

# FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND



**THINK AHEAD.  
STAY AHEAD.**



# TABLE OF CONTENTS

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- 2 Management’s Responsibility Statement
- 3 Notice to Unitholders
- 4 Picton Mahoney Fortified Multi-Strategy Alternative Fund Financial Statements
- 26 Notes to the Financial Statements

## 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 Multi-Strategy 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 International Financial Reporting Standards 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.

### **Picton Mahoney Asset Management**

Toronto, Ontario

August 29, 2023

## NOTICE TO UNITHOLDERS

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The auditor of the Fund has not reviewed these financial statements.

Picton Mahoney Asset Management, the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice.

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## STATEMENTS OF FINANCIAL POSITION

As at June 30, 2023 (unaudited) and December 31, 2022

	June 30, 2023	December 31, 2022		June 30, 2023	December 31, 2022
	\$	\$		\$	\$
<b>Assets</b>			<b>Number of Redeemable Units Outstanding</b>		
<b>Current assets</b>			Class A	691,608	697,928
Long positions at fair value*	83,063,672	101,198,936	Class F	3,030,105	4,376,351
Cash	14,610,034	7,924,388	Class FT	45,010	45,700
Options purchased*	96,426	260,687	Class I	769	769
Unrealized gain on futures contracts	546,597	807,219	Class P ****	3,099,191	3,225,741
Unrealized gain on swap agreements	672,974	305,592	Class ETF	380,000	420,000
Credit default swap agreements at fair value	139,228	103,293	<b>Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Due from Manager	3,600	52,550	Class A	11.06	11.32
Subscriptions receivable	24,513	23,089	Class F	11.60	11.80
Receivable for investments sold	1,359,288	-	Class FT	8.59	8.96
Dividends receivable	47,944	50,074	Class I	12.72	12.87
Interest and other receivable	71,377	189,693	Class P ****	9.20	9.35
	<b>100,635,653</b>	<b>110,915,521</b>	Class ETF***	11.27	11.47
<b>Liabilities</b>			* Long positions, at cost		
<b>Current liabilities</b>			<b>80,900,104</b>		
Short positions at fair value**	21,486,683	7,986,767	** Short positions, at cost		
Options written**	14,177	39,564	<b>(21,213,130)</b>		
Unrealized loss on futures contracts	1,677,231	1,456,587	*** Closing Market Price (TSX)		
Unrealized loss on swap agreements	524,264	388,615	<b>11.24</b>		
Cash overdraft	-	5,835,381	**** Class P units were first issued on March 8, 2022.		
Management fee payable	220,751	52,005	<i>The accompanying notes are an integral part of the financial statements.</i>		
Redemptions payable	355,790	46,717	Approved on behalf of the Manager		
Accrued liabilities	104,204	121,964	David Picton	Arthur Galloway	
Payable for investments purchased	227,016	-			
Dividends payable	33,515	32,494	President	CFO	
	<b>24,643,631</b>	<b>15,960,094</b>			
<b>Net Assets Attributable to Holders of Redeemable Units</b>					
	<b>75,992,022</b>	<b>94,955,427</b>			
<b>Net Assets Attributable to Holders of Redeemable Units per Class</b>					
Class A	7,650,217	7,899,055			
Class F	35,140,015	51,653,683			
Class FT	386,643	409,634			
Class I	9,778	9,899			
Class P ****	28,521,684	30,165,655			
Class ETF	4,283,685	4,817,501			

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the six month periods ended June 30 (unaudited)

	2023 \$	2022 \$		2023 \$	2022 \$
<b>Income</b>			<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class</b>		
Net gains (losses) on investments and derivatives			Class A	(173,683)	(598,006)
Interest for distribution purposes	305,668	12,691	Class F	(661,186)	(3,609,068)
Dividends	332,666	440,894	Class FT	(6,821)	(15,576)
Distributions from underlying funds	496,151	467,752	Class I	(121)	(675)
Net realized gain (loss) on investments and options	4,756,176	(112,048)	Class P ****	(444,217)	(3,344,489)
Net realized gain (loss) on futures contracts, swap agreements and credit default swap agreements	(2,920,294)	1,002,228	Class ETF	(81,839)	(447,275)
Change in unrealized appreciation (depreciation) on investments, options, futures contracts, swap agreements and credit default swap agreements	(2,790,024)	(8,479,176)	<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Interest and borrowing expense	(342,247)	(56,680)	Class A	(0.25)	(0.85)
Dividend expense	(146,421)	(114,878)	Class F	(0.17)	(0.86)
Net gains (losses) on investments and derivatives	(308,325)	(6,839,217)	Class FT	(0.15)	(1.40)
Other income			Class I	(0.16)	(0.67)
Foreign currency gain (loss) on cash and other assets and liabilities	(211,028)	21,377	Class P ****	(0.14)	(1.05)
Total Income	(519,353)	(6,817,840)	Class ETF	(0.20)	(0.84)
<b>Expenses</b>			**** Class P units were first issued on March 8, 2022.		
Management fees	467,280	464,763			
Transaction costs	269,241	165,184			
Administrative fees	54,156	49,265			
Securityholder reporting fees	49,064	22,178			
Withholding taxes	27,488	46,071			
Legal fees	16,566	29,273			
Audit fees	6,158	8,217			
Independent Review Committee fees	3,511	4,793			
Performance fees	-	445,230			
Total expense before manager absorption	893,464	1,234,974			
Less expenses absorbed by manager	(44,950)	(37,725)			
Total expense after manager absorption	848,514	1,197,249			
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<b>(1,367,867)</b>	<b>(8,015,089)</b>			

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

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

For the six month periods ended June 30 (unaudited)

	2023 \$	2022 \$
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>		
Class A	7,899,055	7,629,154
Class F	51,653,683	43,624,006
Class FT	409,634	21,851
Class I	9,899	13,321
Class P ****	30,165,655	-
Class ETF	4,817,501	5,903,752
	<u>94,955,427</u>	<u>57,192,084</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>		
Class A	(173,683)	(598,006)
Class F	(661,186)	(3,609,068)
Class FT	(6,821)	(15,576)
Class I	(121)	(675)
Class P ****	(444,217)	(3,344,489)
Class ETF	(81,839)	(447,275)
	<u>(1,367,867)</u>	<u>(8,015,089)</u>
<b>Redeemable Unit Transactions</b>		
Proceeds from redeemable units issued		
Class A	319,245	1,885,221
Class F	3,407,264	17,928,499
Class FT	-	341,715
Class I	-	-
Class P ****	1,425,917	39,460,387
Class ETF	112,666	1,102,994
	<u>5,265,092</u>	<u>60,718,816</u>
Reinvestments of distributions to holders of redeemable units		
Class A	-	-
Class F	-	-
Class FT	1,860	213
Class I	-	-
Class P ****	-	-
Class ETF	-	-
	<u>1,860</u>	<u>213</u>
Redemption of redeemable units		
Class A	(394,400)	(754,973)
Class F	(19,259,746)	(4,396,638)
Class FT	(7,822)	-
Class I	-	-
Class P ****	(2,625,671)	(3,496,811)
Class ETF	(564,643)	-
	<u>(22,852,282)</u>	<u>(8,648,422)</u>
<b>Net Increase (Decrease) from Redeemable Unit Transactions</b>	<u>(17,585,330)</u>	<u>52,070,607</u>

	2023 \$	2022 \$
<b>Distributions to Holders of Redeemable Units</b>		
From net investment income		
Class A	-	-
Class F	-	-
Class FT	(10,208)	(3,522)
Class I	-	-
Class P ****	-	-
Class ETF	-	-
	<u>(10,208)</u>	<u>(3,522)</u>
<b>Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>(18,963,405)</u>	<u>44,051,996</u>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>		
Class A	7,650,217	8,161,396
Class F	35,140,015	53,546,799
Class FT	386,643	344,681
Class I	9,778	12,646
Class P ****	28,521,684	32,619,087
Class ETF	4,283,685	6,559,471
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>	<u>75,992,022</u>	<u>101,244,080</u>

\*\*\*\* Class P units were first issued on March 8, 2022.

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



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## STATEMENTS OF CASH FLOWS

For the six month periods ended June 30 (unaudited)

	2023 \$	2022 \$
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,367,867)	(8,015,089)
Adjustments for:		
Unrealized foreign exchange (gain) loss on cash	209,600	(53,439)
Net realized (gain) loss on investments and options	(4,756,176)	112,048
Change in unrealized (appreciation) depreciation on investments, options, futures contracts, swap agreements and credit default swap agreements	2,790,024	8,479,176
(Increase) decrease in due from manager	48,950	60,325
(Increase) decrease in interest and other receivables	118,316	-
(Increase) decrease in dividends receivable	2,130	(7,030)
(Increase) decrease in deposits with brokers for securities sold short	-	(4,754,551)
Increase (decrease) in dividends payable	1,021	277
Increase (decrease) in other payable and accrued liabilities	150,986	220,852
Purchase of long positions and repurchases of investments sold short	(50,234,413)	(88,421,805)
Proceeds from sales of long positions and on investments sold short	83,055,945	44,643,560
<b>Net cash generated (used) by operating activities</b>	<b>30,018,516</b>	<b>(47,735,676)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions to holders of redeemable units, net of reinvested distributions	(8,348)	(3,309)
Proceeds from redeemable units issued	5,235,691	60,674,788
Amount paid on redemption of redeemable units	(22,515,232)	(7,925,394)
<b>Net cash generated (used) by financing activities</b>	<b>(17,287,889)</b>	<b>52,746,085</b>
Unrealized foreign exchange gain (loss) on cash	(209,600)	53,439
Net increase (decrease) in cash	12,730,627	5,010,409
Cash, beginning of period	2,089,007	3,867,351
<b>Cash, end of period</b>	<b>14,610,034</b>	<b>8,931,199</b>
Cash	14,610,034	8,931,199
Cash overdraft	-	-
<b>Net Cash (Overdraft)</b>	<b>14,610,034</b>	<b>8,931,199</b>
<b>Items Classified as Operating Activities:</b>		
Interest received, net of withholding tax	234,291	12,691
Dividends received, net of withholding tax	307,308	387,793
Interest and borrowing expense paid	(342,247)	(56,680)
Dividends paid	(145,400)	(114,601)

Net of non-cash transfers and switches of \$27,977 (2022 - \$632,972)

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2023 (unaudited)

