

# FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND



**THINK AHEAD.  
STAY AHEAD.**



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## MANAGEMENT'S RESPONSIBILITY STATEMENT

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The accompanying financial statements have been prepared by Picton Mahoney Asset Management, the Manager of the Picton Mahoney Fortified Active Extension Alternative Fund (the "Fund"). The Manager is responsible for all of the information and representations contained in these financial statements.

The financial statements have been prepared in accordance with those requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board and include certain amounts that are based on estimates and judgements. Management maintains appropriate processes to ensure that relevant and reliable financial information is produced.

The financial statements have been audited by PricewaterhouseCoopers LLP. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on these financial statements. Their report is set out on the following pages.

### **Picton Mahoney Asset Management**

Toronto, Ontario

March 24, 2025

## INDEPENDENT AUDITOR'S REPORT

To the Unitholders and Trustee of  
Picton Mahoney Fortified Active Extension Alternative Fund (the Fund)

### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

#### *What we have audited*

The Fund's financial statements comprise :

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

### Other information

Management is responsible for the other information. The other information comprises the 2024 Annual Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

## INDEPENDENT AUDITOR'S REPORT

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Christina Fox.

**/s/PricewaterhouseCoopers LLP**

**Chartered Professional Accountants, Licensed Public Accountants**

Toronto, Ontario  
March 24, 2025

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## STATEMENTS OF FINANCIAL POSITION

As at

	December 31, 2024 \$	December 31, 2023 \$
<b>Assets</b>		
<b>Current assets</b>		
Long positions at fair value*	243,449,537	113,578,780
Cash	3,173,754	17,806,512
Options purchased*	2,314,468	627,974
Due from Manager	5,520	53,460
Subscriptions receivable	171,206	365,649
Receivable for investments sold	-	135,846
Dividends receivable	511,079	181,532
	<u>249,625,564</u>	<u>132,749,753</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short positions at fair value**	69,349,809	31,576,034
Options written**	1,635,348	413,802
Cash overdraft	-	18,405,321
Management fee payable	112,264	54,762
Performance fee payable	743,148	-
Redemptions payable	472	77,217
Accrued liabilities	284,197	159,149
Payable for investments purchased	-	35,698
Interest and other payable	851	851
Dividends payable	136,050	40,353
Distributions payable	8,372	-
	<u>72,270,511</u>	<u>50,763,187</u>
<b>Net Assets Attributable to Holders of Redeemable Units</b>	<u>177,355,053</u>	<u>81,986,566</u>
<b>Net Assets Attributable to Holders of Redeemable Units per Class</b>		
Class A	10,987,786	8,297,763
Class F	106,892,949	51,319,301
Class I	1,546,932	1,170,396
Class O****	28,875,521	7,763
Class ETF	29,051,865	21,191,343
<b>Number of Redeemable Units Outstanding</b>		
Class A	527,288	512,566
Class F	4,866,303	3,017,281
Class I	61,828	61,810
Class O****	2,026,606	705
Class ETF	1,395,000	1,315,000
<b>Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Class A	20.84	16.19
Class F	21.97	17.01
Class I	25.02	18.94
Class O****	14.25	11.01
Class ETF***	20.83	16.12
	<u>200,208,256</u>	<u>99,611,623</u>
	<u>(69,689,708)</u>	<u>(31,683,614)</u>
	<u>20.85</u>	<u>16.15</u>

\* Long positions, at cost

\*\* Short positions, at cost

\*\*\* Closing Market Price (TSX)

\*\*\*\* Class O units were first issued on May 4, 2023.

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Manager

David Picton

Arthur Galloway



President



CFO

## STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31

	2024 \$	2023 \$
<b>Income</b>		
Net gains (losses) on investments and derivatives		
Interest for distribution purposes	513,577	435,757
Dividends	3,879,110	2,099,211
Net realized gain (loss) on investments and options	6,629,122	2,665,552
Change in unrealized appreciation (depreciation) on investments and options	29,959,746	5,027,016
Interest and borrowing expense	(886,847)	(686,541)
Dividend expense	(1,000,327)	(688,939)
Net gains (losses) on investments and derivatives	<u>39,094,381</u>	<u>8,852,056</u>
Other income		
Foreign currency gain (loss) on cash and other assets and liabilities	(373,288)	123,283
Total Income	<u>38,721,093</u>	<u>8,975,339</u>
<b>Expenses</b>		
Performance fees	1,715,687	72,957
Management fees	1,278,309	808,163
Transaction costs	1,037,514	490,624
Administrative fees	137,381	106,532
Withholding taxes	79,918	34,078
Legal fees	56,035	47,415
Securityholder reporting fees	54,164	41,132
Audit fees	21,426	12,311
Independent review committee fees	6,804	7,007
Total expense before manager absorption	<u>4,387,238</u>	<u>1,620,219</u>
Less expenses absorbed by manager	<u>(70,360)</u>	<u>(90,418)</u>
Total expense after manager absorption	<u>4,316,878</u>	<u>1,529,801</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>34,404,215</u>	<u>7,445,538</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class</b>		
Class A	2,386,652	732,141
Class F	19,413,232	4,283,710
Class I	376,536	127,089
Class O****	5,784,366	763
Class ETF	6,443,429	2,301,835
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Class A	4.64	1.47
Class F	4.91	1.66
Class I	6.09	2.07
Class O****	3.31	1.09
Class ETF	4.72	1.71

\*\*\*\* Class O units were first issued on May 4, 2023.

The accompanying notes are an integral part of the financial statements.

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31

	2024 \$	2023 \$		2024 \$	2023 \$
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Year</b>			<b>Distributions to Holders of Redeemable Units</b>		
Class A	8,297,763	7,240,447	From net investment income		
Class F	51,319,301	34,101,760	Class A	(3,157)	(56,986)
Class I	1,170,396	1,043,307	Class F	(30,967)	(349,252)
Class O****	7,763	-	Class I	(445)	(8,026)
Class ETF	21,191,343	21,723,616	Class O****	(8,226)	(53)
	<u>81,986,566</u>	<u>64,109,130</u>	Class ETF	(8,370)	(146,547)
				<u>(51,165)</u>	<u>(560,864)</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>			From return of capital		
Class A	2,386,652	732,141	Class A	-	(234)
Class F	19,413,232	4,283,710	Class F	-	(1,435)
Class I	376,536	127,089	Class I	-	(33)
Class O****	5,784,366	763	Class O****	-	-
Class ETF	6,443,429	2,301,835	Class ETF	-	(602)
	<u>34,404,215</u>	<u>7,445,538</u>		<u>-</u>	<u>(2,304)</u>
<b>Redeemable Unit Transactions</b>			<b>Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>95,368,487</u>	<u>17,877,436</u>
Proceeds from redeemable units issued					
Class A	2,179,238	1,723,487	<b>Net Assets Attributable to Holders of Redeemable Units at End of Year</b>		
Class F	51,829,699	22,658,695	Class A	10,987,786	8,297,763
Class I	-	-	Class F	106,892,949	51,319,301
Class O****	27,727,915	14,286	Class I	1,546,932	1,170,396
Class ETF	2,621,016	7,363,414	Class O****	28,875,521	7,763
	<u>84,357,868</u>	<u>31,759,882</u>	Class ETF	29,051,865	21,191,343
Reinvestments of distributions to holders of redeemable units			<b>Net Assets Attributable to Holders of Redeemable Units at End of Year</b>	<u>177,355,053</u>	<u>81,986,566</u>
Class A	2,330	45,766			
Class F	25,287	282,061			
Class I	445	8,059			
Class O****	8,226	53			
Class ETF	-	-			
	<u>36,288</u>	<u>335,939</u>			
Redemption of redeemable units					
Class A	(1,875,040)	(1,386,858)			
Class F	(15,663,603)	(9,656,238)			
Class I	-	-			
Class O****	(4,644,523)	(7,286)			
Class ETF	(1,195,553)	(10,050,373)			
	<u>(23,378,719)</u>	<u>(21,100,755)</u>			
<b>Net Increase (Decrease) from Redeemable Unit Transactions</b>	<u>61,015,437</u>	<u>10,995,066</u>			

\*\*\*\* Class O units were first issued on May 4, 2023.

The accompanying notes are an integral part of the financial statements.



# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## STATEMENTS OF CASH FLOWS

For the years ended December 31

	2024 \$	2023 \$
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	34,404,215	7,445,538
Adjustments for:		
Unrealized foreign exchange (gain) loss on cash	49,533	(475,895)
Net realized (gain) loss on investments and options	(6,629,122)	(2,665,552)
Change in unrealized (appreciation) depreciation on investments and options	(29,959,746)	(5,027,016)
(Increase) decrease in due from manager	47,940	-
(Increase) decrease in dividends receivable	(329,547)	(79,947)
Increase (decrease) in dividends payable	95,697	15,813
Increase (decrease) in other payable and accrued liabilities	925,698	59,036
Purchase of long positions and repurchase of investments sold short	(397,992,105)	(159,090,085)
Proceeds from sale of long positions and on investments sold short	342,119,191	148,245,276
<b>Net cash generated (used) by operating activities</b>	<b>(57,268,246)</b>	<b>(11,572,832)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions to holders of redeemable units, net of reinvested distributions	(6,505)	(347,217)
Proceeds from redeemable units issued	84,305,153	31,168,472
Amount paid on redemption of redeemable units	(23,208,306)	(20,795,565)
<b>Net cash generated (used) by financing activities</b>	<b>61,090,342</b>	<b>10,025,690</b>
Unrealized foreign exchange gain (loss) on cash	(49,533)	475,895
Net increase (decrease) in cash	3,822,096	(1,547,142)
Cash, beginning of year	(598,809)	472,438
<b>Cash, end of year</b>	<b>3,173,754</b>	<b>(598,809)</b>
Cash	3,173,754	17,806,512
Cash overdraft	-	(18,405,321)
<b>Net Cash (Overdraft)</b>	<b>3,173,754</b>	<b>(598,809)</b>
<b>Items Classified as Operating Activities:</b>		
Interest received, net of withholding tax	513,577	435,757
Dividends received, net of withholding tax	3,469,645	1,985,186
Interest and borrowing expense paid	(886,847)	(686,541)
Dividends paid	(904,630)	(673,126)

Net of non-cash transfers and switches of \$247,158 (2023 - \$238,438)

The accompanying notes are an integral part of the financial statements.

