

# **FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND**



**THINK AHEAD.  
STAY AHEAD.**



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## MANAGEMENT'S RESPONSIBILITY STATEMENT

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The accompanying financial statements have been prepared by Picton Mahoney Asset Management, the Manager of the Picton Mahoney Fortified Multi-Strategy 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 Multi-Strategy 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 years then ended 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 (loss) for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; 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

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- 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 MULTI-STRATEGY ALTERNATIVE FUND

## STATEMENTS OF FINANCIAL POSITION

As at

	December 31, 2023 \$	December 31, 2022 \$		December 31, 2023 \$	December 31, 2022 \$
<b>Assets</b>			<b>Number of Redeemable Units Outstanding</b>		
<b>Current assets</b>			Class A	656,016	697,928
Long positions at fair value*	86,465,399	101,198,936	Class F	2,288,045	4,376,351
Cash	1,462,213	7,924,388	Class FT	43,216	45,700
Options purchased*	221,026	260,687	Class I	769	769
Unrealized gain on futures contracts	1,756,388	807,219	Class P ****	2,880,560	3,225,741
Unrealized gain on swap agreements	884,058	305,592	Class ETF	280,000	420,000
Credit default swap agreements at fair value	204,683	103,293			
Deposits with brokers for securities sold short	2,914,061	-	<b>Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Distributions receivable from underlying funds	20,385	-	Class A	11.42	11.32
Due from Manager	84,550	52,550	Class F	12.04	11.80
Subscriptions receivable	19,441	23,089	Class FT	8.69	8.96
Receivable for investments sold	13,992	-	Class I	13.27	12.87
Dividends receivable	111,913	50,074	Class P ****	9.57	9.35
Interest and other receivable	48,507	189,693	Class ETF***	11.70	11.47
	<b>94,206,616</b>	<b>110,915,521</b>			
<b>Liabilities</b>					
<b>Current liabilities</b>					
Short positions at fair value**	24,382,297	7,986,767			
Options written**	100,872	39,564			
Unrealized loss on futures contracts	861,808	1,456,587			
Unrealized loss on swap agreements	902,943	388,615			
Cash overdraft	520,415	5,835,381			
Management fee payable	39,771	52,005			
Redemptions payable	571,391	46,717			
Accrued liabilities	152,711	121,964			
Payable for investments purchased	285,300	-			
Interest payable	78,876	-			
Dividends payable	44,525	32,494			
	<b>27,940,909</b>	<b>15,960,094</b>			
<b>Net Assets Attributable to Holders of Redeemable Units</b>	<b>66,265,707</b>	<b>94,955,427</b>			
<b>Net Assets Attributable to Holders of Redeemable Units per Class</b>					
Class A	7,492,734	7,899,055			
Class F	27,548,192	51,653,683			
Class FT	375,563	409,634			
Class I	10,205	9,899			
Class P ****	27,561,731	30,165,655			
Class ETF	3,277,282	4,817,501			

\* Long positions, at cost

\*\* Short positions, at cost

\*\*\* Closing Market Price (TSX)

\*\*\*\* Class P units were first issued on March 8, 2022.

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

Approved on behalf of the Manager

David Picton

Arthur Galloway



President



CFO

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31

	2023 \$	2022 \$
<b>Income</b>		
Net gains (losses) on investments and derivatives		
Interest for distribution purposes	657,010	160,848
Dividends	898,353	831,878
Distributions from underlying funds	1,145,974	1,270,316
Net realized gain (loss) on investments and options	5,590,355	(731,557)
Net realized gain (loss) on futures contracts, swap agreements and credit default swap agreements	(4,870,855)	(4,748,538)
Change in unrealized appreciation (depreciation) on investments, options, futures contracts, swap agreements and credit default swap agreements	651,794	(1,313,705)
Interest and borrowing expense	(726,367)	(170,406)
Dividend expense	(486,941)	(270,239)
Net gains (losses) on investments and derivatives	<u>2,859,323</u>	<u>(4,971,403)</u>
Other income		
Foreign currency gain (loss) on cash and other assets and liabilities	(137,273)	333,099
Total Income	<u>2,722,050</u>	<u>(4,638,304)</u>
<b>Expenses</b>		
Management fees	827,036	979,005
Transaction costs	466,060	333,823
Administrative fees	115,443	116,015
Securityholder reporting fees	98,423	70,921
Withholding taxes	87,349	89,182
Legal fees	43,302	56,289
Audit fees	12,328	16,519
Independent Review Committee fees	7,007	9,772
Performance fees	-	445,230
Total expense before manager absorption	<u>1,656,948</u>	<u>2,116,756</u>
Less expenses absorbed by manager	<u>(125,900)</u>	<u>(86,900)</u>
Total expense after manager absorption	<u>1,531,048</u>	<u>2,029,856</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>1,191,002</u>	<u>(6,668,160)</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class</b>		
Class A	67,275	(538,611)
Class F	435,860	(2,870,172)
Class FT	7,296	(11,570)
Class I	306	(422)
Class P ****	645,674	(2,895,620)
Class ETF	<u>34,591</u>	<u>(351,765)</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Class A	0.10	(0.76)
Class F	0.14	(0.65)
Class FT	0.16	(0.42)
Class I	0.40	(0.42)
Class P ****	0.21	(0.87)
Class ETF	<u>0.10</u>	<u>(0.66)</u>

\*\*\*\* Class P units were first issued on March 8, 2022.



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

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

For the years ended December 31

	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	7,899,055	7,629,154	From return of capital		
Class F	51,653,683	43,624,006	Class A	-	-
Class FT	409,634	21,851	Class F	-	-
Class I	9,899	13,321	Class FT	(20,177)	(14,549)
Class P ****	30,165,655	-	Class I	-	-
Class ETF	4,817,501	5,903,752	Class P ****	-	-
	<u>94,955,427</u>	<u>57,192,084</u>	Class ETF	-	-
				<u>(20,177)</u>	<u>(14,549)</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>			<b>Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>		
Class A	67,275	(538,611)		<u>(28,689,720)</u>	<u>37,763,343</u>
Class F	435,860	(2,870,172)	<b>Net Assets Attributable to Holders of Redeemable Units at End of Year</b>		
Class FT	7,296	(11,570)	Class A	7,492,734	7,899,055
Class I	306	(422)	Class F	27,548,192	51,653,683
Class P ****	645,674	(2,895,620)	Class FT	375,563	409,634
Class ETF	34,591	(351,765)	Class I	10,205	9,899
	<u>1,191,002</u>	<u>(6,668,160)</u>	Class P ****	27,561,731	30,165,655
			Class ETF	3,277,282	4,817,501
<b>Redeemable Unit Transactions</b>			<b>Net Assets Attributable to Holders of Redeemable Units at End of Year</b>		
Proceeds from redeemable units issued				<u>66,265,707</u>	<u>94,955,427</u>
Class A	326,145	2,262,257	<i>**** Class P units were first issued on March 8, 2022.</i>		
Class F	4,604,607	22,081,047	<i>The accompanying notes are an integral part of the financial statements.</i>		
Class FT	-	416,475			
Class I	-	-			
Class P ****	2,638,205	41,645,081			
Class ETF	112,666	2,344,629			
	<u>7,681,623</u>	<u>68,749,489</u>			
Reinvestments of distributions to holders of redeemable units					
Class A	-	-			
Class F	-	-			
Class FT	3,632	2,008			
Class I	-	-			
Class P ****	-	-			
Class ETF	-	-			
	<u>3,632</u>	<u>2,008</u>			
Redemption of redeemable units					
Class A	(799,741)	(1,453,745)			
Class F	(29,145,958)	(11,181,198)			
Class FT	(24,822)	(4,581)			
Class I	-	(3,000)			
Class P ****	(5,887,803)	(8,583,806)			
Class ETF	(1,687,476)	(3,079,115)			
	<u>(37,545,800)</u>	<u>(24,305,445)</u>			
<b>Net Increase (Decrease) from Redeemable Unit Transactions</b>	<u>(29,860,545)</u>	<u>44,446,052</u>			

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## STATEMENTS OF CASH FLOWS

For the years ended December 31

	2023 \$	2022 \$
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	1,191,002	(6,668,160)
Adjustments for:		
Unrealized foreign exchange (gain) loss on cash	216,629	(181,454)
Net realized (gain) loss on investments and options	(5,590,355)	731,557
Change in unrealized (appreciation) depreciation on investments, options, futures contracts, swap agreements and credit default swap agreements	(651,794)	1,313,705
(Increase) decrease in due from manager	(32,000)	11,150
(Increase) decrease in interest and other receivables	141,186	(189,693)
(Increase) decrease in dividends receivable	(61,839)	(383)
(Increase) decrease in deposits with brokers for securities sold short	(2,914,061)	-
(Increase) decrease in distributions receivable from underlying funds	(20,385)	-
Increase (decrease) in interest payable	78,876	-
Increase (decrease) in dividends payable	12,031	11,652
Increase (decrease) in other payable and accrued liabilities	18,513	24,059
Purchase of long positions and repurchases of investments sold short	(110,093,514)	(133,245,363)
Proceeds from sales of long positions and on investments sold short	146,127,531	91,099,867
<b>Net cash generated (used) by operating activities</b>	<b>28,421,820</b>	<b>(47,093,063)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions to holders of redeemable units, net of reinvested distributions	(16,545)	(12,541)
Proceeds from redeemable units issued	7,515,395	68,807,199
Amount paid on redemption of redeemable units	(36,851,250)	(23,661,393)
<b>Net cash generated (used) by financing activities</b>	<b>(29,352,400)</b>	<b>45,133,265</b>
Unrealized foreign exchange gain (loss) on cash	(216,629)	181,454
Net increase (decrease) in cash	(930,580)	(1,959,798)
Cash, beginning of year	2,089,007	3,867,351
<b>Cash, end of year</b>	<b>941,798</b>	<b>2,089,007</b>
Cash	1,462,213	7,924,388
Cash overdraft	(520,415)	(5,835,381)
<b>Net Cash (Overdraft)</b>	<b>941,798</b>	<b>2,089,007</b>
<b>Items Classified as Operating Activities:</b>		
Interest received, net of withholding tax	608,503	160,848
Dividends received, net of withholding tax	749,165	742,313
Interest and borrowing expense paid	(647,491)	(170,406)
Dividends paid	(474,910)	(258,587)

Net of non-cash transfers and switches of \$169,876 (2022 - \$613,307)

