

# FORTIFIED ALPHA ALTERNATIVE FUND



**THINK AHEAD.  
STAY AHEAD.**



# TABLE OF CONTENTS

---

- 2 Management’s Responsibility Statement
- 3 Independent Auditor’s Report
- 5 Picton Mahoney Fortified Alpha Alternative Fund Financial Statements
- 30 Notes to the Financial Statements

## MANAGEMENT'S RESPONSIBILITY STATEMENT

---

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

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

The financial statements have been audited by PricewaterhouseCoopers LLP. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on these financial statements. Their report is set out on the following pages.

### **Picton Mahoney Asset Management**

Toronto, Ontario  
March 25, 2024

## INDEPENDENT AUDITOR'S REPORT

To the Unitholders and Trustee of  
Picton Mahoney Fortified Alpha Alternative Fund (the Fund)

### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the year ended December 31, 2023 and for the period from May 4, 2022 (commencement of operations) to December 31, 2022 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### What we have audited

The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of comprehensive income for the year ended December 31, 2023 and for the period from May 4, 2022 (commencement of operations) to December 31, 2022;
- the statements of changes in net assets attributable to holders of redeemable units for the year ended December 31, 2023 and for the period from May 4, 2022 (commencement of operations) to December 31, 2022;
- the statements of cash flows for the year ended December 31, 2023 and for the period from May 4, 2022 (commencement of operations) to December 31, 2022; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

### Other information

Management is responsible for the other information. The other information comprises the 2023 Annual Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## INDEPENDENT AUDITOR'S REPORT

---

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Patrizia Ferrari.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

Toronto, Ontario

March 25, 2024

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## STATEMENTS OF FINANCIAL POSITION

As at

	December 31, 2023 \$	December 31, 2022 \$
<b>Assets</b>		
<b>Current assets</b>		
Long positions at fair value*	499,125,882	73,711,334
Cash	31,598,704	15,787,413
Options purchased*	1,422,888	148,755
Deposits with brokers for securities sold short	9,454,089	-
Due from Manager	7,920	30,380
Subscriptions receivable	1,026,699	790,819
Receivable for investments sold	113,182	36,612
Dividends receivable	487,083	43,669
Interest and other receivable	2,516,696	446,907
	<u>545,753,143</u>	<u>90,995,889</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short positions at fair value**	241,490,105	28,985,943
Options written**	1,324,892	77,212
Unrealized loss on futures contracts	27,037	5,482
Cash overdraft	1,338,584	-
Management fee payable	174,783	33,982
Performance fee payable	538,403	-
Redemptions payable	33,164	1,037
Accrued liabilities	185,684	39,342
Payable for investments purchased	239,310	102,236
Interest payable	713,089	82,910
Dividends payable	363,555	43,589
Distributions payable	-	290,415
	<u>246,428,606</u>	<u>29,662,148</u>
<b>Net Assets Attributable to Holders of Redeemable Units</b>	<u>299,324,537</u>	<u>61,333,741</u>
<b>Net Assets Attributable to Holders of Redeemable Units per Class</b>		
Class A	4,938,532	1,093,660
Class F	197,186,364	31,624,537
Class FT	549,326	20,413
Class I	22,123	20,679
Class ETF	<u>96,628,192</u>	<u>28,574,452</u>
<b>Number of Redeemable Units Outstanding</b>		
Class A	480,707	108,689
Class F	18,876,217	3,119,932
Class FT	55,459	2,063
Class I	2,071	2,027
Class ETF	<u>9,250,000</u>	<u>2,820,000</u>
<b>Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Class A	10.27	10.06
Class F	10.45	10.14
Class FT	9.91	9.89
Class I	10.68	10.20
Class ETF***	<u>10.45</u>	<u>10.13</u>
* Long positions, at cost	479,047,911	73,625,396
** Short positions, at cost	<u>(235,677,332)</u>	<u>(30,243,775)</u>
*** Closing Market Price (TSX)	10.45	10.12

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

Approved on behalf of the Manager

David Picton

Arthur Galloway



President



CFO

## STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2023 and period from May 4, 2022 (commencement of operations) to December 31, 2022

	2023 \$	2022 \$
<b>Income</b>		
Net gains (losses) on investments and derivatives		
Interest for distribution purposes	8,300,719	1,051,401
Dividends	2,861,240	240,618
Net realized gain (loss) on investments and options	(2,958,085)	(438,564)
Net realized gain (loss) on futures contracts	(327,093)	(98,490)
Change in unrealized appreciation (depreciation) on investments, options and futures contracts	12,940,219	1,422,200
Interest and borrowing expense	(2,443,565)	(301,675)
Dividend expense	(3,094,962)	(296,350)
Net gains (losses) on investments and derivatives	<u>15,278,473</u>	<u>1,579,140</u>
Other income		
Foreign currency gain (loss) on cash and other assets and liabilities	(216,226)	(14,510)
Total Income	<u>15,062,247</u>	<u>1,564,630</u>
<b>Expenses</b>		
Management fees	1,947,153	174,013
Performance fees	1,490,554	155,757
Transaction costs	1,234,287	158,145
Administrative fees	175,417	49,686
Securityholder reporting fees	92,796	6,046
Withholding taxes	88,202	11,346
Audit fees	41,525	9,469
Legal fees	35,509	2,690
Independent review committee fees	6,814	4,258
Total expense before manager absorption	<u>5,112,257</u>	<u>571,410</u>
Less expenses absorbed by manager	(286,038)	(186,137)
Total expense after manager absorption	<u>4,826,219</u>	<u>385,273</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>10,236,028</u>	<u>1,179,357</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class</b>		
Class A	142,240	15,876
Class F	6,864,645	474,385
Class FT	15,229	913
Class I	1,444	93,629
Class ETF	<u>3,212,470</u>	<u>594,554</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Class A	0.43	0.38
Class F	0.54	0.46
Class FT	0.57	0.25
Class I	0.71	0.09
Class ETF	<u>0.61</u>	<u>0.43</u>

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

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

For the year ended December 31, 2023 and period from May 4, 2022 (commencement of operations) to December 31, 2022

	2023 \$	2022 \$		2023 \$	2022 \$
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Year</b>			<b>Distributions to Holders of Redeemable Units</b>		
Class A	1,093,660	-	From net investment income		
Class F	31,624,537	-	Class A	(78,045)	(10,895)
Class FT	20,413	-	Class F	(3,003,396)	(278,972)
Class I	20,679	-	Class FT	(13,587)	(1,194)
Class ETF	28,574,452	-	Class I	(460)	(206)
	<u>61,333,741</u>	<u>-</u>	Class ETF	(1,237,617)	(290,322)
				<u>(4,333,105)</u>	<u>(581,589)</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>			From return of capital		
Class A	142,240	15,876	Class A	(133)	(4)
Class F	6,864,645	474,385	Class F	(5,131)	(89)
Class FT	15,229	913	Class FT	(23)	-
Class I	1,444	93,629	Class I	(1)	-
Class ETF	3,212,470	594,554	Class ETF	(2,114)	(93)
	<u>10,236,028</u>	<u>1,179,357</u>		<u>(7,402)</u>	<u>(186)</u>
<b>Redeemable Unit Transactions</b>			<b>Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>		
Proceeds from redeemable units issued				<u>237,990,796</u>	61,333,741
Class A	4,781,252	1,119,030	<b>Net Assets Attributable to Holders of Redeemable Units at End of Year</b>		
Class F	180,727,015	31,847,249	Class A	4,938,532	1,093,660
Class FT	527,250	37,500	Class F	197,186,364	31,624,537
Class I	-	23,037,500	Class FT	549,326	20,413
Class ETF	73,461,086	32,656,827	Class I	22,123	20,679
	<u>259,496,603</u>	<u>88,698,106</u>	Class ETF	96,628,192	28,574,452
Reinvestments of distributions to holders of redeemable units			<b>Net Assets Attributable to Holders of Redeemable Units at End of Year</b>		
Class A	70,546	9,996		<u>299,324,537</u>	61,333,741
Class F	1,532,186	196,357	<b>Net Increase (Decrease) from Redeemable Unit Transactions</b>		
Class FT	1,044	1,194		<u>232,095,275</u>	60,736,159
Class I	461	206			
Class ETF	-	-			
	<u>1,604,237</u>	<u>207,753</u>			
Redemption of redeemable units					
Class A	(1,070,988)	(40,343)			
Class F	(20,553,492)	(614,393)			
Class FT	(1,000)	(18,000)			
Class I	-	(23,110,450)			
Class ETF	(7,380,085)	(4,386,514)			
	<u>(29,005,565)</u>	<u>(28,169,700)</u>			



# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## STATEMENTS OF CASH FLOWS

For the year ended December 31, 2023 and period from May 4, 2022 (commencement of operations) to December 31, 2022

	2023 \$	2022 \$		2023 \$	2022 \$
<b>Cash Flows from Operating Activities</b>			<b>Cash Flows from Financing Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	10,236,028	1,179,357	Distributions to holders of redeemable units, net of reinvested distributions	(3,026,685)	(83,607)
Adjustments for:			Proceeds from redeemable units issued	258,658,751	87,907,287
Unrealized foreign exchange (gain) loss on cash	5,550	(30,296)	Amount paid on redemption of redeemable units	(28,371,466)	(28,168,663)
Net realized (gain) loss on investments and options	2,958,085	438,564	<b>Net cash generated (used) by financing activities</b>	<b>227,260,600</b>	<b>59,655,017</b>
Change in unrealized (appreciation) depreciation on investments, options and futures contracts	(12,940,219)	(1,422,200)	Unrealized foreign exchange gain (loss) on cash	(5,550)	30,296
(Increase) decrease in due from manager	22,460	(30,380)	Net increase (decrease) in cash	14,478,257	15,757,117
(Increase) decrease in interest and other receivables	(2,069,789)	(446,907)	Cash, beginning of year	15,787,413	-
(Increase) decrease in dividends receivable	(443,414)	(43,669)	<b>Cash, end of year</b>	<b>30,260,120</b>	<b>15,787,413</b>
(Increase) decrease in deposits with brokers for securities sold short	(9,454,089)	-	Cash	31,598,704	15,787,413
Increase (decrease) in interest payable	630,179	82,910	Cash overdraft	(1,338,584)	-
Increase (decrease) in dividends payable	319,966	43,589	<b>Net Cash (Overdraft)</b>	<b>30,260,120</b>	<b>15,787,413</b>
Increase (decrease) in other payable and accrued liabilities	825,546	73,324	<b>Items Classified as Operating Activities:</b>		
Purchase of long positions and repurchase of investments sold short	(867,469,962)	(131,100,737)	Interest received, net of withholding tax	6,217,381	618,044
Proceeds from sale of long positions and on investments sold short	664,597,316	87,358,545	Dividends received, net of withholding tax	2,329,624	185,603
<b>Net cash generated (used) by operating activities</b>	<b>(212,782,343)</b>	<b>(43,897,900)</b>	Interest and borrowing expense paid	(1,813,386)	(218,765)
			Dividends paid	(2,774,996)	(252,761)

Net of non-cash transfers and switches of \$601,972 (2022 - \$0)

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

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
<b>LONG POSITIONS (167.2%)</b>									
<b>Canadian Equities (88.2%)</b>									
<b>Energy (9.7%)</b>									
	44,142	Advantage Energy Ltd.	383,986	376,531		67,441	First Quantum Minerals Ltd.	1,940,512	731,735
	27,474	ARC Resources Ltd.	604,161	540,414		7,975	Franco-Nevada Corp.	1,457,023	1,170,491
	18,594	Cameco Corp.	830,058	1,062,275		93,005	Frontier Lithium Inc.	191,242	70,684
	52,596	Canadian Natural Resources Ltd.	4,285,956	4,565,859		2,550	Frontier Lithium Inc., Warrants, 2025-11-08	-	-
	21,825	Cenovus Energy Inc., Preferred Series 5	483,740	495,864		17,140	GoGold Resources Inc.	21,733	23,139
	18,100	Cenovus Energy Inc., Preferred Series 7	394,536	402,725		164,336	Hudbay Minerals Inc.	1,160,002	1,198,009
	60,114	CES Energy Solutions Corp.	196,196	207,393		9,259	I-80 Gold Corp.	21,655	21,573
	4,609	Crew Energy Inc.	21,162	20,925		3,200	I-80 Gold Corp., Warrants, 2024-04-01	-	-
	25,959	Enbridge Inc.	1,255,254	1,238,244		6,082	IAMGOLD Corp.	21,854	20,314
	44,000	Enbridge Inc., Preferred Series 1	1,256,693	1,217,806		37,255	K92 Mining Inc.	251,676	242,530
	105,000	Enbridge Inc., Preferred Series L	2,694,948	2,636,145		46,487	Karora Resources Inc.	218,632	226,392
	44,929	Encore Energy Corp.	155,222	234,080		42,796	Kinross Gold Corp.	317,215	343,224
	20,300	Encore Energy Corp., Warrants, 2026-02-14	-	29,638		11,653	Labrador Iron Ore Royalty Corp.	364,615	371,731
	73,764	Enerplus Corp.	1,619,755	1,498,147		20,155	Lithium Americas Corp.	159,765	171,318
	79,571	Freehold Royalties Ltd.	1,179,052	1,089,327		57,619	Major Drilling Group International Inc.	539,889	530,671
	2,605	Frontera Energy Corp.	21,604	20,762		8,200	Marathon Gold Corp., Warrants, 2024-09-20	673	-
	21,923	Gibson Energy Inc.	458,145	441,310		10,422	NanoXplore Inc.	21,261	25,325
	20,956	Imperial Oil Ltd.	1,517,584	1,581,759		21,653	NGEx Minerals Ltd.	136,770	155,035
	105,391	Logan Energy Corp.	113,783	84,313		9,251	Nutrien Ltd.	799,305	690,587
	105,867	MEG Energy Corp.	2,448,405	2,505,872		285,187	OceanaGold Corp.	785,105	724,375
	38,257	North American Construction Group Ltd.	1,018,355	1,057,806		64,972	Osisko Gold Royalties Ltd.	1,195,321	1,228,621
	40,296	Parkland Corp.	1,463,872	1,721,042		161,800	Osisko Mining Inc.	427,152	432,006
	46,925	Pembina Pipeline Corp., Preferred Series 19	971,001	1,058,159		38,417	Pan American Silver Corp.	828,742	830,960
	3,400	Pembina Pipeline Corp., Preferred Series 9	63,556	67,150		3,422	Skeena Resources Ltd.	22,297	22,072
	39,500	Pembina Pipeline Corp., Sub. Rcpt.	1,692,575	1,777,500		57,172	Solaris Resources Inc.	324,283	236,120
	3,137	Precision Drilling Corp.	255,639	225,739		7,161	Stelco Holdings Inc.	354,126	359,411
	28,720	Shawcor Ltd.	470,215	435,395		14,684	Stella-Jones Inc.	929,162	1,132,430
	22,859	Suncor Energy Inc.	986,499	970,365		11,210	Taseko Mines Ltd.	21,923	20,851
	3,161	Surge Energy Inc.	21,233	20,483		42,824	Teck Resources Ltd.	2,359,047	2,398,572
	2,850	Tidewater Midstream and Infrastructure Ltd., Warrants, 2024-08-16	285	86		29,499	Transcontinental Inc.	377,813	404,136
	25,912	Tourmaline Oil Corp.	1,718,241	1,544,096		3,100	Victoria Gold Corp.	21,530	21,576
	1,256	Vermilion Energy Inc.	21,267	20,058		7,329	West Fraser Timber Co., Ltd.	774,346	830,815
			28,602,978	29,147,268		6,917	Winpak Ltd.	293,814	282,905
								20,099,807	18,765,876
<b>Materials (6.3%)</b>					<b>Industrial (10.0%)</b>				
	32,933	Agnico Eagle Mines Ltd.	2,273,591	2,392,582		718	ADENTRA Inc.	22,496	22,954
	1,286	Canfor Corp.	23,257	22,955		29,044	Ag Growth International Inc.	1,545,978	1,467,303
	14,732	Cascades Inc.	180,725	187,538		16,399	Air Canada	356,157	306,497
	10,268	CCL Industries Inc.	638,176	611,870		2,887	Algoma Central Corp.	44,748	43,161
	68,606	Chemtrade Logistics Income Fund	587,258	584,523		22,384	ATS Corp.	1,233,000	1,278,350
	7,569	Endeavour Silver Corp.	21,032	19,679		30,432	Badger Infrastructure Solutions Ltd.	991,111	1,238,887
	46,224	Faraday Copper Corp.	37,285	29,121		20,303	Bombardier Inc.	1,109,538	1,080,323
						4,140	Boyd Group Services Inc.	960,281	1,152,949
						38,302	Canadian Pacific Kansas City Ltd.	3,981,284	4,015,582
						62,419	Chorus Aviation Inc.	147,649	159,793
						101,906	Doman Building Materials Group Ltd.	712,019	844,801
						258,176	Element Fleet Management Corp.	5,072,102	5,566,275

