@pictonmahoney.com.

These documents and other information about the Fund are also available at www.sedarplus.ca.

RESPONSIBILITY FOR FUND ADMINISTRATION

The Manager

Picton Mahoney Asset Management is the manager of the Fund. The registered office of the Manager is located at 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4. The Manager can be contacted by telephone at (416) 955-4108, toll-free at 1-866-369-4108, or by email at service@pictonmahoney.com. The Manager's website is www.pictonmahoney.com.

The Manager is a general partnership established under the laws of Ontario, with its principal office in Toronto, Ontario. As Manager, we manage the overall business and operations of the Fund, including such matters as administration services and fund accounting. The Manager has responsibility for providing investment management, clerical, administrative and operational services to the Fund, including: determining and implementing investment policies, practices, fundamental objectives, and investment strategies applicable to the Fund; receiving and processing all subscriptions and redemptions; ensuring the Fund complies with regulatory requirements and filings; offering units of the Fund for sale to prospective purchasers; conducting foreign exchange transactions; purchase, retain, sell and call and put options, futures contracts, or other similar financial instruments; daily operations and usual and ordinary office services; unitholder reporting, relations and communications; appointing or changing the auditor of the Fund; banking; establish the Fund's operating expense budget and authorizing payment of expenses; authorizing contractual arrangements; recordkeeping; and allocating between each class of the Fund the net asset value of the Fund, any distribution of the Fund, the net assets of the Fund, the Fund's property, any liabilities of the Fund, any other items. The Manager may delegate any or all of its duties and responsibilities to one or more agents to assist it in the performance of such duties and responsibilities.

Picton Mahoney Asset Management acts as the manager of the Fund pursuant to the Declaration of Trust (as defined below). The Manager may resign as manager of the Fund, but cannot be removed as manager under the Declaration of Trust; however, the Fund will terminate following the occurrence of any of the following events: (a) the Manager has resigned and a successor manager is not appointed, or the unitholders of the Fund does not approve the appointment of a successor manager, by the effective time of such resignation. (b) the Manager is, in the opinion of the Trustee, in material default of its obligations under the Declaration of Trust and such default continues for 120 days from the date that the Manager receives notice of such material default from the Trustee; (c) the Manager has been declared bankrupt or insolvent or has entered into liquidation or winding up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reconstruction); (d) the Manager makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; or (e) the assets of the Manager have become subject to seizure or confiscation by any public or governmental authority.

Directors and Executive Officers of the Manager

Name	Municipality of Residence	Current Positions and Offices with the Manager
David Picton	Toronto, Ontario	Member of the Executive Committee President, Chief Executive Officer and Ultimate Designated Person

Name	Municipality of Residence	Current Positions and Offices with the Manager
Arthur Galloway	Toronto, Ontario	Member of the Executive Committee Chief Financial Officer, Chief Operating Officer, and Corporate Secretary
Catrina Duong	Toronto, Ontario	Chief Compliance Officer

Fund of Fund

The Fund (the "**Top Fund**") may invest in other mutual funds, including mutual funds managed by us (i.e., "**underlying funds**"). Where we are the manager of both a Top Fund and an underlying fund, we will not vote the securities of the underlying fund held directly by the Top Fund. Instead, in our sole discretion, we may arrange either for such securities to be voted, by the beneficial unitholders of the applicable Top Fund, or, for the beneficial owners of the applicable Top Fund to direct us with respect to the exercise of voting rights attached to securities of an underlying fund managed by the Manager.

Portfolio Advisor

Picton Mahoney Asset Management acts as the Portfolio Advisor of the Fund pursuant to the Declaration of Trust. The Portfolio Advisor is responsible for portfolio management and advisory services for the Fund. Investment decisions are made based on fundamental research and quantitative analysis. The investment decisions by the Portfolio Advisor's portfolio management team are not subject to the oversight, approval or ratification of a committee.

The following table sets forth the individuals who are principally responsible for the day-to-day management of a material portion of the portfolio of the Fund:

Fund	Portfolio Management Team
Picton Mahoney Fortified Core Bond Fund	T. Philip Mesman and Sam Acton

T. Philip Mesman, Head of Fixed Income, is a partner and lead Portfolio Manager of Picton Mahoney Asset Management's Income Strategies. Prior to joining Picton Mahoney Asset Management in February 2010, he was Managing Director and Portfolio Manager at HIM Monegy Inc., a subsidiary of Harris Investments Management Inc. Mr. Mesman's previous experience includes portfolio management, quantitative and credit analytics and trading positions with a Canadian chartered bank, Merrill Lynch Canada Inc. and Greywolf Capital Inc. respectively. He additionally brings expertise in the long/short, special situation and structured product arenas. Mr. Mesman earned a B.A. in Economics from the University of Western Ontario and is a CFA charterholder.

Sam Acton is a Portfolio Manager on Picton Mahoney Asset Management's Fixed Income team. Prior to joining Picton Mahoney Asset Management in 2012, he was an Associate at Greenhill & Co. where he was involved in mergers and acquisitions and other strategic advisory assignments. Mr. Acton holds a B. Math from the University of Waterloo and a BBA from Wilfrid Laurier University and is a CFA charterholder.

Brokerage Arrangements

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker and the negotiation, where applicable, of commissions, are made by the Portfolio Advisor.

Execution is based on the most advantageous execution terms reasonably available under the circumstances, including prompt execution of orders in an efficient manner and price. In selecting and monitoring dealers and negotiating commissions, the Portfolio Advisor considers the dealer's reliability, the quality of its execution services on a continuing basis and its financial condition. When more than one dealer is believed to meet these criteria, preference may be given to dealers who provide research or statistical material or other services to the Fund or the Portfolio Advisor. Such research and order execution goods and services include advice, both directly and in writing, as to the value of securities; the advisability of investing in, purchasing or selling securities; the availability of securities, or purchasers or sellers of securities; analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy or the performance of accounts; trading software; market data; custody, clearing and settlement services that were directly related to executed orders; as well as databases and software that supported these goods and services. Dealers and third parties may provide the same or similar goods and services in the future. The users of these research and order execution goods and services are portfolio managers, research analysts and traders. Such services allow the Portfolio Advisor to supplement its own investment research activities and obtain the views and information of others prior to making investment decisions. The Portfolio Advisor is of the opinion that, because this material may be analyzed and reviewed by its staff, its receipt and use does not tend to reduce expenses but may benefit the Fund by supplementing the Portfolio Advisor's research. The Portfolio Advisor conducts trade cost analysis to ensure that the Fund receive a reasonable benefit considering the use of the research and order execution goods and services, as applicable, and the amount of the brokerage commission paid. The Portfolio Advisor also makes a good faith determination that the Fund receive reasonable benefit considering the use of the goods and services, the amount of brokerage commissions paid, the range of services and the quality of research received.

Trustee

Picton Mahoney Asset Management acts as the trustee of the Fund pursuant to the Declaration of Trust. The Trustee has the powers and responsibilities in respect of the Fund as described in the Declaration of Trust. The Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. As Trustee, we are the legal owner of all of the Fund's assets and we hold all of those assets on behalf of the unitholders of the Fund.

Pursuant to the Declaration of Trust, the Manager may remove the Trustee and appoint a successor trustee from time to time on 90 days' written notice or in certain other circumstances. The Trustee or any successor appointed pursuant to the terms of the Declaration of Trust may resign upon 90 days' written notice to the Manager, who shall use its best efforts to appoint a successor trustee. If no successor Trustee is appointed, the Fund shall be terminated.

The Declaration of Trust provides that the Trustee and its affiliates have a right of indemnification from the Fund for any claims arising out of the execution of its duties as trustee, except in cases of negligence, willful default or bad faith on the part of the Trustee. In addition, the Declaration of Trust contains provisions limiting the liability of the Trustee, as described in the Declaration of Trust.

Custodian

Pursuant to the Custodian Agreement (as defined below), RBC Investor Services Trust (the "**Custodian**") has agreed to act as custodian for the Fund and to provide safekeeping and custodian services in respect of the Fund's property. The principal office of the Custodian is located in Toronto, Ontario.

The Custodian receives and holds all cash, portfolio securities and other assets of the Fund for safekeeping and on direction from the Fund will settle on behalf of the Fund the purchase and sale of the Fund's assets. The Custodian has physical custody of the Fund's property. Under the terms of the Custodian Agreement and subject to the requirements of the Canadian Securities Administrators, the Custodian may appoint one or more sub-custodians. The fees for custodial services provided by the Custodian are paid by the Fund.

The custodian agreement can be terminated by the Fund or by the Custodian on 60 days' prior written notice.

Auditor

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Toronto, Ontario, is the auditor of the Fund. PricewaterhouseCoopers LLP is independent of the Fund in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario. The Auditor is responsible for auditing the annual financial statements of the Fund. The Auditor is independent of the Fund in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

Administrator

The Manager, on behalf of the Fund, has entered into an Administration Agreement (as defined below) with RBC Investor Services Trust (the "**Administrator**") to obtain certain administrative services for the Fund. The principal office of the Administrator is located in Toronto, Ontario.

The Administrator is responsible for providing administrative services to the Fund, including maintaining the accounting records of the Fund, fund valuation, net asset value calculation and financial reporting services. The fees for administrative services provided by the Administrator are paid by the Fund.

The Administration Agreement can be terminated by the Manager or by the Administrator on 30 days' prior written notice.

The Manager continues to be responsible for the services provided by the Administrator.

Registrar and Transfer Agent

RBC Investor Services Trust is the registrar and transfer agent for the Class A, Class F, Class I and Class O units of the Fund pursuant to the terms of the Administration Agreement. In such capacity, RBC Investor Services Trust keep the registers of the owners of such units of the Fund, processes purchase and redemption orders, issues investor account statements and issues annual tax reporting information. The registers of the Fund are kept in Toronto, Ontario.

TSX Trust Company is the registrar and transfer agent for the ETF units of the Fund. In such capacity, TSX Trust Company keep the registers of the owners of such units of the Fund, processes purchase and redemption orders, issues investor account statements and issues annual tax reporting information. The registers of the Fund are kept in Toronto, Ontario.

RBC Investor Services Trust and TSX Trust Company are paid fees for performing their duties as registrars of the units of the Fund. RBC Investor Services Trust and TSX Trust Company are not affiliates or associates of the Manager or the Fund.

Securities Lending Agent

The Manager has entered into the Securities Lending Agency Agreement (as defined below) with RBC Investor Services Trust (the "**Agent Lender**"). The principal office of the Agent Lender is located in Toronto, Ontario.

The Agent Lender may, pursuant to the Securities Lending Agency Agreement, participate in a securities lending program sponsored and administered by the Agent Lender, which shall qualify as a "securities lending arrangement" as defined in the Tax Act and, in connection therewith, the Trustee is authorized to release and deliver securities and return collateral received for loaned securities in accordance with the provisions of such securities lending program. RBC Investor Services Trust is not an affiliate or associate of the Manager or the Fund.

Prime Brokers

RBC Dominion Securities Inc. of Toronto, Ontario and Goldman Sachs & Co. LLC of New York, New York, or such other parties as the Manager may retain, will act as prime brokers for the Fund pursuant to separate prime brokerage agreements. The prime brokers provide prime brokerage services to the Fund, including trade execution and settlement, custody and securities lending in connection with the short sale strategies of the Fund. The Fund may appoint additional prime brokers from time to time.

RBC Dominion Securities Inc. and Goldman Sachs & Co. LLC are not affiliates or associates of the Manager or the Fund.

Independent Review Committee

The Independent Review Committee (the "**IRC**") will provide independent oversight of conflict of interest matters that may arise between the Manager and the Fund. The IRC prepares, at least annually, a report of its activities for unitholders and makes such reports available on the Fund's designated website at www.pictonmahoney.com, or at the unitholder's request and at no cost, by calling 1-866-369-4108 or emailing service@pictonmahoney.com. The members of the IRC are independent of the Manager.

National Instrument 81-107 – *Independent Review Committee for Investment Fund* ("**NI 81-107**") requires all publicly offered investment funds, such as the Fund, to establish an independent review committee to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the IRC in carrying out its functions. The IRC is required to conduct regular assessments and provide reports to the Manager and to unitholders in respect of its functions.

The investment funds in the Manager's family of funds share the same IRC. The fees and expenses of the IRC are borne and shared *pro rata* by all of the applicable investment funds in the Manager's family of funds. Each investment fund is also responsible for its *pro rata* share of all expenses associated with insuring and indemnifying the IRC members.

The annual fee payable to each member is $14,000 and $17,000 for the Chair, plus applicable taxes or other deductions. Expenses incurred by the members of the IRC in connection with performing their duties are also the responsibility of the investment funds, including the Fund.

In addition, in 2022, the Fund paid an annual secretarial fee in the amount of $38,750 to Independent Review Inc.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager may be subject when managing the Fund. The IRC is empowered to represent the best interest of the Fund in any matter where the Manager has referred a conflict of interest matter to it. In those cases, it has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Fund.

Effective January 1, 2023, the current members of the IRC are: Roderick McIsaac (Chair), Paul Manias and Patricia Z. Dunwoody.

Affiliated Entities

There are no affiliated entities of the Manager that provides services to the Fund.

Policies and Practices

The Manager maintains policies, procedures and guidelines concerning governance of the Fund. These policies, procedures and guidelines aim to monitor and manage the business and sales practices, risk management and internal conflicts of interest relating to the Fund, and to ensure compliance with regulatory and corporate requirements. The Fund is also managed in accordance with its investment guidelines and those guidelines are monitored regularly by appropriate personnel and senior management of the Manager to ensure compliance therewith.

The Manager is committed to the fair treatment of investors in the products managed by the Manager through the application of high standards of integrity and ethical business conduct by the employees of Picton Mahoney Asset Management. As a result of this, the Manager has established a Compliance Manual to guide the firm and its employees. This manual governs policies to a number of subjects including: code of ethics and conduct, trading procedures and proxy voting.

The Manager manages its investment funds in the best interest of each of the funds, in compliance with the requirements of NI 81-107 by setting out its policies and procedures for dealing with conflict of interest matters and providing guidance on managing these conflicts.

In addition to the policies, practices or guidelines applicable to the Fund relating to the business practices, sales practices, risk management and internal conflicts already disclosed in this Simplified Prospectus, all employees of the Manager are bound by the code of ethics and conduct which, among other things, addresses proper business practices and conflicts of interest and a personal trading and disclosure policy which sets out the policies and procedures of the Manager with respect to personal trading and disclosure.

Use of Derivatives

The Fund may only invest in or use derivative instruments that are consistent with the investment objectives of the Fund. Investing in and using derivative instruments are subject to certain risks.

The Portfolio Advisor may use derivative instruments to reduce or hedge against various risks, including currency exchange risk associated with foreign investments, and as a substitute for purchasing or selling securities directly to obtain investment exposures consistent with its investment objectives, strategies and risk management. The derivatives that the Portfolio Advisor may use include, but are not limited to, options, swaps, futures and forwards. The Portfolio Advisor may also employ various option strategies to increase income return of the portfolios of the Fund including, but not limited to, covered call and put option writing. No assurance can be given that the portfolios will be hedged from any particular risk at any time.