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

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

No. of shares/ units/		Security Description	Average cost (\$)	Fair value (\$)	No. of shares/ units/		Security Description	Average cost (\$)	Fair value (\$)
CCY*	Face value				CCY*	Face value			
LONG POSITIONS (130.8%)					4,872	Teck Resources Ltd.	268,133	272,881	
Canadian Equities (86.7%)					3,774	Transcontinental Inc.	48,335	51,704	
Energy (4.1%)					750	West Fraser Timber Co., Ltd.	80,618	85,020	
	3,465	Advantage Energy Ltd.	30,144	29,556	1,121	Winpak Ltd.	51,557	45,849	
	2,900	ARC Resources Ltd.	64,811	57,043			2,260,754	2,143,714	
	1,960	Cameco Corp.	76,845	111,975	Industrial (5.5%)				
	6,402	Canadian Natural Resources Ltd.	493,650	555,758	4,067	Ag Growth International Inc.	179,744	205,465	
	9,746	CES Energy Solutions Corp.	27,716	33,624	2,659	Air Canada	60,846	49,697	
	2,779	Enbridge Inc.	132,192	132,558	468	Algoma Central Corp.	7,470	6,997	
	4,838	Encore Energy Corp.	15,792	25,206	2,379	ATS Corp.	147,270	135,865	
	10,535	Enerplus Corp.	228,133	213,966	3,562	Badger Infrastructure Solutions Ltd.	105,801	145,009	
	8,768	Freehold Royalties Ltd.	116,023	120,034	2,544	Bombardier Inc.	148,164	135,366	
	2,941	Gibson Energy Inc.	62,787	59,202	445	Boyd Group Services Inc.	107,844	123,928	
	2,674	Imperial Oil Ltd.	179,188	201,834	4,130	Canadian Pacific Kansas City Ltd.	433,888	432,989	
	13,900	Logan Energy Corp.	15,548	11,120	3,077	Chorus Aviation Inc.	7,031	7,877	
	13,250	MEG Energy Corp.	290,571	313,628	16,521	Doman Building Materials Group Ltd.	113,669	136,959	
	4,783	North American Construction Group Ltd.	103,829	132,250	29,955	Element Fleet Management Corp.	594,927	645,830	
	5,140	Parkland Corp.	179,098	219,529	2,559	Finning International Inc.	89,943	98,061	
	4,000	Pembina Pipeline Corp., Sub. Rcpt.	171,400	180,000	1,679	Mullen Group Ltd.	23,288	23,573	
	300	Precision Drilling Corp.	25,184	21,588	464	RB Global Inc.	40,275	41,143	
	3,518	Shawcor Ltd.	51,087	53,333	1,590	Russel Metals Inc.	57,431	71,598	
	2,817	Suncor Energy Inc.	114,181	119,582	235	TFI International Inc.	41,633	42,356	
	2,612	Tourmaline Oil Corp.	166,423	155,649	735	Thomson Reuters Corp.	126,140	142,392	
			2,544,602	2,747,435	3,302	Toromont Industries Ltd.	358,749	383,362	
Materials (3.2%)					4,456	Wajax Corp.	121,110	134,883	
	3,528	Agnico Eagle Mines Ltd.	232,649	256,309	1,678	Waste Connections Inc.	304,306	332,009	
	2,352	Cascades Inc.	28,853	29,941	906	Westshore Terminals Investment Corp.	25,839	24,843	
	1,000	CCL Industries Inc.	61,843	59,590	1,716	WSP Global Inc.	299,822	318,730	
	11,122	Chemtrade Logistics Income Fund	92,520	94,759			3,395,190	3,638,932	
	9,653	Faraday Copper Corp.	7,541	6,081	Consumer Discretionary (1.6%)				
	7,000	First Quantum Minerals Ltd.	227,151	75,950	610	BRP Inc.	64,361	57,840	
	825	Franco-Nevada Corp.	147,347	121,085	1,722	Dollarama Inc.	152,964	164,434	
	11,633	Frontier Lithium Inc.	21,813	8,841	1,370	Linamar Corp.	87,758	87,707	
	18,196	Hudbay Minerals Inc.	132,604	132,649	827	Magna International Inc.	64,994	64,746	
	3,663	K92 Mining Inc.	21,323	23,846	2,176	Martinrea International Inc.	25,483	31,204	
	5,115	Karora Resources Inc.	21,619	24,910	3,198	MTY Food Group Inc.	207,863	180,719	
	4,500	Kinross Gold Corp.	32,886	36,090	4,100	Park Lawn Corp.	85,431	80,934	
	1,889	Labrador Iron Ore Royalty Corp.	55,009	60,259	1,360	Restaurant Brands International Inc.	135,443	140,801	
	2,363	Lithium Americas Corp.	21,947	20,086	6,512	Spin Master Corp.	224,318	227,008	
	6,186	Major Drilling Group International Inc.	55,277	56,973			1,048,615	1,035,393	
	2,393	NGEx Minerals Ltd.	16,698	17,134	Consumer Staples (1.0%)				
	950	Nutrien Ltd.	76,580	70,918	3,560	Alimentation Couche-Tard Inc.	227,782	277,787	
	31,248	OceanaGold Corp.	82,489	79,370	1,250	George Weston Ltd.	187,784	205,625	
	6,950	Osisko Gold Royalties Ltd.	129,063	131,425	5,058	North West Co Inc.	183,743	198,628	
	17,300	Osisko Mining Inc.	45,672	46,191			599,309	682,040	
	3,890	Pan American Silver Corp.	82,077	84,141					
	5,507	Solaris Resources Inc.	31,039	22,744					
	905	Stelco Holdings Inc.	44,754	45,422					
	2,380	Stella-Jones Inc.	143,357	183,546					

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY 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>Health Care (0.1%)</b>					<b>Real Estate (2.0%)</b>				
	2,600	Curaleaf Holdings Inc.	13,036	14,326	4,345	Boardwalk Real Estate Investment Trust	270,075	309,972	
	11,845	Kneat.com Inc.	31,308	36,127	2,558	BSR Real Estate Investment Trust	40,961	40,037	
			44,344	50,453	3,359	Choice Properties Real Estate Investment Trust	46,588	46,858	
<b>Financials (6.5%)</b>					3,970	Crombie Real Estate Investment Trust	53,655	54,786	
	5,408	Bank of Montreal	637,340	709,038	12,698	Dream Industrial Real Estate Investment Trust	156,302	177,264	
	7,526	Canadian Western Bank	214,416	232,328	1,500	DREAM Unlimited Corp.	30,216	33,975	
	4,620	Dominion Lending Centres Inc.	10,190	12,936	1,652	FirstService Corp.	327,179	354,602	
	1,943	EQB Inc.	151,397	169,488	2,023	Flagship Communities REIT	41,633	42,547	
	350	Fairfax Financial Holdings Ltd.	340,201	427,879	6,263	InterRent Real Estate Investment Trust	75,273	82,859	
	2,145	First National Financial Corp.	80,272	82,325	2,817	Killam Apartment Real Estate Investment Trust	50,550	50,593	
	104	Goeasy Ltd.	13,434	16,438	5,355	Minto Apartment Real Estate Investment Trust	74,011	86,644	
	5,477	Manulife Financial Corp.	155,403	160,367	676	Morguard North American Residential Real Estate Investment	10,704	9,985	
	1,191	Nuvei Corp.	40,251	41,459	400	Primaris Real Estate Investment Trust	5,399	5,520	
	8,763	Power Corp. of Canada	313,462	332,030	1,767	SmartCentres Real Estate Investment Trust	44,184	43,981	
	49,712	Preservation Capital Partners Strategic Opportunities I LP	84,248	83,564			1,226,730	1,339,623	
	3,565	Royal Bank of Canada	441,084	477,710					
	7,975	Sun Life Financial Inc.	522,623	548,042					
	9,240	TMX Group Ltd.	263,537	296,142					
	2,000	Toronto-Dominion Bank	161,752	171,240					
	14,442	Trisura Group Ltd.	504,150	491,028					
			3,933,760	4,252,014					
<b>Information Technology (2.3%)</b>					<b>Index Equivalents (0.3%)</b>				
	8,928	Celestica Inc.	154,598	346,496	10,566	3iQ Bitcoin ETF	74,820	94,883	
	230	CGI Inc.	27,643	32,649	3,266	3iQ Bitcoin ETF, US\$	13,944	29,186	
	95	Constellation Software Inc.	257,012	312,101	9,000	Ether ETF	95,038	96,120	
	106	Constellation Software Inc., Warrants, 2040-03-31	-	-			183,802	220,189	
	1,641	Descartes Systems Group Inc.	161,496	182,693	<b>Investment Funds (57.5%)</b>				
	1,458	Kinaxis Inc.	237,688	216,819	1,296,365	Picton Mahoney Fortified Arbitrage Plus Alternative Fund, Class I Units**	12,499,184	13,497,887	
	1,766	Lumine Group Inc.	33,045	52,803	800,620	Picton Mahoney Fortified Income Alternative Fund, Class I Units**	8,432,663	8,174,012	
	3,910	Shopify Inc.	320,376	403,356	100,000	Picton Mahoney Fortified Inflation Opportunities Alternative Fund, Class I Units**	1,000,000	993,020	
			1,191,858	1,546,917	338,643	Picton Mahoney Fortified Market Neutral Alternative Fund, Class I Units**	4,277,470	5,299,961	
<b>Communication Services (0.9%)</b>					1,002,145	Picton Mahoney Fortified Special Situations Alternative Fund, Class I Units**	9,466,234	9,246,693	
	5,952	Quebecor Inc.	168,720	187,607	30,933	Sprott Physical Uranium Trust	410,493	874,167	
	7,123	Rogers Communications Inc.	411,696	441,840			36,086,044	38,085,740	
			580,416	629,447	<b>Total Canadian Equities - Long</b>				
<b>Utilities (1.7%)</b>							<b>54,259,617</b>	<b>57,520,296</b>	
	11,529	AltaGas Ltd.	269,583	320,737					
	2,404	Atco Ltd.	91,854	92,963					
	2,900	Boralex Inc.	103,059	97,672					
	4,785	Capital Power Corp.	202,562	181,064					
	700	Capital Power Corp.	25,515	26,075					
	4,359	Hydro One Ltd.	168,706	173,052					
	1,720	Innergex Renewable Energy Inc.	21,935	15,807					
	21,872	TransAlta Corp.	280,979	241,029					
			1,164,193	1,148,399					

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

No. of shares/ units/					No. of shares/ units/				
Average cost		Fair value		Average cost		Fair value			
CCY*	Face value	Security Description	(\$)	(\$)	CCY*	Face value	Security Description	(\$)	(\$)
Global Equities (43.8%)					270	Lamb Weston Holdings Inc.	38,631	38,482	
United States Equities (10.4%)					260	Lennar Corp.	42,957	51,096	
	60	Adobe Inc.	42,637	47,201	1,100	LXP Industrial Trust	14,471	14,389	
	470	Advanced Micro Devices Inc.	69,685	91,356	185	MarketAxess Holdings Inc.	67,606	71,438	
	546	Aehr Test Systems	29,746	19,100	400	Masimo Corp.	48,311	61,821	
	625	Alphabet Inc., Class A	112,214	115,122	170	Mastercard Inc.	85,445	95,607	
	800	Amazon.com Inc.	145,966	160,278	390	Merck & Co Inc.	58,099	56,064	
	2,400	Angi Inc.	8,193	7,880	225	Meta Platforms Inc.	84,877	105,015	
	200	Apellis Pharmaceuticals Inc.	15,395	15,786	725	Micron Technology Inc.	64,175	81,584	
	920	Apollo Global Management Inc.	92,951	113,050	430	Microsoft Corp.	192,836	213,214	
	55	Appfolio Inc.	13,221	12,564	509	Mobileye Global Inc.	26,791	29,075	
	400	AppLovin Corp.	22,050	21,018	850	Mondelez International Inc.	81,854	81,180	
	740	Arch Capital Group Ltd.	73,223	72,470	110	Motorola Solutions Inc.	42,347	45,412	
	325	Arthur J Gallagher & Co.	93,624	96,371	400	Natera Inc.	27,736	33,039	
	100	Atlassian Corp.	27,051	31,364	740	Neogen Corp.	21,212	19,623	
	2,575	Bank of America Corp.	96,091	114,323	25	Netflix Inc.	13,842	16,050	
	500	BellRing Brands Inc.	24,352	36,545	700	NiSource Inc.	24,629	24,506	
	620	Bentley Systems Inc.	42,983	42,659	275	NVIDIA Corp.	160,088	179,574	
	500	Berry Global Group Inc.	42,854	44,430	110	Old Dominion Freight Line Inc.	48,162	58,792	
	395	Boeing Co.	113,451	135,764	240	Onto Innovation Inc.	41,550	48,387	
	1,125	Boston Scientific Corp.	79,793	85,757	975	Option Care Health Inc.	38,818	43,313	
	63	Broadcom Inc.	72,168	92,729	265	Palo Alto Networks Inc.	85,326	103,040	
	455	Builders FirstSource Inc.	79,301	100,158	1,200	Patterson-UTI Energy Inc.	20,405	17,089	
	110	Capital One Financial Corp.	19,038	19,018	230	PennyMac Financial Services Inc.	24,192	26,801	
	2,200	CCC Intelligent Solutions Holdings Inc.	34,354	33,041	1,108	Pinterest Inc.	39,835	54,116	
	900	Charles Schwab Corp.	73,090	81,648	1,025	PPL Corp.	34,566	36,627	
	600	Chewy Inc.	18,145	18,695	160	Procter & Gamble Co.	31,684	30,916	
	2,064	Copart Inc.	121,307	133,358	625	Progressive Corp.	112,785	131,267	
	2,100	Corebridge Financial Inc.	55,340	59,978	600	Pure Storage Inc.	28,598	28,213	
	130	Datadog Inc.	16,010	20,807	365	Quanta Services Inc.	90,722	103,862	
	105	Deere & Co.	57,588	55,363	550	RadNet Inc.	24,186	25,216	
	500	Dexcom Inc.	72,289	81,813	255	RBC Bearings Inc.	72,839	95,792	
	115	Domino's Pizza Inc.	60,612	62,510	530	Reinsurance Group of America Inc.	100,222	113,061	
	410	DoorDash Inc.	54,973	53,463	130	Roper Technologies Inc.	78,780	93,452	
	450	DR Horton Inc.	70,089	90,180	100	ServiceNow Inc.	72,516	93,158	
	150	DTE Energy Co.	20,970	21,808	110	Snowflake Inc.	25,467	28,864	
	130,000	Eagle SPV LP	176,059	239,985	1,900	Southwestern Energy Co.	16,346	16,410	
	1,300	Elanco Animal Health Inc.	24,864	25,541	1,300	Sunnova Energy International Inc.	19,166	26,141	
	110	Electronic Arts Inc.	19,744	19,844	112	Synopsys Inc.	62,572	76,044	
	115	Eli Lilly & Co.	69,699	88,393	135	Take-Two Interactive Software Inc.	25,064	28,651	
	760	Fastenal Co.	57,287	64,908	350	Targa Resources Corp.	32,838	40,091	
	46	First Citizens BancShares Inc.	85,697	86,068	400	Teradata Corp.	24,522	22,949	
	120	Gartner Inc.	54,835	71,380	589	TJX Cos Inc.	63,056	72,858	
	110	Goldman Sachs Group Inc.	47,842	55,954	370	Trade Desk Inc.	37,559	35,108	
	65	Home Depot Inc.	27,003	29,702	120	Tyler Technologies Inc.	63,014	66,160	
	655	Intercontinental Exchange Inc.	96,203	110,923	280	Union Pacific Corp.	80,693	90,685	
	55	Intuit Inc.	34,598	45,329	130	United Rentals Inc.	69,424	98,295	
	225	Intuitive Surgical Inc.	96,450	100,090	55	UnitedHealth Group Inc.	40,386	38,181	
	174	IQVIA Holdings Inc.	48,978	53,087	800	Upwork Inc.	16,716	15,686	
	380	JPMorgan Chase & Co.	74,258	85,232	350	Ventas Inc.	21,823	23,002	
	600	Kenvue Inc.	17,026	17,034	36	Veralto Corp.	3,840	3,905	
	2,600	KeyCorp	43,549	49,368	400	Verizon Communications Inc.	19,889	19,884	
	750	KKR & Co Inc.	65,236	81,935					
	20	Lam Research Corp.	19,756	20,656					