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 (109.4%)</b>									
<b>Canadian Equities (79.7%)</b>									
<b>Energy (3.2%)</b>									
	5,610	Advantage Energy Ltd.	44,723	48,527	2,970	Osisko Gold Royalties Ltd.	59,031	60,469	
	4,490	Cameco Corp.	176,038	186,290	908	Pan American Silver Corp.	17,134	17,524	
	3,053	Canadian Natural Resources Ltd.	216,677	227,387	5,775	Prime Mining Corp.	10,088	10,337	
	3,385	Cardinal Energy Ltd.	22,381	22,273	4,307	Solaris Resources Inc.	24,554	25,497	
	2,180	Computer Modelling Group Ltd.	16,088	14,519	1,118	Stelco Holdings Inc.	52,977	48,320	
	4,579	Enbridge Inc.	220,933	225,470	2,847	Stella-Jones Inc.	171,487	194,222	
	7,838	Encore Energy Corp.	25,584	25,082	62,570	Taseko Mines Ltd.	121,993	118,883	
	2,640	Enerplus Corp.	48,957	50,688	4,610	Teck Resources Ltd.	258,822	256,961	
	11,468	Freehold Royalties Ltd.	151,704	154,130	603	West Fraser Timber Co., Ltd.	65,109	68,627	
	1,330	Gibson Energy Inc.	29,892	27,704	261	Wheaton Precious Metals Corp.	14,596	14,953	
	2,542	Imperial Oil Ltd.	160,873	172,297	1,421	Winpak Ltd.	65,354	58,559	
	8,102	MEG Energy Corp.	163,191	170,142					
	3,135	NexGen Energy Ltd.	19,273	19,594					
	4,884	North American Construction Group Ltd.	100,804	123,809					
	25,672	Obsidian Energy Ltd.	206,743	198,958					
	3,212	Parkland Corp.	104,848	105,996					
	7,947	Pason Systems Inc.	91,599	91,311					
	743	Pembina Pipeline Corp.	30,030	30,946					
	6,638	Shawcor Ltd.	61,908	127,184					
	5,115	Suncor Energy Inc.	194,678	198,769					
	2,614	Surge Energy Inc.	20,144	18,403					
	3,012	Tourmaline Oil Corp.	180,584	188,009					
			<u>2,287,652</u>	<u>2,427,488</u>				<u>2,518,320</u>	<u>2,564,053</u>
<b>Materials (3.4%)</b>					<b>Industrial (3.8%)</b>				
	2,228	Agnico Eagle Mines Ltd.	143,012	147,382	3,740	Ag Growth International Inc.	148,442	189,506	
	2,866	Algoma Steel Group Inc.	30,702	26,826	8,442	Air Canada	193,178	210,966	
	6,188	Atex Resources Inc.	5,520	5,260	558	Algoma Central Corp.	9,042	8,454	
	2,280	Canfor Corp.	48,742	54,218	2,698	ATS Corp.	167,667	164,443	
	891	CCL Industries Inc.	55,405	58,022	1,733	Badger Infrastructure Solutions Ltd.	44,085	46,618	
	5,115	Centerra Gold Inc.	39,851	40,613	2,627	Bombardier Inc.	154,861	171,569	
	16,648	Chemtrade Logistics Income Fund	127,536	136,347	355	Boyd Group Services Inc.	87,444	89,726	
	9,653	Faraday Copper Corp.	7,541	7,336	283	Calian Group Ltd.	17,473	17,413	
	9,240	First Quantum Minerals Ltd.	299,270	289,582	289	Canadian National Railway Co.	45,360	46,361	
	1,271	Franco-Nevada Corp.	230,306	239,978	4,245	Canadian Pacific Kansas City Ltd.	449,359	454,216	
	11,633	Frontier Lithium Inc.	21,813	21,754	5,312	Doman Building Materials Group Ltd.	38,392	34,794	
	8,049	Hudbay Minerals Inc.	51,411	51,111	9,488	Exro Technologies Inc.	20,448	20,399	
	3,663	K92 Mining Inc.	21,323	21,062	5,474	Finning International Inc.	192,399	223,066	
	5,115	Karora Resources Inc.	21,619	20,716	2,265	Russel Metals Inc.	77,539	83,126	
	7,324	Labrador Iron Ore Royalty Corp.	213,280	227,630	646	Stantec Inc.	51,894	55,873	
	2,063	Lithium Americas Corp.	55,445	55,309	851	Thomson Reuters Corp.	151,640	152,210	
	10,394	Major Drilling Group International Inc.	93,613	95,001	3,310	Toromont Industries Ltd.	359,953	360,227	
	21,368	Marathon Gold Corp.	15,981	17,308	981	Wajax Corp.	21,621	24,466	
	2,393	NGEx Minerals Ltd.	16,698	17,325	1,428	Waste Connections Inc.	256,740	270,363	
	1,007	Nutrien Ltd.	79,284	78,757	1,140	Westshore Terminals Investment Corp.	32,513	35,614	
	29,948	OceanaGold Corp.	78,823	78,164	1,263	WSP Global Inc.	213,189	221,050	
							<u>2,733,239</u>	<u>2,880,460</u>	
					<b>Consumer Discretionary (1.3%)</b>				
					648	BRP Inc.	67,067	72,570	
					1,380	Dollarama Inc.	119,296	123,814	
					4,239	Gildan Activewear Inc.	167,076	181,048	
					1,714	Linamar Corp.	109,794	119,329	
					1,416	Martinrea International Inc.	15,405	18,762	
					3,100	Park Lawn Corp.	68,324	75,423	
					2,708	Pet Valu Holdings Ltd.	88,431	82,323	
					303	Pollard Banknote Ltd.	7,424	7,817	
					1,700	Restaurant Brands International Inc.	169,144	174,607	
					2,541	Sleep Country Canada Holdings Inc.	65,502	72,952	

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2023 (unaudited)

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 (\$)
	1,176	Spin Master Corp.	40,074	41,219		8,232	Capital Power Corp.	350,499	346,567
	1,055	Uni-Select Inc.	49,642	49,638		5,891	Hydro One Ltd.	228,995	222,974
			967,179	1,019,502		1,320	Innergex Renewable Energy Inc.	16,940	16,289
						25,728	TransAlta Corp.	333,988	319,027
								1,409,174	1,382,392
		<b>Consumer Staples (1.0%)</b>					<b>Real Estate (2.2%)</b>		
	3,992	Alimentation Couche-Tard Inc.	248,469	271,177		3,374	Boardwalk Real Estate Investment Trust	205,306	209,829
	1,704	George Weston Ltd.	248,467	266,880		2,558	BSR Real Estate Investment Trust	42,003	43,631
	2,133	North West Co Inc.	79,772	66,976		13,524	Choice Properties Real Estate Investment Trust	197,092	183,521
	11,594	Primo Water Corp.	222,376	192,460		330	Colliers International Group Inc.	40,742	42,900
			799,084	797,493		2,970	Crombie Real Estate Investment Trust	39,966	40,630
						15,565	Dream Industrial Real Estate Investment Trust	198,874	219,622
		<b>Health Care (0.0%)</b>				1,766	DREAM Unlimited Corp.	35,849	36,433
	12,045	Kneat.com Inc.	31,837	35,653		1,791	FirstService Corp.	350,303	365,400
						2,723	Flagship Communities REIT	57,327	58,552
		<b>Financials (5.4%)</b>				2,927	Granite Real Estate Investment Trust	223,252	229,418
	2,823	Bank of Montreal	330,794	337,744		5,663	InterRent Real Estate Investment Trust	69,309	72,600
	2,929	Brookfield Corp.	121,987	130,633		4,555	Minto Apartment Real Estate Investment Trust	62,540	68,416
	4,620	Dominion Lending Centres Inc.	10,190	9,702		1,712	Morguard North American Residential Real Estate Investment	29,303	28,847
	30,295	Element Fleet Management Corp.	597,167	611,353		3,178	Primaris Real Estate Investment Trust	44,561	42,808
	379	Fairfax Financial Holdings Ltd.	357,220	376,078				1,596,427	1,642,607
	2,629	iA Financial Corp. Inc.	225,139	237,267			<b>Index Equivalents (0.1%)</b>		
	4,514	Power Corp. of Canada	161,521	160,969		3,266	3iQ Bitcoin ETF	16,326	21,490
	2,640	Royal Bank of Canada	326,641	334,013		3,266	3iQ Bitcoin ETF, USD	13,944	21,466
	9,141	Sun Life Financial Inc.	598,806	631,277		3,000	Ether ETF	39,967	26,700
	12,128	TMX Group Ltd.	343,970	361,536				70,237	69,656
	7,509	Toronto-Dominion Bank	607,762	616,564			<b>Investment Funds (54.8%)</b>		
	6,938	Trisura Group Ltd.	262,879	260,661		1,557,397	Picton Mahoney Fortified Arbitrage Plus Alternative Fund, Class I Units**	15,015,973	15,402,187
			3,944,076	4,067,797		849,326	Picton Mahoney Fortified Income Alternative Fund, Class I Units**	8,957,920	8,598,149
		<b>Information Technology (2.1%)</b>				100,000	Picton Mahoney Fortified Inflation Opportunities Alternative Fund, Class I Units**	1,000,000	989,520
	17,183	Celestica Inc.	266,390	330,429		463,800	Picton Mahoney Fortified Market Neutral Alternative Fund, Class I Units**	5,840,763	7,279,203
	2,920	CGI Inc.	350,944	407,924					
	80	Constellation Software Inc.	214,046	219,581					
	1,747	Descartes Systems Group Inc.	170,965	185,392					
	878	Docebo Inc.	44,706	46,042					
	810	Kinaxis Inc.	141,186	153,333					
	666	Lumine Group Inc.	11,664	12,101					
	838	Open Text Corp.	42,986	46,174					
	2,602	Shopify Inc.	217,014	222,783					
			1,459,901	1,623,759					
		<b>Communication Services (0.6%)</b>							
	2,606	MDF Commerce Inc.	9,005	9,095					
	6,486	Quebecor Inc.	181,195	211,768					
	2,187	Rogers Communications Inc.	128,427	132,182					
	3,094	TELUS Corp.	78,524	79,763					
			397,151	432,808					
		<b>Utilities (1.8%)</b>							
	12,829	AltaGas Ltd.	299,981	305,330					
	2,389	Atco Ltd.	99,071	94,222					
	2,162	Boralex Inc.	79,700	77,983					

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2023 (unaudited)