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	13,236	Finning International Inc.	522,435	507,204		13,222	First National Financial Corp.	491,396	507,460
	12,805	Mullen Group Ltd.	177,606	179,782		368	Goeasy Ltd.	47,763	58,166
	3,335	RB Global Inc.	289,479	295,714		804	Laurentian Bank of Canada	21,108	22,407
	9,806	Russel Metals Inc.	368,053	441,564		47,769	Manulife Financial Corp.	1,355,623	1,398,676
	1,875	TELUS International CDA Inc.	21,061	21,338		1,300	Manulife Financial Corp., Preferred	24,067	23,582
	2,300	TFI International Inc.	403,388	414,552		10,048	Nuvei Corp.	339,502	349,771
	6,921	Thomson Reuters Corp.	1,176,378	1,340,805		67,963	Power Corp. of Canada	2,473,026	2,575,118
	26,164	Toromont Industries Ltd.	2,876,563	3,037,640		157,423	Preservation Capital Partners Strategic Opportunities I LP	266,787	264,621
	27,487	Wajax Corp.	769,499	832,031		33,174	Royal Bank of Canada	4,235,484	4,445,316
	15,909	Waste Connections Inc.	2,939,362	3,147,755		74,837	Sun Life Financial Inc.	4,955,456	5,142,799
	5,586	Westshore Terminals Investment Corp.	161,838	153,168		4,500	Sun Life Financial Inc., Preferred	80,839	78,840
	15,150	WSP Global Inc.	2,691,957	2,813,961		58,945	TMX Group Ltd.	1,719,373	1,889,187
			<u>28,573,982</u>	<u>30,362,389</u>		19,152	Toronto-Dominion Bank	1,583,411	1,639,794
		<b>Consumer Discretionary (2.7%)</b>				27,500	Toronto-Dominion Bank, Preferred Series 22	667,109	683,375
	6,044	BRP Inc.	638,782	573,092		3,100	Toronto-Dominion Bank, Preferred Series 24	73,398	77,097
	12,737	Dollarama Inc.	1,152,061	1,216,256		110,287	Trisura Group Ltd.	<u>3,756,425</u>	<u>3,749,758</u>
	8,782	Linamar Corp.	600,362	562,224				36,528,147	38,804,047
	6,470	Magna International Inc.	508,480	506,536			<b>Information Technology (4.3%)</b>		
	13,422	Martinrea International Inc.	172,184	192,471		68,193	Celestica Inc.	1,579,313	2,646,570
	23,185	MTY Food Group Inc.	1,466,089	1,310,184		2,249	CGI Inc.	292,809	319,246
	39,965	Park Lawn Corp.	926,803	788,909		786	Constellation Software Inc.	2,112,700	2,582,222
	12,882	Restaurant Brands International Inc.	1,228,490	1,333,673		507	Constellation Software Inc., Warrants, 2040-03-31	-	-
	46,358	Spin Master Corp.	1,616,349	1,616,040		13,723	Descartes Systems Group Inc.	1,391,252	1,527,782
			<u>8,309,600</u>	<u>8,099,385</u>		1,397	Dye & Durham Ltd.	20,982	20,061
		<b>Consumer Staples (1.7%)</b>				12,183	Kinaxis Inc.	1,957,757	1,811,734
	25,842	Alimentation Couche-Tard Inc.	1,741,916	2,016,451		16,710	Lumine Group Inc.	321,354	499,629
	11,300	George Weston Ltd.	1,777,781	1,858,850		34,161	Shopify Inc.	<u>2,720,333</u>	<u>3,524,049</u>
	33,957	North West Co Inc.	1,229,853	1,333,491				<u>10,396,500</u>	<u>12,931,293</u>
			<u>4,749,550</u>	<u>5,208,792</u>			<b>Communication Services (1.6%)</b>		
		<b>Health Care (0.2%)</b>				39,302	Quebecor Inc.	1,209,586	1,238,799
	2,099	Bausch Health Cos Inc.	21,180	22,312		58,815	Rogers Communications Inc.	<u>3,449,358</u>	<u>3,648,294</u>
	8,263	Cronos Group Inc.	21,480	22,889				<u>4,658,944</u>	<u>4,887,093</u>
	25,900	Curaleaf Holdings Inc.	129,857	142,709			<b>Utilities (3.3%)</b>		
	3,032	Dentalcorp Holdings Ltd.	21,381	21,103		112,149	AltaGas Ltd.	2,820,991	3,119,985
	98,233	Kneat.com Inc.	286,357	299,611		18,336	Atco Ltd.	700,547	709,053
			<u>480,255</u>	<u>508,624</u>		28,366	Boralex Inc.	999,602	955,367
		<b>Financials (13.0%)</b>				35,262	Capital Power Corp.	1,486,015	1,334,314
	50,987	Bank of Montreal	6,121,985	6,684,907		6,840	Capital Power Corp.	250,393	254,790
	28,300	Brookfield Corp., Preferred	547,469	582,697		15,125	Capital Power Corp., Preferred Series 11	357,436	364,664
	63,945	Canadian Western Bank	1,832,257	1,973,982		33,908	Hydro One Ltd.	1,265,410	1,346,148
	21,257	Dominion Lending Centres Inc.	57,489	59,520		18,082	Innervex Renewable Energy Inc.	223,544	166,174
	15,000	Element Financial Corp., Preferred Series C	369,908	371,250		161,197	TransAlta Corp.	<u>2,044,414</u>	<u>1,776,391</u>
	45,000	Element Fleet Management Corp., Preferred Series E	1,100,493	1,120,500				<u>10,148,352</u>	<u>10,026,886</u>
	11,987	EQB Inc.	923,960	1,045,626					
	2,866	Fairfax Financial Holdings Ltd.	2,947,823	3,503,714					
	25,325	Fairfax Financial Holdings Ltd., Preferred	535,996	555,884					

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
<b>Real Estate (3.8%)</b>					CAD	2,675,000	AltaGas Ltd. 7.350%, 2082-08-17	2,599,320	2,659,420
	1,050	Allied Properties Real Estate Investment Trust	20,775	21,189	CAD	1,500,000	AltaGas Ltd. 8.900%, 2083-11-10	1,500,000	1,571,001
	32,598	Boardwalk Real Estate Investment Trust	2,059,962	2,325,541	CAD	4,100,000	AutoCanada Inc. 5.750%, 2029-02-07	3,619,273	3,658,396
	50,000	Brookfield Office Properties Inc., Preferred Series CC	692,586	606,500	CAD	2,500,000	Bank of Montreal 7.057%, 2049-12-31	2,443,886	2,496,650
	5,250	Brookfield Office Properties Inc., Preferred Series EE	71,723	53,550	CAD	2,300,000	Bank of Montreal 7.373%, 2049-12-31	2,304,907	2,319,389
	19,597	BSR Real Estate Investment Trust	345,887	306,728	CAD	1,125,000	Bank of Montreal 5.625%, 2082-05-26	1,022,344	1,073,166
	25,610	Choice Properties Real Estate Investment Trust	355,249	357,260	CAD	1,150,000	Bank of Montreal 7.325%, 2082-11-26	1,105,438	1,145,932
	37,472	Crombie Real Estate Investment Trust	543,586	517,114	CAD	2,275,000	Bank of Nova Scotia 7.023%, 2082-07-27	2,217,037	2,241,441
	78,325	Dream Industrial Real Estate Investment Trust	1,068,462	1,093,417	USD	1,638,000	Bank of Nova Scotia 8.625%, 2082-10-27	2,239,364	2,249,301
	15,075	DREAM Unlimited Corp.	345,053	341,449	USD	545,100	Bruce Trail Funding Corporation 16.340%, 2028-08-31	738,054	704,825
	13,378	FirstService Corp.	2,713,503	2,871,588	CAD	1,825,000	Capital Power Corp. 7.950%, 2082-09-09	1,794,392	1,793,920
	16,987	Flagship Communities REIT	374,250	357,265	CAD	1,700,000	Cascades Inc. 5.125%, 2025-01-15	1,673,015	1,689,375
	2,140	H&R Real Estate Investment Trust	20,767	21,186	CAD	3,000,000	Chemtrade Logistics Income Fund 6.250%, 2027-08-31	3,050,409	3,024,870
	58,358	InterRent Real Estate Investment Trust	757,399	772,076	CAD	100,000	Clarity Trust Note 10.923%, 2025-04-15	100,000	100,000
	18,420	Killam Apartment Real Estate Investment Trust	334,867	330,823	CAD	2,075,000	Corus Entertainment Inc. 5.000%, 2028-05-11	1,477,693	1,395,438
	52,537	Minto Apartment Real Estate Investment Trust	785,370	850,049	CAD	922,000	Corus Entertainment Inc. 6.000%, 2030-02-28	696,704	600,068
	4,168	Morguard North American Residential Real Estate Investment	67,786	61,561	CAD	2,663,000	Doman Building Materials Group Ltd. 5.250%, 2026-05-15	2,405,803	2,457,816
	2,655	Nexus Industrial REIT	21,087	21,479	USD	3,500,000	Enbridge Inc. 5.000%, 2082-01-19	2,849,971	2,988,941
	1,829	Slate Grocery REIT	20,917	22,076	CAD	2,000,000	Enbridge Inc. 8.495%, 2084-01-15	2,018,125	2,107,168
	12,213	SmartCentres Real Estate Investment Trust	305,278	303,982	CAD	2,850,000	Enbridge Inc. 8.747%, 2084-01-15	2,882,842	3,075,158
			10,904,507	11,234,833	USD	1,900,000	First Quantum Minerals Ltd. 7.500%, 2025-04-01	2,416,222	2,391,110
					USD	2,650,000	First Quantum Minerals Ltd. 6.875%, 2026-03-01	3,398,071	3,132,441
<b>Investment Funds (31.6%)</b>					CAD	100,000	Fusion Trust Note 10.923%, 2025-04-15	100,000	100,000
	9,053,657	Picton Mahoney Fortified Arbitrage Plus Alternative Fund, Class I Units**	89,304,415	94,267,577	CAD	3,359,000	Gibson Energy Inc. 5.250%, 2080-12-22	2,814,627	2,880,750
	10,368	Sprott Physical Uranium Trust	191,236	293,000	CAD	3,075,000	Gibson Energy Inc. 8.700%, 2083-07-12	3,092,484	3,194,453
			89,495,651	94,560,577	USD	600,000	Granville Usd Ltd. 0.000%, 2031-07-31	792,445	791,556
<b>Total Canadian Equities - Long</b>					CAD	3,416,000	iA Financial Corp. Inc. 6.611%, 2082-06-30	3,318,734	3,378,367
<b>Canadian Debt (34.2%)</b>					CAD	2,400,000	Intact Financial Corp. 7.338%, 2083-06-30	2,406,848	2,419,061
<b>Asset-Backed Securities (0.4%)</b>					CAD	1,750,000	Inter Pipeline Ltd. 6.875%, 2079-03-26	1,662,555	1,687,008
USD	1,000,000	St Lawrence Srt Usd Corp. 0.000%, 2033-05-25	1,348,854	1,321,369					
<b>Corporate Bonds (33.8%)</b>									
CAD	737,000	Air Canada 4.625%, 2029-08-15	650,564	689,141					
CAD	1,702,000	Algonquin Power & Utilities Corp. 5.250%, 2082-01-18	1,370,903	1,419,348					
CAD	630,000	AltaGas Ltd. 5.250%, 2082-01-11	521,438	529,002					