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY 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 (\$)
	70	Vertex Pharmaceuticals Inc.	32,571	37,557		11,470	iShares MSCI India ETF	637,087	738,219
	1,400	Vita Coco Co Inc.	53,532	47,351		8,110	iShares MSCI Mexico Capped ETF	600,742	725,578
	465	W R Berkley Corp.	39,358	43,362		13,340	iShares MSCI South Africa ETF	748,052	735,091
	400	Walmart Inc.	82,796	83,151		13,560	iShares MSCI United Kingdom ETF	564,999	590,941
	1,125	Western Alliance Bancorp	75,924	97,595		1,400	iShares Russell 2000 ETF	352,590	370,519
	100	Zillow Group Inc.	7,431	7,629		1,200	iShares Russell 2000 Value ETF	225,385	245,782
	300	ZipRecruiter Inc.	5,807	5,499		1,200	iShares U.S. Aerospace & Defense ETF	184,286	200,322
	345	Zoetis Inc.	78,308	89,787		2,300	iShares U.S. Basic Materials ETF	395,339	419,009
	1,939	Zymeworks Inc.	21,501	26,565		4,400	iShares U.S. Energy ETF	281,877	255,977
			6,090,534	6,894,717		1,500	iShares U.S. Healthcare ETF	552,078	566,154
<b>International Equities (0.9%)</b>						3,200	iShares U.S. Industrials ETF	441,688	482,544
	2,289	Brookfield Infrastructure Partners LP	102,887	95,589		11,800	iShares U.S. Telecommunications ETF	345,395	354,134
	6,948	Champion Iron Ltd.	37,542	51,832		2,100	iShares US Technology ETF	303,595	339,902
	390	CyberArk Software Ltd.	83,056	112,647		4,300	iShares US Utilities ETF	432,503	453,202
	120	Eaton Corp. PLC	34,755	38,105		9,000	KraneShares California Carbon Strategy ETF	283,997	357,844
	75	ICON PLC	26,402	27,994		7,700	KraneShares Global Carbon Strategy ETF	428,887	370,491
	2,525	International Game Technology PLC	103,809	91,261		1,660	SPDR S&P 500 ETF Trust	920,264	1,040,395
	2,865	OneSpaWorld Holdings Ltd.	44,850	53,267		1,100	SPDR S&P Aerospace & Defense ETF	173,782	196,421
	5,100	ReNew Energy Global PLC	39,519	51,512		3,500	VanEck Agribusiness ETF	430,137	351,578
	305	Spotify Technology SA	63,736	75,572		8,500	VanEck Gold Miners ETF/USA	357,223	347,563
	34,114	Talon Metals Corp.	12,230	6,141		3,100	VanEck Rare Earth/Strategic Metals ETF	344,946	251,596
			548,786	603,920				21,035,145	21,446,466
<b>International Index Equivalents (32.5%)</b>					<b>Total Global Equities - Long</b>				<b>27,674,465 28,945,103</b>
	23,470	db X-trackers Harvest CSI 300 China A-Shares ETF	895,951	739,956	<b>Options (0.3%)</b>				
	1,200	Defiance Hotel Airline and Cruise ETF	33,469	33,999	<b>Total Purchased Options - Refer to Appendix A</b>				
	6,400	First Trust Global Wind Energy ETF	155,021	139,075	<b>Transaction Costs</b>				
	9,900	Global X Copper Miners ETF	467,998	489,530	<b>Total Long Positions</b>				
	3,600	Global X Lithium & Battery Tech ETF	315,541	241,810				<b>314,444 221,026</b>	
	12,400	Global X Silver Miners ETF	490,704	463,868				<b>(13,051) -</b>	
	20,400	Global X Uranium ETF	567,534	744,846				<b>82,235,475 86,686,425</b>	
	1,600	Invesco Aerospace & Defense ETF	175,778	194,436	<b>SHORT POSITIONS (-36.9%)</b>				
	3,990	Invesco DB Agriculture Fund	117,761	109,118	<b>Canadian Equities (-17.8%)</b>				
	18,920	Invesco DB Base Metals Fund	479,137	456,547	<b>Energy (-1.7%)</b>				
	9,000	Invesco DB Energy Fund	262,146	227,735		(19,318)	Baytex Energy Corp.	(82,214)	(84,613)
	1,725	Invesco S&P 500 Low Volatility ETF	144,721	142,526		(20,656)	Birchcliff Energy Ltd.	(151,542)	(119,383)
	2,000	Invesco Solar ETF	175,147	140,695		(1,132)	Cenovus Energy Inc.	(26,237)	(24,995)
	32,000	iShares Core MSCI Europe ETF	2,131,492	2,321,580		(4,788)	Crescent Point Energy Corp.	(51,547)	(44,002)
	6,800	iShares Global Clean Energy ETF	171,932	139,608		(11,987)	Enerflex Ltd.	(78,510)	(73,480)
	31,292	iShares iBoxx \$ High Yield Corporate Bond ETF	3,214,820	3,193,238		(8,100)	Ensign Energy Services Inc.	(23,594)	(17,577)
	5,370	iShares iBoxx \$ Investment Grade Corporate Bond ETF	788,506	783,571		(10,055)	NexGen Energy Ltd.	(82,769)	(93,210)
	11,480	iShares MSCI Australia ETF	346,770	368,447		(1,900)	NuVista Energy Ltd.	(24,889)	(20,976)
	16,100	iShares MSCI Brazil Capped ETF	653,633	742,182		(3,335)	Paramount Resources Ltd.	(95,513)	(86,477)
	16,610	iShares MSCI Hong Kong ETF	442,232	380,437		(3,200)	Parex Resources Inc.	(82,678)	(79,840)
						(1,500)	Pembina Pipeline Corp.	(66,653)	(68,430)
						(5)	Peyto Exploration & Development Corp.	(56)	(60)
						(1,300)	PrairieSky Royalty Ltd.	(30,307)	(30,160)
						(3,300)	Spartan Delta Corp.	(13,778)	(9,933)



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	(14,475)	Tamarack Valley Energy Ltd.	(47,877)	(44,438)
	(2,709)	TC Energy Corp.	(149,513)	(140,218)
	(6,596)	Topaz Energy Corp.	(130,526)	(127,830)
	(5,393)	Whitecap Resources Inc.	(52,913)	(47,836)
			(1,191,116)	(1,113,458)
<b>Materials (-0.8%)</b>				
	(3,261)	Altius Minerals Corp.	(67,847)	(60,133)
	(5,493)	Artemis Gold Inc.	(24,794)	(34,716)
	(2,900)	Equinox Gold Corp.	(16,921)	(18,676)
	(3,857)	ERO Copper Corp.	(105,135)	(80,804)
	(3,913)	First Majestic Silver Corp.	(26,880)	(31,813)
	(5,384)	Foran Mining Corp.	(15,224)	(20,998)
	(5,986)	Interfor Corp.	(137,838)	(140,551)
	(4,103)	Lundin Mining Corp.	(42,702)	(44,477)
	(4,760)	New Found Gold Corp.	(28,656)	(22,229)
	(2,203)	New Pacific Metals Corp.	(5,588)	(5,530)
	(3,638)	Sandstorm Gold Ltd.	(23,871)	(24,229)
	(2,400)	SilverCrest Metals Inc.	(16,650)	(20,856)
	(3,300)	Wesdome Gold Mines Ltd.	(21,327)	(25,443)
			(533,433)	(530,455)
<b>Industrial (-1.0%)</b>				
	(13,774)	Aecon Group Inc.	(157,547)	(180,026)
	(16,671)	Ballard Power Systems Inc.	(92,403)	(81,855)
	(4,093)	CAE Inc.	(123,815)	(117,060)
	(810)	Cargojet Inc.	(77,926)	(96,528)
	(1,500)	Exchange Income Corp.	(67,294)	(67,650)
	(229)	GDI Integrated Facility Services Inc.	(10,735)	(8,377)
	(28,846)	Lion Electric Co.	(80,516)	(68,077)
	(2,050)	NFI Group Inc.	(26,803)	(28,065)
	(2,855)	Savaria Corp.	(37,484)	(43,310)
			(674,523)	(690,948)
<b>Consumer Discretionary (-0.5%)</b>				
	(3,210)	Aritzia Inc.	(77,210)	(88,275)
	(1,708)	Canada Goose Holdings Inc.	(45,520)	(26,884)
	(1,152)	Canadian Tire Corp. Ltd.	(186,671)	(162,109)
	(1,653)	Pet Valu Holdings Ltd.	(40,214)	(47,573)
			(349,615)	(324,841)
<b>Consumer Staples (-0.8%)</b>				
	(775)	Empire Co., Ltd.	(26,193)	(27,164)
	(3,594)	Jamieson Wellness Inc.	(102,510)	(114,038)
	(130)	Loblaw Cos Ltd.	(15,138)	(16,676)
	(2,935)	Maple Leaf Foods Inc.	(70,576)	(74,079)
	(1,040)	Metro Inc.	(72,383)	(71,334)
	(988)	Neighbourly Pharmacy Inc.	(13,827)	(16,589)
	(801)	Premium Brands Holdings Corp.	(78,895)	(75,318)
	(3,344)	Rogers Sugar Inc.	(18,841)	(17,991)
	(4,254)	Saputo Inc.	(117,745)	(114,135)
	(4,561)	SunOpta Inc.	(28,809)	(32,976)
			(544,917)	(560,300)
CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
<b>Health Care (0.0%)</b>				
	(2,933)	Aurora Cannabis Inc.		(2,193)
				(1,906)
<b>Financials (-2.1%)</b>				
	(3,619)	Bank of Nova Scotia	(223,271)	(233,426)
	(1,858)	Brookfield Asset Management Ltd.	(79,815)	(98,883)
	(1,126)	Canadian Imperial Bank of Commerce	(60,227)	(71,839)
	(1,800)	CI Financial Corp.	(31,317)	(26,748)
	(2,250)	Definity Financial Corp.	(83,818)	(84,465)
	(23,369)	ECN Capital Corp.	(66,515)	(70,107)
	(3,810)	Great-West Lifeco Inc.	(151,731)	(167,107)
	(80)	Guardian Capital Group Ltd.	(3,407)	(3,541)
	(1,050)	iA Financial Corp. Inc.	(85,671)	(94,847)
	(1,400)	IGM Financial Inc.	(51,655)	(49,014)
	(1,008)	Intact Financial Corp.	(198,298)	(205,491)
	(2,781)	National Bank of Canada	(243,772)	(280,881)
	(1,401)	Propel Holdings Inc.	(10,017)	(18,171)
	(1,058)	Westaim Corp.	(3,875)	(3,978)
			(1,293,389)	(1,408,498)
<b>Information Technology (0.0%)</b>				
	(2,387)	Converge Technology Solutions Corp.	(7,546)	(9,882)
	(339)	Enghouse Systems Ltd.	(11,355)	(11,899)
	(68)	Open Text Corp.	(3,708)	(3,787)
			(22,609)	(25,568)
<b>Communication Services (-0.4%)</b>				
	(3,751)	BCE Inc.	(215,474)	(195,690)
	(860)	Cogeco Communications Inc.	(54,670)	(51,041)
	(670)	Cogeco Inc.	(36,067)	(38,304)
			(306,211)	(285,035)
<b>Utilities (-0.5%)</b>				
	(1,700)	Brookfield Renewable Corp.	(65,771)	(64,838)
	(1,820)	Canadian Utilities Ltd.	(59,028)	(58,040)
	(905)	Emera Inc.	(43,053)	(45,522)
	(1,625)	Fortis Inc.	(89,049)	(88,579)
	(1,034)	Northland Power Inc.	(27,087)	(24,888)
	(227)	Polaris Renewable Energy Inc.	(3,119)	(3,003)
	(6,303)	Superior Plus Corp.	(62,762)	(60,698)
			(349,869)	(345,568)
<b>Real Estate (-0.8%)</b>				
	(2,286)	Canadian Apartment Properties REIT	(114,682)	(111,557)
	(3,013)	Dream Office Real Estate Investment Trust	(58,988)	(31,576)
	(2,050)	First Capital Real Estate Investment Trust	(30,863)	(31,447)
	(5,896)	RioCan Real Estate Investment Trust	(117,133)	(109,784)
	(22,021)	StorageVault Canada Inc.	(113,326)	(115,170)
	(8,256)	Tricon Residential Inc.	(102,692)	(99,567)
			(537,684)	(499,101)

