PICTON MAHONEY

FORTIFIED INVESTING

PICTON MAHONEY **INCOME OPPORTUNITIES FUND — UA**

September 30, 2024

Fund Details

Inception Date : January 31, 2015

Fund Size : $349.54MM

Management Fee : 2.00%

Performance Fee : 17.50%

Hurdle Rate : 5.00%

High Water Mark : Yes

Distributions : Monthly

Fund Strategy : Long Short Credit

Fund Framework : Hedge Fund (Offering Memorandum)

Investment Objective

The Fund's objective is to provide consistent long-term capital appreciation with an attractive risk-adjusted rate of return. The Fund aims to build a portfolio that is long the most attractive securities and short the most unattractive securities based on our multi-factor ranking system. We will buy income securities with superior credit quality and reasonable valuations and sell short income securities with inferior credit quality and expensive valuations. This portfolio will be structured to have positive but not full income market exposure.

Why Invest

Diversify Your Portfolio

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

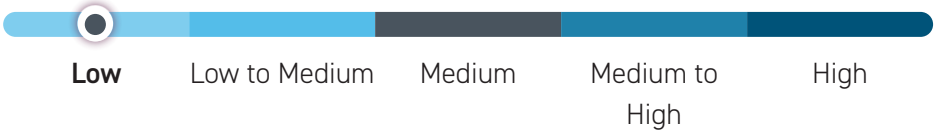
Benefit From Proven Managers

Experienced running Authentic Hedge® strategies for over a decade.

Mitigate Income Investing Risks

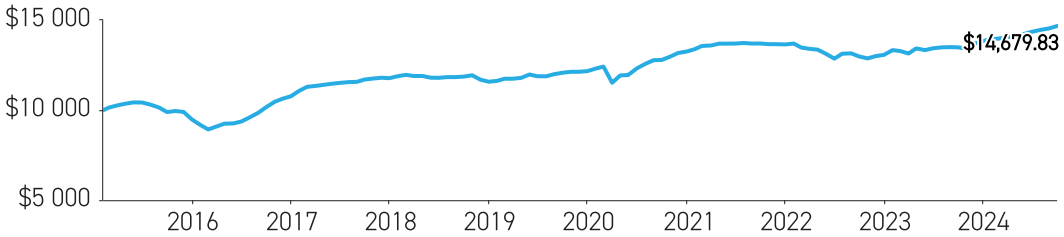
With a fund designed with a tool kit to hedge the risks with income investing.

Risk: Low



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

Investment value: **$14,679.83 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 Income	0.95%	2.26%	4.37%	6.09%	8.79%	2.31%	3.97%	—		4.08%

	1 mth	3 mths	6 mths	YTD	1 yr	3 yrs*	5 yrs*	10 yrs *	Since	Inception*
Opportunities Fund UA										
Benchmark [1]	1.58%	5.01%	6.24%	7.91%	15.30%	1.97%	3.53%	—		4.65%

[1] 75% ICE BofA Global High Yield Index / 25% ICE BofA Global Corporate Index (TR)

† 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 Income Opportunities Fund UA	Benchmark [1]
2016	13.61%	13.64%
2017	9.34%	7.43%
2018	-1.67%	-1.62%
2019	5.09%	14.05%
2020	8.92%	7.06%
2021	3.00%	2.09%
2022	-4.27%	-12.03%
2023	5.83%	11.94%

[1] 75% ICE BofA Global High Yield Index / 25% ICE BofA Global Corporate Index (TR)

