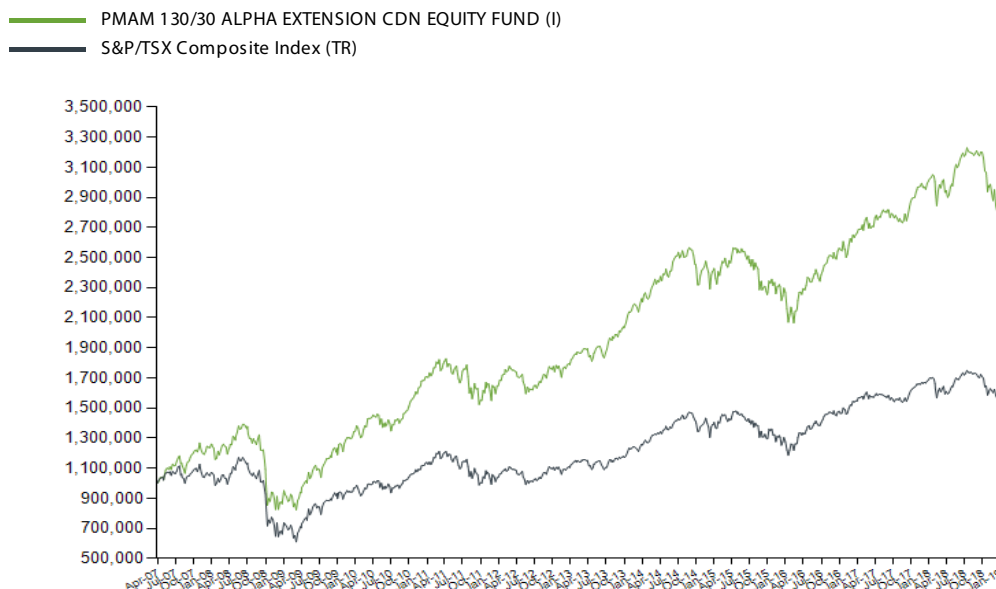


OUTLOOK & REVIEW

- > The Fund returned -5.47% versus the benchmark S&P/TSX Composite Index (TR) return of -5.40% in December. Short positions and a modest net underexposure to the market helped amid the general malaise in the month.
- > On a net basis (long and short) Consumer Staples and Information Technology were the largest positive sector contributors, while a long position in Empire Co. Ltd. Class A (EMP.A) added the most value among single name equity positions.
- > On a net basis (long and short), Industrials and Energy were the largest sector-level drags on performance, while long positions in BRP, Inc. (DOO) and Canadian Pacific Railway Limited (CP) were the largest detractors among individual positions.
- > We continue to believe that as late cycle dynamics play out, more dispersion in the market creates opportunity for mandates that include short positions to extend the alpha potential of active managers. At the margin, positioning has become increasingly conservative, seeking to sell into rallies rather than add risk on pullbacks.

PERFORMANCE: VALUE OF \$1 MILLION INVESTED IN CLASS I ON MARCH 2007



	1 Mon	3 Mon	6 Mon	1 Yr	3 Yr*	5 Yr*	10 Yr*	Since Inc*
PMAM 130/30 ALPHA EXTENSION CDN EQUITY FUND (I)	-5.50	-12.87	-12.11	-7.33	7.09	4.58	11.60	9.11
S&P/TSX Composite Index (TR)	-5.40	-10.11	-10.62	-8.89	6.36	4.05	7.91	3.72

Note: (*) refers to average annualized performance. Performance data is presented before management and performance fees.

Highlight

The Fund's objective is to provide consistent long-term capital appreciation with an attractive risk-adjusted rate of return. Based on current market conditions, our target return for this portfolio is approximately 4%-5% in excess of the S&P/TSX Index with similar volatility.

Strategy

Build a portfolio that is long the most attractive stocks and short the most unattractive stocks based on our multi-factor ranking system. We will buy quality companies in the midst of positive fundamental change with reasonable valuations and sell short lower quality companies in the midst of negative fundamental change that have high valuations. Sophisticated risk control tools are used to construct the portfolio in order to minimize risks within it.

On average, over time, it is expected that, for every \$100 invested, the portfolio shall be constructed as \$130 in long security positions and (\$30) in short security positions. The result is a portfolio structured so that it generally has 100% net equity market exposure with a forecasted market risk, or market beta, of approximately 1.0.