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY 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>Index Equivalents (-9.2%)</b>									
	(67,353)	iShares Core S&P/TSX Capped Composite Index ETF	(2,145,657)	(2,247,570)		(300)	EQT Corp.	(14,990)	(15,293)
	(119,981)	iShares S&P/TSX 60 Index ETF	(3,619,260)	(3,841,792)		(325)	Etsy Inc.	(38,293)	(34,734)
			(5,764,917)	(6,089,362)		(875)	Extreme Networks Inc.	(33,688)	(20,353)
		<b>Total Canadian Equities - Short</b>	<b>(11,570,476)</b>	<b>(11,875,040)</b>		(80)	FactSet Research Systems Inc.	(44,162)	(50,323)
<b>Global Equities (-18.9%)</b>						(790)	Foot Locker Inc.	(31,047)	(32,449)
<b>United States Equities (-6.4%)</b>						(680)	Fortinet Inc.	(60,887)	(52,481)
	(140)	3M Co.	(19,674)	(20,181)		(1,403)	FuboTV Inc.	(3,562)	(5,883)
	(390)	AGCO Corp.	(67,407)	(62,436)		(1,362)	FuelCell Energy Inc.	(3,944)	(2,873)
	(275)	Airbnb Inc.	(48,997)	(49,366)		(180)	GATX Corp.	(29,499)	(28,534)
	(400)	Ally Financial Inc.	(16,548)	(18,418)		(900)	General Mills Inc.	(90,486)	(77,304)
	(145)	Altair Engineering Inc.	(12,999)	(16,089)		(530)	Gilead Sciences Inc.	(54,800)	(56,614)
	(1,200)	American Airlines Group Inc.	(25,651)	(21,741)		(50)	GoDaddy Inc.	(7,045)	(6,999)
	(430)	American Express Co.	(94,623)	(106,221)		(130)	Goosehead Insurance Inc.	(13,270)	(12,993)
	(80)	Amgen Inc.	(25,020)	(30,383)		(425)	Hartford Financial Services Group Inc.	(41,443)	(45,045)
	(160)	Apple Inc.	(39,200)	(40,619)		(400)	HashiCorp Inc.	(14,583)	(12,469)
	(300)	Ares Management Corp.	(40,664)	(47,042)		(1,079)	Hawaiian Holdings Inc.	(14,127)	(20,203)
	(950)	Atlantic Union Bankshares Corp.	(35,806)	(45,773)		(300)	Henry Schein Inc.	(30,323)	(29,949)
	(45)	Autodesk Inc.	(13,366)	(14,447)		(100)	Hershey Co.	(26,094)	(24,584)
	(997)	Avangrid Inc.	(50,095)	(42,608)		(860)	HNI Corp.	(31,066)	(47,435)
	(775)	Bank OZK	(39,992)	(50,922)		(360)	HP Inc.	(14,722)	(14,284)
	(455)	Beacon Roofing Supply Inc.	(48,611)	(52,209)		(40)	HubSpot Inc.	(24,466)	(30,620)
	(210)	BILL Holdings Inc.	(20,097)	(22,593)		(3,146)	Hut 8 Corp.	(50,697)	(55,621)
	(454)	Bloom Energy Corp.	(9,689)	(8,860)		(1,238)	Hyllion Holdings Corp.	(2,773)	(1,328)
	(1,203)	Blue Owl Capital Inc.	(17,664)	(23,636)		(155)	Illinois Tool Works Inc.	(49,897)	(53,536)
	(438)	Bristol-Myers Squibb Co.	(37,688)	(29,634)		(255)	Jack Henry & Associates Inc.	(54,501)	(54,945)
	(1,450)	BRP Group Inc.	(44,944)	(45,926)		(155)	JB Hunt Transport Services Inc.	(36,896)	(40,823)
	(1,210)	Cadence Bank	(34,051)	(47,211)		(650)	Juniper Networks Inc.	(25,426)	(25,267)
	(110)	Cadence Design Systems Inc.	(37,212)	(39,506)		(1,155)	Kennametal Inc.	(42,591)	(39,278)
	(300)	Calix Inc.	(16,788)	(17,283)		(65)	KLA Corp.	(40,814)	(49,823)
	(195)	Caterpillar Inc.	(66,521)	(76,025)		(100)	LGI Homes Inc.	(17,434)	(17,558)
	(195)	Ceridian HCM Holding Inc., TSE	(19,530)	(17,330)		(1,745)	Macerich Co.	(24,783)	(35,504)
	(440)	CH Robinson Worldwide Inc.	(54,830)	(50,122)		(180)	Marvell Technology Inc.	(12,684)	(14,314)
	(75)	Charter Communications Inc.	(32,303)	(38,439)		(95)	Moody's Corp.	(47,625)	(48,924)
	(225)	Ciena Corp.	(13,363)	(13,354)		(570)	Morgan Stanley	(62,643)	(70,087)
	(100)	Cloudflare Inc.	(8,731)	(10,979)		(264)	MSC Industrial Direct Co Inc.	(33,420)	(35,250)
	(875)	Confluent Inc.	(33,843)	(26,998)		(40)	MSCI Inc.	(26,712)	(29,835)
	(90)	CrowdStrike Holdings Inc.	(20,414)	(30,300)		(860)	Mueller Industries Inc.	(43,748)	(53,468)
	(660)	CubeSmart	(38,598)	(40,337)		(197)	Nevro Corp.	(6,718)	(5,590)
	(90)	Cummins Inc.	(28,057)	(28,431)		(2,200)	Newmont Corp.	(121,854)	(120,069)
	(280)	Digital Realty Trust Inc.	(42,368)	(49,688)		(100)	Okta Inc.	(9,528)	(11,937)
	(575)	Dominion Energy Inc.	(38,504)	(35,635)		(140)	ON Semiconductor Corp.	(15,762)	(15,420)
	(400)	Dropbox Inc.	(15,765)	(15,549)		(148)	ONEOK Inc.	(11,327)	(13,704)
	(55)	Duolingo Inc.	(11,114)	(16,452)		(540)	Ormat Technologies Inc.	(58,850)	(53,966)
	(500)	Dynatrace Inc.	(34,240)	(36,057)		(615)	Palantir Technologies Inc.	(11,568)	(13,924)
	(220)	eBay Inc.	(12,564)	(12,654)		(1,255)	Pebblebrook Hotel Trust	(21,524)	(26,444)
	(248)	eHealth Inc.	(2,777)	(2,852)		(878)	Pfizer Inc.	(40,228)	(33,331)
	(430)	Endeavor Group Holdings Inc.	(12,535)	(13,455)		(604)	Plug Power Inc.	(8,220)	(3,584)
	(825)	Enerpac Tool Group Corp.	(30,422)	(33,821)		(220)	PNC Financial Services Group Inc.	(36,499)	(44,921)
	(190)	Enphase Energy Inc.	(35,604)	(33,106)		(425)	Polaris Inc.	(63,273)	(53,110)
						(265)	Procore Technologies Inc.	(22,469)	(24,187)
						(900)	ProPetro Holding Corp.	(11,319)	(9,945)
						(150)	Qualys Inc.	(30,948)	(38,822)
						(175)	Raymond James Financial Inc.	(25,604)	(25,729)
						(396)	Realty Income Corp.	(29,082)	(29,983)