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
CAD	1,050,000	Inter Pipeline Ltd. 6.625%, 2079-11-19	975,602	994,300		1,900	Apellis Pharmaceuticals Inc.	128,727	149,970
CAD	1,400,000	Keyera Corp. 6.875%, 2079-06-13	1,324,259	1,359,383		8,969	Apollo Global Management Inc.	917,711	1,102,114
CAD	1,250,000	Keyera Corp. 5.950%, 2081-03-10	1,079,513	1,108,968		542	Appfolio Inc.	130,185	123,811
CAD	200,000	Laurentian Bank of Canada 5.300%, 2081-06-15	159,500	152,366		3,990	AppLovin Corp.	218,628	209,659
USD	200,000	Manitoulin USD Ltd. 13.290%, 2027-11-10	275,691	259,896		6,605	Arch Capital Group Ltd.	657,607	646,844
CAD	200,000	Manulife Financial Corp. 3.375%, 2081-06-19	144,750	156,328		1,632	Array Technologies Inc.	46,364	36,153
CAD	200,000	Manulife Financial Corp. 4.100%, 2082-03-19	143,000	153,198		3,070	Arthur J Gallagher & Co.	876,884	910,337
CAD	1,800,000	Manulife Financial Corp. 7.117%, 2082-06-19	1,751,466	1,797,018		856	Atlassian Corp.	228,716	268,478
CAD	3,050,000	Mattamy Group Corp. 4.625%, 2028-03-01	2,696,688	2,838,089		2,248	Banc of California Inc.	41,742	39,809
CAD	3,660,000	National Bank of Canada 7.500%, 2082-11-16	3,619,945	3,645,923		24,282	Bank of America Corp.	928,596	1,078,054
CAD	1,350,000	Pembina Pipeline Corp. 4.800%, 2081-01-25	1,089,169	1,142,781		4,956	BellRing Brands Inc.	242,189	362,234
CAD	4,200,000	Rogers Communications Inc. 5.000%, 2081-12-17	3,799,327	4,005,435		5,823	Bentley Systems Inc.	366,188	400,649
CAD	5,450,000	Royal Bank of Canada 4.500%, 2080-11-24	5,040,925	5,190,923		4,642	Berry Global Group Inc.	403,299	412,490
CAD	3,200,000	Secure Energy Services Inc. 7.250%, 2026-12-30	3,169,683	3,229,000		3,950	Boeing Co.	1,197,228	1,357,640
CAD	40,000	Secure Energy Services Inc. 7.250%, 2026-12-30	39,400	40,358		10,460	Boston Scientific Corp.	732,625	797,348
CAD	2,045,000	Tamarack Valley Energy Ltd. 7.250%, 2027-05-10	1,946,563	2,011,343		587	Broadcom Inc.	641,576	863,998
USD	2,425,000	Tervita Corp. 11.000%, 2025-12-01	3,464,170	3,371,923		4,571	Builders FirstSource Inc.	795,994	1,006,201
CAD	4,600,000	Toronto-Dominion Bank 7.232%, 2049-12-31	4,539,577	4,623,644		1,100	Capital One Financial Corp.	190,383	190,184
USD	1,250,000	Toronto-Dominion Bank 8.125%, 2082-10-31	1,697,243	1,719,601		20,178	CCC Intelligent Solutions Holdings Inc.	314,443	303,050
CAD	1,425,000	Videotron Ltd. 3.125%, 2031-01-15	1,128,123	1,221,789		8,552	Charles Schwab Corp.	709,846	775,835
			99,368,062	100,986,778		302	Chesapeake Utilities Corp.	42,058	42,064
		<b>Total Canadian Debt - Long</b>	<b>100,716,916</b>	<b>102,308,147</b>		7,478	Chewy Inc.	229,009	233,003
		<b>Global Equities (24.8%)</b>				939	Citizens Financial Group Inc.	42,037	41,033
		<b>United States Equities (21.7%)</b>				566	Comerica Inc.	42,149	41,653
	642	Adobe Inc.	460,499	505,047		18,278	Copart Inc.	976,201	1,180,967
	510	Advance Auto Parts Inc.	41,186	41,042		19,654	Corebridge Financial Inc.	525,262	561,336
	4,452	Advanced Micro Devices Inc.	638,547	865,357		1,290	Cousins Properties Inc.	41,558	41,419
	5,546	Aehr Test Systems	267,604	194,013		1,181	Crown Holdings Inc.	138,997	143,409
	1,628	AES Corp.	42,112	41,324		641	Darling Ingredients Inc.	42,989	42,126
	788	Alaska Air Group Inc.	42,584	40,596		1,254	Datadog Inc.	160,487	200,705
	212	Albemarle Corp.	42,170	40,388		1,037	Deere & Co.	549,110	546,778
	1,014	Alcoa Corp.	44,178	45,460		4,933	Dexcom Inc.	708,287	807,163
	240	Alexandria Real Estate Equities Inc.	41,623	40,118		1,049	Domino's Pizza Inc.	552,001	570,201
	6,116	Alphabet Inc., Class A	1,097,497	1,126,538		4,066	DoorDash Inc.	546,195	530,192
	7,467	Amazon.com Inc.	1,343,436	1,495,999		4,237	DR Horton Inc.	649,693	849,098
	21,100	Angi Inc.	72,033	69,278		2,197	Driven Brands Holdings Inc.	42,162	41,311
						1,368	DTE Energy Co.	192,418	198,892
						55,000	Eagle SPV LP	74,486	101,532
						2,134	Eastern Bankshares Inc.	42,134	39,957
						12,600	Elanco Animal Health Inc.	241,253	247,554
						1,026	Electronic Arts Inc.	185,215	185,088
						967	Eli Lilly & Co.	550,334	743,273
						637	Envestnet Inc.	41,529	41,594
						217	Estee Lauder Cos Inc.	43,204	41,847
						7,084	Fastenal Co.	533,392	605,014
						428	First Citizens BancShares Inc.	800,920	800,811
						990	First Interstate BancSystem Inc.	41,976	40,141
						526	FMC Corp.	42,734	43,730
						1,129	Gartner Inc.	524,946	671,567
						3,376	Global Net Lease Inc.	42,412	44,293
						1,026	Goldman Sachs Group Inc.	456,849	521,902
						570	Home Depot Inc.	240,672	260,468





# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	27,276	OneSpaWorld Holdings Ltd.	433,424	507,123	USD	2,338,000	Splunk Inc. 1.125%, 2027-06-15	3,079,896	3,001,191
	48,656	ReNew Energy Global PLC	407,593	491,449	USD	1,430,000	Stagwell Global LLC 5.625%, 2029-08-15	1,616,319	1,736,509
	2,850	Spotify Technology SA	574,170	706,168	USD	692,000	Tenet Healthcare Corp. 6.125%, 2028-10-01	865,839	910,692
	55,058	Talon Metals Corp.	30,224	9,910	USD	350,000	United States Treasury Note 3.875%, 2043-05-15	454,857	440,129
			<u>5,509,835</u>	<u>6,060,315</u>	USD	2,325,000	Vista Outdoor Inc. 4.500%, 2029-03-15	3,054,104	2,996,245
					USD	3,050,000	Vistra Corp. 8.000%, 2049-12-31	3,925,445	4,009,729
					USD	800,000	Vistra Operations Co LLC 4.375%, 2029-05-01	930,272	985,911
								<u>47,258,605</u>	<u>47,612,610</u>
		<b>International Index Equivalents (1.1%)</b>							
	13,879	Invesco S&P 500 Low Volatility ETF	1,159,056	1,146,731					
	11,205	iShares Russell 2000 Value ETF	2,145,588	2,294,988					
			<u>3,304,644</u>	<u>3,441,719</u>					
		<b>Total Global Equities - Long</b>	<b>66,092,610</b>	<b>74,032,578</b>					
		<b>Global Debt (19.5%)</b>							
		<b>United States Bonds (15.9%)</b>							
USD	278,000	Alteryx Inc. 1.000%, 2026-08-01	361,634	357,865	GBP	400,000	Barclays PLC 5.875%, 2049-12-31	661,940	650,228
USD	735,000	Alteryx Inc. 8.750%, 2028-03-15	1,042,611	1,032,286	USD	1,100,000	Barclays PLC 6.125%, 2049-12-31	1,343,258	1,389,120
USD	603,000	AmeriGas Partners LP 5.875%, 2026-08-20	787,516	787,859	GBP	1,500,000	Barclays PLC 7.125%, 2049-12-31	2,369,890	2,458,732
USD	1,600,000	AmeriGas Partners LP 5.750%, 2027-05-20	2,052,106	2,053,941	USD	2,000,000	Barclays PLC 8.000%, 2049-12-31	2,458,897	2,594,774
USD	850,000	APX Group Inc. 5.750%, 2029-07-15	1,027,285	1,046,320	GBP	1,050,000	Barclays PLC 8.875%, 2049-12-31	1,656,141	1,765,003
USD	2,600,000	Brookfield Property REIT Inc. 4.500%, 2027-04-01	2,958,885	3,089,758	USD	1,400,000	Standard Chartered PLC 7.162%, 2049-12-31	1,771,345	1,777,627
USD	1,000,000	CCO Holdings LLC 5.000%, 2028-02-01	1,227,896	1,262,642				<u>10,261,471</u>	<u>10,635,484</u>
USD	1,200,000	CCO Holdings LLC 6.375%, 2029-09-01	1,524,606	1,562,530			<b>Total Global Debt - Long</b>	<b>57,520,076</b>	<b>58,248,094</b>
USD	350,000	Cimarex Energy Co. 3.900%, 2027-05-15	422,674	407,000			<b>Options (0.5%)</b>		
USD	1,700,000	Cleveland-Cliffs Inc. 7.000%, 2027-03-15	2,261,719	2,249,488			<b>Total Purchased Options - Refer to Appendix A</b>	<b>1,927,037</b>	<b>1,422,888</b>
USD	200,000	Cushman & Wakefield US Borrower LLC 6.750%, 2028-05-15	249,450	262,669			<b>Transaction Costs</b>	<b>(157,001)</b>	<b>-</b>
USD	1,025,000	Cushman & Wakefield US Borrower LLC 8.875%, 2031-09-01	1,352,064	1,433,369			<b>Total Long Positions</b>	<b>479,047,911</b>	<b>500,548,770</b>
USD	1,450,000	Energy Transfer LP 8.000%, 2029-04-01	2,039,752	1,990,791			<b>SHORT POSITIONS (-81.1%)</b>		
USD	1,175,000	Freeport Minerals Corp. 9.500%, 2031-06-01	1,881,923	1,849,217			<b>Canadian Equities (-33.8%)</b>		
USD	800,000	Iron Mountain Inc. 4.875%, 2029-09-15	946,339	1,000,209			<b>Energy (-3.0%)</b>		
USD	503,000	Iron Mountain Inc. 5.250%, 2030-07-15	596,480	632,111	(180,885)	Baytex Energy Corp.	(780,828)	(792,276)	
USD	3,400,000	Permian Resources Operating LLC 8.000%, 2027-04-15	4,723,060	4,651,636	(152,372)	Birchcliff Energy Ltd.	(1,117,193)	(880,710)	
USD	2,350,000	Permian Resources Operating LLC 9.875%, 2031-07-15	3,484,578	3,446,943	(14,596)	Cenovus Energy Inc.	(347,660)	(322,280)	
USD	3,000,000	Prime Healthcare Services Inc. 7.250%, 2025-11-01	3,820,862	3,861,237	(29,536)	Crescent Point Energy Corp.	(320,822)	(271,436)	
USD	425,000	SM Energy Co. 5.625%, 2025-06-01	570,433	554,333	(73,951)	Enerflex Ltd.	(487,246)	(453,320)	
					(75,810)	Ensign Energy Services Inc.	(213,740)	(164,508)	
					(64,602)	NexGen Energy Ltd.	(531,915)	(598,861)	
					(17,670)	NuVista Energy Ltd.	(226,883)	(195,077)	
					(31,436)	Paramount Resources Ltd.	(926,673)	(815,135)	
					(30,156)	Parex Resources Inc.	(752,744)	(752,392)	
					(13,900)	Pembina Pipeline Corp.	(617,604)	(634,118)	
					(12,447)	PrairieSky Royalty Ltd.	(289,921)	(288,770)	
					(31,785)	Spartan Delta Corp.	(126,895)	(95,673)	
					(109,279)	Tamarack Valley Energy Ltd.	(395,305)	(335,487)	
					(17,407)	TC Energy Corp.	(887,387)	(900,986)	
					(298)	TC Energy Corp., NYSE	(15,825)	(15,360)	