Fund Information

Fund Assets: \$176.6M
 Firm Assets: \$6.5B
 Fund Details: Negotiable Mgmt Fee (I)
 Negotiable Perf Fee (I)
 Weekly Liquidity
 Prime Broker: Scotia Capital Inc., RBC Capital Markets
 Administrator: RBC&TS
 Auditor: PricewaterhouseCoopers
 Lawyer: McMillan LLP

Fund Code

I Class: PIC130

PIC 130

**PICTON
MAHONEY**
Asset Management

RETURN & RISK ANALYSIS

FUND HIGHLIGHTS	PMAM 130/30 ALPHA EXTENSION CDN EQUITY FUND (I)	S&P/TSX COMPOSITE INDEX (TR)
NAV per Unit	13.23	
Distribution per Unit - Cumulative YTD	\$0.72	
Net Assets	176.6 M	
MTD Return	-5.50%	-5.40%
YTD Return	-7.33%	-8.89%
2008 Annual Return (Calendar Year)	-26.23	-33.00
2009 Annual Return (Calendar Year)	44.68	35.05
2010 Annual Return (Calendar Year)	27.00	17.61
2011 Annual Return (Calendar Year)	-3.49	-8.71
2012 Annual Return (Calendar Year)	9.33	7.19
2013 Annual Return (Calendar Year)	23.58	12.99
2014 Annual Return (Calendar Year)	8.55	10.55
2015 Annual Return (Calendar Year)	-6.15	-8.32
2016 Annual Return (Calendar Year)	17.27	21.08
2017 Annual Return (Calendar Year)	13.04	9.10
2018 Annual Return (Calendar Year)	-7.30%	-8.89%

PERFORMANCE ANALYSIS

Maximum Drawdown	-37.20%	-43.35%
Period of Drawdown	Jul-08 - Feb-09	Jun-08 - Feb-09
Time Under Water	20 Months	32 Months
Percentage of Positive Months	62.41%	60.28%
Beta	0.93	1.00
Standard Deviation (%)	16.37%	17.10%
Sharpe Ratio	0.53	0.22
Worst Month	-17.40%	-16.67%
Up Capture	109.99%	
Down Capture	77.14%	

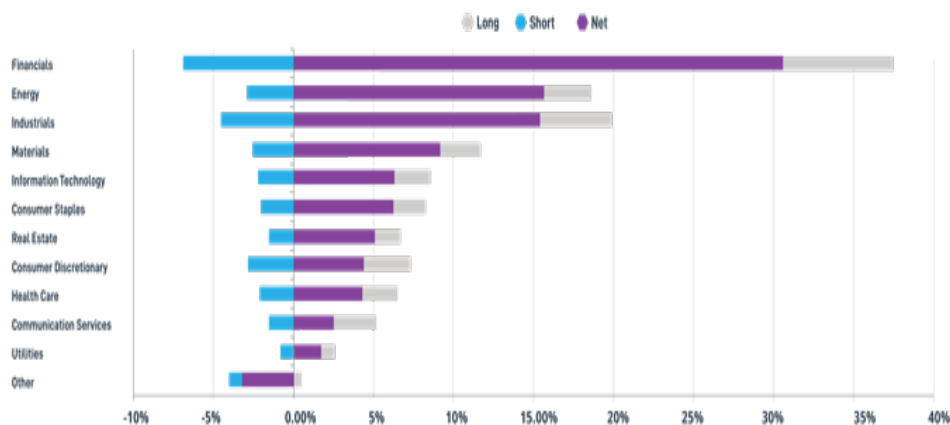
TOP FIVE LONG POSITIONS

Bank of Montreal
 Brookfield Asset Management Inc Class A
 Canadian Pacific Railway Ltd.
 Royal Bank of Canada
 Toronto Dominion Bank

EXPOSURES

EXPOSURES	PERCENTAGE	GEOGRAPHIC COMPOSITION (GROSS)	PERCENTAGE
Gross	166.76%	Americas	165.52%
Long	132.87%	Europe	0.13%
Short	-33.9%	Pacific Rim	1.12%
Net	98.97%		

SECTOR EXPOSURE (NET)



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Disclaimer

The inception date of the Fund is March 30, 2007. Performance and Performance Analysis data is presented since inception for Class I Units of the Fund. Maximum Drawdown, Period of Drawdown and Time Under Water are calculated using monthly data. Beta, standard deviation and Sharpe Ratio are calculated using data from each weekly valuation date. Top 5 holdings are reported in alphabetical order. Performance data is compared to the S&P/TSX Composite Index (TR), the standard benchmark for equity strategies in Canada. The composition of the Fund's portfolio will significantly differ from the Index due to the Fund's investment strategy. Please see the Fund's Confidential Offering Memorandum for more information, including investment strategies, risk factors and investor eligibility. This material is for informational purposes only, is subject to change and is not an offer or solicitation to sell units of the Fund. Commissions, trailing commissions, management fees and expenses all may be associated with fund investments. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated.