



ANNUAL INFORMATION FORM

Offering Class A, Class F, Class FT, Class T and Class I Units

PICTON MAHONEY FORTIFIED EQUITY FUND PICTON MAHONEY FORTIFIED INCOME FUND PICTON MAHONEY FORTIFIED MULTI-ASSET FUND

The units of the Funds are offered under this document in all of the provinces and territories of Canada. The units are intended primarily for purchase by residents of Canada.

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.

The Funds and the units of the Funds offered under this document are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance upon exemptions from registrations.

August 22, 2022

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NAME, FORMATION AND HISTORY OF THE FUNDS

In this document, “we”, “us”, or “our” refers to Picton Mahoney Asset Management, the manager (“**Manager**”), portfolio advisor (“**Portfolio Advisor**”), trustee (“**Trustee**”) and promoter (“**Promoter**”) of Picton Mahoney Fortified Equity Fund, Picton Mahoney Fortified Income Fund and Picton Mahoney Fortified Multi-Asset Fund (collectively, the “**Funds**” and each, a “**Fund**”). References to “you” mean the reader as a potential or actual investor in the Funds.

Each Fund is an open-ended mutual fund trust governed under the laws of Ontario pursuant to an amended and restated declaration of trust dated July 13, 2018, as may be amended from time to time (the “**Declaration of Trust**”). The principal office of the Funds and the Manager is located at 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4.

INVESTMENT RESTRICTIONS

The Funds are subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”). These restrictions are designed in part to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds. The Funds are managed in accordance with these restrictions and practices.

NI 81-102 prescribes that unitholder approval must be obtained before any change can be made to the fundamental investment objectives of the Funds.

The Funds have obtained exemptive relief from Canadian securities regulatory authorities to invest in certain inverse and leveraged exchange-traded funds (“**ETFs**”). Please see “*Exemptions and Approvals*” and “*Fund Governance – Permitted ETFs*” below for a description of this relief.

EXEMPTIONS AND APPROVALS

Each Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a “**Permitted ETF**”). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund’s net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a “**Bear ETF**”) or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

Each Fund has obtained exemptive relief from the Canadian securities regulatory authorities to permit the Fund to purchase debt securities from or sell debt securities to another investment fund to which NI 81-102 does not apply and of which the Manager is the manager and/or portfolio advisor, provided that certain conditions are met, including that the transaction is consistent with the investment objectives of the Fund and the other investment fund, the IRC and the independent review committee of the other investment fund have approved the transaction in accordance with Section 5.2(2) of NI 81-107 and that the transaction complies with paragraphs (c) to (g) of Section 6.1(2) of NI 81-107.

Each Fund has obtained exemptive relief from the Canadian securities regulatory authorities to permit the Fund to purchase securities from, or sell securities to, (a) certain accounts managed by the Manager or certain

of its affiliates, (b) certain investment funds which may be either a mutual fund or a non-redeemable investment fund that is a reporting issuer and subject to NI 81-102, for which the Manager or certain of its affiliates acts as manager and/or portfolio advisor, and (c) certain investment funds that are not reporting issuers, of which the Manager or certain of its affiliates acts as manager and/or portfolio advisor, and to engage in certain *in specie* transactions with such managed accounts and investment funds provided that certain conditions are met.

ELIGIBILITY FOR REGISTERED PLANS

In order for units of a Fund to be “qualified investments” for trusts governed by a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”), tax-free savings account (“TFSA”), registered education savings plan (“RESP”), registered disability savings plan (“RDSP”) and deferred profit sharing plan (each, a “Registered Plan” and, collectively, the “Registered Plans”), the Funds must satisfy certain minimum requirements respecting the ownership and dispersal of units set out in the *Income Tax Act* (Canada) (the “Tax Act”) so that it qualifies as a “mutual fund trust” for the purposes of the Tax Act. Each Fund intends to satisfy such requirements to qualify as a “mutual fund trust” for purposes of the Tax Act. Holders of TFSAs or RDSPs, annuitants of RRSPs or RRIFs, or subscribers of RESPs, as the case may be, should consult with their own advisers as to whether units of a particular Fund would be “prohibited investments” for such plans for the purposes of the Tax Act.

DESCRIPTION OF UNITS

Each Fund is a separate trust formed under the Declaration of Trust. Each Fund is permitted to issue an unlimited number of classes of units (each, a “Class” and collectively, the “Classes”) and may issue an unlimited number of units of each Class. Each of the Funds has created Class A, Class F, Class FT, Class T and Class I units. Units of each Fund have the following attributes:

- (a) each unit shall be without nominal or par value;
- (b) at each meeting of unitholders, each unitholder shall have one vote for each unit owned by such unitholder as determined at the close of business on the record date for voting each such meeting, with no voting rights being attributed to fractions of a unit;
- (c) the holder of each unit will participate in distributions of income, capital gains and returns of capital, and in the division of net assets of a Fund on liquidation based on the relative net asset value of the holder’s particular Class of units and in accordance with such Fund’s Declaration of Trust;
- (d) there shall be no pre-emptive rights attaching to the units;
- (e) there shall be no cancellation or surrender provisions attaching to the units except as set out in the Declaration of Trust;
- (f) all units shall be issued as fully paid and non-assessable so that there shall be no liability for future calls or assessments with respect to the units;
- (g) all units shall be fully transferable with the consent of the Trustee as provided in the Declaration of Trust; and
- (h) fractional units may be issued and shall be proportionately entitled to all the same rights as whole units, except as provided in the Declaration of Trust.

Class A units: Available to all investors.

Class F units: Available to investors who are enrolled in a dealer-sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs.

Class FT units: Available to investors who are enrolled in a dealer-sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs. Class FT units are designed to provide cash flow to investors by making monthly distributions of cash. The Manager intends to make monthly distributions in respect of the Class FT units of an amount comprising net income, net capital gains and/or a return of capital on the last business day of each month. The fixed monthly distribution amount for Class FT will initially be set at the inception of the Funds and then be reset at the beginning of each calendar year to provide a target yield based on the net asset value per Class FT unit as at December 31 of the prior year. We reserve the right to adjust the distribution amount if deemed appropriate. There can be no assurance that any distributions will be made in respect of the Class FT units in any particular month or months. A return of capital means the cash flow given back to you is generally money that you originally invested in a Fund, as opposed to the returns generated by the investment. For more details, see “*Distribution Policy*” under each individual Fund profile in the Simplified Prospectus.

Class T units: Available to all investors. Class T units are designed to provide cash flow to investors by making monthly distributions of cash. The Manager intends to make monthly distributions in respect of the Class T units of an amount comprising net income, net capital gains and/or a return of capital on the last business day of each month. The fixed monthly distribution amount for Class T will initially be set at the inception of the Funds and then be reset at the beginning of each calendar year to provide a target yield based on the net asset value per Class T unit as at December 31 of the prior year. We reserve the right to adjust the distribution amount if deemed appropriate. There can be no assurance that any distributions will be made in respect of the Class T units in any particular month or months. A return of capital means the cash flow given back to you is generally money that you originally invested in a Fund, as opposed to the returns generated by the investment. For more details, see “*Distribution Policy*” under each individual Fund profile in the Simplified Prospectus.

Class I units: Available to institutional investors, other investment funds managed by the Manager or to other investors on a case-by-case basis, all at the discretion of the Manager.

If you cease to satisfy criteria for holding units of a particular Class, the Manager may reclassify your units as such number of units of another Class of the same Fund that you are eligible to hold having an aggregate equivalent net asset value.