CCY*	No. of shares/ units/ Face value	Security Description	Average cost (\$)	Fair value (\$)
	951,300	Picton Mahoney Fortified Special Situations Alternative Fund, Class I Units**	9,016,253	8,680,513
	42,733	Sprott Physical Uranium Trust	567,083	714,496
		<b>Total Canadian Equities - Long</b>	<b>40,397,992</b>	<b>41,664,068</b>
		<b>Global Equities (29.6%)</b>	<b>58,612,269</b>	<b>60,607,736</b>
		<b>United States Equities (7.6%)</b>		
	825	89bio Inc.	21,750	20,687
	194	Activision Blizzard Inc.	20,899	21,641
	495	Advanced Micro Devices Inc.	72,450	74,612
	846	Aehr Test Systems	45,971	46,178
	219	Agilent Technologies Inc.	34,080	34,847
	484	Amazon.com Inc.	82,293	83,489
	165	Apellis Pharmaceuticals Inc.	18,862	19,890
	949	Apollo Global Management Inc.	93,827	96,455
	1,312	Arch Capital Group Ltd.	124,608	129,947
	83	Arista Networks Inc.	16,664	17,799
	276	Arthur J Gallagher & Co.	77,190	80,190
	66	Atlassian Corp.	14,704	14,656
	867	Bank of New York Mellon Corp.	49,522	51,076
	1,386	BellRing Brands Inc.	67,727	67,125
	809	Bentley Systems Inc.	55,970	58,053
	231	BILL Holdings Inc.	33,094	35,717
	70	Biogen Inc.	27,165	26,385
	170	Boeing Co.	46,266	47,501
	413	Boston Scientific Corp.	29,594	29,560
	56	Broadcom Inc.	61,865	64,278
	479	Builders FirstSource Inc.	80,364	86,201
	825	Calix Inc.	53,164	54,485
	2,022	CCC Intelligent Solutions Holdings Inc.	28,387	29,993
	70	Cheniere Energy Inc.	13,742	14,113
	578	Colgate-Palmolive Co.	59,201	58,923
	1,032	Copart Inc.	121,307	124,555
	207	CoStar Group Inc.	23,812	24,378
	141	Danaher Corp.	43,837	44,778
	99	Datadog Inc.	12,380	12,888
	174	Deere & Co.	95,432	93,293
	248	Dexcom Inc.	41,408	42,172
	1,155	DocGo Inc.	14,691	14,321
	380	DR Horton Inc.	59,648	61,190
	130,000	Eagle SPV LP	176,059	210,203
	177	Eli Lilly & Co.	107,275	109,842
	50	Equifax Inc.	14,962	15,568
	743	Fastenal Co.	55,885	57,997
	870	Federated Hermes Inc.	42,253	41,271
	955	Flywire Corp.	39,446	39,225
	120	Gartner Inc.	54,835	55,625
	413	Harmonic Inc.	9,756	8,837
	116	Intellia Therapeutics Inc.	6,403	6,260
	677	Intercontinental Exchange Inc.	98,713	101,301
	54	Intuit Inc.	31,962	32,740
	240	Intuitive Surgical Inc.	103,305	108,593
	174	IQVIA Holdings Inc.	48,978	51,752
	330	Iridium Communications Inc.	26,160	27,126
	846	Kenvue Inc.	29,494	29,576
	1,258	Kraft Heinz Co.	59,789	59,095
	186	Lamb Weston Holdings Inc.	28,041	28,292
	276	Lantheus Holdings Inc.	33,375	30,649
	405	Liberty Media Corp-Liberty Formula One	40,912	40,344
	248	Louisiana-Pacific Corp.	22,122	24,606
	351	Marvell Technology Inc.	27,293	27,765
	182	Mastercard Inc.	90,236	94,718
	363	Merck & Co Inc.	54,170	55,426
	256	Meta Platforms Inc.	94,625	97,214
	675	Micron Technology Inc.	59,039	56,369
	318	Microsoft Corp.	141,419	143,296
	309	Mobileye Global Inc.	15,266	15,709
	124	Moderna Inc.	19,473	19,936
	678	Mondelez International Inc.	65,742	65,439
	479	Monster Beverage Corp.	37,565	36,407
	103	Motorola Solutions Inc.	38,298	39,972
	351	Natera Inc.	24,326	22,601
	660	Neogen Corp.	18,799	18,995
	116	Netflix Inc.	64,255	67,613
	210	NVIDIA Corp.	119,131	117,549
	125	Old Dominion Freight Line Inc.	54,729	61,159
	495	ON Semiconductor Corp.	57,906	61,950
	1,650	Option Care Health Inc.	65,032	70,937
	466	Oracle Corp.	74,004	73,435
	264	Palo Alto Networks Inc.	85,789	89,259
	106	Paycom Software Inc.	43,233	45,058
	908	Pinterest Inc.	30,724	32,849
	326	Procter & Gamble Co.	64,370	65,457
	537	Progressive Corp.	92,836	94,060
	722	Pure Storage Inc.	34,413	35,177
	322	Quanta Services Inc.	80,325	83,704
	149	RBC Bearings Inc.	40,775	42,877
	290	Reinsurance Group of America Inc.	54,013	53,221
	743	Revance Therapeutics Inc.	27,236	24,884
	165	Roper Technologies Inc.	99,990	104,975
	348	SeaWorld Entertainment Inc.	25,451	25,792
	128	ServiceNow Inc.	92,195	95,184
	309	Simply Good Foods Co.	14,958	14,961
	314	SiteOne Landscape Supply Inc.	65,692	69,538
	643	Skyward Specialty Insurance Group Inc.	21,699	21,611
	95	Snowflake Inc.	22,143	22,122
	70	SolarEdge Technologies Inc.	22,671	24,921
	132	Synopsys Inc.	73,746	76,052
	157	Take-Two Interactive Software Inc.	29,148	30,572

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2023 (unaudited)

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 (\$)
	730	Targa Resources Corp.	68,490	73,510		2,300	Invesco Solar ETF	225,856	217,364
	689	TJX Cos Inc.	73,762	77,304		34,770	iShares Core MSCI Europe ETF	2,287,440	2,421,459
	718	Trade Desk Inc.	72,894	73,366		8,700	iShares Global Clean Energy ETF	232,347	211,824
	966	TreeHouse Foods Inc.	66,968	64,398		1,060	iShares iBoxx \$ Investment Grade Corporate Bond ETF	150,604	151,681
	111	Tyler Technologies Inc.	57,952	61,171		12,700	iShares MSCI Australia ETF	384,711	378,956
	58	Ulta Beauty Inc.	34,780	36,117		22,340	iShares MSCI Brazil Capped ETF	872,980	958,670
	157	United Rentals Inc.	83,842	92,525		14,640	iShares MSCI Hong Kong ETF	415,539	374,466
	300	Ventas Inc.	18,506	18,765		16,590	iShares MSCI India ETF	889,252	959,328
	83	Vertex Pharmaceuticals Inc.	37,832	38,650		11,370	iShares MSCI Mexico Capped ETF	796,974	935,514
	825	Vita Coco Co Inc.	31,565	29,333		17,920	iShares MSCI South Africa ETF	1,032,097	943,283
	372	Walmart Inc.	76,286	77,371		14,120	iShares MSCI United Kingdom ETF	575,450	604,433
	660	Williams Cos Inc.	26,555	28,497		1,550	iShares Russell 2000 ETF	388,216	384,095
	1,225	WillScot Mobile Mini Holdings Corp.	76,127	77,466		1,500	iShares US Aerospace & Defense ETF	227,661	231,574
	301	Zoetis Inc.	67,522	68,591		10,000	KraneShares California Carbon	315,553	336,368
	1,939	Zymeworks Inc.	21,501	22,168		7,700	KraneShares Global Carbon Strategy ETF	428,887	386,365
			5,628,896	5,798,274		2,580	SPDR S&P 500 ETF Trust	1,357,524	1,513,341
						1,500	SPDR S&P Aerospace & Defense ETF	230,943	241,220
						3,500	VanEck Agribusiness ETF	430,137	378,520
						7,500	VanEck Gold Miners ETF/USA	315,831	298,821
						2,100	VanEck Rare Earth/Strategic Metals ETF	265,428	231,086
								15,739,334	15,848,842
							<b>Total Global Equities - Long</b>	<b>22,166,756</b>	<b>22,455,936</b>
							<b>Options (0.1%)</b>		
							<b>Total Purchased Options - Refer to Appendix A</b>	<b>130,828</b>	<b>96,426</b>
							<b>Transaction Costs</b>	<b>(9,749)</b>	<b>-</b>
							<b>Total Long Positions</b>	<b>80,900,104</b>	<b>83,160,098</b>
							<b>SHORT POSITIONS (-28.3%)</b>		
							<b>Canadian Equities (-17.9%)</b>		
							<b>Energy (-2.4%)</b>		
	26,580	db X-trackers Harvest CSI 300 China A-Shares ETF	1,081,658	941,196	(29,492)	Africa Oil Corp.	(77,098)	(83,167)	
	1,200	Defiance Hotel Airline and Cruise ETF	33,469	34,227	(13,118)	Baytex Energy Corp.	(52,669)	(56,670)	
	10,200	First Trust Global Wind Energy ETF	247,065	235,794	(8,498)	Birchcliff Energy Ltd.	(63,376)	(66,624)	
	7,400	Global X Copper Miners ETF	345,433	368,668	(5,828)	Cenovus Energy Inc.	(125,450)	(131,130)	
	2,400	Global X Lithium & Battery Tech ETF	234,644	206,489	(16,992)	Enerflex Ltd.	(139,730)	(153,268)	
	9,500	Global X Silver Miners ETF	381,847	326,715	(10,890)	Headwater Exploration Inc.	(67,344)	(69,152)	
	25,500	Global X Uranium ETF	709,417	732,216	(2,264)	International Petroleum Corp.	(27,062)	(24,564)	
	2,100	Invesco Aerospace & Defense ETF	223,998	234,726	(20,487)	Kelt Exploration Ltd.	(103,185)	(114,522)	
	2,000	Invesco DB Agriculture Fund	47,251	55,761	(6,302)	Keyera Corp.	(193,853)	(192,526)	
	12,600	Invesco DB Base Metals Fund	340,227	299,278	(3,135)	Paramount Resources Ltd.	(90,581)	(90,288)	
	9,750	Invesco DB Energy Fund	270,895	255,404	(1,700)	Parex Resources Inc.	(45,238)	(45,152)	
					(2,805)	Peyto Exploration & Development Corp.	(29,836)	(30,743)	
					(2,145)	PrairieSky Royalty Ltd.	(49,562)	(49,678)	
					(23,123)	Secure Energy Services Inc.	(140,609)	(146,600)	

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2023 (unaudited)