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY 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 (\$)
	(75)	Repligen Corp.	(14,863)	(17,781)	<b>International Index Equivalents (-11.4%)</b>				
	(525)	Robert Half Inc.	(56,394)	(60,864)	(860)	Invesco QQQ Trust Series 1	(435,590)	(464,394)	
	(215)	Roku Inc.	(28,059)	(25,986)	(655)	iShares 20+ Year Treasury Bond ETF	(87,928)	(85,401)	
	(50)	S&P Global Inc.	(26,730)	(29,043)	(825)	iShares J.P. Morgan USD Emerging Markets Bond ETF	(93,383)	(96,883)	
	(220)	Silicon Laboratories Inc.	(41,831)	(38,370)	(1,944)	iShares MSCI Emerging Markets ETF	(101,161)	(103,073)	
	(300)	Simply Good Foods Co.	(15,828)	(15,665)	(780)	iShares Russell 2000 Growth Index Fund	(251,421)	(259,410)	
	(800)	Snap Inc.	(13,563)	(17,859)	(5,900)	iShares U.S. Consumer Discretionary ETF	(542,467)	(589,471)	
	(150)	SolarEdge Technologies Inc.	(16,601)	(18,513)	(4,100)	iShares U.S. Consumer Staples ETF	(1,049,748)	(1,036,434)	
	(400)	Spire Inc.	(34,772)	(32,881)	(6,300)	iShares U.S. Real Estate ETF	(678,547)	(759,359)	
	(175)	Steel Dynamics Inc.	(23,673)	(27,252)	(6,600)	iShares US Financials ETF	(677,227)	(743,303)	
	(970)	Sunrun Inc.	(19,025)	(25,108)	(10)	SPDR Industrial Select Sector Fund	(1,507)	(1,503)	
	(975)	Synchrony Financial	(43,415)	(49,098)	(1,250)	SPDR S&P Metals & Mining ETF	(81,040)	(98,615)	
	(250)	T Rowe Price Group Inc.	(34,738)	(35,500)	(1,100)	SPDR S&P Retail ETF	(93,616)	(104,897)	
	(2,145)	Tellurian Inc.	(3,832)	(2,137)	(10,200)	Vanguard Total Stock Market ETF	(2,931,010)	(3,190,543)	
	(620)	Terex Corp.	(47,209)	(46,975)			(7,024,645)	(7,533,286)	
	(825)	Terreno Realty Corp.	(62,486)	(68,175)	<b>Total Global Equities - Short</b>				
	(95)	Tesla Inc.	(32,912)	(31,126)			<b>(11,738,591)</b>	<b>(12,507,257)</b>	
	(350)	Texas Instruments Inc.	(78,195)	(78,669)	<b>Options (-0.2%)</b>				
	(65)	Tractor Supply Co.	(18,976)	(18,430)	<b>Total Written Options - Refer to Appendix A</b>				
	(240)	Travelers Cos Inc.	(54,874)	(60,283)			<b>(180,288)</b>	<b>(100,872)</b>	
	(300)	TripAdvisor Inc.	(7,757)	(8,517)	<b>Transaction Costs</b>				
	(250)	Uber Technologies Inc.	(20,971)	(20,297)			<b>(8,265)</b>	<b>-</b>	
	(400)	UiPath Inc.	(9,249)	(13,102)	<b>Total Short Positions</b>				
	(575)	Unity Software Inc.	(27,499)	(31,003)			<b>(23,497,620)</b>	<b>(24,483,169)</b>	
	(125)	Valero Energy Corp.	(24,388)	(21,427)	<b>Futures Contracts (1.3%)</b>				
	(2,700)	Valley National Bancorp	(31,049)	(38,664)			<b>Total Futures Contracts - Refer to Appendix B</b>	<b>894,580</b>	
	(372)	Viatis Inc.	(4,910)	(5,312)	<b>Total Return Swaps (0.0%)</b>				
	(475)	Vornado Realty Trust	(11,325)	(17,694)			<b>Total Return Swap Agreements - Refer to Appendix C</b>	<b>(18,885)</b>	
	(595)	Warner Music Group Corp.	(21,422)	(28,080)	<b>Credit Default Swaps (0.3%)</b>				
	(500)	Webster Financial Corp.	(34,582)	(33,466)			<b>Total Credit Default Swap Agreements - Refer to Appendix D</b>	<b>204,683</b>	
	(846)	Werner Enterprises Inc.	(48,842)	(47,265)	<b>TOTAL INVESTMENT PORTFOLIO (95.5%)</b>				
	(85)	Williams-Sonoma Inc.	(15,508)	(22,616)			<b>58,737,855</b>	<b>63,283,634</b>	
	(65)	Workday Inc.	(18,553)	(23,661)	<b>Other Assets Net of Liabilities (4.5%)</b>				
	(50)	Zebra Technologies Corp.	(17,250)	(18,021)				<b>2,982,073</b>	
	(522)	ZoomInfo Technologies Inc.	(16,681)	(12,727)	<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100.0%)</b>				
			(4,046,745)	(4,247,904)				<b>66,265,707</b>	
<b>International Equities (-1.1%)</b>									
	(900)	Antofagasta PLC	(21,913)	(25,408)					
	(145)	Aon PLC	(60,940)	(55,642)					
	(475)	ARM Holdings PLC	(35,411)	(47,066)					
	(20)	ASML Holding NV	(18,880)	(19,962)					
	(1,070)	BHP Group Ltd.	(85,853)	(96,379)					
	(275)	Check Point Software Technologies Ltd.	(45,768)	(55,404)					
	(220)	Chubb Ltd.	(56,393)	(65,561)					
	(125)	Everest Group Ltd.	(66,031)	(58,279)					
	(450)	GLOBALFOUNDRIES Inc.	(32,416)	(35,958)					
	(2,683)	Gold Fields Ltd.	(50,744)	(51,157)					
	(1,380)	Invesco Ltd.	(30,189)	(32,463)					
	(100)	Nabors Industries Ltd.	(12,438)	(10,764)					
	(120)	NXP Semiconductors NV	(33,221)	(36,343)					
	(775)	Rio Tinto PLC	(65,633)	(76,092)					
	(200)	Royal Caribbean Cruises Ltd.	(27,816)	(34,149)					
	(207)	Stratasys Ltd.	(4,606)	(3,898)					
	(3,218)	Whitehaven Coal Ltd.	(18,949)	(21,542)					
			(667,201)	(726,067)					

\*CCY denotes local currency of debt security

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

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## APPENDIX A

### OPTIONS (0.1%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Aehr Test Systems	Call Option	14	\$35	January, 2024	8,286	1,061
Aehr Test Systems	Call Option	2	\$55	January, 2024	606	10
Apellis Pharmaceuticals Inc.	Call Option	2	\$50	January, 2024	898	3,323
Apellis Pharmaceuticals Inc.	Call Option	1	\$95	January, 2024	140	99
Bank Of Nova Scotia	Call Option	10	\$60	January, 2024	576	4,475
Bank Of Nova Scotia	Call Option	4	\$64	January, 2024	34	224
Calix Inc.	Call Option	12	\$40	February, 2024	3,650	8,861
Celestica Inc.	Call Option	28	\$35	February, 2024	4,900	15,050
Celestica Inc.	Call Option	6	\$39	February, 2024	546	1,755
Centerra Gold Inc.	Call Option	46	\$8	January, 2024	1,081	2,530
Chicago Board Options Exchange	Call Option	71	\$17	January, 2024	8,977	4,026
Crude Oil Futures Mar'24	Call Option	8	\$91	February, 2024	8,733	1,899
Crude Oil Futures Mar'24	Call Option	8	\$94	February, 2024	6,606	1,371
Dye & Durham Ltd.	Call Option	31	\$11	January, 2024	2,945	10,618
Dye & Durham Ltd.	Call Option	11	\$14	January, 2024	393	1,100
First Quantum Minerals Ltd.	Call Option	28	\$15	January, 2024	1,827	378
First Quantum Minerals Ltd.	Call Option	39	\$17	June, 2024	7,282	3,296
First Quantum Minerals Ltd.	Call Option	28	\$18	September, 2024	4,264	2,940
First Quantum Minerals Ltd.	Call Option	8	\$26	September, 2024	568	312
Gold Futures OPT(CMX)	Call Option	11	\$2,090	January, 2024	22,295	32,640
Harmonic Inc.	Call Option	24	\$15	January, 2024	1,945	316
HG Copper Futures	Call Option	10	\$395	January, 2024	14,084	18,131
iShares Russell 2000 ETF	Call Option	28	\$204	January, 2024	5,185	1,145
iShares Russell 2000 ETF	Call Option	8	\$210	January, 2024	456	37
S&P 500 Index 3Wk	Call Option	34	\$4,800	January, 2024	64,231	7,285
Teck Resources Ltd.	Call Option	25	\$54	January, 2024	6,188	6,900
Toronto-Dominion Bank	Call Option	28	\$84	January, 2024	652	5,082
Utilities Select Sector SPDR	Call Option	28	\$61	January, 2024	3,562	13,088
					180,910	147,952
Apple Inc.	Put Option	6	\$175	January, 2024	180	135
Apple Inc.	Put Option	14	\$190	January, 2024	2,643	3,258
Bank OZK	Put Option	28	\$45	February, 2024	3,988	2,954
Brookfield Corp.	Put Option	8	\$38	January, 2024	302	25
Brookfield Corp.	Put Option	28	\$44	January, 2024	3,500	154
Caterpillar Inc.	Put Option	2	\$240	February, 2024	288	169
Caterpillar Inc.	Put Option	6	\$270	February, 2024	3,717	2,433
Crude Oil Futures Feb'24	Put Option	9	\$72	January, 2024	17,750	24,210
Enphase Energy Inc.	Put Option	4	\$65	February, 2024	164	113
Enphase Energy Inc.	Put Option	10	\$95	February, 2024	3,048	2,195
Invesco QQQ Trust Ser.1	Put Option	10	\$366	January, 2024	3,723	270
Invesco QQQ Trust Ser.1	Put Option	8	\$375	January, 2024	4,906	311
Invesco QQQ Trust Ser.1	Put Option	12	\$377	January, 2024	1,141	934
Invesco QQQ Trust Ser.1	Put Option	27	\$378	January, 2024	18,890	1,228
Invesco QQQ Trust Ser.1	Put Option	33	\$392	January, 2024	7,670	6,853
S&P 500 Index 3Wk	Put Option	1	\$4,100	January, 2024	1,343	138
S&P 500 Index 3Wk	Put Option	1	\$4,500	February, 2024	3,394	2,255
S&P 500 Index 3Wk	Put Option	6	\$4,570	January, 2024	10,779	4,549
S&P 500 Index 3Wk	Put Option	4	\$4,600	February, 2024	21,034	14,531
S&P 500 Index 3Wk	Put Option	5	\$4,650	January, 2024	2,694	923
S&P E-Mini 1st Week	Put Option	17	\$4,750	January, 2024	22,380	5,436
					133,534	73,074
<b>Total Purchased Options</b>					<b>314,444</b>	<b>221,026</b>