Matters Requiring Unitholder Approval

Meetings of unitholders may be convened by the Trustee from time to time as it may deem advisable and in accordance with the notice provisions set out in the Declaration of Trust. Unless otherwise provided in the Declaration of Trust or by securities legislation, every question submitted to a meeting of unitholders will be decided by the majority of votes cast. Meetings of unitholders will be convened to consider and approve:

- (a) a change in the basis of the calculation of a fee or expense that is charged to a Fund or directly to its unitholders by the Fund or the Manager in connection with the holding of securities of the Fund where such change could result in an increase in charges to a Fund or to its unitholders;

- (b) the introduction of a fee or expense, to be charged to a Fund or directly to its unitholders, by the Fund or the Manager in connection with the holding of securities of the Fund that could result in an increase in charges to the Fund or to its unitholders;
- (c) a change in the manager of a Fund, unless the new manager is an affiliate of the current manager;
- (d) a change in the fundamental investment objectives of a Fund;
- (e) a decrease in the frequency of the calculation of the net asset value per unit of a Fund;
- (f) in certain cases, a reorganization of a Fund with, or transfers its assets to, another issuer; or
- (g) any other matter or thing stated in the Declaration of Trust that is required to be consented to or approved by unitholders.

Unitholder approval will not be obtained in respect of a change of (a) or (b) listed above if a Fund is at arm's length to the person or company charging the fee or expense, and we provide the unitholders with at least 60 days' written notice of the effective date of the proposed change.

Although the approval of unitholders will not be obtained before changing the auditor of a Fund, we will not change the auditor unless:

- (a) the Fund's Independent Review Committee (see "*Fund Governance – Independent Review Committee*" below) has approved the change in compliance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**"); and
- (b) we have provided you with written notice at least 60 days prior to the change.

VALUATION OF PORTFOLIO SECURITIES

The net asset value of each Fund will be calculated by the Administrator (as defined below) as of each Valuation Day (as defined below) by subtracting the amount of the liabilities of the Fund from the total assets of the Fund. The assets and liabilities of each Fund will be valued as follows:

- (a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Administrator determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Administrator determines to be the reasonable value thereof;
- (b) the value of any bonds, debentures, and other debt obligations shall be valued at mid prices from recognized pricing vendors on a Valuation Day at such times as the Administrator, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;
- (c) the value of any security, index futures or index options thereon which is listed on any recognized exchange shall be determined by the closing sale price at the close of business on the Valuation Day or, if there is no sale price, the average between the closing bid and the closing asked price on the day on which the net asset value of the Fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock

exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

- (d) the value of any security which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer or recognized information provider in such securities;
- (e) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Administrator;
- (f) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same Class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;
- (g) purchased or written clearing corporation options, options on futures, over-the-counter options, debt like securities and listed warrants shall be valued at the current market value thereof;
- (h) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the net asset value. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value;
- (i) the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at 4:00 p.m. (Eastern Time) (the "**Valuation Time**") or such other day deemed appropriate by the Manager, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;
- (j) the value of any swap will be based on dealer-supplied valuations determined by using observable inputs;
- (k) the value of the securities of an investment fund shall be the net asset value or similar value of the securities of the investment fund as provided by the manager, administrator or party acting in a similar capacity of the investment fund and available to the Administrator as of a time proximate to the close of business on the date on which the net asset value is being calculated, whether or not the securities of such investment fund are listed or dealt with on a stock exchange. If a net asset value or similar value of the investment fund as of a time reasonably proximate to the close of business on the date on which the net asset value is being calculated is not available to the Administrator, the value shall be based on an estimate provided by the Manager or in such other manner as the Administrator shall determine;

- (l) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- (m) all securities, property and assets of the Fund valued in a foreign currency and all liabilities and obligations of a Fund payable by a Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Administrator, including, but not limited to, the Administrator or any of its affiliates;
- (n) all expenses or liabilities (including fees payable to the Manager) of a Fund shall be calculated on an accrual basis; and
- (o) the value of any security or property to which, in the opinion of the Administrator, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Administrator from time to time provides.

The net asset value of the Funds and each Class of units of the Funds are calculated and reported in Canadian dollars. The Administrator is entitled to rely on any values or quotations supplied to it by a third party, including the Manager, and is not required to make any investigation or inquiry as to the accuracy or validity of such values or quotations. Provided the Administrator acts in accordance with its standard of care, it shall be held harmless by the Funds and shall not be responsible for any losses or damages resulting from relying on such information.

If an investment cannot be valued under the foregoing rules or under any other valuation rules adopted under applicable securities laws, or if any rules we have adopted are not set out under applicable securities laws but at any time are considered by us to be inappropriate under the circumstances, then we shall use a valuation which we consider to be fair and reasonable in the interests of investors in the Funds. In those circumstances, the Administrator would typically review current press releases concerning the investment security, discuss an appropriate valuation with other portfolio managers, analysts and consult other industry sources to set an appropriate fair valuation. If at any time the foregoing rules conflict with the valuation rules required under applicable securities laws, the Administrator will follow the valuation rules required under applicable securities laws.

The Declaration of Trust contains details of the liabilities to be included in calculating the net asset value of the Funds and the net asset value per Class or the net asset value per unit for each Class of units (the “**Unit Price**”). The liabilities of the Funds include, without limitation, all bills, notes and accounts payable, all administrative fees and operating expenses payable or accrued, all contractual obligations for the payment of money or property, all allowances authorized or approved by us for taxes (if any) or contingencies and all other liabilities of the Funds. In making the calculation of the Unit Price, we will use the latest reported information available on each Valuation Day. The purchase or sale of portfolio securities by the Funds will be reflected in the first calculation of the Unit Price after the date on which the transaction becomes binding.

Differences from International Financial Reporting Standards

The financial statements of the Funds are prepared in accordance with International Financial Reporting Standards and those principles may differ from the valuation principles that are set out in this Annual Information Form.

CALCULATION OF NET ASSET VALUE

Valuation Days

Each Fund's net asset value is calculated at the close of regular trading, normally 4:00 p.m. (Eastern Time), on a day the Toronto Stock Exchange ("TSX") is open (a "**Valuation Day**"). The net asset value of each Fund will be calculated in Canadian dollars and the units of each Fund are denominated in Canadian dollars.

Any purchase, reclassification or redemption instruction received after 4:00 p.m. (Eastern Time) on a Valuation Day will be processed on the next Valuation Day.

As Manager, we are responsible for determining the net asset value of the Funds. However, we may delegate some or all of the responsibility in relation to such determination to the Administrator.

How We Price a Fund's Units

Each Fund's units are divided into Class A, Class F, Class FT, Class T and Class I units. Each Class is divided into units of equal value. When you invest in a Fund, you are purchasing units of a specific Class of that Fund.

All transactions are based on the Unit Price. We calculate all Unit Prices at the close of trading on the TSX on each Valuation Day. The Unit Price can change on each Valuation Day.

The Unit Price is calculated for each Class of units. The Unit Price is the price used for all purchases, switches, reclassifications and redemptions of units of that Class (including purchases made on the reinvestment of distributions). The price at which units are issued or redeemed is based on the next applicable Unit Price determined after the receipt of the purchase or redemption order.

Here is how we calculate the Unit Price of each Class of units of the Funds:

- We take the fair value of all the investments and other assets allocated to the Class.
- We then subtract the liabilities allocated to that Class. This gives us the net asset value for the Class.
- We divide this amount by the total number of units of the Class that investors in the Fund are holding. That gives us the Unit Price for the Class.

To determine what your investment in a Fund is worth, simply multiply the Unit Price of the Class of units you own by the number of units you own.

Although the purchases and redemptions of units are recorded on a Class basis, the assets attributable to all of the Classes of units of a Fund are pooled to create one fund for investment purposes.

Each Class pays its proportionate share of Fund costs in addition to its management fee and performance fee. The difference in fund costs, management fees and performance fees between each Class means that each Class has a different net asset value per unit.