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 (\$)
	(50,048)	Tamarack Valley Energy Ltd.	(165,536)	(160,654)					
	(2,528)	TC Energy Corp.	(141,346)	(135,349)					
	(10,326)	Topaz Energy Corp.	(202,614)	(213,025)					
	(1,155)	Vermilion Energy Inc.	(18,389)	(19,081)					
	(2,393)	Whitecap Resources Inc.	(21,875)	(22,183)					
			<u>(1,755,353)</u>	<u>(1,804,376)</u>					
		<b>Materials (-1.1%)</b>							
	(4,205)	Altius Minerals Corp.	(87,233)	(92,090)					
	(8,993)	Artemis Gold Inc.	(40,593)	(42,807)					
	(3,870)	Equinox Gold Corp.	(22,581)	(23,491)					
	(660)	ERO Copper Corp.	(17,780)	(17,688)					
	(3,713)	First Majestic Silver Corp.	(25,746)	(27,810)					
	(16,462)	Foran Mining Corp.	(46,548)	(57,946)					
	(4,620)	I-80 Gold Corp.	(12,974)	(13,768)					
	(6,240)	Interfor Corp.	(144,022)	(155,875)					
	(8,003)	Lundin Mining Corp.	(85,227)	(83,071)					
	(2,548)	Methanex Corp.	(144,559)	(139,478)					
	(3,960)	New Found Gold Corp.	(24,403)	(26,096)					
	(4,703)	New Pacific Metals Corp.	(11,929)	(13,498)					
	(1,238)	Sandstorm Gold Ltd.	(8,030)	(8,406)					
	(6,167)	Transcontinental Inc.	(90,785)	(90,408)					
	(3,300)	Wesdome Gold Mines Ltd.	(21,327)	(22,770)					
			<u>(783,737)</u>	<u>(815,202)</u>					
		<b>Industrial (-0.3%)</b>							
	(3,384)	Aecon Group Inc.	(42,328)	(41,860)					
	(1,485)	Ballard Power Systems Inc.	(8,549)	(8,613)					
	(15,113)	Chorus Aviation Inc.	(45,629)	(45,792)					
	(280)	GDI Integrated Facility Services Inc.	(13,093)	(11,682)					
	(3,398)	Savaria Corp.	(58,883)	(57,426)					
	(878)	SNC-Lavalin Group Inc.	(26,238)	(30,511)					
			<u>(194,720)</u>	<u>(195,884)</u>					
		<b>Consumer Discretionary (-0.3%)</b>							
	(2,102)	Canada Goose Holdings Inc.	(56,020)	(49,565)					
	(942)	Canadian Tire Corp. Ltd.	(157,313)	(170,615)					
			<u>(213,333)</u>	<u>(220,180)</u>					
		<b>Consumer Staples (-1.0%)</b>							
	(2,984)	Empire Co., Ltd.	(105,448)	(112,285)					
	(2,836)	Jamieson Wellness Inc.	(91,851)	(85,108)					
	(330)	Loblaw Cos Ltd.	(38,196)	(40,022)					
	(6,462)	Maple Leaf Foods Inc.	(149,083)	(167,237)					
	(1,510)	Metro Inc.	(107,827)	(112,978)					
	(4,180)	Neighbourly Pharmacy Inc.	(90,454)	(66,880)					
	(1,414)	Premium Brands Holdings Corp.	(143,249)	(147,805)					
	(495)	Saputo Inc.	(14,617)	(14,692)					
	(5,634)	SunOpta Inc.	(35,586)	(49,917)					
			<u>(776,311)</u>	<u>(796,924)</u>					
		<b>Health Care (0.0%)</b>							
	(2,933)	Aurora Cannabis Inc.	(2,193)	(2,053)					
			<u>(2,193)</u>	<u>(2,053)</u>					
		<b>Financials (-2.2%)</b>							
	(1,714)	Bank of Nova Scotia	(121,486)	(113,604)					
	(3,314)	Canadian Imperial Bank of Commerce	(191,225)	(187,440)					
	(5,924)	Canadian Western Bank	(142,036)	(146,441)					
	(900)	Definity Financial Corp.	(31,387)	(31,635)					
	(15,292)	ECN Capital Corp.	(48,570)	(40,830)					
	(4,347)	Great-West Lifeco Inc.	(153,945)	(167,229)					
	(80)	Guardian Capital Group Ltd.	(3,407)	(3,360)					
	(825)	IGM Financial Inc.	(33,006)	(33,272)					
	(6,682)	Laurentian Bank of Canada	(208,780)	(220,907)					
	(7,868)	Manulife Financial Corp.	(194,476)	(197,015)					
	(4,241)	National Bank of Canada	(410,487)	(418,587)					
	(1,401)	Propel Holdings Inc.	(10,017)	(10,367)					
	(3,099)	Sprott Inc.	(147,322)	(132,916)					
	(1,058)	Westaim Corp.	(3,875)	(3,809)					
			<u>(1,700,019)</u>	<u>(1,707,412)</u>					
		<b>Information Technology (-0.2%)</b>							
	(6,826)	BlackBerry Ltd.	(47,779)	(50,103)					
	(2,387)	Converge Technology Solutions Corp.	(7,546)	(7,638)					
	(2,589)	Copperleaf Technologies Inc.	(14,404)	(14,757)					
	(1,464)	Enghouse Systems Ltd.	(47,122)	(47,126)					
	(598)	Softchoice Corp.	(12,281)	(10,818)					
			<u>(129,132)</u>	<u>(130,442)</u>					
		<b>Communication Services (-0.3%)</b>							
	(1,320)	BCE Inc.	(77,961)	(79,728)					
	(4,465)	Cineplex Inc.	(40,229)	(39,605)					
	(546)	Cogeco Communications Inc.	(36,140)	(38,597)					
	(1,424)	Cogeco Inc.	(76,656)	(79,559)					
			<u>(230,986)</u>	<u>(237,489)</u>					
		<b>Utilities (-0.8%)</b>							
	(14,193)	Algonquin Power & Utilities Corp.	(158,642)	(155,413)					
	(825)	Brookfield Infrastructure Corp.	(50,206)	(49,838)					
	(908)	Brookfield Renewable Corp.	(37,883)	(37,945)					
	(825)	Fortis Inc.	(46,192)	(47,099)					
	(4,516)	Northland Power Inc.	(128,855)	(124,777)					
	(227)	Polaris Renewable Energy Inc.	(3,119)	(3,235)					
	(2,242)	Superior Plus Corp.	(20,857)	(21,277)					
	(13,458)	TransAlta Renewables Inc.	(161,930)	(153,152)					
			<u>(607,684)</u>	<u>(592,736)</u>					
		<b>Real Estate (-1.2%)</b>							
	(1,320)	Allied Properties Real Estate Investment Trust	(27,869)	(28,670)					
	(2,471)	Artis Real Estate Investment Trust	(16,590)	(17,865)					
	(2,835)	Canadian Apartment Properties REIT	(142,224)	(144,188)					
	(5,078)	CT Real Estate Investment Trust	(83,086)	(76,627)					
	(9,715)	Dream Office Real Estate Investment Trust	(190,200)	(125,712)					

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2023 (unaudited)

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 (\$)
	(9,592)	First Capital Real Estate Investment Trust	(144,407)	(140,235)		(165)	DocuSign Inc.	(11,075)	(11,155)
	(169)	Killam Apartment Real Estate Investment Trust	(2,836)	(2,985)		(314)	Editas Medicine Inc.	(3,293)	(3,420)
	(9,562)	NorthWest Healthcare Properties Real Estate Investment Trust	(94,615)	(60,049)		(289)	Edwards Lifesciences Corp.	(34,662)	(36,073)
	(6,389)	SmartCentres Real Estate Investment Trust	(163,793)	(155,189)		(248)	eHealth Inc.	(2,777)	(2,638)
	(11,507)	StorageVault Canada Inc.	(76,960)	(67,316)		(730)	Endeavor Group Holdings Inc.	(21,280)	(23,106)
	(5,189)	Tricon Residential Inc.	(65,164)	(60,608)		(804)	Enerpac Tool Group Corp.	(29,831)	(28,725)
			(1,007,744)	(879,444)		(54)	Enphase Energy Inc.	(11,588)	(11,967)
						(268)	Etsy Inc.	(32,406)	(30,005)
						(1,114)	Extreme Networks Inc.	(35,314)	(38,400)
						(30)	FactSet Research Systems Inc.	(15,638)	(15,905)
						(1,403)	FuboTV Inc.	(3,562)	(3,862)
						(1,362)	FuelCell Energy Inc.	(3,944)	(3,893)
						(149)	GATX Corp.	(24,327)	(25,383)
						(460)	General Mills Inc.	(49,002)	(46,687)
						(359)	Gilead Sciences Inc.	(36,845)	(36,612)
						(292)	HashiCorp Inc.	(10,347)	(10,116)
						(1,279)	Hawaiian Holdings Inc.	(16,454)	(18,227)
						(207)	Henry Schein Inc.	(21,647)	(22,214)
						(743)	Hercules Capital Inc.	(13,876)	(14,551)
						(982)	HNI Corp.	(35,473)	(36,618)
						(1,180)	HP Inc.	(46,114)	(47,951)
						(1,238)	Hyllion Holdings Corp.	(2,773)	(2,736)
						(99)	Illinois Tool Works Inc.	(31,641)	(32,771)
						(644)	Intel Corp.	(27,497)	(28,496)
						(149)	International Business Machines Corp.	(25,709)	(26,382)
						(240)	Jack Henry & Associates Inc.	(51,379)	(53,140)
						(83)	JB Hunt Transport Services Inc.	(19,292)	(19,882)
						(743)	Juniper Networks Inc.	(29,776)	(30,803)
						(1,155)	Kennametal Inc.	(42,591)	(43,390)
						(83)	Kinsale Capital Group Inc.	(39,481)	(41,098)
						(45)	KLA Corp.	(27,595)	(28,881)
						(2,145)	Macerich Co.	(30,463)	(31,988)
						(215)	Morgan Stanley	(24,002)	(24,296)
						(264)	MSC Industrial Direct Co Inc.	(33,420)	(33,285)
						(194)	Mueller Industries Inc.	(20,396)	(22,406)
						(248)	NetApp Inc.	(23,814)	(25,072)
						(297)	Nevro Corp.	(10,128)	(9,990)
						(1,547)	Newmont Corp.	(85,881)	(87,327)
						(240)	Nucor Corp.	(48,103)	(52,076)
						(248)	ONEOK Inc.	(18,980)	(20,254)
						(495)	Ormat Technologies Inc.	(54,674)	(52,702)
						(273)	Packaging Corp. of America	(46,999)	(47,742)
						(1,320)	Palantir Technologies Inc.	(24,560)	(26,777)
						(1,255)	Pebblebrook Hotel Trust	(21,031)	(23,150)
						(578)	Pfizer Inc.	(29,451)	(28,054)
						(804)	Plug Power Inc.	(10,235)	(11,054)
						(207)	PNC Financial Services Group Inc.	(33,945)	(34,499)
						(388)	Polaris Inc.	(60,220)	(62,088)
						(495)	Procore Technologies Inc.	(41,970)	(42,621)
						(908)	Prospect Capital Corp.	(7,334)	(7,449)
						(198)	Qualys Inc.	(32,828)	(33,843)
						(396)	Realty Income Corp.	(30,951)	(31,330)
						(2,000)	Regions Financial Corp.	(45,421)	(47,160)
<b>Index Equivalents (-8.1%)</b>									
	(3,725)	Horizon S&P/TSX 60 Index ETF	(181,987)	(187,740)					
	(39,353)	iShares Core S&P/TSX Capped Composite Index ETF	(1,232,465)	(1,259,690)					
	(155,598)	iShares S&P/TSX 60 Index ETF	(4,680,459)	(4,781,527)					
			(6,094,911)	(6,228,957)					
<b>Total Canadian Equities - Short</b>									
			<b>(13,496,123)</b>	<b>(13,611,099)</b>					
<b>Global Equities (-10.4%)</b>									
<b>United States Equities (-5.0%)</b>									
	(314)	3M Co.	(41,460)	(41,587)					
	(276)	AGCO Corp.	(48,840)	(47,997)					
	(182)	Airbnb Inc.	(30,568)	(30,865)					
	(165)	Akero Therapeutics Inc.	(11,340)	(10,194)					
	(405)	American Express Co.	(89,440)	(93,356)					
	(66)	Amgen Inc.	(19,888)	(19,390)					
	(215)	Apple Inc.	(52,731)	(55,184)					
	(330)	Aramark	(17,342)	(18,799)					
	(433)	Ares Management Corp.	(52,733)	(55,205)					
	(578)	Atlantic Union Bankshares Corp.	(20,489)	(19,847)					
	(1,197)	Avangrid Inc.	(60,144)	(59,682)					
	(1,247)	Bank OZK	(62,296)	(66,267)					
	(454)	Bloom Energy Corp.	(9,689)	(9,822)					
	(1,403)	Blue Owl Capital Inc.	(20,524)	(21,628)					
	(438)	Bristol-Myers Squibb Co.	(37,688)	(37,064)					
	(1,733)	BRP Group Inc.	(55,023)	(56,825)					
	(2,350)	Cadence Bank	(61,284)	(61,073)					
	(183)	Carvana Co.	(6,339)	(6,277)					
	(248)	Caterpillar Inc.	(77,658)	(80,745)					
	(132)	Cboe Global Markets Inc.	(23,733)	(24,106)					
	(400)	CBRE Group Inc.	(40,136)	(42,720)					
	(1,966)	Ceridian HCM Holding Inc., TSE	(151,855)	(174,679)					
	(264)	CH Robinson Worldwide Inc.	(32,184)	(32,960)					
	(95)	Charter Communications Inc.	(40,917)	(46,181)					
	(446)	Cincinnati Financial Corp.	(57,218)	(57,435)					
	(429)	Cloudflare Inc.	(36,688)	(37,109)					
	(315)	Coinbase Global Inc.	(24,002)	(29,824)					
	(600)	Confluent Inc.	(25,987)	(28,034)					
	(578)	CubeSmart	(33,690)	(34,157)					
	(45)	Cummins Inc.	(13,702)	(14,598)					
	(215)	Digital Realty Trust Inc.	(29,807)	(32,396)					

