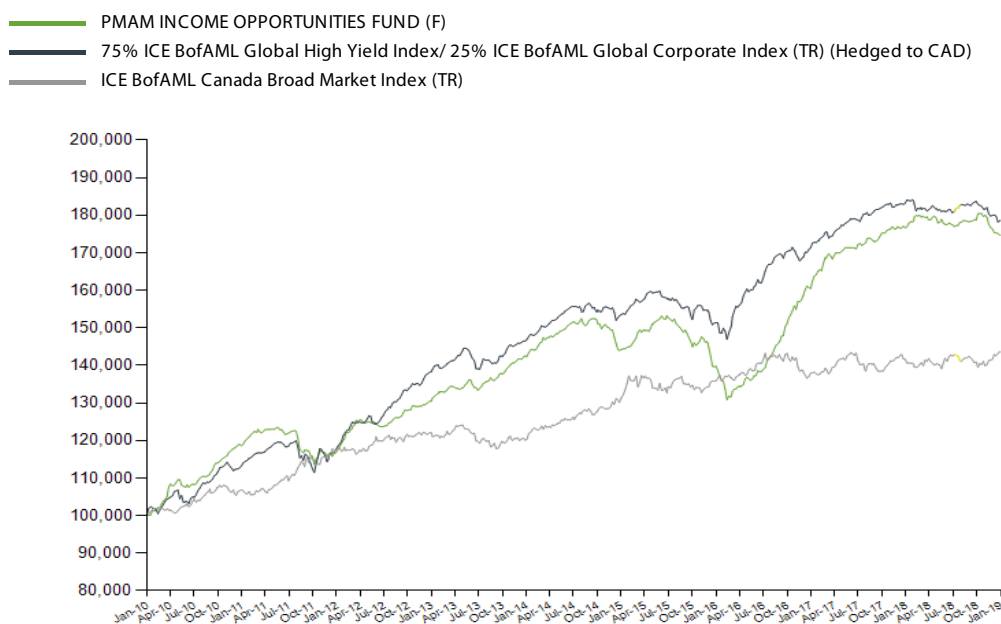


OUTLOOK & REVIEW

- > In December, our Fund returned -1.04% (Class A) and -0.95% (Class F) which slightly underperformed the blended benchmark composed of 75% ICE BofAML Global High Yield Index / 25% ICE BofAML Global Corporate Index (TR) (Hedged to CAD) on the month while outperforming the benchmark for the quarter and the year.
- > Credit volatility accelerated in December with risk-off across all markets, compounded by capitulation out of asset managers in an effort to raise cash going into year end. We took advantage of the sell-off, purchasing over 10% of the portfolio at discounted prices. The purchases included Patient Capital watch-list names, covering short positions, and adding to one of our higher conviction Yield-With-Upside investments.
- > Stepping back from short term performance, on the year we navigated corporate bond yields increasing 2.3% (from 5.8% to 8.1%), put capital to work thereby increasing our portfolio yield from 4.2% to 7.4% while protecting the downside.
- > For our current views please join the Bond team for our upcoming Income Insights call on January 23rd at 11am for a deep discussion on our positioning and 2019 outlook.

PERFORMANCE: VALUE OF \$100,000 INVESTED IN CLASS F ON DECEMBER 2009



	1 Mon	3 Mon	6 Mon	1 Yr	3 Yr*	5 Yr*	10 Yr*	Since Inc*
PMAM INCOME OPPORTUNITIES FUND (F)	-0.95	-2.24	-1.58	-1.12	7.70	4.19	--	6.39
75% ICE BofAML Global High Yield Index/25% ICE BofAML Global Corporate Index (TR) (Hedged to CAD)	-0.71	-2.73	-1.08	-2.46	5.68	4.03	--	6.66
ICE BofAML Canada Broad Market Index (TR)	1.30	1.81	0.70	1.31	1.84	3.60	--	4.09

Note: (*) refers to average annualized performance.

Highlight

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

Strategy

Build a portfolio that is long the most attractive securities and short the most unattractive securities based on our multi-factor ranking system. We will buy income securities with superior credit quality and reasonable valuations and sell short income securities with inferior credit quality and expensive valuations. This portfolio will be structured to have positive but not full income market exposure.