The Portfolio Advisor has written policies and procedures in place that set out the objectives and goals for derivatives trading and the risk management procedures applicable to those transactions by the Fund. The

Chief Compliance Officer of the Portfolio Advisor is responsible for setting and reviewing these policies and procedures. These policies and procedures are reviewed and approved at least annually by the risk management committee of the Portfolio Advisor. The Compliance and Quantitative Research and Risk teams of the Portfolio Advisor monitor the risks associated with the use of derivatives independently of the portfolio management team. Risk measurement procedures and simulations are used to test the portfolios under stress conditions.

Repurchase and Reverse Repurchase Transactions and Securities Lending

The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.
- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.
- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

Short Sales

The Fund may, from time to time, engage in short selling as permitted by applicable securities legislation. Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions.

Written policies and procedures regarding objectives and risk management procedures have been adopted by the Portfolio Advisor in connection with its short selling activities. The Chief Compliance Officer of the Portfolio Advisor is responsible for setting and reviewing these policies and procedures. Such policies and procedures are reviewed and approved at least annually by the risk management committee of the Manager. The authorization of short selling transactions and placing limits or other controls on short selling is the responsibility of the portfolio manager with post-trade review conducted by the compliance department. Risk measurement procedures and simulations are used to test the portfolios of the Fund under stress conditions.

Permitted ETFs

The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a "**Permitted ETF**"). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund's net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a "**Bear ETF**") or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

Proxy Voting Policy

The Manager has established policies and procedures in relation to voting on matters for which the Fund receive, in their capacity as securityholder, and for reviewing proxy materials for a meeting of securityholders of an issuer. It is the Manager's policy to exercise the voting rights of the Fund in the best interest of such Fund and to maximize the value of the Fund's investments over the long-term. The Manager has retained Institutional Shareholder Services ("**ISS**") to provide in-depth research, voting recommendations, vote execution, recordkeeping and reporting. The Manager has elected to follow the ISS International Sustainability Proxy Voting Guidelines and U.S. Sustainability Proxy Voting Guidelines (collectively, the "**Sustainability Guidelines**"), because the Manager believes responsible corporate governance, social and environmental practices may have a significant effect on the value of an issuer. As such, the Manager's Proxy Voting Policy (the "**Alternative Fund Proxy Voting Policy**") generally mirrors the Sustainability Guidelines. The intention of the Alternative Fund Proxy Voting Policy is to provide the Manager with a disciplined and consistent approach to voting and not to dictate precisely how each ballot item must be voted in every circumstance. While the Alternative Fund Proxy Voting Policy is intended to reflect the Fund's general position on certain issues, the Manager may depart from the Alternative Fund Proxy Voting Policy on any particular proxy vote depending upon the facts and circumstances. The Manager will document, in writing, occurrences where a proxy vote was cast in a manner inconsistent with the Alternative Fund Proxy Voting Policy. While serving as a framework, the Proxy Voting Policy cannot contemplate all possible proposals with which the Fund may be presented. In the absence of a specific guideline for a particular proposal (e.g., in the case of a transactional issue or contested proxy), the Manager will evaluate the issue and cast the Fund's vote in a manner that, in the Manager's view, will maximize the value of the Fund's investment. In certain cases, proxy votes may not be cast. For example, the portfolio manager may determine that it is not in the best interests of the Fund to vote proxies.

The current Proxy Voting Policy and procedures of the Manager are available to unitholders at no cost by calling toll free at 1-866-369-4108, on the Manager's website at www.pictonmahoney.com or by writing to Picton Mahoney Asset Management, 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4.

The Fund's proxy voting record for the annual period from July 1 to June 30 will be available at any time after August 31 following the end of that annual period, to any unitholder on request to the Manager, at no cost, and will also be available on the Manager's website at www.pictonmahoney.com. Information contained on the Manager's website is not part of this Simplified Prospectus and is not incorporated herein by reference.

Reporting to Unitholders

The fiscal year end of the Fund is December 31. The Fund will deliver or make available to unitholders: (i) audited comparative annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim management reports of fund performance.

Each unitholder will also be mailed annually, by his, her or its broker, no later than March 31, information necessary to enable such unitholder to complete an income tax return with respect to amounts paid or payable by the Fund owned by such unitholder in respect of the preceding taxation year of the Fund.

The Manager will ensure that the Fund complies with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of the Fund. A unitholder or his, her or its duly authorized representative has the right to examine the books and records of the Fund during normal business hours at the offices of the Administrator. Notwithstanding the foregoing, a unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Fund.

Remuneration of Directors, Officers and Trustees

The Fund does not directly employ any directors, officers or trustees to carry out Fund operations. The Manager, as manager and trustee of the Fund, provides or retains all personnel necessary to conduct the Fund's operations.

Material Contracts

Declaration of Trust
The Fund is governed by the terms of a declaration of trust dated September 19, 2018, as amended from time to time (the "**Declaration of Trust**"). The Declaration of Trust was amended on October 27, 2023 to establish the Class O units of the Picton Mahoney Fortified Core Bond Fund.

The Declaration of Trust set out the powers and duties of the manager and the trustee of the Fund, the attributes of units of the Fund, procedures for subscriptions, exchanges and redemptions of units, recordkeeping, calculation of the Fund's income and other administrative procedures. The Declaration of Trust also contain provisions for the selection of a successor manager and trustee should Picton Mahoney Asset Management resign and for termination of the Fund if no successor manager or trustee can be found. Picton Mahoney Asset Management is not paid a fee in its capacity as trustee (as would be required if an outside trustee was engaged) but is entitled to be reimbursed for any costs incurred on the Fund's behalf. Picton Mahoney Asset Management is entitled to management fees for its services as manager and portfolio advisor to the Fund. See "*Fees and Expenses – Management Fees*" for further details.

Custodian Agreement

The Manager, on behalf of the Fund, has entered into a custodian agreement with the Custodian made as of October 1, 2015, as amended (the "**Custodian Agreement**"). Pursuant to the Custodian Agreement, the Custodian has agreed to act as custodian for the Fund and to provide safekeeping and custodian services in respect of the Fund's property.

The Custodian Agreement complies with the applicable provisions of NI 81-102 regarding custodial services and requires the custodian to hold the Fund's assets in trust and to separately identify the Fund's account assets. The Custodian Agreement contains schedules which set out which Fund are governed by that Custodian Agreement. The fees for custodian services provided by the Custodian are paid by the Fund. The Custodian Agreement can be terminated by the Fund or by the Custodian on 60 days' prior written notice.

Administration Agreement

The Manager, on behalf of the Fund, has entered into a valuation and recordkeeping services agreement with the Administrator dated as of October 29, 2015, as amended (the "**Administration Agreement**"). Pursuant to the Administration Agreement, the Administrator provides obtain certain administrative, registrar and transfer agency services for the Fund, including maintaining the accounting records of the Fund, fund valuation, net asset value calculation and financial reporting services, and registrar and transfer agent services for the Class A, Class F, Class I and Class O units of the Fund such as keeping the registers of the owners of such units of the Fund, processing purchase and redemption orders, issuing investor account statements and issuing annual tax reporting information. The Administration Agreement contains schedules which set out which Fund are governed by that Administration Agreement. The fees for administrative services provided by the Administrator are paid by the Fund. The Administration Agreement can be terminated by the Manager or by the Administrator on 30 days' prior written notice.

Securities Lending Agency Agreement

The Manager has entered into a securities lending agency agreement with the Agent Lender dated as of October 19, 2015, as amended (the "**Securities Lending Agency Agreement**").

The Agent Lender may, pursuant to the Securities Lending Agency, participate in a securities lending program sponsored and administered by the Agent Lender, which shall qualify as a "securities lending arrangement" as defined in the Tax Act and, in connection therewith, the Trustee is authorized to release and deliver securities and return collateral received for loaned securities in accordance with the provisions of such securities lending program. The Securities Lending Agency Agreement contains schedules which set out which Fund are governed by that Securities Lending Agency Agreement. The fees for securities lending agency services provided by the Agent Lender are paid by the Fund. The Securities Lending Agency Agreement can be terminated by the Manager or by the Agent Lender on five business days' prior written notice.

Copies of these agreements are available for inspection at the principal office of the Manager during regular business hours and are also available on www.sedarplus.ca.

Legal and Administrative Proceedings

As of the date of this simplified prospectus, there are no ongoing material legal or administrative proceedings pending to which the Fund or the Manager is a party or which are known to be contemplated.

Designated Website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Fund to can be found at the following location: www.pictonmahoney.com.

VALUATION OF PORTFOLIO SECURITIES

The net asset value of the Fund will be calculated by the Administrator, subject to the oversight of the Manager, as of each Valuation Day (as defined below) by subtracting the amount of the liabilities of the Fund from the total assets of the Fund. The assets and liabilities of the Fund will be valued as follows:

(a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Administrator determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Administrator determines to be the reasonable value thereof;

(b) the value of any bonds, debentures, and other debt obligations shall be valued at mid prices from recognized pricing vendors on a Valuation Day at such times as the Administrator, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;

(c) the value of any security, index futures or index options thereon which is listed on any recognized exchange shall be determined by the closing sale price at the close of business on the Valuation Day or, if there is no sale price, the average between the closing bid and the closing asked price on the day on which the net asset value of the Fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

(d) the value of any security which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer or recognized information provider in such securities;

(e) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Administrator;

(f) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;

(g) purchased or written clearing corporation options, options on futures, over-the-counter options, debt like securities and listed warrants shall be valued at the current market value thereof;

(h) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the net asset value. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value;

(i) the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at 4:00 p.m. (Eastern Time) or such other day deemed appropriate by the Manager, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;

(j) the value of any swap will be based on dealer-supplied valuations determined by using observable inputs;

(k) the value of the securities of an investment fund shall be the net asset value or similar value of the securities of the investment fund as provided by the manager, administrator or party acting in a similar capacity of the investment fund and available to the Administrator as of a time proximate to the close of business on the date on which the net asset value is being calculated, whether or not the securities of such investment fund are listed or dealt with on a stock exchange. If a net asset value or similar value of the investment fund as of a time reasonably proximate to the close of business on the date on which the net asset value is being calculated is not available to the Administrator, the value shall be based on an estimate provided by the Manager or in such other manner as the Administrator shall determine;

(l) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

(m) all securities, property and assets of the Fund valued in a foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Administrator, including, but not limited to, the Administrator or any of its affiliates;

(n) all expenses or liabilities (including fees payable to the Manager) of the Fund shall be calculated on an accrual basis; and

(o) the value of any security or property to which, in the opinion of the Administrator, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Administrator from time to time provides or as otherwise determined in accordance with the Manager's policies and procedures.

The net asset value of the Fund and each class are calculated and reported in Canadian dollars. If an investment cannot be valued under the foregoing rules or under any other valuation rules adopted under applicable securities laws, or if any rules we have adopted are not set out under applicable securities laws but at any time are considered by us to be inappropriate under the circumstances, then we shall use a valuation which we consider to be fair and reasonable in the interests of investors in the Fund. In those circumstances, the Administrator would typically review current press releases concerning the investment security, discuss an appropriate valuation with other portfolio managers, analysts and consult other industry sources to set an appropriate fair valuation. If at any time the foregoing rules conflict with the valuation rules required under applicable securities laws, the Administrator will follow the valuation rules required under applicable securities laws.

The Declaration of Trust contains details of the liabilities to be included in calculating the net asset value of the Fund and the net asset value per class or unit price. The liabilities of the Fund include, without limitation, all bills, notes and accounts payable, all administrative fees and operating expenses payable or accrued, all contractual obligations for the payment of money or property, all allowances authorized or approved by us for taxes (if any) or contingencies and all other liabilities of the Fund. In making the calculation of the unit price, we will use the latest reported information available on each Valuation Day. The purchase or sale of portfolio securities by the Fund will be reflected in the first calculation of the unit price after the date on which the transaction becomes binding.

Differences from International Financial Reporting Standards

The Fund's financial statements are prepared in accordance with International Financial Reporting Standards and those principles may differ from the valuation principles that are set out in this Simplified Prospectus.

CALCULATION OF NET ASSET VALUE

Valuation Days

The Fund's net asset value is calculated at the close of regular trading, normally 4:00 p.m. (Eastern Time), on a Trading Day (as defined below) and any other day designated by us (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.

As Manager, we are responsible for determining the net asset value of the Fund. However, we may delegate some or all of the responsibility in relation to such determination to the Administrator.

How We Price the Fund's Units

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

All purchase and redemption transactions are based on the net asset value per unit for each class of units ("**Unit Price**"). We calculate all Unit Prices at the close of trading on the Toronto Stock Exchange (the "**TSX**") on each Valuation Day. The Unit Price can change on each Valuation Day.

The Unit Price is calculated for each class of units. 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.

Here is how we calculate the Unit Price of each class of the Fund:

- We take the fair value of all the investments and other assets allocated to the class.
- We then subtract the liabilities allocated to that class. This gives us the net asset value for the class.
- We divide this amount by the total number of units of the class that investors in the Fund are holding. That gives us the Unit Price for the class.

To determine what your investment in the Fund is worth, simply multiply the Unit Price of the class of units you own by the number of units you own.

Although the purchases and redemptions of units are recorded on a class basis, the assets attributable to all of the class of the 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. The difference in fund costs and management fees between each class means that each class has a different Unit Price.

You can get the net asset value of the Fund or the Unit Price of a class of the Fund, at no cost, by sending an email to service@pictonmahoney.com, on the Manager's website at www.pictonmahoney.com, by calling toll-free at 1-866-369-4108 or by asking your dealer.

PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS OF UNITS

You may purchase units through an authorized dealer or brokers qualified in your province or territory. Your dealer is there to help you with your investment decisions to determine which Fund is most suitable for you to meet your own risk/return objectives and to place orders on your behalf.

The ETF units are exchange-traded units offered by the Fund.

Purchases

Class A, Class F, Class I and Class O units

You may purchase any class of units of the Fund through a registered dealer that has entered into a distribution agreement with us to sell the Fund. See "*Description of Units*" for a description of each class of units offered by the Fund. The issue price of units is based on the Unit Price for that particular class.

The minimum initial investment in Class A and Class F units of the Fund is $2,000. The minimum subsequent investment in Class A and Class F units of the Fund is $500. The minimum initial investment and the minimum subsequent investment in Class I and Class O units of the Fund are negotiable. These minimum investment amounts may be adjusted or waived in the absolute discretion of the Manager.

If we receive your purchase order before 4:00 p.m. (Eastern time) on a Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

Please contact your dealer to find out how to place an order. Please note that dealers may establish cut-off times for receiving purchase orders so that they may be properly processed prior to the 4:00 p.m. (Eastern Time) deadline on the applicable Valuation Day. When you submit money with a purchase order, the money will be held in our trust account and any interest the money earns before it is invested in the Fund is credited to the Fund, not to your account.