You can get the net asset value of a Fund or the net asset value per unit of a Class of a Fund, at no cost, by sending an email to service@pictonmahoney.com, on the Manager's website at www.pictonmahoney.com, by calling toll-free at 1-866-369-4108 or by asking your dealer.

PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS OF UNITS

You may purchase units through an authorized dealer or brokers qualified in your province or territory. Your dealer is there to help you with your investment decisions to determine which Fund is most suitable for you to meet your own risk/return objectives and to place orders on your behalf.

Purchases

You may purchase any Class of units of the Funds through a registered dealer that has entered into a distribution agreement with us to sell the Funds. See "*Description of Units*" for a description of each Class of units offered by the Funds. The issue price of units is based on the Unit Price for that particular Class.

The minimum initial investment in Class A, Class F, Class FT and Class T units of the Funds is \$2,000. The minimum subsequent investment in Class A, Class F, Class FT and Class T units of the Funds is \$500. These minimum investment amounts may be adjusted or waived in the absolute discretion of the Manager. The minimum initial and subsequent investment amounts for Class I units of the Funds is negotiated between the investor and the Manager.

If we receive your purchase order before 4:00 p.m. (Eastern Time) on a Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

Please contact your dealer to find out how to place an order. Please note that dealers may establish cut-off times for receiving purchase orders so that they may be properly processed prior to the 4:00 p.m. (Eastern Time) deadline on the applicable Valuation Day. When you submit money with a purchase order, the money will be held in our trust account and any interest the money earns before it is invested in a Fund is credited to such Fund, not to your account.

We must receive the appropriate documentation and payment in full within two business days of receiving your purchase order in order to process a purchase order. If a Fund does not receive payment in full within the required time or if a cheque is returned because of non-sufficient funds, we will sell the securities that you bought. If we sell them for more than you paid, the Fund will keep the difference. If we sell them for less than you paid, we will bill you for the difference plus any costs or interest. Your dealer may make provision in its arrangements with you that will require you to compensate your dealer for any losses suffered by your dealer in connection with a failed settlement of a purchase of units of a Fund caused by you. We do not issue certificates when you purchase a Fund. We are entitled to reject any purchase order, but we can only do so within one business day of receiving it. If we reject an order, we will return immediately to your dealer any monies we have received from you in connection with that order.

At the Manager's sole discretion, a Fund may suspend new subscriptions of the Fund's units.

Please see "*Fees and Expenses*" and "*Dealer Compensation*" in the Simplified Prospectus of the Funds for more information on the fees and expenses and dealer compensation applicable to each Class.

Redemptions

If we receive your redemption order before 4:00 p.m. (Eastern Time) on any Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

The latest we will send you your money will be two business days after the Valuation Day used to process your redemption order. Required documentation may include a written order to redeem with your signature, guaranteed by an acceptable guarantor. If you redeem through your advisor, they will advise you what documents they require. Your dealer may make provision in its arrangements with you that will require you to compensate your dealer for any losses suffered by your dealer in connection with any failure by you to satisfy the requirements of the Fund or securities legislation for a redemption of securities of the Fund. Any interest earned on the proceeds of an order to redeem before you receive the money will be credited to the Funds, not to your account.

Under exceptional circumstances we may be unable to process your redemption order. This would most likely occur if market trading has been suspended on any exchanges including stock exchanges on which more than 50% by value of a Fund's assets are listed and if a Fund's portfolio securities cannot be traded on any other exchange that represents a reasonably practical alternative. During these periods units will also not be issued, switched or reclassified.

The Funds may postpone a redemption payment during any period which redemption rights are suspended in the circumstances described above as required by securities legislation or with the approval of the applicable securities regulatory authorities.

There are no redemption fees for the Funds, except as described under "*Fees and Expenses – Fees and Expenses Payable Directly by You – Short-Term Trading Fee*" in the Simplified Prospectus.

Switches between Funds

You may switch all or part of your investment in a Class of units of a Fund to a Class of units of another Fund. This is called a switch.

You may have to pay a switch fee of up to 2% based on the net asset value of the applicable Class of units of a Fund you switch from one Fund to another Fund. You may negotiate the amount with your dealer. Please see "*Fees and Expenses*" and "*Dealer Compensation*" in the Simplified Prospectus for more information on the fees and expenses and dealer compensation applicable to switches.

A switch will be a disposition for tax purposes and may give rise to a capital gain or loss. Please see "*Certain Canadian Federal Income Tax Considerations for Investors*" in this Annual Information Form for details.

There are no switch fees for the Funds, except as described under "*Fees and Expenses – Fees and Expenses Payable Directly by You – Short-Term Trading Fee*" in the Simplified Prospectus.

Reclassifications between Classes of the Same Fund

You may reclassify all or part of your investment from one Class of units to another Class of units of the same Fund, as long as you are eligible to hold that Class of units. This is called a reclassification.

You may have to pay a reclassification fee of up to 2% based on the net asset value of the applicable Class of units of a Fund you reclassify from one Class of units to another Class of units of the same Fund. You may negotiate the amount with your dealer. Please see “*Fees and Expenses*” and “*Dealer Compensation*” in the Simplified Prospectus of the Funds for more information on the fees and expenses and dealer compensation applicable to reclassifications.

The value of your investment, less any fees, will be the same immediately after the reclassification. You may, however, own a different number of units because each Class may have a different Unit Price. Reclassifying units from one Class to another Class of the same Fund that are denominated in the same currency is generally not a disposition for tax purposes.

RESPONSIBILITY FOR FUND OPERATIONS

The Manager

Picton Mahoney Asset Management is the manager of the Funds. The registered office of the Manager is located at 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4. The Manager can be contacted by telephone at (416) 955-4108, toll-free at 1-866-369-4108, or by email at service@pictonmahoney.com. The Manager’s website is www.pictonmahoney.com.

Pursuant to the Declaration of Trust, we retain full authority and responsibility to manage the business and affairs of the Funds and are responsible for each Fund’s day-to-day operations. Pursuant to the Declaration of Trust, the Manager may delegate any or all of its duties and responsibilities to one or more agents to assist it in the performance of such duties and responsibilities.

Directors and Executive Officers of the Manager

Name	Municipality of Residence	Office	Principal Occupation
David Picton	Toronto, Ontario	Member of the Executive Committee, President, Chief Executive Officer and Ultimate Designated Person	Member of the Executive Committee, President, Chief Executive Officer and Portfolio Manager
Arthur Galloway	Toronto, Ontario	Member of the Executive Committee, Chief Financial Officer, Chief Operating Officer and Corporate Secretary	Member of the Executive Committee, Chief Financial Officer, Chief Operating Officer and Corporate Secretary
Catrina Duong	Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer

Trustee

Picton Mahoney Asset Management acts as the trustee of the Funds pursuant to the Declaration of Trust. The Trustee has those powers and responsibilities in respect of the Funds as described in the Declaration of Trust. The Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best

interests of the Funds and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Pursuant to the Declaration of Trust, the Manager may remove the Trustee and appoint a successor trustee from time to time on 90 days' written notice or in certain other circumstances. The Trustee or any successor appointed pursuant to the terms of the Declaration of Trust may resign upon 90 days' written notice to the Manager, who shall use its best efforts to appoint a successor trustee. If no successor Trustee is appointed the Funds shall be terminated.

The Declaration of Trust provides that the Trustee and its affiliates have a right of indemnification from each of the Funds for any claims arising out of the execution of its duties as trustee, except in cases of negligence, willful default or bad faith on the part of the Trustee. In addition, the Declaration of Trust contains provisions limiting the liability of the Trustee, as described in the Declaration of Trust.

Portfolio Advisor

Picton Mahoney Asset Management acts as the Portfolio Advisor of the Funds. The Portfolio Advisor is responsible for portfolio management and advisory services for the Funds. Investment decisions are made based on fundamental research and quantitative analysis. The investment decisions by the Portfolio Advisor's portfolio management team are not subject to the oversight, approval or ratification of a committee.