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2024

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
<b>LONG POSITIONS (138.6%)</b>									
<b>Canadian Equities (91.1%)</b>									
<b>Energy (15.3%)</b>									
	55,432	Advantage Energy Ltd.	530,785	546,560		149,000	West Red Lake Gold Mines Ltd., Warrants, 2026-05-16	150	20,115
	77,799	ARC Resources Ltd.	1,819,810	2,028,220				14,650,944	17,028,385
	14,745	Cameco Corp.	834,941	1,089,803	<b>Industrial (15.4%)</b>				
108,060		Canadian Natural Resources Ltd.	4,587,817	4,795,703		7,100	ADENTRA Inc.	276,036	263,623
	8,900	Cenovus Energy Inc.	190,998	193,931		8,031	Ag Growth International Inc.	446,136	408,135
	81,563	Enbridge Inc.	4,041,748	4,976,159		60,400	Air Canada	1,196,726	1,344,504
	39,000	Encore Energy Corp., Warrants, 2026-02-14	-	42,900		12,819	AtkinsRealis Group Inc.	702,800	977,577
	34,556	Encore Energy Corp.	141,783	167,597		18,141	Badger Infrastructure Solutions Ltd.	667,921	650,899
	57,053	Gibson Energy Inc.	1,280,744	1,396,657		3,705	Bombardier Inc.	223,772	362,164
	58,095	MEG Energy Corp.	1,018,222	1,371,042		3,064	Boyd Group Services Inc.	709,466	664,214
	29,272	NexGen Energy Ltd.	247,171	277,499		2,300	Canadian National Railway Co.	360,668	335,731
	45,458	Parkland Corp.	1,719,709	1,477,840		69,215	Canadian Pacific Kansas City Ltd.	7,023,058	7,203,897
	13,564	Pembina Pipeline Corp.	609,026	720,384		125,143	Element Fleet Management Corp.	2,176,146	3,636,656
	4,023	Precision Drilling Corp.	365,215	353,702		43,600	NFI Group Inc.	722,604	610,400
	87,566	Suncor Energy Inc.	4,177,926	4,493,011		10,428	Thomson Reuters Corp.	1,728,010	2,406,991
	40,600	TC Energy Corp.	2,141,826	2,719,794		10,840	Toromont Industries Ltd.	1,161,456	1,231,858
	4,800	TerraVest Industries Inc.	365,166	536,640		18,128	Waste Connections Inc.	3,457,900	4,470,365
			24,072,887	27,187,442		11,061	WSP Global Inc.	2,053,569	2,797,991
<b>Materials (9.6%)</b>								22,906,268	27,365,005
	31,829	Agnico Eagle Mines Ltd.	2,452,289	3,579,489	<b>Consumer Discretionary (1.9%)</b>				
	49,300	Aris Mining Corp., Warrants, 2025-07-29	-	10,846		2,900	Dollarama Inc.	277,843	406,812
	28,675	Capstone Copper Corp.	219,201	254,921		12,100	Gildan Activewear Inc.	704,992	818,565
	19,400	Cascades Inc.	234,024	231,054		14,638	Restaurant Brands International Inc.	1,396,852	1,371,434
	22,554	CCL Industries Inc.	1,515,615	1,667,868		24,087	Spin Master Corp.	857,392	815,827
	80,014	First Quantum Minerals Ltd.	1,557,490	1,482,659				3,237,079	3,412,638
	89,855	Frontier Lithium Inc.	152,029	40,435	<b>Consumer Staples (2.2%)</b>				
	14,850	Frontier Lithium Inc., Warrants, 2025-11-08	-	-		15,103	Alimentation Couche-Tard Inc.	1,166,993	1,204,011
	117,047	Hudbay Minerals Inc.	991,065	1,364,768		9,776	George Weston Ltd.	1,590,037	2,185,327
	37,730	K92 Mining Inc.	291,811	327,496		1,600	Metro Inc.	139,041	144,240
	9,600	Labrador Iron Ore Royalty Corp.	318,379	277,728		9,232	North West Co Inc.	366,487	453,476
	55,852	Major Drilling Group International Inc.	459,560	458,545				3,262,558	3,987,054
	14,537	NGEx Minerals Ltd.	97,239	194,941	<b>Health Care (0.8%)</b>				
	88,034	OceanaGold Corp.	242,307	350,375		34,800	Chartwell Retirement Residences	447,424	524,784
	6,833	Osisko Development Corp., Warrants, 2027-03-02	-	683		20,800	HEXO Corp., Warrants	-	-
	80,272	Osisko Gold Royalties Ltd.	1,673,607	2,089,480		5,500	HEXO Corp., Warrants, 2025-05-21	-	-
	446,250	Osisko Metals Inc., Warrants	-	2,231		92,991	Kneat.com Inc.	334,939	544,927
	892,500	Osisko Metals Inc.	232,050	307,123		24,600	Sienna Senior Living Inc.	362,869	384,252
	57,387	Pan American Silver Corp.	1,383,167	1,668,814				1,145,232	1,453,963
	21,343	Pan American Silver Corp., Rights, 2029-02-22	19,159	11,357	<b>Financials (27.5%)</b>				
	54,698	Solaris Resources Inc.	311,660	243,953		53,900	Bank of Nova Scotia	4,074,160	4,160,541
	40,393	Teck Resources Ltd.	2,393,012	2,354,104		38,300	Bank of Montreal	5,002,381	5,344,765
	149,000	West Red Lake Gold Mines Ltd.	107,130	89,400		11,400	Brookfield Asset Management Ltd.	659,117	888,744

## PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2024

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# **PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND**

## **SCHEDULE OF INVESTMENT PORTFOLIO**

As at December 31, 2024

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	1,090	Goldman Sachs Group Inc.	627,855	897,666		1,079	Procter & Gamble Co.	212,809	260,164
	900	Guidewire Software Inc.	183,866	218,208		3,398	Progressive Corp.	744,485	1,170,981
	2,500	Hartford Financial Services Group Inc.	381,925	393,350		1,943	Q2 Holdings Inc.	136,322	281,260
	1,800	Hasbro Inc.	156,121	144,738		1,525	Quanta Services Inc.	326,414	693,182
	4,800	Healthpeak Properties Inc.	125,972	139,932		7,400	RadNet Inc.	489,509	743,289
	1,200	Home Depot Inc.	553,933	671,338		1,052	RBC Bearings Inc.	302,470	452,597
	19,900	Host Hotels & Resorts Inc.	498,950	501,428		4,325	Reddit Inc.	541,655	1,016,637
	5,850	Howmet Aerospace Inc.	547,180	920,186		4,550	Reinsurance Group of America Inc.	1,008,095	1,397,961
	200	HubSpot Inc.	206,650	200,420		4,000	Revolve Group Inc.	203,866	192,662
	140,000	Inovia Coinvestors SPV IV, Limited Partnership	192,172	201,349		18,300	Robinhood Markets Inc.	505,503	980,653
	1,400	Inmed Inc.	59,781	139,011		533	Roper Technologies Inc.	315,518	398,499
	1,539	Intercontinental Exchange Inc.	243,927	329,819		15,000	RXO Inc.	548,644	514,303
	1,000	Interparfums Inc.	183,854	189,139		1,000	Salesforce Inc.	485,603	480,836
	1,450	Intuitive Surgical Inc.	639,019	1,088,496		14,600	Select Water Solutions Inc.	234,364	278,011
	1,000	JPMorgan Chase & Co.	230,229	344,753		4,200	Sempra	468,241	529,870
	5,015	KKR & Co Inc.	636,493	1,066,817		6,900	SentinelOne Inc.	253,313	220,305
	23,600	LendingClub Corp.	486,878	549,516		580	ServiceNow Inc.	500,595	884,310
	1,896	Lennar Corp.	382,719	371,859		786	Stride Inc.	68,167	117,486
	2,200	LPL Financial Holdings Inc.	790,226	1,033,096		1,075	Synopsys Inc.	632,127	750,402
	2,350	M&T Bank Corp.	578,290	635,434		1,100	Take-Two Interactive Software Inc.	216,640	291,220
	1,000	Masimo Corp.	225,097	237,736		2,584	Targa Resources Corp.	277,484	663,365
	1,015	Mastercard Inc.	586,505	768,677		300	Tesla Inc.	185,175	174,242
	4,785	Merck & Co Inc.	754,515	684,604		3,018	TJX Cos Inc.	337,095	524,377
	1,350	Meta Platforms Inc.	821,333	1,136,815		3,725	Trade Desk Inc.	409,091	629,646
	11,700	MetLife Inc.	1,376,133	1,377,797		3,000	Twilio Inc.	447,200	466,324
	2,950	Micron Technology Inc.	330,618	357,067		4,468	UFP Industries Inc.	737,723	723,879
	3,075	Microsoft Corp.	1,623,991	1,864,079		3,100	UL Solutions Inc.	208,548	222,387
	2,906	Mondelez International Inc.	286,474	249,637		4,700	Unum Group	489,101	493,652
	760	Motorola Solutions Inc.	300,075	505,235		650	United Rentals Inc.	326,170	658,535
	5,800	Nasdaq Inc.	533,195	644,889		5,962	Ventas Inc.	371,322	504,958
	3,250	Natera Inc.	348,443	739,922		296	Veralto Corp.	32,562	43,359
	13,600	nCino Inc.	648,329	656,812		3,000	Vintage Wine Estates Inc., Warrants, 2027-08-16	-	1
	9,415	NiSource Inc.	370,071	497,757		2,910	Vistra Corp.	304,277	577,011
	13,325	NVIDIA Corp.	1,139,586	2,573,549		7,878	Walmart Inc.	565,787	1,023,683
	1,200	Old Dominion Freight Line Inc.	291,908	304,440		4,000	Walt Disney Co.	630,279	640,578
	1,900	Ollie's Bargain Outlet Holdings Inc.	248,033	299,848		3,900	Wynn Resorts Ltd.	497,035	483,272
	5,000	OneMain Holdings Inc.	360,624	374,869		1,300	Zoetis Inc.	324,827	304,625
	1,900	Onto Innovation Inc.	413,964	455,441		7,388	Zymeworks Inc.	73,957	155,557
	3,176	Oracle Corp.	613,475	761,169				53,848,110	72,003,552
	24,900	Peloton Interactive Inc.	256,453	311,559			<b>International Equities (5.5%)</b>		
	1,600	Performance Food Group Co.	176,285	194,561		1,650	Aon plc	774,866	852,302
	413	Pershing Square Tontine Holdings Ltd., Warrants, 2025-07-24	-	1		15,100	Brookfield Business Partners LP	413,126	511,890
	206	Pershing Square Tontine Holdings Ltd., Rights	-	-		27,532	Brookfield Infrastructure Partners LP	1,175,270	1,257,662
	10,100	PG&E Corp.	283,391	293,133		19,300	Brookfield Renewable Partners LP	666,359	631,882
	5,800	Pinnacle Financial Partners Inc.	823,311	954,196		66,984	Champion Iron Ltd.	361,359	346,977
	1,200	PNC Financial Services Group Inc.	334,961	332,830		1,025	CyberArk Software Ltd.	269,007	491,117
	14,404	PPL Corp.	541,513	672,439		1,160	Eaton Corp. plc	422,480	553,666
						1,900	Elastic N.V.	298,451	270,745
						1,300	Flutter Entertainment plc	417,323	483,216

