PICTON MAHONEY
Asset Management

SIMPLIFIED PROSPECTUS

ALTERNATIVE MUTUAL FUNDS

PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND
(Class A, F, I, O and ETF Units)
PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND
(Class A, F, FT, I and ETF Units)
PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND
(Class A, F, FT, I and ETF Units)
PICTON MAHONEY FORTIFIED INCOME ALTERNATIVE FUND
(Class A, F, I and ETF Units)
PICTON MAHONEY FORTIFIED LONG SHORT ALTERNATIVE FUND
(Class A, F, I and ETF Units)
PICTON MAHONEY FORTIFIED SPECIAL SITUATIONS ALTERNATIVE FUND
(Class A F, I and ETF Units)
PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND
(Class A, F, FT, I and ETF Units)
PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND
(Class A, F and I Units)
PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND
(Class A, F and I Units)
PICTON MAHONEY FORTIFIED INFLATION OPPORTUNITIES ALTERNATIVE FUND
(Class A, F, I and O Units)

The units of the Funds are offered under this Simplified Prospectus in all of the provinces and territories of Canada. The units are intended primarily for purchase by residents of Canada. Each Fund is an "alternative mutual fund" as such term is defined under applicable securities laws.

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

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

April 25, 2024

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PART A: GENERAL DISCLOSURE

INTRODUCTION

In this document, “we”, “us” or “our” refers to Picton Mahoney Asset Management, the manager (“**Manager**”), portfolio advisor (“**Portfolio Advisor**”), trustee (“**Trustee**”) and promoter of Picton Mahoney Fortified Active Extension Alternative Fund, Picton Mahoney Fortified Market Neutral Alternative Fund, Picton Mahoney Fortified Multi-Strategy Alternative Fund, Picton Mahoney Fortified Income Alternative Fund, Picton Mahoney Fortified Long Short Alternative Fund, Picton Mahoney Fortified Special Situations Alternative Fund, Picton Mahoney Fortified Alpha Alternative Fund, Picton Mahoney Fortified Arbitrage Alternative Fund, Picton Mahoney Fortified Arbitrage Plus Alternative Fund and Picton Mahoney Fortified Inflation Opportunities Alternative Fund (collectively, the “**Funds**” and each, a “**Fund**”). The Picton Mahoney Fortified Arbitrage Alternative Fund and Picton Mahoney Fortified Arbitrage Plus Alternative Fund are collectively referred to herein as the “**Arbitrage Funds**”.

In this document, we refer to the securities issued by the Funds as “**units**”. The owner of a mutual fund unit is referred to as a “**unitholder**”.

References to “you” mean the reader as a potential or actual investor in the Funds.

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. This document is divided into two parts. The first part, from pages 2 through 41, contains general information applicable to all of the Funds. The second part, from pages 43 through 148, contains specific information about each of the Funds described in this document.

No ETF Dealer (as defined below) or Designated Broker (as defined below) has been involved in the preparation of this Simplified Prospectus or has performed any review of the contents of this Simplified Prospectus and, as such, the ETF Dealers and the Designated Brokers do not perform many of the usual underwriting activities in connection with the distribution by the Funds of their ETF units under this Simplified Prospectus.

Additional information about each Fund is available in the following documents:

- the most recently filed Fund Facts or ETF Facts, as applicable;
- the most recently filed annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim financial statements filed after those annual financial statements; and
- any interim management report of fund performance filed after those annual management reports of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling toll-free at 1-866-369-4108, or from your dealer.

These documents are available on the Funds’ designated website at www.pictonmahoney.com, or by contacting us at service@pictonmahoney.com.

These documents and other information about the Funds are also available at www.sedar.com.

RESPONSIBILITY FOR FUND ADMINISTRATION

The Manager

Picton Mahoney Asset Management is the manager of the Funds. Currently, the registered office of the Manager is located at 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4. Effective June 1, 2024, the registered office of the Manager will be located at 33 Yonge Street, Suite 320, Toronto, Ontario M5E 1G4. The Manager can be contacted by telephone at (416) 955-4108, toll-free at 1-866-369-4108, or by email at service@pictonmahoney.com. The Manager's website is www.pictonmahoney.com.

The Manager is a general partnership established under the laws of Ontario, with its principal office in Toronto, Ontario. As Manager, we manage the overall business and operations of the Funds, including such matters as administration services and fund accounting. The Manager has responsibility for providing investment management, clerical, administrative and operational services to the Funds, including: determining and implementing investment policies, practices, fundamental objectives, and investment strategies applicable to each Fund; receiving and processing all subscriptions and redemptions; ensuring each Fund complies with regulatory requirements and filings; offering units of each Fund for sale to prospective purchasers; conducting foreign exchange transactions; purchase, retain, sell and call and put options, futures contracts, or other similar financial instruments; daily operations and usual and ordinary office services; unitholder reporting, relations and communications; appointing or changing the auditor of each Fund; banking; establish each Fund's operating expense budget and authorizing payment of expenses; authorizing contractual arrangements; recordkeeping; and allocating between each class of each Fund the net asset value of the Fund, any distribution of the Fund, the net assets of the Fund, the Fund's property, any liabilities of the Fund, any other items. The Manager may delegate any or all of its duties and responsibilities to one or more agents to assist it in the performance of such duties and responsibilities.

Picton Mahoney Asset Management acts as the manager of the Funds pursuant to the Declaration of Trust (as defined below). The Manager may resign as manager of the Funds, but cannot be removed as manager under the Declaration of Trust; however, a Fund will terminate following the occurrence of any of the following events: (a) the Manager has resigned and a successor manager is not appointed, or the unitholders of the Fund do not approve the appointment of a successor manager, by the effective time of such resignation. (b) the Manager is, in the opinion of the Trustee, in material default of its obligations under the Declaration of Trust and such default continues for 120 days from the date that the Manager receives notice of such material default from the Trustee; (c) the Manager has been declared bankrupt or insolvent or has entered into liquidation or winding up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reconstruction); (d) the Manager makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; or (e) the assets of the Manager have become subject to seizure or confiscation by any public or governmental authority.

Directors and Executive Officers of the Manager

Name	Municipality of Residence	Current Positions and Offices with the Manager
David Picton	Toronto, Ontario	Member of the Executive Committee President, Chief Executive Officer and Ultimate Designated Person
Arthur Galloway	Toronto, Ontario	Member of the Executive Committee Chief Financial Officer, Chief Operating Officer, and Corporate Secretary

Catrina Duong	Toronto, Ontario	Chief Compliance Officer

Fund of Funds

A Fund (the "**Top Fund**") may invest in other mutual funds, including mutual funds managed by us (i.e., "**underlying funds**"). Where we are the manager of both a Top Fund and an underlying fund, we will not vote the securities of the underlying fund held directly by the Top Fund. Instead, in our sole discretion, we may arrange either for such securities to be voted, by the beneficial unitholders of the applicable Top Fund, or, for the beneficial owners of the applicable Top Fund to direct us with respect to the exercise of voting rights attached to securities of an underlying fund managed by the Manager.

Portfolio Advisor

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

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

Fund	**Portfolio Management Team**
Picton Mahoney Fortified Active Extension Alternative Fund	David Picton and Jeffrey Bradacs
Picton Mahoney Fortified Market Neutral Alternative Fund	David Picton, Jeffrey Bradacs, Michael Kimmel and Michael Kuan
Picton Mahoney Fortified Multi-Strategy Alternative Fund	Neil Simons, Michael White and Dashmeet Singh
Picton Mahoney Fortified Income Alternative Fund	T. Philip Mesman and Sam Acton
Picton Mahoney Fortified Long Short Alternative Fund	David Picton, Jeffrey Bradacs, Michael Kimmel and Michael Kuan
Picton Mahoney Fortified Special Situations Alternative Fund	T. Philip Mesman and Sam Acton
Picton Mahoney Fortified Alpha Alternative Fund	Neil Simons and Dashmeet Singh
Picton Mahoney Fortified Arbitrage Alternative Fund	Craig Chilton and Tom Savage
Picton Mahoney Fortified Arbitrage Plus Alternative Fund	Craig Chilton and Tom Savage
Picton Mahoney Fortified Inflation Opportunities Alternative Fund	Neil Simons, Michael White and Dashmeet Singh

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

Jeffrey Bradacs, Co-Head Equity Strategies, Head of Portfolio Management and Trading, is a Portfolio Manager at Picton Mahoney Asset Management specializing in Canadian equities. Prior to joining Picton Mahoney Asset Management, Mr. Bradacs was a Vice President and Senior Portfolio Manager at BMO Global Asset Management where he was the lead Portfolio Manager for Canadian large cap equity portfolios. Prior to that, he spent over a decade at Manulife Asset Management, joining as an Analyst and progressing to Managing Director, Portfolio Manager, with responsibility for Canadian equity portfolios managed with a blend of fundamental and quantitative analysis. Mr. Bradacs earned an Honours Business Administration degree from the Richard Ivey School of Business (University of Western Ontario) and is a CFA charterholder.

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

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

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

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

Dashmeet Singh Mayal is a Portfolio Manager and the Director of Quantitative Research and Risk at Picton Mahoney Asset Management. Mr. Singh has worked in the industry since 2008. Prior to joining Picton

Mahoney Asset Management, he was a risk analyst at HSBC Canada and spent three years at Infosys Technologies Limited as a software engineer. Mr. Singh has an M.B.A. from the University of British Columbia, a B.Eng. (with High Distinction) from the Government College of Engineering in Pune, India and is a CFA charterholder.

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

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

Craig Chilton is a Portfolio Manager at Picton Mahoney Asset Management and joined the Manager in January 2020. Mr. Chilton has an extensive background in event-driven arbitrage strategies. Prior to joining the Manager, he was a Portfolio Manager at Vertex One Asset Management Inc. ("Vertex") from January 2010 until the completion of the Transaction (as such expression is defined in "*Name, Formation and History of the Funds*", on page 65). Prior to joining Vertex, he was a Managing Director with CIBC World Markets Inc., where he spent 15 years as a proprietary trader in Toronto, New York and Vancouver. Mr. Chilton began his finance career in investment banking with Lancaster Financial, and subsequently, Richardson Greenshields. Mr. Chilton has over 25 years of experience in the investment industry; he is a CFA charterholder and a member of the CFA Society Vancouver. He received a Bachelor of Applied Science (Electrical Engineering) from the University of Toronto.

Tom Savage is a Portfolio Manager at Picton Mahoney Asset Management and joined the Manager in January 2020. Mr. Savage has an extensive background in alternative strategies and is part of the Manager's team specializing in merger arbitrage, event-driven arbitrage, and special situations. Prior to joining the Manager, he was a Portfolio Manager at Vertex from January 2010 until the completion of the Transaction. Prior to joining Vertex, Mr. Savage was a proprietary trader with CIBC World Markets Inc. where he was responsible for equity and derivatives arbitrage and special situations strategies. He also worked in private equity at Birch Hill Equity Partners and began his career as an equity analyst at KBSH Capital Management. Mr. Savage is a CFA charterholder and a member of the CFA Society Vancouver. He received a Bachelor of Commerce degree from Queen's University and an MBA from Harvard Business School.

Brokerage Arrangements

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

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

Trustee

Picton Mahoney Asset Management acts as the trustee of the Funds pursuant to the Declaration of Trust. The Trustee has the powers and responsibilities in respect of the Funds as described in the Declaration of Trust. The Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Funds and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. As Trustee, we are the legal owner of all of the Funds' assets and we hold all of those assets on behalf of the unitholders of the Funds.

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

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

Custodian

Pursuant to the Custodian Agreement (as defined below), RBC Investor Services Trust (the "**Custodian**") has agreed to act as custodian for the Funds and to provide safekeeping and custodian services in respect of the Funds' property. The principal office of the Custodian is located in Toronto, Ontario.

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

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

Auditor

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Toronto, Ontario, is the auditor of the Funds. PricewaterhouseCoopers LLP is independent of the Funds in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario. The Auditor is responsible for auditing the annual financial statements of the Funds. The Auditor is independent of the Funds in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

Administrator

The Manager, on behalf of the Funds, has entered into an Administration Agreement (as defined below) with RBC Investor Services Trust (the "**Administrator**") to obtain certain administrative services for the Funds. The principal office of the Administrator is located in Toronto, Ontario.

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

The Administration Agreement can be terminated by the Manager or by the Administrator on 30 days' prior written notice.

The Manager continues to be responsible for the services provided by the Administrator.

Registrar and Transfer Agent

RBC Investor Services Trust is the registrar and transfer agent for the Class A, Class F, Class FT, Class I and Class O units of each Fund pursuant to the terms of the Administration Agreement. In such capacity, RBC Investor Services Trust keep the registers of the owners of such units of the Funds, processes purchase and redemption orders, issues investor account statements and issues annual tax reporting information. The registers of the Funds are kept in Toronto, Ontario.

TSX Trust Company is the registrar and transfer agent for the ETF units of each Fund. In such capacity, TSX Trust Company keep the registers of the owners of such units of the Funds, processes purchase and redemption orders, issues investor account statements and issues annual tax reporting information. The registers of the Funds are kept in Toronto, Ontario.

RBC Investor Services Trust and TSX Trust Company are paid fees for performing their duties as registrars of the units of the Funds. RBC Investor Services Trust and TSX Trust Company are not affiliates or associates of the Manager or the Funds.

Securities Lending Agent

The Manager has entered into the Securities Lending Agency Agreement (as defined below) with RBC Investor Services Trust (the "**Agent Lender**"). The principal office of the Agent Lender is located in Toronto, Ontario.

The Agent Lender may, pursuant to the Securities Lending Agency Agreement, participate in a securities lending program sponsored and administered by the Agent Lender, which shall qualify as a "securities lending arrangement" as defined in the Tax Act and, in connection therewith, the Trustee is authorized to release and deliver securities and return collateral received for loaned securities in accordance with the provisions of such securities lending program. RBC Investor Services Trust is not an affiliate or associate of the Manager or the Funds.

Cash Lender

The Canadian Imperial Bank of Commerce and CIBC World Markets Inc. have entered into an agreement pursuant to which each entity may lend money to the Arbitrage Funds. The Canadian Imperial Bank of Commerce and CIBC World Markets Inc. are not affiliates or associates of the Manager or the Funds.

Prime Brokers

RBC Dominion Securities Inc. of Toronto, Ontario and Goldman Sachs & Co. LLC of New York, New York, or such other parties as the Manager may retain, will act as prime brokers for the Funds (other than the Arbitrage Funds) pursuant to separate prime brokerage agreements. The prime brokers provide prime brokerage services to the Funds, including trade execution and settlement, custody, margin lending and securities lending in connection with the short sale strategies of the Funds. The Funds may appoint additional prime brokers from time to time.

CIBC World Markets Inc. of Toronto, Ontario or such other parties as the Manager may retain, will act as prime brokers for the Arbitrage Funds pursuant to separate prime brokerage agreements. The prime brokers provide prime brokerage services to the Funds, margin financing, clearing, settlement, stock borrowing, options, cash sweeps into accounts and foreign exchange facilities. The Funds may appoint additional prime brokers from time to time.

RBC Dominion Securities Inc., Goldman Sachs & Co. LLC, Canadian Imperial Bank of Commerce and CIBC World Markets Inc. are not affiliates or associates of the Manager or the Funds.

Independent Review Committee

The Independent Review Committee (the "**IRC**") will provide independent oversight of conflict of interest matters that may arise between the Manager and the Funds. The IRC prepares, at least annually, a report of its activities for unitholders and makes such reports available on the Funds' designated website at www.pictonmahoney.com, or at the unitholder's request and at no cost, by calling 1-866-369-4108 or emailing service@pictonmahoney.com. The members of the IRC are independent of the Manager.

National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**") requires all publicly offered investment funds, such as the Funds, to establish an independent review committee to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the IRC in carrying out its functions. The IRC is required to conduct regular assessments and provide reports to the Manager and to unitholders in respect of its functions.

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

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

In addition, in 2023, the Funds other than the Picton Mahoney Fortified Alpha Alternative Fund paid an annual secretarial fee in the amount of $28,657 to Independent Review Inc.

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

The current members of the IRC are: Roderick McIsaac (Chair), Paul Manias and Patricia Z. Dunwoody.

Affiliated Entities

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

Policies and Practices

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

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

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

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

Cash Borrowing

The Funds may, from time to time, borrow cash from dealers to fund portfolio transactions as permitted by applicable securities legislation. As "alternative mutual funds", the Funds are not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds (other than alternative mutual funds). Where a Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Pursuant to National Instrument 81-102 *Investment Funds* ("**NI 81-102**"), as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102, a Fund's cash borrowing is subject to certain conditions including:

(a) the Fund may only borrow from an entity described in sections 6.2 or 6.3 of NI 81-102;

(b) if the lender is an affiliate of the Manager, the IRC must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

(c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction;

(d) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value;

(e) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(f) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Use of Derivatives

The Funds may only invest in or use derivative instruments that are consistent with the investment objectives of the Funds. Investing in and using derivative instruments are subject to certain risks.

Funds (other than Arbitrage Funds)

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

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

The Funds are permitted to invest in specified derivatives, uncovered derivatives and enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102.

Arbitrage Funds

The Arbitrage Funds may invest in or use such specified derivatives for hedging purposes and for non-hedging purposes as permitted by Canadian securities regulators if cash and securities are set aside to cover the positions.

The Arbitrage Funds may use derivatives with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency value fluctuations, stock market risks and interest rate changes. In addition, the Arbitrage Funds may use derivatives rather than direct investments to reduce transaction costs, achieve greater liquidity, and create effective exposure to international financial markets or increase speed and flexibility in making portfolio changes. The Arbitrage Funds may seek to enhance the returns to the Arbitrage Funds through the use of derivatives, including by seeking to reduce the potential for loss or by accepting a more certain lower return rather than seeking a less certain higher potential return. Derivatives may be used by the Arbitrage Funds to position themselves so that they may profit from declines in financial markets.

