

PICTON MAHONEY FORTIFIED INCOME ALTERNATIVE FUND — A

September 30, 2024

## Fund Details

### Inception Date :

July 10, 2019

**Fund Size :** 1.16 billion

### Management Fee :

1.95%

### Performance Fee :

20.00%^

**Hurdle Rate :** 2.00%

**High Water Mark :** Yes

**Distributions :** Monthly

### Fund Strategy :

Long Short Credit

### Fund Framework :

Alternative Mutual Fund  
(Simplified Prospectus)

^ of performance above a  
2% hurdle rate with a  
perpetual high water  
mark

## Portfolio

### Management



**Phil Mesman**  
Portfolio Manager, Co-  
Head Fixed Income



**Sam Acton**  
Portfolio Manager, Co-  
Head Fixed Income

## Investment Objective

The investment objective of the Fund is to maximize total return to unit holders through income and capital appreciation by investing primarily in corporate bonds while mitigating capital loss through shorting and other hedging strategies.

## Why Invest

### Diversify Your Portfolio

With a solution that aims to provide income and capital gains with low correlation to other income assets.

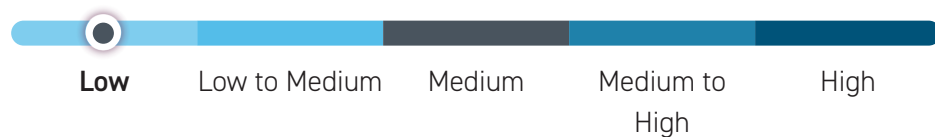
### Benefit From Proven Managers

Experienced running Authentic Hedge® strategies for over a decade.

### Mitigate Income Investing Risks

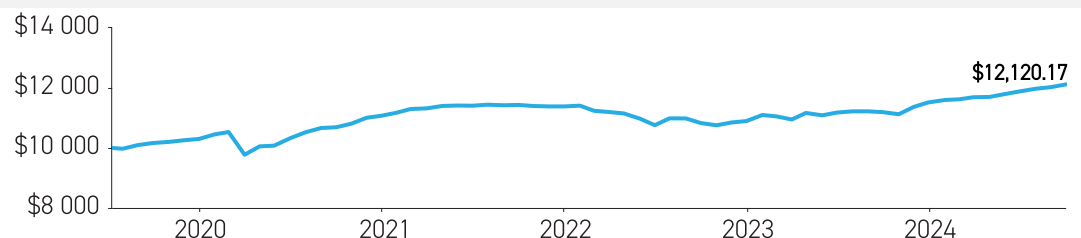
With a fund designed with a tool kit to hedge the risks with income investing.

## Risk: Low



## Growth of \$10,000 As at September 30, 2024

Investment value: **\$12,120.17 at September 30, 2024**



## Compound Returns † As at September 30, 2024

	1 mth	3 mths	6 mths	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*	Since Inception *
Picton Mahoney Fortified Income Alternative Fund A	0.78%	2.00%	3.68%	5.23%	8.27%	1.96%	3.58%	—	3.75%
Benchmark <sup>1</sup>	1.50%	4.73%	5.77%	7.30%	14.26%	1.29%	2.82%	—	2.94%

<sup>1</sup> 75% ICE BofA Global High Yield Index / 25% ICE BofA Global Corporate Index (TR) (Hedged to CAD)

† The rate of return shown above is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the investment fund, or returns on investment in the investment fund.

\* refers to average annualized performance.