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2023 (unaudited)

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 (\$)
	(75)	Repligen Corp.	(14,863)	(14,039)		(697)	SPDR S&P Retail ETF	(57,164)	(58,797)
	(990)	RXO Inc.	(28,763)	(29,698)		(227)	Vanguard Real Estate ETF	(24,258)	(25,099)
	(182)	Silicon Laboratories Inc.	(36,136)	(37,989)		(9,384)	Vanguard Total Stock Market ETF	(2,682,538)	(2,735,282)
	(660)	SoFi Technologies Inc.	(7,445)	(7,284)				(3,622,294)	(3,690,818)
	(625)	Southern Copper Corp.	(60,196)	(59,331)			<b>Total Global Equities - Short</b>	<b>(7,676,890)</b>	<b>(7,875,584)</b>
	(190)	Steel Dynamics Inc.	(25,493)	(27,387)			<b>Options (0.0%)</b>		
	(639)	Sunrun Inc.	(15,077)	(15,102)			<b>Total Written Options - Refer to Appendix A</b>	<b>(33,794)</b>	<b>(14,177)</b>
	(500)	Synchrony Financial	(21,333)	(22,442)			<b>Transaction Costs</b>	<b>(6,323)</b>	<b>-</b>
	(421)	T Rowe Price Group Inc.	(59,373)	(62,405)			<b>Total Short Positions</b>	<b>(21,213,130)</b>	<b>(21,500,860)</b>
	(2,145)	Tellurian Inc.	(3,832)	(4,002)			<b>Futures Contracts (-1.5%)</b>		
	(537)	Terex Corp.	(40,304)	(42,514)			<b>Total Futures Contracts - Refer to Appendix B</b>		<b>(1,130,634)</b>
	(825)	Terreno Realty Corp.	(62,486)	(65,610)			<b>Swap Agreements (0.2%)</b>		
	(132)	Tesla Inc.	(45,506)	(45,723)			<b>Total Swap Agreements - Refer to Appendix C</b>		<b>148,710</b>
	(285)	Texas Instruments Inc.	(64,539)	(67,890)			<b>Credit Default Swaps (0.2%)</b>		
	(111)	Travelers Cos Inc.	(25,517)	(25,507)			<b>Total Credit Default Swap Agreements - Refer to Appendix D</b>		<b>139,228</b>
	(165)	Universal Health Services Inc.	(32,475)	(34,447)			<b>TOTAL INVESTMENT PORTFOLIO (80.0%)</b>	<b>59,686,974</b>	<b>60,816,542</b>
	(660)	US Bancorp	(28,214)	(28,855)			Other Assets Net of Liabilities (20.0%)		15,175,480
	(215)	Valero Energy Corp.	(31,262)	(33,371)			<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100.0%)</b>		<b>75,992,022</b>
	(372)	Viatis Inc.	(4,910)	(4,913)					
	(153)	VMware Inc.	(27,778)	(29,091)					
	(578)	Vornado Realty Trust	(11,561)	(13,874)					
	(495)	Warner Music Group Corp.	(17,065)	(17,089)					
	(846)	Werner Enterprises Inc.	(48,842)	(49,458)					
	(1,131)	Western Union Co.	(16,952)	(17,555)					
	(132)	Williams-Sonoma Inc.	(20,943)	(21,858)					
	(355)	Wolfspeed Inc.	(24,029)	(26,113)					
	(78)	Zebra Technologies Corp.	(27,380)	(30,533)					
	(908)	Zions Bancorp NA	(32,330)	(32,272)					
	(722)	ZoomInfo Technologies Inc.	(23,072)	(24,257)					
			(3,635,066)	(3,766,865)					
		<b>International Equities (-0.5%)</b>							
	(1,015)	BHP Group Ltd.	(81,483)	(80,142)					
	(289)	Check Point Software Technologies Ltd.	(48,098)	(48,039)					
	(347)	Chubb Ltd.	(88,525)	(88,417)					
	(3,383)	Gold Fields Ltd.	(63,167)	(61,910)					
	(1,980)	Invesco Ltd.	(42,219)	(44,043)					
	(846)	Rio Tinto PLC	(72,483)	(71,466)					
	(207)	Stratasys Ltd.	(4,606)	(4,865)					
	(3,218)	Whitehaven Coal Ltd.	(18,949)	(19,019)					
			(419,530)	(417,901)					
		<b>International Index Equivalents (-4.9%)</b>							
	(600)	Invesco QQQ Trust Series 1	(287,936)	(293,299)					
	(520)	iShares 20+ Year Treasury Bond ETF	(70,138)	(70,832)					
	(1,188)	iShares iBoxx \$ High Yield Corporate Bond ETF	(116,755)	(118,011)					
	(825)	iShares JP Morgan USD Emerging Markets Bond ETF	(93,383)	(94,473)					
	(1,444)	iShares MSCI Emerging Markets ETF	(75,556)	(75,590)					
	(842)	SPDR Industrial Select Sector Fund	(118,291)	(119,573)					
	(1,485)	SPDR S&P Metals & Mining ETF	(96,275)	(99,862)					

\*CCY denotes local currency of debt security

\*\*The Picton Mahoney Fortified Multi-Strategy Alternative Fund invests in other Picton Mahoney related funds. For further details, please refer to the disclosure under Note 14 Structured Entities in the Fund Specific Notes.



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## APPENDIX A

### OPTIONS (0.1%)

Issuer	Option Type	Number of Options	Strike \$	Expiry	Average Cost \$	Fair Value \$
Activision Blizzard Inc.	Call Option	2	\$90	August, 2023	492	540
Activision Blizzard Inc.	Call Option	2	\$95	August, 2023	166	109
Chicago Board Options Exchange	Call Option	160	\$27	August, 2023	19,583	11,539
HG Copper Futures	Call Option	15	\$425	July, 2023	14,274	992
iShares S&P/TSX Capped Financials Index ETF	Call Option	60	\$45	August, 2023	2,325	5,100
SPDR S&P Regional Banking	Call Option	24	\$42	July, 2023	3,425	3,478
					<u>40,265</u>	<u>21,758</u>
Carvana Co.	Put Option	14	\$13	July, 2023	232	111
Carvana Co.	Put Option	24	\$19	July, 2023	2,123	1,842
iPATH S&P 500 VIX Short-Term	Put Option	530	\$24	July, 2023	8,076	10,520
ProShares UltraShort Bloomberg	Put Option	180	\$20	August, 2023	22,702	4,168
S&P E-Mini 2nd Week	Put Option	23	\$4,325	July, 2023	29,362	6,239
US 6-7 Note FRI	Put Option	75	\$109	July, 2023	1,600	99
US 6-7 Note FRI	Put Option	100	\$112	July, 2023	26,468	51,689
					<u>90,563</u>	<u>74,668</u>
<b>Total Purchased Options</b>					<b>130,828</b>	<b>96,426</b>
Activision Blizzard Inc.	Written Call Option	(3)	\$90	July, 2023	(458)	(560)
HG Copper Futures	Written Call Option	(15)	\$480	July, 2023	(2,437)	(248)
iShares S&P/TSX Capped Financials Index ETF	Written Call Option	(36)	\$46	August, 2023	(342)	(1,422)
SPDR S&P Regional Banking	Written Call Option	(21)	\$44	July, 2023	(1,280)	(1,403)
					<u>(4,517)</u>	<u>(3,633)</u>
Carvana Co.	Written Put Option	(19)	\$15	July, 2023	(454)	(377)
Carvana Co.	Written Put Option	(19)	\$17	July, 2023	(977)	(754)
S&P E-Mini 2nd Week	Written Put Option	(23)	\$4,225	July, 2023	(14,453)	(3,196)
SPDR S&P Regional Banking	Written Put Option	(6)	\$36	July, 2023	(51)	(14)
US 6-7 Note FRI	Written Put Option	(150)	\$111	July, 2023	(13,342)	(6,203)
					<u>(29,277)</u>	<u>(10,544)</u>
<b>Total Written Options</b>					<b>(33,794)</b>	<b>(14,177)</b>

## APPENDIX B

### FUTURES CONTRACTS (-1.5%)

Issuer	Number of Contracts	Fair Value (C\$)	Contracted Value (C\$)	Unrealized Gain/Loss
Soybean Futures, November 2023	9	799,855	701,120	98,735
CAD Currency Futures, September 2023	238	23,818,421	23,738,534	79,887
Gasoline Futures, August 2023	5	684,286	645,553	38,733
Natural Gas Futures, July 2023	7	259,172	223,462	35,710
JPY Currency Futures, September 2023	(8)	(927,929)	(961,116)	33,187
Zink Futures, September 2023	8	632,315	600,345	31,970
Soybean Oil Futures, September 2023	3	143,387	120,767	22,620
Cocoa Futures, March 2024	3	132,193	110,889	21,304
Tin Futures, September 2023	2	354,988	335,635	19,353
Oat Futures, December 2023	6	161,966	144,367	17,599
Lead Futures, September 2023	5	347,767	330,929	16,838
NASDAQ 100 E-mini Futures, September 2023	1	405,894	390,031	15,863
EURO STOXX Bank Futures, September 2023	51	398,138	382,345	15,793
NY Harbor ULSD Futures, August 2023	5	678,589	663,171	15,418
BRL Currency Futures, July 2023	14	384,404	373,844	10,560
E-mini S&P 500 Futures, September 2023	1	296,954	287,754	9,200
ICE Gas Oil LS Futures, September 2023	7	649,087	640,390	8,697
E-mini DJIA Futures, September 2023	3	687,620	679,006	8,614
Live Cattle Futures, December 2023	1	97,140	89,077	8,063
MXN Currency Futures, September 2023	14	532,423	525,013	7,410
S&P TSX 60 Futures, September 2023	2	487,440	480,316	7,124
Canola Futures, November 2023	11	162,008	155,041	6,967