The Arbitrage Funds may also: (i) write exchange or over-the-counter put or call options if the Arbitrage Funds hold and continue to hold, as long as the position remains open, an equivalent quantity of the underlying interest, or a right or obligation to acquire or sell, as the case may be, such underlying interest, together with any required amount of cash or securities; and (ii) use for non-hedging purposes futures, forward contracts and debt-like securities that have a component that is a long position in a forward contract if cash and securities are set aside to cover the positions.

Derivatives will not be used:

- for speculative trading

- to purchase for non-hedging purposes options, options on futures, listed warrants and debt-like securities that have an options component if, after making the purchase, more than 10% of the net assets of the Arbitrage Funds (taken at market value at the time of such purchase) would consist of these instruments.

Other than the foregoing, the Arbitrage Funds have not adopted any written policies or procedures setting out the objectives and goals for derivatives trading, or any formal risk management procedures.

Repurchase and Reverse Repurchase Transactions and Securities Lending

The Funds are authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, a Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, a Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, a Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, a Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, a Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, a Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

Short Sales

The Funds may, from time to time, engage in short selling as permitted by applicable securities legislation. As "alternative mutual funds", the Funds are not subject to certain short selling restrictions set out in applicable securities legislation that are applicable to conventional mutual funds (other than alternative mutual funds). Where a Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions.

As "alternative mutual funds" under NI 81-102, the Funds' use of short selling is subject to the following conditions as modified by exemptive relief obtained by the Funds which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value;

(b) the aggregate market value of all securities of the issuer of the securities sold short by the Fund must not exceed 10% of the Fund's net asset value;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

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

Permitted ETFs

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

Proxy Voting Policy

The Manager has established policies and procedures in relation to voting on matters for which the Funds receive, in their capacity as securityholder, and for reviewing proxy materials for a meeting of securityholders of an issuer. It is the Manager's policy to exercise the voting rights of a Fund in the best interest of such Fund and to maximize the value of the applicable Fund's investments over the long-term. The Manager has retained Institutional Shareholder Services ("ISS") to provide in-depth research, voting recommendations, vote execution, recordkeeping and reporting.

Funds (other than Arbitrage Funds)

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

Arbitrage Funds

In respect of the Arbitrage Funds, the Manager has elected to follow the ISS U.S. Proxy Voting Guidelines and Canada Proxy Voting Guidelines for TSX-Listed Companies (the "**Benchmark Guidelines**"). As such, the Manager's Proxy Voting Policy (the "**Arbitrage Fund Proxy Voting Policy**", and together with the Alternative Fund Proxy Voting Policy, the "**Proxy Voting Policy**") generally mirrors the Benchmark Guidelines. The intention of the Arbitrage Fund Proxy Voting Policy is to provide the Manager with a disciplined and consistent approach to voting and not to dictate precisely how each ballot item must be voted in every circumstance. While the Arbitrage Fund Proxy Voting Policy is intended to reflect the applicable Fund's general position on certain issues, the Manager may depart from the Arbitrage Fund Proxy Voting Policy on any particular proxy vote depending upon the facts and circumstances. The Manager will document, in writing, occurrences where a proxy vote was cast in a manner inconsistent with the Arbitrage Fund Proxy Voting Policy.

General

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

The current Proxy Voting Policy and procedures of the Manager are available to unitholders at no cost by calling toll free at 1-866-369-4108, on the Manager's website at www.pictonmahoney.com or by writing to Picton Mahoney Asset Management, 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4. Effective June 1, 2024, the Manager's address will be changed to 33 Yonge Street, Suite 320, Toronto, Ontario M5E 1G4.

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

Reporting to Unitholders

The fiscal year end of the Funds is December 31. The Funds will deliver or make available to unitholders: (i) audited comparative annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim management reports of fund performance.

Each unitholder will also be mailed annually, by his, her or its broker, no later than March 31, information necessary to enable such unitholder to complete an income tax return with respect to amounts paid or payable by the Fund owned by such unitholder in respect of the preceding taxation year of the Fund.

The Manager will ensure that each Fund complies with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of each Fund. A unitholder or his, her or its duly authorized representative has the right to examine the books and records of the applicable Fund during normal business hours at the offices of the Administrator. Notwithstanding the foregoing, a unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Funds.

Remuneration of Directors, Officers and Trustees

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

Material Contracts

Declaration of Trust

The Funds are governed by the terms of a declaration of trust dated September 19, 2018, as amended from time to time (the "**Declaration of Trust**"). The Declaration of Trust was amended on June 26, 2019 to accommodate the addition of the exchange traded fund ("**ETF**") units and the formation of Picton Mahoney Fortified Income Alternative Fund, further amended on July 7, 2020 to accommodate the formation of the Picton Mahoney Fortified Long Short Alternative Fund, further amended August 17, 2020 to add the Picton Mahoney Fortified Arbitrage Alternative Fund and Picton Mahoney Fortified Arbitrage Plus Alternative Fund which were settled under a trust agreement dated December 18, 2018 as amended between Vertex One Asset Management Inc., as manager, and CIBC Mellon Trust Company, as trustee, further amended on July 8, 2021 to accommodate the formation of the Picton Mahoney Fortified Special Situations Alternative Fund, further amended on April 20, 2022 to accommodate the formation of the Picton Mahoney Fortified Alpha Alternative Fund, further amended on October 28, 2022 to accommodate the formation of the Picton Mahoney Fortified Core Bond Fund, and further amended on April 26, 2023 to accommodate the formation of the Picton Mahoney Fortified Inflation Opportunities Alternative Fund.

The Declaration of Trust set out the powers and duties of the manager and the trustee of the Funds, the attributes of units of the Funds, procedures for subscriptions, exchanges and redemptions of units, recordkeeping, calculation of the Funds' income and other administrative procedures. The Declaration of Trust also contain provisions for the selection of a successor manager and trustee should Picton Mahoney Asset Management resign and for termination of the Funds if no successor manager or trustee can be found. Picton Mahoney Asset Management is not paid a fee in its capacity as trustee (as would be required if an outside trustee was engaged) but is entitled to be reimbursed for any costs incurred on the Funds' behalf. Picton Mahoney Asset Management is entitled to management and performance fees for its services as manager and portfolio advisor to the Funds. See "*Fees and Expenses – Management Fees*" and "*Fees and Expenses – Performance Fees*" for further details.

Custodian Agreement

The Manager, on behalf of the Funds, has entered into a custodian agreement with the Custodian made as of October 1, 2015, as amended (the "**Custodian Agreement**"). Pursuant to the Custodian Agreement, the Custodian has agreed to act as custodian for the Funds and to provide safekeeping and custodian services in respect of the Funds' property.

The Custodian Agreement complies with the applicable provisions of NI 81-102 regarding custodial services and requires the custodian to hold the Fund's assets in trust and to separately identify each Fund's account assets. The Custodian Agreement contains schedules which set out which Funds are governed by that Custodian Agreement. The fees for custodian services provided by the Custodian are paid by each Fund. The Custodian Agreement can be terminated by the Funds or by the Custodian on 60 days' prior written notice.

Administration Agreement

The Manager, on behalf of the Funds, has entered into a valuation and recordkeeping services agreement with the Administrator dated as of October 29, 2015, as amended (the "**Administration Agreement**"). Pursuant to the Administration Agreement, the Administrator provides obtain certain administrative, registrar and transfer agency services for the Funds, including maintaining the accounting records of the Funds, fund valuation, net asset value calculation and financial reporting services, and registrar and transfer agent services for the Class A, Class F, Class FT, Class I and Class O units of each Fund such as keeping the registers of the owners of such units of the Funds, processing purchase and redemption orders, issuing investor account statements and issuing annual tax reporting information. The Administration Agreement contains schedules which set out which Funds are governed by that Administration Agreement. The fees for administrative services provided by the Administrator are paid by each Fund. The Administration Agreement can be terminated by the Manager or by the Administrator on 30 days' prior written notice.

Securities Lending Agency Agreement

The Manager has entered into a securities lending agency agreement with the Agent Lender dated as of October 19, 2015, as amended (the "**Securities Lending Agency Agreement**").

The Agent Lender may, pursuant to the Securities Lending Agency, participate in a securities lending program sponsored and administered by the Agent Lender, which shall qualify as a "securities lending arrangement" as defined in the Tax Act and, in connection therewith, the Trustee is authorized to release and deliver securities and return collateral received for loaned securities in accordance with the provisions of such securities lending program. The Securities Lending Agency Agreement contains schedules which set out which Funds are governed by that Securities Lending Agency Agreement. The fees for securities lending agency services provided by the Agent Lender are paid by each Fund. The Securities Lending Agency Agreement can be terminated by the Manager or by the Agent Lender on five business days' prior written notice.

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

Legal and Administrative Proceedings

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

Designated Website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Funds to can be found at the following location: www.pictonmahoney.com.

VALUATION OF PORTFOLIO SECURITIES

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

(a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Administrator determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Administrator determines to be the reasonable value thereof;

(b) the value of any bonds, debentures, and other debt obligations shall be valued at mid prices from recognized pricing vendors on a Valuation Day at such times as the Administrator, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;

(c) the value of any security, index futures or index options thereon which is listed on any recognized exchange shall be determined by the closing sale price at the close of business on the Valuation Day or, if there is no sale price, the average between the closing bid and the closing asked price on the day on which the net asset value of the Fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

(d) the value of any security which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer or recognized information provider in such securities;

(e) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Administrator;

(f) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;

(g) purchased or written clearing corporation options, options on futures, over-the-counter options, debt like securities and listed warrants shall be valued at the current market value thereof;

(h) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the net asset value. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value;

(i) the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at 4:00 p.m. (Eastern Time) or such other day deemed appropriate by the Manager, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;

(j) the value of any swap will be based on dealer-supplied valuations determined by using observable inputs;

(k) the value of the securities of an investment fund shall be the net asset value or similar value of the securities of the investment fund as provided by the manager, administrator or party acting in a similar capacity of the investment fund and available to the Administrator as of a time proximate to the close of business on the date on which the net asset value is being calculated, whether or not the securities of such investment fund are listed or dealt with on a stock exchange. If a net asset value or similar value of the investment fund as of a time reasonably proximate to the close of business on the date on which the net asset value is being calculated is not available to the Administrator, the value shall be based on an estimate provided by the Manager or in such other manner as the Administrator shall determine;

(l) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

(m) all securities, property and assets of the Fund valued in a foreign currency and all liabilities and obligations of a Fund payable by a Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Administrator, including, but not limited to, the Administrator or any of its affiliates;

(n) all expenses or liabilities (including fees payable to the Manager) of a Fund shall be calculated on an accrual basis; and

(o) the value of any security or property to which, in the opinion of the Administrator, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Administrator from time to time provides.

The net asset value of the Funds and each class are calculated and reported in Canadian dollars.

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

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

Differences from International Financial Reporting Standards

The Funds' financial statements are prepared in accordance with International Financial Reporting Standards and those principles may differ from the valuation principles that are set out in this Simplified Prospectus.

CALCULATION OF NET ASSET VALUE

Valuation Days

Each Fund's net asset value is calculated at the close of regular trading, normally 4:00 p.m. (Eastern Time), on a Trading Day (as defined below) and any other day designated by us (a "**Valuation Day**"). The net asset value of each Fund will be calculated in Canadian dollars and the units of each Fund are denominated in Canadian dollars.

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

How We Price a Fund's Units

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

All purchase and exchange transactions are based on the net asset value per unit for each class of units ("**Unit Price**"). We calculate all Unit Prices at the close of trading on the Toronto Stock Exchange (the "**TSX**") on each Valuation Day. The Unit Price can change on each Valuation Day.

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

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

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

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

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

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

PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS OF UNITS

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

The ETF units are exchange-traded units offered by the Funds.

Purchases

Class A, Class F, Class FT, Class I and Class O units

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

The minimum initial investment in Class A, Class F, and Class FT units of the Funds is $2,000 (or $500 in the case the Arbitrage Funds). The minimum subsequent investment in Class A, Class F and Class FT units of the Funds is $500 (or $50 in the case of the Arbitrage Funds). The minimum initial investment in Class I and Class O units of the Funds is negotiable and the minimum subsequent investment in Class I and Class O units of the Funds is negotiable. These minimum investment amounts may be adjusted or waived in the absolute discretion of the Manager.

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

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

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

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

Please see "*Fees and Expenses*" and "*Dealer Compensation*" for more information on the fees and expenses and dealer compensation applicable to each class.

ETF units

ETF units of the Picton Mahoney Fortified Active Extension Alternative Fund, Picton Mahoney Fortified Market Neutral Alternative Fund, Picton Mahoney Fortified Multi-Strategy Alternative Fund, Picton Mahoney Fortified Income Alternative Fund, Picton Mahoney Fortified Long Short Alternative Fund Funds, the Picton Mahoney Fortified Special Situations Alternative Fund, the Picton Mahoney Fortified Alpha Alternative Fund and the Picton Mahoney Fortified Inflation Opportunities Alternative Fund (collectively, the "**Existing Funds**") are offered on a continuous basis. Investors are able to buy or sell ETF units of the Existing Funds on the TSX through a registered broker or dealer in the province or territory where the investor resides. The ticker symbol for the ETF units of Picton Mahoney Fortified Active Extension Alternative Fund is PFAE, the ticker symbol for the ETF units of Picton Mahoney Fortified Market Neutral Alternative Fund is PFMN, the ticker symbol for the ETF units of Picton Mahoney Fortified Multi-Strategy Alternative Fund is PFMS, the ticker symbol for the ETF units of Picton Mahoney Fortified Income Alternative Fund is PFIA, the ticker symbol for the ETF units of Picton Mahoney Fortified Long Short Alternative Fund is PFLS, the ticker symbol for the ETF units of the Picton Mahoney Fortified Special Situations Alternative Fund is PFSS, the ticker symbol for the ETF units of the Picton Mahoney Fortified Alpha Alternative Fund is PFAA, and the ticker symbol for the ETF units of the Picton Mahoney Fortified Inflation Opportunities Alternative Fund is PFIO.

Investors may incur customary brokerage commissions when buying or selling ETF units on the TSX. No fees are paid by a unitholder to the Manager or the Funds in connection with the buying or selling of units on the TSX. There is no minimum investment amount for ETF units of the Funds. There is no maximum number of ETF units that may be issued. ETF units can be bought in Canadian dollars only.

ETF units – Issuances to Designated Brokers and ETF Dealers

We, on behalf of the Funds, have entered into designated broker agreements with designated brokers (each, a "**Designated Broker**") pursuant to which the Designated Broker has agreed to perform certain duties relating to the ETF units of a Fund including, without limitation: (i) to subscribe for a sufficient number of units to satisfy the TSX's original listing requirements; (ii) to subscribe for units when cash redemptions of units occur; and (iii) to post a liquid two-way market for the trading of units on the TSX. In accordance with the designated broker agreements, we may require the Designated Brokers to subscribe for ETF units for cash.

Generally, all orders to purchase ETF units directly from a Fund must be placed by a Designated Broker or an "**ETF Dealer**", which is a registered dealer (that may or may not be a Designated Broker) that has entered into an agreement with us authorizing the dealer to subscribe for, purchase and redeem ETF units from one or more Funds on a continuous basis from time to time.

We reserve the absolute right to reject any subscription order placed by a Designated Broker or ETF Dealer in connection with the issuance of ETF units. If we reject your order, we will immediately return any money received, without interest.

No fees or commissions will be payable by a Fund to a Designated Broker or ETF Dealer in connection with the issuance of ETF units. On the listing, issuance, exchange or redemption of ETF units, we may, in our discretion, charge an administrative fee to a Designated Broker or ETF Dealer to offset the expenses incurred in listing, issuing, exchanging or redeeming the units.

After the initial issuance of ETF units to the Designated Broker(s) to satisfy the TSX's original listing requirements, a Designated Broker or ETF Dealer may place a subscription order for a Prescribed Number of Units (and any additional multiple thereof) of a Fund on any day on which a regular session of the TSX is held and the primary exchange or marketplace on which the majority of the securities held by that Fund is open for trading (a "**Trading Day**"), or such other day as determined by us. "**Prescribed Number of Units**" means the number of ETF units of a Fund determined by us from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes. The cut-off time for ETF units of the Funds is 2:00 p.m. (Eastern time) on a Trading Day (or such later time on a Trading Day as we may permit) (the "**Cut-Off Time**"). If the TSX's trading hours are shortened or changed for other regulatory reasons, we may change the Cut-Off Time. Any subscription order that is received by the Cut-Off Time on a Trading Day will be deemed to be received on such Trading Day and will be based on the net asset value per unit determined on such Trading Day. Any subscription order received after the Cut-Off Time on a Trading Day will be deemed to be received on the next Trading Day and will be based on the net asset value per unit determined on the next Trading Day.

For each Prescribed Number of Units issued, an ETF Dealer must deliver payment consisting of, in our discretion: (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, as determined by us, 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, as determined by us, 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.

We will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Units and any Basket of Securities for each applicable Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Units from time to time.

ETF units – Issuances to Designated Brokers in special circumstances

ETF units may also be issued by a Fund to a Designated Broker in certain special circumstances, including when cash redemptions of ETF units occur.

Redemptions

Class A, Class F, Class FT, Class I and Class O units

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

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

ETF units

ETF units – Redemption of ETF units in any number for cash

You may choose to redeem ETF units of a Fund equal to the Prescribed Number of Units (and any additional multiple thereof) or such other number of ETF units as we in our sole discretion may permit on any Trading

Day. 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, unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their ETF units for cash.

For such a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by us from time to time must be delivered to us at our head office on that Trading Day through a registered dealer or other financial institution that is a participant in CDS Clearing and Depository Services Inc. ("**CDS**") and that holds ETF units on behalf of beneficial owners of such units (a "**CDS Participant**"). Any cash redemption request that is received by the Cut-Off Time will be deemed to be received on such Trading Day. Any cash redemption request received after the Cut-Off Time on a Trading Day or on a day which is not a Trading Day will be deemed to be received on the next Trading Day. Subject to the meeting of reasonable requirements applicable to unitholders who wish to redeem their units as we may from time to time establish, including, without limitation, in relation to identification of unitholders and verification of any requests for a redemption, payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets). The cash redemption request forms may be obtained from us.