Fund Information

Fund Assets: \$522.6M
 Firm Assets: \$6.5B
 Fund Details: 5% Target Distribution
 1% Mgmt Fee (F)
 20% Performance Fee
 5% Hurdle Rate
 Weekly Liquidity
 RSP Eligible
 Prime Broker: Goldman Sachs & Co., and Scotia Capital Inc
 Administrator: RBC I&TS
 Auditor: PricewaterhouseCoopers
 Lawyer: McMillan LLP

Fund Code

F Class: PIC501

PIC 501

**PICTON
MAHONEY**
Asset Management

RETURN & RISK ANALYSIS

FUND HIGHLIGHTS	PMAM INCOME OPPORTUNITIES FUND (F)	75% ICE BOFAML GLOBAL HIGH YIELD INDEX/ 25% ICE BOFAML GLOBAL CORPORATE INDEX (TR) (HEDGED TO CAD)	ICE BOFAML CANADA BROAD MARKET INDEX (TR)
NAV per Unit	9.97		
Distribution per Unit - Cumulative YTD	\$0.54		
Net Assets	522.6 M		
MTD Return	-0.95%	-0.71%	1.30%
YTD Return	-1.12%	-2.46%	1.31%
2010 Annual Return (Calendar Year)	18.56	13.27	6.92
2011 Annual Return (Calendar Year)	-1.54	3.91	10.00
2012 Annual Return (Calendar Year)	11.72	17.48	3.71
2013 Annual Return (Calendar Year)	9.06	6.07	-1.48
2014 Annual Return (Calendar Year)	1.40	4.65	9.10
2015 Annual Return (Calendar Year)	-3.07	-1.36	3.57
2016 Annual Return (Calendar Year)	14.75	13.18	1.54
2017 Annual Return (Calendar Year)	10.11	6.92	2.69

PERFORMANCE ANALYSIS

Maximum Drawdown	-13.59%	-6.26%	-3.96%
Period of Drawdown	Jul-15 - Feb-16	Aug-11 - Sep-11	May-13 - Aug-13
Time Under Water	15 Months	5 Months	11 Months
Percentage of Positive Months	73.15%	72.22%	62.96%
Beta	0.45	1.00	1.00
Standard Deviation (%)	3.79%	3.94%	4.11%
Sharpe Ratio	1.42	1.43	0.79
Worst Month	-4.21%	-3.42%	-2.06%

TOP FIVE LONG POSITIONS

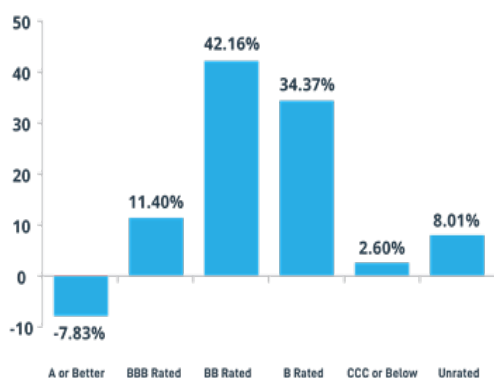
	Lloyds Banking plc Float 8/28/49		
	MEG Energy 6.375% 01/30/23		
	MEG Energy Corp 7% Due 03/31/2024		
	Royal Bank of Scotland 1.625% 12/29/49		
	Standard Chartered 1.7125% 12/06/65		
Weighted Average Yield (NET)	7.43	6.47	2.70
Weighted Average Modified Duration (NET)	2.74	4.66	7.78
Weighted Average Credit Rating	BB-	BB-	AA2

EXPOSURES

EXPOSURES		GEOGRAPHIC COMPOSITION (GROSS)	
Gross	178.89%	Americas	145.04%
Long	133.5%	Europe	32.76%
Short	-45.39%	Pacific Rim	1.1%
Net	88.11%		

SECTOR EXPOSURE (NET)

RATING DISTRIBUTION



SECURITY TYPE ALLOCATION

	Long	Short	Net
Rate	4.90%	-10.96%	-6.06%
Credit	120.58%	-34.41%	86.17%
Hybrid	7.90%	0.00%	7.90%
Other	0.12%	-0.03%	0.10%
Total	133.50%	-45.39%	88.11%

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Disclaimer

The inception date of the Class F Units of the fund is December 31, 2009. Performance and Performance Analysis data is presented since inception for Class F Units of the Fund. Net Assets are reported for Class A, UA, F, UF and I combined. 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. Option positions against credit indices are included in the credit component of the security type allocation. Top 5 holdings are reported in alphabetical order. Weighted Average Credit Rating is calculated using a composite of the S&P, Moody's, DBRS and Fitch credit ratings. Performance data is compared to a blended benchmark of 75% ICE BofAML Global High Yield Index/ 25% ICE BofAML Global Corporate Index (TR) (Hedged to CAD) and the ICE BofAML Canada Broad Market Index (TR) (for information purposes only). 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.