The following table sets forth the individuals who are principally responsible for the day-to-day management of a material portion of the portfolio of each Fund:

Fund	Portfolio Management Team
Picton Mahoney Fortified Equity Fund	David Picton, Jeffrey Bradacs, Michael Kimmel and Michael Kuan
Picton Mahoney Fortified Income Fund	Philip Mesman and Sam Acton
Picton Mahoney Fortified Multi-Asset Fund	David Picton, Jeffrey Bradacs, Philip Mesman, Sam Acton, Michael Kimmel, Michael Kuan, Michael White and Neil Simons

David Picton, President and Chief Executive Officer of Picton Mahoney Asset Management, is a founding partner of the firm and lead Portfolio Manager responsible for the Canadian equity market neutral, long short, and long only strategies. Mr. Picton has been a prominent presence in the Canadian investment industry for several decades, including launching Synergy Asset Management in 1997 and working as its lead Canadian momentum portfolio manager and spending eight years as Head of Quantitative Research at RBC Dominion Securities Inc. where he was one of the top ranked analysts in his sector. Mr. Picton holds an Honours Bachelor of Commerce degree from the University of British Columbia. He also received a Leslie Wong Fellowship from the University of British Columbia's prestigious Portfolio Management Foundation.

Jeffrey Bradacs is a Portfolio Manager at Picton Mahoney Asset Management specializing in Canadian equities. Prior to joining Picton Mahoney Asset Management, Mr. Bradacs was a Vice President and Senior Portfolio Manager at BMO Global Asset Management where he was the lead Portfolio Manager for Canadian large cap equity portfolios. Prior to that, he spent over a decade at Manulife Asset Management, joining as an Analyst and progressing to Managing Director, Portfolio Manager, with responsibility for Canadian equity portfolios managed with a blend of fundamental and quantitative analysis. Mr. Bradacs earned an Honours

Business Administration degree from the Richard Ivey School of Business (University of Western Ontario) and is a CFA charterholder.

T. Philip Mesman is a partner and lead Portfolio Manager of Picton Mahoney Asset Management's Income Strategies. Prior to joining Picton Mahoney Asset Management in 2010, he was Managing Director and Portfolio Manager at HIM Money Inc., a subsidiary of Harris Investments Management Inc. Mr. Mesman's previous experience includes portfolio management, quantitative and credit analytics and trading positions with a Canadian chartered bank, Merrill Lynch Canada Inc. and Greywolf Capital Inc. respectively. He additionally brings expertise in the long/short, special situation and structured product arenas. Mr. Mesman earned a B.A. in Economics from the University of Western Ontario and is a CFA charterholder.

Sam Acton is a Portfolio Manager on Picton Mahoney Asset Management's Fixed Income team. Prior to joining Picton Mahoney Asset Management in 2012, he was an Associate at Greenhill & Co. where he was involved in mergers and acquisitions and other strategic advisory assignments. Mr. Acton holds a B. Math from the University of Waterloo and a BBA from Wilfrid Laurier University and is a CFA charterholder.

Michael Kimmel is a founding partner of Picton Mahoney Asset Management and a Portfolio Manager responsible for our global market neutral and long short strategies, as well as select long only American equity strategies. Mr. Kimmel began his work in the industry in 1998, as both an analyst and associate at N M Rothschild & Sons, a boutique investment bank specializing in mergers and acquisitions. Thereafter, Mr. Kimmel served as an investment analyst at UBS Global Asset Management and Synergy Asset Management. Mr. Kimmel has a Bachelor of Commerce degree from McGill University and is a CFA charterholder.

Michael Kuan is a founding partner of Picton Mahoney Asset Management and a Portfolio Manager responsible for our international investments in the global market neutral and long short strategies, as well as select emerging markets and long-only Europe, Australasia and Far East strategies. Mr. Kuan began his career at Scotia Capital Inc. in 1997, where he was a Manager of Market Risk. He then joined Synergy Asset Management in 2002 as an Investment Analyst. Mr. Kuan has an MBA from the University of Toronto and is a CFA charterholder.

Michael White is a Portfolio Manager at Picton Mahoney Asset Management. Prior to joining Picton Mahoney Asset Management in 2016, Mr. White was a portfolio manager responsible for asset allocation mandates at AGF Investments Inc. Active in the industry since 1996, Mr. White's previous experience includes positions as Director of Institutional Equity Sales at Scotia Capital Inc., Lead Manager of Scotia Canadian Small Cap Fund at Scotia Cassels Investment Counsel, and Co-Chair of the CIO Compliance Committee as well as portfolio manager for small cap, mid cap and ethical categories at Strategicnova Funds Management. Mr. White earned a Bachelor of Arts, History with Finance & Economics Stream from Western University and is a CFA charterholder.

Neil Simons is a Portfolio Manager specializing in multi-asset and alternative risk premia strategies. He joined Picton Mahoney Asset Management in 2017 after spending more than a decade at Northwater Capital Management Inc. in various roles, most recently as Managing Director. At Northwater, Mr. Simons led the liquid alternative strategies group and managed custom portfolios for institutional investors. Mr. Simons began his career in the industry at Royal Bank of Canada, where he was responsible for enterprise-wide market risk analysis and reporting across the bank's global trading activities. He holds a Ph.D. in Electrical Engineering from the University of Manitoba and a Masters degree in Mathematical Finance from the University of Toronto.

Brokerage Arrangements

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker and the negotiation, where applicable, of commissions, are made by the Portfolio Advisor.

Execution is based on the most advantageous execution terms reasonably available under the circumstances, including prompt execution of orders in an efficient manner and price. In selecting and monitoring dealers and negotiating commissions, the Portfolio Advisor considers the dealer's reliability, the quality of its execution services on a continuing basis and its financial condition. When more than one dealer is believed to meet these criteria, preference may be given to dealers who provide research or statistical material or other services to the Funds or the Portfolio Advisor. Such research and order execution goods and services include advice, both directly and in writing, as to the value of securities; the advisability of investing in, purchasing or selling securities; the availability of securities, or purchasers or sellers of securities; analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy or the performance of accounts; trading software; market data; custody, clearing and settlement services that were directly related to executed orders; as well as databases and software that supported these goods and services. Dealers and third parties may provide the same or similar goods and services in the future. The users of these research and order execution goods and services are portfolio managers, research analysts and traders. Such services allow the Portfolio Advisor to supplement its own investment research activities and obtain the views and information of others prior to making investment decisions. The Portfolio Advisor is of the opinion that, because this material may be analyzed and reviewed by its staff, its receipt and use does not tend to reduce expenses but may benefit the Funds by supplementing the Portfolio Advisor's research. The Portfolio Advisor conducts trade cost analysis to ensure that the Funds receive a reasonable benefit considering the use of the research and order execution goods and services, as applicable, and the amount of the brokerage commission paid. The Portfolio Advisor also makes a good faith determination that the Funds receive reasonable benefit considering the use of the goods and services, the amount of brokerage commissions paid, the range of services and the quality of research received.

Custodian

Pursuant to a custodian agreement between the Manager and RBC Investor Services Trust (the "**Custodian**") made as of October 1, 2015, as may be amended from time to time, entered into by the Manager on behalf of the Funds and the Custodian, as amended (the "**Custodian Agreement**"), the Custodian has agreed to act as custodian for the Funds and to provide safekeeping and custodian services in respect of the Funds' property. The principal office of the Custodian is located in Toronto, Ontario.