We must receive the appropriate documentation and payment in full within two business days of receiving your purchase order in order to process a purchase order. If the Fund does not receive payment in full within the required time or if a cheque is returned because of non-sufficient funds, we will sell the units that you bought. If we sell them for more than you paid, the Fund will keep the difference. If we sell them for less than you paid, we will bill you for the difference plus any costs or interest. Your dealer may make provision in its arrangements with you that will require you to compensate your dealer for any losses suffered by your dealer in connection with a failed settlement of a purchase of units of the Fund caused by you. We do not issue certificates when you purchase the Fund. We are entitled to reject any purchase order, but we can only do so within one business day of receiving it. If we reject an order, we will return immediately to your dealer any monies we have received from you in connection with that order.

At the Manager's sole discretion, the Fund may suspend new subscriptions of the fund units.

Please see "*Fees and Expenses*" and "*Dealer Compensation*" for more information on the fees and expenses and dealer compensation applicable to each class.

ETF units

ETF units of the Fund are offered on a continuous basis. Investors are able to buy or sell ETF units of the Fund on the TSX through a registered broker or dealer in the province or territory where the investor resides. The ticker symbol for the ETF units of Picton Mahoney Fortified Core Bond Fund is PFCB.

Investors may incur customary brokerage commissions when buying or selling ETF units on the TSX. No fees are paid by a unitholder to the Manager or the Fund in connection with the buying or selling of units on the TSX. There is no minimum investment amount for ETF units of the Fund. There is no maximum number of ETF units that may be issued. ETF units can be bought in Canadian dollars only.

ETF units – Issuances to Designated Brokers and ETF Dealers

We, on behalf of the Fund, have entered into designated broker agreements with designated brokers (each, a "**Designated Broker**") pursuant to which the Designated Broker has agreed to perform certain duties relating to the ETF units of the Fund including, without limitation: (i) to subscribe for a sufficient number of units to satisfy the TSX's original listing requirements; (ii) to subscribe for units when cash redemptions of units occur; and (iii) to post a liquid two-way market for the trading of units on the TSX. In accordance with the designated broker agreements, we may require the Designated Brokers to subscribe for ETF units for cash.

Generally, all orders to purchase ETF units directly from the 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 of the Fund on a continuous basis from time to time.

We reserve the absolute right to reject any subscription order placed by a Designated Broker or ETF Dealer in connection with the issuance of ETF units. If we reject your order, we will immediately return any money received, without interest.

No fees or commissions will be payable by the Fund to a Designated Broker or ETF Dealer in connection with the issuance of ETF units. On the listing, issuance, exchange or redemption of ETF units, we may, in our discretion, charge an administrative fee to a Designated Broker or ETF Dealer to offset the expenses incurred in listing, issuing, exchanging or redeeming the units.

After the initial issuance of ETF units to the Designated Broker(s) to satisfy the TSX's original listing requirements, a Designated Broker or ETF Dealer may place a subscription order for a Prescribed Number of Units (and any additional multiple thereof) of the Fund on any day on which a regular session of the TSX is held and the primary exchange or marketplace on which the majority of the securities held by the Fund is open for trading (a "**Trading Day**"), or such other day as determined by us. "**Prescribed Number of Units**" means the number of ETF units of the Fund determined by us from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes. The cut-off time for ETF units of the Fund is 2:00 p.m. (Eastern time) on a Trading Day (or such later time on a Trading Day as we may permit) (the "**Cut-Off Time**"). If the TSX's trading hours are shortened or changed for other regulatory reasons, we may change the Cut-Off Time. Any subscription order that is received by the Cut-Off Time on a Trading Day, subject to our discretion, will be deemed to be received on such Trading Day and will be based on the net asset value per unit determined on such Trading Day. Any subscription order received after the Cut-Off Time on a Trading Day will be deemed to be received on the next Trading Day and will be based on the net asset value per unit determined on the next Trading Day.

For each Prescribed Number of Units issued, an ETF Dealer must deliver payment consisting of, in our discretion: (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, as determined by us, 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, as determined by us, 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.

We will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Units and any Basket of Securities for the Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Units from time to time.

ETF units – Issuances to Designated Brokers in special circumstances

ETF units may also be issued by the Fund to a Designated Broker in certain special circumstances, including when cash redemptions of ETF units occur.

Redemptions

Class A, Class F, Class I and Class O units

If we receive your redemption order before 4:00 p.m. (Eastern Time) on any Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

The latest we will send you your money will be two business days after the Valuation Day used to process your sell order. Required documentation may include a written order to sell with your signature, guaranteed by an acceptable guarantor. If you redeem through your dealer, they will advise you what documents they require. Your dealer may make provision in its arrangements with you that will require you to compensate your dealer for any losses suffered by your dealer in connection with any failure by to satisfy the requirements of the Fund or securities legislation for a redemption of securities of the Fund. Any interest earned on the proceeds of an order to redeem before you receive the money will be credited to the Fund, not to your account.

ETF units

ETF units – Redemption of ETF units in any number for cash

You may choose to redeem ETF units of the Fund equal to the Prescribed Number of Units (and any additional multiple thereof) or such other number of ETF units as we in our sole discretion may permit on any Trading Day. When you redeem ETF units of the 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, unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their ETF units for cash.

For such a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by us from time to time must be delivered to us at our head office on that Trading Day through a registered dealer or other financial institution that is a participant in CDS Clearing and Depository Services Inc. ("**CDS**") and that holds ETF units on behalf of beneficial owners of such units (a "**CDS Participant**"). Any cash redemption request that is received by the Cut-Off Time will be deemed to be received on such Trading Day. Any cash redemption request received after the Cut-Off Time on a Trading Day or on a day which is not a Trading Day will be deemed to be received on the next Trading Day. Subject to the meeting of reasonable requirements applicable to unitholders who wish to redeem their units as we may from time to time establish, including, without limitation, in relation to identification of unitholders and verification of any requests for a redemption, payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets). The cash redemption request forms may be obtained from us.

If we haven't received all the required documents within 10 business days of receiving your redemption request, we'll issue the same number of securities on the 10th business day after the redemption request. If the issue price is less than the sale proceeds, the Fund will keep the difference. If the issue price is more than the sale proceeds, your ETF Dealer must pay the shortfall. Your ETF Dealer may have the right to collect it from you.

We will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Units for the Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Units from time to time.

ETF units – Exchange of Prescribed Number of Units

On any Trading Day, you may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) or such other number of ETF units as we in our sole discretion may permit for Baskets of Securities and cash or, in our discretion, cash only. To effect an exchange of ETF units, you must submit an exchange request, in the form prescribed by us from time to time, to us at our head office. The exchange price will be equal to the aggregate net asset value of the ETF units at 4:00 p.m. (Eastern Time) on the effective day of the exchange request, payable by delivery of Baskets of Securities (constituted prior to the receipt of the exchange request) and cash or, in our discretion, cash only. On an exchange, the applicable ETF units will be redeemed. On an exchange we will require you to pay the Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by the ETF units in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or expected to be incurred by the ETF units are higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange transaction fee.

Any exchange request that is received by the Cut-Off Time on a Trading Day will be deemed to be received on such Trading Day and will be based on the net asset value per unit determined on such Trading Day. Any exchange request received after the Cut-Off Time on a Trading Day or on a day which is not a Trading Day will be deemed to be received as of the next Trading Day and will be based on the net asset value per unit determined on such next Trading Day. Subject to the meeting of reasonable requirements applicable to unitholders who wish to exchange their units as we may from time to time establish, including, without limitation, in relation to identification of unitholders and verification of any requests for an exchange, settlement of exchanges for Baskets of Securities and cash or cash only, as the case may be, will be made by no later than the second Trading Day after the effective day of the exchange request (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets).

We will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Units and any Basket of Securities for the Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Units from time to time.

If securities held in the portfolio of the Fund are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

ETF units – Exchange and redemption of ETF units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which you hold ETF units. Beneficial owners of ETF units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold units sufficiently in advance of the cut-off times set by CDS Participants to allow such CDS Participants to notify us or as we may direct prior to the relevant cut-off time.

ETF units – Characterization of redemption or exchange amounts

The redemption or exchange price paid to a Designated Broker may include capital gains realized by the Fund. The remaining portion of the redemption or exchange price will be proceeds of disposition. Please see the disclosure under "*Income Tax Considerations – Taxation of the Fund*" on page 26 for further details.

Suspending your right to switch, exchange and redeem Class A, Class F, Class I, Class O and ETF units

Under exceptional circumstances we may be unable to process your exchange request or redemption order. This would most likely occur if market trading has been suspended on any exchanges including stock exchanges, option exchanges or futures exchanges on which more than 50% by value of the Fund's assets are listed and if the Fund's portfolio securities cannot be traded on any other exchange that represents a reasonably practical alternative. During these periods, units will also not be issued, switched or reclassified.

The Fund may postpone a redemption payment during any period which redemption rights are suspended in the circumstances described above or with the approval of the applicable securities regulatory authorities.

There are no redemption fees for the Fund, except as described under "*Fees and Expenses – Fees and Expenses Payable Directly by You – Short-Term Trading Fee*".

Switches between Funds

You may switch all or part of your investment in a class of units of the Fund to units of the same class of a Picton Mahoney Fortified alternative fund, except that you may not switch ETF units of one Fund for units of another fund. This is called a switch.

If we receive your switch order before 4:00 p.m. (Eastern Time) on any Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

You may have to pay a switch fee of up to 2% based on the net asset value of the applicable class of units of the Fund you switch from one Fund to another fund. You may negotiate the amount with your dealer. Please see "*Fees and Expenses*" and "*Dealer Compensation*" for more information on the fees and expenses and dealer compensation applicable to switches.

A switch will be a disposition for tax purposes and may give rise to a capital gain or loss. Please see "*Income Tax Considerations*" for details.

Reclassifications between Classes of the Same Fund

You may reclassify all or part of your investment from one class of units to another class of units of the same Fund, as long as you are eligible to hold that class of units, except that ETF units of the Fund may not be changed to units of another class of the same Fund. This is called a reclassification. If you become ineligible to hold a class of units, we may, in our sole discretion, reclassify your units to another class of units of the same fund or redeem your units.

If we receive your reclassification order before 4:00 p.m. (Eastern Time) on any Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

You may have to pay a reclassification fee of up to 2% based on the net asset value of the applicable class of units of the Fund you reclassify from one class of units to another class of units of the same Fund. You may negotiate the amount with your dealer. Please see "*Fees and Expenses*" and "*Dealer Compensation*" for more information on the fees and expenses and dealer compensation applicable to reclassifications.

The value of your investment, less any fees, will be the same immediately after the reclassification. You may, however, own a different number of units because each class may have a different Unit Price. Based on the published administrative statements of the Canada Revenue Agency (the "**CRA**"), reclassifying units from one class to another class of the same fund generally does not give rise to a disposition for tax purposes.

Short-Term Trading

Short-term trading in units of the Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with our long-term investment decisions.

In order to protect the interest of the majority of unitholders in the Fund and to discourage short-term trading in the Fund, investors may be subject to a short-term trading fee. If an investor redeems units of the Fund within 30 days of purchasing such units, the Fund may deduct and retain, for the benefit of the remaining unitholders in the Fund, one percent (1%) of the net asset value of the units of the particular class of the Fund being redeemed. Please see "*Fees and Expenses*" for more information.

The short-term trading fee will not apply in certain circumstances, such as:

- redemptions of ETF units;
- redemptions of units by another fund managed by the Manager or an affiliate or associate of the Manager;
- redemptions of units purchased by the reinvestment of distributions;
- reclassification of units from one class to another class of the same Fund;
- redemptions initiated by the Manager or where redemption notice requirements have been established by the Manager; or
- in the absolute discretion of the Manager.

RBC Investor Services Trust, on behalf of the Manager, monitors and detects short-term trading. RBC Investor Services Trust on direction from the Manager, automatically charges a short-term trading fee to any redemption of units of the Fund that is made within 30 days of purchasing or switching those securities. The Manager assesses the short-term trading fee charged to an investor on a case-by-case basis and may, at its absolute discretion, reverse a short-term trading fee that has been charged to an investor.

Notwithstanding the foregoing, the Manager does not believe that it is necessary to impose any short-term trading restrictions on ETF units at this time, as such units are exchange traded units that are primarily traded in the secondary market.

Special Considerations for Unitholders

The provisions of the so-called "early warning" reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the ETF units of the Fund. The Fund has obtained exemptive relief to permit unitholders to acquire more than 20% of the ETF units of the Fund without regard to the take-over bid requirements of applicable Canadian securities legislation. See "*Additional Information – Exemptions and approvals*" for details.

OPTIONAL SERVICES

Pre-authorized Contribution Plan

You can make regular purchases of units of the Fund (except ETF units) through a Pre-authorized

Contribution Plan ("**PAC**"). You can invest weekly, bi-weekly, or monthly. You can set up a PAC by contacting your dealer. There is no administrative charge for this service.

FEES AND EXPENSES

The following table lists the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will reduce the value of your investment in the Fund.

Fees and Expenses Payable by the Fund	
Management Fees	The Manager receives a management fee payable by the Fund 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 day of each calendar quarter. Class A units: 1.30% per annum Class F units: 0.65% per annum Class I units: Negotiated by the investor and paid directly by the investor. The management fee rate would not exceed the management fee payable on Class A units of the Fund. Class O units: Negotiated by the investor and paid directly by the investor. The management fee rate will not exceed the management fee payable on Class A units of the Fund. ETF units: 0.65% per annum. In consideration of the management fee, the Manager will provide investment management, clerical, administrative and operational services to the Fund, including: determining and implementing investment policies, practices, fundamental objectives, and investment strategies applicable to the Fund; receiving and processing all subscriptions and redemptions; ensuring the Fund complies with regulatory requirements and filings; offering units of the Fund for sale to prospective purchasers; conducting foreign exchange transactions; purchase, retain, sell and call and put options, futures contracts, or other similar financial instruments; daily operations and usual and ordinary office services; unitholder reporting, relations and communications; appointing or changing the auditor of the Fund; banking; establish the Fund's operating expense budget and authorizing payment of expenses; authorizing contractual arrangements; recordkeeping; and allocating between each class of the Fund the net asset value of the Fund, any distribution of the Fund, the net assets of the Fund, the Fund's property, any liabilities of the Fund, any other items. The Manager may delegate the foregoing to third parties if it believes it is in the best interests of unitholders. **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 availability and amount of Management Fee Distributions with respect to units of the Fund will be determined by the Manager. Management Fee Distributions will generally be calculated and applied based on the number of units held by a unitholder on the most recent Valuation Day prior to the calculation of the Management Fee Distribution, as specified by the Manager from time to time. Management Fee Distributions will be paid first out of income and capital gains of the Fund and then out of capital. Please see "*Income Tax Considerations – Units Not Held in a Registered Plan*" on page 28 for further details. The Manager reserves the right, in its discretion, to discontinue or change Management Fee Distributions at any time. The tax consequences of a Management Fee Distribution will generally be borne by the unitholder who receives the distribution. Management fees are subject to applicable taxes, including GST/HST. The costs of providing certain of these services are regarded as operating expenses of the Fund and are paid by the Fund in addition to the management fee paid by the Fund to the Manager. For further information, see below under "*Operating Expenses*". The remaining expenses relating to the services provided by the Manager to the Fund are paid by the Manager from the management fee the Manager receives from the Fund.
Operating Expenses	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 (if applicable), taxes, audit and legal fees, fees of the members of the IRC, costs and fees in connection with the operation of the IRC (including the costs of holding meetings, and fees and expenses of any advisers engaged by the IRC), safekeeping and custodial fees, interest expenses, operating, administrative and systems costs, index and data licensing fees, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses, fund facts and ETF facts. Operating expenses and other costs of the Fund are subject to applicable taxes including GST/HST. The Fund also pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each member of the IRC, other than the Chair, is paid, as compensation for his services, $14,000 (plus applicable taxes or other deductions) per annum. The Chair is paid $17,000 (plus applicable taxes or other deductions) per annum. The Manager, in its sole discretion, may waive and/or reimburse a portion or all of the Fund's operating expenses.