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2024

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	9,900	Galaxy Digital Holdings Ltd.	166,674	247,401					
	13,647	International Game Technology plc	443,078	346,617					
	4,800	Norwegian Cruise Line Holdings Ltd.	181,291	177,624					
	16,693	OneSpaWorld Holdings Ltd.	338,284	477,759					
	26,875	ReNew Energy Global plc	246,306	263,992					
	1,025	SAP SE, ADR	344,427	362,954					
	1,325	Spotify Technology S.A.	343,063	852,538					
	2,850	Taiwan Semiconductor Manufacturing Co., Ltd.	669,639	809,490					
	301,110	Talon Metals Corp.	90,511	27,100					
	23,000	Teva Pharmaceutical Industries Ltd.	570,929	729,056					
	58,387	Westgold Resources Ltd.	149,471	147,135					
		<b>Total Global Equities - Long</b>	<b>8,341,914</b>	<b>9,841,123</b>					
		<b>Options (1.3%)</b>							
		<b>Total Purchased Options - Refer to Appendix A</b>	<b>2,304,656</b>	<b>2,314,468</b>					
		<b>Transaction Costs</b>	<b>(154,223)</b>	<b>-</b>					
		<b>Total Long Positions</b>	<b>200,208,256</b>	<b>245,764,005</b>					
		<b>SHORT POSITIONS (-40.0%)</b>							
		<b>Canadian Equities (-7.8%)</b>							
		<b>Energy (-0.6%)</b>							
	(40,536)	Baytex Energy Corp.	(213,363)	(149,983)					
	(44,274)	Ensign Energy Services Inc.	(112,122)	(131,937)					
	(3,800)	Obsidian Energy Ltd.	(39,018)	(31,768)					
	(5,600)	Parex Resources Inc.	(74,749)	(81,648)					
	(39,800)	Spartan Delta Corp.	(151,422)	(137,310)					
	(22,000)	Trican Well Service Ltd.	(98,741)	(112,860)					
	(29,400)	Veren Inc.	(241,745)	(217,266)					
	(6,900)	Vermilion Energy Inc.	(83,188)	(93,357)					
	(13,500)	Whitecap Resources Inc.	(135,900)	(137,700)					
			(1,150,248)	(1,093,829)					
		<b>Materials (-0.5%)</b>							
	(19,600)	B2Gold Corp.	(73,586)	(68,992)					
	(9,721)	ERO Copper Corp.	(247,328)	(188,393)					
	(14,807)	First Majestic Silver Corp.	(152,947)	(116,975)					
	(6,300)	Interfor Corp.	(110,786)	(105,777)					
	(13,000)	Lundin Mining Corp.	(167,134)	(160,810)					
	(12,790)	New Found Gold Corp.	(86,542)	(33,126)					
	(38,700)	New Gold Inc.	(150,577)	(138,933)					
	(5,400)	New Pacific Metals Corp.	(28,405)	(9,180)					
	(8,837)	Sandstorm Gold Ltd.	(59,882)	(71,049)					
			(1,077,187)	(893,235)					
		<b>Industrial (-0.1%)</b>							
	(3,837)	Ballard Power Systems Inc.	(28,981)	(9,170)					
	(2,400)	Finning International Inc.	(88,983)	(91,416)					
			(117,964)	(100,586)					
		<b>Consumer Discretionary (-0.2%)</b>							
	(1,163)	Canadian Tire Corp. Ltd.	(180,671)	(175,869)					
	(2,900)	Magna International Inc.	(167,660)	(174,232)					
			(348,331)	(350,101)					
		<b>Consumer Staples (-0.3%)</b>							
	(2,800)	Loblaw Cos Ltd.	(489,779)	(529,672)					
	(3,900)	Maple Leaf Foods Inc.	(88,974)	(79,326)					
			(578,753)	(608,998)					
		<b>Health Care (0.0%)</b>							
	(1,092)	Aurora Cannabis Inc.	(124,290)	(6,672)					
		<b>Financials (-0.9%)</b>							
	(3,600)	Definity Financial Corp.	(185,401)	(210,420)					
	(7,000)	Fiera Capital Corp.	(67,364)	(63,140)					
	(7,600)	Great-West Lifeco Inc.	(319,744)	(362,292)					
	(1,300)	iA Financial Corp. Inc.	(135,417)	(173,316)					
	(4,588)	IGM Financial Inc.	(166,813)	(210,635)					
	(2,800)	National Bank of Canada	(341,809)	(366,912)					
	(4,900)	TMX Group Ltd.	(181,261)	(216,972)					
			(1,397,809)	(1,603,687)					
		<b>Information Technology (-0.2%)</b>							
	(4,609)	Enghouse Systems Ltd.	(158,192)	(124,858)					
	(5,200)	Open Text Corp., NASD	(248,875)	(211,536)					
			(407,067)	(336,394)					
		<b>Communication Services (-0.1%)</b>							
	(1,579)	Cogeco Communications Inc.	(96,618)	(106,346)					
	(3,200)	Quebecor Inc.	(97,977)	(100,800)					
			(194,595)	(207,146)					
		<b>Utilities (-0.5%)</b>							
	(9,300)	Algonquin Power & Utilities Corp.	(65,672)	(59,334)					
	(5,000)	Brookfield Infrastructure Corp.	(278,354)	(288,400)					
	(5,200)	Brookfield Renewable Corp.	(213,863)	(206,856)					
	(1,500)	Emera Inc.	(75,836)	(80,595)					
	(5,060)	Fortis Inc.	(280,896)	(302,234)					
			(914,621)	(937,419)					
		<b>Real Estate (-0.1%)</b>							
	(2,300)	Canadian Apartment Properties REIT	(116,446)	(98,049)					
	(21,334)	StorageVault Canada Inc.	(101,442)	(84,056)					
			(217,888)	(182,105)					
		<b>Index Equivalents (-4.3%)</b>							
	(28,100)	iShares S&P/TSX Capped Energy Index ETF	(519,377)	(480,791)					
	(189,100)	iShares S&P/TSX 60 Index ETF	(7,295,025)	(7,085,577)					
			(7,814,402)	(7,566,368)					
		<b>Total Canadian Equities - Short</b>	<b>(14,343,155)</b>	<b>(13,886,540)</b>					

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2024

No. of shares/ units/		Security Description	Average cost (\$)	Fair value (\$)	No. of shares/ units/		Security Description	Average cost (\$)	Fair value (\$)
CCY*	Face value				CCY*	Face value			
Global Equities (-31.3%)					(900)	Edwards Lifesciences Corp.	(85,070)	(95,823)	
United States Equities (-12.1%)					(1,100)	eHealth Inc.	(77,596)	(14,871)	
	(3,409)	1-800-Flowers.com Inc.	(44,143)	(40,056)	(300)	Electronic Arts Inc.	(54,172)	(63,123)	
	(800)	Abercrombie & Fitch Co.	(164,210)	(171,975)	(500)	Elf Beauty Inc.	(97,188)	(90,283)	
	(200)	Advanced Micro Devices Inc.	(42,294)	(34,744)	(700)	Enphase Energy Inc.	(105,790)	(69,143)	
	(1,430)	AGCO Corp.	(204,797)	(192,254)	(350)	Evercore Inc.	(146,395)	(139,530)	
	(1,000)	Airbnb Inc.	(194,759)	(188,995)	(1,600)	Eversource Energy	(139,839)	(132,154)	
	(852)	Alexandria Real Estate Equities Inc.	(139,985)	(119,533)	(220)	FactSet Research Systems Inc.	(125,495)	(151,963)	
	(775)	Allstate Corp.	(172,116)	(214,886)	(2,200)	Federated Hermes Inc.	(105,785)	(130,074)	
	(1,300)	American Electric Power Co Inc.	(162,343)	(172,440)	(800)	Five9 Inc.	(30,454)	(46,759)	
	(350)	American Express Co.	(118,933)	(149,396)	(700)	Fortinet Inc.	(94,583)	(95,117)	
	(1,400)	American International Group Inc.	(144,317)	(146,582)	(6,395)	FuboTV Inc.	(61,890)	(11,589)	
	(300)	American Tower Corp.	(89,931)	(79,134)	(136)	FuelCell Energy Inc.	(51,646)	(1,768)	
	(1,200)	American Water Works Co Inc.	(225,584)	(214,851)	(1,400)	FirstEnergy Corp.	(72,332)	(80,097)	
	(350)	Amgen Inc.	(149,514)	(131,199)	(3,300)	Franklin Resources Inc.	(90,316)	(96,298)	
	(2,600)	Apellis Pharmaceuticals Inc.	(124,784)	(119,322)	(581)	GATX Corp.	(82,385)	(129,484)	
	(1,300)	ArcBest Corp.	(208,757)	(174,478)	(1,800)	General Mills Inc.	(182,662)	(165,086)	
	(1,200)	Arrow Electronics Inc.	(203,190)	(195,228)	(1,121)	Gilead Sciences Inc.	(124,459)	(148,922)	
	(575)	Avery Dennison Corp.	(167,946)	(154,751)	(1,200)	Goosehead Insurance Inc.	(181,494)	(185,046)	
	(600)	Applied Materials Inc.	(159,550)	(140,337)	(5,439)	Halliburton Co.	(250,793)	(212,691)	
	(3,400)	Baldwin Insurance Group Inc.	(211,228)	(189,533)	(1,600)	Harley-Davidson Inc.	(78,764)	(69,333)	
	(2,300)	Bancorp Inc.	(159,050)	(174,094)	(598)	Jack Henry & Associates Inc.	(131,616)	(150,766)	
	(3,000)	Bank OZK	(179,613)	(192,130)	(900)	Henry Schein Inc.	(84,585)	(89,572)	
	(700)	Biogen Inc.	(172,651)	(153,951)	(800)	Hexcel Corp.	(71,947)	(72,140)	
	(900)	Blackstone Inc.	(197,788)	(223,178)	(1,300)	Hims & Hers Health Inc.	(49,122)	(45,209)	
	(2,679)	Bloom Energy Corp.	(63,546)	(85,574)	(840)	JB Hunt Transport Services Inc.	(200,468)	(206,173)	
	(8,958)	Blue Owl Capital Inc.	(229,218)	(299,669)	(4,200)	Hyllion Holdings Corp.	(49,813)	(15,675)	
	(23)	Booking Holdings Inc.	(113,702)	(164,349)	(633)	IAC Inc.	(43,258)	(39,274)	
	(400)	Cadence Design Systems Inc.	(152,867)	(172,850)	(225)	IDEXX Laboratories Inc.	(141,008)	(133,788)	
	(4,600)	Carlyle Group Inc.	(278,377)	(334,029)	(548)	Illinois Tool Works Inc.	(179,720)	(199,840)	
	(400)	Caterpillar Inc.	(199,111)	(208,690)	(300)	Inovio Pharmaceuticals Inc.	(40,946)	(790)	
	(1,000)	CBRE Group Inc.	(189,591)	(188,822)	(725)	International Business Machines Corp.	(218,658)	(229,217)	
	(2,400)	CenterPoint Energy Inc.	(103,242)	(109,522)	(1,100)	Iron Mountain Inc.	(160,825)	(166,287)	
	(1,400)	CH Robinson Worldwide Inc.	(185,505)	(208,034)	(3,088)	Kennametal Inc.	(114,311)	(106,677)	
	(1,279)	Chegg Inc.	(18,004)	(2,962)	(150)	KLA Corp.	(130,483)	(135,936)	
	(2,000)	Citizens Financial Group Inc.	(115,320)	(125,872)	(2,200)	Lemonade Inc.	(140,844)	(116,058)	
	(12,000)	Cleveland-Cliffs Inc.	(248,400)	(162,230)	(1,100)	LGI Homes Inc.	(168,402)	(141,433)	
	(1,100)	Colgate-Palmolive Co.	(152,531)	(143,822)	(1,000)	LiveRamp Holdings Inc.	(41,045)	(43,678)	
	(700)	Commercial Metals Co.	(57,186)	(49,935)	(6,500)	Lumen Technologies Inc.	(45,979)	(49,640)	
	(1,050)	ConocoPhillips	(163,934)	(149,758)	(7,800)	Lyft Inc.	(162,463)	(144,712)	
	(3,000)	Corebridge Financial Inc.	(128,448)	(129,137)	(5,135)	Macerich Co.	(105,472)	(147,113)	
	(2,200)	CoStar Group Inc.	(231,926)	(226,515)	(225)	Madrigal Pharmaceuticals Inc.	(67,916)	(99,852)	
	(800)	CubeSmart	(48,045)	(49,302)	(3,000)	Maplebear Inc.	(151,502)	(178,712)	
	(925)	Datadog Inc.	(197,717)	(190,093)	(700)	MarketAxess Holdings Inc.	(253,457)	(227,565)	
	(620)	Deckers Outdoor Corp.	(133,658)	(181,093)	(5,200)	MGIC Investment Corp.	(178,014)	(177,319)	
	(2,200)	DigitalOcean Holdings Inc.	(117,596)	(107,799)	(723)	Mid-America Apartment Communities Inc.	(132,463)	(160,726)	
	(300)	Dollar Tree Inc.	(51,598)	(32,334)	(170)	Molina Healthcare Inc.	(71,315)	(71,160)	
	(2,244)	Dominion Energy Inc.	(147,031)	(173,824)	(300)	MongoDB Inc.	(119,374)	(100,449)	
	(2,100)	DoubleVerify Holdings Inc.	(47,609)	(58,019)	(570)	Moody's Corp.	(354,760)	(388,058)	
	(4,000)	DraftKings Inc.	(197,434)	(214,005)	(1,200)	Morgan Stanley	(219,707)	(216,974)	
	(430)	Duolingo Inc.	(204,374)	(200,513)	(1,650)	MSC Industrial Direct Co Inc.	(205,645)	(177,243)	
					(1,500)	National Storage Affiliates Trust	(87,550)	(81,784)	





# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2024

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)	CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	(2,500)	SPDR S&P Homebuilders ETF	(406,488)	(375,732)			<b>TOTAL INVESTMENT PORTFOLIO (98.6%)</b>	<b>130,518,548</b>	<b>174,778,848</b>
	(3,000)	SPDR S&P Metals & Mining ETF	(265,577)	(244,855)			Other Assets Net of Liabilities (1.4%)		2,576,205
	(3,000)	SPDR Utilities Select Sector Fund	(319,890)	(326,574)			<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100.0%)</b>		<b>177,355,053</b>
	(450)	VanEck Semiconductor ETF	(150,891)	(156,731)					
	(8,400)	Vanguard Total Stock Market ETF	(3,553,868)	(3,501,178)					
			(28,840,336)	(31,035,418)					
		<b>Total Global Equities - Short</b>	<b>(53,488,908)</b>	<b>(55,463,269)</b>					
		<b>Options (-0.9%)</b>							
		<b>Total Written Options - Refer to Appendix A</b>	<b>(1,823,844)</b>	<b>(1,635,348)</b>					
		<b>Transaction Costs</b>	<b>(33,801)</b>	<b>-</b>					
		<b>Total Short Positions</b>	<b>(69,689,708)</b>	<b>(70,985,157)</b>					

\*CCY denotes local currency of debt security

## APPENDIX A OPTIONS (0.4%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Applivin Corp.	Call Option	24	\$380	February, 2025	108,090	66,617
Applivin Corp.	Call Option	7	\$440	February, 2025	17,359	8,255
ARK Innovation ETF	Call Option	399	\$60	January, 2025	35,589	19,511
ARK Innovation ETF	Call Option	159	\$65	January, 2025	1,716	2,858
Bank Of Nova Scotia	Call Option	396	\$79	January, 2025	20,018	3,564
BCE Inc.	Call Option	436	\$36	February, 2025	24,420	21,364
BCE Inc.	Call Option	196	\$42	January, 2025	686	43
Canadian Pacific Kansas City Ltd.	Call Option	119	\$115	February, 2025	16,470	3,094
Chewy Inc.	Call Option	198	\$33	January, 2025	37,876	34,456
Chewy Inc.	Call Option	59	\$39	January, 2025	2,884	552
Chicago Board Options Exchange	Call Option	277	\$19	January, 2025	44,467	47,009
Dexcom Inc.	Call Option	57	\$85	January, 2025	23,919	10,657
Element Fleet Management	Call Option	387	\$30	March, 2025	17,512	32,508
Eli Lilly & Co.	Call Option	15	\$830	February, 2025	56,550	45,843
Eli Lilly & Co.	Call Option	4	\$910	February, 2025	6,689	4,343
iShares Russell 2000 ETF	Call Option	319	\$226	January, 2025	21,363	20,416
Metlife Inc.	Call Option	198	\$88	February, 2025	55,741	27,053
Metlife Inc.	Call Option	79	\$95	February, 2025	8,409	1,704
Mobileye Global Inc.	Call Option	239	\$21	January, 2025	35,415	36,092
Mobileye Global Inc.	Call Option	96	\$25	January, 2025	3,004	2,416
Monday.Com Ltd.	Call Option	70	\$310	February, 2025	72,062	33,726
Monday.Com Ltd.	Call Option	21	\$350	February, 2025	7,284	4,832
Oracle Corp.	Call Option	65	\$195	March, 2025	51,081	21,454
Peloton Interactive Inc.	Call Option	106	\$8	January, 2025	12,829	16,083
Roku Inc.	Call Option	99	\$105	February, 2025	40,315	13,313
Sentinelone Inc.	Call Option	174	\$31	January, 2025	31,972	12
Sentinelone Inc.	Call Option	243	\$31	March, 2025	36,150	8,737
Teck Resources Ltd.	Call Option	279	\$72	January, 2025	48,267	3
The Trade Desk Inc.	Call Option	46	\$140	March, 2025	32,348	22,659
The Trade Desk Inc.	Call Option	14	\$170	March, 2025	2,393	1,329
Toronto-Dominion Bank	Call Option	406	\$76	January, 2025	24,539	42,427
Toronto-Dominion Bank	Call Option	88	\$84	January, 2025	1,276	3
					<b>898,693</b>	<b>552,933</b>
Datadog Inc.	Put Option	14	\$105	February, 2025	1,139	1,238
Datadog Inc.	Put Option	48	\$135	February, 2025	29,220	37,796
Deckers Outdoor Corp.	Put Option	16	\$135	February, 2025	2,477	796
Deckers Outdoor Corp.	Put Option	40	\$165	February, 2025	33,530	10,067



# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## APPENDIX A OPTIONS (0.4%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Elf Beauty Inc.	Put Option	18	\$85	February, 2025	3,614	3,689
Elf Beauty Inc.	Put Option	61	\$115	February, 2025	58,310	71,939
Garmin Ltd.	Put Option	14	\$135	April, 2025	1,480	280
Garmin Ltd.	Put Option	39	\$180	April, 2025	25,011	15,986
Invesco QQQ Trust Ser.1	Put Option	59	\$480	January, 2025	18,451	10,310
Invesco QQQ Trust Ser.1	Put Option	32	\$495	January, 2025	17,838	13,922
Invesco QQQ Trust Ser.1	Put Option	238	\$505	January, 2025	157,337	186,035
iShares MSCI USA Momentum	Put Option	244	\$205	January, 2025	59,023	74,571
Maplebear Inc.	Put Option	119	\$37	April, 2025	26,811	26,955
Palantir Technologies Inc.	Put Option	33	\$40	February, 2025	1,984	1,163
Palantir Technologies Inc.	Put Option	95	\$55	February, 2025	31,007	17,489
S&P 500 Index 3Wk	Put Option	12	\$5,625	January, 2025	33,906	26,233
S&P 500 Index 3Wk	Put Option	40	\$5,725	January, 2025	184,146	156,189
S&P 500 Index 3Wk	Put Option	6	\$5,760	February, 2025	28,910	49,359
S&P 500 Index 3Wk	Put Option	32	\$5,825	January, 2025	148,865	41,420
S&P 500 Index 3Wk	Put Option	41	\$5,900	February, 2025	299,740	582,291
S&P 500 Index 3Wk	Put Option	14	\$5,920	January, 2025	60,875	158,058
Tesla Inc.	Put Option	80	\$345	February, 2025	113,936	166,544
Tesla Inc.	Put Option	16	\$360	January, 2025	2,564	2,267
Tesla Inc.	Put Option	21	\$385	January, 2025	20,057	37,904
Tesla Inc.	Put Option	80	\$390	January, 2025	45,732	69,034
					1,405,963	1,761,535
<b>Total Purchased Options</b>					<b>2,304,656</b>	<b>2,314,468</b>
Applovin Corp.	Written Call Option	(17)	\$400	February, 2025	(62,286)	(37,652)
Applovin Corp.	Written Call Option	(2)	\$420	January, 2025	(2,125)	(338)
Applovin Corp.	Written Call Option	(17)	\$420	February, 2025	(50,481)	(27,628)
ARK Innovation ETF	Written Call Option	(299)	\$62	January, 2025	(10,431)	(6,020)
ARK Innovation ETF	Written Call Option	(299)	\$63	January, 2025	(6,667)	(3,870)
Bank Of Nova Scotia	Written Call Option	(238)	\$80	January, 2025	(6,724)	(1,079)
Bank Of Nova Scotia	Written Call Option	(198)	\$82	January, 2025	(1,485)	(210)
BCE Inc.	Written Call Option	(277)	\$37	February, 2025	(9,487)	(9,003)
BCE Inc.	Written Call Option	(79)	\$41	January, 2025	(751)	(34)
BCE Inc.	Written Call Option	(297)	\$42	February, 2025	(4,604)	(1,999)
Canadian Pacific Kansas City Ltd.	Written Call Option	(12)	\$115	January, 2025	(648)	(39)
Canadian Pacific Kansas City Ltd.	Written Call Option	(107)	\$120	February, 2025	(5,885)	(856)
Chewy Inc.	Written Call Option	(139)	\$35	January, 2025	(10,362)	(9,096)
Chewy Inc.	Written Call Option	(139)	\$37	January, 2025	(16,422)	(3,199)
Chicago Board Options Exchange	Written Call Option	(218)	\$23	January, 2025	(23,637)	(24,455)
Datadog Inc.	Written Call Option	(5)	\$175	January, 2025	(1,024)	(79)
Dexcom Inc.	Written Call Option	(40)	\$100	January, 2025	(6,089)	(431)
Element Fleet Management	Written Call Option	(135)	\$30	February, 2025	(3,409)	(6,750)
Element Fleet Management	Written Call Option	(271)	\$31	March, 2025	(7,114)	(13,686)
Elf Beauty Inc.	Written Call Option	(6)	\$160	January, 2025	(2,817)	(280)
Eli Lilly & Co.	Written Call Option	(10)	\$860	February, 2025	(28,689)	(19,452)
Eli Lilly & Co.	Written Call Option	(2)	\$880	January, 2025	(2,089)	(125)
Eli Lilly & Co.	Written Call Option	(10)	\$880	February, 2025	(22,274)	(14,598)
iShares Russell 2000 ETF	Written Call Option	(319)	\$230	January, 2025	(6,195)	(5,047)
Metlife Inc.	Written Call Option	(139)	\$90	February, 2025	(24,529)	(10,995)
Metlife Inc.	Written Call Option	(139)	\$93	February, 2025	(19,273)	(5,997)
Mobileye Global Inc.	Written Call Option	(24)	\$21	January, 2025	(837)	(777)
Mobileye Global Inc.	Written Call Option	(179)	\$22	January, 2025	(14,421)	(15,446)
Mobileye Global Inc.	Written Call Option	(179)	\$24	January, 2025	(8,820)	(7,723)
Monday.Com Ltd.	Written Call Option	(7)	\$310	January, 2025	(2,038)	(352)
Monday.Com Ltd.	Written Call Option	(49)	\$320	February, 2025	(39,316)	(18,851)
Monday.Com Ltd.	Written Call Option	(49)	\$340	February, 2025	(22,115)	(13,037)
Oracle Corp.	Written Call Option	(13)	\$195	February, 2025	(4,237)	(804)
Oracle Corp.	Written Call Option	(65)	\$210	March, 2025	(24,683)	(9,956)
Palantir Technologies Inc.	Written Call Option	(9)	\$90	January, 2025	(1,063)	(615)
Peloton Interactive Inc.	Written Call Option	(63)	\$9	January, 2025	(5,346)	(4,712)
Roku Inc.	Written Call Option	(95)	\$125	February, 2025	(13,239)	(4,304)
Sentinelone Inc.	Written Call Option	(158)	\$32	January, 2025	(23,048)	(3)
Sentinelone Inc.	Written Call Option	(219)	\$34	March, 2025	(15,914)	(3,937)
Teck Resources Ltd.	Written Call Option	(279)	\$74	January, 2025	(33,201)	-
Tesla Inc.	Written Call Option	(5)	\$520	February, 2025	(29,621)	(7,964)
Tesla Inc.	Written Call Option	(4)	\$520	January, 2025	(3,003)	(1,898)
The Trade Desk Inc.	Written Call Option	(5)	\$140	January, 2025	(959)	(97)
The Trade Desk Inc.	Written Call Option	(35)	\$150	March, 2025	(14,738)	(9,942)
The Trade Desk Inc.	Written Call Option	(28)	\$160	March, 2025	(7,705)	(4,470)