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	(53,089)	Topaz Energy Corp.	(1,079,508)	(1,028,865)		(20,624)	Rogers Sugar Inc.	(116,165)	(110,957)
	(50,803)	Whitecap Resources Inc.	(520,571)	(450,623)		(26,237)	Saputo Inc.	(736,138)	(703,939)
			<u>(9,638,720)</u>	<u>(8,995,877)</u>		(28,132)	SunOpta Inc.	<u>(221,422)</u>	<u>(203,394)</u>
								<u>(3,940,432)</u>	<u>(3,995,683)</u>
		<b>Materials (-1.5%)</b>					<b>Health Care (0.0%)</b>		
	(22,090)	Altius Minerals Corp.	(459,192)	(407,340)		(3,585)	Aurora Cannabis Inc.	(9,752)	(2,330)
	(51,155)	Artemis Gold Inc.	(264,069)	(323,300)					
	(5,482)	Capstone Copper Corp.	(32,259)	(35,359)			<b>Financials (-3.8%)</b>		
	(26,270)	Equinox Gold Corp.	(163,167)	(169,179)		(27,858)	Bank of Nova Scotia	(1,711,407)	(1,796,841)
	(29,846)	ERO Copper Corp.	(770,507)	(625,274)		(16,068)	Brookfield Asset Management Ltd.	(694,499)	(855,139)
	(1,627)	Filo Corp.	(32,308)	(34,346)		(693)	Brookfield Corp.	(31,924)	(36,833)
	(38,472)	First Majestic Silver Corp.	(330,656)	(312,777)		(7,527)	Canadian Imperial Bank of Commerce	(404,883)	(480,223)
	(42,583)	Foran Mining Corp.	(151,476)	(166,074)		(14,527)	CI Financial Corp.	(245,129)	(215,871)
	(39,710)	Interfor Corp.	(887,298)	(932,391)		(18,495)	Definity Financial Corp.	(688,600)	(694,302)
	(2,821)	Ivanhoe Mines Ltd.	(33,867)	(36,250)		(144,147)	ECN Capital Corp.	(365,176)	(432,441)
	(38,863)	Lundin Mining Corp.	(394,765)	(421,275)		(36,120)	Great-West Lifeco Inc.	(1,491,288)	(1,584,223)
	(45,040)	New Found Gold Corp.	(259,059)	(210,337)		(9,804)	iA Financial Corp. Inc.	(814,603)	(885,595)
	(12,907)	New Pacific Metals Corp.	(43,908)	(32,397)		(14,131)	IGM Financial Inc.	(506,343)	(494,726)
	(34,388)	Sandstorm Gold Ltd.	(232,809)	(229,024)		(7,657)	Intact Financial Corp.	(1,518,140)	(1,560,956)
	(20,000)	SilverCrest Metals Inc.	(138,258)	(173,800)		(22,482)	National Bank of Canada	(1,994,409)	(2,270,682)
	(31,341)	Wesdome Gold Mines Ltd.	(235,743)	(241,639)		(11,865)	Propel Holdings Inc.	(92,180)	(153,889)
			<u>(4,429,341)</u>	<u>(4,350,762)</u>				<u>(10,558,581)</u>	<u>(11,461,721)</u>
		<b>Industrial (-1.5%)</b>					<b>Information Technology (-0.1%)</b>		
	(110,765)	Aecon Group Inc.	(1,240,816)	(1,447,697)		(22,162)	Converge Technology Solutions Corp.	(77,038)	(91,751)
	(105,221)	Ballard Power Systems Inc.	(583,792)	(516,635)		(3,918)	Enghouse Systems Ltd.	(131,346)	(137,522)
	(26,533)	CAE Inc.	(829,411)	(758,844)		(1,392)	Lightspeed Commerce Inc.	(36,843)	(38,725)
	(224)	Canadian National Railway Co.	(36,161)	(37,307)		(3,191)	Open Text Corp.	(174,095)	(177,707)
	(2,245)	Cargojet Inc.	(216,478)	(267,537)				<u>(419,322)</u>	<u>(445,705)</u>
	(11,328)	Exchange Income Corp.	(510,455)	(510,893)			<b>Communication Services (-0.7%)</b>		
	(1,411)	GDI Integrated Facility Services Inc.	(65,041)	(51,614)		(28,522)	BCE Inc.	(1,623,545)	(1,487,993)
	(829)	GFL Environmental Inc.	(37,121)	(37,894)		(4,415)	Cineplex Inc.	(36,204)	(36,954)
	(355)	GFL Environmental Inc., NYSE	(13,881)	(16,154)		(5,938)	Cogeco Communications Inc.	(366,117)	(352,420)
	(177,937)	Lion Electric Co.	(485,984)	(419,931)		(4,133)	Cogeco Inc.	(215,839)	(236,284)
	(16,386)	NFI Group Inc.	(213,172)	(224,324)				<u>(2,241,705)</u>	<u>(2,113,651)</u>
	(18,574)	Savaria Corp.	(243,582)	(281,768)			<b>Utilities (-0.9%)</b>		
			<u>(4,475,894)</u>	<u>(4,570,598)</u>		(4,326)	Algonquin Power & Utilities Corp.	(35,299)	(36,165)
		<b>Consumer Discretionary (-0.8%)</b>				(16,266)	Brookfield Renewable Corp.	(637,650)	(620,385)
	(19,801)	Aritzia Inc.	(459,134)	(544,528)		(11,202)	Canadian Utilities Ltd.	(356,702)	(357,232)
	(12,716)	Canada Goose Holdings Inc.	(264,896)	(200,150)		(7,649)	Emera Inc.	(365,676)	(384,745)
	(8,793)	Canadian Tire Corp. Ltd.	(1,414,377)	(1,237,351)		(15,066)	Fortis Inc.	(825,287)	(821,248)
	(11,629)	Pet Valu Holdings Ltd.	(285,944)	(334,683)		(5,510)	Northland Power Inc.	(135,579)	(132,626)
			<u>(2,424,351)</u>	<u>(2,316,712)</u>		(44,211)	Superior Plus Corp.	(446,979)	(425,752)
		<b>Consumer Staples (-1.3%)</b>						<u>(2,803,172)</u>	<u>(2,778,153)</u>
	(7,572)	Empire Co., Ltd.	(255,300)	(265,399)			<b>Real Estate (-1.1%)</b>		
	(22,171)	Jamieson Wellness Inc.	(608,243)	(703,486)		(850)	Altus Group Ltd.	(33,506)	(35,819)
	(1,988)	Loblaw Cos Ltd.	(236,405)	(255,021)		(14,860)	Canadian Apartment Properties REIT	(716,853)	(725,168)
	(19,574)	Maple Leaf Foods Inc.	(500,978)	(494,048)					
	(9,555)	Metro Inc.	(663,265)	(655,377)					
	(6,094)	Neighbourly Pharmacy Inc.	(85,288)	(102,318)					
	(5,336)	Premium Brands Holdings Corp.	(517,228)	(501,744)					





# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	(485)	Envista Holdings Corp.	(15,165)	(15,387)		(2,421)	MSC Industrial Direct Co Inc.	(308,254)	(323,255)
	(3,078)	EQT Corp.	(154,348)	(156,907)		(371)	MSCI Inc.	(250,497)	(276,716)
	(49)	Equifax Inc.	(12,663)	(15,978)		(7,980)	Mueller Industries Inc.	(425,291)	(496,133)
	(3,183)	Etsy Inc.	(389,525)	(340,175)		(250)	Nevro Corp.	(13,686)	(7,094)
	(76)	Extra Space Storage Inc.	(13,150)	(16,067)		(160)	New Fortress Energy Inc.	(8,004)	(7,960)
	(8,314)	Extreme Networks Inc.	(300,462)	(193,385)		(20,567)	Newmont Corp.	(1,218,498)	(1,122,482)
	(800)	FactSet Research Systems Inc.	(453,493)	(503,231)		(578)	NOV Inc.	(14,896)	(15,456)
	(70)	First Solar Inc.	(17,169)	(15,902)		(1,028)	Okta Inc.	(101,157)	(122,715)
	(59)	Five Below Inc.	(13,775)	(16,583)		(1,441)	ON Semiconductor Corp.	(160,376)	(158,716)
	(152)	Fluor Corp.	(7,881)	(7,851)		(1,431)	ONEOK Inc.	(117,705)	(132,499)
	(7,876)	Foot Locker Inc.	(310,966)	(323,502)		(5,063)	Ormat Technologies Inc.	(548,850)	(505,980)
	(6,341)	Fortinet Inc.	(547,693)	(489,384)		(5,982)	Palantir Technologies Inc.	(102,957)	(135,435)
	(6,420)	FuboTV Inc.	(16,371)	(26,920)		(57)	Paycom Software Inc.	(14,628)	(15,537)
	(1,626)	FuelCell Energy Inc.	(8,261)	(3,430)		(12,187)	Pebblebrook Hotel Trust	(230,609)	(256,795)
	(1,647)	GATX Corp.	(255,970)	(261,086)		(17)	Peloton Interactive Inc.	(238)	(137)
	(8,529)	General Mills Inc.	(841,236)	(732,587)		(46)	Penumbra Inc.	(13,288)	(15,257)
	(5,165)	Gilead Sciences Inc.	(542,622)	(551,724)		(9,084)	Pfizer Inc.	(411,479)	(344,851)
	(219)	Globus Medical Inc.	(16,242)	(15,389)		(163)	Planet Fitness Inc.	(11,323)	(15,690)
	(500)	GoDaddy Inc.	(70,452)	(69,991)		(5,100)	Plug Power Inc.	(76,566)	(30,262)
	(1,200)	Goosehead Insurance Inc.	(122,491)	(119,940)		(2,079)	PNC Financial Services Group Inc.	(354,798)	(424,501)
	(3,990)	Hartford Financial Services Group Inc.	(394,908)	(422,896)		(3,851)	Polaris Inc.	(563,792)	(481,235)
	(3,777)	HashiCorp Inc.	(141,956)	(117,736)		(2,736)	Procore Technologies Inc.	(226,855)	(249,724)
	(10,561)	Hawaiian Holdings Inc.	(153,324)	(197,745)		(8,664)	ProPetro Holding Corp.	(107,671)	(95,736)
	(66)	HEICO Corp.	(15,300)	(15,567)		(1,358)	Qualys Inc.	(289,637)	(351,471)
	(2,694)	Henry Schein Inc.	(275,880)	(268,945)		(1,700)	Raymond James Financial Inc.	(248,723)	(249,941)
	(912)	Hershey Co.	(236,416)	(224,206)		(3,939)	Realty Income Corp.	(296,916)	(298,238)
	(8,208)	HNI Corp.	(345,198)	(452,729)		(80)	Regal Rexnord Corp.	(15,677)	(15,614)
	(3,265)	HP Inc.	(132,550)	(129,544)		(758)	Repligen Corp.	(168,535)	(179,710)
	(399)	HubSpot Inc.	(250,472)	(305,435)		(112)	Revvity Inc.	(14,049)	(16,143)
	(19,404)	Hut 8 Corp.	(312,792)	(343,063)		(38)	RH	(15,305)	(14,605)
	(1,626)	Hyllion Holdings Corp.	(6,486)	(1,745)		(5,076)	Robert Half Inc.	(544,387)	(588,467)
	(1,433)	Illinois Tool Works Inc.	(465,006)	(494,950)		(918)	Robinhood Markets Inc.	(11,647)	(15,421)
	(84)	illumina Inc.	(15,493)	(15,423)		(266)	ROBLOX Corp.	(13,343)	(16,036)
	(1,027)	Inovio Pharmaceuticals Inc.	(3,373)	(691)		(2,100)	Roku Inc.	(272,090)	(253,812)
	(30)	Inspire Medical Systems Inc.	(7,681)	(8,047)		(31)	Shockwave Medical Inc.	(9,821)	(7,789)
	(2,306)	Jack Henry & Associates Inc.	(495,432)	(496,879)		(2,106)	Silicon Laboratories Inc.	(381,546)	(367,310)
	(1,511)	JB Hunt Transport Services Inc.	(375,732)	(397,963)		(2,850)	Simply Good Foods Co.	(150,568)	(148,817)
	(6,120)	Juniper Networks Inc.	(236,811)	(237,899)		(7,638)	Snap Inc.	(131,255)	(170,510)
	(27)	Karuna Therapeutics Inc.	(7,774)	(11,268)		(1,368)	SolarEdge Technologies Inc.	(154,443)	(168,840)
	(219)	KBR Inc.	(15,809)	(16,001)		(3,534)	Spire Inc.	(306,773)	(290,500)
	(10,703)	Kennametal Inc.	(388,034)	(363,974)		(1,821)	Steel Dynamics Inc.	(256,553)	(283,578)
	(616)	KLA Corp.	(393,484)	(472,165)		(9,356)	Sunrun Inc.	(194,432)	(242,172)
	(1,000)	LGI Homes Inc.	(174,345)	(175,585)		(9,291)	Synchrony Financial	(418,157)	(467,870)
	(151)	Liberty Broadband Corp.	(16,878)	(16,046)		(2,265)	T Rowe Price Group Inc.	(328,237)	(321,630)
	(184)	Liberty Media Corp-Liberty Formula One	(16,009)	(15,317)		(400)	Tattooed Chef Inc.	(4,038)	-
	(18)	Lithia Motors Inc.	(6,687)	(7,815)		(2,450)	Tellurian Inc.	(6,756)	(2,441)
	(15,200)	Macerich Co.	(235,557)	(309,259)		(5,715)	Terex Corp.	(434,736)	(433,007)
	(53)	Madrigal Pharmaceuticals Inc.	(15,457)	(16,170)		(7,590)	Terreno Realty Corp.	(617,104)	(627,212)
	(134)	Marriott Vacations Worldwide Corp.	(18,331)	(14,999)		(930)	Tesla Inc.	(320,014)	(304,711)
	(1,596)	Marvell Technology Inc.	(114,236)	(126,922)		(3,377)	Texas Instruments Inc.	(758,522)	(759,044)
	(881)	Moody's Corp.	(443,572)	(453,708)		(59)	Toro Co.	(6,647)	(7,468)
	(5,309)	Morgan Stanley	(593,085)	(652,792)		(656)	Tractor Supply Co.	(191,400)	(186,001)
						(174)	TransUnion	(14,209)	(15,765)