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## APPENDIX B

### FUTURES CONTRACTS (-1.5%)

Issuer	Number of Contracts	Fair Value (C\$)	Contracted Value (C\$)	Unrealized Gain/Loss
EURO STOXX 50 Futures, September 2023	6	383,466	377,605	5,861
ECX Emissions Futures, December 2023	4	514,407	509,224	5,183
E-mini Russell 2000 Futures, September 2023	3	377,861	374,516	3,345
Feeder Cattle Futures, September 2023	1	165,952	163,702	2,250
NZD Currency Futures, September 2023	1	81,201	80,950	251
Natural Gas Futures, December 2023	1	80	70	10
Natural Gas Futures, November 2024	1	79	69	10
Natural Gas Futures, February 2024	1	78	69	9
Natural Gas Futures, October 2024	1	77	69	8
Natural Gas Futures, March 2024	1	75	69	6
Natural Gas Futures, August 2024	1	74	69	5
Natural Gas Futures, June 2024	1	74	69	5
Natural Gas Futures, September 2024	1	74	69	5
Natural Gas Futures, May 2024	1	73	69	4
				546,597
CMX HG Copper Future, September 2023	5	6,218	6,280	(62)
Sugar #11 Futures, February 2024	4	135,696	135,948	(252)
AUD Currency Futures, September 2023	1	88,367	89,625	(1,258)
Cotton #2 Futures, December 2023	3	159,524	161,275	(1,751)
FTSE 100 Index Futures, September 2023	3	380,615	382,861	(2,246)
FCOJ-A Futures, September 2023	3	151,694	154,076	(2,382)
Lean Hog Futures, December 2023	4	159,108	162,212	(3,104)
Rough Rice Futures, September 2023	4	158,631	161,933	(3,302)
Wheat Futures, December 2023	13	575,630	579,186	(3,556)
ZAR Currency Futures, September 2023	9	313,809	317,680	(3,871)
Coffee C Futures, September 2023	2	157,798	164,150	(6,352)
White Sugar Futures, September 2023	3	124,690	131,981	(7,291)
Robusta Coffee Futures, September 2023	4	131,849	139,153	(7,304)
SFE Australian 3-Year Futures, September 2023	19	1,767,789	1,777,125	(9,336)
Euro Currency Futures, September 2023	(5)	(905,847)	(894,384)	(11,463)
KCBT Wheat Futures, December 2023	11	582,412	595,752	(13,340)
WTI Crude Futures, August 2023	7	655,617	669,901	(14,284)
Silver Futures, September 2023	2	304,612	321,073	(16,461)
SFE Australian 10-Year Futures, September 2023	35	3,581,447	3,598,379	(16,932)
Natural Gas Futures, March 2025	4	187,954	204,971	(17,017)
WTI Crude Futures, November 2025	8	684,597	701,627	(17,030)
Nikel Futures, September 2023	4	651,325	678,335	(27,010)
Corn Futures, December 2023	16	523,742	560,506	(36,764)
Aluminium Futures, September 2023	9	639,378	679,742	(40,364)
Platinum Futures, October 2023	5	302,098	348,015	(45,917)
WTI Crude Futures, November 2024	6	535,281	592,512	(57,231)
UKA Emissions Futures, December 2023	2	181,353	244,894	(63,541)
Palladium Futures, September 2023	2	323,402	390,266	(66,864)
Long Gilt Future, September 2023	33	5,290,709	5,359,129	(68,420)
Brent Crude Futures, July 2023	7	698,504	770,112	(71,608)
Natural Gas Futures, December 2024	8	472,771	548,739	(75,968)
Natural Gas Futures, October 2024	7	349,669	428,892	(79,223)
CBOT US 10 Year T-Note Futures, September 2023	38	5,645,109	5,734,666	(89,557)
MTL Canadian 10-Year Futures, September 2023	89	10,905,170	11,002,180	(97,010)
CBOE VIX Index Futures, July 2023	70	1,390,431	1,543,532	(153,101)
CBOT US 5 Year T-Note Futures, September 2023	63	8,927,844	9,097,734	(169,890)
Gold 100-oz Futures, December 2023	29	7,552,052	7,928,221	(376,169)
				(1,677,231)
<b>Unrealized gain (loss) on Futures Contracts</b>				<b>(1,130,634)</b>

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## APPENDIX C

### TOTAL RETURN SWAPS (0.2%)

Quantity	Security Description	Expiry Date	Counterparty	Counterparty Credit Rating	Unrealized Gain / Loss (\$)
(44,807)	PM FSM SHORT TRS	30-Oct-30	Goldman Sachs International	A-1	672,974
					<u>672,974</u>
46,993	PM FSM LONG TRS	30-Oct-30	Goldman Sachs International	A-1	(524,264)
					<u>(524,264)</u>
<b>Total Over the counter SWAPS at fair value</b>					<b><u>148,710</u></b>

## APPENDIX D

### CREDIT DEFAULT SWAPS (0.2%)

Buy / Sell Protection	Referenced Entity	Fixed Rate	Expiry Date	Effective date	Counterparty	Counterparty Credit Rating	Notional Amount	Fair Value
Sell	Markit CDX North America High Yield Index	5%	20-Jun-28	19-Apr-23	Goldman Sachs International	A-1	USD 1,000,000	39,060
Sell	Markit CDX North America Investment Grade Index	1%	20-Jun-28	19-Apr-23	Goldman Sachs International	A-1	USD 5,000,000	100,168
<b>Total Credit Default Swaps Contracts at Fair Value</b>								<b><u>139,228</u></b>

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES

As at June 30, 2023 (unaudited)

### 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 June 30, 2023 and December 31, 2022.

ASSETS (LIABILITIES) AT FAIR VALUE AS AT JUNE 30, 2023				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	25,270,903	-	210,203	25,481,106
Mutual funds - Long	41,664,068	-	-	41,664,068
Exchange Traded Funds - Long	15,918,498	-	-	15,918,498
Options - Long	96,426	-	-	96,426
Futures - Long	546,597	-	-	546,597
Credit default swaps - Long	-	139,228	-	139,228
Total return swaps - Long	-	672,974	-	672,974
Equities - Short	(11,566,908)	-	-	(11,566,908)
Exchange Traded Funds - Short	(9,919,775)	-	-	(9,919,775)
Options - Short	(14,177)	-	-	(14,177)
Futures - Short	(1,677,231)	-	-	(1,677,231)
Total return swaps - Short	-	(524,264)	-	(524,264)
<b>Total</b>	<b>60,318,401</b>	<b>287,938</b>	<b>210,203</b>	<b>60,816,542</b>

ASSETS (LIABILITIES) AT FAIR VALUE AS AT DECEMBER 31, 2022				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Equities - Long	11,413,487	-	176,145	11,589,632
Mutual funds - Long	70,623,169	-	-	70,623,169
Exchange Traded Funds - Long	18,986,135	-	-	18,986,135
Options - Long	260,687	-	-	260,687
Futures - Long	807,219	-	-	807,219
Credit default swaps - Long	-	103,293	-	103,293
Total return swaps - Long	-	305,592	-	305,592
Equities - Short	(6,454,893)	-	-	(6,454,893)
Exchange Traded Funds - Short	(1,531,874)	-	-	(1,531,874)
Options - Short	(39,564)	-	-	(39,564)
Futures - Short	(1,456,587)	-	-	(1,456,587)
Total return swaps - Short	-	(388,615)	-	(388,615)
<b>Total</b>	<b>92,607,779</b>	<b>20,270</b>	<b>176,145</b>	<b>92,804,194</b>

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

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

The following table reconciles the Fund's Level 3 fair value measurements of financial instruments for the period ended June 30, 2023 and year ended December 31, 2022.

June 30, 2023	Equities - Long \$	Equities - Short \$	Total \$
<b>Balance at Beginning of period</b>	176,145	-	176,145
Investment purchases during the period	-	-	-
Proceeds from sales during the period	-	-	-
Transfers in during the period	-	-	-
Transfers out during the period	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation (depreciation) in value of investments	34,058	-	34,058
<b>Balance at End of period</b>	<b>210,203</b>	<b>-</b>	<b>210,203</b>
<b>Total change in unrealized appreciation (depreciation) for assets held as at June 30, 2023</b>			<b>34,058</b>

December 31, 2022	Equities - Long \$	Equities - Short \$	Total \$
<b>Balance at Beginning of Year</b>	-	-	-
Investment purchases during the year	176,059	-	176,059
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	86	-	86
<b>Balance at End of Year</b>	<b>176,145</b>	<b>-</b>	<b>176,145</b>
<b>Total change in unrealized appreciation (depreciation) for assets held as at December 31, 2022</b>			<b>86</b>

For the period ended June 30, 2023 and year ended December 31, 2022, certain securities held long were classified as Level 3. The Fund's long Level 3 securities consist of subscription receipts 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 \$10,510 as at June 30, 2023 (December 31, 2022 - \$8,807). Transfers between levels on the fair value hierarchy table are deemed to have occurred at the beginning of the reporting period.

June 30, 2023							
Security Name	Fair Value	Valuation Technique	Unobservable Inputs	Reasonable Shift (+)	Reasonable Shift (-)	Change in Valuation (+)	Change in Valuation (-)
Eagle SPV LP	210,203	Discounted cash flow, Enterprise value	Discount rate, peer multiples	5%	5%	\$10,510	\$(10,510)

December 31, 2022							
Security Name	Fair Value	Valuation Technique	Unobservable Inputs	Reasonable Shift (+)	Reasonable Shift (-)	Change in Valuation (+)	Change in Valuation (-)
Eagle SPV LP	176,145	Discounted cash flow, Enterprise value	Discount rate, peer multiples	5%	5%	\$8,807	\$(8,807)

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 3. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following table shows the net impact of the Fund's statement of financial position if all set-off rights were exercised.