### Calendar Returns As at September 30, 2024

Picton Mahoney Fortified Income Alternative Fund A		Benchmark <sup>1</sup>
<b>2020</b>	7.53%	5.71%
<b>2021</b>	2.78%	2.00%
<b>2022</b>	-4.29%	-12.49%
<b>2023</b>	5.69%	10.99%

<sup>1</sup> 75% ICE BofA Global High Yield Index / 25% ICE BofA Global Corporate Index (TR) (Hedged to CAD)

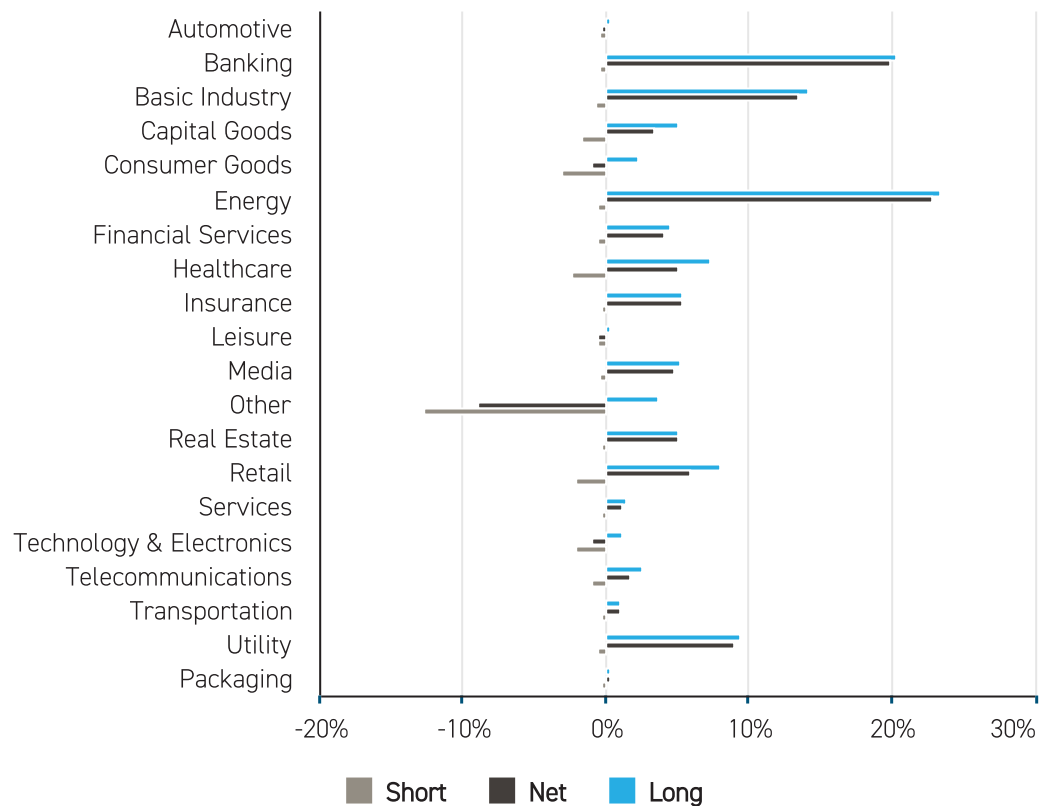
## Risk Measures

Risk And Return Statistics	Fund	Benchmark **
Annualized Return	3.75%	2.94%
Annualized Standard Deviation	4.76%	8.73%
Sharpe Ratio	0.33	0.10
Beta	0.46	—
Upside Capture Ratio	55.16%	—
Downside Capture Ratio	29.78%	—
Maximum Drawdown	-11.65%	-19.88%
Peak Value Date of Maximum Drawdown	2020-02-25	2020-02-21
Trough Value Date of Maximum Drawdown	2020-03-23	2020-03-23