Fund-on-fund fees and expenses	When a Top Fund invests in an underlying fund, the underlying fund may pay a management fee and other expenses in addition to the fees and expenses payable by the Top Fund. The fees and expenses of the underlying fund will have an impact on the management expense ratio of a Top Fund that invests in such underlying fund as the Top Fund is required, in determining its management expense ratio, to take into account the expenses incurred by the Top Fund that are attributable to its investment in the underlying fund. However, the Top Fund will not pay a management fee that, to a reasonable person, would duplicate a fee payable by the underlying fund(s) for the same service. In addition, the Top 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 its affiliate or associate, 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.
Fees and Expenses Payable Directly by You	
Class I and Class O Units Management Fees	Unitholders of Class I and Class O units pay a negotiated management fee based on the net asset value of the Class I or Class O units of the Fund you own directly to the Manager, which will not exceed the management fee payable on Class A units; provided that, in the case of the Class O units, the management fee rate may be determined based on the total net asset value of all Class O units held by all investors. This fee will be set out in an agreement between you and the Manager. Management fees for Class I and Class O units are not included in the management expense ratio.
Sales Commissions	You may have to pay a sales commission of up to 5% based on the net asset value of the applicable class of units of the Fund you acquire when you buy Class A units. You may negotiate the amount with your dealer. There are no sales commissions for Class F units, Class I units, Class O units and ETF units. You may incur customary brokerage commissions in buying or selling ETF units on the TSX.
Switch and Reclassification Fees	You may have to pay a switch fee or a reclassification fee, as applicable, of up to 2% based on the net asset value of the applicable class of units of the Fund you switch or reclassify. You may negotiate the amount with your dealer. Dealers' fees for switches and reclassifications are paid by redeeming units held by you. See "*Income Tax Considerations– Taxation of Unitholders – Units Not Held in a Registered Plan*".
Redemption Fees	The Fund does not charge a redemption fee. However, the Fund may charge a short-term trading fee if you redeem your units within 30 days of buying them. Please see "*Short-Term Trading Fee*" below.
Short-Term Trading Fee	A fee of 1% of the amount redeemed may be charged if you redeem units of the Fund within 30 days of purchasing such units. For a description of the Manager's policy on short-term trading please see the disclosure under "*Purchases, Switches,*

	Reclassifications and Redemptions of Units – Short-Term Trading". The short-term trading fees charged will be paid directly to the Fund, and is designed to deter excessive trading and offset its associated costs. For the purposes of determining whether the fee applies, we will consider the units that were held the longest to be units which are redeemed first. At the Manager's discretion, the fee will not apply in certain circumstances, such as: • redemptions of ETF units; • redemptions of units by another fund managed by the Manager; • redemptions of units purchased by the reinvestment of distributions; • reclassification of units from one class to another class of the same Fund; • redemptions initiated by the Manager or where redemption notice requirements have been established by the Manager; or • in the absolute discretion of the Manager. Notwithstanding the foregoing, the Manager does not believe that it is necessary to impose any short-term trading restrictions on ETF units at this time, as such units are exchange traded units that are primarily traded in the secondary market.
Administration Fee	An amount may be charged to a Designated Broker or ETF Dealer to offset certain transaction and other costs associated with the listing, issue, exchange and/or redemption of ETF units of the Fund. This charge, which is payable to the Fund, does not apply to unitholders who buy and sell their ETF units through the facilities of the TSX.
Exchange Fee	On an exchange of ETF units, we will require you to pay the Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by the ETF units in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or expected to be incurred by the ETF units is higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange transaction fee.

DEALER COMPENSATION

Your dealer may receive three types of compensation – sales commissions, trailing commissions and switch/reclassification fees.

Sales Commissions – You pay this commission to your dealer at the time of purchase of Class A units of the Fund. The maximum sales commission you may pay is 5% based on the net asset value of the applicable class of units of the Fund you acquire. You may negotiate this amount with your dealer. There are no sales commissions payable to your dealer for Class F units, Class I units, Class O units and ETF units of the Fund. You may incur customary brokerage commissions in buying or selling ETF units on the TSX. Please see "*Purchases, Switches, Reclassifications and Redemptions"* for further details.

Trailing Commissions – For Class A units of the Fund, subject to applicable law, we pay dealers an ongoing annual service fee known as a "trailing commission," as long as you hold your investment, based on the total value of Class A units their clients hold in the Fund. Where permitted by law, we also pay trailing commissions to discount brokers for securities you purchase through your discount brokerage account. There are no trailing commissions paid on Class F units, Class I units, Class O units and ETF units of the Fund. The trailing commissions are paid quarterly at a current annual rate of up to 0.65% of the value of the Class A units held by clients of the dealer.

Switch/Reclassification Fees – You pay the switch fee or reclassification fee, as applicable, to your dealer at the time of switching your investment from one Fund to another Fund or reclassifying from one class of units to another class of units in the same Fund. The maximum switch/reclassification fee you may pay is 2% based on the net asset value of the applicable class of units of the Fund being switched or reclassified. You may negotiate this amount with your dealer. Dealers' fees for switches and reclassifications are paid by redeeming units held by you. See "*Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan*".

Other Kinds of Dealer Compensation

We may provide a broad range of marketing support programs to dealers which include research materials on the Fund and pre-approved advertising copy relating to the Fund. We may also provide advertising programs for the Fund which may indirectly benefit your dealer, and in some cases, may share with your dealer the cost of local advertising and marketing activities (including investor conferences and seminars). The cost sharing is on a case-by-case basis and will not exceed 50% of the total direct costs incurred by your dealer. We may reimburse dealers for the registration fees of financial advisors attending certain conferences, seminars and courses organized and presented by third parties. We also may reimburse dealers and certain industry associations for up to 10% of the total direct costs they incur for other kinds of conferences, seminars and courses they organize and present. We may organize and present, at our expense, educational conferences and seminars for financial advisors and provide to financial advisors non-monetary benefits of a promotional nature and of minimal value.

It is important for you to know that all of the amounts described above are paid by us, not the Fund, and only in accordance with our policies and the rules set out in National Instrument 81-105 – *Mutual Fund Sales Practices*.

INCOME TAX CONSIDERATIONS

The following is a general summary, at the time of filing, of the principal Canadian federal income tax considerations generally applicable to you as an investor in the Fund offered under this prospectus. This summary assumes you are an individual (other than a trust) who, for purposes of the Tax Act, is a resident of Canada, deals at arm's length and is not affiliated with the Fund, holds units as capital property, and has not entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to units of the Fund.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, an understanding of the current published administrative and assessing practices of the CRA and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the "**Tax Proposals**"). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary assumes that none of the issuers of securities held by the Fund will be a foreign affiliate of the Fund or any unitholder, or a non-resident trust that is not an "exempt foreign trust" as defined in section 94 of the Tax Act. This summary also assumes that the Fund (i) will not be a "SIFT trust" for the purposes of the Tax Act, (ii) will not be a "financial institution" for purposes of the Tax Act, (iii) will not be required to include any amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act, and (iv) will not enter into any arrangement where the result is a "dividend rental arrangement" for the purposes of the Tax Act.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to you of an investment in units and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire units. It does not take into account the tax laws of any province or territory or of any jurisdiction outside Canada. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Accordingly, you are urged to consult with your own tax advisors for advice with respect to the income tax consequences of an investment in units, based on your particular circumstances.

Tax Status of the Fund

This summary is based on the assumptions that (i) the Fund will qualify, at all times, as a "mutual fund trust" within the meaning of the Tax Act and will elect under the Tax Act to be a "mutual fund trust" from the date it was established, (ii) the Fund will not be maintained primarily for the benefit of non-residents, and (iii) not more than 50% (based on fair market value) of the units of the Fund will be held by non-residents of Canada or by partnerships that are not "Canadian partnerships" as defined in the Tax Act, or by any combination of such partnerships and non-residents.

In order to continue to qualify as a "mutual fund trust", the Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and disposition of units. If the Fund does not qualify as a "mutual fund trust" at all times, the income tax considerations described below could be materially different.

Taxation of the Fund

In each taxation year, the Fund will be subject to tax under Part I of the Tax Act on its net income, including the taxable portion of any net capital gains, if any, that is not paid or made payable to unitholders in that year. Provided the Fund distributes all of its net taxable income and its net capital gains to its unitholders on an annual basis, it will not be liable for any income tax under Part I of the Tax Act.

The Fund is required to include, in computing its income for each taxation year, the taxable portion of any net capital gains realized in the year, any dividends received by it in the year and all interest that accrues to it during the year, or which 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 derivatives and in respect of short sales of securities (other than Canadian securities) will be treated as being on income account, except where a derivative is used to hedge securities held on capital account provided there is sufficient linkage and the derivative is not subject to the derivative forward agreement rules ("**DFA Rules**") discussed below. Whether gains or losses realized by the Fund on a particular transaction (other than a disposition of 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.

The DFA Rules in the Tax Act deem gains on the settlement of certain forward agreements (described as "derivative forward agreements") to be included in ordinary income rather than treated as capital gains. Under the DFA Rules, the return on any derivative entered into by the Fund that is a "derivative forward agreement" within the meaning of the Tax Act will be taxed as ordinary income rather than capital gains. The Tax Act exempts from the application of the DFA Rules currency forward contracts, or certain other derivatives, that are entered into in order to hedge foreign exchange risk in respect of an investment held as capital property.

The Fund's portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, the Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

Income or gains from investments in countries other than Canada may be subject to foreign taxes. To the extent such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund's income from such investments, such excess may generally be deducted by the Fund in computing its income for purposes of the Tax Act, subject to the detailed provisions of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such foreign source income and has not been deducted in computing the Fund's income, the Fund may generally designate a portion of its foreign source income in respect of its unitholders so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the unitholders for the purposes of the foreign tax credit provisions of the Tax Act.

The Fund may be subject to loss restriction rules contained in the Tax Act, unless the Fund qualifies as an "investment fund" as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that unitholders hold only fixed (and not discretionary) interests in the Fund. If the Fund that is not an "investment fund" experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's net income and net realized capital gains at such time to unitholders so that the Fund is not liable for income tax on such amounts) and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward losses will be restricted. Generally, the Fund will have a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Tax Act.

The Fund may be subject to the "suspended loss" rules contained in the Tax Act, which would generally apply where the Fund disposes of property and subsequently reacquires the property or acquires an identical property within the time period that begins 30 days before the disposition and ends 30 days following the disposition, and the Fund continues to own the reacquired or newly-acquired property following that period. Where the "suspended loss" rules apply, any losses arising from the initial disposition of property would be denied, but may be realized at a future point in time in accordance with the rules in the Tax Act.

If the Fund realizes capital gains as a result of transfers or dispositions of its property undertaken to facilitate a redemption of units (which in this paragraph includes an exchange of units) by a unitholder, allocation to the unitholder of fund-level capital gains may be permitted in accordance with the Tax Act. The taxable portion of the capital gain so allocated must be included in the income of the redeeming unitholder (as a taxable capital gain) and may be deductible by the Fund in computing its income, subject to subsections 132(5.3) and 132(5.31) of the Tax Act. For ETF units of the Fund, amounts of taxable capital gain so allocated and designated to unitholders redeeming ETF units will be deductible to the Fund in an amount determined by a formula under subparagraph 132(5.31)(b)(i), which is based on (i) the amount of capital gains designated to unitholders on an exchange or redemption of ETF units in the taxation year, (ii) the total amount paid for exchanges or redemptions of the ETF units in the taxation year, (iii) the Fund's NAV at the end of the taxation year and the end of the previous taxation year that is referable to the ETF units, and (iv) the portion of the

Fund's net taxable capital gains for the taxation year that is allocable, based on relative NAV of non-ETF units and ETF units, to the ETF units. For units that are not ETF units, the limitation in subsection 132(5.3) applies on a redemption of those units, and additionally subparagraph 132(5.31)(b)(ii) will potentially apply to further restrict the amount of capital gains deductible by the Fund. The portion of taxable capital gains that is not deductible by the Fund under subsections 132(5.3) and 132(5.31) may be made payable to non-redeeming unitholders so that the Fund will not be liable for non-refundable income tax thereon.

Taxation of Unitholders

Units Held in a Registered Plan

If you hold units of the Fund in a tax-free savings accounts ("**TFSA**"), registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), registered education savings plans ("**RESP**"), first home savings accounts ("**FHSA**"), or registered disability savings plans ("**RDSP**") (each a "**Registered Plan**" and collectively, "**Registered Plans**"), distributions from the Fund and capital gains from a redemption (or other disposition) of units are generally not subject to tax under the Tax Act until withdrawals are made from the plan (withdrawals from a TFSA and certain qualifying withdrawals from a FHSA are generally not subject to tax).

Notwithstanding the foregoing, if the units of the Fund are "prohibited investments" (as defined in the Tax Act) for your TFSA, RRSP, RDSP, RESP, FHSA or RRIF, you—as the holder of the TFSA, FHSA or RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as the case may be—may be subject to a penalty tax as set out in the Tax Act. The units of the Fund will be a "prohibited investment" for your TFSA, RRSP, RDSP, RESP, FHSA or RRIF, if you (i) do not deal at arm's length with the Fund for purposes of the Tax Act, or (ii) have a "significant interest", as defined in the Tax Act, in the Fund. Generally, you will not have a significant interest in the Fund unless you own interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which you do not deal at arm's length. However, your units will not be prohibited investments at any time during the first 24 months after the Fund was established, provided that the Fund substantially complies with NI 81-102 during such time. In addition, your units will not be a "prohibited investment" if such units are otherwise "excluded property" as defined in the Tax Act for a TFSA, RRSP, RDSP, RESP, FHSA or RRIF.