Financial Assets and Liabilities	Amounts Eligible for Offset			Net \$
	Gross Assets / (Liabilities) \$	Financial Instruments \$	Collateral received/paid \$	
<b>June 30, 2023</b>				
Derivative assets - Over the counter swaps	672,974	(524,264)	-	148,710
Derivative assets - Credit default swaps	139,228	-	-	139,228
Derivative liabilities - Over the counter swaps	(524,264)	524,264	-	-
<b>December 31, 2022</b>				
Derivative assets - Over the counter swaps	305,592	(305,592)	-	-
Derivative assets - Credit default swaps	103,293	-	-	103,293
Derivative liabilities - Over the counter swaps	(388,615)	305,592	-	(83,023)

### 4. OTHER PRICE RISK

Using Beta as a measure of the relationship of the Fund's performance versus its index, if the blended index consisting of 40% MSCI World 100% hedged to CAD Index (net total return); 40% ICE BofAML Global Broad Market Index (Hedged to CAD); 10% S&P GSCI Canadian Dollar Hedged Index TR; 5% FTSE TMX Canada 30 Day T-Bill Index; and 5% LBMA Gold Price were to increase or decrease by 10%, net assets would have increased or decreased by approximately \$7,272,573 (December 31, 2022 - \$9,115,046). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

The COVID-19 (coronavirus disease) pandemic has caused volatility in global financial markets as well as significant disruptions to global business activity. The continued impact of unanticipated market disruptions, including COVID-19 is uncertain and may exacerbate pre-existing political, social or economic risk, and may disproportionately affect certain issuers, industries or types of securities. Such unanticipated market and economic disruptions, including COVID-19, may be short-term or may last for an extended period of time, and could have effects that cannot necessarily be presently foreseen.

### 5. CURRENCY RISK

Foreign currencies to which the Fund had exposure as at June 30, 2023 and December 31, 2022 were as follows:

FINANCIAL INSTRUMENTS					
June 30, 2023 Currency	Monetary \$	Non-Monetary \$	Forward Currency Contracts \$	Total \$	Percentage of Net Assets %
United States Dollar	13,262,168	14,559,404	-	27,821,572	36.6%
European Euro	500,840	52,655	-	553,495	0.7%
British Pound	(42,053)	-	-	(42,053)	-0.1%
Australian Dollar	10,102	(9,318)	-	784	0.0%
<b>Net Exposure</b>	<b>13,731,057</b>	<b>14,602,741</b>	<b>-</b>	<b>28,333,798</b>	<b>37.2%</b>

FINANCIAL INSTRUMENTS					
December 31, 2022 Currency	Monetary \$	Non-Monetary \$	Forward Currency Contracts \$	Total \$	Percentage of Net Assets %
United States Dollar	9,528,804	19,133,226	-	28,662,030	30.2%
European Euro	357,439	-	-	357,439	0.4%
British Pound	248,981	-	-	248,981	0.3%
Australian Dollar	(138)	-	-	(138)	0.0%
<b>Net Exposure</b>	<b>10,135,086</b>	<b>19,133,226</b>	<b>-</b>	<b>29,268,312</b>	<b>30.9%</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 \$1,416,690 (December 31, 2022 - \$1,463,416). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 6. INTEREST RATE RISK

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds. As at June 30, 2023 and December 31, 2022, 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 June 30, 2023 and December 31, 2022, 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+.

### 8. UNDERLYING FUND EXPOSURE TO OTHER PRICE RISK, CURRENCY RISK, INTEREST RATE RISK, CREDIT RISK

The Fund may also be exposed to indirect other price risk, currency risk, interest rate risk, and credit risk through its investment in the underlying funds.

The table below summarizes the impact on the Fund's net assets, of reasonable possible changes in the returns of each of the strategies to which the Fund is exposed through the 4 underlying fund in which it invests at year-end. The impact on net assets is calculated by applying a 5% possible movement determined for each strategy as a percentage of the net assets of the Fund. The analysis is based on the assumption that the returns on each strategy have increased or decreased as disclosed with all other variables held constant. The underlying risk disclosures represent the market risks to which the various strategies are exposed; C,F,I,P representing Credit, Foreign Currency, Interest Rate, and Other Price Risks, respectively.

June 30, 2023				
Strategy	Underlying risk exposures	Number of Funds		Impact on net assets based on 5% increase or decrease \$
Canadian Equity	P	4		266,061
US Equity	P	4		581,679
International Equity	P	1		1,603
Canadian Fixed Income	C,I	4		777,859
US Fixed Income	C,F,I	5		437,844
International Fixed Income	C,F,I	3		(17,567)
<b>Total</b>				<b>2,047,479</b>

December 31, 2022				
Strategy	Underlying risk exposures	Number of Funds		Impact on net assets based on 5% increase or decrease \$
Canadian Equity	P	3		1,756,390
US Equity	P	4		453,340
International Equity	P	2		(5,568)
Canadian Fixed Income	C,I	4		706,194
US Fixed Income	C,F,I	4		687,495
International Fixed Income	C,F,I	3		(66,693)
<b>Total</b>				<b>3,531,158</b>

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 9. 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 June 30, 2023 and December 31, 2022.

Jurisdiction	% of Net Assets	
	June 30, 2023	December 31, 2022
<b>LONG POSITIONS</b>	<b>111.2%</b>	<b>108.1%</b>
<b>Canadian Equities</b>	<b>79.7%</b>	<b>86.4%</b>
Investment Funds	54.8%	74.3%
Financials	5.4%	1.3%
Industrial	3.8%	1.9%
Materials	3.4%	1.2%
Energy	3.2%	0.9%
Real Estate	2.2%	2.0%
Information Technology	2.1%	1.1%
Utilities	1.8%	0.9%
Consumer Discretionary	1.3%	1.1%
Consumer Staples	1.0%	1.4%
Communication Services	0.6%	0.3%
Index Equivalents	0.1%	0.0%
<b>Global Equities</b>	<b>29.6%</b>	<b>20.1%</b>
International Index Equivalents	20.9%	19.9%
United States	7.6%	0.2%
International	1.1%	0.0%
<b>Derivatives</b>	<b>1.9%</b>	<b>1.6%</b>
<b>SHORT POSITIONS</b>	<b>-31.2%</b>	<b>-10.5%</b>
<b>Canadian Equities</b>	<b>-17.9%</b>	<b>-8.5%</b>
Index Equivalents	-8.1%	-1.6%
Energy	-2.4%	-0.3%
Financials	-2.2%	-1.2%
Real Estate	-1.2%	-2.0%
Materials	-1.1%	-0.5%
Consumer Staples	-1.0%	-0.6%
Utilities	-0.8%	-0.2%
Industrial	-0.3%	-0.9%
Consumer Discretionary	-0.3%	-0.6%
Communication Services	-0.3%	-0.5%
Information Technology	-0.2%	-0.1%
<b>Global Equities</b>	<b>-10.4%</b>	<b>0.0%</b>
United States Equities	-5.0%	0.0%
International Index Equivalents	-4.9%	0.0%
International Equities	-0.5%	0.0%
<b>Derivatives</b>	<b>-2.9%</b>	<b>-2.0%</b>



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 10. 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.

June 30, 2023 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	21,486,683	-	-	21,486,683
Redemptions payable	355,790	-	-	355,790
Accrued liabilities and other payables	-	358,470	-	358,470
Payable for investments purchased	227,016	-	-	227,016
Derivative liabilities	2,215,672	-	-	2,215,672

December 31, 2022 Financial Liabilities	On Demand \$	< 3 months \$	> 3 months \$	Total \$
Short positions	7,986,767	-	-	7,986,767
Redemptions payable	46,717	-	-	46,717
Accrued liabilities and other payables	-	206,463	-	206,463
Derivative liabilities	1,884,766	-	-	1,884,766
Cash overdraft	5,835,381	-	-	5,835,381

### 11. FUND UNIT TRANSACTIONS

For the six month periods ended June 30 (unaudited)

	2023					
	Class A	Class F	Class FT	Class I	Class P ****	Class ETF
Units issued and outstanding, beginning of period	697,928	4,376,351	45,700	769	3,225,741	420,000
Units issued	28,271	285,184	-	-	150,718	10,000
Units reinvested	-	-	210	-	-	-
Units redeemed	(34,591)	(1,631,430)	(900)	-	(277,268)	(50,000)
<b>Units issued and outstanding, end of period</b>	<b>691,608</b>	<b>3,030,105</b>	<b>45,010</b>	<b>769</b>	<b>3,099,191</b>	<b>380,000</b>
<b>Weighted average number of units held during the period</b>	<b>692,899</b>	<b>3,899,150</b>	<b>45,599</b>	<b>769</b>	<b>3,141,860</b>	<b>400,221</b>

	2022					
	Class A	Class F	Class FT	Class I	Class P ****	Class ETF
Units issued and outstanding, beginning of period	634,951	3,517,397	2,200	1,001	-	490,000
Units issued	154,680	1,438,420	35,714	-	3,905,854	90,000
Units reinvested	-	-	22	-	-	-
Units redeemed	(62,427)	(355,037)	-	-	(363,605)	-
<b>Units issued and outstanding, end of period</b>	<b>727,204</b>	<b>4,600,780</b>	<b>37,936</b>	<b>1,001</b>	<b>3,542,249</b>	<b>580,000</b>
<b>Weighted average number of units held during the period</b>	<b>703,558</b>	<b>4,201,556</b>	<b>11,104</b>	<b>1,001</b>	<b>3,184,188</b>	<b>532,044</b>

\*\*\*\* Class P units were first issued on March 8, 2022.

### 12. COMMISSIONS

For the six month periods ended June 30 (in \$000) (unaudited)

	2023	2022
Brokerage commissions	269	165
Soft Dollar commissions	2	-

### 13. TAX LOSS CARRY FORWARDS

As at December 31 (in \$000)

	2022
Net capital losses carry forward	1,871
Non-capital losses carry forward	144
	2042
	1,166

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

### 14. STRUCTURED ENTITIES

The table below illustrates the Fund's investment in the underlying funds as at June 30, 2023 and December 31, 2022.