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	(2,280)	Travelers Cos Inc.	(532,819)	(572,691)		(7,296)	iShares Russell 2000 Growth Index Fund	(2,342,407)	(2,426,484)
	(2,800)	TripAdvisor Inc.	(72,400)	(79,490)		(16,148)	SPDR Industrial Select Sector Fund	(2,245,000)	(2,427,161)
	(2,400)	Uber Technologies Inc.	(201,324)	(194,847)		(6,475)	SPDR S&P 500 ETF Trust	(3,866,373)	(4,058,166)
	(3,762)	UiPath Inc.	(92,502)	(123,221)		(11,628)	SPDR S&P Metals & Mining ETF	(809,048)	(917,354)
	(5,542)	Unity Software Inc.	(264,291)	(298,811)		(10,945)	SPDR S&P Retail ETF	(975,116)	(1,043,728)
	(1,159)	Valero Energy Corp.	(222,690)	(198,673)		(99,002)	Vanguard Total Stock Market ETF	<u>(28,510,699)</u>	<u>(30,967,661)</u>
	(25,205)	Valley National Bancorp	(301,377)	(360,936)				<u>(46,466,934)</u>	<u>(49,803,242)</u>
	(492)	Viatis Inc.	(6,588)	(7,026)			<b>Total Global Equities - Short</b>	<b>(91,559,541)</b>	<b>(96,564,554)</b>
	(4,446)	Vornado Realty Trust	(129,428)	(165,616)			<b>Global Debt (-13.7%)</b>		
	(5,510)	Warner Music Group Corp.	(228,342)	(260,032)			<b>United States Bonds (-13.3%)</b>		
	(36)	Waters Corp.	(13,968)	(15,628)					
	(4,800)	Webster Financial Corp.	(331,651)	(321,274)					
	(8,043)	Werner Enterprises Inc.	(471,807)	(449,355)					
	(798)	Williams-Sonoma Inc.	(157,492)	(212,322)					
	(264)	Wolfspeed Inc.	(17,032)	(15,146)					
	(627)	Workday Inc.	(184,999)	(228,236)	USD	(1,225,000)	ACCO Brands Corp. 4.250%, 2029-03-15	(1,373,657)	(1,459,221)
	(285)	Yum China Holdings Inc.	(16,342)	(15,945)	USD	(500,000)	Allied Universal Holdco LLC 6.625%, 2026-07-15	(642,499)	(656,458)
	(536)	Zebra Technologies Corp.	(192,040)	(193,181)	USD	(1,000,000)	Allied Universal Holdco LLC 9.750%, 2027-07-15	(1,220,230)	(1,293,569)
	(4,959)	ZoomInfo Technologies Inc.	<u>(150,938)</u>	<u>(120,905)</u>	USD	(1,150,000)	Bath & Body Works Inc. 6.625%, 2030-10-01	(1,478,446)	(1,550,800)
			<u>(38,898,046)</u>	<u>(40,179,181)</u>	USD	(225,000)	Caesars Entertainment Inc. 4.625%, 2029-10-15	(266,111)	(267,977)
		<b>International Equities (-2.2%)</b>			USD	(1,325,000)	Central Garden & Pet Co. 4.125%, 2030-10-15	(1,497,135)	(1,590,980)
	(7,830)	Antofagasta PLC	(190,522)	(221,054)	USD	(1,000,000)	Chevron Corp. 3.326%, 2025-11-17	(1,314,767)	(1,291,809)
	(1,440)	Aon PLC	(604,223)	(552,584)	USD	(500,000)	Civitas Resources Inc. 8.750%, 2031-07-01	(663,283)	(702,680)
	(4,446)	ARM Holdings PLC	(342,764)	(440,537)	USD	(538,000)	Diversified Healthcare Trust 9.750%, 2025-06-15	(713,367)	(697,016)
	(210)	ASML Holding NV	(200,044)	(209,596)	USD	(600,000)	Embecta Corp. 5.000%, 2030-02-15	(671,647)	(672,142)
	(9,852)	BHP Group Ltd.	(799,073)	(887,405)	USD	(1,250,000)	Energizer Holdings Inc. 4.375%, 2029-03-31	(1,409,391)	(1,477,370)
	(2,622)	Check Point Software Technologies Ltd.	(453,342)	(528,252)	USD	(1,050,000)	Hilton Grand Vacations Borrower Escrow LLC 5.000%, 2029-06-01	(1,235,502)	(1,278,982)
	(2,054)	Chubb Ltd.	(558,805)	(612,099)	USD	(356,000)	Matador Resources Co. 6.875%, 2028-04-15	(471,313)	(476,602)
	(1,281)	Clarivate PLC	(15,823)	(15,641)	USD	(1,450,000)	Medline Borrower LP 5.250%, 2029-10-01	(1,695,583)	(1,804,740)
	(81)	Diageo PLC	(15,395)	(15,557)	USD	(1,000,000)	MGM Resorts International 4.750%, 2028-10-15	(1,219,139)	(1,257,176)
	(1,116)	Everest Group Ltd.	(585,267)	(520,313)	USD	(1,250,000)	Occidental Petroleum Corp. 5.550%, 2026-03-15	(1,684,705)	(1,661,197)
	(4,241)	GLOBALFOUNDRIES Inc.	(309,924)	(338,886)	USD	(583,000)	Office Properties Income Trust 4.250%, 2024-05-15	(749,501)	(729,103)
	(25,491)	Gold Fields Ltd.	(504,136)	(486,036)	USD	(500,000)	Olin Corp. 5.625%, 2029-08-01	(618,809)	(649,492)
	(13,006)	Invesco Ltd.	(294,617)	(305,951)	USD	(900,000)	Olympus Water US Holding Corp. 9.750%, 2028-11-15	(1,219,233)	(1,261,081)
	(912)	Nabors Industries Ltd.	(112,540)	(98,165)	USD	(1,000,000)	Organon & Co. 5.125%, 2031-04-30	(1,109,159)	(1,129,282)
	(1,140)	NXP Semiconductors NV	(320,521)	(345,256)	USD	(750,000)	Performance Food Group Inc. 4.250%, 2029-08-01	(906,651)	(908,067)
	(7,216)	Rio Tinto PLC	(635,762)	(708,488)					
	(1,122)	Roivant Sciences Ltd.	(14,531)	(16,614)					
	(1,563)	Royal Caribbean Cruises Ltd.	(222,840)	(266,875)					
	(268)	Stratasys Ltd.	(6,283)	(5,046)					
	(86)	Valaris Ltd.	(8,149)	(7,776)					
			<u>(6,194,561)</u>	<u>(6,582,131)</u>					
		<b>International Index Equivalents (-16.7%)</b>							
	(8,094)	Invesco QQQ Trust Series 1	(4,125,249)	(4,370,705)					
	(5,435)	iShares 20+ Year Treasury Bond ETF	(736,061)	(708,633)					
	(9,154)	iShares iBoxx \$ High Yield Corporate Bond ETF	(931,681)	(934,133)					
	(8,336)	iShares J.P. Morgan USD Emerging Markets Bond ETF	(961,090)	(978,934)					
	(18,300)	iShares MSCI Emerging Markets ETF	(964,210)	(970,283)					

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
USD	(1,500,000)	Permian Resources Operating LLC 7.000%, 2032-01-15	(2,037,982)	(2,042,019)	USD	(450,000)	Wynn Resorts Finance LLC 7.125%, 2031-02-15	(596,273)	(618,637)
USD	(1,063,000)	Post Holdings Inc. 4.625%, 2030-04-15	(1,297,803)	(1,290,797)				(38,595,027)	(39,515,516)
USD	(186,000)	PRA Group Inc. 7.375%, 2025-09-01	(242,410)	(244,053)					
USD	(1,200,000)	Prime Security Services Borrower LLC 6.250%, 2028-01-15	(1,515,515)	(1,574,327)					
USD	(1,000,000)	Range Resources Corp. 8.250%, 2029-01-15	(1,386,100)	(1,366,363)					
USD	(357,000)	Rocket Mortgage LLC 3.875%, 2031-03-01	(384,666)	(414,614)					
USD	(623,000)	Rocket Mortgage LLC 4.000%, 2033-10-15	(684,793)	(698,826)					
USD	(700,000)	SM Energy Co. 6.500%, 2028-07-15	(900,196)	(924,465)					
USD	(897,000)	Starwood Property Trust Inc. 4.375%, 2027-01-15	(1,055,583)	(1,115,939)					
USD	(1,250,000)	Sunoco LP 7.000%, 2028-09-15	(1,653,947)	(1,701,647)					
USD	(850,000)	Taylor Morrison Communities Inc. 5.125%, 2030-08-01	(1,068,040)	(1,085,477)					
USD	(1,100,000)	TransDigm Inc. 4.875%, 2029-05-01	(1,364,283)	(1,357,398)					
USD	(775,000)	Uber Technologies Inc. 4.500%, 2029-08-15	(959,712)	(976,789)					
USD	(950,000)	WESCO Distribution Inc. 7.250%, 2028-06-15	(1,287,596)	(1,288,421)					
							<b>International Bonds (-0.4%)</b>		
					USD	(1,000,000)	Shell International Finance BV 3.250%, 2025-05-11	(1,323,670)	(1,293,910)
							<b>Total Global Debt - Short</b>	<b>(39,918,697)</b>	<b>(40,809,426)</b>
							<b>Options (-0.4%)</b>		
							<b>Total Written Options - Refer to Appendix A</b>	<b>(2,053,369)</b>	<b>(1,324,892)</b>
							<b>Transaction Costs</b>	<b>(107,939)</b>	<b>-</b>
							<b>Total Short Positions</b>	<b>(235,677,332)</b>	<b>(242,814,997)</b>
							<b>Futures Contracts (0.0%)</b>		
							<b>Total Futures Contracts - Refer to Appendix B</b>		<b>(27,037)</b>
							<b>TOTAL INVESTMENT PORTFOLIO (86.1%)</b>	<b>243,370,579</b>	<b>257,706,736</b>
							Other Assets Net of Liabilities (13.9%)		41,617,801
							<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100.0%)</b>		<b>299,324,537</b>

\*CCY denotes local currency of debt security

\*\*The Picton Mahoney Fortified Alpha Alternative Fund invests in other Picton Mahoney related Funds. For further details, please refer to the disclosure under Note 14.

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## APPENDIX A

### OPTIONS (0.1%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Aehr Test Systems	Call Option	112	\$35	January, 2024	66,285	8,492
Aehr Test Systems	Call Option	20	\$55	January, 2024	6,062	98
Apellis Pharmaceuticals Inc.	Call Option	13	\$50	January, 2024	5,835	21,599
Apellis Pharmaceuticals Inc.	Call Option	4	\$95	January, 2024	558	396
Bank Of Nova Scotia	Call Option	81	\$60	January, 2024	4,666	36,248
Bank Of Nova Scotia	Call Option	32	\$64	January, 2024	272	1,792
Calix Inc.	Call Option	97	\$40	February, 2024	29,502	71,626
Celestica Inc.	Call Option	234	\$35	February, 2024	40,950	125,775
Celestica Inc.	Call Option	47	\$39	February, 2024	4,277	13,748
Centerra Gold Inc.	Call Option	374	\$8	January, 2024	8,789	20,570
Chicago Board Options Exchange	Call Option	581	\$17	January, 2024	73,462	32,943
Crude Oil Futures Mar'24	Call Option	5	\$91	February, 2024	5,458	1,187
Dye & Durham Ltd.	Call Option	257	\$11	January, 2024	24,415	88,023
Dye & Durham Ltd.	Call Option	88	\$14	January, 2024	3,146	8,800
First Quantum Minerals Ltd.	Call Option	229	\$15	January, 2024	14,942	3,092
First Quantum Minerals Ltd.	Call Option	328	\$17	June, 2024	61,241	27,716
First Quantum Minerals Ltd.	Call Option	229	\$18	September, 2024	34,877	24,045
First Quantum Minerals Ltd.	Call Option	69	\$26	September, 2024	4,899	2,691
Gold Futures OPT(CMX)	Call Option	7	\$2,090	January, 2024	14,188	20,768
Harmonic Inc.	Call Option	136	\$15	January, 2024	11,019	1,793
iShares iBoxx High Yield Corp. Bond	Call Option	455	\$77	January, 2024	2,190	50,544
iShares iBoxx High Yield Corp. Bond	Call Option	455	\$78	January, 2024	2,800	15,145
iShares iBoxx High Yield Corp. Bond	Call Option	2,046	\$80	February, 2024	8,331	17,942
iShares Russell 2000 ETF	Call Option	261	\$204	January, 2024	48,329	10,669
iShares Russell 2000 ETF	Call Option	78	\$210	January, 2024	4,442	360
Teck Resources Ltd.	Call Option	211	\$54	January, 2024	52,223	58,236
Toronto-Dominion Bank	Call Option	229	\$84	January, 2024	5,336	41,564
Utilities Select Sector SPDR	Call Option	234	\$61	January, 2024	29,767	109,382
					<u>568,261</u>	<u>815,244</u>
3 Month SOFR	Put Option	178	\$94	December, 2024	53,705	16,136
3 Month SOFR	Put Option	230	\$95	December, 2025	200,694	89,088
Apple Inc.	Put Option	52	\$175	January, 2024	1,559	1,166
Apple Inc.	Put Option	131	\$190	January, 2024	24,728	30,488
Bank OZK	Put Option	229	\$45	February, 2024	32,612	24,157
Brookfield Corp.	Put Option	70	\$38	January, 2024	2,643	223
Brookfield Corp.	Put Option	232	\$44	January, 2024	29,000	1,276
Caterpillar Inc.	Put Option	18	\$240	February, 2024	2,590	1,519
Caterpillar Inc.	Put Option	52	\$270	February, 2024	32,211	21,084
Enphase Energy Inc.	Put Option	38	\$65	February, 2024	1,555	1,077
Enphase Energy Inc.	Put Option	94	\$95	February, 2024	28,650	20,637
Invesco QQQ Trust Ser.1	Put Option	80	\$366	January, 2024	29,784	2,163
Invesco QQQ Trust Ser.1	Put Option	69	\$375	January, 2024	42,316	2,684
Invesco QQQ Trust Ser.1	Put Option	114	\$377	January, 2024	10,840	8,869
Invesco QQQ Trust Ser.1	Put Option	218	\$378	January, 2024	152,518	9,917
Invesco QQQ Trust Ser.1	Put Option	327	\$392	January, 2024	76,006	67,911
iShares iBoxx High Yield Corp. Bond	Put Option	2,502	\$73	January, 2024	73,075	12,005
iShares iBoxx High Yield Corp. Bond	Put Option	2,046	\$74	February, 2024	85,397	45,174
iShares Russell 2000 ETF	Put Option	255	\$190	January, 2024	31,592	24,714
S&P 500 Index 3Wk	Put Option	12	\$4,100	January, 2024	16,115	1,661
S&P 500 Index 3Wk	Put Option	11	\$4,500	February, 2024	37,337	24,803
S&P 500 Index 3Wk	Put Option	49	\$4,570	January, 2024	88,030	37,152
S&P 500 Index 3Wk	Put Option	37	\$4,600	February, 2024	194,567	134,411
S&P 500 Index 3Wk	Put Option	55	\$4,650	January, 2024	29,636	10,153
S&P E-Mini 1st Week	Put Option	51	\$3,800	February, 2024	8,705	3,867
S&P E-Mini 1st Week	Put Option	26	\$4,450	February, 2024	35,465	11,142
S&P E-Mini 1st Week	Put Option	12	\$4,750	January, 2024	15,798	3,837
US 10Y Note Futures	Put Option	250	\$103	January, 2024	21,648	330
					<u>1,358,776</u>	<u>607,644</u>
<b>Total Purchased Options</b>					<b>1,927,037</b>	<b>1,422,888</b>



PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

APPENDIX A

OPTIONS (0.1%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Aehr Test Systems	Written Call Option	(45)	\$40	January, 2024	(16,379)	(1,483)
Aehr Test Systems	Written Call Option	(78)	\$45	January, 2024	(43,751)	(2,314)
Aehr Test Systems	Written Call Option	(31)	\$50	January, 2024	(12,499)	(307)
Apellis Pharmaceuticals Inc.	Written Call Option	(10)	\$65	January, 2024	(2,356)	(6,263)
Apellis Pharmaceuticals Inc.	Written Call Option	(4)	\$80	January, 2024	(679)	(1,002)
Bank Of Nova Scotia	Written Call Option	(107)	\$62	January, 2024	(1,873)	(26,376)
Bank OZK	Written Call Option	(23)	\$56	January, 2024	(1,018)	(682)
Brookfield Corp.	Written Call Option	(35)	\$52	January, 2024	(1,409)	(7,123)
Calix Inc.	Written Call Option	(77)	\$45	February, 2024	(10,467)	(28,429)
Calix Inc.	Written Call Option	(17)	\$50	February, 2024	(1,144)	(2,690)
Caterpillar Inc.	Written Call Option	(5)	\$315	January, 2024	(779)	(475)
Celestica Inc.	Written Call Option	(23)	\$36	January, 2024	(1,702)	(7,648)
Celestica Inc.	Written Call Option	(304)	\$37	February, 2024	(36,176)	(121,600)
Centerra Gold Inc.	Written Call Option	(373)	\$9	January, 2024	(3,544)	(2,425)
Chicago Board Options Exchange	Written Call Option	(474)	\$19	January, 2024	(38,889)	(20,313)
Chicago Board Options Exchange	Written Call Option	(51)	\$24	January, 2024	(6,479)	(1,278)
Crude Oil Futures Mar'24	Written Call Option	(5)	\$125	February, 2024	(2,376)	(132)
Dye & Durham Ltd.	Written Call Option	(197)	\$12	January, 2024	(12,608)	(49,250)
Dye & Durham Ltd.	Written Call Option	(136)	\$13	January, 2024	(6,018)	(22,440)
Enphase Energy Inc.	Written Call Option	(9)	\$220	February, 2024	(1,246)	(748)
First Quantum Minerals Ltd.	Written Call Option	(149)	\$16	January, 2024	(5,848)	(1,565)
First Quantum Minerals Ltd.	Written Call Option	(42)	\$18	January, 2024	(1,439)	-
First Quantum Minerals Ltd.	Written Call Option	(234)	\$19	June, 2024	(31,356)	(15,093)
First Quantum Minerals Ltd.	Written Call Option	(49)	\$20	January, 2024	(7,791)	-
First Quantum Minerals Ltd.	Written Call Option	(149)	\$20	September, 2024	(17,731)	(12,665)
First Quantum Minerals Ltd.	Written Call Option	(11)	\$24	January, 2024	(2,134)	-
First Quantum Minerals Ltd.	Written Call Option	(172)	\$24	September, 2024	(13,588)	(9,374)
First Quantum Minerals Ltd.	Written Call Option	(131)	\$26	January, 2024	(21,484)	-
First Quantum Minerals Ltd.	Written Call Option	(206)	\$30	June, 2024	(25,140)	(4,326)
Gold Futures OPT(CMX)	Written Call Option	(7)	\$2,250	January, 2024	(1,485)	(2,400)
Harmonic Inc.	Written Call Option	(82)	\$18	January, 2024	(1,579)	(65)
Invesco QQQ Trust Ser.1	Written Call Option	(16)	\$435	January, 2024	(1,733)	(1,023)
iShares iBoxx High Yield Corp. Bond	Written Call Option	(910)	\$76	January, 2024	(23,024)	(201,345)
iShares iBoxx High Yield Corp. Bond	Written Call Option	(2,046)	\$78	February, 2024	(40,268)	(109,263)
iShares Russell 2000 ETF	Written Call Option	(183)	\$206	January, 2024	(22,672)	(2,534)
iShares Russell 2000 ETF	Written Call Option	(183)	\$208	January, 2024	(15,358)	(1,086)
Royal Bank Of Canada	Written Call Option	(7)	\$128	January, 2024	(441)	(4,550)
S&P 500 Index 3Wk	Written Call Option	(6)	\$4,900	January, 2024	(10,361)	(6,171)
Teck Resources Ltd.	Written Call Option	(164)	\$56	January, 2024	(30,176)	(24,190)
Teck Resources Ltd.	Written Call Option	(70)	\$58	January, 2024	(9,730)	(4,760)
Toronto-Dominion Bank	Written Call Option	(184)	\$86	January, 2024	(1,012)	(10,212)
Utilities Select Sector SPDR	Written Call Option	(210)	\$63	January, 2024	(14,463)	(31,290)
					<u>(500,205)</u>	<u>(744,890)</u>
3 Month SOFR	Written Put Option	(178)	\$95	December, 2024	(133,960)	(38,141)
3 Month SOFR	Written Put Option	(230)	\$96	December, 2025	(412,472)	(187,653)
Apple Inc.	Written Put Option	(98)	\$180	January, 2024	(4,732)	(4,135)
Apple Inc.	Written Put Option	(98)	\$185	January, 2024	(8,877)	(9,046)
Bank Of Nova Scotia	Written Put Option	(55)	\$52	January, 2024	(1,719)	(166)
Bank OZK	Written Put Option	(36)	\$35	February, 2024	(1,916)	(212)
Bank OZK	Written Put Option	(71)	\$38	February, 2024	(6,368)	(935)
Bank OZK	Written Put Option	(172)	\$43	February, 2024	(13,506)	(9,639)
Brookfield Corp.	Written Put Option	(163)	\$40	January, 2024	(8,476)	(721)
Brookfield Corp.	Written Put Option	(163)	\$42	January, 2024	(12,714)	(958)
Calix Inc.	Written Put Option	(22)	\$30	January, 2024	(2,688)	(3)
Caterpillar Inc.	Written Put Option	(39)	\$250	February, 2024	(8,936)	(5,477)
Caterpillar Inc.	Written Put Option	(37)	\$260	February, 2024	(13,949)	(8,782)
Celestica Inc.	Written Put Option	(35)	\$26	January, 2024	(3,115)	(19)
Centerra Gold Inc.	Written Put Option	(117)	\$6	January, 2024	(2,282)	(145)
Dye & Durham Ltd.	Written Put Option	(56)	\$8	January, 2024	(3,024)	(6)
Enphase Energy Inc.	Written Put Option	(70)	\$75	February, 2024	(5,590)	(3,877)
Enphase Energy Inc.	Written Put Option	(70)	\$85	February, 2024	(11,180)	(7,753)

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## APPENDIX A

### OPTIONS (0.1%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
First Quantum Minerals Ltd.	Written Put Option	(23)	\$10	January, 2024	(2,967)	(1,323)
Invesco QQQ Trust Ser.1	Written Put Option	(81)	\$369	January, 2024	(35,419)	(2,403)
Invesco QQQ Trust Ser.1	Written Put Option	(321)	\$372	January, 2024	(164,272)	(10,793)
Invesco QQQ Trust Ser.1	Written Put Option	(33)	\$377	January, 2024	(1,754)	(1,414)
Invesco QQQ Trust Ser.1	Written Put Option	(229)	\$382	January, 2024	(27,521)	(24,157)
Invesco QQQ Trust Ser.1	Written Put Option	(229)	\$387	January, 2024	(37,803)	(33,367)
iShares iBoxx High Yield Corp. Bond	Written Put Option	(1,822)	\$68	January, 2024	(26,893)	(7,416)
iShares iBoxx High Yield Corp. Bond	Written Put Option	(455)	\$69	January, 2024	(9,023)	(1,944)
iShares iBoxx High Yield Corp. Bond	Written Put Option	(2,046)	\$71	February, 2024	(23,605)	(20,210)
iShares Russell 2000 ETF	Written Put Option	(255)	\$180	January, 2024	(10,955)	(6,893)
S&P 500 Index 3Wk	Written Put Option	(23)	\$4,140	January, 2024	(34,553)	(3,488)
S&P 500 Index 3Wk	Written Put Option	(22)	\$4,260	January, 2024	(82,198)	(4,351)
S&P 500 Index 3Wk	Written Put Option	(30)	\$4,520	January, 2024	(39,347)	(15,823)
S&P 500 Index 3Wk	Written Put Option	(51)	\$4,550	February, 2024	(212,879)	(145,257)
S&P 500 Index 3Wk	Written Put Option	(51)	\$4,600	January, 2024	(34,490)	(4,371)
S&P E-Mini 1st Week	Written Put Option	(77)	\$4,200	February, 2024	(37,809)	(13,199)
S&P E-Mini 1st Week	Written Put Option	(12)	\$4,650	January, 2024	(4,984)	(593)
Teck Resources Ltd.	Written Put Option	(35)	\$42	January, 2024	(2,415)	(71)
Teck Resources Ltd.	Written Put Option	(28)	\$46	January, 2024	(2,072)	(110)
US 10Y Note Futures	Written Put Option	(250)	\$106	January, 2024	(106,701)	(5,151)
					(1,553,164)	(580,002)
<b>Total Written Options</b>					<b>(2,053,369)</b>	<b>(1,324,892)</b>

## APPENDIX B

### FUTURES CONTRACTS (0.0%)

Issuer	Number of Contracts	Fair Value \$	Contracted Value \$	Unrealized Gain/Loss \$
CBOE VIX Index Futures, January 2024	38	704,061	731,098	(27,037)
				(27,037)
<b>Unrealized gain (loss) on Futures Contracts</b>				<b>(27,037)</b>

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES

As at December 31, 2023 and December 31, 2022

### 1. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table illustrates the classifications of the Fund's financial instruments within the fair value hierarchy as at December 31, 2023 and 2022.

ASSETS (LIABILITIES) AT FAIR VALUE AS AT DECEMBER 31, 2023				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	240,171,468	29,724	366,153	240,567,345
Mutual funds - Long	94,560,577	-	-	94,560,577
Exchange Traded Funds - Long	3,441,719	-	-	3,441,719
Bonds - Long	-	157,278,596	3,277,645	160,556,241
Options - Long	1,422,888	-	-	1,422,888
Equities - Short	(91,066,978)	-	-	(91,066,978)
Exchange Traded Funds - Short	(106,996,825)	-	-	(106,996,825)
Bonds - Short	-	(43,426,302)	-	(43,426,302)
Options - Short	(1,324,892)	-	-	(1,324,892)
Futures - Short	(27,037)	-	-	(27,037)
<b>Total</b>	<b>140,180,920</b>	<b>113,882,018</b>	<b>3,643,798</b>	<b>257,706,736</b>

ASSETS (LIABILITIES) AT FAIR VALUE AS AT DECEMBER 31, 2022				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	27,254,843	64,787	74,523	27,394,153
Mutual funds - Long	15,774,709	-	-	15,774,709
Bonds - Long	-	30,271,372	271,100	30,542,472
Options - Long	148,755	-	-	148,755
Equities - Short	(12,663,749)	-	-	(12,663,749)
Exchange Traded Funds - Short	(10,350,105)	-	-	(10,350,105)
Bonds - Short	-	(5,972,089)	-	(5,972,089)
Options - Short	(77,212)	-	-	(77,212)
Futures - Short	(5,482)	-	-	(5,482)
<b>Total</b>	<b>20,081,759</b>	<b>24,364,070</b>	<b>345,623</b>	<b>44,791,452</b>

### 2. TRANSFERS BETWEEN LEVELS 1 AND 2

The following table presents the transfers between Levels 1 and 2 for securities held at December 31, 2023.

December 31, 2023	Transfer from Level 1 to 2 \$	Transfer from Level 2 to 1 \$
Equities - Long	86	-
	86	-

There were no transfers between Levels 1 and 2 for securities held at December 31, 2022.

As of December 31, 2023, the equity securities transferred out of Level 1 relate to positions which were thinly traded on and around the period end, but were actively traded on December 31, 2022.



# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 3. RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS

The following table reconciles the Fund's Level 3 fair value measurements of financial instruments for the period ended December 31, 2023 and 2022.

December 31, 2023	Equities - Long \$	Debt Instruments - Long \$	Total \$
<b>Balance at Beginning of year</b>	74,523	271,100	345,623
Investment purchases during the year	266,787	3,079,353	3,346,140
Proceeds from sales during the year	-	-	-
Transfers in during the year	-	-	-
Transfers out during the year	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation (depreciation) in value of investments	24,843	(72,807)	(47,964)
<b>Balance at End of year</b>	<b>366,153</b>	<b>3,277,646</b>	<b>3,643,799</b>
<b>Total change in unrealized appreciation (depreciation) for assets held as at December 31, 2023</b>			<b>(47,964)</b>

December 31, 2022	Equities - Long \$	Debt Instruments - Long \$	Total \$
<b>Balance at Beginning of year</b>	-	-	-
Investment purchases during the year	74,486	275,691	350,177
Proceeds from sales during the year	-	-	-
Transfers in during the year	-	-	-
Transfers out during the year	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation (depreciation) in value of investments	37	(4,591)	(4,554)
<b>Balance at End of year</b>	<b>74,523</b>	<b>271,100</b>	<b>345,623</b>
<b>Total change in unrealized appreciation (depreciation) for assets held as at December 31, 2022</b>			<b>(4,554)</b>

For the years ended December 31, 2023 and 2022, certain securities held long were classified as Level 3. The Fund's long Level 3 securities consist of subscription receipts and debt instruments which were measured at the transaction price as determined at the time of purchase. If there was a 5% increase or decrease in the price of Level 3 securities, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately \$182,190 as at December 31, 2023 (December 31, 2022 - \$17,281). Transfers between levels on the fair value hierarchy table are deemed to have occurred at the beginning of the reporting period.