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY 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	(6)	\$40	January, 2024	(2,184)	(198)
Aehr Test Systems	Written Call Option	(10)	\$45	January, 2024	(5,609)	(297)
Aehr Test Systems	Written Call Option	(4)	\$50	January, 2024	(1,613)	(40)
Apellis Pharmaceuticals Inc.	Written Call Option	(1)	\$65	January, 2024	(236)	(626)
Bank Of Nova Scotia	Written Call Option	(13)	\$62	January, 2024	(228)	(3,205)
Bank OZK	Written Call Option	(3)	\$56	January, 2024	(133)	(89)
Brookfield Corp.	Written Call Option	(4)	\$52	January, 2024	(161)	(814)
Calix Inc.	Written Call Option	(9)	\$45	February, 2024	(1,223)	(3,323)
Calix Inc.	Written Call Option	(2)	\$50	February, 2024	(135)	(316)
Caterpillar Inc.	Written Call Option	(1)	\$315	January, 2024	(156)	(95)
Celestica Inc.	Written Call Option	(3)	\$36	January, 2024	(222)	(998)
Celestica Inc.	Written Call Option	(37)	\$37	February, 2024	(4,403)	(14,800)
Centerra Gold Inc.	Written Call Option	(45)	\$9	January, 2024	(428)	(293)
Chicago Board Options Exchange	Written Call Option	(58)	\$19	January, 2024	(4,756)	(2,486)
Chicago Board Options Exchange	Written Call Option	(6)	\$24	January, 2024	(762)	(150)
Crude Oil Futures Mar'24	Written Call Option	(16)	\$125	February, 2024	(7,604)	(422)
Dye & Durham Ltd.	Written Call Option	(24)	\$12	January, 2024	(1,536)	(6,000)
Dye & Durham Ltd.	Written Call Option	(17)	\$13	January, 2024	(752)	(2,805)
Enphase Energy Inc.	Written Call Option	(1)	\$220	February, 2024	(138)	(83)
First Quantum Minerals Ltd.	Written Call Option	(18)	\$16	January, 2024	(707)	(189)
First Quantum Minerals Ltd.	Written Call Option	(5)	\$18	January, 2024	(171)	-
First Quantum Minerals Ltd.	Written Call Option	(28)	\$19	June, 2024	(3,752)	(1,806)
First Quantum Minerals Ltd.	Written Call Option	(6)	\$20	January, 2024	(954)	-
First Quantum Minerals Ltd.	Written Call Option	(18)	\$20	September, 2024	(2,142)	(1,530)
First Quantum Minerals Ltd.	Written Call Option	(1)	\$24	January, 2024	(194)	-
First Quantum Minerals Ltd.	Written Call Option	(21)	\$24	September, 2024	(1,659)	(1,145)
First Quantum Minerals Ltd.	Written Call Option	(16)	\$26	January, 2024	(2,624)	-
First Quantum Minerals Ltd.	Written Call Option	(26)	\$30	June, 2024	(3,127)	(546)
Gold Futures OPT(CMX)	Written Call Option	(11)	\$2,250	January, 2024	(2,334)	(3,771)
Harmonic Inc.	Written Call Option	(14)	\$18	January, 2024	(270)	(11)
HG Copper Futures	Written Call Option	(10)	\$420	January, 2024	(3,551)	(4,285)
Invesco QQQ Trust Ser.1	Written Call Option	(2)	\$435	January, 2024	(217)	(128)
iShares Russell 2000 ETF	Written Call Option	(19)	\$206	January, 2024	(2,354)	(263)
iShares Russell 2000 ETF	Written Call Option	(19)	\$208	January, 2024	(1,595)	(113)
Royal Bank Of Canada	Written Call Option	(1)	\$128	January, 2024	(63)	(650)
S&P 500 Index 3Wk	Written Call Option	(34)	\$4,850	January, 2024	(8,004)	(413)
S&P 500 Index 3Wk	Written Call Option	(1)	\$4,900	January, 2024	(1,727)	(1,029)
Teck Resources Ltd.	Written Call Option	(20)	\$56	January, 2024	(3,680)	(2,950)
Teck Resources Ltd.	Written Call Option	(9)	\$58	January, 2024	(1,251)	(612)
Toronto-Dominion Bank	Written Call Option	(23)	\$86	January, 2024	(127)	(1,277)
Utilities Select Sector SPDR	Written Call Option	(26)	\$63	January, 2024	(1,791)	(3,874)
					(74,573)	(61,632)
Apple Inc.	Written Put Option	(10)	\$180	January, 2024	(483)	(422)
Apple Inc.	Written Put Option	(10)	\$185	January, 2024	(906)	(923)
Bank Of Nova Scotia	Written Put Option	(7)	\$52	January, 2024	(219)	(21)
Bank OZK	Written Put Option	(5)	\$35	February, 2024	(266)	(29)
Bank OZK	Written Put Option	(9)	\$38	February, 2024	(807)	(119)
Bank OZK	Written Put Option	(21)	\$43	February, 2024	(1,649)	(1,177)
Brookfield Corp.	Written Put Option	(20)	\$40	January, 2024	(1,040)	(88)
Brookfield Corp.	Written Put Option	(20)	\$42	January, 2024	(1,560)	(118)
Calix Inc.	Written Put Option	(3)	\$30	January, 2024	(367)	-
Caterpillar Inc.	Written Put Option	(4)	\$250	February, 2024	(917)	(562)
Caterpillar Inc.	Written Put Option	(4)	\$260	February, 2024	(1,508)	(949)
Celestica Inc.	Written Put Option	(4)	\$26	January, 2024	(356)	(2)
Centerra Gold Inc.	Written Put Option	(14)	\$6	January, 2024	(273)	(17)
Crude Oil Futures Feb'24	Written Put Option	(9)	\$65	January, 2024	(4,310)	(4,391)
Dye & Durham Ltd.	Written Put Option	(7)	\$8	January, 2024	(378)	(1)
Enphase Energy Inc.	Written Put Option	(7)	\$75	February, 2024	(559)	(388)
Enphase Energy Inc.	Written Put Option	(7)	\$85	February, 2024	(1,118)	(775)

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY 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	(3)	\$10	January, 2024	(387)	(173)
Invesco QQQ Trust Ser.1	Written Put Option	(10)	\$369	January, 2024	(4,373)	(297)
Invesco QQQ Trust Ser.1	Written Put Option	(40)	\$372	January, 2024	(20,469)	(1,345)
Invesco QQQ Trust Ser.1	Written Put Option	(3)	\$377	January, 2024	(159)	(129)
Invesco QQQ Trust Ser.1	Written Put Option	(23)	\$382	January, 2024	(2,764)	(2,426)
Invesco QQQ Trust Ser.1	Written Put Option	(23)	\$387	January, 2024	(3,797)	(3,351)
S&P 500 Index 3Wk	Written Put Option	(3)	\$4,140	January, 2024	(4,507)	(455)
S&P 500 Index 3Wk	Written Put Option	(3)	\$4,260	January, 2024	(11,209)	(593)
S&P 500 Index 3Wk	Written Put Option	(4)	\$4,520	January, 2024	(5,246)	(2,110)
S&P 500 Index 3Wk	Written Put Option	(6)	\$4,550	February, 2024	(25,045)	(17,089)
S&P 500 Index 3Wk	Written Put Option	(5)	\$4,600	January, 2024	(3,485)	(429)
S&P E-Mini 1st Week	Written Put Option	(17)	\$4,650	January, 2024	(7,060)	(841)
Teck Resources Ltd.	Written Put Option	(4)	\$42	January, 2024	(276)	(8)
Teck Resources Ltd.	Written Put Option	(3)	\$46	January, 2024	(222)	(12)
					(105,715)	(39,240)
<b>Total Written Options</b>					<b>(180,288)</b>	<b>(100,872)</b>

## APPENDIX B

### FUTURES CONTRACTS (1.3%)

Issuer	Number of Contracts	Fair Value \$	Contracted Value \$	Unrealized Gain/Loss \$
MTL Canadian 10-Year Futures, March 2024	66	8,195,880	7,867,750	328,130
CAD Currency Futures, March 2024	143	14,259,835	13,934,013	325,822
Long Gilt Future, March 2024	23	3,968,642	3,744,579	224,063
Gold 100-oz Futures, June 2024	16	4,454,336	4,293,625	160,711
CBOT US 10 Year T-Note Futures, March 2024	23	3,423,724	3,322,099	101,625
SFE Australian 10-Year Futures, March 2024	26	2,729,209	2,651,966	77,243
Aluminium Futures, March 2024	9	706,407	641,117	65,290
CBOT US 5 Year T-Note Futures, March 2024	20	2,868,573	2,804,522	64,051
Zink Futures, March 2024	8	702,418	639,221	63,197
E-mini Russell 2000 Futures, March 2024	5	675,024	627,175	47,849
NASDAQ 100 E-mini Futures, March 2024	2	897,887	860,346	37,541
CMX HG Copper Future, March 2024	5	641,252	609,869	31,383
Euro-Bund Futures, March 2024	6	1,199,241	1,170,954	28,287
Platinum Futures, April 2024	5	332,683	304,959	27,724
E-mini DJIA Futures, March 2024	3	751,839	724,841	26,998
S&P TSX 60 Futures, March 2024	3	762,240	736,368	25,872
E-mini S&P 500 Futures, March 2024	2	635,565	614,540	21,025
Wheat Futures, March 2024	8	331,232	316,357	14,875
FTSE 100 Index Futures, March 2024	5	651,915	637,627	14,288
Silver Futures, March 2024	3	476,397	462,697	13,700
Robusta Coffee Futures, March 2024	3	112,384	100,991	11,393
Palladium Futures, March 2024	2	292,545	282,840	9,705
Tin Futures, March 2024	2	334,990	327,715	7,275
Lead Futures, March 2024	5	341,600	334,374	7,226
Coffee C Futures, March 2024	1	93,110	85,891	7,219
Cocoa Futures, July 2024	2	108,389	102,765	5,624
Rough Rice Futures, March 2024	3	138,611	134,207	4,404
Cotton #2 Futures, March 2024	2	106,807	105,267	1,540
UKA Emissions Futures, December 2024	2	154,648	153,505	1,143
NZD Currency Futures, March 2024	1	83,368	82,478	890
Natural Gas Futures, January 2024	2	66,299	66,062	237
ECX Emissions Futures, December 2024	4	468,265	468,207	58
				1,756,388

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## APPENDIX B

### FUTURES CONTRACTS (1.3%)

Issuer	Number of Contracts	Fair Value \$	Contracted Value \$	Unrealized Gain/ Loss \$
Nikel Futures, March 2024	5	656,386	657,264	(878)
EURO STOXX 50 Futures, March 2024	5	330,865	333,742	(2,877)
EURO STOXX Bank Futures, March 2024	38	329,889	333,428	(3,539)
Canola Futures, March 2024	10	130,680	134,757	(4,077)
Soybean oil Futures, March 2024	3	114,354	119,362	(5,008)
BRL Currency Futures, January 2024	(15)	(407,349)	(400,426)	(6,923)
Lean Hog Futures, June 2024	3	142,290	149,274	(6,984)
FCOJ-A Futures, March 2024	2	123,639	132,510	(8,871)
GBP Currency Futures, March 2024	(6)	(630,505)	(621,324)	(9,181)
Live Cattle Futures, June 2024	1	89,691	99,007	(9,316)
Oat Futures, March 2024	5	127,163	136,492	(9,329)
MXN Currency Futures, March 2024	(10)	(383,976)	(374,350)	(9,626)
Gasoline Futures, February 2024	6	706,376	718,084	(11,708)
AUD Currency Futures, March 2024	(4)	(360,268)	(347,831)	(12,437)
ZAR Currency Futures, March 2024	(11)	(393,619)	(377,483)	(16,136)
NZD Currency Futures, March 2024	(6)	(500,211)	(483,992)	(16,219)
White Sugar Futures, February 2024	3	117,922	137,365	(19,443)
Soybean Futures, March 2024	7	599,040	618,976	(19,936)
Sugar #11 Futures, June 2024	4	120,569	140,687	(20,118)
Brent Crude Futures, January 2024	7	711,095	731,393	(20,298)
KCBT Wheat Futures, July 2024	8	340,726	361,770	(21,044)
Euro Currency Futures, March 2024	(6)	(1,095,262)	(1,072,150)	(23,112)
JPY Currency Futures, March 2024	(10)	(1,182,784)	(1,155,332)	(27,452)
CBOE VIX Index Futures, January 2024	55	1,019,035	1,048,986	(29,951)
Corn Futures, March 2024	21	652,460	689,982	(37,522)
WTI Crude Futures, November 2025	14	1,234,632	1,273,452	(38,820)
Light Crude Futures, February 2024	8	757,826	796,799	(38,973)
Natural Gas Futures, March 2025	4	163,981	204,251	(40,270)
IPE Gas Oil Futures, March 2024	7	678,189	729,845	(51,656)
NY Harbor ULSD Futures, February 2024	5	690,936	743,005	(52,069)
Natural Gas Futures, October 2024	7	285,306	427,385	(142,079)
Natural Gas Futures, December 2024	8	400,854	546,810	(145,956)
				(861,808)
Unrealized gain (loss) on Futures Contracts				<b>894,580</b>

## APPENDIX C

### TOTAL RETURN SWAPS (0.0%)

Quantity	Security Description	Expiry Date	Counterparty	Counterparty Credit Rating	Unrealized Gain / Loss (\$)
37,078	PM FSM LONG 1 TRS	30-Oct-30	Goldman Sachs International	A-1	884,058
					884,058
(36,157)	PM FSM SHORT 1 TRS	30-Oct-30	Goldman Sachs International	A-1	(902,943)
					(902,943)
Total over the counter swaps at fair value					<b>(18,885)</b>

## APPENDIX D

### CREDIT DEFAULT SWAPS (0.3%)

Buy/Sell Protection	Referenced Entity	Fixed Rate	Expiry Date	Effective Date	Counterparty	Counterparty Credit Rating	Notional Amount	Fair Value
Sell	Markit CDX North America Investment Grade Index	1%	20-Dec-28	20-Oct-23	Goldman Sachs International	A-1	USD 5,000,000	126,762
Sell	Markit CDX North America High Yield Index	5%	20-Dec-28	20-Oct-23	Goldman Sachs International	A-1	USD 990,000	77,921
								204,683
Total credit default swap contracts at fair value								<b>204,683</b>