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 June 30, 2023</b>			
3iQ Bitcoin ETF	21	102,799	0.0%
3iQ Bitcoin ETF, USD	21	102,799	0.0%
Ether ETF	27	48,452	0.1%
Picton Mahoney Fortified Arbitrage Plus Alternative Fund*	15,402	740,854	2.1%
Picton Mahoney Fortified Income Alternative Fund*	8,598	1,061,966	0.8%
Picton Mahoney Fortified Inflation Opportunities Alternative Fund*	990	14,922	6.6%
Picton Mahoney Fortified Market Neutral Alternative Fund*	7,279	1,102,276	0.7%
Picton Mahoney Fortified Special Situations Alternative Fund*	8,681	137,955	6.3%
Sprott Physical Uranium Trust	714	4,153,850	0.0%
db X-trackers Harvest CSI 300 China A-Shares ETF	941	3,024,998	0.0%
Defiance Hotel Airline and Cruise ETF	34	64,872	0.1%
First Trust Global Wind Energy ETF	236	340,888	0.0%
Global X Copper Miners ETF	369	1,926,492	0.0%
Global X Lithium & Battery Tech ETF	206	4,390,634	0.0%
Global X Silver Miners ETF	327	1,146,542	0.0%
Global X Uranium ETF	732	2,072,124	0.0%
Invesco Aerospace & Defense ETF	235	2,576,848	0.0%
Invesco DB Agriculture Fund	56	1,105,184	0.0%
Invesco DB Base Metals Fund	299	216,089	0.0%
Invesco DB Energy Fund	255	98,207	0.0%
Invesco Solar ETF	217	2,767,175	0.0%
iShares Core MSCI Europe ETF	2,421	5,653,487	0.0%
iShares Global Clean Energy ETF	212	5,610,683	0.0%
iShares iBoxx \$ Investment Grade Corporate Bond ETF	152	49,239,007	0.0%
iShares MSCI Australia ETF	379	2,935,410	0.0%
iShares MSCI Brazil Capped ETF	959	7,061,612	0.0%
iShares MSCI Hong Kong ETF	374	872,633	0.0%
iShares MSCI India ETF	959	6,752,293	0.0%
iShares MSCI Mexico Capped ETF	936	2,171,609	0.0%
iShares MSCI South Africa ETF	943	373,637	0.0%
iShares MSCI United Kingdom ETF	604	3,684,720	0.0%
iShares Russell 2000 ETF	384	72,191,284	0.0%
iShares US Aerospace & Defense ETF	232	7,647,683	0.0%
KraneShares California Carbon	336	309,379	0.0%
KraneShares Global Carbon Strategy ETF	386	732,400	0.0%
SPDR S&P 500 ETF Trust	1,513	559,018,969	0.0%
SPDR S&P Aerospace & Defense ETF	241	2,033,766	0.0%
VanEck Agribusiness ETF	379	1,454,222	0.0%
VanEck Gold Miners ETF/USA	299	15,791,722	0.0%
VanEck Rare Earth/Strategic Metals ETF	231	805,841	0.0%

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## FUND SPECIFIC NOTES (CONTINUED)

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, 2022</b>			
Ether ETF	132	91,527	0.1%
Bitcoin Fund, CAD	31	709,724	0.0%
Bitcoin Fund, USD	30	709,724	0.0%
Picton Mahoney Fortified Arbitrage Alternative Fund*	2,911	306,510	0.9%
Picton Mahoney Fortified Arbitrage Plus Alternative Fund*	2,867	552,642	0.5%
Picton Mahoney Fortified Income Alternative Fund*	14,506	1,025,719	1.4%
Picton Mahoney Fortified Market Neutral Alternative Fund*	14,240	492,136	2.9%
db X-trackers Harvest CSI 300 China A-Shares ETF	538	3,582,286	0.0%
First Trust Global Wind Energy ETF	159	437,787	0.0%
Global X Copper Miners ETF	308	2,120,031	0.0%
Global X Silver Miners ETF	83	1,321,698	0.0%
Global X Uranium ETF	288	1,490,647	0.0%
Invesco DB Agriculture Fund	748	1,289,060	0.1%
Invesco DB Base Metals Fund	456	619,447	0.1%
Invesco DB Energy Fund	274	136,108	0.2%
Invesco Solar ETF	126	3,443,405	0.0%
iShares Core MSCI Europe ETF	2,346	6,944,685	0.0%
iShares Global Clean Energy ETF	94	7,085,440	0.0%
iShares iBoxx \$ Investment Grade Corporate Bond ETF	2,292	49,264,855	0.0%
iShares MSCI Australia ETF	365	1,714,848	0.0%
iShares MSCI Brazil Capped ETF	540	6,075,032	0.0%
iShares MSCI Hong Kong ETF	365	1,181,388	0.0%
iShares MSCI India ETF	544	7,474,011	0.0%
iShares MSCI Mexico Capped ETF	567	1,190,473	0.0%
iShares MSCI South Africa ETF	544	387,363	0.1%
iShares MSCI United Kingdom ETF	604	3,734,964	0.0%
iShares Russell 2000 ETF	374	87,395,696	0.0%
KraneShares California Carbon	214	150,920	0.1%
KraneShares Global Carbon Stra	96	2,063,488	0.0%
SPDR S&P 500 ETF Trust	1,482	583,073,206	0.0%
VanEck Gold Miners ETF/USA	81	16,805,640	0.0%
VanEck Rare Earth/Strategic Metals ETF	170	1,287,825	0.0%
VanEck Russia ETF	541	1,735,009	0.0%

\*Funds managed by Picton Mahoney Asset Management.

## 15. LEVERAGE

During the six month period ended June 30, 2023, the Fund's aggregate exposure reached a low of 169.37% (year ended December 31, 2022 - 161.86%) and a high of 284.54% (year ended December 31, 2022 - 298.96%) of the Fund's NAV. As at June 30, 2023, the Fund's aggregate exposure was 191.40% (December 31, 2022 - 182.41%) of the Fund's NAV. The primary source of leverage was short positions in equity and fixed income securities.

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2023 (unaudited)

### 1. GENERAL INFORMATION

Picton Mahoney Fortified Multi-Strategy 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 830, Toronto, Ontario, M5E 1G4. The financial statements are presented in Canadian dollars (CAD). These financial statements were authorized for issue by the Manager on August 29, 2023.

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 FT, Class P, 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 FT 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 FT units are designed to provide cash flow to investors by making monthly distributions of cash. 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 P units are only available on an exempt distribution basis. 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.

As at June 30, 2023, the Fund currently has 6 Classes of Units: Class A, Class F, Class FT, Class I, Class P, and Class ETF. As at June 30, 2023, the Manager holds 1 unit of Class A, 776 units of Class FT, 700 units of Class P, and 768 units of Class I.

The investment objective of the Fund is to provide consistent long-term capital appreciation and to provide unitholders with an attractive risk-adjusted rate of return. The Fund invests globally in long and short positions in equity securities, fixed income securities including high yield securities, derivatives such as options, futures, forward contracts, swaps, commodity derivatives, volatility-linked derivatives, currencies, securities of investment funds, cash and cash equivalents. The Fund may engage in 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 SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Fund.

#### (a) Basis of Preparation

These unaudited interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"), as published by the International Accounting Standards Board. The accounting policies and methods of computation followed in these unaudited interim financial statements are consistent with the most recent annual financial statements for the year ended December 31, 2022. These unaudited interim 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 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.

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2023 (unaudited)

### (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.

Credit default swaps are agreements to mitigate credit risk exposure to certain issuing entities ("referenced entity") held by the Fund or to increase credit risk exposure to the referenced entity by creating a notional investment position for the Fund. Where a notional investment position is created, the credit risk exposure of the Fund is comparable to the exposure that would have resulted if the Fund was invested directly in the referenced entity. Under a credit default swap agreement, the protection buyer, whose intention is to reduce its credit risk exposure to the referenced entity, pays a premium to the protection seller, who assumes the credit risk of that entity defaulting. This premium is paid at regular intervals over the term of the swap agreement. In return for the premium paid, the protection buyer is entitled to receive from the protection seller full payment for a loss arising from a credit default event of the referenced entity. A credit default event may be triggered by bankruptcy, failure to pay or restructuring of the referenced entity. If a credit default event occurs, the swap may be settled by either the physical delivery of the bond for proceeds equal to par value, or a cash payment equal to the

loss amount. Credit default swaps are valued daily based on dealer-supplied valuations determined using observable 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.

### (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.

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2023 (unaudited)

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.

The Fund's units are divided into the Class A, Class F, Class FT, Class P, Class I, 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 and options' and 'Net realized gain (loss) on futures contracts, swaps, and credit default swaps' and 'Change in unrealized appreciation (depreciation) on investments, options, futures contracts, swaps and credit default swaps'.

### (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

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2023 (unaudited)

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 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 June 30, 2023 and December 31, 2022, 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.

### 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 holds 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 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.

### 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 June 30, 2023 and December 31, 2022, 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

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2023 (unaudited)

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 June 30, 2023 and December 31, 2022, all distributions receivable from underlying funds, dividends receivable, due from manager, 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.

## **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 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



# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2023 (unaudited)

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 A, Class F, Class P, Class I, and Class ETF units will be automatically reinvested in additional units. All annual distributions paid on Class FT units will be automatically paid in cash.

### 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 13 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.

### 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, Class FT units, and Class ETF units is 0.95% and on Class P units is 0.70%. The management fee for Class I 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.

#### 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, Class FT units, Class P 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.

# PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

## NOTES TO THE FINANCIAL STATEMENTS

As at June 30, 2023 (unaudited)

The performance fee is equal to 20% of the amount by which the performance of the applicable class exceeds an annual hurdle rate of return equal to 2%, for each of the Class A units, Class F units, Class FT units, or Class ETF units, plus applicable taxes. The performance fee in respect of each of the Class A units, Class F units, Class FT units, and Class ETF units of the Fund on a particular Valuation Day shall be equal to the product of, (a) 20% of the positive difference between (i) the Unit Price on the Valuation Day; and (ii) the greatest Unit Price on any previous Valuation Day or the Unit Price on the date when the units of the class were first issued, where no performance fee liability has previously arisen in respect of units of the class (the "High Water Mark"); less (iii) the hurdle amount (the "Hurdle Amount") per unit on the Valuation Day; and (b) the number of units outstanding on the applicable Valuation Day on which the performance fee is determined, plus applicable taxes.

For each of the Class P units, the performance fee is equal to 12.5% of the amount by which the performance of the applicable class exceeds an annual hurdle rate of return equal to 2%, plus applicable taxes.

The Hurdle Amount per unit is the product of (a) 2% for each calendar year (prorated for the number of days in the year); (b) the Unit Price on the applicable Valuation Day; and (c) the number of days since the most recently determined High Water Mark or the beginning of the current calendar year, whichever is most recent. The Manager may make such adjustments to the Unit Price, the High Water Mark and/or the Hurdle Amount per unit as are determined by the Manager to be necessary to account for the payment of any distributions on units, any unit splits or consolidations or any other event or matter that would, in the opinion of the Manager, impact upon the computation of the performance fee. Any such determination of the Manager shall, absent manifest error, be binding on all unitholders. 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 period January 1, 2023 to June 30, 2023, the Fund incurred no performance fees.

### (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. COMPARATIVE FIGURES

For the period January 1, 2022 to June 30, 2022, the Fund reported HST expenses in "Harmonized sales tax" on the Statement of Comprehensive Income. For the period January 1, 2023 to June 30, 2023, the Fund reported HST expenses in "Management fees", "Performance fees", "Administrative fees", "Securityholder reporting fees", "Legal fees", "Independent Review Committee fees", "Audit fees", and "Custody fees" on the Statement of Comprehensive Income and revised the comparative amounts to conform to the current year presentation.



**THINK AHEAD.  
STAY AHEAD.**



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

### **Corporate Address**

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### **Auditor**

#### **PricewaterhouseCoopers LLP**

18 York Street, Suite 2600  
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### **Fund Administration & Transfer Agent**

#### **Picton Mahoney Funds**

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