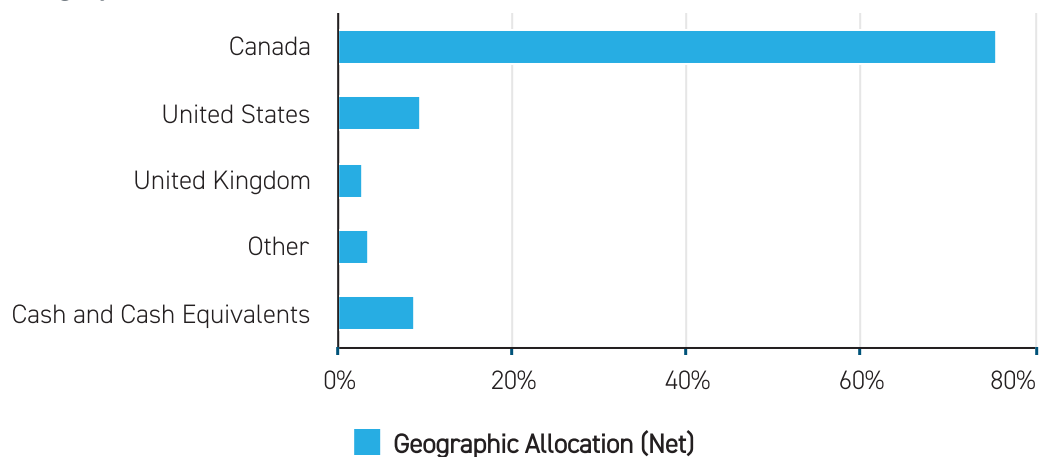
**\*\*75% ICE BofA Global High Yield Index / 25% ICE BofA Global Corporate Index (TR) (Hedged to CAD)**

## Portfolio Allocations As at September 30, 2024

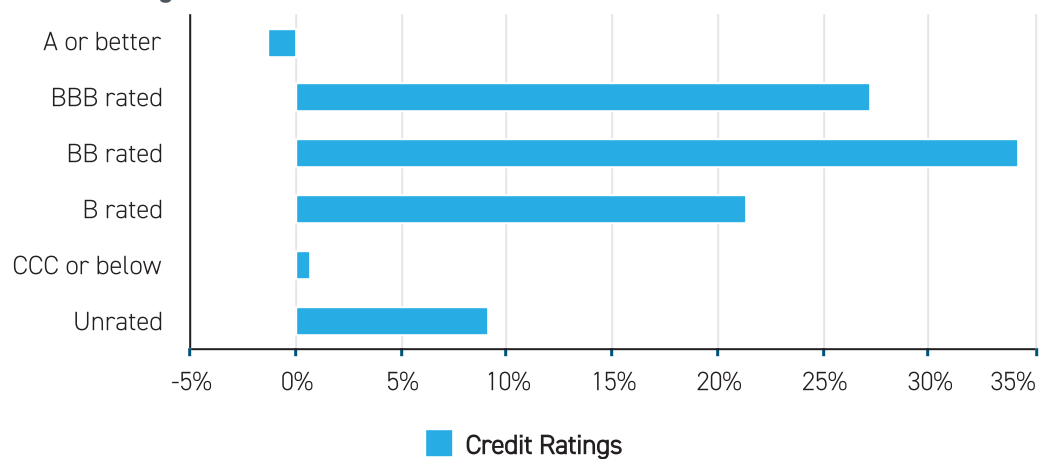
### Sector Allocation



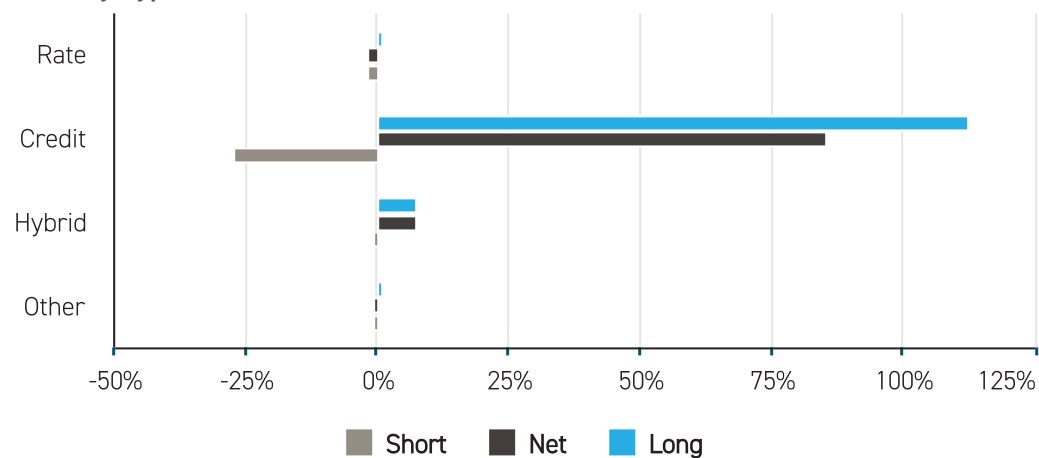
### Geographic Allocation (Net)



