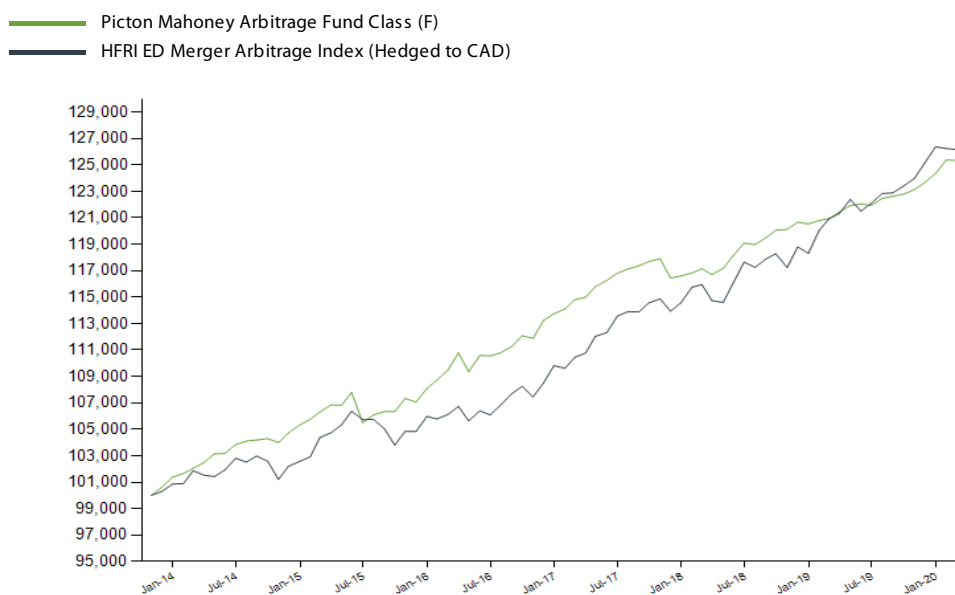


QUARTERLY OUTLOOK & REVIEW

- > In Q4 2019, the Fund's Class B units returned 1.16% (1.28% for Class F). The largest positive contributor to performance was the Allergan/AbbVie spread which tightened materially in the quarter as several required approvals were gained and the path to closure became clearer. Another material contributor was the acquisition of Celgene by Bristol Myers successfully closing.
- > Special Purpose Acquisitions Companies (SPACs) as an asset class had a healthy Q4 as well. One small SPAC that was a notable standout in terms of performance is Immunovant (previously Health Sciences Acquisition) that has traded up to \$16 post de-SPACing. The fund maintains some warrant exposure to this company. The unlevered exposure to SPAC's currently seeking acquisitions is just under 40%.
- > New M&A deal activity was healthy during the quarter, perhaps aided by the easing of trade tensions with China, as a Phase One deal was finally negotiated. In the US, the pharmaceutical sector was particularly active for acquirers as large pharma companies look to buy new drugs being developed by smaller companies. In Canada, there were a number of mining deals announced, notably Detour Mining by Kirkland Lake, as well as the agreement for Cineplex to be acquired by Cineworld Group from the UK. The robust deal activity allowed the fund to be fully invested throughout the quarter.

PERFORMANCE: VALUE OF \$100,000 INVESTED IN CLASS F ON OCTOBER 2013



	1 Mon	3 Mon	6 Mon	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Since Inc*
Picton Mahoney Arbitrage Fund Class (F)	-0.03	1.36	2.21	0.79	3.64	2.97	3.34	--	3.63
HFRI ED Merger Arbitrage Index (Hedged to CAD)	-0.06	0.84	2.67	-0.16	4.34	4.54	3.86	--	3.74

Note: (*) refers to average annualized performance.

Highlight

The investment objective of the Fund is to generate consistent, positive returns, with low volatility and low correlation to equity markets.

Strategy

The Fund primarily employs 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 most common arbitrage activity the Manager intends to use is merger arbitrage, which involves purchasing the shares of an announced acquisition target company at a discount to the expected merger consideration.

Fund Information

Fund Assets:	\$50.7M
Firm Assets:	\$7.7B
Fund Details:	1.0% Mgmt Fee (F)
	15.0% Performance Fee
	High Water Mark
	Monthly Liquidity
	RSP Eligible
Prime Broker:	TD Securities Inc.
Administrator:	CIBC Mellon
Auditor:	PricewaterhouseCoopers
Lawyer:	McMillan LLP

Fund Code

F Class: VRT901

VRT 901



RETURN & RISK ANALYSIS

FUND HIGHLIGHTS	PICTON MAHONEY ARBITRAGE FUND CLASS (F)	HFRI ED MERGER ARBITRAGE INDEX (HEDGED TO CAD)
NAV per Unit	11.19	
Net Assets	50.8 M	
MTD Return	-0.03%	-0.06%
YTD Return	0.79%	-0.16%
2014 Annual Return (Calendar Year)	3.90%	1.69%
2015 Annual Return (Calendar Year)	2.60%	3.32%
2016 Annual Return (Calendar Year)	5.25%	3.63%
2017 Annual Return (Calendar Year)	2.51%	4.31%
2018 Annual Return (Calendar Year)	3.37%	3.29%
2019 Annual Return (Calendar Year)	3.17%	6.80%

PERFORMANCE ANALYSIS

Maximum Drawdown	-2.11%	-2.41%
Period of Maximum Drawdown	Jun-15	Jun-15 - Sep-15
Time Under Water	6 Months	9 Months
Percentage of Positive Months	81.58%	68.42%
Beta	0.46	1
Standard Deviation (%)	1.77%	2.32%
Sharpe Ratio	1.49	1.19
Worst Month	-2.11%	-1.34%

EXPOSURES

Gross	90.62%
Long	80.14%
Short	-10.49%
Net	69.65%

ALLOCATION

HOLDINGS INFORMATION

Average Market Cap	# of Deals	# of SPACs ²
\$18.30 billion	27	114

GEOGRAPHIC BREAKOUT

Net exposure	%
Canada	11.9
United States	43.6
Other	11.0

33 Yonge Street, Suite 830
Toronto, ON M5E 1G4

Bankers Hall - West Tower
888 3rd Street SW, 10th Floor
Calgary, AB T2P 5C5

1250 René Lévesque West,
Bureau 2200
Montréal, QC, H3B 4W8

666 Burrard Street, Suite 600
Vancouver, BC V6C 2X8

www.pictonmahoney.com
service@pictonmahoney.com
institutional@pictonmahoney.com
416.955.4108 1.866.369.4108

Disclaimer

¹Picton Mahoney Arbitrage Fund (formerly, Vertex Arbitrage Fund) effective on January 13, 2020.

²Special Purpose Acquisition Companies ("SPACs") are companies formed to raise capital in an initial public offering ("IPO") with the purpose of using the proceeds to acquire one or more unspecified businesses or assets to be identified after the IPO.

The inception date of the Class F Units of the Fund is October 31, 2013. Performance and Performance Analysis data is presented since inception for Class F Units of the Fund. Net Assets are reported for Class A, Class F and Class I combined. Maximum Drawdown, Period of Drawdown, Time Under Water, Beta, standard deviation and Sharpe Ratio are calculated using monthly data. Performance data is compared to the HFRI ED Arbitrage Merger Index (Hedged to CAD), the standard benchmark for arbitrage 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.