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY 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	26,389,455	-	323,549	26,713,004
Mutual funds - Long	38,085,740	-	-	38,085,740
Exchange Traded Funds - Long	21,666,655	-	-	21,666,655
Options - Long	221,026	-	-	221,026
Futures - Long	1,756,388	-	-	1,756,388
Credit default swaps - Long	-	204,683	-	204,683
Total return swaps - Long	-	884,058	-	884,058
Equities - Short	(10,759,649)	-	-	(10,759,649)
Exchange Traded Funds - Short	(13,622,648)	-	-	(13,622,648)
Options - Short	(100,872)	-	-	(100,872)
Futures - Short	(861,808)	-	-	(861,808)
Total return swaps - Short	-	(902,943)	-	(902,943)
<b>Total</b>	<b>62,774,287</b>	<b>185,798</b>	<b>323,549</b>	<b>63,283,634</b>

ASSETS (LIABILITIES) AT FAIR VALUE AS AT DECEMBER 31, 2022				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	11,413,487	-	176,145	11,589,632
Mutual funds - Long	70,623,169	-	-	70,623,169
Exchange Traded Funds - Long	18,986,135	-	-	18,986,135
Options - Long	260,687	-	-	260,687
Futures - Long	807,219	-	-	807,219
Credit default swaps - Long	-	103,293	-	103,293
Total return swaps - Long	-	305,592	-	305,592
Equities - Short	(6,454,893)	-	-	(6,454,893)
Exchange Traded Funds - Short	(1,531,874)	-	-	(1,531,874)
Options - Short	(39,564)	-	-	(39,564)
Futures - Short	(1,456,587)	-	-	(1,456,587)
Total return swaps - Short	-	(388,615)	-	(388,615)
<b>Total</b>	<b>92,607,779</b>	<b>20,270</b>	<b>176,145</b>	<b>92,804,194</b>

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

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

December 31, 2023	Equities - Long \$	Equities - Short \$	Total \$
<b>Balance at Beginning of Year</b>	176,145	-	176,145
Investment purchases during the year	84,248	-	84,248
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	63,156	-	63,156
<b>Balance at End of Year</b>	<b>323,549</b>	<b>-</b>	<b>323,549</b>
<b>Total change in unrealized appreciation (depreciation) for assets held as at December 31, 2023</b>			<b>63,156</b>

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

December 31, 2022	Equities - Long \$	Equities - Short \$	Total \$
<b>Balance at Beginning of Year</b>	-	-	-
Investment purchases during the year	176,059	-	176,059
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	86	-	86
<b>Balance at End of Year</b>	<b>176,145</b>	<b>-</b>	<b>176,145</b>
<b>Total change in unrealized appreciation (depreciation) for assets held as at December 31, 2022</b>			<b>86</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 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 \$16,177 as at December 31, 2023 (December 31, 2022 - \$8,807). 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 (-)
Eagle SPV LP	239,985	Discounted cash flow, Enterprise value	Discount rate, peer multiples	5%	5%	\$11,999	\$(11,999)
Preservation Capital Partners Strategic Opportunities I LP	83,564	Discounted cash flow, Enterprise value	Discount rate, peer multiples	5%	5%	\$4,178	\$(4,178)

December 31, 2022							
Security Name	Fair Value	Valuation Technique	Unobservable Inputs	Reasonable Shift (+)	Reasonable Shift (-)	Change in Valuation (+)	Change in Valuation (-)
Eagle SPV LP	176,145	Discounted cash flow, Enterprise value	Discount rate, peer multiples	5%	5%	\$8,807	\$(8,807)

## 3. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following table shows the net impact of the Fund's statement of financial position if all set-off rights were exercised.

Financial Assets and Liabilities	Amounts Eligible for Offset			
	Gross Assets / (Liabilities) \$	Financial Instruments \$	Collateral received/paid \$	Net \$
<b>December 31, 2023</b>				
Derivative assets - Over the counter swaps	884,058	(884,058)	-	-
Derivative assets - Credit default swaps	204,683	-	-	204,683
Derivative liabilities - Over the counter swaps	(902,943)	884,058	18,885	-
<b>December 31, 2022</b>				
Derivative assets - Over the counter swaps	305,592	(305,592)	-	-
Derivative assets - Credit default swaps	103,293	-	-	103,293
Derivative liabilities - Over the counter swaps	(388,615)	305,592	-	(83,023)



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY 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 blended index consisting of 40% MSCI World 100% hedged to CAD Index (net total return); 40% ICE BofAML Global Broad Market Index (Hedged to CAD); 10% S&P GSCI Canadian Dollar Hedged Index TR; 5% FTSE TMX Canada 30 Day T-Bill Index; and 5% LBMA Gold Price were to increase or decrease by 10%, net assets would have increased or decreased by approximately \$6,387,318 (December 31, 2022 - \$9,115,046). 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 \$	Forward Currency Contracts \$	Total \$	Percentage of Net Assets %
United States Dollar	4,032,702	16,515,960	-	20,548,662	31.0%
European Euro	538,928	-	-	538,928	0.8%
British Pound	219,701	58,155	-	277,856	0.4%
Australian Dollar	116,389	(21,542)	-	94,847	0.1%
Belgian Franc	(4)	-	-	(4)	0.0%
<b>Net Exposure</b>	<b>4,907,716</b>	<b>16,552,573</b>	<b>-</b>	<b>21,460,289</b>	<b>32.3%</b>

FINANCIAL INSTRUMENTS					
December 31, 2022 Currency	Monetary \$	Non-Monetary \$	Forward Currency Contracts \$	Total \$	Percentage of Net Assets %
United States Dollar	9,528,804	19,133,226	-	28,662,030	30.2%
European Euro	357,439	-	-	357,439	0.4%
British Pound	248,981	-	-	248,981	0.3%
Australian Dollar	(138)	-	-	(138)	0.0%
<b>Net Exposure</b>	<b>10,135,086</b>	<b>19,133,226</b>	<b>-</b>	<b>29,268,312</b>	<b>30.9%</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 \$1,073,014 (December 31, 2022 - \$1,463,416). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

### 6. INTEREST RATE RISK

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds. As at December 31, 2023 and 2022, the interest rate risk is minimal given that the majority of the financial instruments held by the Fund are non-interest bearing.

### 7. CREDIT RISK

Credit risk arises from investments in debt instruments. As at December 31, 2023 and 2022, the Fund had no direct investments in debt instruments. 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+.



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY 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 5 underlying funds 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	4	203,973
US Equity	P	4	438,934
International Equity	P	1	333
Canadian Fixed Income	C,I	5	768,349
US Fixed Income	C,F,I	5	430,842
International Fixed Income	C,F,I	3	18,147
<b>Total</b>			<b>1,860,578</b>

December 31, 2022			Impact on net assets based on 5% increase or decrease
Strategy	Underlying risk exposures	Number of Funds	\$
Canadian Equity	P	3	1,756,390
US Equity	P	4	453,340
International Equity	P	2	(5,568)
Canadian Fixed Income	C,I	4	706,194
US Fixed Income	C,F,I	4	687,495
International Fixed Income	C,F,I	3	(66,693)
<b>Total</b>			<b>3,531,158</b>

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 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>135.2%</b>	<b>108.1%</b>
<b>Canadian Equities</b>	<b>86.7%</b>	<b>86.4%</b>
Investment Funds	57.5%	74.3%
Financials	6.5%	1.3%
Industrial	5.5%	1.9%
Energy	4.1%	0.9%
Materials	3.2%	1.2%
Information Technology	2.3%	1.1%
Real Estate	2.0%	2.0%
Utilities	1.7%	0.9%
Consumer Discretionary	1.6%	1.1%
Consumer Staples	1.0%	1.4%
Communication Services	0.9%	0.3%
Index Equivalents	0.3%	0.0%
Health Care	0.1%	0.0%
<b>Global Equities</b>	<b>43.8%</b>	<b>20.1%</b>
International Index Equivalents	32.5%	19.9%
United States	10.4%	0.2%
International	0.9%	0.0%
<b>Derivatives</b>	<b>4.7%</b>	<b>1.6%</b>
<b>SHORT POSITIONS</b>	<b>-39.7%</b>	<b>-10.5%</b>
<b>Canadian Equities</b>	<b>-17.8%</b>	<b>-8.5%</b>
Index Equivalents	-9.2%	-1.6%
Financials	-2.1%	-1.2%
Energy	-1.7%	-0.3%
Industrial	-1.0%	-0.9%
Real Estate	-0.8%	-2.0%
Materials	-0.8%	-0.5%
Consumer Staples	-0.8%	-0.6%
Consumer Discretionary	-0.5%	-0.6%
Utilities	-0.5%	-0.2%
Communication Services	-0.4%	-0.5%
Information Technology	0.0%	-0.1%
Health Care	0.0%	0.0%
<b>Global Equities</b>	<b>-18.9%</b>	<b>0.0%</b>
International Index Equivalents	-11.4%	0.0%
United States Equities	-6.4%	0.0%
International Equities	-1.1%	0.0%
<b>Derivatives</b>	<b>-3.0%</b>	<b>-2.0%</b>

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY 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	24,382,297	-	-	24,382,297
Redemptions payable	571,391	-	-	571,391
Accrued liabilities and other payables	-	315,883	-	315,883
Payable for investments purchased	285,300	-	-	285,300
Derivative liabilities	1,865,623	-	-	1,865,623
Cash overdraft	520,415	-	-	520,415

  

December 31, 2022 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	7,986,767	-	-	7,986,767
Redemptions payable	46,717	-	-	46,717
Accrued liabilities and other payables	-	206,463	-	206,463
Derivative liabilities	1,884,766	-	-	1,884,766
Cash overdraft	5,835,381	-	-	5,835,381

### 11. FUND UNIT TRANSACTIONS

For the years ended December 31

2023						
	Class A	Class F	Class FT	Class I	Class P ****	Class ETF
Units issued and outstanding, beginning of year	697,928	4,376,351	45,700	769	3,225,741	420,000
Units issued	28,888	386,552	-	-	280,905	10,000
Units reinvested	-	-	416	-	-	-
Units redeemed	(70,800)	(2,474,858)	(2,900)	-	(626,086)	(150,000)
<b>Units issued and outstanding, end of year</b>	<b>656,016</b>	<b>2,288,045</b>	<b>43,216</b>	<b>769</b>	<b>2,880,560</b>	<b>280,000</b>
<b>Weighted average number of units held during the year</b>	<b>680,754</b>	<b>3,224,114</b>	<b>45,044</b>	<b>769</b>	<b>3,084,517</b>	<b>340,986</b>

  

2022						
	Class A	Class F	Class FT	Class I	Class P ****	Class ETF
Units issued and outstanding, beginning of year	634,951	3,517,397	2,200	1,001	-	490,000
Units issued	187,905	1,792,587	43,779	-	4,140,886	200,000
Units reinvested	-	-	223	-	-	-
Units redeemed	(124,928)	(933,633)	(502)	(232)	(915,145)	(270,000)
<b>Units issued and outstanding, end of year</b>	<b>697,928</b>	<b>4,376,351</b>	<b>45,700</b>	<b>769</b>	<b>3,225,741</b>	<b>420,000</b>
<b>Weighted average number of units held during the year</b>	<b>705,935</b>	<b>4,397,845</b>	<b>27,757</b>	<b>993</b>	<b>3,339,410</b>	<b>529,918</b>

\*\*\*\* Class P units were first issued on March 8, 2022.