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## APPENDIX A OPTIONS (0.4%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Toronto-Dominion Bank	Written Call Option	(317)	\$78	January, 2025	(8,004)	(6,499)
Toronto-Dominion Bank	Written Call Option	(205)	\$82	January, 2025	(3,178)	(820)
					(610,983)	(315,125)
ARK Innovation ETF	Written Put Option	(40)	\$54	January, 2025	(863)	(575)
Bank Of Nova Scotia	Written Put Option	(59)	\$72	January, 2025	(3,245)	(708)
BCE Inc.	Written Put Option	(79)	\$34	January, 2025	(1,304)	(8,414)
Canadian Pacific Kansas City Ltd.	Written Put Option	(12)	\$100	January, 2025	(768)	(438)
Chewy Inc.	Written Put Option	(20)	\$28	January, 2025	(1,632)	(230)
Datadog Inc.	Written Put Option	(33)	\$115	February, 2025	(4,906)	(5,387)
Datadog Inc.	Written Put Option	(33)	\$125	February, 2025	(10,137)	(13,360)
Datadog Inc.	Written Put Option	(5)	\$135	January, 2025	(1,150)	(899)
Deckers Outdoor Corp.	Written Put Option	(28)	\$145	February, 2025	(6,237)	(2,290)
Deckers Outdoor Corp.	Written Put Option	(4)	\$155	January, 2025	(692)	(12)
Deckers Outdoor Corp.	Written Put Option	(30)	\$155	February, 2025	(16,695)	(4,315)
Element Fleet Management	Written Put Option	(58)	\$23	January, 2025	(551)	(66)
Elf Beauty Inc.	Written Put Option	(43)	\$95	February, 2025	(14,228)	(15,924)
Elf Beauty Inc.	Written Put Option	(43)	\$105	February, 2025	(25,172)	(30,612)
Garmin Ltd.	Written Put Option	(27)	\$150	April, 2025	(3,718)	(2,621)
Garmin Ltd.	Written Put Option	(29)	\$165	April, 2025	(8,633)	(5,631)
Invesco QQQ Trust Ser.1	Written Put Option	(138)	\$485	January, 2025	(51,707)	(32,649)
Invesco QQQ Trust Ser.1	Written Put Option	(67)	\$490	January, 2025	(30,511)	(21,488)
Invesco QQQ Trust Ser.1	Written Put Option	(166)	\$500	January, 2025	(89,423)	(97,287)
iShares MSCI USA Momentum	Written Put Option	(219)	\$200	January, 2025	(32,600)	(41,733)
iShares Russell 2000 ETF	Written Put Option	(24)	\$210	January, 2025	(811)	(242)
Maplebear Inc.	Written Put Option	(24)	\$30	April, 2025	(988)	(1,553)
Maplebear Inc.	Written Put Option	(107)	\$34	April, 2025	(14,916)	(14,619)
Metlife Inc.	Written Put Option	(30)	\$75	January, 2025	(2,647)	(971)
Palantir Technologies Inc.	Written Put Option	(71)	\$45	February, 2025	(7,190)	(4,136)
Palantir Technologies Inc.	Written Put Option	(9)	\$50	January, 2025	(358)	(65)
Palantir Technologies Inc.	Written Put Option	(66)	\$50	February, 2025	(12,254)	(7,072)
Roku Inc.	Written Put Option	(12)	\$70	January, 2025	(1,247)	(2,200)
S&P 500 Index 3Wk	Written Put Option	(28)	\$5,650	January, 2025	(88,419)	(70,472)
S&P 500 Index 3Wk	Written Put Option	(4)	\$5,670	January, 2025	(9,080)	(8,715)
S&P 500 Index 3Wk	Written Put Option	(5)	\$5,700	January, 2025	(8,518)	(8,737)
S&P 500 Index 3Wk	Written Put Option	(3)	\$5,700	January, 2025	(7,454)	(7,960)
S&P 500 Index 3Wk	Written Put Option	(28)	\$5,700	January, 2025	(113,152)	(94,231)
S&P 500 Index 3Wk	Written Put Option	(8)	\$5,775	January, 2025	(27,797)	(3,250)
S&P 500 Index 3Wk	Written Put Option	(28)	\$5,800	January, 2025	(112,220)	(21,142)
S&P 500 Index 3Wk	Written Put Option	(5)	\$5,800	February, 2025	(26,794)	(48,144)
S&P 500 Index 3Wk	Written Put Option	(4)	\$5,820	January, 2025	(18,942)	(23,960)
S&P 500 Index 3Wk	Written Put Option	(43)	\$5,830	February, 2025	(253,711)	(465,675)
S&P 500 Index 3Wk	Written Put Option	(9)	\$5,890	January, 2025	(34,667)	(84,523)
Sentinelone Inc.	Written Put Option	(24)	\$22	January, 2025	(657)	(2,244)
Tesla Inc.	Written Put Option	(10)	\$210	February, 2025	(8,770)	(1,201)
Tesla Inc.	Written Put Option	(7)	\$225	February, 2025	(9,268)	(1,097)
Tesla Inc.	Written Put Option	(17)	\$260	February, 2025	(22,426)	(5,428)
Tesla Inc.	Written Put Option	(14)	\$280	January, 2025	(4,270)	(1,359)
Tesla Inc.	Written Put Option	(14)	\$310	February, 2025	(17,198)	(13,893)
Tesla Inc.	Written Put Option	(50)	\$335	February, 2025	(59,543)	(85,034)
Tesla Inc.	Written Put Option	(17)	\$345	January, 2025	(6,502)	(8,618)
Tesla Inc.	Written Put Option	(14)	\$365	January, 2025	(8,282)	(13,591)
Tesla Inc.	Written Put Option	(48)	\$370	January, 2025	(10,955)	(12,184)
Tesla Inc.	Written Put Option	(48)	\$380	January, 2025	(16,857)	(22,781)
The Trade Desk Inc.	Written Put Option	(5)	\$105	January, 2025	(1,230)	(298)
Toronto-Dominion Bank	Written Put Option	(29)	\$70	January, 2025	(1,566)	(189)
					(1,212,861)	(1,320,223)
<b>Total Written Options</b>					<b>(1,823,844)</b>	<b>(1,635,348)</b>

# **PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND**

## **FUND SPECIFIC NOTES**

As at December 31, 2024 and December 31, 2023

### **1. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

The following table illustrates the classifications of the Fund's financial instruments within the fair value hierarchy as at December 31, 2024 and 2023.

<b>ASSETS (LIABILITIES) AT FAIR VALUE AS AT DECEMBER 31, 2024</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equities - Long	242,428,939	76,642	735,604	243,241,185
Mutual funds - Long	208,352	-	-	208,352
Options - Long	2,314,468	-	-	2,314,468
Equities - Short	(30,748,023)	-	-	(30,748,023)
Exchange Traded Funds - Short	(38,601,786)	-	-	(38,601,786)
Options - Short	(1,635,348)	-	-	(1,635,348)
<b>Total</b>	<b>173,966,602</b>	<b>76,642</b>	<b>735,604</b>	<b>174,778,848</b>

<b>ASSETS (LIABILITIES) AT FAIR VALUE AS AT DECEMBER 31, 2023</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equities - Long	113,175,409	72,235	162,452	113,410,096
Mutual funds - Long	168,684	-	-	168,684
Options - Long	627,974	-	-	627,974
Equities - Short	(15,862,799)	-	-	(15,862,799)
Exchange Traded Funds - Short	(15,713,235)	-	-	(15,713,235)
Options - Short	(413,802)	-	-	(413,802)
<b>Total</b>	<b>81,982,231</b>	<b>72,235</b>	<b>162,452</b>	<b>82,216,918</b>

### **2. TRANSFERS BETWEEN LEVELS 1 AND 2**

The following table presents the transfers between Levels 1 and 2 for securities held at December 31, 2024 and 2023.

<b>December 31, 2024</b>	<b>Transfer from Level 1 to 2</b>	<b>Transfer from Level 2 to 1</b>
	<b>\$</b>	<b>\$</b>
Equities - Long	-	683
	-	683

<b>December 31, 2023</b>	<b>Transfer from Level 1 to 2</b>	<b>Transfer from Level 2 to 1</b>
	<b>\$</b>	<b>\$</b>
Equities - Long	426	-
	426	-

As of December 31, 2023, the equity securities transferred out of Level 1 relate to positions which were thinly traded on and around the period end, but were actively traded on December 31, 2022.

The equity securities transferred into Level 1 relate to positions for which significant trading activity existed on December 31, 2024 but which were thinly traded around December 31, 2023.

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 3. RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS

The following table reconciles the Fund's Level 3 fair value measurements of financial instruments for the year ended December 31, 2024 and 2023.

December 31, 2024	Equities - Long \$	Equities - Short \$	Total \$
<b>Balance at Beginning of Year</b>	162,452	-	162,452
Investment purchases during the year	528,229	-	528,229
Proceeds from sales during the year	-	-	-
Transfers in during the year	-	-	-
Transfers out during the year	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation (depreciation) in value of investments	44,923	-	44,923
<b>Balance at End of Year</b>	<b>735,604</b>	<b>-</b>	<b>735,604</b>
<b>Total change in unrealized appreciation (depreciation) for assets held as at December 31, 2024</b>			<b>44,923</b>

December 31, 2023	Equities - Long \$	Equities - Short \$	Total \$
<b>Balance at Beginning of Year</b>	119,236	-	119,236
Investment purchases during the year	-	-	-
Proceeds from sales during the year	-	-	-
Transfers in during the year	-	-	-
Transfers out during the year	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation (depreciation) in value of investments	43,216	-	43,216
<b>Balance at End of Year</b>	<b>162,452</b>	<b>-</b>	<b>162,452</b>
<b>Total change in unrealized appreciation (depreciation) for assets held as at December 31, 2023</b>			<b>43,216</b>

For the years ended December 31, 2024 and 2023, certain securities held long were classified as Level 3. The Fund's long Level 3 securities consist of equities which were measured at the transaction price as determined at the time of purchase. If there was a 5% increase or decrease in the price of Level 3 securities, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately \$36,780 as at December 31, 2024 (December 31, 2023 - \$8,123). Transfers between levels on the fair value hierarchy table are deemed to have occurred at the beginning of the reporting period.