The Custodian receives and holds all cash, portfolio securities and other assets of the Funds for safekeeping and on direction from the Funds will settle on behalf of the Funds the purchase and sale of the Funds' assets. Under the terms of the custodian agreement and subject to the requirements of the Canadian Securities Administrators, the Custodian may appoint one or more sub-custodians. The fees for custodial services provided by the Custodian are paid by the Funds.

The custodian agreement can be terminated by the Funds or by the Custodian on 60 days' prior written notice.

Auditor

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Toronto, Ontario, is the auditor of the Funds. PricewaterhouseCoopers LLP is independent of the Funds in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

Registrar

RBC Investor Services Trust is the registrar for each Fund. In such capacity, it keeps a register of the owners of units of the Funds, processes purchase and redemption orders, issues investor account statements and issues annual tax reporting information. The registers of the Funds are kept in Toronto, Ontario.

Under the Declaration of Trust, RBC Investor Services Trust is paid a fee for performing its duties as the registrar of units of the Funds.

Administrator

The Manager, on behalf of the Funds, has entered into an administration agreement with RBC Investor Services Trust (the “**Administrator**”) dated as of October 29, 2015, as may be amended from time to time, (the “**Administration Agreement**”) to obtain certain administrative services for the Funds.

The Administrator is responsible for providing administrative services to the Funds, including maintaining the accounting records of the Funds, fund valuation, net asset value calculation and financial reporting services. The fees for administrative services provided by the Administrator are paid by each Fund.

Securities Lending Agent

RBC Investor Services Trust acts as the securities lending agent (the “**Securities Lending Agent**”) for the Funds. The Securities Lending Agent arranges and administers loans of a Fund’s portfolio securities for a fee to qualified borrowers who have posted collateral.

CONFLICTS OF INTEREST

Principal Holders of Securities

As at July 31, 2022, David Picton beneficially owned 48.88 partnership units of the Manager, representing 48.88% of the outstanding partnership units of the Manager.

As at July 31, 2022, the following unitholders owned, beneficially and of record, more than 10% of a Class of the issued and outstanding units of a Fund:

Holder of Units	Fund and Class	Type of Ownership	Number of Units Owned	Percentage of Issued and Outstanding Units of the Class
Individual Investor A	PM Fortified Equity Fund Class A	Beneficial and of record	23347.210	11%
Individual Investor B	PM Fortified Equity Fund Class FT	Beneficial and of record	14345.536	47%
Individual Investor C	PM Fortified Equity Fund Class FT	Beneficial and of record	7184.330	24%
Individual Investor D	PM Fortified Equity Fund Class FT	Beneficial and of record	4003.520	13%

Holder of Units	Fund and Class	Type of Ownership	Number of Units Owned	Percentage of Issued and Outstanding Units of the Class
Individual Investor E	PM Fortified Multi-Asset Fund Class T	Beneficial and of record	26108.724	19%
Picton Mahoney Fortified Multi-Asset Fund	PM Fortified Equity Fund Class I	Beneficial and of record	4258073.541	100%
Picton Mahoney Fortified Multi-Asset Fund	PM Fortified Income Fund Class I	Beneficial and of record	4275705.854	100%
Picton Mahoney Asset Management	PM Fortified Multi-Asset Fund Class I	Beneficial and of record	758.122	100%

* To protect the privacy of individual investors, we have omitted the name and municipality of principal residence of the principal holder. This information is available on request by contacting the Manager.

As at July 31, 2022, the members of the independent review committee of the Funds (the “IRC”) do not own, directly or indirectly, any securities of the Funds, the Manager or any person or company that provides services to the Funds or to the Manager.

Affiliated Entities

There are no affiliated entities of the Manager that provides services to the Funds.

FUND GOVERNANCE

Independent Review Committee

NI 81-107 requires all publicly offered investment funds, such as the Funds, to establish an independent review committee to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the IRC in carrying out its functions. The IRC is required to conduct regular assessments and provide reports to the Manager and to unitholders in respect of its functions. The IRC’s annual report of its activities for unitholders is available on the website of the Funds at www.pictonmahoney.com, or at the unitholder’s request at no cost by contacting the Funds at (416) 955-4108, toll-free at 1-866-369-4108, or by email at service@pictonmahoney.com.

The investment funds in the Manager’s family of funds share the same IRC. The fees and expenses of the IRC are borne and shared *pro rata* by all of the applicable investment funds in the Manager’s family of funds. Each investment fund is also responsible for its *pro rata* share of all expenses associated with insuring and indemnifying the IRC members.

The annual fee payable to each member is \$14,000 and \$17,000 for the Chair, plus applicable taxes or other deductions. Expenses incurred by the members of the IRC in connection with performing their duties are also the responsibility of the investment funds, including the Funds.

Effective January 1, 2022, the members of the IRC are: Michèle McCarthy (Chair), Paul Manias and Patricia Dunwoody.

For the year ended December 31, 2021, each member of the IRC received the approximate compensation and reimbursement of expenses set out in the table below in connection with performing their duties as IRC members:

IRC Member	Compensation (\$)	Expenses Reimbursed (\$)
Michèle McCarthy (Chair)	17,000	0
Paul Manias	14,000	0
Lawrence A. Ward	14,000	0

In addition, in 2021, the Funds paid an annual secretarial fee in the amount of \$38,750, in aggregate, to Independent Review Inc.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager may be subject when managing the Funds. The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict of interest matter to it. In those cases, it has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Funds.

Policies Regarding Business Practices

The Manager maintains policies, procedures and guidelines concerning governance of the Funds. These policies, procedures and guidelines aim to monitor and manage the business and sales practices, risk management and internal conflicts of interest relating to the Funds, and to ensure compliance with regulatory and corporate requirements. Each Fund is also managed in accordance with its investment guidelines and those guidelines are monitored regularly by appropriate personnel and senior management of the Manager to ensure compliance therewith.

The Manager is committed to the fair treatment of investors in the products managed by the Manager through the application of high standards of integrity and ethical business conduct by the employees of Picton Mahoney. As a result of this, the Manager has established a compliance manual to guide the firm and its employees. This manual governs policies relating to a number of subjects including code of ethics and conduct, trading procedures and proxy voting.

The Manager manages its investment funds in the best interest of each of the funds, in compliance with the requirements of NI 81-107 by setting out its policies and procedures for dealing with conflict of interest matters and providing guidance on managing these conflicts.

In addition to the policies, practices or guidelines applicable to the Funds relating to the business practices, sales practices, risk management and internal conflicts already disclosed in this Annual Information Form, all employees of the Manager are bound by the code of ethics and conduct which, among other things, addresses proper business practices and conflicts of interest and a trading and disclosure policy which sets out the policies and procedures of the Manager with respect to trading and disclosure.

Use of Derivatives

The Portfolio Advisor may use derivative instruments to reduce or hedge against various risks, including currency exchange risk associated with foreign investments, and as a substitute for purchasing or selling securities directly to obtain investment exposures consistent with its investment objectives, strategies and risk management. The derivatives that the Portfolio Advisor may use include, but are not limited to, options, swaps, futures and forwards. The Portfolio Advisor may also employ various option strategies to increase income return of the portfolios of the Funds including, but not limited to, covered call and put option writing. No assurance can be given that the portfolios will be hedged from any particular risk at any time.

The Portfolio Advisor has written policies and procedures in place that set out the objectives and goals for derivatives trading and the risk management procedures applicable to those transactions by the Funds. The Chief Compliance Officer of the Portfolio Advisor is responsible for setting and reviewing these policies and procedures. These policies and procedures are reviewed and approved at least annually by the risk management committee of the Portfolio Advisor. The Compliance and Quantitative Research and Risk teams of the Portfolio Advisor monitor the risks associated with the use of derivatives independent of the portfolio management team. Risk measurement procedures and simulations are used to test the portfolios of the Funds under stress conditions.