If we haven't received all the required documents within 10 business days of receiving your redemption request, we'll issue the same number of securities on the 10th business day after the redemption request. If the issue price is less than the sale proceeds, the Fund will keep the difference. If the issue price is more than the sale proceeds, your ETF Dealer must pay the shortfall. Your ETF Dealer may have the right to collect it from you.

We will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Units for each applicable Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Units from time to time.

ETF units – Exchange of Prescribed Number of Units

On any Trading Day, you may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) or such other number of ETF units as we in our sole discretion may permit for Baskets of Securities and cash or, in our discretion, cash only. To effect an exchange of ETF units, you must submit an exchange request, in the form prescribed by us from time to time, to us at our head office. The exchange price will be equal to the aggregate net asset value of the ETF units at 4:00 p.m. (Eastern Time) on the effective day of the exchange request, payable by delivery of Baskets of Securities (constituted prior to the receipt of the exchange request) and cash or, in our discretion, cash only. On an exchange, the applicable ETF units will be redeemed. On an exchange we will require you to pay the applicable Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by the ETF units in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or expected to be incurred by the ETF units are higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange transaction fee.

Any exchange request that is received by the Cut-Off Time on a Trading Day will be deemed to be received on such Trading Day and will be based on the net asset value per unit determined on such Trading Day. Any exchange request received after the Cut-Off Time on a Trading Day or on a day which is not a Trading Day will be deemed to be received as of the next Trading Day and will be based on the net asset value per unit determined on such next Trading Day. Subject to the meeting of reasonable requirements applicable to unitholders who wish to exchange their units as we may from time to time establish, including, without limitation, in relation to identification of unitholders and verification of any requests for an exchange, settlement of exchanges for Baskets of Securities and cash or cash only, as the case may be, will be made by no later than the second Trading Day after the effective day of the exchange request (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets).

We will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Units and any Basket of Securities for each applicable Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Units from time to time.

If securities held in the portfolio of a Fund are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

ETF units – Exchange and redemption of ETF units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which you hold ETF units. Beneficial owners of ETF units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold units sufficiently in advance of the cut-off times set by CDS Participants to allow such CDS Participants to notify us or as we may direct prior to the relevant cut-off time.

ETF units – Characterization of redemption or exchange amounts

The redemption or exchange price paid to a Designated Broker may include capital gains realized by the Fund. The remaining portion of the redemption or exchange price will be proceeds of disposition. Please see the disclosure under "*Income Tax Considerations – Taxation of the Funds*" on page 35 for further details.

Suspending your right to switch, exchange and redeem Class A, Class F, Class FT, Class I, Class O and ETF units

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

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

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

Switches between Funds

You may switch all or part of your investment in a class of units of a Fund to units of the same class of another Fund, except that you may not switch ETF units of one Fund for units of another Fund. This is called a switch.

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

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

A switch will be a disposition for tax purposes and may give rise to a capital gain or loss. Please see "*Income Tax Considerations*" for details.

Reclassifications between Classes of the Same Fund

You may reclassify all or part of your investment from one class of units to another class of units of the same Fund, as long as you are eligible to hold that class of units, except that ETF units of a Fund may not be changed to units of another class of the same Fund. This is called a reclassification. If you become ineligible to hold a class of units, we may, in our sole discretion, reclassify your units to another class of units of the same fund or redeem your units.

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

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

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

Short-Term Trading

Short-term trading in units of a Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with our long-term investment decisions.

In order to protect the interest of the majority of unitholders in a Fund and to discourage short-term trading in a Fund, investors may be subject to a short-term trading fee. If an investor redeems units of a Fund within 30 days of purchasing such units, the Fund may deduct and retain, for the benefit of the remaining unitholders in the Fund, one percent (1%) of the net asset value of the units of the particular class of a Fund being redeemed. Please see "*Fees and Expenses*" for more information.

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

- redemptions of ETF units;
- redemptions of units by another fund managed by the Manager or an affiliate or associate of the Manager;
- redemptions of units purchased by the reinvestment of distributions;

- reclassification of units from one class to another class of the same Fund;
- redemptions initiated by the Manager or where redemption notice requirements have been established by the Manager; or
- in the absolute discretion of the Manager.

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

Notwithstanding the foregoing, the Manager does not believe that it is necessary to impose any short-term trading restrictions on ETF units at this time, as such units are exchange traded units that are primarily traded in the secondary market.

Special Considerations for Unitholders

The provisions of the so-called "early warning" reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the ETF units of a Fund. The Funds have obtained exemptive relief to permit unitholders to acquire more than 20% of the ETF units of any Fund without regard to the take-over bid requirements of applicable Canadian securities legislation. See "*Additional Information – Exemptions and approvals*" for details.

OPTIONAL SERVICES

Pre-authorized Contribution Plan

You can make regular purchases of units of the Funds (except ETF units) through a Pre-authorized Contribution Plan ("**PAC**"). You can invest weekly, bi-weekly, or monthly. You can set up a PAC by contacting your dealer. There is no administrative charge for this service.

FEES AND EXPENSES

The following table lists the fees and expenses that you may have to pay if you invest in a Fund. You may have to pay some of these fees and expenses directly. A Fund may have to pay some of these fees and expenses, which will reduce the value of your investment in a Fund.

Fees and Expenses Payable by the Funds	
Management Fees	The Manager receives a management fee payable by each Fund for providing its services to the Funds. 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 each Fund, plus applicable taxes, and is payable on the last day of each calendar quarter. **<u>Funds (excluding Arbitrage Funds):</u>** Class A units: 1.95% per annum Class F units: 0.95% per annum Class FT units: 0.95% per annum

	Class I units: Negotiated by the investor and paid directly by the investor. The management fee rate would not exceed the management fee payable on Class A units of a Fund. Class O units: Negotiated by the investor and paid directly by the investor. The management fee rate would not exceed the management fee payable on Class A units of a Fund. ETF units: 0.95% per annum (excluding Picton Mahoney Fortified Inflation Opportunities Alternative Fund) **<u>Arbitrage Funds:</u>** Class A units: 2.00% per annum Class F units: 1.00% per annum Class I units: Negotiated by the investor and paid directly by the investor. The management fee rate would not exceed the management fee payable on Class A units of a Fund. In consideration of the management fee, the Manager will provide investment management, clerical, administrative and operational services to the Funds, including: determining and implementing investment policies, practices, fundamental objectives, and investment strategies applicable to each Fund; receiving and processing all subscriptions and redemptions; ensuring each Fund complies with regulatory requirements and filings; offering units of each Fund for sale to prospective purchasers; conducting foreign exchange transactions; purchase, retain, sell and call and put options, futures contracts, or other similar financial instruments; daily operations and usual and ordinary office services; unitholder reporting, relations and communications; appointing or changing the auditor of each Fund; banking; establish each Fund's operating expense budget and authorizing payment of expenses; authorizing contractual arrangements; recordkeeping; and allocating between each class of each Fund the net asset value of the Fund, any distribution of the Fund, the net assets of the Fund, the Fund's property, any liabilities of the Fund, any other items. The Manager may delegate the foregoing to third parties if it believes it is in the best interests of unitholders. **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 Funds with respect to investments in the Funds 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 Funds will be distributed regularly by the Funds to those unitholders as "**Management Fee Distributions**". The availability and amount of Management Fee Distributions with respect to units of a Fund will be determined by the Manager. Management Fee Distributions will generally be calculated and applied based on the number of units held by a unitholder on the most recent Valuation Day prior to the calculation of the Management Fee Distribution, as specified by the Manager from time to time. Management Fee Distributions will be paid first out of income

	and capital gains of the Funds and then out of capital. Please see "*Income Tax Considerations – Units Not Held in a Registered Plan*" on page 37 for further details. The Manager reserves the right, in its discretion, to discontinue or change Management Fee Distributions at any time. The tax consequences of a Management Fee Distribution will generally be borne by the unitholder who receives the distribution. Management fees are subject to applicable taxes, including GST/HST. The costs of providing certain of these services are regarded as operating expenses of the Funds and are paid by the Funds in addition to the management fee paid by the Funds to the Manager. For further information, see below under "*Operating Expenses*". The remaining expenses relating to the services provided by the Manager to the Funds are paid by the Manager from the management fee the Manager receives from the Funds.
Performance Fees	The Manager charges a performance fee in respect of the Funds. Pursuant to NI 81-102, a Fund may pay, or enter into arrangements that would require it to pay, and securities of a Fund may be sold on the basis that an investor would be required to pay, a fee that is determined by the performance of a Fund, provided that: (a) the payment of the fee is based on the cumulative total return of the Fund for the period that began immediately after the last period for which the performance fee was paid; and (b) the method of calculating the fee is described in the Fund's prospectus. The Manager receives a performance fee in respect of each of the Class A units, Class F units, Class FT units, Class O units and ETF units of the Funds. The performance fee for each class shall be calculated, accrued and become a liability of the Fund on each Valuation Day and shall be payable at the end of each calendar quarter. **<u>Picton Mahoney Fortified Active Extension Alternative Fund:</u>** The performance fee for the Picton Mahoney Fortified Active Extension Alternative Fund is equal to 20% of the amount by which the performance of the applicable class exceeds the performance of the S&P/TSX Composite Index (TR), for each of the Class A units, the Class F units, Class O units or the ETF units, plus applicable taxes. The performance fee in respect of each of the Class A units, Class F units, Class O and ETF units of the Picton Mahoney Fortified Active Extension Alternative Fund shall be equal to the daily net asset value of the class of units of the Fund during the calendar quarter multiplied by 20% of the amount by which the total return of the class of units exceeds the total percentage increase or decrease in the S&P/TSX Composite Index (TR) since the end of the period for which the last performance fee was paid for the Class A units, Class F units, Class O units or the ETF units, as the case may be, plus applicable taxes. If at any time the total return of the class of units of the Fund is less than its S&P/TSX Composite Index (TR), then no performance fee will be payable until the total return of the class of units of the Picton Mahoney Fortified Active Extension Alternative Fund relative to the

	S&P/TSX Composite Index (TR) has exceeded the amount of the deficiency calculated on a percentage basis. **<u>Picton Mahoney Fortified Market Neutral Alternative Fund, Picton Mahoney Fortified Multi-Strategy Alternative Fund, Picton Mahoney Fortified Income Alternative Fund, Picton Mahoney Fortified Long Short Alternative Fund, Picton Mahoney Fortified Special Situations Alternative Fund and Picton Mahoney Fortified Alpha Alternative Fund:</u>** The performance fee of each of the Picton Mahoney Fortified Market Neutral Alternative Fund, Picton Mahoney Fortified Multi-Strategy Alternative Fund, Picton Mahoney Fortified Income Alternative Fund, Picton Mahoney Fortified Long Short Alternative Fund, Picton Mahoney Fortified Special Situations Alternative Fund and Picton Mahoney Fortified Alpha Alternative Fund 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, the Class F units, the Class FT units or the ETF units, plus applicable taxes. The performance fee in respect of each of the Class A units, the Class F units, the Class FT and the ETF units of the Picton Mahoney Fortified Market Neutral Alternative Fund, Picton Mahoney Fortified Multi-Strategy Alternative Fund, Picton Mahoney Fortified Income Alternative Fund, Picton Mahoney Fortified Long Short Alternative Fund, Picton Mahoney Fortified Special Situations Alternative Fund, and Picton Mahoney Fortified Alpha Alternative Fund, as applicable, 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 High Water Mark; less (iii) 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. The "**Hurdle Amount**" per unit is the product of (a) 2% for each calendar year (pro-rated 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 "**High Water Mark**" is 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 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.

<u>Picton Mahoney Fortified Arbitrage Alternative Fund and Picton Mahoney Fortified Arbitrage Plus Alternative Fund:</u>

The Arbitrage Funds will pay to the Manager a performance fee in relation to each Class A units and Class F units that is equal to 15% of the amount by which the total return of the class of units exceeds the previous high water mark for each applicable class of units. Any day a performance fee is paid for the Arbitrage Funds, a high water mark is set, which is equal to the net asset value ("**NAV**") of such Arbitrage Fund on such date, after deducting all fees and expenses. No further performance fee will be paid until the NAV, adjusted for any distributions since the high water mark was last set, exceeds this high water mark value. This high water mark is perpetual and cannot be reset. Deficiencies to the high water mark accrue for each day the Arbitrage Fund does not exceed the high water mark and performance fees will not be accrued until the class of units of the Arbitrage Fund has exceeded the high water mark.

Performance fees for the Arbitrage Funds will be calculated and accrued (and become payable) daily, and such accrued fees will be paid by the Arbitrage Fund quarterly such that, to the extent possible, the unit price each day will reflect any performance fees payable at the end of such day. The Manager reserves the right to change the period for which any performance fee may be paid by an Arbitrage Fund to the Manager.

Picton Mahoney Fortified Inflation Opportunities Alternative Fund:

The performance fee for the Picton Mahoney Fortified Inflation Opportunities Alternative Fund is equal to 20% of the amount by which the performance of the applicable class exceeds the performance of the Non-Seasonally Adjusted Consumer Price Index published by Statistics Canada (the "**Consumer Price Index**"), for each of the Class A units, Class F units or Class O units, plus applicable taxes.

The performance fee in respect of each of the Class A units, Class F units and Class O units of the Picton Mahoney Fortified Inflation Opportunities Alternative Fund shall be equal to the daily net asset value of the class of units of the Fund during the calendar quarter multiplied by 20% of the amount by which the total return of the class of units exceeds the total percentage increase or decrease in the Consumer Price Index since the end of the period for which the last performance fee was paid for the Class A units, Class F units or Class O units, as the case may be, plus applicable taxes. If at any time the total return of the class of units of the Fund is less than its Consumer Price Index, then no performance fee will be payable until the total return of the class of units of the Picton Mahoney Fortified Inflation Opportunities Alternative Fund relative to the Consumer Price Index has exceeded the amount of the deficiency calculated on a percentage basis.

The Consumer Price Index level for any given month is published mid-month in the following month. As a result, for purposes of calculating the performance fee in respect of the Picton Mahoney Fortified Inflation Opportunities Alternative Fund, a daily extrapolated Consumer Price Index shall be used and calculated as

	follows: $CPI_{daily}(d) = CACPI(D_{C-1}) + (CACPI(D_C) – CACPI(D_{C-1}))*(d – D_C)/N$ where (a) **$CPI_{daily}(d)$** is the extrapolated Consumer Price Index level for day "d"; (b) **d** is a given day between days "D_C" and "D_{C+1}" on which the Consumer Price Index level is being extrapolated; (c) **C** refers to a month; (d) **C+1** refers to the month following month "C"; (e) **C-1** refers to the month preceding month "C"; (f) **C-2** refers to the month preceding month "C-1"; (g) **D_C** is the day in month "C" on which the Consumer Price Index level for month "C-1" is published by Statistics Canada; (h) **D_{C+1}** is the day in month "C+1" on which the Consumer Price Index level for month "C" is published by Statistics Canada; (i) **$CACPI(D_{C-1})$** is the Consumer Price Index level for month "C-2" as published by Statistics Canada; (j) **$CACPI(D_C)$** is the Consumer Price Index level for month "C-1" as published by Statistics Canada; and (k) **N** is the total number of days between D_C and D_{C+1}. The Manager shall not adjust the daily extrapolated Consumer Price Index levels used for calculating the performance fee once the actual Consumer Price Index information is published by Statistics Canada. **General** The Manager reserves the right, in its discretion, to discontinue, decrease or waive the performance fee at any time. The Manager has waived performance fees for the Picton Mahoney Fortified Inflation Opportunities Alternative Fund until April 30, 2024. The Manager has reserved the option of extending or discontinuing these performance fees waivers after each of these dates. Investors in Class I units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the investor that is different than the one described in this table or no performance fee at all. Performance fees are subject to applicable taxes; including GST/HST.
Operating Expenses	Each 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 (if applicable), taxes, audit and legal fees, fees of the members of the IRC, costs and fees in connection with the operation of the IRC (including the costs of holding meetings, and fees and expenses of any advisers engaged by the IRC), safekeeping and custodial fees, interest expenses, operating, administrative and systems costs, index and data licensing fees, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses, fund facts and ETF facts.

	Operating expenses and other costs of a Fund are subject to applicable taxes including GST/HST. Each Fund also pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each member of the IRC, other than the Chair, is paid, as compensation for his services, $14,000 (plus applicable taxes or other deductions) per annum. The Chair is paid $17,000 (plus applicable taxes or other deductions) per annum. The Manager, in its sole discretion, may waive and/or reimburse a portion or all of a Fund's operating expenses.
Fund-on-fund fees and expenses	When a Top 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 Top Fund. The fees and expenses of the underlying fund will have an impact on the management expense ratio of a Top Fund that invests in such underlying fund as the Top Fund is required, in determining its management expense ratio, to take into account the expenses incurred by the Top Fund that are attributable to its investment in the underlying fund. However, the Top 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 Top 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 its affiliate or associate, 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.
Fees and Expenses Payable Directly by You	
Class I Units and Class O Management Fees and Class I Performance Fees	Unitholders of Class I units and Class O pay a negotiated management fee based on the net asset value of the Class I units or Class O of a Fund you own directly to the Manager, which will not exceed the management fee payable on Class A units; provided that, in the case of the Class O units, the management fee rate may be determined based on the total net asset value of all Class O units held by all investors. This fee will be set out in an agreement between you and the Manager. Unitholders of Class I units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the unitholder that is different than the one described in this table or no performance fee at all. The performance fee for Class I units will be paid directly to the Manager. Management and performance fees for Class I units are not included in the management expense ratio. Management fees for Class O units are not included in the management expense ratio.
Sales Commissions	You may have to pay a sales commission of up to 5% (or 2% in the case of the Arbitrage Funds) based on the net asset value of the applicable class of units of a Fund you acquire when you buy Class A units. You may negotiate the amount

	with your dealer. There are no sales commissions for Class F units, Class FT units, Class I units, Class O units and ETF units. You may incur customary brokerage commissions in buying or selling ETF units on the TSX.
Switch and Reclassification Fees	You may have to pay a switch fee or a reclassification fee, as applicable, of up to 2% based on the net asset value of the applicable class of units of a Fund you switch or reclassify. You may negotiate the amount with your dealer. Dealers' fees for switches and reclassifications are paid by redeeming units held by you. See "*Income Tax Considerations– Taxation of Unitholders – Units Not Held in a Registered Plan*".
Redemption Fees	The Funds do not charge a redemption fee. However, a Fund may charge a short-term trading fee if you redeem your units within 30 days of buying them. Please see "*Short-Term Trading Fee*" below.
Short-Term Trading Fee	A fee of 1% of the amount redeemed may be charged if you redeem units of a Fund within 30 days of purchasing such units. For a description of the Manager's policy on short-term trading please see the disclosure under "*Purchases, Switches, Reclassifications and Redemptions of Units – Short-Term Trading*". The short-term trading fees charged will be paid directly to a Fund, and is designed to deter excessive trading and offset its associated costs. For the purposes of determining whether the fee applies, we will consider the units that were held the longest to be units which are redeemed first. At the Manager's discretion, the fee will not apply in certain circumstances, such as: • redemptions of ETF units; • redemptions of units by another fund managed by the Manager; • redemptions of units purchased by the reinvestment of distributions; • reclassification of units from one class to another class of the same Fund; • redemptions initiated by the Manager or where redemption notice requirements have been established by the Manager; or • in the absolute discretion of the Manager. Notwithstanding the foregoing, the Manager does not believe that it is necessary to impose any short-term trading restrictions on ETF units at this time, as such units are exchange traded units that are primarily traded in the secondary market.
Administration Fee	An amount may be charged to a Designated Broker or ETF Dealer to offset certain transaction and other costs associated with the listing, issue, exchange and/or redemption of ETF units of a Fund. This charge, which is payable to the applicable Fund, does not apply to unitholders who buy and sell their ETF units through the facilities of the TSX.

Exchange Fee	On an exchange of ETF units, we will require you to pay the applicable Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by the ETF units in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or expected to be incurred by the ETF units is higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange transaction fee.

DEALER COMPENSATION

Your dealer may receive three types of compensation – sales commissions, trailing commissions and switch/reclassification fees.

Sales Commissions – You pay this commission to your dealer at the time of purchase of Class A units of a Fund. The maximum sales commission you may pay is 5% (or 2% in the case of the Arbitrage Funds) based on the net asset value of the applicable class of units of the Fund you acquire. You may negotiate this amount with your dealer. There are no sales commissions payable to your dealer for Class F units, Class FT units, Class I units, Class O units and ETF units of the Funds. You may incur customary brokerage commissions in buying or selling ETF units on the TSX. Please see "*Purchases, Switches, Reclassifications and Redemptions"* for further details.

Trailing Commissions – For Class A units of a Fund, subject to applicable law, we pay dealers an ongoing annual service fee known as a "trailing commission," as long as you hold your investment, based on the total value of Class A units their clients hold in the Fund. Where permitted by law, we also pay trailing commissions to discount brokers for securities you purchase through your discount brokerage account. There are no trailing commissions paid on Class F units, Class FT units, Class I units, Class O units and ETF units of the Funds. The trailing commissions are paid quarterly at a current annual rate of up to 1% of the value of the Class A units held by clients of the dealer.

Switch/Reclassification Fees – You pay the switch fee or reclassification fee, as applicable, to your dealer at the time of switching your investment from one Fund to another Fund or reclassifying from one class of units to another class of units in the same Fund. The maximum switch/reclassification fee you may pay is 2% based on the net asset value of the applicable class of units of the Fund being switched or reclassified. You may negotiate this amount with your dealer. Dealers' fees for switches and reclassifications are paid by redeeming units held by you. See "*Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan*".

Other Kinds of Dealer Compensation

We may provide a broad range of marketing support programs to dealers which include research materials on the Funds and pre-approved advertising copy relating to the Funds. We may also provide advertising programs for the Funds which may indirectly benefit your dealer, and in some cases, may share with your dealer the cost of local advertising and marketing activities (including investor conferences and seminars). The cost sharing is on a case-by-case basis and will not exceed 50% of the total direct costs incurred by your dealer. We may reimburse dealers for the registration fees of financial advisors attending certain conferences, seminars and courses organized and presented by third parties. We also may reimburse dealers and certain industry associations for up to 10% of the total direct costs they incur for other kinds of conferences, seminars and courses they organize and present. We may organize and present, at our expense, educational conferences and seminars for financial advisors and provide to financial advisors non-monetary benefits of a promotional nature and of minimal value.

It is important for you to know that all of the amounts described above are paid by us, not the Funds, and only in accordance with our policies and the rules set out in National Instrument 81-105 – *Mutual Fund Sales Practices*.

INCOME TAX CONSIDERATIONS

The following is a general summary, at the time of filing, of the principal Canadian federal income tax considerations generally applicable to you as an investor in a Fund offered under this prospectus. This summary assumes you are an individual (other than a trust) who, for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), is a resident of Canada, deals at arm's length and is not affiliated with the Funds, holds units as capital property, and has not entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to units of the Fund.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, an understanding of the current published administrative and assessing practices of the Canada Revenue Agency (the "**CRA**") and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the "**Tax Proposals**"). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary assumes that none of the issuers of securities held by a particular Fund will be a foreign affiliate of the Fund or any unitholder, or a non-resident trust that is not an "exempt foreign trust" as defined in section 94 of the Tax Act, and that none of the securities held by a particular Fund will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act. This summary also assumes that a particular Fund (i) will not be a "SIFT trust" for the purposes of the Tax Act, (ii) will not be a "financial institution" for purposes of the Tax Act, (iii) will not be required to include any amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act, and (iv) will not enter into any arrangement where the result is a "dividend rental arrangement" for the purposes of the Tax Act.

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

Tax Status of the Funds

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

In order to continue to qualify as a "mutual fund trust", a Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and disposition of units. If a

Fund does not qualify as a “mutual fund trust” at all times, the income tax considerations described below could be materially different.

Taxation of the Funds

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

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

Gains and losses realized by a Fund on the disposition of securities will generally be reported as capital gains and capital losses. Each Fund has elected or, if applicable, 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 a Fund from derivatives and in respect of short sales of securities (other than Canadian securities) will be treated as being on income account, except where a derivative is used to hedge securities held on capital account provided there is sufficient linkage and the derivative is not subject to the derivative forward agreement rules (“**DFA Rules**”) discussed below. Whether gains or losses realized by a Fund on a particular transaction (other than a disposition of 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.

The DFA Rules in the Tax Act deem gains on the settlement of certain forward agreements (described as “derivative forward agreements”) to be included in ordinary income rather than treated as capital gains. Under the DFA Rules, the return on any derivative entered into by a Fund that is a “derivative forward agreement” within the meaning of the Tax Act will be taxed as ordinary income rather than capital gains. The Tax Act exempts from the application of the DFA Rules on currency forward contracts, or certain other derivatives, that are entered into in order to hedge foreign exchange risk in respect of an investment held as capital property.

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

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

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

A Fund may be subject to the "suspended loss" rules contained in the Tax Act, which would generally apply where a Fund disposes of property and subsequently reacquires the property or acquires an identical property within the time period that begins 30 days before the disposition and ends 30 days following the disposition, and the Fund continues to own the reacquired or newly-acquired property following that period. Where the "suspended loss" rules apply, any losses arising from the initial disposition of property would be denied, but may be realized at a future point in time in accordance with the rules in the Tax Act.

If a Fund realizes capital gains as a result of transfers or dispositions of its property undertaken to facilitate a redemption of units (which in this paragraph includes an exchange of units) by a unitholder, allocation to the unitholder of fund-level capital gains may be permitted in accordance with the Tax Act. If the Fund chooses to allocate a capital gain to a redeeming unitholder, the taxable portion of the capital gain so allocated must be included in the income of the redeeming unitholder (as a taxable capital gain) and may be deductible by the Fund in computing its income, subject to subsections 132(5.3) and 132(5.31) of the Tax Act. For ETF units of the Fund, amounts of taxable capital gain so allocated and designated to unitholders redeeming ETF units will be deductible to the Fund in an amount determined by a formula under subparagraph 132(5.31)(b)(i), which is based on (i) the amount of capital gains designated to unitholders on an exchange or redemption of ETF units in the taxation year, (ii) the total amount paid for exchanges or redemptions of the ETF units in the taxation year, (iii) the Fund's NAV at the end of the taxation year and the end of the previous taxation year that is referable to the ETF units, and (iv) the portion of the Fund's net taxable capital gains for the taxation year that is allocable, based on relative NAV of non-ETF units and ETF units, to the ETF units. For units that are not ETF units, the limitation in subsection 132(5.3) applies on a redemption of those units (limiting the amount of a capital gain allocated to the redeeming unitholder of non-ETF units that a Fund can deduct to the amount of the unitholder's accrued gain on those units), and additionally subparagraph 132(5.31)(b)(ii) will potentially apply to further restrict the amount of capital gains deductible by the Fund. The portion of taxable capital gains that is not deductible by the Fund under subsections 132(5.3) and 132(5.31) may be made payable to non-redeeming unitholders so that the Fund will not be liable for non-refundable income tax thereon.

Taxation of Unitholders

Units Held in a Registered Plan

If you hold units of a particular Fund in a tax-free savings account ("**TFSA**"), registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), first home savings account ("**FHSA**"), or registered disability savings plan ("**RDSP**"), each as defined in the Tax Act (each a "**Registered Plan**" and collectively, "**Registered Plans**"), distributions from the Fund and capital gains from a redemption (or other disposition) of units are generally not subject to tax under the Tax Act until withdrawals are made from the plan (withdrawals from a TFSA are generally not subject to tax).

Notwithstanding the foregoing, if the units of a particular Fund are "prohibited investments" (as defined in the Tax Act) for your TFSA, RRSP, RDSP, RESP, FHSA or RRIF, you—as the holder of the TFSA, FHSA or RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as the case may be—may be subject to a penalty tax as set out in the Tax Act. The units of a particular Fund will be a "prohibited investment" for your TFSA, RRSP, RDSP, RESP, FHSA or RRIF, if you (i) do not deal at arm's length with the particular Fund for purposes of the Tax Act, or (ii) have a "significant interest", as defined in the Tax Act, in the particular Fund. Generally, you will not have a significant interest in a Fund unless you own interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which you do not deal at arm's length. However, your units will not be prohibited investments at any time during the first 24 months after the Fund was established, provided that the Fund substantially complies with NI 81-102 during such time. In addition, your units will not be a "prohibited investment" if such units are otherwise "excluded property" as defined in the Tax Act for a TFSA, RRSP, RDSP, RESP, FHSA or RRIF.

You should consult with your own tax advisors to determine whether units of a particular Fund would be a "prohibited investment" for your TFSA, RRSP, RDSP, RESP, FHSA or RRIF, based on your particular circumstances. You should consult with your own tax advisor with respect to exchanging ETF units for a Basket of Securities in your Registered Plan.

Units Not Held in a Registered Plan

If you hold units of a Fund outside a Registered Plan, you will generally be required to include in computing your income for a taxation year the portion of the net income of the Fund, including the taxable portion of any capital gains, if any, paid (or payable) to you by the Fund in that taxation year, whether such amounts are paid in cash or automatically reinvested in additional units.

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

Provided that appropriate designations are made by a particular Fund, such portion of (i) the taxable portion of any net capital gains of the Fund, and (ii) the taxable dividends received by the Fund on shares of taxable Canadian corporations as are paid or become payable to you will effectively retain their character and be treated as such in your hands. The gross-up and dividend tax credit rules contained in the Tax Act will apply to such amounts that are designated as taxable dividends from taxable Canadian corporations. If the particular Fund makes the appropriate designation you may be entitled to claim a foreign tax credit in accordance with the provisions of, and subject to the general limitations under, the Tax Act for a portion of the foreign tax paid by the Fund in respect of income from foreign sources.

The net asset value per unit of a particular Fund at the time you acquire units of the Fund may reflect income and gains of the Fund that have accrued prior to that time. Accordingly, if you acquire units, you may become taxable on the income or gains of the Fund that accrued before those units were acquired.

We will provide you with prescribed information to assist you in preparing your tax return.

Upon the redemption (or other disposition) of a unit, including on a redemption of units to pay any applicable switch or reclassification fees, you will realize a capital gain (or capital loss) to the extent that your proceeds of disposition (i.e., the amount you receive for that unit) exceed (or are less than) your adjusted cost base of the unit and any reasonable costs of disposition. Your adjusted cost base of a single unit of a particular class at any particular time will generally be the average cost of all such units of that class held by you at that time.

For the purpose of determining the adjusted cost base of your units, when units of a particular class are acquired, including on the reinvestment of distributions, the cost of the newly acquired units of that class will be averaged with the adjusted cost base of all units of that class owned by you as capital property immediately before that time.

Currently, one-half of any capital gain realized by you in a taxation year on the disposition of units will be included in your income for that taxation year and one-half of any capital loss realized by you must be deducted from the taxable portion of any capital gains realized in that taxation year. One-half of any unused capital losses may be deducted by you against the taxable portion of any capital gains arising in the three immediately preceding taxation years or in subsequent taxation years, subject to the rules in the Tax Act.

Tax Proposals released on April 16, 2024 as part of Canada's 2024 Federal Budget propose to generally increase the proportion of a capital gain that would be included in income as a taxable capital gain, or the proportion of a capital loss that would constitute an allowable capital loss, from one-half to two-thirds, effective for dispositions on or after June 25, 2024 (the "**Budget Proposal**"). The Budget Proposal provides that the one-half inclusion of capital gains will continue to apply to individuals (other than trusts) up to a maximum of $250,000 of net capital gains per year. The Budget Proposal also contemplates adjustments of carried forward or carried back allowable capital losses to account for changes in the relevant inclusion rates. However, no draft legislation to implement the Budget Proposal has yet been publicly announced by the Minister of Finance (Canada), and many aspects of how the Tax Act will be amended in connection with the Budget Proposal remain unclear, including with respect to how the changes would be applied for capital gains earned through a trust in 2024.

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

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

International Tax Reporting

Pursuant to rules in Part XIX of the Tax Act implementing the Organization for Economic Co-operation and Development Common Reporting Standard, "Canadian financial institutions" that are not "non-reporting financial institutions" (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by tax residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are tax resident in a foreign country (other than the U.S.) and to report required information to the CRA. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are tax resident, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, unitholders are required to provide to their dealer certain information regarding their investment in a Fund for the purpose of such information exchange, unless the investment is held within a Registered Plan (other than a FHSA). Tax Proposals included in Bill C-59, which received its second reading in March 2024, would exempt FHSAs from due diligence and reporting obligations imposed under Part XIX of the Tax Act; however, there can be no assurance that such proposed amendments will be enacted as proposed.

In addition, pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into by Canada and the United States (the "**IGA**") and related Canadian legislation found in Part XVIII of the Tax Act, unitholders of a particular fund are required to provide identity and tax residency and other information to their dealer (and may be subject to penalties for failing to do so), or in the case of certain entities are required to provide their dealer with such information relating to their controlling persons. If a unitholder does not provide the information, and indicia of U.S. status are present, or is identified as, or in the case of certain entities as having one or more controlling persons who is, a "Specified U.S. Person", as defined under the IGA (including U.S. citizens who are residents of Canada), such information and certain financial information (for example, account balances) will, unless the investment is held within a Registered Plan, be provided to the CRA and from the CRA to the U.S. Internal Revenue Service.

Eligibility for Investment

Provided that a Fund qualifies as a "mutual fund trust" for purposes of the Tax Act, or in respect of ETF units of a Fund, the ETF units are and continue to be listed on the TSX, units offered hereby will be "qualified investments" under the Tax Act for your Registered Plans. However, as set out above in "*Taxation of Unitholders – Units Held in a Registered Plan*", a penalty tax may apply if units of a Fund are a "prohibited investment" for a Registered Plan.

WHAT ARE YOUR LEGAL RIGHTS?

Class A, Class F, Class FT, Class I and Class O units

Under securities laws in some provinces and territories, you have the right to withdraw from an agreement to buy mutual funds within two business days after you receive a Simplified Prospectus or Fund Facts document, or cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the Simplified Prospectus, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.

ETF units

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

We have obtained relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus under a decision pursuant to National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions*. As such, purchasers of ETF units will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate. See "*Additional Information – Exemptions and approvals*" for details.

EXEMPTIONS AND APPROVALS

The Funds offering ETF units have obtained relief from applicable securities laws to:

(a) relieve the Funds from the requirement to prepare and file a long form prospectus for the ETF units in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus* provided that the Manager files (i) a prospectus for the ETF units in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of a fund facts document; and (ii) an ETF facts document in accordance with Part 3B of National Instrument 41-101 *General Prospectus Requirements*;

(b) relieve the Funds from the requirement to include a certificate of an underwriter in a Fund's prospectus;

(c) relief from the requirements of National Instrument 62-104 *Takeover Bids and Issuer Bids* relating to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee, in each of the provinces and territories of Canada for all purchasers and holders of the ETF units; and

(d) relief to permit the Manager and each Fund to treat the ETF units and the Class A, Class F, Class FT, Class I and Class O units as if such securities were separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102.

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

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

Each Fund has obtained exemptive relief from the Canadian securities regulatory authorities to permit the Fund to purchase securities from, or sell securities to, (a) certain accounts managed by the Manager or certain of its affiliates, (b) certain investment funds which may be either a mutual fund or a non-redeemable investment fund that is a reporting issuer and subject to NI 81-102, for which the Manager or certain of its affiliates acts as manager and/or portfolio adviser, and (c) certain investment funds that are not reporting issuers, of which the Manager or certain of its affiliates acts as manager and/or portfolio manager, and to engage in certain *in specie* transactions with such managed accounts and investment funds provided that certain conditions are met.