Risk Measures

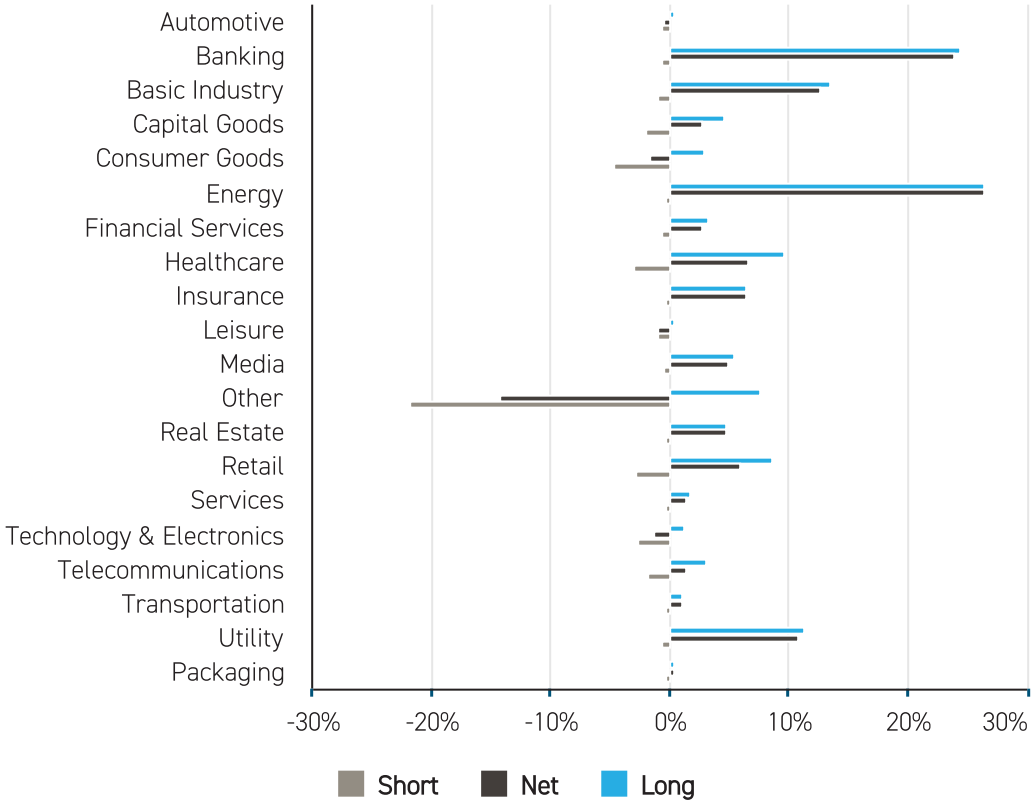
Risk And Return Statistics	Fund	Benchmark **
Annualized Return	4.08%	4.65%
Annualized Standard Deviation	5.03%	6.91%
Sharpe Ratio	0.48	0.45
Beta	0.50	—
Upside Capture Ratio	60.32%	—
Downside Capture Ratio	38.87%	—
Maximum Drawdown	-15.36%	-17.23%
Peak Value Date of Maximum Drawdown	2015-06-05	2021-09-10

Risk And Return Statistics	Fund	Benchmark **
Trough Value Date of Maximum Drawdown	2016-02-12	2022-10-21

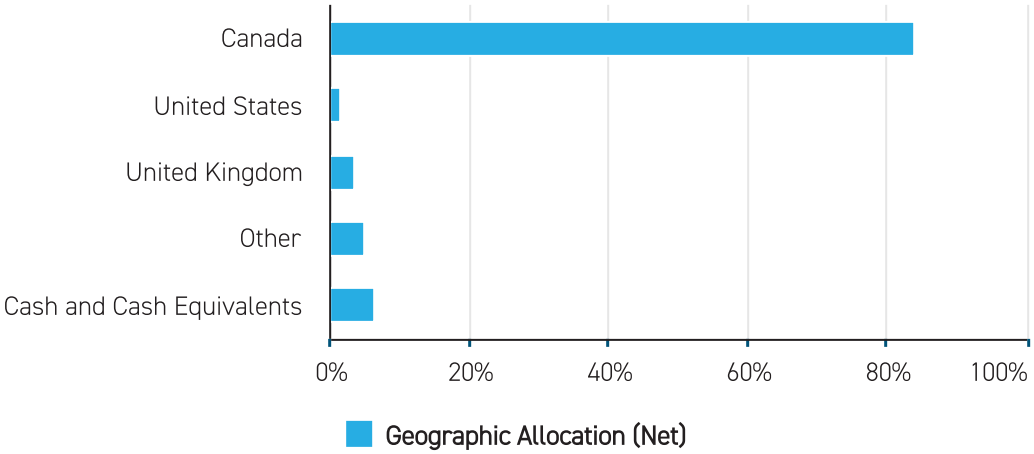
****30% S&P/TSX COMPOSITE INDEX (TR), 40% ICE BofA CANADA BROAD MARKET INDEX (TR), AND 30% MSCI WORLD INDEX (NET RETURNS) (in CAD)**