December 31, 2023							
Security Name	Fair Value	Valuation Technique	Unobservable Inputs	Reasonable Shift (+)	Reasonable Shift (-)	Change in Valuation (+)	Change in Valuation (-)
Bruce Trail Funding Corporation 16.340%, 2028-08-31	704,825	Private valuation	Broker quote	5%	5%	\$35,241	\$(35,241)
Clarity Trust Note 10.923%, 2025-04-15	100,000	Private valuation	Broker quote	5%	5%	\$5,000	\$(5,000)
Eagle SPV LP	101,532	Discounted cash flow, Enterprise value	Discount rate, peer multiples	5%	5%	\$5,077	\$(5,077)
Fusion Trust 10.923%, 2025-04-15	100,000	Private valuation	Broker quote	5%	5%	\$5,000	\$(5,000)
Granville Usd Ltd. 0.000%, 2031-07-31	791,556	Private valuation	Broker quote	5%	5%	\$39,578	\$(39,578)
Manitoulin USD Ltd. 13.290%, 2027-11-10	259,896	Private valuation	Broker quote	5%	5%	\$12,995	\$(12,995)
Preservation Capital Partners Strategic Opportunities I LP	264,621	Discounted cash flow, Enterprise value	Discount rate, peer multiples	5%	5%	\$13,231	\$(13,231)
St Lawrence Srt Usd Corp. 0.000%, 2033-05-25	1,321,369	Private valuation	Broker quote	5%	5%	\$66,068	\$(66,068)
December 31, 2022							
Security Name	Fair Value	Valuation Technique	Unobservable Inputs	Reasonable Shift (+)	Reasonable Shift (-)	Change in Valuation (+)	Change in Valuation (-)
Eagle SPV LP	74,523	Discounted cash flow, Enterprise value	Discount rate, peer multiples	5%	5%	\$3,726	\$(3,726)
Manitoulin USD Ltd. 13.290%, 2027-11-10	271,100	Private valuation	Broker quote	5%	5%	\$13,555	\$(13,555)

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 4. OTHER PRICE RISK

Using Beta as a measure of the relationship of the Fund's performance versus its index, if the S&P/TSX Composite Total Return Index were to increase or decrease by 10%, net assets would have increased or decreased by approximately \$1,180,551 (December 31, 2022 - \$348,414). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

### 5. CURRENCY RISK

Foreign currencies to which the Fund had exposure as at December 31, 2023 and 2022 were as follows:

FINANCIAL INSTRUMENTS				
December 31, 2023 Currency	Monetary \$	Non-Monetary \$	Total \$	Percentage of Net Assets %
United States Dollar	30,680,091	(19,104,677)	11,575,414	3.9%
European Euro	6,910	-	6,910	0.0%
British Pound	779,833	43,567	823,400	0.3%
Australian Dollar	(104,009)	74,308	(29,701)	0.0%
<b>Net Exposure</b>	<b>31,362,825</b>	<b>(18,986,802)</b>	<b>12,376,023</b>	<b>4.2%</b>

FINANCIAL INSTRUMENTS				
December 31, 2022 Currency	Monetary \$	Non-Monetary \$	Total \$	Percentage of Net Assets %
United States Dollar	7,707,871	(2,415,412)	5,292,459	8.6%
European Euro	5,881	-	5,881	0.0%
British Pound	39,939	(48,868)	(8,929)	0.0%
Australian Dollar	(12,990)	12,531	(459)	0.0%
<b>Net Exposure</b>	<b>7,740,701</b>	<b>(2,451,749)</b>	<b>5,288,952</b>	<b>8.6%</b>

If the Canadian dollar had strengthened or weakened by 5% in relation to all other currencies held in the investment portfolio, net assets would have decreased or increased by approximately \$618,801. (December 31, 2022 - \$264,448). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 6. INTEREST RATE RISK

If the yield curve had shifted in parallel by 1%, with all other variables held constant, net assets will increase or decrease by \$3,553,296 (December 31, 2022 - \$766,363). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2023 and 2022, the Fund's exposure to debt instruments by maturity were as follows:

Debt Instruments by Maturity Date	December 31, 2023 (\$)		
	Long Positions	Short Positions	Total
Less than 1 year	-	(729,103)	(729,103)
1-3 years	22,073,317	(5,844,443)	16,228,874
3-5 years	29,155,764	(12,099,625)	17,056,139
Greater than 5 years	109,327,160	(24,753,131)	84,574,029
<b>Total</b>	<b>160,556,241</b>	<b>(43,426,302)</b>	<b>117,129,939</b>

Debt Instruments by Maturity Date	December 31, 2022 (\$)		
	Long Positions	Short Positions	Total
1-3 years	2,596,129	-	2,596,129
3-5 years	8,221,642	(1,905,224)	6,316,418
Greater than 5 years	19,724,701	(4,066,865)	15,657,836
<b>Total</b>	<b>30,542,472</b>	<b>(5,972,089)</b>	<b>24,570,383</b>

### 7. CREDIT RISK

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

December 31, 2023				December 31, 2022			
Bond Ratings	Net	Long	Short	Bond Ratings	Net	Long	Short
AAA	0.1%	0.1%	0.0%	AAA	0.0%	0.0%	0.0%
AA-	-0.4%	0.0%	-0.4%	AA-	0.0%	0.0%	0.0%
A+	-0.4%	0.0%	-0.4%	A+	0.0%	0.0%	0.0%
A-	0.0%	0.0%	0.0%	A-	-0.3%	0.3%	-0.6%
BBB+	1.5%	1.8%	-0.3%	BBB+	1.4%	2.0%	-0.6%
BBB	4.1%	4.5%	-0.4%	BBB	4.8%	5.0%	-0.2%
BBB-	7.4%	7.5%	-0.1%	BBB-	8.0%	8.8%	-0.8%
BB+	4.0%	5.1%	-1.1%	BB+	5.8%	7.3%	-1.5%
BB	5.8%	9.2%	-3.4%	BB	5.3%	6.2%	-0.9%
BB-	6.5%	9.8%	-3.3%	BB-	2.7%	3.9%	-1.2%
B+	4.0%	5.4%	-1.4%	B+	2.6%	3.6%	-1.0%
B	2.6%	3.9%	-1.3%	B	5.1%	6.8%	-1.7%
B-	0.8%	2.4%	-1.6%	B-	1.1%	2.0%	-0.9%
CCC+	-0.9%	0.0%	-0.9%	CCC+	0.4%	0.8%	-0.4%
NR	4.1%	4.1%	0.0%	NR	3.1%	3.1%	0.0%

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

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

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

The Fund may also be exposed to indirect other price risk, currency risk, and credit risk through its investments in other Picton Mahoney Funds.

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

December 31, 2023			Impact on net assets based on 5% increase or decrease \$
Strategy	Underlying risk exposures	Number of Funds	
Canadian Equity	P	1	(5,114)
US Equity	P	1	3,261,276
Canadian Fixed Income	C,I	1	488,695
US Fixed Income	C,F,I	1	968,522
<b>Total</b>			<b>4,713,379</b>

December 31, 2022			Impact on net assets based on 5% increase or decrease \$
Strategy	Underlying risk exposures	Number of Funds	
Canadian Equity	P	1	87,498
US Equity	P	1	679,154
International Equity	P	1	3,880
Canadian Fixed Income	C,I	1	186
US Fixed Income	C,F,I	1	18,017
<b>Total</b>			<b>788,735</b>

### 9. CONCENTRATION RISK

The table below summarizes the Fund's concentration risk as a percentage of net assets attributable to holders of redeemable units as at December 31, 2023 and 2022.

Jurisdiction	% of Net Assets	
	December 31, 2023	December 31, 2022
<b>LONG POSITIONS</b>	<b>167.2%</b>	<b>120.4%</b>
<b>Canadian Equities</b>	<b>88.2%</b>	<b>59.3%</b>
Investment Funds	31.6%	25.7%
Financials	13.0%	6.6%
Industrial	10.0%	5.3%
Energy	9.7%	3.9%
Materials	6.3%	4.0%
Information Technology	4.3%	2.8%
Real Estate	3.8%	3.3%
Utilities	3.3%	2.1%
Consumer Discretionary	2.7%	2.3%
Consumer Staples	1.7%	2.1%
Communication Services	1.6%	1.1%
Health Care	0.2%	0.1%
<b>Global Equities</b>	<b>24.8%</b>	<b>11.1%</b>
United States	21.7%	9.5%
International	2.0%	1.6%
International Index Equivalents	1.1%	0.0%

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

Jurisdiction	% of Net Assets	
	December 31, 2023	December 31, 2022
<b>Canadian Debt</b>	<b>34.2%</b>	<b>29.9%</b>
Corporate Bonds	33.8%	29.9%
Asset-Backed Securities	0.4%	0.0%
<b>Global Debt</b>	<b>19.5%</b>	<b>19.9%</b>
United States Bonds	15.9%	14.0%
International Bonds	3.6%	5.9%
<b>Derivatives</b>	<b>0.5%</b>	<b>0.2%</b>
<b>SHORT POSITIONS</b>	<b>-81.1%</b>	<b>-47.4%</b>
<b>Canadian Equities</b>	<b>-33.8%</b>	<b>-23.0%</b>
Index Equivalents	-19.1%	-10.5%
Financials	-3.8%	-3.7%
Energy	-3.0%	-1.2%
Materials	-1.5%	-1.2%
Industrial	-1.5%	-1.1%
Consumer Staples	-1.3%	-0.8%
Real Estate	-1.1%	-2.3%
Utilities	-0.9%	-0.6%
Consumer Discretionary	-0.8%	-0.8%
Communication Services	-0.7%	-0.6%
Information Technology	-0.1%	-0.2%
Health Care	0.0%	0.0%
<b>Global Equities</b>	<b>-32.3%</b>	<b>-14.5%</b>
International Index Equivalents	-16.7%	-6.4%
United States Equities	-13.4%	-7.4%
Health Care	-2.2%	-0.7%
<b>Canadian Debt</b>	<b>-0.9%</b>	<b>-2.1%</b>
Corporate Bonds	-0.9%	-2.1%
<b>Global Debt</b>	<b>-13.7%</b>	<b>-7.7%</b>
United States Bonds	-13.3%	-7.7%
International Bonds	-0.4%	0.0%
<b>Derivatives</b>	<b>-0.4%</b>	<b>-0.1%</b>

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 10. LIQUIDITY RISK

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

December 31, 2023 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	241,490,105	-	-	241,490,105
Redemptions payable	33,164	-	-	33,164
Accrued liabilities and other payables	-	1,975,514	-	1,975,514
Payable for investments purchased	239,310	-	-	239,310
Derivative liabilities	1,351,929	-	-	1,351,929
Cash overdraft	1,338,584	-	-	1,338,584

December 31, 2022 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	28,985,943	-	-	28,985,943
Distributions payable	290,415	-	-	290,415
Redemptions payable	1,037	-	-	1,037
Accrued liabilities and other payables	-	199,823	-	199,823
Payable for investments purchased	102,236	-	-	102,236
Derivative liabilities	82,694	-	-	82,694

### 11. FUND UNIT TRANSACTIONS

For the year ended December 31, 2023 and period from May 4, 2022 (commencement of operations) to December 31, 2022

	2023				
	Class A	Class F	Class FT	Class I	Class ETF
Units issued and outstanding, beginning of year	108,689	3,119,932	2,063	2,027	2,820,000
Units issued	470,540	17,597,000	53,391	-	7,150,000
Units reinvested	6,946	148,700	106	44	-
Units redeemed	(105,468)	(1,989,415)	(101)	-	(720,000)
<b>Units issued and outstanding, end of year</b>	<b>480,707</b>	<b>18,876,217</b>	<b>55,459</b>	<b>2,071</b>	<b>9,250,000</b>
<b>Weighted average number of units held during the year</b>	<b>333,640</b>	<b>12,601,805</b>	<b>26,561</b>	<b>2,046</b>	<b>5,301,945</b>

	2022				
	Class A	Class F	Class FT	Class I	Class ETF
Units issued and outstanding, beginning of year	-	-	-	-	-
Units issued	111,659	3,161,263	3,750	2,303,750	3,250,000
Units reinvested	993	19,369	121	20	-
Units redeemed	(3,963)	(60,700)	(1,808)	(2,301,743)	(430,000)
<b>Units issued and outstanding, end of year</b>	<b>108,689</b>	<b>3,119,932</b>	<b>2,063</b>	<b>2,027</b>	<b>2,820,000</b>
<b>Weighted average number of units held during the year</b>	<b>42,287</b>	<b>1,021,015</b>	<b>3,716</b>	<b>1,067,851</b>	<b>1,379,876</b>

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 12. COMMISSIONS

For the year ended December 31, 2023 and period from May 4, 2022 (commencement of operations) to December 31, 2022 (in \$000)

	2023	2022
Brokerage commissions	1,234	158
Soft Dollar commissions	235	25

### 13. TAX LOSS CARRY FORWARDS

As at December 31 (in \$000)

	2023
Net capital losses carry forward	850
Non-capital losses carry forward	-

### 14. STRUCTURED ENTITIES

The table below illustrates the Fund's investment in the underlying funds as at December 31, 2023 and December 2022.

Underlying Funds	Fair Value of Fund's Investment (in \$000s)	Underlying Fund's Net Assets (in \$000s)	% of Net Assets of the Underlying Fund
<b>As at December 31, 2023</b>			
Picton Mahoney Fortified Arbitrage Plus Alternative Fund*	94,268	774,914	12.2%
Invesco S&P 500 Low Volatility ETF	1,147	10,563,683	0.0%
iShares Russell 2000 Value Index Fund	2,295	16,534,633	0.0%
Sprott Physical Uranium Trust	293	7,020,801	0.0%
<b>As at December 31, 2022</b>			
Picton Mahoney Fortified Arbitrage Plus Alternative Fund*	15,775	639,428	2.5%

\*Fund managed by Picton Mahoney Asset Management.