December 31, 2024							
Security Name	Fair Value	Valuation Technique	Unobservable Inputs	Reasonable Shift (+)	Reasonable Shift (-)	Change in Valuation (+)	Change in Valuation (-)
Eagle SPV LP	189,033	Fair value based on Net Asset Value	Discounted Net Asset Value	5%	5%	\$9,452	\$(9,452)
Anthropic, PBC	345,222	Recent precedent transaction	N/A	5%	5%	\$17,261	\$(17,261)
Inovia Coinvestors SPV IV, Limited Partnership	201,349	Recent precedent transaction	N/A	5%	5%	\$10,067	\$(10,067)
December 31, 2023							
Security Name	Fair Value	Valuation Technique	Unobservable Inputs	Reasonable Shift (+)	Reasonable Shift (-)	Change in Valuation (+)	Change in Valuation (-)
Eagle SPV LP	162,452	Discounted cash flow, Enterprise value	Discount rate, peer multiples	5%	5%	\$8,123	\$(8,123)

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 4. OTHER PRICE RISK

Using Beta as a measure of the relationship of the Fund's performance versus its index, if the S&P/TSX Composite Total Return Index were to increase or decrease by 10%, net assets would have increased or decreased by approximately \$17,094,610 (December 31, 2023 - \$7,587,499). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

### 5. CURRENCY RISK

Foreign currencies to which the Fund had exposure as at December 31, 2024 and 2023 were as follows:

FINANCIAL INSTRUMENTS				
December 31, 2024 Currency	Monetary \$	Non-Monetary \$	Total \$	Percentage of Net Assets %
United States Dollar	(5,609,907)	23,450,202	17,840,295	10.1%
European Euro	(405)	-	(405)	0.0%
British Pound	(948)	-	(948)	0.0%
Australian Dollar	9,592	(25,678)	(16,086)	0.0%
<b>Net Exposure</b>	<b>(5,601,668)</b>	<b>23,424,524</b>	<b>17,822,856</b>	<b>10.1%</b>

FINANCIAL INSTRUMENTS				
December 31, 2023 Currency	Monetary \$	Non-Monetary \$	Total \$	Percentage of Net Assets %
United States Dollar	(2,260,684)	10,107,413	7,846,729	9.6%
European Euro	(366)	-	(366)	0.0%
British Pound	36,332	(49,405)	(13,073)	0.0%
Australian Dollar	6,187	(26,777)	(20,590)	0.0%
<b>Net Exposure</b>	<b>(2,218,531)</b>	<b>10,031,231</b>	<b>7,812,700</b>	<b>9.6%</b>

If the Canadian dollar had strengthened or weakened by 5% in relation to all other currencies held in the investment portfolio, net assets would have decreased or increased by approximately \$891,143 (December 31, 2023 - \$390,635). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

### 6. INTEREST RATE RISK

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds. As at December 31, 2024 and 2023, the interest rate risk is minimal given that the majority of the financial instruments held by the Fund are non-interest bearing.

### 7. CREDIT RISK

Credit risk arises from investments in debt instruments. As at December 31, 2024 and 2023, the Fund had no direct investments in debt instruments. All counterparties to derivative contracts had a credit rating of A- or higher. All cash is held with a financial institution with a minimum of credit rating A+.

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 8. CONCENTRATION RISK

The table below summarizes the Fund's concentration risk as a percentage of net assets attributable to holders of redeemable units as at December 31, 2024 and 2023.

Jurisdiction	% of Net Assets	
	December 31, 2024	December 31, 2023
<b>LONG POSITIONS</b>	<b>138.6%</b>	<b>139.3%</b>
<b>Canadian Equities</b>	<b>91.1%</b>	<b>96.4%</b>
Financials	27.5%	27.9%
Industrial	15.4%	18.3%
Energy	15.3%	14.6%
Materials	9.6%	10.5%
Information Technology	9.5%	8.4%
Utilities	4.5%	4.6%
Real Estate	3.1%	4.0%
Consumer Staples	2.2%	2.4%
Consumer Discretionary	1.9%	3.3%
Communication Services	1.2%	2.0%
Health Care	0.8%	0.2%
Investment Funds	0.1%	0.2%
<b>Global Equities</b>	<b>46.2%</b>	<b>42.1%</b>
United States	40.7%	38.3%
International	5.5%	3.8%
<b>Derivatives</b>	<b>1.3%</b>	<b>0.8%</b>
<b>SHORT POSITIONS</b>	<b>-40.0%</b>	<b>-39.0%</b>
<b>Canadian Equities</b>	<b>-7.8%</b>	<b>-9.2%</b>
Index Equivalents	-4.3%	-4.0%
Financials	-0.9%	-1.6%
Energy	-0.6%	-1.3%
Materials	-0.5%	-0.7%
Utilities	-0.5%	-0.5%
Consumer Staples	-0.3%	-0.2%
Consumer Discretionary	-0.2%	-0.2%
Information Technology	-0.2%	-0.2%
Communication Services	-0.1%	-0.2%
Industrial	-0.1%	-0.1%
Real Estate	-0.1%	-0.2%
Health Care	0.0%	0.0%
<b>Global Equities</b>	<b>-31.3%</b>	<b>-29.3%</b>
International Index Equivalents	-17.5%	-15.2%
United States Equities	-12.1%	-12.1%
International Equities	-1.7%	-2.0%
<b>Derivatives</b>	<b>-0.9%</b>	<b>-0.5%</b>

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 9. LIQUIDITY RISK

The table below categorizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Amounts due to holders of redeemable units are disclosed as net assets attributable to holders of redeemable units on the statements of financial position and are due on demand.

December 31, 2024 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	69,349,809	-	-	69,349,809
Distributions payable	8,372	-	-	8,372
Redemptions payable	472	-	-	472
Accrued liabilities and other payables	-	1,276,510	-	1,276,510
Derivative liabilities	1,635,348	-	-	1,635,348

  

December 31, 2023 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	31,576,034	-	-	31,576,034
Redemptions payable	77,217	-	-	77,217
Accrued liabilities and other payables	-	255,115	-	255,115
Payable for investments purchased	35,698	-	-	35,698
Derivative liabilities	413,802	-	-	413,802
Cash overdraft	18,405,321	-	-	18,405,321

### 10. FUND UNIT TRANSACTIONS

For the years ended December 31

	2024					2023				
	Class A	Class F	Class I	Class O****	Class ETF	Class A	Class F	Class I	Class O****	Class ETF
Units issued and outstanding, beginning of year	512,566	3,017,281	61,810	705	1,315,000	487,935	2,209,921	61,380	-	1,485,000
Units issued	115,907	2,650,194	-	2,388,012	140,000	110,836	1,383,125	-	1,400	480,000
Units reinvested	112	1,154	18	579	-	2,854	16,744	430	5	-
Units redeemed	(101,297)	(802,326)	-	(362,690)	(60,000)	(89,059)	(592,509)	-	(700)	(650,000)
<b>Units issued and outstanding, end of year</b>	<b>527,288</b>	<b>4,866,303</b>	<b>61,828</b>	<b>2,026,606</b>	<b>1,395,000</b>	<b>512,566</b>	<b>3,017,281</b>	<b>61,810</b>	<b>705</b>	<b>1,315,000</b>
<b>Weighted average number of units held during the year</b>	<b>514,068</b>	<b>3,954,534</b>	<b>61,810</b>	<b>1,749,246</b>	<b>1,363,825</b>	<b>496,742</b>	<b>2,584,416</b>	<b>61,392</b>	<b>700</b>	<b>1,344,315</b>

\*\*\*\* Class O units were first issued on May 4, 2023.

### 11. COMMISSIONS

For the years ended December 31 (in \$000)

	2024	2023
Brokerage commissions	1,038	491
Soft Dollar commissions	144	68

### 12. TAX LOSS CARRY FORWARDS

As at December 31 (in \$000)

	2024	2023
Net capital losses carry forward	76	76
Non-capital losses carry forward	-	-

PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

FUND SPECIFIC NOTES (CONTINUED)

13. STRUCTURED ENTITIES

The table below illustrates the Fund’s investment in the underlying funds as at December 31, 2024 and 2023.

Underlying Funds	Fair Value of Fund’s Investment (in \$000s)	Underlying Fund’s Net Assets (in \$000s)	% of Net Assets of the Underlying Fund
<b>As at December 31, 2024</b>			
Sprott Physical Uranium Trust	208	6,179,119	0.0%
Eagle SPV LP	189	56,042	0.3%
<b>As at December 31, 2023</b>			
Sprott Physical Uranium Trust	169	7,020,801	0.0%

14. LEVERAGE

During the year ended December 31, 2024, the Fund’s aggregate exposure reached a low of 47.40% (year ended December 31, 2023 - 49.77%) and a high of 89.28% (year ended December 31, 2023 - 117.33%) of the Fund’s NAV. As at December 31, 2024, the Fund’s aggregate exposure was 65.54% (December 31, 2023 - 81.18%) of the Fund’s NAV. The primary source of leverage was cash overdraft and short positions in equity securities.



# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2024 and December 31, 2023

### 1. GENERAL INFORMATION

Picton Mahoney Fortified Active Extension Alternative Fund (the "Fund") is an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a trust agreement dated September 19, 2018 (the "Trust Declaration"). The Fund commenced operations on September 21, 2018. Picton Mahoney Asset Management acts as manager (the "Manager"), portfolio advisor (the "Portfolio Advisor"), and trustee (the "Trustee") for the Fund pursuant to the Trust Declaration. The Manager is responsible for the day-to-day business of the Fund, including the management of the Fund's investment portfolio. The address of the Fund's registered office is 33 Yonge Street, Suite 320, Toronto, Ontario, M5E 1G4. The financial statements are presented in Canadian dollars (CAD). These financial statements were authorized for issue by the Manager on March 24, 2025.

On September 21, 2018, 5,001 Class A units, 5,000 Class F units, and 5,000 Class I units of the Fund were issued to the Manager of the Fund, for cash consideration of CAD \$10.00 per unit. These units are not redeemable until an additional \$500,000 has been invested by other investors in the aggregate in the Fund.

The Fund may issue an unlimited number of classes or series and may issue an unlimited number of units of each class or series. The Fund has created Class A, Class F, Class I, Class O units, and Class ETF units.

Class A units are available to all investors. Class F units are 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 I units are available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager. Class ETF units are listed and issued and sold on a continuous basis and will be available to investors that purchase such units on the TSX through a registered broker or dealer in the province or territory where the investor resides. Class O units are available to only investors who have a discretionary managed account with the Manager and make the required minimum initial investment and minimum subsequent investment as determined by the Manager from time to time.

As at December 31, 2024, the Fund currently has 5 Classes of Units: Class A, Class F, and Class I, Class O and Class ETF. As at December 31, 2024, the Manager holds 1 unit of Class A, and 705 units of Class O. (December 31, 2023 - 1 unit of Class A, and 704 units of Class O).

The investment objective of the Fund is to provide long-term capital appreciation and to provide unitholders with an attractive risk-adjusted rate of return with similar volatility to the traditional equity market by taking long and short investment positions in an actively-managed portfolio comprised primarily of Canadian equity securities. The Fund may also invest in international equity securities, North American and international fixed income securities including high yield securities, derivative instruments, such as options, futures, forward contracts and swaps, securities of investment funds, and cash and cash equivalents. The Fund may engage in physical short sales and/or borrowing for investment purposes.

