

# FUND FACTS

## PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

### CLASS I



April 25, 2024

This document contains key information you should know about Picton Mahoney Fortified Arbitrage Plus Alternative Fund – Class I (the “Fund”). You can find more detailed information in the Fund’s simplified prospectus. Ask your representative for a copy, or contact Picton Mahoney Asset Management (the “Manager”) toll-free at 1-866-369-4108 or [service@pictonmahoney.com](mailto:service@pictonmahoney.com), or visit [www.pictonmahoney.com](http://www.pictonmahoney.com).

**Before you invest in any fund, consider how the fund would work with your other investments and your tolerance for risk.**

**This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. The specific strategies that differentiate this fund from other types of mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund’s investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.**

**This mutual fund has obtained exemptive relief to permit it to utilize short selling and/or cash borrowing to provide additional investment exposure pursuant to which the mutual fund may engage in the short selling of securities and/or cash borrowing with a combined limit of 100% of its net asset value. This short selling and cash borrowing limit is greater than the limits permitted under applicable securities legislation for conventional mutual funds as well as alternative mutual funds.**

#### QUICK FACTS

Fund Code:	PIC 3902	Fund Manager:	Picton Mahoney Asset Management
Date Class Started:	July 27, 2021	Portfolio Manager:	Picton Mahoney Asset Management
Total Value of the Fund on February 29, 2024	\$831,275,001	Distributions:	The Fund distributes any net income and net capital gains annually in December. All distributions paid will be automatically reinvested in additional units unless the holder instructs the Fund to pay such distributions in cash.
Management Expense Ratio (MER):	1.69%	Minimum Investments:	Negotiable

#### What does the fund invest in?

The Manager intends to invest in units of the Picton Mahoney Fortified Arbitrage Alternative Fund (the “Underlying Fund”), enter into derivative contracts that are intended to replicate the return of the Underlying Fund (less the implicit funding cost), and/or use the same investment strategies as the Underlying Fund (investing directly in merger arbitrage and convertible arbitrage situations and in securities of special purpose acquisition companies (“SPACs”) or similar special purpose entities that raise funds for the sole purpose of seeking potential acquisition opportunities). As a result of these investment activities, the Manager intends for the fund to gain 200% exposure to the Underlying Fund, net of borrowing and/or dealer costs.

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The Fund may engage in physical short sales and borrowing for investment purposes. The Fund may also use leverage through the use of cash borrowing, short selling and specified derivatives. The Fund's aggregate gross exposure to these sources of leverage must not exceed 300% of the Fund's net asset value, as calculated in accordance with section 2.9.1 of National Instrument 81-102 *Investment Funds*.

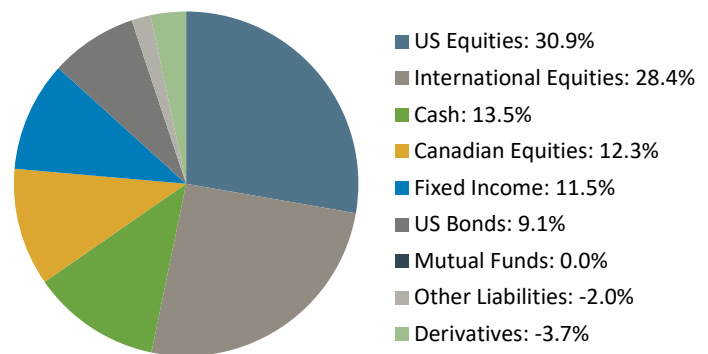
The Underlying Fund intends to invest primarily in securities in Canada, the United States and in other foreign jurisdictions. The Underlying Fund may also invest in other mutual funds that provide exposure to securities in these jurisdictions. The Underlying Fund intends to employ arbitrage strategies, which are specialized investment techniques designed to profit from the successful completion of mergers, take-overs, tender offers, leveraged buyouts, spin-offs, liquidations and other corporate reorganizations. The Underlying Fund may engage in physical short sales and borrowing for investment purposes. The Underlying Fund may also use leverage through the use of cash borrowing, short selling and specified derivatives.

The charts below give you a snapshot of the Fund's investments on February 29, 2024. The Fund's investments will change.

### Top 10 Investments (February 29, 2024)

1. Cash	13.5%
2. Pioneer Natural Resources Co.	8.5%
3. Pembina Pipeline Corp.	8.0%
4. Canadian Treasury Bill 04-Jul-24	7.6%
5. Splunk Inc.	6.5%
6. Tricon Residential Inc.	5.9%
7. Masonite International Corp.	4.3%
8. Hess Corporation	4.1%
9. US Treasury Bill 15-Aug-24	3.8%
10. Alteryx Inc.	3.8%
Total percentage of top 10 investments	66.0%
Total number of investments	165

### Investment Mix (February 29, 2024)



### How risky is it?

The value of the Fund can go down as well as up. You could lose money.