### 15. LEVERAGE

During the year ended December 31, 2023, the Fund's aggregate exposure reached a low of 76.45% (year ended December 31, 2022 - 27.13%) and a high of 143.30% (year ended December 31, 2022 - 177.95%) of the Fund's NAV. As at December 31, 2023, the Fund's aggregate exposure was 123.88% (December 31, 2022 - 84.20%) of the Fund's NAV. The primary source of leverage was cash overdraft and short positions in equity and fixed income securities.

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

### 1. GENERAL INFORMATION

Picton Mahoney Fortified Alpha Alternative Fund (the "Fund") is an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a trust agreement dated September 19, 2018, as amended and restated as of June 26, 2019, July 7, 2020, August 17, 2020 and July 8, 2021, and further amended and restated April 20, 2022 (the "Trust Declaration"). The Fund commenced operations on May 4, 2022. Picton Mahoney Asset Management acts as manager (the "Manager"), portfolio advisor (the "Portfolio Advisor"), and trustee (the "Trustee") for the Fund pursuant to the Trust Declaration. The Manager is responsible for the day-to-day business of the Fund, including the management of the Fund's investment portfolio. The address of the Fund's registered office is 33 Yonge Street, Suite 830, Toronto, Ontario, M5E 1G4. The financial statements are presented in Canadian dollars (CAD). These financial statements were authorized for issue by the Manager on March 25, 2024.

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

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

As at December 31, 2023, the Fund currently has 5 Classes of Units: Class A, Class F, Class FT, Class I and Class ETF. As at December 31, 2023, the Manager hold 832 units of Class A, 852 units of Class F, 2,070 units of Class I, and 2,169 units of Class FT (December 31, 2022 - 814 units of Class A, 834 units of Class F, 2,026 units of Class I and 2,063 units of Class FT).

The investment objective of the Fund is to provide consistent long-term capital appreciation to unitholders with an attractive risk-adjusted rate of return.

The Fund invests globally in long and short positions in equity securities, fixed income securities (including high yield securities, distressed debt, floating rate loans, senior loans and unsecured loans), special purpose acquisition companies, master limited partnerships, derivatives such as options, futures, forward contracts, swaps, commodity derivatives, volatility-linked derivatives, currencies, securities of investment funds, cash and cash equivalents. The Fund may engage in borrowing for investment purposes.

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

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following is a summary of the material accounting policies and estimation techniques adopted by the Funds and applied in the preparation of these financial statements. Changes in accounting policy information and disclosures. Effective January 1, 2023, the Fund adopted the following new and amended accounting standards. Disclosure of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2 Effective January 1, 2023, the Fund adopted the IAS 1 amendment with regards to disclosure of material accounting policies. This amendment did not have a material impact on these financial statements. There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2023 that have a material effect on the financial statements of the Fund.

#### (a) Basis of Preparation

These financial statements have been prepared in accordance with those requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

#### (b) Classification

##### (i) Assets

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

##### (ii) Liabilities

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

#### (c) Fair Value Measurements

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and



# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

• Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values are classified as Level 1 when the related security or derivative is actually traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

### (d) Valuation of Investments and Derivatives

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets, which include equities, bonds, options, and warrants are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

Securities not listed on any recognized public securities exchange are valued in the same manner based on available public quotations from recognized dealers in such securities. If market quotations are not readily available, securities will be valued at fair value as determined in good faith by or under the supervision of the Manager. The cost of investments represents the amount paid for each security and is determined on an average cost basis.

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

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

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

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

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

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

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

short-term nature, the fair value of other financial assets and financial liabilities carried at amortized cost approximates their carrying amount.

### *Receivable for investments sold and payable for investments purchased*

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

### (e) Cash

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

Cash and cash equivalents includes cash in hand, deposits held at call with banks and brokers and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

### (f) Investment Transactions and Income Recognition

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

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

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

Distributions from income trusts and underlying funds that are treated as a return of capital for income tax purposes reduce the average cost of the income trusts and underlying funds.

## (g) Valuation of Fund Units

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

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

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

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

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

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

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

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

## (h) Foreign Currency Translation

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

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

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

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

## (j) Transaction Costs

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

## (k) Securities Lending Transactions

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

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

## (l) Leverage

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

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

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

The Fund has also obtained exemptive relief such that the Fund is permitted to engage in short selling transactions and cash borrowing

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

up to a combined maximum of 100% of its net asset value, which is in excess of the short sale and cash borrowing limits provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

### (m) Structured Entities

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

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

The Fund may invest in underlying funds whose investment objectives range from achieving short- to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives. Underlying funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportionate stake in the respective fund's net assets. The Fund's interests in underlying funds as at December 31, 2023 and December 31, 2022, held in the form of redeemable units, are included at their fair value in the Statement of Financial Position, which represent the Fund's maximum exposure in these underlying funds. The Fund does not provide and has not committed to provide any additional significant financial or other support to the underlying funds. The change in fair value of each of the underlying funds during the periods is included in 'Change in unrealized appreciation (depreciation) of investments, options, and foreign exchange forward contracts' in the Statement of Comprehensive Income.

### (n) Offsetting

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

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

Where no market data is available, the Fund may value positions using its own models, which are based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by

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

## 4. FINANCIAL INSTRUMENTS RISKS

The Fund is exposed to various financial risks, including market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk. The investment team reviews and rebalances the portfolio on a regular and ongoing basis to maintain the risk reward targets. Portfolios within each strategy are reviewed relative to each other and to their benchmark. Active industry and security allocations are analyzed. All investments may result in a risk of loss of capital.

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

#### **Price risk:**

The Fund trades in financial instruments, taking positions in traded and over-the-counter instruments which may include derivatives. As of December 31, 2023 and December 31, 2022, the Fund held or had exposure to long and short equity positions in publicly traded companies whose securities are actively traded on a recognized public exchange. Equities are susceptible to price risk arising from uncertainties about future prices of those instruments (other than those arising from interest rate risk or currency risk).

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

#### **Currency risk:**

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

#### **Interest rate risk:**

Interest rate risk arises when a fund invests in interest-bearing financial instruments and from the possibility that changes in the prevailing levels

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

of market interest rates will affect future cash flows or fair values of such financial instruments. There is minimal fair value sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates. Market prices may also be affected by changes in market interest rates. Also, changes in the market interest rate may affect the borrowing expenses of the short positions held by the Fund.

### **Credit risk:**

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. However, there are risks involved in dealing with custodians or prime brokers who settle trades and in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

The Fund is exposed to credit risk. For other financial assets at amortized cost, the Manager considers both historical analysis and forward looking information in determining any expected credit loss. At December 31, 2023 and December 31, 2022, all receivables for investments sold, dividends receivable, due from manager, deposits with brokers for securities sold short, and cash are held with counterparties with a good credit quality and are due to be settled within one week. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

In order to monitor the credit quality of the unrated (NR) underlying debt securities, the Manager, on the basis of internal research, prepares its own shadow ratings for the various instruments for which publicly available credit ratings are not available. The Manager reviews the key financial metrics of the issue and structural features of the instruments in order to calculate the implied ratings for each of these investments. The majority of unrated securities have been assessed by the Manager to have credit quality consistent with BBB/Baa rated securities. A BBB/Baa rating is the lowest rating a bond can have and still be considered investment-grade. An investment grade bond is a bond considered to have a relatively low risk of default.

### **Liquidity Risk:**

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

### **Concentration risk:**

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

### **Leverage Risk:**

The Fund has received exemptive relief from Canadian securities regulatory authorities from certain investment restrictions set out in NI 81-102 that would restrict the ability of the Fund to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Fund that exceed the net asset value of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a Fund's turnover, transaction and market impact costs, interest and other costs and expenses. Pursuant to the terms of the exemptive relief, the Fund's aggregate gross exposure, calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the aggregate market value of the Fund's long positions; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. If the Fund's aggregate gross exposure exceeds three times the Fund's net asset value, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the Fund's net asset value or less.

## **5. CAPITAL MANAGEMENT**

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

## **6. REDEEMABLE UNIT TRANSACTIONS**

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

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

IAS 32, Financial Instrument - Recognition and Measurement, requires that units of an entity that include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be

# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

classified as financial liability. The Fund's units have been classified as financial liabilities. The Fund has multiple series of units that carry different management fee rates and therefore do not have identical features. As all units are equally subordinate, the units also would not meet the requirements of IAS 32 and therefore do not meet the conditions to be classified as equity.

Generally, all orders to purchase ETF units directly from a Fund must be placed by a Designated Broker or an "ETF Dealer", which is a registered dealer (that may or may not be a Designated Broker) that has entered into an agreement with us authorizing the dealer to subscribe for, purchase and redeem ETF units from one or more Funds on a continuous basis from time to time. For each Prescribed Number of Units issued, an ETF Dealer must deliver payment consisting of, either: (i) a group of securities or assets representing the constituents of the Fund (a "Basket of Securities") for each Prescribed Number of Units for which the subscription order has been accepted and cash, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value of the Prescribed Number of Units next determined following the receipt of the subscription order; or (ii) cash only, securities other than Baskets of Securities or a combination of securities other than Baskets of Securities and cash, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value of the Prescribed Number of Units next determined following the receipt of the subscription order. When you redeem ETF units of a Fund, you receive the proceeds of your sale in cash at a redemption price per unit equal to 95% of the closing trading price on the effective date of the cash redemption request, subject to a maximum redemption price of the applicable net asset value per unit. As unitholders will generally be able to sell ETF units at the market price on the TSX or another exchange or marketplace through a registered broker or dealer subject only to customary brokerage commissions.

### 7. DISTRIBUTIONS

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

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

### 8. TAXATION

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

Non-capital losses have expiry periods of up to 20 years and can be offset against future taxable income. Net capital losses can be carried forward indefinitely and offset against future taxable capital gains. For tax loss carry forward information, please refer to Note 13 in the Fund Specific Notes.

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

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

### 9. OPERATING EXPENSES

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

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

#### *Auditor's Fees*

For the year ended December 31, 2023, fees paid or payable to PricewaterhouseCoopers LLP ("PwC") and other PwC Network firms for audit services to public interest entity funds managed by the Manager were \$359,092. Fees for other services were \$287,172.

### 10. RELATED PARTY TRANSACTIONS

#### (a) Management Fees

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



# PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

### Management Fee Distributions

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

### (b) Performance Fees

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

The performance fee is equal to 20% of the amount by which the performance of the applicable class exceeds an annual hurdle rate of return equal to 2%, for each of the Class A units, Class F units, Class FT units, or Class ETF units, plus applicable taxes. The performance fee in respect of each of the Class A units, Class F units, Class FT units, and Class ETF units of the Fund on a particular Valuation Day shall be equal to the product of, (a) 20% of the positive difference between (i) the Unit Price on the Valuation Day; and (ii) the greatest Unit Price on any previous Valuation Day or the Unit Price on the date when the units of the class were first issued, where no performance fee liability has previously arisen in respect of units of the class (the "High Water Mark"); less (iii) the hurdle amount (the "Hurdle Amount") per unit on the Valuation Day; and (b) the number of units outstanding on the applicable Valuation Day on which the performance fee is determined, plus applicable taxes.

The Hurdle Amount per unit is the product of (a) 2% for each calendar year (prorated for the number of days in the year); (b) the Unit Price on the applicable Valuation Day; and (c) the number of days since the most recently determined High Water Mark or the beginning of the current calendar year, whichever is most recent. The Manager may make such adjustments to the Unit Price, the High Water Mark and/or the Hurdle Amount per unit as are determined by the Manager to be necessary to account for the payment of any distributions on units, any unit splits or consolidations or any other event or matter that would, in the opinion of the Manager, impact upon the computation of the performance fee. Any such determination of the Manager shall, absent manifest error, be binding on all unitholders. Investors in Class I units may negotiate a different performance fee than the one described herein or no performance fee at all. Any performance fee for Class I units will be paid directly to the Manager. The Manager reserves the right, in its discretion, to discontinue, decrease or waive the performance fee at any time. For the year ended December 31, 2023, the fund incurred performance fees of \$1,490,554 (For the period May 4, 2022 to December 31, 2022 - \$155,757).

### (c) Fund-on-Fund Fees and Expenses

When the Fund invests in an underlying fund, the underlying fund may pay a management and performance fee and other expenses in addition to the fees and expenses payable by the Fund. The fees and expenses of the underlying fund will have an impact on the management expense ratio of the Fund. However, the Fund will not pay a management or performance fee that, to a reasonable person, would duplicate a fee payable by the underlying fund(s) for the same service. In addition, the Fund will not pay any sales charges, redemption fees or short-term trading fees for its purchase or redemption of units of any underlying fund that is managed by the Manager, or that, in respect of the other underlying funds, to a reasonable person, would duplicate a fee payable by an investor in any underlying fund.



**THINK AHEAD.  
STAY AHEAD.**



---

## **PICTON MAHONEY ASSET MANAGEMENT CORPORATE INFORMATION**

### **Corporate Address**

#### **Picton Mahoney Asset Management**

33 Yonge Street, Suite. 830  
Toronto, Ontario  
Canada M5E 1G4

Telephone: 416.955.4108

Toll free: 1.866.369.4108

Fax: 416.955.4100

Email: [service@pictonmahoney.com](mailto:service@pictonmahoney.com)

[www.pictonmahoney.com](http://www.pictonmahoney.com)

### **Auditor**

#### **PricewaterhouseCoopers LLP**

18 York Street, Suite 2500  
Toronto, Ontario  
Canada M5J 0B2

### **Fund Administration & Transfer Agent**

#### **Picton Mahoney Funds**

C/O RBC Investor Services Trust,  
Shareholder Services  
155 Wellington Street West, 3<sup>rd</sup> Floor  
Toronto, ON  
Canada M5V 3L3