The Fund is considered an "alternative fund" meaning it has received exemptions from National Instrument 81-102 - Investment Funds ("NI 81-102") to permit it to use strategies generally prohibited by conventional mutual funds, such as the ability to borrow, up to 50% of the Fund's net asset value, cash to use for investment purposes; sell, up to 50% of the Fund's net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and leverage up to 300% of the Fund's net asset value.

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following is a summary of the material accounting policies and estimation techniques adopted by the Funds and applied in the preparation of these financial statements.

#### (a) Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

#### (b) Classification

##### (i) Assets

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

##### (ii) Liabilities

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss. As such, the Fund classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss. The Fund's policy requires the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

#### (c) Fair Value Measurements

The Fund utilizes a three tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. The three levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values are classified as Level 1 when the related security or derivative is actually traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Fund's policy is to

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

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recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

### (d) Valuation of Investments and Derivatives

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets, which include equities, bonds, options, and warrants are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Securities not listed on any recognized public securities exchange are valued in the same manner based on available public quotations from recognized dealers in such securities. If market quotations are not readily available, securities will be valued at fair value as determined in good faith by or under the supervision of the Manager. The cost of investments represents the amount paid for each security and is determined on an average cost basis.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and others commonly used by market participants and which make the maximum use of observable inputs.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investment fund units held as investments are valued at their respective Net Asset Values on the relevant valuation dates as reported by the investment fund manager, as these values are the most readily and regularly available.

Warrants, options, and futures that are not listed on any recognized public securities exchange are valued using the Black-Scholes model and based on observable market inputs.

Foreign exchange forward contracts are valued on each valuation day based on the difference between the value of the contract on the date the contract originated and the value of the contract on the valuation day.

The difference between fair value and the average cost is shown as the change in unrealized appreciation (depreciation) on investments, options and foreign exchange forward contracts.

Other financial assets (held for collection) and other financial liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, where appropriate at the contract's effective interest rate. Due to their short-term nature, the fair value of other financial assets and financial liabilities carried at amortized cost approximates their carrying amount.

*Receivable for investments sold and payable for investments purchased*

Receivable for investments sold and payable for investments purchased represent trades that have been contracted for but not yet settled or delivered on the statements of financial position dates. These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Funds measure the loss allowance on receivable for investments sold and payable for investments purchased at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganization, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due or a significant deterioration in a counterparty credit quality. Any contractual payment which is more than 90 days past due is considered credit impaired.

### (e) Cash

Cash is comprised of cash on demand deposit with a Canadian financial institution and is stated at fair value. Cash overdrafts are shown in current liabilities in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks and brokers and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

### (f) Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date. Expenses are recorded on an accrual basis. Dividend income is recorded on the ex-dividend date. The interest for distribution purposes shown on the statement of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. Realized gains and losses on sale of investments and unrealized appreciation and depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds. Income, common expenses and gains (losses) are allocated to each Class of the Fund based on the Class' prorated share of total Net Asset Value. Interest and borrowing expense and dividend expense on short sales are included within net gains (losses) on investments and derivatives.

Distributions received from investment trusts and underlying funds are recorded as dividend income, interest for distribution purposes, net realized gains (loss) on non-derivative investment or a return of capital, based on the best information available to the Manager. Due to the nature of those investments, actual allocations could vary from this information. Distributions from income trusts and underlying funds that are treated as a return of capital for income tax purposes reduce the average cost of the income trusts and underlying funds.

### (g) Valuation of Fund Units

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

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The Fund's units are divided into the Class A, Class F, Class I, Class O, and Class ETF units. Each class is divided into units of equal value. When you invest in the Fund, you are purchasing units of a specific class of the Fund.

A separate net asset value per unit is calculated for each class of units (the "Unit Price"). 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.

The Unit Price of each class of the Fund is calculated by taking the fair value of all the investments and other assets allocated to the class and subtracting the liabilities allocated to that class. This gives us the net asset value for the class. The Unit Price for the class is obtained by dividing the net asset value for the class by the total number of units of the class that investors in a Fund are holding.

Although the purchases and redemptions of units are recorded on a class basis, the assets attributable to all of the class 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 Unit Price.

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

ETF units of the Fund are available for purchase or sale on the TSX through a registered broker or dealer. The cut-off time for ETF units of the Fund is 2:00pm (Eastern Time) on a trading day.

### (h) Foreign Currency Translation

The Fund's functional and presentation currency is Canadian dollars. The fair value of foreign investments and other assets and liabilities are translated into Canadian dollars at the exchange rates prevailing at the close of each valuation day. Purchases and sales of foreign securities and the related income and expenses are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

Foreign exchange gains and losses relating to cash and other assets and liabilities are presented as 'Foreign currency gain (loss) on cash and other assets and liabilities' and those relating to other financial assets and liabilities are presented within 'Net realized gain (loss) on investments, options, and foreign exchange forward contracts and 'Change in unrealized appreciation (depreciation) on investments, options, and foreign exchange forward contracts.

### (i) Increase (decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit of each Class of the Fund is determined by dividing the net increase in net assets attributable to holders of redeemable units from each Class of Units by the weighted average number of Units outstanding of that Class during the year.

### (j) Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies

by regulatory agencies and securities exchange, and transfer taxes and duties. Such costs are expensed and included in "Transaction costs" in the Statement of Comprehensive Income.

### (k) Securities Lending Transactions

The Fund may enter into securities lending transactions. These transactions involve the temporary exchange of securities as collateral with a commitment to deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on securities held as collateral. Income earned from these transactions is recognized on an accrual basis and included in the Statements of Comprehensive Income.

The Fund has entered into a securities lending program with their custodian, RBC Investor Services Trust. The aggregate market value of all securities loaned by the Fund cannot exceed 50% of the assets of the Fund. The Fund will receive collateral of at least 102% of the value of the securities on loan. Collateral will generally be comprised of cash and obligations of, or guaranteed by, the Government of Canada or a province thereof, or a permitted supranational agency as defined in National Instrument 81-102. Securities lending income reported in the Statements of Comprehensive Income is net of a securities lending charge which the Fund's custodian, RBC Investor Services Trust, is entitled to receive.

### (l) Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure that would otherwise not be possible.

The Fund's aggregate exposure to its sources of leverage is calculated as the sum of the following: (i) the market value of short holdings; (ii) the amount of cash borrowed for investment purposes; and (iii) the notional value of the Fund's derivatives positions, excluding any derivatives used for hedging purposes. The Fund's exposure to leverage must not exceed 300% of the Fund's NAV.

The Fund has received exemptive relief from Canadian securities regulatory authorities from certain investment restrictions set out in NI 81-102 that would restrict the ability of the Fund to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Fund that exceed the net asset value of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a Fund's turnover, transaction and market impact costs, interest and other costs and expenses.

The Fund has also obtained exemptive relief such that the Fund is permitted to engage in short selling transactions and cash borrowing up to a combined maximum of 100% of its net asset value, which is in excess of the short sale and cash borrowing limits provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

### (m) Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

Picton Mahoney has determined that all of the underlying funds in which the Fund invests are unconsolidated structured entities. In making this determination, Picton Mahoney evaluated the fact that decision making

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about the underlying funds' activities is not governed by voting or similar rights held by the Fund and other investors in any underlying funds.

The Fund may invest in underlying funds whose investment objectives range from achieving short- to long-term income and capital growth potential. Underlying funds may use leverage in a manner consistent with their respective investment objectives. Underlying funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportionate stake in the respective fund's net assets. The Fund's interests in underlying funds as at December 31, 2024 and December 31, 2023, held in the form of redeemable units, are included at their fair value in the Statement of Financial Position, which represent the Fund's maximum exposure in these underlying funds. The Fund does not provide and has not committed to provide any additional significant financial or other support to the underlying funds. The change in fair value of each of the underlying funds during the periods is included in 'Change in unrealized appreciation (depreciation) of investments, options, and foreign exchange forward contracts' in the Statement of Comprehensive Income.

### (n) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### (o) Future accounting changes

In April 2024, the International Accounting Standards Board issued IFRS 18, "Presentation and Disclosure in the Financial Statements" which aims to improve the quality of financial reporting by introducing new requirements which include new required categories and subtotals in the Statement of comprehensive income and enhanced guidance on grouping of information. IFRS 18 replaces IAS 1, "Presentation of Financial Statements". This standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The Manager is currently assessing the impact of these new requirements.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

These financial statements, include estimates and assumptions by management that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the period. Actual results could differ from these estimates. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements.

*Fair value measurement of derivatives and securities not quoted in an active market*

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using recognized valuation techniques and may be determined using reputable pricing sources or indicative prices from market makers.

Where no market data is available, the Fund may value positions using its own models, which are based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager, independent of the party that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund may consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

## 4. FINANCIAL INSTRUMENTS RISKS

The Fund is exposed to various financial risks, including market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk. The investment team reviews and rebalances the portfolio on a regular and ongoing basis to maintain the risk reward targets. Portfolios within each strategy are reviewed relative to each other and to their benchmark. Active industry and security allocations are analyzed. All investments may result in a risk of loss of capital.

Please refer to the Fund Specific Notes for details of the Fund's financial instruments risks.

### Price risk:

The Fund trades in financial instruments, taking positions in traded and over-the-counter instruments which may include derivatives. As of December 31, 2024 and December 31, 2023, the Fund held or had exposure to long and short equity positions in publicly traded companies whose securities are actively traded on a recognized public exchange. Equities are susceptible to price risk arising from uncertainties about future prices of those instruments (other than those arising from interest rate risk or currency risk).

Short sales entail certain risks, including the risk that a short sale of a security may expose a Fund to losses if the value of the security increases. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. In addition, a short sale by a Fund requires the Fund to borrow securities in order that the short sale may be transacted. There is no assurance that the lender of the securities will not require the security to be paid back by a Fund before the Fund wants to do so, possibly requiring the Fund to borrow the security elsewhere or purchase the security on the market at an unattractive price. Moreover, the borrowing of securities entails the payment of a borrowing fee. The borrowing fee may increase during the borrowing period, adding to the expense of the short sale strategy. There is also no guarantee that the securities sold short can be repurchased by a Fund due to supply and demand constraints in the equity markets. Finally, in order to maintain the appropriate ratios between the long portfolio and the short portfolio of a Fund, the Manager may be required to buy or sell short securities at unattractive prices. The maximum risk resulting for financial instruments held long is determined by the fair value of the instrument.

### Currency risk:

Currency risk is the risk that the cash and securities held by the Fund as well as due to and due from broker balances may be valued in or have exposure to currencies other than the Canadian dollar which is the functional currency of the Fund. The prices of the foreign securities are denominated in foreign currencies which are converted to the Fund's functional currency for determining fair value and, accordingly, each Class Net Asset Value will be affected by fluctuations in the value of such foreign currencies relative to the Canadian dollar.

### Interest rate risk:

Interest rate risk arises when a fund invests in interest-bearing financial instruments and from the possibility that changes in the prevailing levels



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of market interest rates will affect future cash flows or fair values of such financial instruments. There is minimal fair value sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates. Market prices may also be affected by changes in market interest rates. Also, changes in the market interest rate may affect the borrowing expenses of the short positions held by the Fund.