Portfolio Allocations As at August 31, 2024

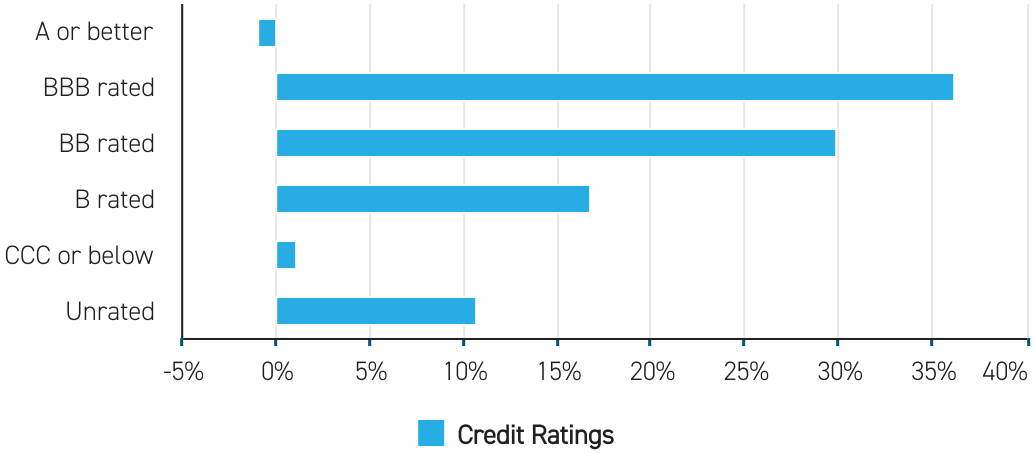
Sector Allocation



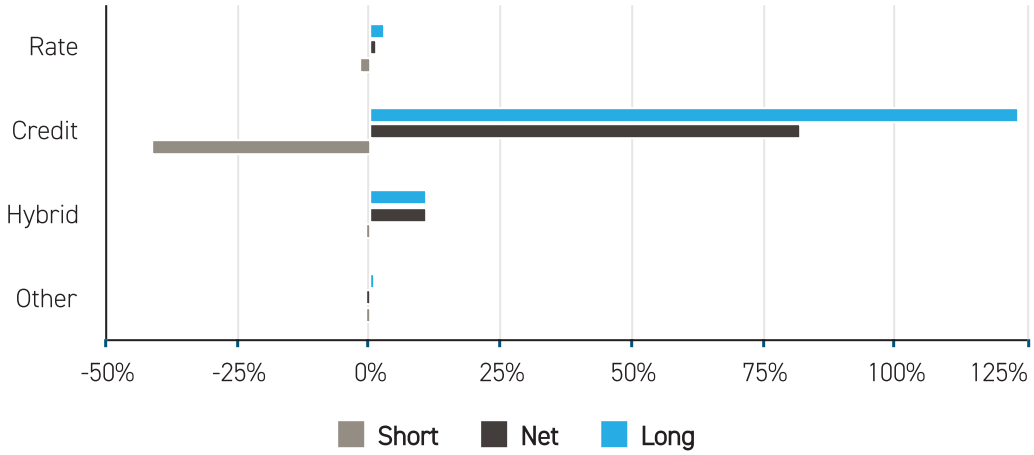
Geographic Allocation (Net)



Credit Ratings



Security Type Allocation



Top 10 Long Positions

Name	Weight
Prime Healthcare Services Inc 9.375% 01Sep29	2.62%
Parkland Corp 4.375% 26Mar29	2.37%
Royal Bank of Canada Frn 24Nov80	2.27%
Toronto-Dominion Bank Frn 31Dec49	2.10%
Bank of Nova Scotia Frn 27Jul82	1.96%
Mattr Corp 7.25% 02Apr31	1.84%
ATS Corp 6.5% 21Aug32	1.83%
Secure Energy Services Inc 6.75% 22Mar29	1.77%
Bank of Montreal Frn 26May82	1.72%
Enbridge Inc Frn 19Jan82	1.72%

Exposure Breakout ‡‡

Name	Weight
Long	137.09%
Short	-43.30%
Gross	180.39%
Net	93.80%

‡‡ 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	4.05
Credit Rating	BB+	–
Issuers	154	22071
Yield To Maturity	7.31%	7.00%

Fees

Series	Management Fee	Fund codes
Class UA	2.00%	PIC 507
Class UF	1.00%	PIC 508

This material is intended for use by Investment Advisors.

Maximum Drawdown and Period of Maximum Drawdown are calculated using monthly data. Beta, standard deviation and Sharpe Ratio are calculated using data from each weekly valuation date. 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.

The offering of units of the Picton Mahoney Authentic Hedge® funds are made pursuant to an Offering Memorandum only to those investors in jurisdictions of Canada who meet certain eligibility or minimum purchase requirements. Prospective investors should consult with their investment advisor to determine suitability of investment. Please see the fund's Confidential Offering Memorandum for more information, including investment objectives and strategies, risk factors and investor eligibility. Past performance is no guarantee of future performance. Performance for the fund shown is net of management fees, performance fees, transaction costs and expenses.

Performance data is compared to a blended benchmark of 75% ICE BofA Global High Yield Index/25% ICE BofA Global Corporate Index (TR) (Hedged to CAD) and the ICE BofA Canada Broad Market Index (TR) (for information purposes only). The composition of the Fund's portfolio will significantly differ from the Index due to the Fund's investment strategy.

*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.