Short Sales

The Funds may, from time to time, engage in short selling as permitted by applicable securities legislation. Where a Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A Fund's use of short selling is subject to certain conditions including:

- (a) the securities are sold short only for cash;
- (b) the securities sold short will not be:
 - (i) a security that a Fund is otherwise not permitted by securities legislation to purchase at the time of the transaction;
 - (ii) "illiquid assets" as such term is defined in NI 81-102; or
 - (iii) a security of an investment fund (other than an index participation unit);
- (c) at the time a Fund sells the security short,
 - (i) the Fund has pre-arranged to borrow the securities from a lender for the purpose of such short sale;
 - (ii) the aggregate market value of all securities of the issuer of the securities sold short by a Fund does not exceed 5% of the total net asset value of the Fund; and
 - (iii) the aggregate market value of all securities sold short by a Fund does not exceed 20% of the total net asset value of the Fund;
- (d) the Fund will hold cash cover (as defined in NI 81-102) in an amount, including the fund assets deposited with dealers as security in connection with the short sale, that is at least 150% of the

aggregate market value of all securities sold short by the Fund on a daily marked-to-market basis; and

- (e) no proceeds from any short sale by the Fund will be used by the Fund to purchase long positions in securities other than cash cover.

Written policies and procedures regarding objectives and risk management procedures have been adopted by the Portfolio Advisor in connection with its short selling activities. The Chief Compliance Officer of the Portfolio Advisor is responsible for setting and reviewing these policies and procedures. Such policies and procedures are reviewed and approved at least annually by the risk management committee of the Manager. The authorization of short selling transactions and placing limits or other controls on short selling is the responsibility of the portfolio manager with post-trade review conducted by the compliance department. Risk measurement procedures and simulations are used to test the portfolios of the Funds under stress conditions.

Permitted ETFs

The Funds have obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a “**Permitted ETF**”). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund’s net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a “**Bear ETF**”) or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Funds may, from time to time, engage in securities lending, repurchase and reverse repurchase transactions to generate additional income consistent with its investment objectives. The Funds have entered into an agreement with the Securities Lending Agent to administer the Funds’ securities lending.

Written policies and procedures regarding objectives and risk management procedures have been adopted by the Portfolio Advisor in connection with its securities lending, repurchase and reverse repurchase activities. The Chief Compliance Officer of the Portfolio Advisor is responsible for setting and reviewing these policies and procedures. Such policies and procedures are reviewed and approved at least annually by the risk management committee of the Manager. The authorization of securities lending, repurchase and reverse repurchase activities and placing limits or other controls on these transactions is the responsibility of the portfolio manager with post-trade review conducted by the compliance department. Risk measurement procedures and simulations are not used to test the Portfolio under stress conditions. The securities lending transactions of a Fund may be terminated by the Fund at any time.

The risk factors associated with securities lending are disclosed in the Simplified Prospectus of the Funds.

Proxy Voting Policy

The Manager has established policies and procedures in relation to voting on matters for which the Funds receive, in their capacity as securityholder, and for reviewing proxy materials for a meeting of securityholders of an issuer. It is the Manager’s policy to exercise the voting rights of a Fund in the best interest of such Fund

and to maximize the value of the applicable Fund's investments over the long-term. The Manager has retained Institutional Shareholder Services ("ISS") to provide in-depth research, voting recommendations, vote execution, recordkeeping and reporting. The Manager has elected to follow the ISS International Sustainability Proxy Voting Guidelines and U.S. Sustainability Proxy Voting Guidelines (collectively, the "**Sustainability Guidelines**"), because the Manager believes responsible corporate governance, social and environmental practices may have a significant effect on the value of an issuer. As such, the Manager's Proxy Voting Policy (the "**Proxy Voting Policy**") generally mirrors the Sustainability Guidelines. The intention of the Proxy Voting Policy is to provide the Manager with a disciplined and consistent approach to voting and not to dictate precisely how each ballot item must be voted in every circumstance. While the Proxy Voting Policy are intended to reflect the applicable Fund's general position on certain issues, the Manager may depart from the Proxy Voting Policy on any particular proxy vote depending upon the facts and circumstances. The Manager will document, in writing, occurrences where a proxy vote was cast in a manner inconsistent with the Proxy Voting Policy.

While serving as a framework, the Proxy Voting Policy cannot contemplate all possible proposals with which a Fund may be presented. In the absence of a specific guideline for a particular proposal (e.g., in the case of a transactional issue or contested proxy), the Manager will evaluate the issue and cast the Fund's vote in a manner that, in the Manager's view, will maximize the value of the Fund's investment. In certain cases, proxy votes may not be cast. For example, the portfolio manager may determine that it is not in the best interests of a Fund to vote proxies.

The current proxy voting policy and procedures of the Manager are available to unitholders at no cost by calling toll free at 1-866-369-4108, on the Manager's website at www.pictonmahoney.com or by writing to Picton Mahoney Asset Management 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4.

The proxy voting record for the Funds for the annual period from July 1 to June 30 will be available at any time after August 31 following the end of that annual period, to any unitholder on request to the Manager, at no cost, and will also be available on the Manager's website at www.pictonmahoney.com. Information contained on the Manager's website is not part of this Annual Information Form and is not incorporated herein by reference.

Short-Term Trading

Short-term trading in units of a Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with our long-term investment decisions. In order to protect the interest of the majority of unitholders in a Fund and to discourage short-term trading in a Fund, investors may be subject to a short-term trading fee. If an investor redeems units of a Fund or switches their investment to units of another Fund within 30 days of purchasing such units, the Fund may deduct and retain, for the benefit of the remaining unitholders in the Fund, one percent (1%) of the net asset value of the Class of units being redeemed.

The short-term trading fee will not apply in certain circumstances, such as:

- redemptions of units by another fund managed by the Manager or an affiliate or associate of the Manager
- redemptions of units purchased by the reinvestment of distributions;
- reclassification of units from one Class to another Class of the same Fund;
- redemptions initiated by the Manager or where redemption notice requirements have been established by the Manager; or
- in the absolute discretion of the Manager.

The Registrar, on behalf of the Manager, monitors and detects short-term trading. The Registrar, on direction from the Manager, automatically charges a short-term trading fee to any redemption of units of the Funds or switches between units of the Funds that is made within 30 days of purchasing or switching those securities. The Manager assesses the short-term trading fee charged to an investor on a case-by-case basis and may, at its absolute discretion, reverse a short-term trading fee that has been charged to an investor.

FEES AND EXPENSES

Management Fee Distributions

The Manager may, in its sole discretion, agree to charge a reduced management fee as compared to the fee that the Manager otherwise would be entitled to receive from a Fund with respect to investments in the Fund by unitholders who hold a minimum amount of units during any period as specified by the Manager from time to time. An amount equal to the difference between the management fee otherwise chargeable and the reduced fee payable by the Fund will be distributed regularly by the applicable Fund to those unitholders as “**Management Fee Distributions**”.

The availability and amount of Management Fee Distributions with respect to units of a Fund will be determined by the Manager. Management Fee Distributions will generally be calculated and applied based on the number of units held by a unitholder on the most recent Valuation Day prior to the calculation of the Management Fee Distribution, as specified by the Manager from time to time. Management Fee Distributions will be paid first out of income and capital gains of the applicable Fund(s) and then out of capital. Please see “*Certain Canadian Federal Income Tax Considerations – Units Not Held in a Registered Plan*” on page 23 for further details.