### Credit Ratings



### Security Type Allocation



### Top 10 Long Positions

Name	Weight
Prime Healthcare Services Inc 9.375% 01Sep29	2.86%
Chemtrade Logistics Inc 6.375% 28Aug29	2.70%
ATS Corp 6.5% 21Aug32	2.39%
Parkland Corp 4.375% 26Mar29	2.36%
Royal Bank of Canada Frn 24Nov80	2.26%
Toronto-Dominion Bank Frn 31Dec49	1.99%
Mattr Corp 7.25% 02Apr31	1.93%
Enbridge Inc Frn 19Jan82	1.78%
Secure Energy Services Inc 6.75% 22Mar29	1.77%
Goeasy Ltd 4.375% 01May26	1.72%

### Exposure Breakout <sup>\*\*</sup>

Name	Weight
Long	120.24%
Short	-28.96%
Gross	149.20%
Net	91.28%

<sup>\*\*</sup> Exposure Breakout categories are shown as market values, except where indicated. Notional represents the total underlying notional exposure of the derivatives positions.

### Fundamental Metrics

	Fund	Benchmark
Weighted Average Modified Duration	2.30	4.04
Credit Rating	BB+	–
Issuers	171	22366
Yield To Maturity	6.85%	6.19%

### Fees

Series	Management Fee	Fund codes
Class A	1.95%	PIC 3500
Class F	0.95%	PIC 3501
ETF	0.95%	PFIA

This material is intended for use by Investment Advisors.

Risk/Reward Analysis results are calculated based on Class A fund unit's daily data since inception. Due to the fund's limited history, all risk/reward analysis results may not be statistically relevant. Beta measures the fund's volatility relative to its benchmark: a rating of "1" implies the fund's movements are identical to the index (typically you pay a manager to achieve beta of less than 1). Up/Downside Capture is a measure of an investment manager's performance during only the up or down movements of an index (ideally you want low downside and a fairly high level of upside): the numbers shown here are the fund's up/down capture relative to the benchmark(s). Maximum drawdown measures the largest single drop in a class's Net Asset Value Per Unit from peak to trough before establishing a higher peak (the smaller, the better).

There is no guarantee that a hedging strategy will be effective or achieve its intended effect. The use of derivatives or short selling carries several risks which may restrict a strategy in realizing its profits, limiting its losses, or, which cause a strategy to realize a loss. There may be additional costs and expenses associated with the use of derivatives and short selling in a hedging strategy.

The rate of return shown in the "Growth of \$10,000 investment" graph is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the investment fund or returns on investment in the investment fund.

This is provided as a general source of information, is subject to change without notification and should not be construed as investment advice. This material should not be relied upon for any investment decision and is not a recommendation, solicitation or offering of any security in any jurisdiction.

Commissions, trailing commissions, management fees, performance fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Alternative funds can only be purchased through a registered dealer and are available only in those jurisdictions where they may be lawfully offered for sale.

\*Investment Risk Rating is the historical volatility risk as measured by the standard deviation of fund performance, which is the standard methodology outlined in Appendix F Investment Risk Classification Methodology to NI 81-102 Investment Funds.