Each Fund has received exemptive relief from the Canadian securities regulatory authorities to permit the Funds to engage in short sales and cash borrowing transactions in excess of the exposure limitations under NI 81-102 and use strategies generally prohibited for alternative mutual funds under NI 81-102, provided that (a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value, (b) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value, (c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value, and (d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value. In addition, the relief permits the Fund to deposit portfolio assets with a borrowing agent as security in connection with a short sale of securities in excess of 25% of the net asset value of the Fund at the time of deposit.

Registration and transfer of ETF units through CDS

Registration of interests in, and transfers of, ETF units will be made only through the book-entry only system of CDS. ETF units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of ETF units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such units. Upon purchase of any ETF units, the owner will receive only the customary confirmation. All distributions and redemption proceeds in respect of ETF units will be made or paid initially to CDS, which payments will be forwarded by CDS to the CDS Participants and, thereafter, by such CDS Participants to the applicable unitholders.

References in this Simplified Prospectus to a holder of ETF units means, unless the context otherwise requires, the owner of the beneficial interest in such ETF units.

Neither the Funds nor the Manager will have any liability for: (i) any aspect of the records maintained by CDS relating to the beneficial interests in the ETF units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS, whether contained in this Simplified Prospectus or otherwise, or made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the ETF units must look solely to CDS Participants for payment made by the Funds to CDS.

The ability of a beneficial owner of ETF units to pledge such units or otherwise take action with respect to such owner's interest in such units (other than through a CDS Participant) may be limited due to the lack of a physical certificate. The Funds have the option to terminate registration of ETF units through the book-entry only system, in which case certificates for ETF units in fully registered form will be issued to beneficial owners of such units or to their nominees.

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

Picton Mahoney Fortified Active Extension Alternative Fund
Picton Mahoney Fortified Market Neutral Alternative Fund
Picton Mahoney Fortified Multi-Strategy Alternative Fund
Picton Mahoney Fortified Income Alternative Fund
Picton Mahoney Fortified Long Short Alternative Fund
Picton Mahoney Fortified Special Situations Alternative Fund
Picton Mahoney Fortified Alpha Alternative Fund
Picton Mahoney Fortified Arbitrage Alternative Fund
Picton Mahoney Fortified Arbitrage Plus Alternative Fund
Picton Mahoney Fortified Inflation Opportunities Alternative Fund

This simplified prospectus, and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

DATED: April 25, 2024.

"David Picton"	*"Arthur Galloway"*
David Picton Chief Executive Officer Picton Mahoney Asset Management	**Arthur Galloway** Chief Financial Officer Picton Mahoney Asset Management

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

"David Picton"	*"Arthur Galloway"*
David Picton Chief Executive Officer	**Arthur Galloway** Chief Financial Officer

PART B SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT

INTRODUCTION TO PART B

This Part provides specific descriptions of each of the Funds in this Simplified Prospectus. This introduction explains most of the terms and assumptions which appear in the Fund descriptions and information common to the Funds, so that we do not have to repeat that information for each Fund.

Prior to the profile for each Fund, which commence on page 68, this section provides information that is typically common to the Funds so as to minimize repetition. This includes an overview of the features of mutual funds and the risks they may be exposed to; a description of the securities offered by the Funds; a history of the Funds from their formation; and a summary of the type of information contained in the individual Fund profiles.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle that pools money contributed by people with similar investment objectives and invests in a portfolio of securities to be managed by a professional investment manager. Investing in a mutual fund allows investors to hold a larger variety of securities than most investors could hold individually. By investing in a mutual fund, investors often increase their ability to diversify their investment portfolios. Unitholders share a mutual fund's income, common expenses, gains and losses in proportion to their interest in the mutual fund.

The value of an investment in a mutual fund is primarily realized through distributions paid by the mutual fund to its investors and through redeeming securities of the mutual fund.

Each Fund is an alternative mutual fund organized as an open-ended mutual fund trust governed by the laws of the Province of Ontario and established under a single Declaration of Trust. In this document, we refer to the securities issued by the Funds as "**units**". Each Fund is a separate mutual fund with a specific investment objective and is specifically referable to a separate portfolio of investments. Each Fund currently offers different classes of units, including up to one class of exchange-traded units and three, four or five classes of conventional mutual fund units ("**mutual fund units**") depending on the Fund, but may, in the future, offer one or more additional classes of units. Some of the Funds may also offer Class P units, which are only available on an exempt distribution basis. Each class of mutual fund units is intended for a different investor and may entail different fees. The owner of a mutual fund unit is referred to as a "**unitholder**".

What are the risks of investing in a mutual fund generally?

As an investor, there is always a risk you could lose money. Mutual funds are no exception, but the degree of risk varies considerably from one mutual fund to the next. As a general rule, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

Mutual funds own different types of investments, depending upon their investment objectives. These can include stocks, bonds, securities of other mutual funds and/or ETFs, called "**underlying funds**", cash and cash equivalents like treasury bills, and, derivatives. There is no guarantee that a mutual fund will be able to achieve its investment objective. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The full amount of your investment in any of the Funds is not guaranteed. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. It is possible to lose money by investing in a mutual fund.

Under exceptional circumstances, a mutual fund may suspend redemptions. For more information, please refer to the section entitled *"Purchases, Switches, Reclassifications and Redemptions".*

The Funds are considered "alternative mutual funds" meaning they are permitted to use strategies generally prohibited by conventional mutual funds under NI 81-102, such as the ability to borrow, up to 50% of each Fund's net asset value, cash to use for investment purposes; sell, up to 50% of each 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 each Fund's net asset value; among other things. Each Fund has obtained exemptive relief from the Canadian securities regulatory authorities to permit the Funds to engage in short sales and cash borrowing transactions in excess of the foregoing exposure limitations under NI 81-102 and use strategies generally prohibited for alternative mutual funds under NI 81-102, provided that (a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value, (b) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value, (c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value, and (d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value. In addition, the relief permits the Fund to deposit portfolio assets with a borrowing agent as security in connection with a short sale of securities in excess of 25% of the net asset value of the Fund at the time of deposit. For more information regarding the risks associated with these strategies, please see "Derivatives Risk", "Leverage Risk", "Prime Brokerage Risk" and "Short Selling Risk" below.

What are the specific investment risks of investing in a mutual fund?

Mutual funds are subject to a variety of risk factors depending on their investment objectives. Set out below in alphabetical order is a general description of the specific risks of investing in the Funds. To find out which of these risks apply to an investment in each of the Funds, please refer to "*What are the Risks of Investing in the Fund?*" under each individual fund profile starting on page 68. Not all risks apply to all Funds. There is no assurance that the Funds will be able to accomplish their objectives. An investment in a Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Arbitrage Risk

Arbitrage investing involves the risk that an expected corporate transaction will not be consummated as expected and the Fund will experience a loss.

Change in Laws

There can be no assurance that applicable laws, or other legislation, legal and statutory rights will not be changed in a manner which adversely affects a Fund or its unitholders. There can be no assurance that income tax, securities, and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the distributions received by the Fund or by the unitholders.

Commodities Risk

The Funds may invest in natural resource companies or in securities, derivatives and income or royalty trusts based on commodities, such as oil and gas, precious metals or cryptocurrencies, and will be affected by changes in commodity prices. For clarity, the Fund will not invest directly in cryptocurrencies. Commodity prices tend to be cyclical and can move dramatically in short periods of time. In addition, new discoveries or changes in government regulations can affect the price of commodities. The Funds are permitted to invest up to 100% of their NAV in physical commodities.

Concentration Risk

A Fund may concentrate its investments in securities of a small number of issuers, sectors, or countries. A relatively high concentration of assets in a small number of investments may reduce the diversification of the Fund's portfolio. The Fund may be unable to satisfy redemption requests if it cannot sell these investments in a timely and orderly manner. The Fund's performance may be more volatile due to the impact of the changes in value of these investments on the Fund.

Currency Risk

The net asset value and Unit Price of a Fund's units is calculated in Canadian dollars. Most foreign investments are purchased in currencies other than the Canadian dollar. As a result, the value of foreign investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency. If the Canadian dollar rises in value relative to the other currency but the value of the investment otherwise remains constant, the value of the investment in Canadian dollars will have fallen. Similarly, if the value of the Canadian dollar has fallen relative to the foreign currency, the value of the Fund's investment will have increased. Currency exposure may increase the volatility of foreign investments relative to Canadian investments.

The Funds may own securities denominated in foreign currencies. The Manager has the discretion to decide the extent to which the currency risk may be hedged back to the Canadian dollar. See "*Derivatives Risk*" below.

Cyber Security Risk

With the increased use of technology in the course of business, the Funds are susceptible to operational, information security and related risks. Generally, cyber security incidents can result from deliberate attacks or unintentional events that threaten the integrity, confidentiality or availability of the Funds' information resources. A cyber security incident includes, but is not limited to, gaining unauthorized access to the Funds' electronic systems (e.g., through hacking or malicious software) to corrupt data, disrupt business operations or steal confidential or sensitive information, or may involve denial of service attacks which may cause system failures and disrupt business operations. Failures or breaches of the electronic systems of the Funds, Manager, other service providers (e.g., registrar, custodian, sub-custodians and prime brokers) or the issuers of securities in which the Funds invest have the ability to cause disruptions and negatively impact the Funds' business operations. These disruptions could potentially result in financial losses, interference with the Funds' ability to calculate their net asset values, impediments to trading, inability of the Funds to process transactions including redeeming units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or compensation or additional compliance costs associated with corrective measures. Similar adverse consequences could result from cyber security incidents affecting the issuers of securities in which the Funds invest and counterparties with which the Funds engage in transactions. In addition, substantial costs may be incurred to prevent any cyber security incidents in the future. While the Funds have established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems and there is no guarantee that such efforts will succeed. Furthermore, the Funds cannot control the cyber security plans and systems of the Funds' service providers or issuers of securities in which a Fund invests.

Derivatives Risk

The Funds may use derivative instruments to help them achieve their investment objectives. These investments usually take the form of a contract between two parties where the value of the payments required under the contract is derived from an agreed source, such as the market price (or value) of an asset (which could be, for example, currency or stocks) or from an economic indicator (such as a stock market index or a specified interest rate). Derivatives are not a direct investment in the underlying asset itself.

The Funds generally use four types of derivatives: options, forwards, futures and swaps. The use of derivatives carries several risks:

- There is no guarantee that a hedging strategy will be effective or achieve the intended effect.
- There is no guarantee that a market will exist for some derivatives, which could prevent a Fund from selling or exiting the derivatives at the appropriate time. Therefore, the Fund may be unable to realize its profits or limit its losses.
- It is possible that the other party to the derivative contract will not meet its obligations under the contract.
- When entering into a derivative contract, a Fund may be required to deposit funds with the contract counterparty. If the counterparty goes bankrupt, or if the counterparty is unable or unwilling to perform its obligations in respect of the Fund, the Fund could lose these deposits.
- Securities and commodities exchanges could set daily trading limits on options and futures. This could prevent a Fund or the counterparty from carrying out its obligations under a derivative contract.
- Options and futures contacts may be more volatile than investments in underlying securities, involve additional costs, and may involve a small initial investment relative to the risk assumed.
- There is a risk of mispricing or improper valuation and that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index.
- When a Fund invests in a derivative, the Fund could lose more than the initial amount invested.

The Funds are permitted to invest in specified derivatives, uncovered derivatives and enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102.

Developed Countries Investments Risk

Investments in a developed country may subject certain Funds to regulatory, political, currency, security, economic and other risks associated with developed countries. Developed countries generally tend to rely on services sectors (e.g., the financial services sector) as the primary means of economic growth. A prolonged slowdown in services sectors is likely to have a negative impact on economies of certain developed countries, although individual developed country economies can be impacted by slowdowns in other sectors. In the past, certain developed countries have been targets of terrorism. Acts of terrorism in developed countries or against their interests may cause uncertainty in the financial markets and adversely affect the performance of the issuers to which certain Funds have exposure. Heavy regulation of certain markets, including labour and product markets, may have an adverse effect on certain issuers. Such regulations may negatively affect economic growth or cause prolonged periods of recession. Many developed countries are heavily indebted and face rising healthcare and retirement expenses. In addition, price fluctuations of certain commodities and regulations impacting the import of commodities may negatively affect developed country economies.

Emerging Markets Risk

Emerging markets may be more likely to experience political, economic and social instability, greater market volatility, lower trading volume, greater risk of a market shutdown, more governmental limitations on foreign investments, trade barriers and may be subject to corruption or have lower business standards than typically found in developed markets. Instability may result in the expropriation of assets or restrictions on payment of dividends, income or proceeds from the sale of securities held by a mutual fund or an underlying fund.

Further, custody and settlement mechanisms in emerging market countries may be less developed, resulting in delays and the incurring of additional costs to execute trades of securities. In addition, accounting and auditing standards and practices may be less stringent than those of developed countries resulting in limited availability or potentially lower quality of information relating to a Fund's or an underlying fund's investments.

European Investments Risk

Investing in European countries may expose certain Funds to the economic and political risks associated with Europe in general and the specific European countries in which they may invest. The economies and markets of European countries are often closely connected and interdependent, and events in one country in Europe can have an adverse impact on other European countries. Certain Funds may make investments in securities of issuers that are domiciled in, have significant operations in, or that are listed on at least one securities exchange within member countries of the European Union (the "**EU**"). A number of countries within the EU are also members of the Economic and Monetary Union (the "**eurozone**") and have adopted the euro as their currency. Eurozone membership requires member countries to comply with restrictions on inflation rates, deficits, interest rates, debt levels, and fiscal and monetary controls, each of which may significantly affect every country in Europe. Changes in import or export tariffs, changes in governmental or EU regulations on trade, changes in the exchange rate of the euro and other currencies of certain EU countries which are not in the eurozone, the default or threat of default by an EU member country on its sovereign debt, and/or an economic recession in an EU member country may have a significant adverse effect on the economies of other EU member countries and their trading partners. Although certain European countries are not in the eurozone, many of these countries are obliged to meet the criteria for joining the eurozone. Consequently, these countries must comply with many of the restrictions noted above. The European financial markets have experienced volatility and adverse trends in recent years due to concerns about economic downturns, rising government debt levels and the possible default of government debt in several European countries, including, but not limited to, Austria, Belgium, Cyprus, France, Greece, Ireland, Italy, Portugal, Spain and Ukraine. In order to prevent further economic deterioration, certain countries, without prior warning, can institute "capital controls". Countries may use these controls to restrict volatile movements of capital entering and exiting their country. Such controls may negatively affect a Fund's investments. A default or debt restructuring by any European country would adversely impact holders of that country's debt and sellers of credit default swaps linked to that country's creditworthiness, which may be located in countries other than those listed above. In addition, the credit ratings of certain European countries were downgraded in the past. These events have adversely affected the value and exchange rate of the euro and may continue to significantly affect the economies of every country in Europe, including countries that do not use the euro and non-EU member countries. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not produce the desired results, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and other entities of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the euro and/or withdraw from the EU. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far-reaching, and could adversely impact the value of a Fund's investments in the region.

Exchange-Traded Fund Risk

The Funds may from time to time invest in ETFs, including ETFs which qualify as index participation units under NI 81-102. A Fund's investment in an ETF will be made in accordance with applicable law. An index ETF will seek to provide returns similar to the performance of a particular market index. An index ETF may not be able to achieve the same return as its benchmark market index due to differences in the actual weights of securities held in the ETF versus the weights in the relevant index, and due to the operating and management expenses of, and taxes payable by the ETF.

The Funds have obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs that employ leverage in an attempt to magnify returns by either a multiple or an inverse multiple of an underlying benchmark or index. Leveraged ETFs typically involve a higher degree of risk because any losses are also magnified and are subject to increased volatility.

Exchange-Traded Notes Risk

The Funds may invest in exchange-traded notes. The return on these notes is typically linked to the performance of an underlying interest such as an industry, market sector or currency. Exchange-traded notes are unsecured debt obligations of an issuer. The payment of any amount due on the exchange-traded notes is subject to the credit risk of the issuer. In addition, any decline in the issuer's credit rating (or in the market's view of the issuer's creditworthiness) may adversely affect the market value of the exchange-traded note. Lastly, the exchange-traded notes may not achieve the same performance as the underlying interest, due to the fees and expenses associated with the exchange-traded notes and the difficulty of replicating the underlying interest.

Factor Risk Premia Securities Risk

The Funds may employ factor risk premia investing. A risk premium reflects exposure to sources of systemic risk. Factor risk premia seeks to harvest risk premia through exposures to factors. This style of investing will emphasize investments in securities that have exhibited higher exposure to certain characteristics. Examples include exposure to securities representing broad markets or individual stocks which have exhibited higher recent price performance (momentum), higher yield (carry) or higher intrinsic value (value). This exposure may be relative to itself or as compared to other securities. This style of investing is subject to the risk that these securities may be more volatile than a broad cross section of securities or that the returns on securities that have previously exhibited exposure to these characteristics are less than returns on other styles of investing or the overall stock market. Securities which have exposure to these types of characteristics can be volatile and cause significant variation from other types of investments. A Fund may experience significant losses if the behaviour of these factor risk premia or characteristics stop, turn or otherwise behave differently than predicted. In addition, there may be periods when the exposure to these characteristics is out of favour and the investment performance of the Fund may suffer.

Foreign Investment Risk

The value of an investment in a foreign company or government may depend on general global economic factors or specific economic and political factors relating to the country or countries in which the foreign issuer operates. The regulatory environment in some foreign countries may be less stringent than in Canada, including legal and financial reporting requirements. In other words, depending on the country in which a foreign investment is made, there may be more or less information available with respect to foreign companies. Some foreign stock markets may also have lower trading volumes and have sharper price corrections than in other countries. Some or all of these factors could make a foreign investment more volatile than a Canadian investment.

Certain countries may also have foreign investment or exchange laws that make it difficult to sell an investment or may impose withholding or other taxes that could reduce the return on the investment. Different financial, political and social factors could hurt the value of foreign investments. As a result, mutual funds that specialize in foreign investments may experience larger and more frequent price changes in the short term.