You should consult with your own tax advisors to determine whether units of the Fund would be a "prohibited investment" for your TFSA, RRSP, RDSP, RESP, FHSA or RRIF, based on your particular circumstances. You should consult with your own tax advisor with respect to exchanging ETF units for a Basket of Securities in your Registered Plan.

Units Not Held in a Registered Plan

If you hold units of the Fund outside a Registered Plan, you will generally be required to include in computing your income for a taxation year the portion of the net income of the Fund, including the taxable portion of any capital gains, if any, paid (or payable) to you by the Fund in that taxation year, whether such amounts are paid in cash or automatically reinvested in additional units.

Generally, any distributions to you in excess of your share of the net income and net capital gains of the Fund in a taxation year are a return of capital and will not be taxable to you, but will reduce the adjusted cost base of your units. To the extent that your adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by you and your adjusted cost base will be nil immediately thereafter. The non-taxable portion of any net capital gains of the Fund that is distributed to you will not be taxable and will not, provided the appropriate designations are made by the Fund, reduce the adjusted cost base of your units.

Provided that appropriate designations are made by the Fund, such portion of (i) the taxable portion of any net capital gains of the Fund, and (ii) the taxable dividends received by the Fund on shares of taxable Canadian corporations as are paid or become payable to you will effectively retain their character and be treated as such in your hands. The gross-up and dividend tax credit rules contained in the Tax Act will apply to such amounts that are designated as taxable dividends from taxable Canadian corporations. If the Fund makes the appropriate designation you may be entitled to claim a foreign tax credit in accordance with the provisions of, and subject to the general limitations under, the Tax Act for a portion of the foreign tax paid by the Fund in respect of income from foreign sources.

The net asset value per unit of the Fund at the time you acquire units of the Fund may reflect income and gains of the Fund that have accrued prior to that time. Accordingly, if you acquire units, you may become taxable on the income or gains of the Fund that accrued before those units were acquired.

We will provide you with prescribed information to assist you in preparing your tax return.

Upon the redemption (or other disposition) of a unit, including on a redemption of units to pay any applicable switch or reclassification fees, you will realize a capital gain (or capital loss) to the extent that your proceeds of disposition (i.e., the amount you receive for that unit) exceed (or are less than) your adjusted cost base of the unit and any reasonable costs of disposition. Your adjusted cost base of a single unit of a particular class at any particular time will generally be the average cost of all such units of that class held by you at that time. For the purpose of determining the adjusted cost base of your units, when units of a particular class are acquired, including on the reinvestment of distributions, the cost of the newly acquired units of that class will be averaged with the adjusted cost base of all units of that class owned by you as capital property immediately before that time.

One-half of any capital gain realized by you in a taxation year on the disposition of units will be included in your income for that taxation year and one-half of any capital loss realized by you must be deducted from the taxable portion of any capital gains realized in that taxation year. One-half of any unused capital losses may be deducted by you against the taxable portion of any capital gains arising in the three immediately preceding taxation years or in subsequent taxation years, subject to the rules in the Tax Act.

In general terms, net income of the Fund paid or payable to you that is designated as net realized taxable capital gains, taxable Canadian dividends or taxable capital gains realized on the disposition of units may increase your potential liability for alternative minimum tax.

Management fees paid directly to the Manager by holders of Class I and Class O units will generally not be deductible by those unitholders.

International Tax Reporting

Pursuant to rules in Part XIX of the Tax Act implementing the Organization for Economic Co-operation and Development Common Reporting Standard, “Canadian financial institutions” that are not “non-reporting financial institutions” (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by tax residents of foreign countries (other than the U.S.) or by certain entities the “controlling persons” of which are tax resident in a foreign country (other than the U.S.) and to report required information to the CRA. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are tax resident, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, unitholders are required to provide to their dealer certain information regarding its investment in the Fund for the purpose of such information exchange, unless the investment is held within a Registered Plan (other than a FHSA). The tax legislation applicable to FHSAs does not currently address whether FHSAs would be treated in the same way as Registered Plans for these purposes. The Department of Finance has released certain proposed amendments which would exempt FHSAs from the due diligence and reporting obligations imposed under Part XIX of the Tax Act; however, there can be no assurance that such proposed amendments will be enacted as proposed.

In addition, pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into by Canada and the United States (the "**IGA**") and related Canadian legislation found in Part XVIII of the Tax Act, unitholders of the Fund are required to provide identity and tax residency and other information to their dealer (and may be subject to penalties for failing to do so), or in the case of certain entities are required to provide their dealer with such information relating to their controlling persons. If a unitholder does not provide the information, and indicia of U.S. status are present, or is identified as, or in the case of certain entities as having one or more controlling persons who is, a "Specified U.S. Person", as defined under the IGA (including U.S. citizens who are residents of Canada), such information and certain financial information (for example, account balances) will, unless the investment is held within a Registered Plan (other than a FHSA), be provided to the CRA and from the CRA to the U.S. Internal Revenue Service. The tax legislation applicable to FHSAs does not currently address whether FHSAs would be treated in the same way as Registered Plans for these purposes. The CRA and the Department of Finance have engaged with the Internal Revenue Service in relation to the possibility of exempting FHSAs from the due diligence and reporting obligations imposed under Part XVIII of the Tax Act. It is too early to confirm that bilateral agreement has been reached on this matter.

Eligibility for Investment

Provided that the Fund qualifies as a "mutual fund trust" for purposes of the Tax Act, or in respect of ETF units of the Fund, the ETF units are and continue to be listed on the TSX, units offered hereby will be "qualified investments" under the Tax Act for your Registered Plans. However, as set out above, a penalty tax may apply if units of the Fund are a "prohibited investment" for a Registered Plan.

WHAT ARE YOUR LEGAL RIGHTS?

Class A, Class F, Class I and Class O units

Under securities laws in some provinces and territories, you have the right to withdraw from an agreement to buy mutual funds within two business days after you receive a Simplified Prospectus or Fund Facts document, or cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the Simplified Prospectus, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.

ETF units

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

We have obtained relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus under a decision pursuant to National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions*. As such, purchasers of ETF units will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate. See "*Additional Information – Exemptions and approvals*" for details.

EXEMPTIONS AND APPROVALS

The Fund has obtained relief from applicable securities laws to:

(a) relieve the Fund from the requirement to prepare and file a long form prospectus for the ETF units in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus* provided that the Manager files (i) a prospectus for the ETF units in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of a fund facts document; and (ii) an ETF facts document in accordance with Part 3B of National Instrument 41-101 *General Prospectus Requirements*;

(b) relieve the Fund from the requirement to include a certificate of an underwriter in the Fund's prospectus;

(c) relief from the requirements of National Instrument 62-104 *Takeover Bids and Issuer Bids* relating to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee, in each of the provinces and territories of Canada for all purchasers and holders of the ETF units; and

(d) relief to permit the Manager and the Fund to treat the ETF units and the Class A, Class F, Class I and Class O units as if such securities were separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102.

The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a "**Permitted ETF**"). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund's net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a "**Bear ETF**") or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

The Fund has obtained exemptive relief from the Canadian securities regulatory authorities to permit the Fund to purchase debt securities from or sell debt securities to another investment fund to which NI 81-102 does not apply and of which the Manager is the manager and/or portfolio adviser, provided that certain conditions are met, including that the transaction is consistent with the investment objectives of the Fund and the other investment fund, the IRC and the IRC of the other investment fund have approved the transaction in accordance with Section 5.2(2) of NI 81-107 and that the transaction complies with paragraphs (c) to (g) of Section 6.1(2) of NI 81-107.

The Fund has obtained exemptive relief from the Canadian securities regulatory authorities to permit the Fund to purchase securities from, or sell securities to, (a) certain accounts managed by the Manager or certain of its affiliates, (b) certain investment funds which may be either a mutual fund or a non-redeemable investment fund that is a reporting issuer and subject to NI 81-102, for which the Manager or certain of its affiliates acts as manager and/or portfolio adviser, and (c) certain investment funds that are not reporting issuers, of which the Manager or certain of its affiliates acts as manager and/or portfolio manager, and to engage in certain *in specie* transactions with such managed accounts and investment funds provided that certain conditions are met.

Registration and transfer of ETF units through CDS

Registration of interests in, and transfers of, ETF units will be made only through the book-entry only system of CDS. ETF units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of ETF units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such units. Upon purchase of any ETF units, the owner will receive only the customary confirmation. All distributions and redemption proceeds in respect of ETF units will be made or paid initially to CDS, which payments will be forwarded by CDS to the CDS Participants and, thereafter, by such CDS Participants to the applicable unitholders.

References in this Simplified Prospectus to a holder of ETF units means, unless the context otherwise requires, the owner of the beneficial interest in such ETF units.

Neither the Fund nor the Manager will have any liability for: (i) any aspect of the records maintained by CDS relating to the beneficial interests in the ETF units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS, whether contained in this Simplified Prospectus or otherwise, or made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the ETF units must look solely to CDS Participants for payment made by the Fund to CDS.

The ability of a beneficial owner of ETF units to pledge such units or otherwise take action with respect to such owner’s interest in such units (other than through a CDS Participant) may be limited due to the lack of a physical certificate. The Fund has the option to terminate registration of ETF units through the book-entry only system, in which case certificates for ETF units in fully registered form will be issued to beneficial owners of such units or to their nominees.

CERTIFICATE OF THE FUNDS, THE MANAGER, THE TRUSTEE AND THE PROMOTER

Picton Mahoney Fortified Core Bond Fund

This simplified prospectus, and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

DATED: October 27, 2023.

"David Picton"	*"Arthur Galloway"*
David Picton Chief Executive Officer Picton Mahoney Asset Management	Arthur Galloway Chief Financial Officer Picton Mahoney Asset Management

On behalf of
PICTON MAHONEY ASSET MANAGEMENT,
as Manager, Trustee and Promoter of the Fund

"David Picton"	*"Arthur Galloway"*
David Picton Chief Executive Officer	Arthur Galloway Chief Financial Officer

PART B SPECIFIC INFORMATION ABOUT THE MUTUAL FUND DESCRIBED IN THIS DOCUMENT

INTRODUCTION TO PART B

This Part provides specific descriptions of the Fund in this Simplified Prospectus. This introduction explains most of the terms and assumptions which appear in the Fund descriptions and information common to the Fund, so that we do not have to repeat that information for the Fund.

Prior to the profile for a Fund, which commence on page 51, this section provides information that is typically common to the Fund so as to minimize repetition. This includes an overview of the features of a mutual fund and the risks they may be exposed to; a description of the securities offered by the Fund; a history of the Fund from their formation; and a summary of the type of information contained in the individual Fund profiles.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle that pools money contributed by people with similar investment objectives and invests in a portfolio of securities to be managed by a professional investment manager. Investing in a mutual fund allows investors to hold a larger variety of securities than most investors could hold individually. By investing in a mutual fund, investors often increase their ability to diversify its investment portfolios. Unitholders share a mutual fund's income, common expenses, gains and losses in proportion to their interest in the mutual fund.

The value of an investment in a mutual fund is primarily realized through distributions paid by the mutual fund to its investors and through redeeming securities of the mutual fund.

The Fund is organized as an open-ended mutual fund trust governed by the laws of the Province of Ontario and established under a Declaration of Trust. In this document, we refer to the securities issued by the Fund as "**units**". The Fund is a separate mutual fund with a specific investment objective and is specifically referable to a separate portfolio of investments. The Fund currently offers different classes of units, including up to one class of exchange-traded units and four classes of conventional mutual fund units ("**mutual fund units**"), and may, in the future, offer one or more additional classes of units. Each class of mutual fund units is intended for a different type of investor and may entail different fees. The owner of a mutual fund unit is referred to as a "**unitholder**".

What are the risks of investing in a mutual fund generally?

As an investor, there is always a risk you could lose money. Mutual funds are no exception, but the degree of risk varies considerably from one mutual fund to the next. As a general rule, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

Mutual funds own different types of investments, depending upon its investment objectives. These can include stocks, bonds, securities of other mutual funds and/or ETFs, called "**underlying funds**", cash and cash equivalents like treasury bills, and, derivatives. There is no guarantee that a mutual fund will be able to achieve its investment objective. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The full amount of your investment in any of the Fund is not guaranteed. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. It is possible to lose money by investing in a mutual fund.

Under exceptional circumstances, a mutual fund may suspend redemptions. For more information, please refer to the section entitled *"Purchases, Switches, Reclassifications and Redemptions"*.

What are the specific investment risks of investing in a mutual fund?

Mutual funds are subject to a variety of risk factors depending on its investment objectives. Set out below in alphabetical order is a general description of the specific risks of investing in the Funds. To find out which of these risks apply to an investment in a Fund, please refer to "*What are the Risks of Investing in the Fund?*" under each individual fund profile starting on page 51. Not all risks apply to all Funds. There is no assurance that the Fund will be able to accomplish their objectives. An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of its investment.

Change in Laws

There can be no assurance that applicable laws, or other legislation, legal and statutory rights will not be changed in a manner which adversely affects the Fund or its unitholders. There can be no assurance that income tax, securities, and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the distributions received by the Fund or by the unitholders.

Commodities Risk

The Fund may invest in natural resource companies or in securities, derivatives and income or royalty trusts based on commodities, such as oil and gas, precious metals or cryptocurrencies, and will be affected by changes in commodity prices. For clarity, the Fund will not invest directly in cryptocurrencies. Commodity prices tend to be cyclical and can move dramatically in short periods of time. In addition, new discoveries or changes in government regulations can affect the price of commodities.

Concentration Risk

The Fund may concentrate its investments in securities of a small number of issuers, sectors, or countries. A relatively high concentration of assets in a small number of investments may reduce the diversification of the Fund's portfolio. The Fund may be unable to satisfy redemption requests if it cannot sell these investments in a timely and orderly manner. The Fund's performance may be more volatile due to the impact of the changes in value of these investments on the Fund.

Currency Risk

The net asset value and Unit Price of the Fund's units is calculated in Canadian dollars. Most foreign investments are purchased in currencies other than the Canadian dollar. As a result, the value of foreign investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency. If the Canadian dollar rises in value relative to the other currency but the value of the investment otherwise remains constant, the value of the investment in Canadian dollars will have fallen. Similarly, if the value of the Canadian dollar has fallen relative to the foreign currency, the value of the Fund's investment will have increased. Currency exposure may increase the volatility of foreign investments relative to Canadian investments.

The Fund may own securities denominated in foreign currencies. The Manager has the discretion to decide the extent to which the currency risk may be hedged back to the Canadian dollar. See "*Derivatives Risk*" below.