The Manager reserves the right, in its discretion, to discontinue or change Management Fee Distributions at any time. The tax consequences of a Management Fee Distribution will generally be borne by the unitholder who receives the distribution.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary, as of the date hereof, of certain of the principal Canadian federal income tax considerations generally applicable to the buying, holding and selling of units of a Fund by a unitholder who acquires units pursuant to the Simplified Prospectus of the Funds. This summary is applicable to a unitholder who is an individual (other than a trust) and who, for purposes of the Tax Act, and at all times, (i) is a resident of Canada, (ii) deals at arm’s length, and is not affiliated, with the Funds, (iii) is the original owner of the units, (iv) holds units as capital property, and (v) has invested in the units for his or her own benefit and not as a trustee of a trust.

Generally, units will be considered to be capital property to a holder provided the holder does not hold the units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain unitholders who might not otherwise be considered to hold their units as capital property may, in certain circumstances, be entitled to have their units, and all other “Canadian securities” owned or subsequently owned by them, treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisers as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their circumstances.

This summary is based on the current provisions of the Tax Act and the regulations promulgated thereunder, an understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”) and all specific proposals to amend the Tax Act and regulations thereunder

publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the “**Tax Proposals**”). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary assumes that none of the issuers of securities held by a particular Fund will be a foreign affiliate (as defined in the Tax Act) of the Fund or any unitholder, or a non-resident trust that is not an “exempt foreign trust” as defined in section 94 of the Tax Act. This summary also assumes that a particular Fund will not be (i) a “SIFT trust” for the purposes of the Tax Act, (ii) a “financial institution” for purposes of the Tax Act, or (iii) required to include any amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to you in respect of an investment in units and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire units. It does not take into account the tax laws of any province or territory or of any jurisdiction outside Canada. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Accordingly, you are urged to consult with your own tax advisers for advice with respect to the income tax consequences of an investment in units, based on your own particular circumstances.

Tax Status of the Funds

This summary is based on the assumptions that (i) each Fund will qualify, at all times, as a “mutual fund trust” within the meaning of the Tax Act and has elected under the Tax Act to be a “mutual fund trust” from the date it was established, (ii) each Fund will not be maintained primarily for the benefit of non-residents, and (iii) not more than 50% (based on fair market value) of the units of a particular Fund will be held by non-residents of Canada or by partnerships that are not “Canadian partnerships” as defined in the Tax Act, or by any combination of such partnerships and non-residents.

In order to continue to qualify as a “mutual fund trust”, a Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of units. If a Fund does not qualify as a “mutual fund trust” at all times, the income tax considerations described below could be materially and adversely different.

Taxation of the Funds

In each taxation year, a particular Fund will be subject to tax under Part I of the Tax Act on its net income, including the taxable portion of any net capital gains, if any, that is not paid or made payable to unitholders in that year. Provided the particular Fund distributes all of its net taxable income and its net capital gains to its unitholders on an annual basis, it will not be liable for any income tax under Part I of the Tax Act.

Each Fund is required to include, in computing its income for each taxation year, the taxable portion of any net capital gains realized in the year, any dividends received by it in the year and all interest that accrues to it during the year, or which becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. In computing its income, each Fund will take into account any loss carry-forwards, any capital gains refund and all deductible expenses, including management fees.

Gains and losses realized by a Fund on the disposition of securities will generally be reported as capital gains and capital losses. Each Fund has elected under subsection 39(4) of the Tax Act so that all gains or losses realized on the disposition of securities that are “Canadian securities” (as defined in the Tax Act), including Canadian securities acquired in connection with short sales, will be deemed to be capital gains or losses to the Fund. Generally, gains and losses realized by a Fund from derivatives and in respect of short sales of securities (other than Canadian securities) will be treated as being on income account, except where a derivative is used to hedge securities held on capital account provided there is sufficient linkage and subject to the detailed rules in the Tax Act. Whether gains or losses realized by a Fund in respect of a particular transaction (other than a disposition of a Canadian security) are on income or capital account will depend largely on factual considerations. Notwithstanding the foregoing, the derivative forward agreement rules (the “**DFA Rules**”) in the Tax Act deem gains on the settlement of certain forward agreements (described as “derivative forward agreements”) to be included in ordinary income rather than treated as capital gains. The Tax Act exempts from the application of the DFA Rules currency forward contracts and certain other derivatives that are entered into in order to hedge foreign exchange risk in respect of an investment held as capital property.

Losses incurred by the Fund in a taxation year cannot be allocated to unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act.

A Fund’s portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, the Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

Income or gains from investments in countries other than Canada may be subject to foreign taxes. To the extent such foreign tax paid by a particular Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its income for purposes of the Tax Act, subject to the detailed provisions of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such foreign source income and has not been deducted in computing the Fund’s income, the Fund may generally designate a portion of its foreign source income in respect of its unitholders so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the unitholders for the purposes of the foreign tax credit provisions of the Tax Act.

A Fund may be subject to alternative minimum tax in any taxation year throughout which the Fund is not a “mutual fund trust” for purposes of the Tax Act.

In computing its income for tax purposes, a Fund may deduct reasonable administrative and other expenses incurred to earn income, generally including interest payable by the Fund on money borrowed to purchase securities. A Fund may generally deduct the costs and expenses of the offering of units under the Simplified Prospectus that are paid by the Fund at a rate of 20% per year, pro-rated where the Fund’s taxation year is less than 365 days.

A Fund may be subject to the “suspended loss” rules contained in the Tax Act, which would generally apply where a Fund disposes of property and subsequently reacquires the property or acquires an identical property within the time period that begins 30 days before the disposition and ends 30 days following the disposition, and the Fund continues to own the reacquired or newly-acquired property following that period. Where the

“suspended loss” rules apply, any losses arising from the initial disposition of property would be denied, but may be realized at a future point in time in accordance with the rules in the Tax Act.

A Fund may be subject to the “straddle losses” rules contained in the Tax Act, which generally defer the realization of any loss on the disposition of a “position” to the extent of any unrealized gain on an offsetting “position”. For the purposes of these rules, a “position” held by a Fund includes any interest in actively traded personal properties such as commodities, derivatives, and certain debt obligations. An offsetting “position” is any similar interest that has the effect of eliminating all or substantially all of the Fund’s risk of loss and opportunity for gain in respect of the underlying “position”. These rules apply to any losses realized on a “position” entered into after March 21, 2017, and are subject to various exceptions set out in the Tax Act.

A Fund may be subject to certain loss restriction rules in the Tax Act unless the Fund qualifies as an “investment fund” as defined in the Tax Act, which, among other things, requires that the Fund satisfy certain investment diversification restrictions, and that the unitholders hold only fixed (and not discretionary) interests in the Fund. If a Fund experiences a “loss restriction event”, (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund’s net income and net realized capital gains at such time to unitholders so that the Fund is not liable for income tax under Part I of the Tax Act on such amounts), and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward such losses will be restricted. Generally, a Fund will have a “loss restriction event” when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the Tax Act.

Taxation of Canadian Unitholders

Units Held in a Registered Plan

If units of a particular Fund are held in a Registered Plan (as defined below), distributions from the Fund and capital gains from a redemption (or other disposition) of units are generally not subject to tax under the Tax Act until withdrawals are made from the plan (withdrawals from a TFSA are generally not subject to tax), provided that the units are qualified investments under the Tax Act for such Registered Plan.

Notwithstanding the foregoing, if the units of a particular Fund are “prohibited investments” (as defined in the Tax Act) for a TFSA, RRSP, RDSP, RESP or RRIF (each, a “**Registered Plan**”), the holder of the TFSA or the RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP (each, a “**Plan Holder**”) may be subject to a penalty tax as set out in the Tax Act. The units of a particular Fund will be a “prohibited investment” for a Registered Plan if the Plan Holder (i) does not deal at arm’s length with the particular Fund for purposes of the Tax Act, or (ii) has a “significant interest”, as defined in the Tax Act, in the particular Fund. Generally, a Plan Holder, will not have a significant interest in a Fund unless the Plan Holder owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the Plan Holder does not deal at arm’s length. In addition, the units will not be a “prohibited investment” if such units are otherwise “excluded property” as defined in the Tax Act for a Registered Plan.