Fund of Fund Risk

The Funds may invest directly in, or obtain exposure to, other mutual funds and/or ETFs as part of their investment strategy. Consequently, these Funds are also subject to the risk of the underlying funds. If an underlying fund suspends redemptions, a Fund that invests in the underlying fund may be unable to value part of its portfolio and may be unable to redeem its investment in the underlying fund, which may have an adverse impact on the Fund's ability to satisfy redemption requests from its unitholders.

Hedging Risk

Various hedging techniques may be used in an attempt to reduce certain risks, including hedging options as a means to reduce the risks of both short-selling and taking long positions in certain transactions and hedging currency risks associated with investments denominated in foreign currencies. Recalculations and adjustments to specific position hedges will be performed as market conditions warrant. However, such position hedges entail risks of their own. For example, unanticipated changes in currency exchange rates may result in an overall poorer performance than if currency risks had not been hedged. If market conditions are analyzed incorrectly or a risk reduction strategy is employed that does not correlate well with the Fund's, or other Underlying Fund's, investments, the Fund's, or any other Underlying Fund's, risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return.

Merger transactions frequently include the issuance of stock by the acquirer with a fixed ratio of shares for each share of the target company. To the extent the Manager does not hedge using precisely this ratio the Fund will be exposed to unintended gains or losses. Furthermore, some transactions do not have a fixed ratio and require an assessment by the Manager of the correct correlation which may prove to be inaccurate and lead to imperfect hedging.

Income Arising on a Change in Investment Strategies

If the investment strategy of a Fund is altered such that the Fund disposes of the underlying funds and acquires an alternate portfolio of securities (a "**New Portfolio Acquisition**"), the Fund will be subject to tax in respect of any income, including net taxable capital gains, arising on the disposition of the underlying funds in the taxation year in which the disposition occurs. The amount of the distributions made by the Fund to unitholders in the year of a New Portfolio Acquisition may be materially higher than the amount of the distributions made to unitholders during other taxation years of the Fund. An increase in the distributions made by the Fund to unitholders may result in a material increase in the tax liabilities of a unitholder in a particular taxation year. However, the Fund does not intend to distribute additional cash to unitholders in the year in which a New Portfolio Acquisition occurs. Accordingly, unitholders will generally be required to use funds from other sources to satisfy the increased tax liabilities that may be attributable to the occurrence of a New Portfolio Acquisition.

Large Transaction Risk

If a unitholder has significant holdings in a Fund, the Fund is subject to the risk that such large unitholder may request a significant purchase or redemption of units of the Fund, which may impact the cash flow of a Fund. Large purchases and redemptions may result in: (a) the Fund maintaining an abnormally high cash balance; (b) large sales of portfolio securities impacting market value; (c) increased transaction costs (e.g., commissions); (d) significant changes to the composition of the Fund's portfolio; (e) purchase and/or sale of investments at unfavourable prices; and/or (f) capital gains being realized which may increase taxable distributions to investors. If this should occur, the returns of investors (including other mutual funds) that invest in the Fund may be adversely affected.

Leverage Risk

As "alternative mutual funds", the Funds are not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Funds that exceed the net asset value of the Funds. 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.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, each 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

The Funds have obtained exemptive relief as described in the "*Additional Information – Exemptions and approvals*" and "*Investment Strategies*" sections of this Simplified Prospectus. Subject to the terms of the exemptive relief, each Fund is permitted to engage in short selling transactions and cash borrowing up to a combined maximum of 100% of its net asset value, which is in excess of the short sale and cash borrowing limits provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

Liquidity Risk

Liquidity is a measure of how quickly and readily an investment can be sold for cash at a fair market price. Some securities may be illiquid because the company is not well known, the nature of the investment, certain features, like guarantees or a lack of purchasers interested in the particular security or market, there are few outstanding securities, there are few potential buyers or legal restrictions. Each securities exchange typically has the right to suspend or limit trading and/or quotations in all of the securities that it lists. A Fund may not be able to trade securities when it wants to do so or to realize what it perceives to be the securities' fair market value in the event of a trade. The trading of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other trading expenses than do trades of securities that are eligible for trading on securities exchanges or on "over-the-counter" markets or securities that are listed and hence more liquid. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

If a Fund cannot sell an investment quickly, it may lose money or make a lower profit, especially if it has to meet a large number of redemption requests. Substantial redemptions by unitholders within a short period of time could require the Portfolio Advisor to arrange for the Fund's positions to be liquidated more rapidly than would otherwise be desirable, which could adversely affect the value of the remaining units of the Fund. In general, investments in smaller companies, smaller markets or certain sectors of the economy tend to be less liquid than other types of investments. The less liquid an investment, the more its value tends to fluctuate.

Market Risk

Market risk is the risk of being invested in the equity and fixed income markets. The market value of a Fund's investments will rise and fall based on specific company developments and broader equity or fixed income market conditions, including, but not limited to, war and occupation, terrorism, geopolitics, health crises, natural disasters, climate change and civil unrest. Market value will also vary with changes in the general economic, political, social, environmental and financial conditions in countries where the investments are based.

Epidemic and Pandemic Risk

The impact of global epidemics and pandemics (such as the recent COVID-19 pandemic) in the future could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. In addition, the impact of infectious diseases in emerging developing or emerging market countries may be greater due to less established health care systems. Health crises caused by future epidemics and pandemics may exacerbate other pre-existing political, social and economic risks in certain countries. The impact of future epidemics and pandemics may be short term or may last for an extended period of time.

Multiple Classes Risk

The Funds are available in more than one class of units. Each class has its own fees and expenses, which are tracked separately. Those expenses will be deducted in calculating the unit value for that class, thereby reducing its unit value. If one class is unable to pay its expenses or liabilities, the assets of the other class will be used to pay those expenses or liabilities. As a result, the Unit Price of the other classes may also be reduced. Please refer to sections entitled "*Purchases, Switches, Reclassifications and Redemptions*" and "*Fees and Expenses*" for more information regarding each class and how their unit value is calculated.

Performance Fee Risk

To the extent described in this Simplified Prospectus, the Manager receives a performance fee in respect of certain classes based upon the appreciation, if any, in the daily net asset value of the class units of a Fund during a calendar quarter: (a) compared to the total return of its benchmark index, or (b) in excess of the previous high water mark for each applicable class of units. However, the performance fee theoretically may create an incentive for the Manager to make investments that are riskier than would be the case if such fee did not exist. For calculating a performance fee that uses certain benchmark indices, such as the Consumer Price Index, the Manager and/or its service providers may extrapolate performance of the benchmark index due to a delay between the publication of the benchmark index and the accrual of performance fees by the Manager. Neither the Manager nor its service providers shall be required to adjust the extrapolated performance of the benchmark index once the actual data for the benchmark index becomes available. As a result, the performance of the benchmark index and the extrapolated performance used for purposes of the determining the performance fee payable to the Manager may be different and could result in the Manager receiving performance fees in excess of (or below) what would have been received had the benchmark index performance been available on a without-delay basis. In addition, because the performance fee is calculated on a basis that includes unrealized appreciation of a Fund's assets, it may be greater than if such compensation were based solely on realized gains.

Portfolio Turnover and Rebalancing Risk

The proportions of investments held in the Funds are adjusted on a relatively frequent basis. In order to do so, the Funds actively trade on a frequent ongoing basis, such that the operation of the Funds may result in a high annual portfolio turnover rate. The amount of leverage that the Funds operate at also exaggerates the turnover rate of the Funds. The Funds have no limit on the rate of portfolio turnover, and portfolio securities may be sold without regard to the time that they have been held when, in the opinion of the Portfolio Advisor, investment considerations warrant such action. The high rate of portfolio turnover of the Funds involves correspondingly greater expenses than a lower turnover rate (e.g., greater transaction costs such as brokerage fees and market impact costs), and the greater the chance that a unitholder receiving distributions of income or capital gains from the Funds in a year. There is not necessarily a relationship between a high turnover rate and the performance of the Funds.

Rebalancing risk arises when the weights of two or more components of an overall portfolio are to be kept in a specific ratio, but the independent movement of each in the market demands that some of the components be bought or sold in order to restore the ratio back to its desired level. The greater the volatility of the components the greater the potential rebalancing required and this leads to performance degradation over time.

Prime Broker Risk

Some of the assets of the Funds may be held in one or more margin accounts due to the fact that a Fund may borrow cash for investment purposes, sell securities short and post margin as collateral for specified derivatives transactions. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. As a result, the assets of a Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if a prime broker experiences financial difficulty. In such case, a Fund may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors. In addition, the possibility of adverse market movements while its positions cannot be traded could adversely affect the total return to a Fund.

Each Fund has received exemptive relief from the Canadian securities regulatory authorities to permit the Fund to deposit portfolio assets with a borrowing agent as security in connection with a short sale of securities in excess of 25% of the net asset value of the Fund at the time of deposit.

Private Company Risk

There are risks associated with investing in private company securities. There is typically much less available information concerning private companies than for public companies. The valuation of private company securities is also more subjective and private company securities are very illiquid as there are no established markets for such securities. As a result, in order to sell this type of holding, a Fund may need to discount the securities from recent prices or dispose of the securities over a long period of time. See also "*Liquidity Risk*".

Regulatory and Legal Risk

Some industries, such as telecommunications and financial services, are heavily regulated by governments and in some cases depend on government funding and favourable decisions made by those governments. Investments in such industries may be substantially affected by changes in government policy, regulation or deregulation, ownership restrictions, funding and the imposition of stricter operating conditions. The value of the securities of issuers in regulated industries may change substantially based on these factors.

Repurchase and Reverse Repurchase Transactions and Securities Lending Risk

A Fund may enter into repurchase transactions, reverse repurchase transactions and securities lending agreements. In a repurchase transaction, the Fund sells a security at one price to a third party for cash and agrees to buy the same security back from the same party for cash at a set price at a set future date. It is a way for the fund to borrow short-term cash and earn fees. In a reverse repurchase transaction, the Fund buys a security at one price from a third party and agrees to sell the same security back to the same party at a higher price later on. It is a way for the Fund to earn a profit (or interest) and for the other party to borrow some short-term cash. A securities lending agreement is similar to a repurchase agreement, except that instead of selling the security and agreeing to buy it back later, the Fund loans the security to a third party for a fee and can demand the return of the security at any time. While the securities are on loan, the borrower provides the Fund with collateral consisting of a combination of cash and securities.

The risks with these types of transactions are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, a Fund may be left holding the security and may not be able to sell it at the same price it paid for it, plus interest, if the market value of the security has dropped. In the case of a repurchase or a securities lending transaction, a Fund could incur a loss if the value of the security sold or loaned has increased more than the value of the cash or collateral held.

Short Selling Risk

The Funds have obtained exemptive relief as described in the "*Additional Information – Exemptions and approvals*" and "*Investment Strategies*" sections of this Simplified Prospectus. Subject to the terms of the exemptive relief, each Fund is permitted to engage in short selling transactions up to a maximum of 100% of its net asset value, which is in excess of the short sale limits provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

A short sale by a Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. The borrowing fee may increase during the borrowing period, adding to the expense of a short sale strategy. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender). There is no assurance that securities will decline in value during the period of the short sale and make a profit for a Fund. Securities sold short may instead appreciate in value, creating a loss for a Fund. A Fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom a Fund has borrowed securities may go bankrupt and a Fund may lose the collateral it has deposited with the lender. As "alternative mutual funds", the Funds are not subject to certain short selling restrictions set out in applicable securities legislation that are applicable to conventional mutual funds.

Funds that invest in underlying funds may be indirectly exposed to short selling risk if the underlying funds in which they invest engage in short selling.

SPAC Risk

A Fund may invest a portion of its assets in the stock, warrants, and other securities of special purpose acquisition companies ("**SPACs**") or similar special purpose entities that raise funds for the sole purpose of seeking potential acquisition opportunities. All assets (net of operating expenses) of the SPAC are invested in government securities, money market fund securities and/or cash until an acquisition is completed. Once the SPAC identifies a transaction, common holders have the right to vote on the transaction and also to decide whether to roll their equity in the transaction or redeem shares for their pro rata share of the escrow account holdings. Should the SPAC be unable to complete an acquisition that meets its defined requirements within a pre-established period of time, the invested funds are returned to the entity's shareholders. SPACs may have specific risks, including increased volatility, associated with the regions or industries for which they pursue an acquisition. Since a SPAC is a new entity created for the purpose of acquiring another company or entity, it may have limited or no business operating history; this makes the pricing and liquidity of the security dependent on management's ability to source and complete a profitable acquisition. Furthermore, these securities may trade in the over-the-counter market which may have associated issues with price sourcing and illiquidity. SPACs may be subject to litigation which, notwithstanding management indemnifications, may result in the value of the SPAC being materially negatively impacted.

Trust Loss Restriction Rule Risk

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

U.K. Investments Risk

Investments in U.K. issuers may subject certain Funds to regulatory, political, currency, security, and economic risks specific to the U.K. The U.K.'s economy relies heavily on the export of financial services to the U.S. and other European countries. A prolonged slowdown in the financial services sector may have a negative impact on the U.K.'s economy. In the past, the U.K. has been a target of terrorism. Acts of terrorism in the U.K. or against the U.K.'s interests may cause uncertainty in the U.K.'s financial markets and adversely affect the performance of the issuers to which certain Funds have exposure. Secessionist movements, such as the Catalan movement in Spain and the independence movement in Scotland, may have an adverse effect on the U.K. economy. The U.K. left the EU in 2020 and, the U.K. and the European Parliament approved a post-Brexit EU-U.K. trade deal, the Trade and Cooperation Agreement, on April 28, 2021. Although the economic downside risks to Brexit have generally declined, implementing the trade deal and the general withdrawal agreement may give rise to significant uncertainties and instability in the financial markets in the U.K. Certain Funds will face risks associated with the potential uncertainty and consequences that may follow Brexit, including with respect to volatility in exchange rates and interest rates. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions, regulatory agencies and financial markets. Brexit has also led to legal uncertainty and could lead to politically divergent national laws and regulations as a new relationship between the U.K. and EU is defined and the U.K. determines which EU laws to replace or replicate. Any of these effects of Brexit could adversely affect any of the companies to which certain Funds have exposure and any other assets that any such Fund invests in. The political, economic and legal consequences of Brexit are not yet known. In the short term, financial markets may experience heightened volatility, particularly those in the U.K. and Europe, but possibly worldwide. The U.K. and Europe may be less stable than they have been in recent years, and investments in the U.K. and the EU may be difficult to value, or subject to greater or more frequent rises and falls in value. In the longer term, there is likely to be a period of significant political, regulatory and commercial uncertainty as the U.K. seeks to negotiate its long-term exit from the EU and the terms of its future trading relationships.

Underlying Fund Investments Risk

Each Fund may invest directly in, or obtain exposure to, other mutual funds and/or ETFs as part of its investment strategy. Upon making such investments, a Fund will be subject to the risk of the underlying funds. Several factors may result in the returns of a Fund not being equal to the underlying funds invested in by the Fund, including, but not limited to, the timing of an investor's investment relative to when the Fund is able to purchase units of the underlying funds. Additionally, if an underlying fund suspends redemptions, the Fund may be unable to value part of its portfolio and may be unable to redeem its investment in the underlying fund, which may have an adverse impact on the Fund's ability to satisfy redemption requests from its unitholders.

U.S. Investments Risk

The Funds may have significant exposure to U.S. issuers. Decreasing imports or exports, changes in trade regulations and/or an economic recession in the U.S. may have a material adverse effect on the U.S. economy and the securities listed on U.S. exchanges. Policy and legislative changes in the U.S. are changing many aspects of financial and other regulation and may have a significant effect on the U.S. markets generally, as well as the value of certain securities. In addition, a continued rise in the U.S. public debt level or U.S. austerity measures may adversely affect U.S. economic growth and the securities to which the Funds may have exposure.

The U.S. has developed increasingly strained relations with a number of countries, including traditional allies, such as certain European countries and Canada, as well as historical adversaries, such as North Korea, Iran, China and Russia. If these relations were to worsen, it could adversely affect U.S. issuers as well as non-U.S. issuers that rely on the U.S. for trade. The U.S. has also experienced increased internal unrest and discord. If this trend were to continue, it may have an adverse impact on the U.S. economy.

What are the specific investment risks of investing in a fund that invests in equity securities?

Equity Investment Risk

Companies issue equity securities, or stocks, to help pay for their operations and to finance future growth. Stocks carry several risks and a number of factors may cause the price of a stock to fall. These include specific developments relating to the company, stock market conditions where the company's securities trade and general economic, financial and political conditions in the countries where the company operates. Since a Fund's Unit Price is based on the value of its investments, an overall decline in the value of the stocks it holds will reduce the value of the Fund and, therefore, the value of your investment. However, if the price of the stocks in the portfolio increases, your investment will be worth more. Equity funds generally tend to be more volatile than fixed income funds, and the value of their units can vary widely.

Funds that invest in limited partnership units or trust units, such as oil and gas royalty trusts, real estate investment trusts and income trusts, will have varying degrees of risk depending on the sector and the underlying asset or business and may therefore be susceptible to risks associated with the industry in which the underlying business operates, to changes in business cycles, commodity prices, and to interest rate fluctuations and other economic factors.

Income Trust Investment Risk

Income trust securities may be included in the Funds. The value of income trusts and the stability of distributions from income trusts may fluctuate in accordance with changes in the financial conditions of those income trusts, the condition of equity markets generally, economic conditions, interest rates and other factors. Generally, the declaration of trust or trust agreement under which an income trust is governed provides that no unitholder of such income trust shall be subject to any liability whatsoever to any person in connection with a holding of units. In addition, legislation in force in the Provinces of Ontario, Alberta, British Columbia, Manitoba, Saskatchewan and Quebec provides that the holders of units of an income trust that is (i) governed under the laws of such province and (ii) a reporting issuer under the securities laws of such province are not, as beneficiaries, liable for any act, default, obligation or liability of the income trust. However, there remains a risk that a Fund that holds units in an income trust that is governed under the laws of a jurisdiction other than the Provinces of Ontario, Alberta, British Columbia, Manitoba, Saskatchewan or Quebec could be held liable for the obligations of such income trust to the extent that claims are not satisfied out of the assets of the income trust. Generally, income trusts publicly disclose that the risk of such liability is remote and undertake to manage their affairs to seek to minimize such risk wherever possible.