Cyber Security Risk

With the increased use of technology in the course of business, the Fund is susceptible to operational, information security and related risks. Generally, cyber security incidents can result from deliberate attacks or unintentional events that threaten the integrity, confidentiality or availability of the Fund's information resources. A cyber security incident includes, but is not limited to, gaining unauthorized access to the Fund's electronic systems (e.g., through hacking or malicious software) to corrupt data, disrupt business operations or steal confidential or sensitive information, or may involve denial of service attacks which may cause system failures and disrupt business operations. Failures or breaches of the electronic systems of the Fund, Manager, other service providers (e.g., registrar, custodian, sub-custodians and prime brokers) or the issuers of securities in which the Fund invest have the ability to cause disruptions and negatively impact the Fund's business operations. These disruptions could potentially result in financial losses, interference with the Fund's ability to calculate their net asset values, impediments to trading, inability of the Fund to process transactions including redeeming units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or compensation or additional compliance costs associated with corrective measures. Similar adverse consequences could result from cyber security incidents affecting the issuers of securities in which the Fund invest and counterparties with which the Fund engage in transactions. In addition, substantial costs may be incurred to prevent any cyber security incidents in the future. While the Fund has established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems and there is no guarantee that such efforts will succeed. Furthermore, the Fund cannot control the cyber security plans and systems of the Fund's service providers or issuers of securities in which the Fund invests.

Derivatives Risk

The Fund may use derivative instruments to help them achieve its investment objectives. These investments usually take the form of a contract between two parties where the value of the payments required under the contract is derived from an agreed source, such as the market price (or value) of an asset (which could be, for example, currency or stocks) or from an economic indicator (such as a stock market index or a specified interest rate). Derivatives are not a direct investment in the underlying asset itself.

The Fund generally uses four types of derivatives: options, forwards, futures and swaps. The use of derivatives carries several risks:

- There is no guarantee that a hedging strategy will be effective or achieve the intended effect.

- There is no guarantee that a market will exist for some derivatives, which could prevent the Fund from selling or exiting the derivatives at the appropriate time. Therefore, the Fund may be unable to realize its profits or limit its losses.

- It is possible that the other party to the derivative contract will not meet its obligations under the contract.

- When entering into a derivative contract, the Fund may be required to deposit funds with the contract counterparty. If the counterparty goes bankrupt, or if the counterparty is unable or unwilling to perform its obligations in respect of the Fund, the Fund could lose these deposits.

- Securities and commodities exchanges could set daily trading limits on options and futures. This could prevent the Fund or the counterparty from carrying out its obligations under a derivative contract.

- Options and futures contacts may be more volatile than investments in underlying securities, involve additional costs, and may involve a small initial investment relative to the risk assumed.

- There is a risk of mispricing or improper valuation and that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index.

- When the Fund invests in a derivative, the Fund could lose more than the initial amount invested.

Developed Countries Investments Risk

Investments in a developed country may subject the Fund to regulatory, political, currency, security, economic and other risks associated with developed countries. Developed countries generally tend to rely on services sectors (e.g., the financial services sector) as the primary means of economic growth. A prolonged slowdown in services sectors is likely to have a negative impact on economies of certain developed countries, although individual developed country economies can be impacted by slowdowns in other sectors. In the past, certain developed countries have been targets of terrorism. Acts of terrorism in developed countries or against their interests may cause uncertainty in the financial markets and adversely affect the performance of the issuers to which the Fund has exposure. Heavy regulation of certain markets, including labour and product markets, may have an adverse effect on certain issuers. Such regulations may negatively affect economic growth or cause prolonged periods of recession. Many developed countries are heavily indebted and face rising healthcare and retirement expenses. In addition, price fluctuations of certain commodities and regulations impacting the import of commodities may negatively affect developed country economies.

Emerging Markets Risk

Emerging markets may be more likely to experience political, economic and social instability, greater market volatility, lower trading volume, greater risk of a market shutdown, more governmental limitations on foreign investments, trade barriers and may be subject to corruption or have lower business standards than typically found in developed markets. Instability may result in the expropriation of assets or restrictions on payment of dividends, income or proceeds from the sale of securities held by a mutual fund or an underlying fund.

Further, custody and settlement mechanisms in emerging market countries may be less developed, resulting in delays and the incurring of additional costs to execute trades of securities. In addition, accounting and auditing standards and practices may be less stringent than those of developed countries resulting in limited availability or potentially lower quality of information relating to the Fund's or an underlying fund's investments.

European Investments Risk

Investing in European countries may expose the Fund to the economic and political risks associated with Europe in general and the specific European countries in which they may invest. The economies and markets of European countries are often closely connected and interdependent, and events in one country in Europe can have an adverse impact on other European countries. The Fund may make investments in securities of issuers that are domiciled in, have significant operations in, or that are listed on at least one securities exchange within member countries of the European Union (the "**EU**"). A number of countries within the EU are also members of the Economic and Monetary Union (the "**eurozone**") and have adopted the euro as their currency. Eurozone membership requires member countries to comply with restrictions on inflation rates, deficits, interest rates, debt levels, and fiscal and monetary controls, each of which may significantly affect every country in Europe. Changes in import or export tariffs, changes in governmental or EU regulations on trade, changes in the exchange rate of the euro and other currencies of certain EU countries which are not in the eurozone, the default or threat of default by an EU member country on its sovereign debt, and/or an economic recession in an EU member country may have a significant adverse effect on the economies of other EU member countries and their trading partners. Although certain European countries are not in the eurozone, many of these countries are obliged to meet the criteria for joining the eurozone. Consequently, these countries must comply with many of the restrictions noted above. The European financial markets have experienced volatility and adverse trends in recent years due to concerns about economic downturns, rising government debt levels and the possible default of government debt in several European countries, including, but not limited to, Austria, Belgium, Cyprus, France, Greece, Ireland, Italy, Portugal, Spain and Ukraine. In order to prevent further economic deterioration, certain countries, without prior warning, can institute "capital controls". Countries may use these controls to restrict volatile movements of capital entering and exiting their country. Such controls may negatively affect the Fund's investments. A default or debt restructuring by any European country would adversely impact holders of that country's debt and sellers of credit default swaps linked to that country's creditworthiness, which may be located in countries other than those listed above. In addition, the credit ratings of certain European countries were downgraded in the past. These events have adversely affected the value and exchange rate of the euro and may continue to significantly affect the economies of every country in Europe, including countries that do not use the euro and non-EU member countries. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not produce the desired results, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and other entities of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the euro and/or withdraw from the EU. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far-reaching, and could adversely impact the value of the Fund's investments in the region.

Exchange-Traded Fund Risk

The Fund may from time to time invest in ETFs, including ETFs which qualify as index participation units under NI 81-102. The Fund's investment in an ETF will be made in accordance with applicable law. An index ETF will seek to provide returns similar to the performance of a particular market index. An index ETF may not be able to achieve the same return as its benchmark market index due to differences in the actual weights of securities held in the ETF versus the weights in the relevant index, and due to the operating and management expenses of, and taxes payable by the ETF.

The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs that employ leverage in an attempt to magnify returns by either a multiple or an inverse multiple of an underlying benchmark or index. Leveraged ETFs typically involve a higher degree of risk because any losses are also magnified and are subject to increased volatility.

Foreign Investment Risk

The value of an investment in a foreign company or government may depend on general global economic factors or specific economic and political factors relating to the country or countries in which the foreign issuer operates. The regulatory environment in some foreign countries may be less stringent than in Canada, including legal and financial reporting requirements. In other words, depending on the country in which a foreign investment is made, there may be more or less information available with respect to foreign companies. Some foreign stock markets may also have lower trading volumes and have sharper price corrections than in other countries. Some or all of these factors could make a foreign investment more volatile than a Canadian investment.

Certain countries may also have foreign investment or exchange laws that make it difficult to sell an investment or may impose withholding or other taxes that could reduce the return on the investment. Different financial, political and social factors could hurt the value of foreign investments. As a result, mutual funds that specialize in foreign investments may experience larger and more frequent price changes in the short term.

Fund of Fund Risk

The Fund may invest directly in, or obtain exposure to, other mutual funds and/or ETFs as part of its investment strategy. Consequently, the Fund is also subject to the risk of the underlying funds. If an underlying fund suspends redemptions, the Fund that invests in the underlying fund may be unable to value part of its portfolio and may be unable to redeem its investment in the underlying fund, which may have an adverse impact on the Fund's ability to satisfy redemption requests from its unitholders.

Hedging Risk

Various hedging techniques may be used in an attempt to reduce certain risks, including hedging options as a means to reduce the risks of both short-selling and taking long positions in certain transactions and hedging currency risks associated with investments denominated in foreign currencies. Recalculations and adjustments to specific position hedges will be performed as market conditions warrant. However, such position hedges entail risks of their own. For example, unanticipated changes in currency exchange rates may result in an overall poorer performance than if currency risks had not been hedged. If market conditions are analyzed incorrectly or a risk reduction strategy is employed that does not correlate well with the Fund's, or other Underlying Fund's, investments, the Fund's, or any other Underlying Fund's, risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return.

Merger transactions frequently include the issuance of stock by the acquirer with a fixed ratio of shares for each share of the target company. To the extent the Manager does not hedge using precisely this ratio the Fund will be exposed to unintended gains or losses. Furthermore, some transactions do not have a fixed ratio and require an assessment by the Manager of the correct correlation which may prove to be inaccurate and lead to imperfect hedging.

Income Arising on a Change in Investment Strategies

If the investment strategy of the Fund is altered such that the Fund disposes of the underlying funds and acquires an alternate portfolio of securities (a "**New Portfolio Acquisition**"), the Fund will be subject to tax in respect of any income, including net taxable capital gains, arising on the disposition of the underlying funds in the taxation year in which the disposition occurs. The amount of the distributions made by the Fund to unitholders in the year of a New Portfolio Acquisition may be materially higher than the amount of the distributions made to unitholders during other taxation years of the Fund. An increase in the distributions made by the Fund to unitholders may result in a material increase in the tax liabilities of a unitholder in a particular taxation year. However, the Fund does not intend to distribute additional cash to unitholders in the year in which a New Portfolio Acquisition occurs. Accordingly, unitholders will generally be required to use funds from other sources to satisfy the increased tax liabilities that may be attributable to the occurrence of a New Portfolio Acquisition.

Large Transaction Risk

If a unitholder has significant holdings in the Fund, the Fund is subject to the risk that such large unitholder may request a significant purchase or redemption of units of the Fund, which may impact the cash flow of the Fund. Large purchases and redemptions may result in: (a) the Fund maintaining an abnormally high cash balance; (b) large sales of portfolio securities impacting market value; (c) increased transaction costs (e.g., commissions); (d) significant changes to the composition of the Fund's portfolio; (e) purchase and/or sale of investments at unfavourable prices; and/or (f) capital gains being realized which may increase taxable distributions to investors. If this should occur, the returns of investors (including other mutual funds) that invest in the Fund may be adversely affected.

Liquidity Risk

Liquidity is a measure of how quickly and readily an investment can be sold for cash at a fair market price. Some securities may be illiquid because the company is not well known, the nature of the investment, certain features, like guarantees or a lack of purchasers interested in the particular security or market, there are few outstanding securities, there are few potential buyers or legal restrictions. Each securities exchange typically has the right to suspend or limit trading and/or quotations in all of the securities that it lists. The Fund may not be able to trade securities when it wants to do so or to realize what it perceives to be the securities' fair market value in the event of a trade. The trading of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other trading expenses than do trades of securities that are eligible for trading on securities exchanges or on "over-the-counter" markets or securities that are listed and hence more liquid. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

If the Fund cannot sell an investment quickly, it may lose money or make a lower profit, especially if it has to meet a large number of redemption requests. Substantial redemptions by unitholders within a short period of time could require the Portfolio Advisor to arrange for the Fund's positions to be liquidated more rapidly than would otherwise be desirable, which could adversely affect the value of the remaining units of the Fund. In general, investments in smaller companies, smaller markets or certain sectors of the economy tend to be less liquid than other types of investments. The less liquid an investment, the more its value tends to fluctuate.

Market Risk

Market risk is the risk of being invested in the fixed income markets. The market value of the Fund's investments will rise and fall based on specific company developments and broader fixed income market conditions. Market value will also vary with changes in the general economic, political, social and financial conditions in countries where the investments are based.

An outbreak of an infectious respiratory illness, COVID-19, caused by a novel coronavirus that was first detected in China in December 2019 spread globally and resulted in a slowdown of the global economy and volatility in the global financial markets The coronavirus may also require employees of the Manager or certain key service providers to the Fund to be absent from work or work remotely for prolonged periods of time. The ability of the employees of the Manager and/or other service providers to the Fund to work effectively on a remote basis may adversely impact the day-to-day operations of the Fund. The continuing impact of this coronavirus, and other epidemics and pandemics that may arise in the future, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. In addition, the impact of infectious diseases in emerging developing or emerging market countries may be greater due to less established health care systems. Health crises caused by the coronavirus outbreak, and other epidemics and pandemics that may arise in the future, may exacerbate other pre-existing political, social and economic risks in certain countries. The impact of the coronavirus, and other epidemics and pandemics that may arise in the future, may be short term or may last for an extended period of time.

Multiple Classes Risk

The Fund is available in more than one class of units. Each class has its own fees and expenses, which are tracked separately. Those expenses will be deducted in calculating the unit value for that class, thereby reducing its unit value. If one class is unable to pay its expenses or liabilities, the assets of the other class will be used to pay those expenses or liabilities. As a result, the Unit Price of the other classes may also be reduced. Please refer to sections entitled "*Purchases, Switches, Reclassifications and Redemptions*" and "*Fees and Expenses*" for more information regarding each class and how their unit value is calculated.

Portfolio Turnover and Rebalancing Risk

The proportions of investments held in the Fund are adjusted on a relatively frequent basis. In order to do so, the Fund actively trades on a frequent ongoing basis, such that the operation of the Fund may result in a high annual portfolio turnover rate. The Fund has no limit on the rate of portfolio turnover, and portfolio securities may be sold without regard to the time that they have been held when, in the opinion of the Portfolio Advisor, investment considerations warrant such action. The high rate of portfolio turnover of the Fund involves correspondingly greater expenses than a lower turnover rate (e.g., greater transaction costs such as brokerage fees and market impact costs), and the greater the chance that a unitholder receiving distributions of income or capital gains from the Fund in a year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

Rebalancing risk arises when the weights of two or more components of an overall portfolio are to be kept in a specific ratio, but the independent movement of each in the market demands that some of the components be bought or sold in order to restore the ratio back to its desired level. The greater the volatility of the components the greater the potential rebalancing required and this leads to performance degradation over time.

Prime Broker Risk

Some of the assets of the Fund may be held in one or more margin accounts due to the fact that the Fund may sell securities short and post margin as collateral for specified derivatives transactions. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. As a result, the assets of the Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if a prime broker experiences financial difficulty. In such case, the Fund may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors. In addition, the possibility of adverse market movements while its positions cannot be traded could adversely affect the total return to the Fund.