One way to gauge risk is to look at how much the Fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

### Risk rating

The Manager has rated the volatility of this Fund as **low to medium**. This rating is based on how much the Fund's returns have changed from year to year. It doesn't tell you how volatile the Fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the Fund's returns, see the "What is a mutual fund and what are the risks of investing in a mutual fund?" section of the Fund's simplified prospectus.

### No guarantees

Like most mutual funds, this Fund doesn't have any guarantees. You may not get back the amount of money you invest.

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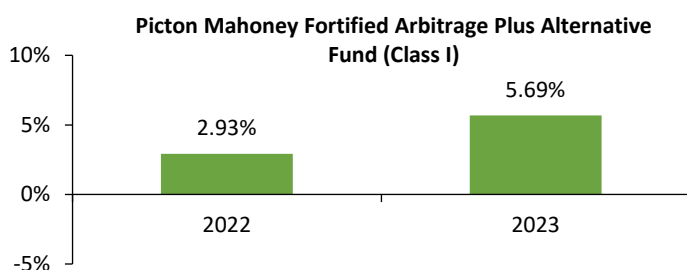


### How has the fund performed?

This section tells you how the Class I units of the Fund have performed over the past two years. Returns are after the annual expenses have been deducted. These expenses reduce the Fund's returns.

#### Year-by-year returns

This chart shows how the Class I units of the Fund have performed in the past two years. The range of returns and change from year to year can help you assess how risky the Fund has been in the past. It does not tell you how the Fund will perform in the future.



#### Average Return

A person who invested \$1,000 in Class I units of the Fund since inception now has \$1,053.93. This works out to an annual compound return of 2.05%.

#### Best and worst 3-month returns

This table shows the best and worst returns for Class A units of the Fund in a 3-month period over the past two years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ending	If you invested \$1,000 at the beginning of the period
Best Return	3.51%	September 30, 2023	Your investment would rise to \$1035.12
Worst Return	-6.86%	February 28, 2022	Your investment would drop to \$931.44

### Who is this fund for?

This Fund may be right for you if you:

- are looking for an alternative mutual fund that provides leveraged exposure to securities in Canada, the United States and foreign jurisdictions using an arbitrage strategy with low correlation to equity markets;
- are seeking capital gains over a long-term time horizon;
- have a low to medium tolerance for risk; and
- do not invest in this fund if you cannot accept the volatility of equity markets.

### A word about tax

In general, you'll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan such as a Registered Retirement Savings Plan or a Tax-Free Savings Account. Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

### How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Class I units of the Fund. The fees and expenses – including any commissions – can vary among classes of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

#### 1. Sales Charges:

There are no sales charges for the purchase of Class I units of the Fund.

#### 2. Fund Expenses:

You don't pay these expenses directly. They affect you because they reduce the Fund's returns.

As of December 31, 2023, Class I expenses were 2.01% of its value. This equals \$20.10 for every \$1,000.

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ANNUAL RATE (AS A % OF THE FUND'S VALUE)	
<b>Management expense ratio (MER)</b> This is the total of the Fund's management fee (including the trailing commission), performance fee (if applicable) and operating expenses.	1.69%
<b>Trading expense ratio (TER)</b> These are the Fund's trading costs.	0.32%
<b>Fund expenses</b>	2.01%

The Fund pays the Manager a performance fee determined by the performance of the Fund. It is equal to 15% of the amount by which the performance of the Fund exceeds the previous high-water mark for the class.

#### More about the trailing commission

There is no trailing commission payable to your representative's firm for Class I units of the Fund.

#### 3. Other Fees:

You may have to pay other fees when you buy, hold, sell or switch Class I units of the Fund.

Fee	What you pay
Management fee	The Class I units' annual management fee is negotiated and paid directly by the investor and will not exceed 2% of the Class I units' net asset value.
Performance fee	Investors in Class I units may negotiate a performance fee or pay no performance fee at all.
Short-term trading	The Manager, at its sole discretion, may charge 1.00% of the value of units you sell or switch within 30 days of buying them. This fee goes to Fund.
Switch and reclassification	You may have to pay a switch fee or a reclassification fee, as applicable, of up to 2% based on the net asset value of the applicable class of units of a fund you switch or reclassify. You may negotiate the amount with your representative. Dealers' fees for switches and reclassifications are paid by redeeming units held by you.

#### What if I Change My Mind?

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive the simplified prospectus or Fund Facts document, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

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

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

#### For More Information

Contact Picton Mahoney Asset Management or your representative for a copy of the Fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the Fund's legal documents.

#### Picton Mahoney Asset Management

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To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at [www.securities-administrators.ca](http://www.securities-administrators.ca).