Large Capitalization Companies Risk

Large capitalization companies may be less able than smaller-capitalization companies to adapt to changing market conditions. Large-capitalization companies may be more mature and subject to more limited growth potential compared with smaller-capitalization companies. During different market cycles, the performance of large capitalization companies has trailed the overall performance of the broader securities markets.

Mid-Capitalization Companies Risk

Stock prices of mid-capitalization companies may be more volatile than those of large-capitalization companies and, therefore, the Funds' unit prices may be more volatile than those of funds that invest a larger percentage of their assets in stocks issued by large-capitalization companies. Stock prices of mid-capitalization companies are also more vulnerable than those of large-capitalization companies to adverse business or economic developments, and the stocks of mid-capitalization companies may be less liquid, making it difficult for the Fund to buy and sell them. In addition, mid-capitalization companies generally have less diverse product lines than large-capitalization companies have and are more susceptible to adverse developments related to their products.

Small-Capitalization Companies Risk

Stock prices of small-capitalization companies may be more volatile than those of larger companies and, therefore, the Fund's Unit Price may be more volatile than those of funds that invest a larger percentage of their assets in stocks issued by mid- or large-capitalization companies. Stock prices of small-capitalization companies are generally more vulnerable than those of mid- or large-capitalization companies to adverse business and economic developments. Securities of small-capitalization companies may be thinly traded, making it difficult for the Fund to buy and sell them. In addition, small-capitalization companies are typically less financially stable than larger, more established companies and may depend on a small number of essential personnel, making them more vulnerable to experiencing adverse effects due to the loss of personnel. Small-capitalization companies also normally have less diverse product lines than mid- or large-capitalization companies and are more susceptible to adverse developments concerning their products.

Volatility Risk

The value of securities in a Fund's portfolio may fluctuate, sometimes rapidly and unpredictably. The value of a security may fluctuate due to factors affecting markets generally or particular industries. This volatility may affect a Fund's net asset value and the market price of the units of a Fund. Securities in a Fund's portfolio may be subject to price volatility and the prices may be more volatile than the market as a whole. Events or financial circumstances affecting individual securities or sectors may increase the volatility of a Fund.

Convertible Securities Risk

A convertible security is a debenture or a preferred security that the holder may exchange for common stock at a pre-specified conversion rate. Because of the option to convert the security into common stock, the convertible security pays a lower coupon or preferred dividend than a comparable non-convertible debt or preferred stock issued by the company. Convertible securities are usually sold by issuing companies at discounts to their fundamental values. Due to their lower level of liquidity relative to listed equities, they often trade at discounts in the secondary market. The market value of a convertible security performs like that of a regular debt security, that is, if market interest rates rise, the value of a convertible security usually falls. In addition, a convertible security is subject to the risk that the issuer will not be able to pay interest or dividends when due, and its market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock. Further, the holding period for an investment in a convertible security may be longer than one year and could be several years for some investments.

What are the specific investment risks of investing in a fund that invests in fixed income securities?

Call Risk

If the securities in which a Fund invests are redeemed by the issuer before maturity (or "called"), the Fund may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the Fund's yield. This will most likely happen when interest rates are declining.

Corporate Debt Securities Risks

Corporate debt securities are fixed income securities issued by businesses. The market value of corporate debt may be affected by changes in the market rate of interest, the credit rating of the corporation, the corporation's performance, and perceptions of the corporation in the market place. Corporate issuers may not be able to meet their obligations on interest or principal payments at the time called for by an instrument.

Credit Risk

An issuer of a bond or other fixed income investment may not be able to pay interest or to repay the principal at maturity. The risk of this occurring is greater with some issuers than with others. For example, the risk of default is quite low for most government and high-quality corporate securities. Where this risk is considered greater, the interest rate paid by the issuer is generally higher than for an issuer where this risk is considered to be lower. This risk could increase or decline during the term of the fixed income investment.

Companies and governments that borrow money, as well as their debt securities, may be rated by specialized rating agencies. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value. Other factors can also influence a debt security's market value, such as the level of liquidity of the security or a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security and the underlying assets, if any. Lower rated debt instruments such as an instrument that has a credit rating below investment grade or may not be rated at all (sometimes referred to as "high yield"), generally offer a better yield than higher-grade debt instruments, but have the potential for substantial loss as compared to higher grade instruments.

Distressed Securities

Distressed securities are securities of an issuer that is experiencing significant financial or business problems. Distressed securities purchased by a Fund may be subject to certain additional risks to the extent that such securities may be unsecured and subordinated to substantial amounts of senior indebtedness of the issuer, a significant portion of which may be secured. Investments in distressed securities may result in significant returns to a Fund, but also involve a substantial degree of risk. The Fund may lose a substantial portion or all of its investment in a distressed investment or may be required to accept cash or securities with a value less than the Fund's purchase price for the distressed investment. Among the risks inherent in investments in distressed securities is the difficulty in obtaining information as to the true condition of the issuer. Such investments also may be adversely affected by applicable laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the relevant court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of distressed securities are also subject to abrupt and erratic movements and above average price volatility, and the spread between the bid and ask prices of such instruments may be greater than normally expected. Litigation sometimes arises in connection with distressed investments. Such litigation can be time-consuming and expensive and can frequently lead to unpredicted delays or losses.

Distressed Claims Risk

The Funds may, from time to time, invest in claims or accounts payable securities that may be in default or are from issuers in default, under bankruptcy protection, or in distress and heading towards bankruptcy. Such claims or accounts payable may not have any maturity date or required interest and may be unsecured or under-secured. As with other types of debt obligations, claims and accounts payable involve the risk of loss in case of default or insolvency of the borrower. In addition, claims may be subject to other contract defenses and offsets, such as warranty claims or failure to provide the product or services.

Fixed Income Investment Risk

Certain general investment risks can affect fixed income investments in a manner similar to equity investments. For example, specific developments relating to a company and general financial, political and economic (other than interest rate) conditions in the country in which the company operates. For government fixed income investments, general economic, financial and political conditions may affect the value of government securities. Since a Fund's Unit Price is based on the value of its investments, an overall decline in the value of its fixed income investments will reduce the value of the Fund and therefore, the value of your investment. However, your investment will be worth more if the value of the fixed income investments in the portfolio increases.

Investment in certain Funds should be made with an understanding that the value of the underlying debt securities will be affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. The value of the bonds held by certain Funds will be affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness.

Floating Rate Loan Liquidity Risk

Floating rate loans may be subject to legal or contractual restrictions on resale. The liquidity of floating rate loans varies significantly over time and among individual floating rate loans. During periods of infrequent trading, valuing a floating rate loan can be more difficult, and buying and selling a floating rate loan at an acceptable price can be more difficult and delayed. Any difficulty in selling a floating rate loan can result in a financial loss to the Fund. Floating rate loans may also be subject to certain risks due to longer settlement periods than settlement periods associated with other securities. Settlement of trade transactions in most securities typically occur in one or two business days after the trade date (T+1 or T+2). Settlement of transactions in floating rate loans are typically longer than T+2.

High Yield Securities Risk

The Funds may invest, directly or indirectly, in high yield securities that are, at the time of purchase, rated below investment grade. High yield securities risk is the risk that securities rated below investment grade by a rating agency and/or determined by the Portfolio Advisor may be more volatile than higher-quality securities of similar maturity. High yield securities may also be subject to greater levels of credit or default risk and may be traded on markets that are less liquid as compared to higher-quality securities. The value of high yield securities can be adversely affected by overall economic conditions such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price, and more difficult to value than higher-rated securities. In particular, high yield securities are often issued by smaller, less creditworthy companies, or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms, to make scheduled payments of interest and principal. High yield securities may also be issued by sovereign governments of countries with less-well developed economies, political systems, and/or financial markets.

Interest Rate Risk

Mutual funds that invest in fixed income securities, such as bonds, and money market instruments, are sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates. Certain types of fixed income securities permit issuers to repay principal before the security's maturity date. There is a risk that an issuer will exercise this prepayment right after interest rates have fallen and the Funds that hold these fixed income securities will receive payments of principal before the expected maturity date of the security and may need to reinvest these proceeds in securities that have lower interest rates.

Prepayment Risk

Many types of debt securities, including some mortgage backed securities and floating rate debt instruments, allow the issuer to prepay principal prior to maturity. Debt securities subject to prepayment risk can offer less income and/or potential for capital gains.

Senior Loan Risk

Senior loans (including leveraged loans, syndicated loans, bank loans or floating rate debt instruments) are loans made to companies or other entities by one or a syndicate of financial institutions or other lenders. These loans are typically used to finance mergers and acquisitions, leveraged buyouts, recapitalizations, refinancings and capital expenditures and for other general corporate purposes. Once the loan is issued, the lenders have the option to hold their portion for the life of the loan or to sell it to other investors in the secondary market. Senior loans are a type of debt security that are typically rated below investment grade or are unrated but deemed to be of comparable quality. Senior loans are typically secured by specific collateral of the issuer and are senior to most of the issuer's other securities in the event of bankruptcy.

Investments in senior loans may be considered speculative because of the credit risk of their issuers. Historically, these entities have been more likely to default on their payments of interest and principal relative to companies that issue investment grade debt securities, and such defaults will reduce a Fund's net asset value and income distributions. The value of senior loans may also decrease significantly during an economic downturn because borrowers may have a more difficult time keeping up with payments. Economic and other events (whether real or perceived) can reduce the demand for certain senior loans or senior loans generally, which may reduce market prices.

There is no active trading market for certain senior loans. As such, elements of judgment may play a greater role in the valuation of senior loans relative to securities with a more developed secondary market, and it may be harder for a Fund to realize full value if it needs to liquidate the asset. Some senior loans are subject to the risk that a court could mandate that other indebtedness of the borrower is repaid first, and if this happens it is possible that the borrower will default on the senior loan. A court could also take other action which would be detrimental to lenders, such as invalidating loans or causing interest and/or principal previously paid to the lenders to be refunded to the borrower. Such events would negatively impact a Fund's investment in the senior loan. In some cases, a Fund's rights under the senior loan may be limited or a Fund may not be able to unilaterally enforce its rights and remedies under the senior loan.

A Fund may purchase and sell interests in senior loans on a when issued and delayed delivery basis. In some cases, this means that no income accrues to the Fund in connection with the purchase of the senior loan interests until the Fund actually takes delivery of the interests. Because these transactions are subject to market fluctuation, the value of the interests in the senior loans at delivery may be more or less than the purchase price, and the yields available on such interests when delivery occurs may be higher or lower than the yields at the time of purchase. Because the Fund relies on the buyer or seller, as the case may be, to complete the transaction, failure by the other party to adhere to its obligations may result in the Fund missing the opportunity of obtaining an advantageous price or yield. When a Fund is the buyer in such a transaction, however, it will maintain cash, liquid securities or liquid senior loans having an aggregate value at least equal to the amount of its purchase commitments until payment is made. A Fund will only make commitments to purchase senior loan interests in this manner if it intends to actually acquire the interests, but a Fund may sell such interests prior to the settlement date if the sale is considered to be advisable. Settlement of transactions in most securities occurs several days after the trade date. In contrast, portfolio transactions in senior loans may have longer than normal settlement periods. This potentially longer settlement timeline may create a mismatch between the settlement time for a senior loan and the time in which a Fund must settle redemption requests from its investors.

Unsecured Loan Risk

Unsecured loans are loans that are not protected by a guarantor or collateralized by any assets of the borrower in the case of bankruptcy, liquidation or default. In the event of the bankruptcy of the borrower, the unsecured creditors have a general claim on the assets of the borrower after the specific pledged assets have been assigned to the secured creditors. The unsecured creditors usually realize a smaller proportion of their claims than the secured creditors. Unsecured loans issued by companies and other entities may have a higher interest rate than secured debt instruments but typically assume a greater amount of risk and/or have lower ratings due to their higher default risk.

Investments in unsecured loans may be considered speculative because of the credit risk of their issuers. Historically, these entities have been more likely to default on their payments of interest and principal relative to entities that issue investment grade debt securities, and such defaults will reduce a Fund's net asset value and income distributions. The value of unsecured loans may also decrease significantly during an economic downturn because borrowers may have a more difficult time keeping up with payments. Economic and other events (whether real or perceived) can reduce the demand for certain unsecured loans or unsecured loans generally, which may reduce market prices.

There is no active trading market for certain unsecured loans. As such, elements of judgment may play a greater role in the valuation of unsecured loans relative to securities with a more developed secondary market, and it may be harder for a Fund to realize full value if it needs to liquidate the asset. Some unsecured loans are subject to the risk that a court could mandate that other indebtedness of the borrower is repaid first, and if this happens it is possible that the borrower will default on the unsecured loan. A court could also take other action which would be detrimental to lenders, such as invalidating loans or causing interest and/or principal previously paid to the lenders to be refunded to the borrower. Such events would negatively impact a Fund's investment in the unsecured loan. In some cases, a Fund's rights under the unsecured loan may be limited or a Fund may not be able to unilaterally enforce its rights and remedies under the unsecured loan.

A Fund may purchase and sell interests in unsecured loans on a when issued and delayed delivery basis. In some cases, this means that no income accrues to the Fund in connection with the purchase of the unsecured loan interests until the Fund actually takes delivery of the interests. Because these transactions are subject to market fluctuation, the value of the interests in the unsecured loans at delivery may be more or less than the purchase price, and the yields available on such interests when delivery occurs may be higher or lower than the yields at the time of purchase. Because the Fund relies on the buyer or seller, as the case may be, to complete the transaction, failure by the other party to adhere to its obligations may result in the Fund missing the opportunity of obtaining an advantageous price or yield. When a Fund is the buyer in such a transaction, however, it will maintain cash, liquid securities or liquid unsecured loans having an aggregate value at least equal to the amount of its purchase commitments until payment is made. A Fund will only make commitments to purchase unsecured loan interests in this manner if it intends to actually acquire the interests, but a Fund may sell such interests prior to the settlement date if the sale is considered to be advisable. Settlement of transactions in most securities occurs several days after the trade date. In contrast, portfolio transactions in unsecured loans may have longer than normal settlement periods. This potentially longer settlement timeline may create a mismatch between the settlement time for an unsecured loan and the time in which a Fund must settle redemption requests from its investors.

What are the specific investment risks of investing in ETF units?

Absence of Active Market Risk

Although ETF units of the Existing Funds are listed on the TSX, there can be no assurance that an active public market for ETF units will develop or be sustained.

Halted Trading Risk

Trading of ETF units on certain marketplaces may be halted by the activation of individual or market-wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). In the case of the TSX, trading of ETF units may also be halted if: (i) the ETF units are delisted from the TSX without first being listed on another exchange; or (ii) TSX officials determine that such action is appropriate in the interest of a fair and orderly market or to protect unitholders.

Trading Price Risk

ETF units may trade in the market at a premium or discount to the net asset value per unit. There can be no assurance that ETF units will trade at prices that reflect their net asset value per unit. The trading price of ETF units will fluctuate in accordance with changes in a Fund's net asset value, as well as market supply and demand on the TSX (or such other exchange or marketplace on which ETF units of a Fund may be traded from time to time). However, as Designated Brokers and ETF Dealers subscribe for and exchange Prescribed Number of Units (as defined below) at the net asset value per unit, large discounts or premiums to net asset value should not be sustained.

INVESTMENT RESTRICTIONS

The Funds are subject to certain restrictions and practices contained in securities legislation, including NI 81-102. These restrictions are designed in part to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds. The Funds are managed in accordance with these restrictions and practices, subject to exemptions therefrom obtained by the Fund.

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

The Funds have obtained exemptive relief from Canadian securities regulatory authorities to invest in certain inverse, and leveraged ETFs, and to engage in short sales and cash borrowing in excess of the exposure limitations under NI 81-102. Please see "*Responsibility for Fund Administration – Permitted ETFs*" and "*Additional Information – Exemptions and approvals*".

The Funds have obtained exemptive relief from applicable securities laws in connection with the offering of ETF units to:

(a) relieve the Funds from the requirement to prepare and file a long form prospectus for the ETF units in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus* provided that the Manager files (i) a prospectus for the ETF units in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of a fund facts document; and (ii) an ETF facts document in accordance with Part 3B of National Instrument 41-101 *General Prospectus Requirements*;

(b) relieve the Funds from the requirement to include a certificate of an underwriter in a Fund's prospectus;

(c) relief from the requirements of National Instrument 62-104 *Takeover Bids and Issuer Bids* relating to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee, in each of the provinces and territories of Canada for all purchasers and holders of the ETF units; and

(d) relief to permit the Manager and each Fund to treat the ETF units and the Class A, Class F, Class FT, Class I and Class O units as if such securities were separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102.

Pursuant to NI 81-102, each Fund must not pay, or enter into arrangements that would require it to pay, and securities of each Fund must not be sold on the basis that an investor would be required to pay, a fee that is determined by the performance of the Fund unless:

(a) the payment of the incentive fee is based on the cumulative total return of the Fund for the period that began immediately after the last period for which such incentive fee was paid; and

(b) the method of calculating the incentive fee is described in this Simplified Prospectus in respect of each Fund.

Eligibility for Registered Tax Plans

In order for units to be "**qualified investments**" for Registered Plans, the Funds must satisfy certain investment restrictions in the Tax Act to qualify as a "mutual fund trust" for the purposes of the Tax Act, or in respect of ETF units of a Fund, the ETF units must be, and continue to be, listed on the Toronto Stock Exchange ("**TSX**"). The Funds intend to comply with such restrictions to qualify as a "mutual fund trust" for purposes of the Tax Act. Holders of TFSAs, FHSAs or RDSPs, annuitants of RRSPs or RRIFs, or subscribers of RESPs, as the case may be, should consult with their own advisors as to whether units would be "prohibited investments" for such plans for the purposes of the Tax Act.