Regulatory and Legal Risk

Some industries, such as telecommunications and financial services, are heavily regulated by governments and in some cases depend on government funding and favourable decisions made by those governments. Investments in such industries may be substantially affected by changes in government policy, regulation or deregulation, ownership restrictions, funding and the imposition of stricter operating conditions. The value of the securities of issuers in regulated industries may change substantially based on these factors.

Repurchase and Reverse Repurchase Transactions and Securities Lending Risk

The Fund may enter into repurchase transactions, reverse repurchase transactions and securities lending agreements. In a repurchase transaction, the Fund sells a security at one price to a third party for cash and agrees to buy the same security back from the same party for cash at a set price at a set future date. It is a way for the fund to borrow short-term cash and earn fees. In a reverse repurchase transaction, the Fund buys a security at one price from a third party and agrees to sell the same security back to the same party at a higher price later on. It is a way for the Fund to earn a profit (or interest) and for the other party to borrow some short-term cash. A securities lending agreement is similar to a repurchase agreement, except that instead of selling the security and agreeing to buy it back later, the Fund loans the security to a third party for a fee and can demand the return of the security at any time. While the securities are on loan, the borrower provides the Fund with collateral consisting of a combination of cash and securities.

The risks with these types of transactions are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the Fund may be left holding the security and may not be able to sell it at the same price it paid for it, plus interest, if the market value of the security has dropped. In the case of a repurchase or a securities lending transaction, the Fund could incur a loss if the value of the security sold or loaned has increased more than the value of the cash or collateral held.

Short Selling Risk

A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. The borrowing fee may increase during the borrowing period, adding to the expense of a short sale strategy. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender). There is no assurance that securities will decline in value during the period of the short sale and make a profit for the Fund. Securities sold short may instead appreciate in value, creating a loss for the Fund. The Fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender.

The Fund may be indirectly exposed to short selling risk if the underlying funds in which they invest engage in short selling.

Trust Loss Restriction Rule Risk

The Fund may be subject to loss restriction rules (the "**Loss Restriction Rules**") contained in the Tax Act unless the Fund qualifies as an "investment fund" as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that unitholders hold only fixed (and not discretionary) interests in the Fund. If the Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's net income and net realized capital gains at such time to unitholders so that the Fund is not liable for income tax on such amounts) and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward losses will be restricted. Generally, the Fund will have a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Tax Act.

U.K. Investments Risk

Investments in U.K. issuers may subject the Fund to regulatory, political, currency, security, and economic risks specific to the U.K. The U.K.'s economy relies heavily on the export of financial services to the U.S. and other European countries. A prolonged slowdown in the financial services sector may have a negative impact on the U.K.'s economy. In the past, the U.K. has been a target of terrorism. Acts of terrorism in the U.K. or against the U.K.'s interests may cause uncertainty in the U.K.'s financial markets and adversely affect the performance of the issuers to which the Fund has exposure. Secessionist movements, such as the Catalan movement in Spain and the independence movement in Scotland, may have an adverse effect on the U.K. economy. The U.K. and the European Parliament approved a post-Brexit EU-U.K. trade deal, the Trade and Cooperation Agreement, on April 28, 2021. However, implementing the trade deal and the general withdrawal agreement may give rise to significant uncertainties and instability in the financial markets in the U.K. The Fund will face risks associated with the potential uncertainty and consequences that may follow Brexit, including with respect to volatility in exchange rates and interest rates. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions, regulatory agencies and financial markets. Brexit has also led to legal uncertainty and could lead to politically divergent national laws and regulations as a new relationship between the U.K. and EU is defined and the U.K. determines which EU laws to replace or replicate. Any of these effects of Brexit could adversely affect any of the companies to which the Fund has exposure and any other assets that any such Fund invests in. The political, economic and legal consequences of Brexit are not yet known. In the short term, financial markets may experience heightened volatility, particularly those in the U.K. and Europe, but possibly worldwide. The U.K. and Europe may be less stable than they have been in recent years, and investments in the U.K. and the EU may be difficult to value, or subject to greater or more frequent rises and falls in value. In the longer term, there is likely to be a period of significant political, regulatory and commercial uncertainty as the U.K. seeks to negotiate its long-term exit from the EU and the terms of its future trading relationships.

Underlying Fund Investments Risk

The Fund may invest directly in, or obtain exposure to, other mutual funds and/or ETFs as part of its investment strategy. Upon making such investments, the Fund will be subject to the risk of the underlying funds. Several factors may result in the returns of the Fund not being equal to the underlying funds invested in by the Fund, including, but not limited to, the timing of an investor's investment relative to when the Fund is able to purchase units of the underlying funds. Additionally, if an underlying fund suspends redemptions, the Fund may be unable to value part of its portfolio and may be unable to redeem its investment in the underlying fund, which may have an adverse impact on the Fund's ability to satisfy redemption requests from its unitholders.

U.S. Investments Risk

The Fund may have significant exposure to U.S. issuers. Decreasing imports or exports, changes in trade regulations and/or an economic recession in the U.S. may have a material adverse effect on the U.S. economy and the securities listed on U.S. exchanges. Policy and legislative changes in the U.S. are changing many aspects of financial and other regulation and may have a significant effect on the U.S. markets generally, as well as the value of certain securities. In addition, a continued rise in the U.S. public debt level or U.S. austerity measures may adversely affect U.S. economic growth and the securities to which the Fund may have exposure.

The U.S. has developed increasingly strained relations with a number of countries, including traditional allies, such as certain European countries and Canada, as well as historical adversaries, such as North Korea, Iran, China and Russia. If these relations were to worsen, it could adversely affect U.S. issuers as well as non-U.S. issuers that rely on the U.S. for trade. The U.S. has also experienced increased internal unrest and discord. If this trend were to continue, it may have an adverse impact on the U.S. economy.

What are the specific investment risks of investing in a fund that invests in fixed income securities?

Call Risk

If the securities in which the Fund invests are redeemed by the issuer before maturity (or "called"), the Fund may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the Fund's yield. This will most likely happen when interest rates are declining.

Corporate Debt Securities Risks

Corporate debt securities are fixed income securities issued by businesses. The market value of corporate debt may be affected by changes in the market rate of interest, the credit rating of the corporation, the corporation's performance, and perceptions of the corporation in the marketplace. Corporate issuers may not be able to meet their obligations on interest or principal payments at the time called for by an instrument.

Credit Risk

An issuer of a bond or other fixed income investment may not be able to pay interest or to repay the principal at maturity. The risk of this occurring is greater with some issuers than with others. For example, the risk of default is quite low for most government and high-quality corporate securities. Where this risk is considered greater, the interest rate paid by the issuer is generally higher than for an issuer where this risk is considered to be lower. This risk could increase or decline during the term of the fixed income investment.

Companies and governments that borrow money, as well as their debt securities, may be rated by specialized rating agencies. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value. Other factors can also influence a debt security's market value, such as the level of liquidity of the security or a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security and the underlying assets, if any. Lower rated debt instruments such as an instrument that has a credit rating below investment grade or may not be rated at all (sometimes referred to as "high yield"), generally offer a better yield than higher-grade debt instruments, but have the potential for substantial loss as compared to higher grade instruments.

Fixed Income Investment Risk

Certain general investment risks can affect fixed income investments in a manner similar to equity investments. For example, specific developments relating to a company and general financial, political and economic (other than interest rate) conditions in the country in which the company operates. For government fixed income investments, general economic, financial and political conditions may affect the value of government securities. Since the Fund's Unit Price is based on the value of its investments, an overall decline in the value of its fixed income investments will reduce the value of the Fund and therefore, the value of your investment. However, your investment will be worth more if the value of the fixed income investments in the portfolio increases.

Investment in the Fund should be made with an understanding that the value of the underlying debt securities will be affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. The value of the bonds held by the Fund will be affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness.

Floating Rate Loan Liquidity Risk

Floating rate loans may be subject to legal or contractual restrictions on resale. The liquidity of floating rate loans varies significantly over time and among individual floating rate loans. During periods of infrequent trading, valuing a floating rate loan can be more difficult, and buying and selling a floating rate loan at an acceptable price can be more difficult and delayed. Any difficulty in selling a floating rate loan can result in a financial loss to the Fund. Floating rate loans may also be subject to certain risks due to longer settlement periods than settlement periods associated with other securities. Settlement of trade transactions in most securities typically occur in two business days after the trade date (T+2). Settlement of transactions in floating rate loans are typically longer than T+2.

High Yield Securities Risk

The Fund may invest, directly or indirectly, in high yield securities that are, at the time of purchase, rated below investment grade. High yield securities risk is the risk that securities rated below investment grade by a rating agency and/or determined by the Portfolio Advisor may be more volatile than higher-quality securities of similar maturity. High yield securities may also be subject to greater levels of credit or default risk and may be traded on markets that are less liquid as compared to higher-quality securities. The value of high yield securities can be adversely affected by overall economic conditions such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price, and more difficult to value than higher-rated securities. In particular, high yield securities are often issued by smaller, less creditworthy companies, or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms, to make scheduled payments of interest and principal. High yield securities may also be issued by sovereign governments of countries with less-well developed economies, political systems, and/or financial markets.

Interest Rate Risk

Mutual funds that invest in fixed income securities, such as bonds, and money market instruments, are sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates. Certain types of fixed income securities permit issuers to repay principal before the security's maturity date. There is a risk that an issuer will exercise this prepayment right after interest rates have fallen and the Fund that hold these fixed income securities will receive payments of principal before the expected maturity date of the security and may need to reinvest these proceeds in securities that have lower interest rates.

Prepayment Risk

Many types of debt securities, including some mortgage-backed securities and floating rate debt instruments, allow the issuer to prepay principal prior to maturity. Debt securities subject to prepayment risk can offer less income and/or potential for capital gains.

Senior Loan Risk

Senior loans (including leveraged loans, syndicated loans, bank loans or floating rate debt instruments) are loans made to companies or other entities by one or a syndicate of financial institutions or other lenders. These loans are typically used to finance mergers and acquisitions, leveraged buyouts, recapitalizations, refinancings and capital expenditures and for other general corporate purposes. Once the loan is issued, the lenders have the option to hold their portion for the life of the loan or to sell it to other investors in the secondary market. Senior loans are a type of debt security that are typically rated below investment grade or are unrated but deemed to be of comparable quality. Senior loans are typically secured by specific collateral of the issuer and are senior to most of the issuer's other securities in the event of bankruptcy.

Investments in senior loans may be considered speculative because of the credit risk of their issuers. Historically, these entities have been more likely to default on their payments of interest and principal relative to companies that issue investment grade debt securities, and such defaults will reduce the Fund's net asset value and income distributions. The value of senior loans may also decrease significantly during an economic downturn because borrowers may have a more difficult time keeping up with payments. Economic and other events (whether real or perceived) can reduce the demand for certain senior loans or senior loans generally, which may reduce market prices.

There is no active trading market for certain senior loans. As such, elements of judgment may play a greater role in the valuation of senior loans relative to securities with a more developed secondary market, and it may be harder for the Fund to realize full value if it needs to liquidate the asset. Some senior loans are subject to the risk that a court could mandate that other indebtedness of the borrower is repaid first, and if this happens it is possible that the borrower will default on the senior loan. A court could also take other action which would be detrimental to lenders, such as invalidating loans or causing interest and/or principal previously paid to the lenders to be refunded to the borrower. Such events would negatively impact the Fund's investment in the senior loan. In some cases, the Fund's rights under the senior loan may be limited or the Fund may not be able to unilaterally enforce its rights and remedies under the senior loan.

The Fund may purchase and sell interests in senior loans on a when issued and delayed delivery basis. In some cases, this means that no income accrues to the Fund in connection with the purchase of the senior loan interests until the Fund actually takes delivery of the interests. Because these transactions are subject to market fluctuation, the value of the interests in the senior loans at delivery may be more or less than the purchase price, and the yields available on such interests when delivery occurs may be higher or lower than the yields at the time of purchase. Because the Fund relies on the buyer or seller, as the case may be, to complete the transaction, failure by the other party to adhere to its obligations may result in the Fund missing the opportunity of obtaining an advantageous price or yield. When the Fund is the buyer in such a transaction, however, it will maintain cash, liquid securities or liquid senior loans having an aggregate value at least equal to the amount of its purchase commitments until payment is made. The Fund will only make commitments to purchase senior loan interests in this manner if it intends to actually acquire the interests, but the Fund may sell such interests prior to the settlement date if the sale is considered to be advisable. Settlement of transactions in most securities occurs several days after the trade date. In contrast, portfolio transactions in senior loans may have longer than normal settlement periods. This potentially longer settlement timeline may create a mismatch between the settlement time for a senior loan and the time in which the Fund must settle redemption requests from its investors.

What are the specific investment risks of investing in ETF units?

Absence of Active Market Risk

Although ETF units of the Fund are listed on the TSX, there can be no assurance that an active public market for the ETF units will develop or be sustained.

Halted Trading Risk

Trading of ETF units on certain marketplaces may be halted by the activation of individual or market-wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). In the case of the TSX, trading of ETF units may also be halted if: (i) the ETF units are delisted from the TSX without first being listed on another exchange; or (ii) TSX officials determine that such action is appropriate in the interest of a fair and orderly market or to protect unitholders.

Trading Price Risk

ETF units may trade in the market at a premium or discount to the net asset value per unit. There can be no assurance that ETF units will trade at prices that reflect their net asset value per unit. The trading price of ETF units will fluctuate in accordance with changes in the Fund's net asset value, as well as market supply and demand on the TSX (or such other exchange or marketplace on which ETF units of the Fund may be traded from time to time). However, as Designated Brokers and ETF Dealers subscribe for and exchange Prescribed Number of Units (as defined below) at the net asset value per unit, large discounts or premiums to net asset value should not be sustained.

INVESTMENT RESTRICTIONS

The Fund is subject to certain restrictions and practices contained in securities legislation, including NI 81-102. These restrictions are designed in part to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds. The Fund is managed in accordance with these restrictions and practices, subject to exemptions therefrom obtained by the Fund.

NI 81-102 prescribes that unitholder approval must be obtained before any change can be made to the fundamental investment objectives of the Fund.

The Fund has obtained exemptive relief from applicable securities laws in connection with the offering of ETF units to:

(a) relieve the Fund from the requirement to prepare and file a long form prospectus for the ETF units in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus* provided that the Manager files (i) a prospectus for the ETF units in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of a fund facts document; and (ii) an ETF facts document in accordance with Part 3B of National Instrument 41-101 *General Prospectus Requirements*;

(b) relieve the Fund from the requirement to include a certificate of an underwriter in the Fund's prospectus;

(c) relief from the requirements of National Instrument 62-104 *Takeover Bids and Issuer Bids* relating to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee, in each of the provinces and territories of Canada for all purchasers and holders of the ETF units; and

(d) relief to permit the Manager and the Fund to treat the ETF units and the Class A, Class F , Class I and Class O units as if such securities were separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102.