### 12. COMMISSIONS

For the years ended December 31 (in \$000)

	2023	2022
Brokerage commissions	466	334
Soft Dollar commissions	12	2

### 13. TAX LOSS CARRY FORWARDS

As at December 31 (in \$000)

	2023
Net capital losses carry forward	1,871
Non-capital losses carry forward	2040
	2042
	2043
	891

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 14. STRUCTURED ENTITIES

The table below illustrates the Fund's investment in the underlying funds as at December 31, 2023 and 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>			
3iQ CoinShares Bitcoin ETF, CAD	95	220,666	0.0%
3iQ CoinShares Bitcoin ETF, USD	29	223,281	0.0%
Ether ETF	96	55,841	0.2%
Picton Mahoney Fortified Income Alternative Fund*	8,174	1,000,604	0.8%
Picton Mahoney Fortified Special Situations Alternative Fund*	9,247	169,542	5.5%
Picton Mahoney Fortified Market Neutral Alternative Fund*	5,300	1,116,839	0.5%
Picton Mahoney Fortified Inflation Opportunities Alternative Fund*	993	16,606	6.0%
Picton Mahoney Fortified Arbitrage Plus Alternative Fund*	13,498	774,914	1.7%
Defiance Hotel Airline And Cruise ETF	34	54,628	0.1%
First Trust Global Wind Energy ETF	139	287,300	0.0%
Global X Copper Miners ETF	490	2,044,889	0.0%
Global X Lithium & Battery Tech ETF	242	2,727,724	0.0%
Global X Silver Miners ETF	464	1,226,598	0.0%
Global X Uranium ETF	745	3,218,980	0.0%
Invesco Db Agriculture Fund	109	929,935	0.0%
Invesco Db Base Metals Fund	457	160,723	0.3%
Invesco Db Energy Fund	228	97,575	0.2%
Invesco S&P 500 Low Volatility ETF	143	10,563,683	0.0%
Invesco Solar ETF	141	2,317,267	0.0%
Invesco Aerospace & Defense ETF	194	3,465,246	0.0%
iShares Core Msci Europe ETF	2,322	5,435,335	0.0%
iShares DJ Us Healthcare Sec	566	4,158,409	0.0%
iShares DJ Us Telecom Index Fund	354	369,727	0.1%
iShares Global Clean Energy ETF	140	4,048,914	0.0%
iShares Ibox \$ Invst Grd Corp Bond ETF	784	42,134,659	0.0%
iShares Iboxx \$ High Yield Corp Bond ETF	3,193	24,775,454	0.0%
iShares Msci Australia Index Fund	368	2,835,263	0.0%
iShares MSCI Brazil	742	7,936,910	0.0%
iShares MSCI India ETF	738	10,436,620	0.0%
iShares MSCI Mexico	726	2,786,855	0.0%
iShares MSCI South Africa Index Fund	735	436,017	0.2%
iShares MSCI United Kingdom ETF	591	3,566,134	0.0%
iShares Russell 2000 Value Index Fund	246	16,534,633	0.0%
iShares Russell 2000 ETF	371	89,583,009	0.0%
iShares U.S. Basic Materials ETF	419	903,216	0.0%
iShares U.S. Energy ETF	256	1,657,761	0.0%
iShares U.S. Industrials ETF	483	1,653,836	0.0%
iShares Us Aerospace & Defense ETF	200	8,025,630	0.0%
iShares Us Technology ETF	340	18,659,544	0.0%
iShares Us Utilities ETF	453	1,103,139	0.0%
Kraneshares California Carbon	358	355,427	0.1%
Kraneshares Global Carbon Strategy ETF	370	578,308	0.1%
SPDR S&P 500 Etf Trust	1,040	652,055,620	0.0%
SPDR S&P Aerospace & Defense ETF	196	2,629,083	0.0%
Vaneck Agribusiness ETF	352	1,202,301	0.0%
Vaneck Gold Miners ETF/USA	348	17,066,034	0.0%
Vaneck Rare Earth/Strategic Metals ETF	252	538,540	0.0%
db X-trackers Harvest CSI 300 China A-Shares ETF	740	2,379,398	0.0%
iShares MSCI Hong Kong Index Fund	380	793,170	0.0%
Sprott Physical Uranium Trust	874	7,020,801	0.0%

# **PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND**

## **FUND SPECIFIC NOTES (CONTINUED)**

<b>Underlying Funds</b>	<b>Fair Value of Fund's Investment (in \$000s)</b>	<b>Underlying Fund's Net Assets (in \$000s)</b>	<b>% of Net Assets of the Underlying Fund</b>
<b>As at December 31, 2022</b>			
3iQ CoinShares Bitcoin ETF, CAD	12	258,324	0.0%
3iQ CoinShares Bitcoin ETF, USD	12	258,324	0.0%
Ether ETF	17	31,580	0.1%
Picton Mahoney Fortified Arbitrage Plus Alternative Fund	18,225	639,428	2.9%
Picton Mahoney Fortified Income Alternative Fund	16,248	1,006,372	1.6%
Picton Mahoney Fortified Market Neutral Alternative Fund	27,127	973,474	2.8%
Picton Mahoney Fortified Special Situations Alternative Fund	9,023	78,303	11.5%
db X-trackers Harvest CSI 300 China A-Shares ETF	651	2,739,074	0.0%
Defiance Hotel Airline and Cruise ETF	75	66,833	0.1%
First Trust Global Wind Energy ETF	239	374,943	0.1%
Global X Copper Miners ETF	422	2,275,032	0.0%
Global X Lithium & Battery Tech ETF	230	4,347,586	0.0%
Global X Silver Miners ETF	336	1,292,332	0.0%
Global X Uranium ETF	626	2,022,730	0.0%
Invesco Aerospace & Defense ETF	149	2,273,192	0.0%
Invesco DB Agriculture Fund	737	1,450,389	0.1%
Invesco DB Base Metals Fund	461	302,977	0.2%
Invesco DB Energy Fund	354	208,573	0.2%
Invesco Solar ETF	227	3,221,960	0.0%
iShares Core MSCI Europe ETF	4,076	4,987,158	0.1%
iShares Global Clean Energy ETF	234	6,921,062	0.0%
iShares iBoxx \$ Investment Grade Corporate Bond ETF	184	47,772,410	0.0%
iShares MSCI Australia ETF	635	70,430,656	0.0%
iShares MSCI Brazil Capped ETF	619	6,378,507	0.0%
iShares MSCI Hong Kong ETF	660	1,061,731	0.1%
iShares MSCI India ETF	662	6,226,283	0.0%
iShares MSCI Mexico Capped ETF	641	1,384,951	0.0%
iShares MSCI South Africa ETF	658	527,903	0.1%
iShares MSCI United Kingdom ETF	1,018	4,289,340	0.0%
iShares Russell 2000 ETF	636	329,226	0.2%
iShares US Aerospace & Defense ETF	167	782,101	0.0%
KraneShares California Carbon	315	329,226	0.1%
KraneShares Global Carbon Strategy ETF	247	782,101	0.0%
SPDR Industrial Select Sector Fund	93	408,944	0.0%
SPDR S&P 500 ETF Trust	2,581	479,801,476	0.0%
SPDR S&P Aerospace & Defense ETF	164	1,816,551	0.0%
VanEck Agribusiness ETF	326	1,811,808	0.0%
VanEck Gold Miners ETF/USA	233	16,131,639	0.0%
VanEck Rare Earth/Strategic Metals ETF	289	852,693	0.0%

*\*Funds managed by Picton Mahoney Asset Management.*

## **15. LEVERAGE**

During the year ended December 31, 2023, the Fund's aggregate exposure reached a low of 169.37% (year ended December 31, 2022 - 161.86%) and a high of 284.54% (year ended December 31, 2022 - 298.96%) of the Fund's NAV. As at December 31, 2023, the Fund's aggregate exposure was 211.96% (December 31, 2022 - 182.41%) 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 MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

### 1. GENERAL INFORMATION

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

Class A units are available to all investors. Class F units are available to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs. Class FT units are available to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs. Class FT units are designed to provide cash flow to investors by making monthly distributions of cash. Class I units are available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager. Class P units are only available on an exempt distribution basis. 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 6 Classes of Units: Class A, Class F, Class FT, Class I, Class P, and Class ETF. As at December 31, 2023, the Manager holds 1 unit of Class A, 796 units of Class FT, 700 units of Class P, and 768 units of Class I (December 31, 2022 - 1 unit of Class A, 757 units of Class FT, 700 units of Class P, and 768 units of Class I).

The investment objective of the Fund is to provide consistent long-term capital appreciation and to provide unitholders with an attractive risk-adjusted rate of return. The Fund invests globally in long and short positions in equity securities, fixed income securities including high yield securities, 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
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

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.

Credit default swaps are agreements to mitigate credit risk exposure to certain issuing entities ("referenced entity") held by the Fund or to increase credit risk exposure to the referenced entity by creating a notional investment position for the Fund. Where a notional investment position is created, the credit risk exposure of the Fund is comparable to the exposure that would have resulted if the Fund was invested directly in the referenced entity. Under a credit default swap agreement, the protection buyer, whose intention is to reduce its credit risk exposure to the referenced entity, pays a premium to the protection seller, who assumes the credit risk of that entity defaulting. This premium is paid at regular intervals over the term of the swap agreement.

In return for the premium paid, the protection buyer is entitled to receive from the protection seller full payment for a loss arising from a credit default event of the referenced entity. A credit default event may be triggered by bankruptcy, failure to pay or restructuring of the referenced entity. If a credit default event occurs, the swap may be settled by either the physical delivery of the bond for proceeds equal to par value, or a cash payment equal to the loss amount. Credit default swaps are valued daily based on dealer-supplied valuations determined using observable 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



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

a straight line basis. Realized gains and losses on sale of investments and unrealized appreciation and depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds. Income, common expenses and gains (losses) are allocated to each Class of the Fund based on the Class' prorated share of total Net Asset Value. Interest and borrowing expense and dividend expense on short sales are included within net gains (losses) on investments and derivatives.

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

### (g) Valuation of Fund Units

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

The Fund's units are divided into the Class A, Class F, Class FT, Class P, 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 and options' and 'Net realized gain (loss) on futures contracts, swaps, and credit default swaps' and 'Change in unrealized appreciation (depreciation) on investments, options, futures contracts, swaps and credit default swaps'.

### (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



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

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assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Fund that exceed the net asset value of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a Fund's turnover, transaction and market impact costs, interest and other costs and expenses. The Fund has also obtained exemptive relief such that the Fund is permitted to engage in short selling transactions and cash borrowing up to a combined maximum of 100% of its net asset value, which is in excess of the short sale and cash borrowing limits provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

### (m) Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Picton Mahoney has determined that all of the underlying funds in which the Fund invests are unconsolidated structured entities. In making this determination, Picton Mahoney evaluated the fact that decision making about the underlying funds' activities is not governed by voting or similar rights held by the Fund and other investors in any underlying funds.

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.

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2023 and December 31, 2022

### Currency risk:

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

### Interest rate risk:

Interest rate risk arises when a fund invests in interest-bearing financial instruments and from the possibility that changes in the prevailing levels of market interest rates will affect future cash flows or fair values of such financial instruments. There is minimal fair value sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates. Market prices may also be affected by changes in market interest rates. Also, changes in the market interest rate may affect the borrowing expenses of the short positions held by the Fund.

### Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its 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 distributions receivable from underlying funds, dividends receivable, due from manager, and cash are held with counterparties with a good credit quality and are due to be settled within one week. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

### Liquidity risk:

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

### Concentration risk:

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

### Leverage Risk:

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

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

## 5. CAPITAL MANAGEMENT

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

## 6. REDEEMABLE UNIT TRANSACTIONS

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

Investors may be admitted to the Fund or may acquire additional Units on a daily basis. Units of the Fund are offered at the Class Net Asset Value per Unit calculated as of the applicable Valuation Date. The minimum initial investment in the Fund is \$2,000 for all Classes and the Manager has the discretion to accept a lesser initial subscription, provided, in each case, that the issuance of Units in respect of such subscription shall otherwise be exempt from the prospectus requirements of applicable securities legislation. Subsequent investments are subject to an additional minimum investment of CAD \$500 subject to applicable securities legislation.

The capital of the Fund is represented by issued redeemable Units with no par value. The Units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's Net Asset Value per Unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of Units other than as described above. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and in the Fund Specific Notes of each Fund.

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

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

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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 P, 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% and on Class P units is 0.70%. 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 MULTI-STRATEGY 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, Class P 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.

For each of the Class P units, the performance fee is equal to 12.5% of the amount by which the performance of the applicable class exceeds an annual hurdle rate of return equal to 2%, 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 no performance fees (December 31, 2022 - \$445,230).

### (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.**

A decorative horizontal bar consisting of several segments of varying shades of gray and black.

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

### **Corporate Address**

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

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

#### **Picton Mahoney Funds**

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### **Auditor**

#### **PricewaterhouseCoopers LLP**

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