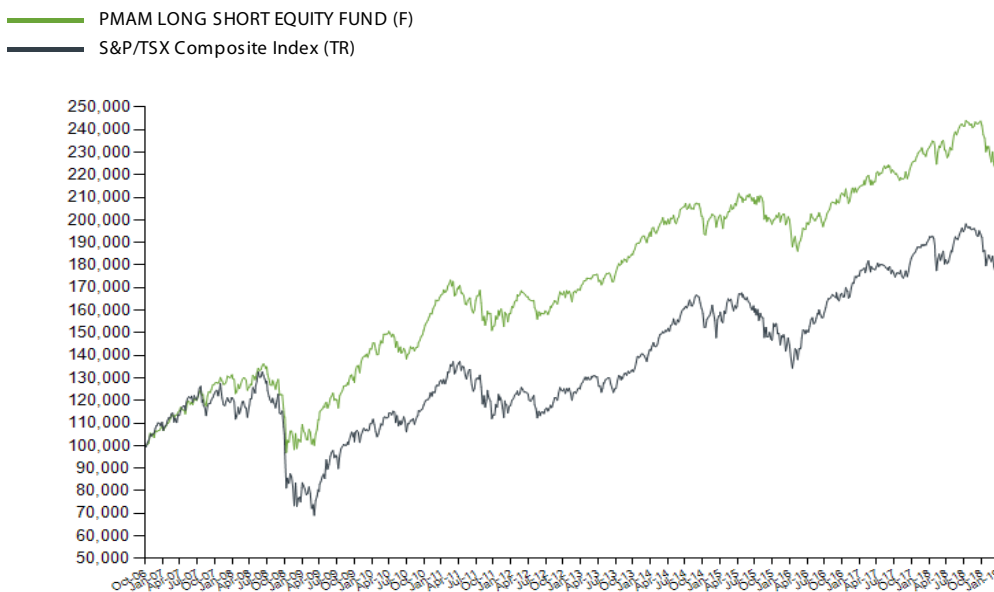


OUTLOOK & REVIEW

- > The Fund's Class A units were down -3.30% (-3.21% for Class F) in December while the benchmark S&P/TSX Composite (TR) Index was down -5.40%. In a very volatile month, short positions had a positive impact, aided by selection and allocation effects in the long book.
- > On a net basis (long and short), Consumer Staples and Materials added the most value through a combination of allocation and security selection effects. In addition to some market-level hedges, a long position in Agnico Eagle Mines Limited (AEM) offered the largest contribution among individual positions.
- > On a net basis (long and short), Industrials and Energy were a sector-level drag, largely on allocation effects in the short book. Long positions in Canadian Pacific Railway Limited (CP) and BRP, Inc. (DOO) 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 long/short mandates. While the fund maintains a modest cyclical bias, positioning has become increasingly conservative, seeking to sell into rallies rather than add risk on pullbacks.

PERFORMANCE: VALUE OF \$100,000 INVESTED IN CLASS F ON SEPTEMBER 2006



	1 Mon	3 Mon	6 Mon	1 Yr	3 Yr*	5 Yr*	10 Yr*	Since Inc*
PMAM LONG SHORT EQUITY FUND (F)	-3.21	-8.62	-7.77	-3.81	3.63	2.75	7.54	6.75
S&P/TSX Composite Index (TR)	-5.40	-10.11	-10.62	-8.89	6.36	4.05	7.91	4.62

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 stocks and short the most unattractive stocks based on our multi-factor ranking system. We will buy quality companies in the midst of fundamental positive change with reasonable valuations and sell short lower quality companies in the midst of negative fundamental change that have high valuations.

This portfolio will be structured so that it generally has positive but not full equity market exposure. On average, the fund will possess a 50% net long exposure to the equity market.

Fund Information

Fund Assets: \$128.1M
 Firm Assets: \$6.5B
 Fund Details: 1% Mgmt Fee (F)
 20% Performance Fee
 High Water Mark
 Weekly Liquidity
 RSP Eligible
 Prime Broker: RBC Dominion Securities
 Administrator: RBC I&TS
 Auditor: PricewaterhouseCoopers
 Lawyer: McMillan LLP

Fund Code

F Class: PIC201

PIC 201

**PICTON
MAHONEY**
Asset Management

RETURN & RISK ANALYSIS

FUND HIGHLIGHTS	PMAM LONG SHORT EQUITY FUND (F)	S&P/TSX COMPOSITE INDEX (TR)
NAV per Unit	28.72	
Net Assets	128.1 M	
MTD Return	-3.21%	-5.40%
YTD Return	-3.81%	-8.89%
2007 Annual Return (Calendar Year)	21.16	9.83
2008 Annual Return (Calendar Year)	-18.05	-33.00
2009 Annual Return (Calendar Year)	32.52	35.05
2010 Annual Return (Calendar Year)	16.86	17.61
2011 Annual Return (Calendar Year)	-5.00	-8.71
2012 Annual Return (Calendar Year)	7.13	7.19
2013 Annual Return (Calendar Year)	14.61	12.99
2014 Annual Return (Calendar Year)	3.84	10.55
2015 Annual Return (Calendar Year)	-0.92	-8.32
2016 Annual Return (Calendar Year)	7.09	21.08
2017 Annual Return (Calendar Year)	8.06	9.10
2018 Annual Return (Calendar Year)	-3.81%	-8.89%

PERFORMANCE ANALYSIS

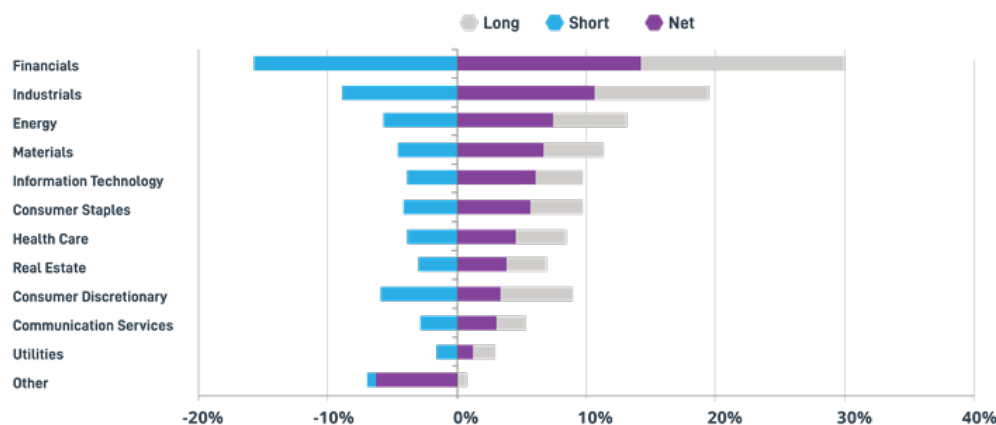
Maximum Drawdown	-24.04%	-43.35%
Period of Drawdown	Jul-08 - Jan-09	Jun-08 - Feb-09
Time Under Water	16 Months	32 Months
Percentage of Positive Months	65.99%	61.91%
Beta	0.61	1.00
Standard Deviation (%)	11.53%	16.91%
Sharpe Ratio	0.50	0.27
Worst Month	-12.87%	-16.67%

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		GEOGRAPHIC COMPOSITION (GROSS)	
Gross	194.54%	Americas	182.84%
Long	126.32%	Emerging Market	0.41%
Short	-68.22%	Europe	7.62%
Net	58.1%	Pacific Rim	3.67%

SECTOR EXPOSURE (NET)

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

The inception date of the Class F Units of the fund is September 29, 2006. 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 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.