Eligibility for Registered Tax Plans

In order for units to be "**qualified investments**" for Registered Plans, the Fund must satisfy certain investment restrictions in the Tax Act to qualify as a "mutual fund trust" for the purposes of the Tax Act, or in respect of ETF units of the Fund, the ETF units must be, and continue to be, listed on the Toronto Stock Exchange ("**TSX**"). The Fund intend to comply with such restrictions to qualify as a "mutual fund trust" for purposes of the Tax Act. Holders of TFSAs, FHSAs or RDSPs, annuitants of RRSPs or RRIFs, or subscribers of RESPs, as the case may be, should consult with their own advisors as to whether units would be "prohibited investments" for such plans for the purposes of the Tax Act.

DESCRIPTION OF SECURITIES OFFERED BY THE MUTUAL FUND

The Fund is a separate trust formed under the Declaration of Trust. The Fund is permitted to issue an unlimited number of classes of units and may issue an unlimited number of units of each class. The Fund has created Class A, Class F, Class I, Class O units and ETF units. Some of the Fund may also offer Class P units, which are only available on an exempt distribution basis. Units of the Fund has the following attributes:

(a) each unit shall be without nominal or par value;

(b) at each meeting of unitholders, each unitholder shall have one vote for each unit owned by such unitholder as determined at the close of business on the record date for voting each such meeting, with no voting rights being attributed to fractions of a unit;

(c) the holder of each unit will participate in distributions of income, capital gains and returns of capital, and in the division of net assets of the Fund on liquidation based on the relative net asset value of the holder's particular class of units and in accordance with such Fund's Declaration of Trust;

(d) there shall be no pre-emptive rights attaching to the units;

(e) there shall be no cancellation or surrender provisions attaching to the units except as set out in the Declaration of Trust;

(f) all units shall be issued as fully paid and non-assessable so that there shall be no liability for future calls or assessments with respect to the units;

(g) all units shall be fully transferable with the consent of the Trustee as provided in the Declaration of Trust; and

(h) fractional units may be issued and shall be proportionately entitled to all the same rights as whole units, except as provided in the Declaration of Trust.

Class A units: Available to all investors.

Class F units: 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 I units: Available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager.

Class O units: Available to only investors who have a discretionary managed account with us and make the required minimum initial investment and minimum subsequent investment as determined by us from time to time. Management fees with respect to the Class O units are paid directly to the Manager by the Class O unitholders and are not charged to the Fund.

ETF units: If such units of the Fund are listed (see "*Purchases, Switches, Reclassifications and Redemptions of Units*" on page 14), such units will be 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.

If you cease to satisfy criteria for holding units of a particular class, the Manager may reclassify your units as such number of units of another class of the same Fund that you are eligible to hold having an aggregate equivalent net asset value.

Matters Requiring Unitholder Approval

Meetings of unitholders may be convened by the Trustee from time to time as it may deem advisable and in accordance with the notice provisions set out in the Declaration of Trust. Unless otherwise provided in the Declaration of Trust or by securities legislation, every question submitted to a meeting of unitholders will be decided by the majority of votes cast. Meetings of unitholders will be convened to consider and approve:

(a) a change in the basis of the calculation of a fee or expense that is charged to the Fund or directly to its unitholders by the Fund or the Manager in connection with the holding of securities of the Fund where such change could result in an increase in charges to the Fund or to its unitholders;

(b) the introduction of a fee or expense, to be charged to the Fund or directly to its unitholders, by the Fund or the Manager in connection with the holding of securities of the Fund that could result in an increase in charges to the Fund or to its unitholders;

(c) a change in the manager of the Fund, unless the new manager is an affiliate of the current manager;

(d) a change in the fundamental investment objectives of the Fund;

(e) a decrease in the frequency of the calculation of the net asset value per unit of the Fund;

(f) in certain cases, a reorganization of the Fund with, or transfers its assets to, another issuer; or

(g) any other matter or thing stated in the Declaration of Trust that is required to be consented to or approved by unitholders.

Unitholder approval will not be obtained in respect of a change of (a) or (b) listed above if the Fund is at arm's length to the person or company charging the fee or expense, and we provide the unitholders with at least 60 days' written notice of the effective date of the proposed change.

Although the approval of unitholders will not be obtained before changing the auditor of the Fund, we will not change the auditor unless:

(a) the Fund's IRC (see "*Fund Governance – Independent Review Committee*" below) has approved the change in compliance with NI 81-107; and

(b) we have provided you with written notice at least 60 days prior to the change.

Under applicable securities laws, certain merger transactions involving the Fund may be completed without the approval of the unitholders provided that, among other things, the transaction is approved by the IRC and we provide you with at least 60 days' notice of the proposed merger.

Termination of the Fund

The Fund may be terminated by us (and its units redeemed by such Fund) on at least 60 days' notice to the unitholders. Upon termination of the Fund, we will discharge all of the liabilities of the Fund and distribute the net assets to unitholders entitled thereto, which distribution may be made at such time or times and in cash or in kind or partly in both, all as we in our discretion may determine. After all liabilities have been discharged and all distributions have been made to unitholders entitled thereto, the Fund shall be deemed to be terminated.

NAME, FORMATION AND HISTORY OF THE MUTUAL FUNDS

Address of the Fund and the Manager

The principal office of the Fund and the Manager is located at 33 Yonge Street, Suite 830, Toronto, Ontario, M5E 1G4.

Formation of the Fund

The Fund is a mutual fund organized as an open-ended mutual fund trust governed under the laws of Ontario pursuant to the Declaration of Trust. See "*Material Contracts*" and "*Responsibility for Fund Administration*".

The table below lists the Fund and its date of formation:

Fund	**Date of Formation**
Picton Mahoney Fortified Core Bond Fund	October 28, 2022

FUND SPECIFIC INFORMATION

Fund Details

This is a summary of some basic information about the Fund, such as when the Fund was started, when each class of units of the Fund was started, the type of fund that the Fund is best characterized as, and whether the Fund is eligible as an investment for Registered Plans, such as RRSPs, TFSAs, RESPs, etc.

What does the Fund invest in?

This section describes the Fund's fundamental investment objectives and the principal investment strategies the Portfolio Advisor uses in trying to achieve those objectives. It also describes the types of securities the Fund can invest in and how the Portfolio Advisor chooses the investments and manages the portfolio.

What are the risks of investing in the Fund?

This section explains some of the risks of investing in the Fund. Please refer to "*What are the specific investment risks of investing in a mutual fund?*" for a description of each risk factor.

Investment Risk Classification Methodology

The methodology used to determine the investment risk level of the Fund for purposes of disclosure in this Simplified Prospectus is the historical volatility risk as measured by the standard deviation of fund performance, which is the standard methodology outlined in Appendix F *Investment Risk Classification Methodology* to NI 81-102.

The investment risk level for the Fund which has less than 10 years of performance history will be based on the historical volatility of the Fund and, for the remainder of the 10 year period, the historical volatility of a reference index that reasonably approximates the Fund's historical performance, as measured by the reference index's standard deviation of performance, will be used.

However, the Manager recognizes that other types of risk, both measurable and non-measurable, may exist and we remind you that the historical performance of the Fund (or a reference index used as its proxy) may not be indicative of future returns and that the historical volatility of the Fund (or a reference index used as its proxy) may not be indicative of its future volatility.

The risk rating categories of this methodology are:

> **Low (standard deviation range of 0 to less than 6) -** for funds with a level of risk that is typically associated with investments in Canadian fixed-income funds and in money market funds;
>
> **Low to Medium (standard deviation range of 6 to less than 11) -** for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;
>
> **Medium (standard deviation range of 11 to less than 16) -** for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/ or international equity securities;
>
> **Medium to High (standard deviation range of 16 to less than 20) -** for funds with a level of risk that is typically associated with investments in equity funds that may concentrate its investments

in specific regions or in specific sectors of the economy; and

High (standard deviation range of 20 or greater) - for funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate its investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The investment risk level of the Fund is determined when the fund is first created and is reviewed annually. The methodology that the Manager uses to identify the investment risk level of the Fund is available on request, at no cost, by calling toll-free at 1-866-369-4108 or by writing to us at c/o Picton Mahoney Asset Management, 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4.

Distribution Policy

This section explains when the Fund will make distributions. You earn money from the Fund when the Fund distributes amounts to you out of interest, dividend and other income earned and capital gains realized on their underlying investments. Mutual fund trusts may make distributions that are treated as ordinary income, dividend income, capital gains, foreign source income or non-taxable amounts (including returns of capital).

PICTON MAHONEY FORTIFIED CORE BOND FUND

FUND DETAILS

Type of Fund	Primarily North American fixed income
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started: Date Class O Units Started: Date ETF Units Started:	November 3, 2022 November 3, 2022 November 3, 2022 November 3, 2022 October 27, 2023 November 4, 2022
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Core Bond Fund (the "Fund") is to preserve capital while maximizing total return to unitholders ("Unitholders") predominantly through income, supplemented with capital appreciation. The Fund invests primarily in a well-diversified portfolio of North American fixed-income securities and engages in hedging strategies for volatility management and risk mitigation.

Investment Strategies

The Fund will be constructed using the Manager's proprietary portfolio construction and risk analysis framework and to create an efficient portfolio with a total volatility level that is consistent with its benchmark. To achieve the investment objective, the Fund invests in an actively managed portfolio composed primarily of investment-grade government and corporate bonds of Canadian and U.S. issuers.

The Fund will:

- maintain a minimum allocation to government securities of 30%;
- aim to manage portfolio duration through security selection and hedging instruments;
- aim to fully hedge foreign currency exposure; and
- not invest in common equities and convertible bonds.

The Fund may also choose to:

- invest in fixed income securities rated below investment grade up to a maximum allocation of 25%;
- invest in fixed income securities that are economically tied to emerging market countries up to a maximum allocation of 10%;
- invest up to 100% of its portfolio in developed markets;
- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations;
- choose to take long and short positions in private company debt offerings;
- use derivatives, such as swaps, options, futures and forward contracts, in a manner which is consistent

with the investment objectives of the Fund and as permitted by securities regulations, including for:
  - o hedging purposes aimed to mitigate risks commonly associated with income investing (rate risk, liquidity risk, currency risk and credit risk); and
  - o non-hedging purposes, including as a substitute for direct investment, to generate income or extend or reduce the duration of fixed-income investments; and
- hold cash and cash equivalents.

<u>Repurchase and Reverse Repurchase Transactions and Securities Lending</u>
The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

<u>Short Sales</u>
Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender).

<u>Use of Derivatives</u>
There are many types of derivatives that generally take the form of a contract between two parties to purchase or sell a specific currency, commodity, security, index or other underlying interest (each, an "**Underlying Interest**") at a later time. A derivative is not a direct investment in the Underlying Interest itself. Derivatives may be traded on a securities exchange or "over-the-counter" markets. Common types of derivatives include:
- <u>Options</u> – agreements that give the holder of the option the right, but not the obligation, to purchase or sell an Underlying Interest within a specified period at an agreed upon price. A premium is paid by the purchaser of the option to the seller for the option.
- <u>Futures and Forward Contracts</u> – agreements made today to purchase or sell a particular Underlying Interest at a future date at an agreed upon price, or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange and are generally subject to standardized terms and conditions, while forward contracts are not.

- <u>Swaps</u> – agreements between two parties to exchange payments based on the value, level or price, or on relative changes or movements of the value, level or price, of one or more Underlying Interests, which payments may be netted against each other. Swaps could also involve the physical delivery of an Underlying Interest instead of the exchange of cash payments, or the exchange of principal amounts. The most common type of swap is an interest rate swap, where one party makes cash payments based on a fixed interest rate applied to a notional amount, in exchange for cash payments based on floating interest rate based on reference rate such as the London Interbank Offered Rate applied on the same notional amount. Swaps do not trade on organized exchanges and are "over-the-counter" contracts.

<u>Investments in Other Funds</u>
The Fund may invest in securities of underlying funds (including underlying funds managed by the Manager or an affiliate or associate of the Manager). The types of underlying funds held by the Fund will be selected with consideration for the underlying fund's investment objectives and strategies, past performance and operational efficiencies. The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a "Permitted ETF"). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund's net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a "Bear ETF") or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

<u>Portfolio Turnover</u>
The investment strategies of the Fund involve a significant amount of portfolio turnover. See "*Portfolio Turnover Risk*" on page 41 for a description of the risks of high portfolio turnover.

<u>General</u>
As Manager of the Fund, we may change the investment strategies from time to time but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Advisor may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund's holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Change in Laws

- Commodities Risk
- Concentration Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Emerging Markets Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Foreign Investments Risk
- Fund of Fund Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies
- Large Transaction Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Portfolio Turnover Risk
- Prime Broker Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- Trust Loss Restriction Rule Risk
- U.K. Investments Risk
- Underlying Fund Investments Risk
- U.S. Investments Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk

- Corporate Debt Securities Risk
- Credit Risk
- Fixed Income Investment Risk
- Floating Rate Loan Liquidity Risk
- High Yield Securities Risk
- Interest Rate Risk
- Prepayment Risk
- Senior Loan Risk

Additional risks associated with an investment in ETF units of the Fund include:

- Absence of Active Market Risk
- Halted Trading Risk
- Trading Price Risk

As at September 30, 2023, the Picton Mahoney Income Opportunities Fund owned, beneficially and of record, 92% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as low risk. Please see "*Investment Risk Classification Methodology*" on page 50 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the historical return of the Fund since inception and the return of the following blended reference index based on the representative asset classes within the Fund for the remainder of the 10 year period: 100% FTSE Canada Universe Bond Index.

DISTRIBUTION POLICY

The Fund intends to distribute any net income on or about mid-month for Class A, Class F, Class I and Class O units and on or about the end of each month for ETF units. The Fund also intends to distribute net capital gains at the end of each taxation year (normally December 15) for all units. Subject to applicable securities legislation, all distributions paid on Class A, Class F, Class I and Class O units will be automatically reinvested in additional units unless the holder instructs the Fund to pay such distributions in cash, and all distributions paid on ETF units will be made in cash.

Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. A unitholder that subscribes for ETF units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units. The Manager reserves the right to change such policy, and may elect to have distributions on the Class A, Class F, Class I and Class O units paid in cash.

Additional information about the Fund is available in the Fund's Fund Facts, document, ETF Facts, Management Reports of Fund Performance and Financial Statements. These documents are incorporated by reference in this Simplified Prospectus, which means that they legally form part of this document just as if they were printed in it.

You can get a copy of these documents at your request, and at no cost, by calling toll-free at 1-866-369-4108, online at www.pictonmahoney.com, or by email to service@pictonmahoney.com.

These documents and other information about the Fund, such as material contracts and information circulars, are also available at www.sedarplus.ca.

Picton Mahoney Fortified Core Bond Fund

Picton Mahoney Asset Management
33 Yonge Street, Suite 830
Toronto, Ontario M5E 1G4

Telephone: (416) 955-4108

Toll-Free: 1-866-369-4108

Website: www.pictonmahoney.com

Email: service@pictonmahoney.com