Plan Holders should consult with their own tax advisers regarding the “prohibited investment” rules based on their particular circumstances.

Units Not Held in a Registered Plan

If a unitholder of a particular Fund holds units of the Fund outside a Registered Plan, the unitholder will generally be required to include in computing income for a taxation year such part of the net income of the

Fund, including the taxable portion of capital gains, if any, paid or payable to the unitholder in the taxation year. This is the case even though such distributions may be automatically reinvested in additional units and there may therefore be insufficient cash received by a unitholder to pay the tax payable in respect of such distributions of income.

Management Fee Distributions paid by a Fund will be paid first out of net income of the Fund, then out of capital gains of the Fund and thereafter out of capital. Management Fee Distributions, if any, that are received by you, to the extent that they are paid from the net income (including the taxable portion of capital gains) of the Fund, will generally be required to be included in your income for the taxation year in which such distributions are received. To the extent that a Management Fee Distribution represents a return of capital, the adjusted cost base of the units held by you will be reduced by the amount of the Management Fee Distribution.

Generally, any distributions to a unitholder in excess of its share of the net income and net capital gains of a Fund in a year will not be taxable in the hands of the unitholder of such Fund but will reduce the adjusted cost base of the units. To the extent that the adjusted cost base to a unitholder of the unitholder's units would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the unitholder and the unitholder's adjusted cost base will be nil immediately thereafter. The non-taxable portion of capital gains distributed to a unitholder will not be taxable in the hands of the unitholder and will not, provided the appropriate designations are made by a Fund, reduce the adjusted cost base of the units.

Provided that appropriate designations are made by a particular Fund, such portion of (a) the net realized taxable capital gains of the Fund, and (b) the taxable dividends received by the Fund on shares of taxable Canadian corporations as are paid or become payable to a unitholder will effectively retain their character and be treated as such in the hands of the unitholder. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply. A Fund may make designations in respect of the income from foreign sources, if any, so that unitholders may be able to claim a foreign tax credit in accordance with the provisions of and subject to the general limitations under the Tax Act for a portion of foreign tax, if any, paid by the Fund.

The net asset value per unit of a particular Fund may reflect income and gains of the Fund that have accrued up to the time units are acquired. Accordingly, a unitholder who acquires units of a Fund may become taxable on the unitholder's share of income and gains of the Fund that accrued before the units were acquired.

We will provide each unitholder with prescribed information to assist with the preparation of tax returns.

Upon the redemption (or other disposition) of a unit, including on a redemption of units to pay any applicable switch or reclassification fees, a unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the unitholder's adjusted cost base of the unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of units to a unitholder, when units of a particular Class are acquired, including on the reinvestment of distributions, the cost of the newly acquired units will be averaged with the adjusted cost base of all units of that Class owned by the unitholder as capital property immediately before that time.

One-half of any capital gain realized on the disposition of units will be included in the unitholder's income and one-half of any capital loss realized must be deducted from taxable capital gains realized in a particular year. A unitholder may generally deduct one-half of any unused capital losses arising in a particular taxation year against the taxable portion of any net capital gains arising in the three immediately preceding taxation years or in subsequent taxation years, subject to the rules in the Tax Act.

In general terms, net income of a Fund paid or payable to a unitholder that is designated as net realized taxable capital gains, taxable Canadian dividends or taxable capital gains realized on the disposition of units may increase the unitholder's potential liability for alternative minimum tax.

Based on the published administrative position of the CRA, a reclassification from one Class to another Class of units of the same Fund denominated in the same currency should not generally be considered to give rise to a taxable disposition for tax purposes. A switch of units of a Fund for units of a different Fund will be a disposition for tax purposes and may give rise to a capital gain or loss. Unitholders should consult with their own tax advisors in this regard.

Management fees paid directly to the Manager by holders of Class I units will generally not be deductible by those unitholders.

International Tax Reporting

Pursuant to the rules in Part XIX of the Tax Act implementing the Organisation for Economic Co-operation and Development Common Reporting Standard, "Canadian financial institutions" that are not "non-reporting financial institutions" (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by residents for tax purposes of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are resident for tax purposes in a foreign country (other than the U.S.) and to report required information to the CRA. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are tax resident, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, unitholders are required to provide to their dealer certain information regarding their investment in a Fund for the purpose of such information exchange, unless the investment is held within a Registered Plan.

U.S. Foreign Account Tax Compliance

The U.S. enacted the *Foreign Account Tax Compliance Act* ("FATCA"), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement (the "IGA") which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30% U.S. withholding tax under U.S. tax law (the "FATCA Tax") for Canadian entities such as the Funds, provided that (i) the Funds comply with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act and (ii) the government of Canada complies with the terms of the IGA. Each Fund will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, unitholders of a particular Fund are required to provide identity and tax residency for tax purposes and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of Specified U.S. Persons, certain non-U.S. entities controlled by Specified U.S. Persons or, in certain instances, any unitholders that fail to provide the required information and may have US status based on applicable indicia, such information and certain financial information (for example, account balances) will be provided by the Fund to the CRA and from the CRA to the U.S. Internal Revenue Service. However, a Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of a Fund would reduce the Fund's distributable cash flow and net asset value.

Eligibility for Investment

Provided that a Fund qualifies as a “mutual fund trust” for purposes of the Tax Act, units of that Fund will be “qualified investments” under the Tax Act for Registered Plans. However, as set out above, a penalty tax may apply if units of a Fund are a “prohibited investment” for a Registered Plan.

REMUNERATION OF DIRECTORS AND OFFICERS

The Funds do not directly employ any directors, officers or third party trustees to carry out Fund operations. The Manager, as manager of the Funds, provides or retains all personnel necessary to conduct the Funds’ operations.

The Funds compensate the members of the IRC for services provided to the Funds and reimburse the members for reasonable out of pocket expenses. Please see “*Fund Governance – Independent Review Committee*” on page 15 for further details.

MATERIAL CONTRACTS

The material contracts entered into by the Funds as of the date of this annual information form are:

- (a) the Declaration of Trust;
- (b) the Custodian Agreement; and
- (c) the Administration Agreement.

Copies of these agreements are available for inspection at the principal office of the Manager during regular business hours and are also available on www.sedar.com.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

As of the date of this annual information form, there are no ongoing material legal or administrative proceedings pending to which a Fund or the Manager is a party or which are known to be contemplated.

CERTIFICATE OF THE FUNDS, THE MANAGER, THE TRUSTEE AND THE PROMOTER

Picton Mahoney Fortified Equity Fund
Picton Mahoney Fortified Income Fund
Picton Mahoney Fortified Multi-Asset Fund

This Annual Information Form, together with the Simplified Prospectus, and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

DATED: August 22, 2022.

“David Picton”

David Picton
Chief Executive Officer
Picton Mahoney Asset Management

“Arthur Galloway”

Arthur Galloway
Chief Financial Officer
Picton Mahoney Asset Management

On behalf of
PICTON MAHONEY ASSET MANAGEMENT
as Manager, Trustee and Promoter of the Funds

“David Picton”

David Picton
Member

“Arthur Galloway”

Arthur Galloway
Member

Additional information about the Funds is available in the Fund Facts documents for each Fund, Management Reports of Fund performance and Financial Statements.

You can get a copy of these documents at no cost by calling toll-free at 1-866-369-4108, online at www.pictonmahoney.com, by email to service@pictonmahoney.com, or from your dealer.

These documents and other information about the Funds, such as material contracts and information circulars, are also available at www.sedar.com.

Picton Mahoney Fortified Equity Fund
Picton Mahoney Fortified Income Fund
Picton Mahoney Fortified Multi-Asset Fund

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