### **Credit risk:**

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. However, there are risks involved in dealing with custodians or prime brokers who settle trades and in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

The Fund is exposed to credit risk. For other financial assets at amortized cost, the Manager considers both historical analysis and forward looking information in determining any expected credit loss. At December 31, 2024 and December 31, 2023, all receivables for investments sold, dividends receivable, and cash are held with counterparties with a good credit quality and are due to be settled within one week. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

### **Liquidity Risk:**

Liquidity risk is the risk that a Fund will not be able to generate sufficient cash availability to execute its payment obligations. The Fund primarily invests in liquid securities that are readily realizable in an active market which is essential if the Fund is required to fund daily redemptions in the course of operations. The Fund from time to time may invest in restricted securities through private placements. However, this type of investment does not constitute a significant percentage of the Fund's Net Asset Value. The Fund may also maintain a cash reserve to accommodate normal-type redemptions. All liabilities of the Fund mature in one year or less. Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

### **Concentration risk:**

Concentration risk arises as a result of the concentration of financial instrument exposures within the same category, whether it is geographic region, asset type or industry sector.

### **Leverage Risk:**

The Fund has received exemptive relief from Canadian securities regulatory authorities from certain investment restrictions set out in NI 81-102 that would restrict the ability of the Fund to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Fund that exceed the net asset value of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged

investment strategies can also be expected to increase a Fund's turnover, transaction and market impact costs, interest and other costs and expenses.

Pursuant to the terms of the exemptive relief, the Fund's aggregate gross exposure, calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the aggregate market value of the Fund's long positions; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. If the Fund's aggregate gross exposure exceeds three times the Fund's net asset value, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the Fund's net asset value or less.

### **Geopolitical Risk:**

Unforeseeable events such as military action, terrorism, tariffs, trade, restrictions, natural disasters and pandemics may adversely impact global commercial activity and contribute to potential market volatility and liquidity concerns in various economic markets. These events may create significant disruption in supply chains, economic activity, global trading markets and issuers in which the Fund invests, thereby impacting the performance of the Fund.

## **5. CAPITAL MANAGEMENT**

The capital of a Fund is represented by the issued and outstanding units and the net asset value attributable to participating unitholders. The Manager utilizes the capital of the Fund in accordance with the Fund's investment objectives, strategies and restrictions, as outlined in the Fund's prospectus, while maintaining sufficient liquidity to meet normal redemptions. The Fund does not have any externally imposed capital requirements.

## **6. REDEEMABLE UNIT TRANSACTIONS**

The Fund is permitted to have an unlimited number of Classes of Units having such terms and conditions as the Manager may determine. Additional Classes may be offered in future on different terms, including having different fee and dealer compensation terms and different minimum subscription levels. Each Unit of a Class represents an undivided ownership interest in the Net Asset Value of the Fund attributable to that Class of Units.

Investors may be admitted to the Fund or may acquire additional Units on a daily basis. Units of the Fund are offered at the Class Net Asset Value per Unit calculated as of the applicable Valuation Date. The minimum initial investment in the Fund is \$2,000 for all Classes and the Manager has the discretion to accept a lesser initial subscription, provided, in each case, that the issuance of Units in respect of such subscription shall otherwise be exempt from the prospectus requirements of applicable securities legislation. Subsequent investments are subject to an additional minimum investment of CAD \$500 subject to applicable securities legislation. The capital of the Fund is represented by issued redeemable Units with no par value. The Units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's Net Asset Value per Unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of Units other than as described above. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and in the Fund Specific Notes of each Fund.

IAS 32, Financial Instrument – Recognition and Measurement, requires that units of an entity that include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Fund's units have been classified as financial liabilities. The Fund has multiple series of units that carry different management fee

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2024 and December 31, 2023

rates and therefore do not have identical features. As all units are equally subordinate, the units also would not meet the requirements of IAS 32 and therefore do not meet the conditions to be classified as equity.

Generally, all orders to purchase ETF units directly from a Fund must be placed by a Designated Broker or an "ETF Dealer", which is a registered dealer (that may or may not be a Designated Broker) that has entered into an agreement with us authorizing the dealer to subscribe for, purchase and redeem ETF units from one or more Funds on a continuous basis from time to time. For each Prescribed Number of Units issued, an ETF Dealer must deliver payment consisting of, either: (i) a group of securities or assets representing the constituents of the Fund (a "Basket of Securities") for each Prescribed Number of Units for which the subscription order has been accepted and cash, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value of the Prescribed Number of Units next determined following the receipt of the subscription order; or (ii) cash only, securities other than Baskets of Securities or a combination of securities other than Baskets of Securities and cash, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value of the Prescribed Number of Units next determined following the receipt of the subscription order. When you redeem ETF units of a Fund, you receive the proceeds of your sale in cash at a redemption price per unit equal to 95% of the closing trading price on the effective date of the cash redemption request, subject to a maximum redemption price of the applicable net asset value per unit. As unitholders will generally be able to sell ETF units at the market price on the TSX or another exchange or marketplace through a registered broker or dealer subject only to customary brokerage commissions.

### 7. DISTRIBUTIONS

The Fund intends to distribute net income and net realized capital gains, if any, to Unitholders at the end of each taxation year to ensure that the Fund is not liable for income tax under Part I of the Income Tax Act (Canada) (the "Act"), after taking into account any loss carry forwards and capital gains refunds. All annual distributions paid on Class F, Class I, Class O and Class ETF units will be automatically reinvested in additional units.

### 8. TAXATION

The Fund qualifies as a "mutual fund trust" and will be subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. The Fund deducts, in computing its income in each taxation year, the full amount available for deduction in each year and, therefore, provided the Fund makes distributions in each year of its net income and net realized capital gains, it will generally not be liable in such year for any tax on its net income or profit under Part I of the Tax Act. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred tax asset.

Non-capital losses have expiry periods of up to 20 years and can be offset against future taxable income. Net capital losses can be carried forward indefinitely and offset against future taxable capital gains. For tax loss carry forward information, please refer to Note 12 in the Fund Specific Notes.

The Fund is required to include in income for each taxation year any dividends received by it in a taxation year and all interest that accrues to it to the end of the year, or 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, the 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 the Fund on the disposition of securities will generally be reported as capital gains and capital losses. The Fund will elect under section 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 the Fund from derivative securities and in respect of short sales of securities (other than Canadian securities) will be treated as income and losses of the Fund, except where a derivative is used to hedge securities held on capital account provided there is sufficient linkage and subject to detailed rules in the Tax Act. Whether gains or losses realized by the Fund in respect of a particular security (other than a Canadian security) is on income or capital account will depend largely on factual considerations. 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.

### 9. OPERATING EXPENSES

The Manager is responsible for the day-to-day operations of the Fund. The Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the Manager. Operating expenses include, but are not limited to, brokerage commissions and fees, taxes, audit and legal fees, fees of the members of the Independent Review Committee ("IRC"), costs and fees in connection with the operation of the IRC, safekeeping and custodial fees, interest expenses, operating, administrative and systems costs, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses, annual information forms and fund facts.

With the exception of Class specific expenses, all other expenses are allocated to each Class of the Fund based on the Class' pro-rated share of total Net Asset Value of the Fund. The Manager may from time to time waive any portion of the fees and reimbursement of expenses otherwise payable to it, but no such waiver affects its right to received fees and reimbursement of expenses subsequently accruing to it.

#### *Auditor's Fees*

For the year ended December 31, 2024, fees paid or payable to PricewaterhouseCoopers LLP ("PwC") and other PwC Network firms for audit services to public interest entity funds managed by the Manager were \$355,133. Fees for other services were \$319,757.

### 10. RELATED PARTY TRANSACTIONS

#### (a) Management Fees

The Manager receives a management fee payable for providing its services to the Fund. The management fee varies for each class of units. The management fee is calculated and accrued daily based on a percentage of the net asset value of the class of units of the Fund, plus applicable taxes, and is payable on the last business day of each calendar quarter. This fee differs among the classes of units of the Fund. The annual management fee payable by the Fund to the Manager on Class A units is 1.95% and on Class F units and Class ETF units is 0.95%. The management fee for Class I units and Class O units of the Fund is negotiated by the investor and paid directly by the investor, and would not exceed the management fee payable on Class A units of the Fund.

# PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2024 and December 31, 2023

### **Management Fee Distributions**

The Manager may, in its discretion, agree to charge a reduced management fee as compared to the fee that the Manager otherwise would be entitled to receive from the Fund with respect to investments in the Fund by unitholders who hold a minimum amount of units during any period and/or meet other criteria as determined by the Manager from time to time. In such cases, 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 Fund to those unitholders as "Management Fee Distributions". The Manager reserves the right, in its discretion, to discontinue or change Management Fee Distributions at any time.

### **(b) Performance Fees**

The Manager receives a performance fee in respect of each of the Class A units, Class F units, and Class ETF units of the Fund. The performance fee for each class shall be calculated and become a liability of the Fund on each Valuation Day and shall be payable at the end of each calendar quarter. The performance fee for the Fund is equal to 20% of the amount by which the performance of the applicable class exceeds the performance of the S&P/TSX Composite Index (TR), for each of the Class A units, Class F units, or Class ETF units, plus applicable taxes. The performance fee in respect of each of the Class A units, Class F units, and Class ETF units of the Fund shall be equal to the daily net asset value of the class of units of the Fund during the calendar quarter multiplied by 20% of the amount by which the total return of the class of units exceeds the total percentage increase or decrease in the S&P/TSX Composite Index (TR) since the end of the period for which the last performance fee was paid for the Class A units, Class F units, or Class ETF units, as the case may be, plus applicable taxes. If at any time the total return of the class of units of the Fund is less than its S&P/TSX Composite Index (TR), then no performance fee will be payable until the total return of the class of units of the Fund relative to the S&P/TSX Composite Index (TR) has exceeded the amount of the deficiency calculated on a percentage basis. Investors in Class I units may negotiate a different performance fee than the one described herein or no performance fee at all. Any performance fee for Class I units will be paid directly to the Manager. The Manager reserves the right, in its discretion, to discontinue, decrease or waive the performance fee at any time. For the year ended December 31, 2024, the Fund incurred performance fees of \$1,715,687 (December 31, 2023 - \$72,957).

### **(c) Fund-on-Fund Fees and Expenses**

When the Fund invests in an underlying fund, the underlying fund may pay a management and performance fee and other expenses in addition to the fees and expenses payable by the Fund. The fees and expenses of the underlying fund will have an impact on the management expense ratio of the Fund. However, the Fund will not pay a management or performance fee that, to a reasonable person, would duplicate a fee payable by the underlying fund(s) for the same service. In addition, the Fund will not pay any sales charges, redemption fees or short-term trading fees for its purchase or redemption of units of any underlying fund that is managed by the Manager, or that, in respect of the other underlying funds, to a reasonable person, would duplicate a fee payable by an investor in any underlying fund.

## **11. SUBSEQUENT EVENT**

Subsequent to year end, changes in U.S. policy and administration led to announced changes in trade arrangements amount the U.S., Canada, and Mexico. The potential for changes in existing trade agreements, the imposition of new tariffs, and retaliatory tariffs, or greater restrictions on trade in general, may lead to greater economic and market uncertainty. Should material market changes materialize, these may have an impact on the fund performance and underlying investments.

**THINK AHEAD.  
STAY AHEAD.**

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## **PICTON MAHONEY ASSET MANAGEMENT CORPORATE INFORMATION**

### **Corporate Address**

#### **Picton Mahoney Asset Management**

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### **Fund Administration & Transfer Agent**

#### **Picton Mahoney Funds**

C/O RBC Investor Services Trust,  
Shareholder Services  
155 Wellington Street West, 3<sup>rd</sup> Floor  
Toronto, ON  
Canada M5V 3L3

### **Auditor**

#### **PricewaterhouseCoopers LLP**

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