DESCRIPTION OF SECURITIES OFFERED BY THE MUTUAL FUND

Each Fund is a separate trust formed under the Declaration of Trust. Each Fund is permitted to issue an unlimited number of classes of units and may issue an unlimited number of units of each class. Each of the Funds has created Class A, Class F and Class I units, and in the case of the Picton Mahoney Fortified Market Neutral Alternative Fund, the Picton Mahoney Fortified Multi-Strategy Alternative Fund, and the Picton Mahoney Fortified Alpha Alternative Fund, Class FT units, and in the case of the Picton Mahoney Fortified Active Extension Alternative Fund and the Picton Mahoney Fortified Inflation Opportunities Alternative Fund, Class O units, and in the case of the Funds other than the Arbitrage Funds and the Picton Mahoney Fortified Inflation Opportunities Alternative Fund, ETF units. Some of the Funds may also offer Class P units, which are only available on an exempt distribution basis. Units of each Fund have the following attributes:

(a) each unit shall be without nominal or par value;

(b) at each meeting of unitholders, each unitholder shall have one vote for each unit owned by such unitholder as determined at the close of business on the record date for voting each such meeting, with no voting rights being attributed to fractions of a unit;

(c) the holder of each unit will participate in distributions of income, capital gains and returns of capital, and in the division of net assets of a Fund on liquidation based on the relative net asset value of the holder's particular class of units and in accordance with such Fund's Declaration of Trust;

(d) there shall be no pre-emptive rights attaching to the units;

(e) there shall be no cancellation or surrender provisions attaching to the units except as set out in the Declaration of Trust;

(f) all units shall be issued as fully paid and non-assessable so that there shall be no liability for future calls or assessments with respect to the units;

(g) all units shall be fully transferable with the consent of the Trustee as provided in the Declaration of Trust; and

(h) fractional units may be issued and shall be proportionately entitled to all the same rights as whole units, except as provided in the Declaration of Trust.

Class A units: Available to all investors.

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

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

Class I units: Available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager. Class I Units of the Picton Mahoney Fortified Arbitrage Alternative Fund are available to the Picton Mahoney Fortified Arbitrage Plus Alternative Fund and other investment funds managed by the Manager.

Class O units: Available to dealers and institutional investors who have entered into an agreement with us and make the required minimum initial investment, and, investors who have a discretionary managed account with us and make the required minimum initial investment and minimum subsequent investment, each as determined by us from time to time. No management fees are charged to the Funds with respect to the Class O units.

ETF units: If such units of the Funds are listed (see "*Purchases, Switches, Reclassifications and Redemptions of Units*" on page 19), such units will be 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.

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

Matters Requiring Unitholder Approval

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

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

(b) the introduction of a fee or expense, to be charged to a Fund or directly to its unitholders, by the Fund or the Manager in connection with the holding of securities of the Fund that could result in an increase in charges to the Fund or to its unitholders;

(c) a change in the manager of the Funds, unless the new manager is an affiliate of the current manager;

(d) a change in the fundamental investment objectives of a Fund;

(e) a decrease in the frequency of the calculation of the net asset value per unit of a Fund;

(f) in certain cases, a reorganization of the Funds with, or transfers its assets to, another issuer; or

(g) any other matter or thing stated in the Declaration of Trust that is required to be consented to or approved by unitholders.

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

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

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

Under applicable securities laws, certain merger transactions involving the Funds may be completed without the approval of the unitholders provided that, among other things, the transaction is approved by the IRC and we provide you with at least 60 days' notice of the proposed merger.

Termination of the Funds

A Fund may be terminated by us (and its units redeemed by such Fund) on at least 60 days' notice to the unitholders. Upon termination of a Fund, we will discharge all of the liabilities of the Fund and distribute the net assets to unitholders entitled thereto, which distribution may be made at such time or times and in cash or in kind or partly in both, all as we in our discretion may determine. After all liabilities have been discharged and all distributions have been made to unitholders entitled thereto, a Fund shall be deemed to be terminated.

NAME, FORMATION AND HISTORY OF THE MUTUAL FUNDS

Address of the Funds and the Manager

Currently, the principal office of the Funds and the Manager is located at 33 Yonge Street, Suite 830, Toronto, Ontario, M5E 1G4**.** Effective June 1, 2024, the principal office of the Funds and the Manager will be located at 33 Yonge Street, Suite 320, Toronto, Ontario M5E 1G4.

Formation of the Funds

Each Fund is an alternative mutual fund organized as an open-ended mutual fund trust governed under the laws of Ontario pursuant to the Declaration of Trust. See "*Material Contracts"* and "*Responsibility for Fund Administration*".

The table below lists each of the Funds and their respective date of formation:

Fund	Date of Formation
Picton Mahoney Fortified Active Extension Alternative Fund	September 21, 2018
Picton Mahoney Fortified Market Neutral Alternative Fund	September 21, 2018
Picton Mahoney Fortified Multi-Strategy Alternative Fund	September 21, 2018
Picton Mahoney Fortified Income Alternative Fund	June 26, 2019

Fund	Date of Formation
Picton Mahoney Fortified Long Short Alternative Fund	July 7, 2020
Picton Mahoney Fortified Special Situations Alternative Fund	July 8, 2021
Picton Mahoney Fortified Alpha Alternative Fund	April 20, 2022
Picton Mahoney Fortified Arbitrage Alternative Fund	December 18, 2018
Picton Mahoney Fortified Arbitrage Plus Alternative Fund	December 18, 2018
Picton Mahoney Fortified Inflation Opportunities Alternative Fund	April 26, 2023

Major Changes of the Funds During the Last 10 Years

On January 13, 2020, the Manager completed its acquisition of the investment fund management contracts for the Funds from Vertex (the "**Transaction**"). The Arbitrage Funds continue to be managed by Craig Chilton and Tom Savage, who have joined the Manager from Vertex upon the closing of the Transaction.

On closing of the Transaction, the Manager became the investment fund manager and portfolio advisor of each of the Arbitrage Funds. Effective January 13, 2020, the names of the Arbitrage Funds changed as follows:

New Fund Name	Former Fund Name
Picton Mahoney Fortified Arbitrage Alternative Fund	Vertex Liquid Alternative Fund
Picton Mahoney Fortified Arbitrage Plus Alternative Fund	Vertex Liquid Alternative Fund Plus

FUND SPECIFIC INFORMATION

Fund Details

This is a summary of some basic information about each of the Funds, such as when the Fund was started, when each class of units of the Fund was started, the type of fund that the Fund is best characterized as, and whether the Fund is eligible as an investment for Registered Plans, such as RRSPs, TFSAs, RESPs, etc.

What do the Funds invest in?

This section describes a Fund's fundamental investment objectives and the principal investment strategies the Portfolio Advisor uses in trying to achieve those objectives. It also describes the types of securities the Fund can invest in and how the Portfolio Advisor chooses the investments and manages the portfolio.

What are the risks of investing in the Fund?

This section explains some of the risks of investing in a Fund. Please refer to "*What are the specific investment risks of investing in a mutual fund?*" for a description of each risk factor.

Investment Risk Classification Methodology

The methodology used to determine the investment risk level of each of the Funds for purposes of disclosure in this Simplified Prospectus 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.

The investment risk level for a Fund with at least 10 years of performance history will be based on such Fund's historical volatility, as measured by its 10-year standard deviation of performance. The investment risk level for a Fund with less than 10 years of performance history will be based on the historical volatility of the Fund and, for the remainder of the 10 year period, the historical volatility of a reference index that reasonably approximates such Fund's historical performance, as measured by the reference index's standard deviation of performance, will be used.

However, the Manager recognizes that other types of risk, both measurable and non-measurable, may exist and we remind you that the historical performance of a Fund (or a reference index used as its proxy) may not be indicative of future returns and that the historical volatility of such Fund (or a reference index used as its proxy) may not be indicative of its future volatility.

The risk rating categories of this methodology are:

> **Low (standard deviation range of 0 to less than 6) -** for funds with a level of risk that is typically associated with investments in Canadian fixed-income funds and in money market funds;
>
> **Low to Medium (standard deviation range of 6 to less than 11) -** for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;
>
> **Medium (standard deviation range of 11 to less than 16) -** for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/ or international equity securities;
>
> **Medium to High (standard deviation range of 16 to less than 20) -** for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and
>
> **High (standard deviation range of 20 or greater) -** for funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The investment risk level of the Funds is determined when the fund is first created and is reviewed annually. The methodology that the Manager uses to identify the investment risk level of the Funds is available on request, at no cost, by calling toll-free at 1-866-369-4108 or by writing to us at c/o Picton Mahoney Asset Management, 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4. Effective June 1, 2024, the address will be changed to 33 Yonge Street, Suite 320, Toronto, Ontario M5E 1G4.

Distribution Policy

This section explains when the Funds will make distributions. You earn money from a Fund when the Fund distributes amounts to you out of interest, dividend and other income earned and capital gains realized on their underlying investments. Mutual fund trusts may make distributions that are treated as ordinary income, dividend income, capital gains, foreign source income or non-taxable amounts (including returns of capital).

PICTON MAHONEY FORTIFIED ACTIVE EXTENSION ALTERNATIVE FUND

FUND DETAILS

Type of Fund	Alternative mutual fund; long/short primarily Canadian equities
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started: Date ETF Units Started: Date Class O Units Started:	September 21, 2018 September 21, 2018 September 21, 2018 September 21, 2018 July 5, 2019 April 26, 2023
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Extension Alternative Fund (the "**Fund**") is to provide long-term capital appreciation and to provide unitholders with an attractive risk-adjusted rate of return with similar volatility to the traditional equity market by taking long and short investment positions in an actively-managed portfolio comprised primarily of Canadian equity securities.

The Fund may also invest in international equity securities, North American and international fixed income securities including high yield securities, derivative instruments, such as options, futures, forward contracts and swaps, securities of investment funds, and cash and cash equivalents. The Fund may engage in physical short sales and/or borrowing for investment purposes.

The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

Investment Strategies

To achieve the investment objective, the Fund invests in an actively managed long portfolio composed primarily of securities of companies identified as attractive investment candidates by the Portfolio Advisor's investment process. The Fund will engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations. The Fund will short sell securities identified as unattractive investments by the Portfolio Advisor's investment process and/or to hedge the market exposure of the Fund's long positions. In order to achieve its investment objective, the Fund will be structured so that it generally possesses 100% net equity market exposure. That is, on average, over an entire economic cycle, the Portfolio Advisor expects the Fund will possess a net 100% long exposure with market beta of approximately 1.0. Market beta is a measure of the sensitivity of the portfolio when compared to the market as a whole. On average, over time, the Portfolio Advisor expects that, for every $100 invested, the Fund's portfolio shall be constructed as follows:

$100 Cash = $130 stock bought long

($30) stock sold short

resulting in a gross market exposure of 160%. The Portfolio Advisor may alter the gross market exposure of the Fund depending on the Portfolio Advisor's expectations of the overall equity markets up to 200% of gross market exposure. On a position-by-position basis, margin requirements of the applicable exchange will be adhered to by the Fund.

The Fund will invest primarily in Canadian equity securities but will not be limited in the type of equity securities in which it may invest.

The Fund may also choose to:

- invest up to 49% of its net exposure in international securities;
- pairs trade by taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers;
- participate in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded issuers to the extent permitted by securities regulations;
- invest in private placements by private companies, to the extent permitted by securities regulations;
- invest in fixed income securities;
- use derivative instruments, such as options, futures, forward contracts and swaps, cleared and uncleared, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:
  - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies;
  - implement option spreads by purchasing an option on a security and simultaneously selling an option on the same security with the same expiry date; and
  - gain exposure to individual securities and markets instead of buying the securities directly; and
- hold cash and cash equivalents.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "Derivatives Risk", "Short Selling Risk", "Leverage Risk" and "Prime Broker Risk" in the "What are the Risks of Investing in a Mutual Fund?" section of this Simplified Prospectus.

Leverage

The Fund is permitted to borrow to increase its investment leverage. As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or derivatives. On average, over time, the Fund generally expects to utilize leverage of 1.5 to 2 times its net assets, or, as may be permitted by securities regulations.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

Cash Borrowing

As an "alternative mutual fund", the Fund is not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds. Where a Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Pursuant to NI 81-102, as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102, the Fund's cash borrowing is subject to certain conditions including:

(a) the Fund may only borrow from an entity described in sections 6.2 or 6.3 of NI 81-102;

(b) if the lender is an affiliate of the Manager, the IRC must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

(c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction;

(d) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value;

(e) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(f) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Repurchase and Reverse Repurchase Transactions and Securities Lending

The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

<u>Short Sales</u>
Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender).

As an "alternative mutual fund" under NI 81-102, the Fund's use of short selling is subject to the following conditions as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value;

(b) the aggregate market value of all securities of the issuer of the securities sold short by the Fund must not exceed 10% of the Fund's net asset value;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

<u>Use of Derivatives</u>
There are many types of derivatives that generally take the form of a contract between two parties to purchase or sell a specific currency, commodity, security, index or other underlying interest (each, an "**Underlying Interest**") at a later time. A derivative is not a direct investment in the Underlying Interest itself. Derivatives may be traded on a securities exchange or "over-the-counter" markets. Common types of derivatives include:

- <u>Options</u> – agreements that give the holder of the option the right, but not the obligation, to purchase or sell an Underlying Interest within a specified period at an agreed upon price. A premium is paid by the purchaser of the option to the seller for the option.
- <u>Futures and Forward Contracts</u> – agreements made today to purchase or sell a particular Underlying

Interest at a future date at an agreed upon price, or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange and are generally subject to standardized terms and conditions, while forward contracts are not.

- Swaps – agreements between two parties to exchange payments based on the value, level or price, or on relative changes or movements of the value, level or price, of one or more Underlying Interests, which payments may be netted against each other. Swaps could also involve the physical delivery of an Underlying Interest instead of the exchange of cash payments, or the exchange of principal amounts. The most common type of swap is an interest rate swap, where one party makes cash payments based on a fixed interest rate applied to a notional amount, in exchange for cash payments based on floating interest rate based on reference rate such as the London Interbank Offered Rate applied on the same notional amount. Swaps do not trade on organized exchanges and are "over-the-counter" contracts.

The Fund is permitted to invest in specified derivatives, uncovered derivatives and enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102.

Investments in Other Funds

The Fund may invest in securities of underlying funds (including underlying funds managed by the Manager or an affiliate or associate of the Manager). The types of underlying funds held by the Fund will be selected with consideration for the underlying fund's investment objectives and strategies, past performance and operational efficiencies. The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a "**Permitted ETF**"). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund's net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a "**Bear ETF**") or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

Portfolio Turnover

The investment strategies of the Fund involve a significant amount of portfolio turnover. See "*Portfolio Turnover and Rebalancing Risk*" on page 51 for a description of the risks of high portfolio turnover.

General

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Advisor may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund's holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Change in Laws
- Concentration Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Foreign Investments Risk
- Fund of Fund Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Private Company Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk

- Trust Loss Restriction Rule Risk
- U.K. Investments Risk
- Underlying Fund Investments Risk
- U.S. Investments Risk

The Fund is exposed to the following risk in connection with its investment in equity securities:

- Equity Investment Risk
- Income Trust Investment Risk
- Large Capitalization Companies Risk
- Mid-Capitalization Companies Risk
- Small-Capitalization Companies Risk
- Volatility Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk
- Corporate Debt Securities Risk
- Credit Risk
- Fixed Income Investment Risk
- High Yield Securities Risk
- Interest Rate Risk

Additional risks associated with an investment in ETF units of the Fund include:

- Absence of Active Market Risk
- Halted Trading Risk
- Trading Price Risk

As at March 31, 2024, a single unitholder owned, beneficially and of record, 10.83% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as medium risk. Please see "*Investment Risk Classification Methodology*" on page 67 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the historical return of the Fund since inception and the return of the following reference index for the remainder of the 10 year period: S&P/TSX Composite Index, the headline index and the principal broad market measure for the Canadian equity market.

DISTRIBUTION POLICY

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 15). Subject to applicable securities legislation, all distributions paid on Class A, Class F, Class I and Class O units will be automatically reinvested in additional units unless the holder instructs the Fund to pay such distributions in cash, and all distributions paid on ETF units will be made in cash.

Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. A unitholder that subscribes for ETF units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units. The Manager reserves the right to change such policy, and may elect to have distributions on the Class A, Class F, Class I and Class O units paid in cash.

PICTON MAHONEY FORTIFIED MARKET NEUTRAL ALTERNATIVE FUND

FUND DETAILS

Type of Fund	Alternative mutual fund; market neutral fund
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started: Date ETF Units Started: Date Class FT Units Started:	September 21, 2018 September 21, 2018 September 21, 2018 September 21, 2018 July 5, 2019 July 9, 2021
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Market Neutral Alternative Fund (the "**Fund**") is to provide consistent long-term capital appreciation and to provide unitholders with an attractive risk-adjusted rate of return with less volatility than traditional equity markets and low correlation to major equity markets.

The Fund invests in long and short positions in equity, derivatives such as such as options, futures, forward contracts and swaps, securities of investment funds, fixed income securities including high yield securities, cash and cash equivalents. The Fund may engage in borrowing for investment purposes.

The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

Investment Strategies

To achieve the investment objective, the Fund invests in an actively managed long portfolio comprised primarily of equity securities identified as attractive investment candidates by the Portfolio Advisor's investment process. Consistent with the investment objectives of the Fund, up to 100% of the aggregate market value of the Fund may be sold short, as permitted by securities regulations. The Fund will short sell securities identified as unattractive investments by the Portfolio Advisor's investment process and/or to hedge the market exposure of the Fund's long positions.

The Fund will be structured so that it generally possesses minimal equity market exposure. That is, on average, over an entire economic cycle, the Portfolio Advisor expects the Fund will possess +/- 20% net long exposure, with market beta of approximately 0. Market beta is a measure of the sensitivity of the portfolio when compared to the market as a whole. On a position-by-position basis, margin requirements of the applicable exchange will be adhered to by the Fund.

The Fund invests an amount approximately equal to its Net Asset Value in cash or money market instruments. The Fund is expected on average to generate approximately 1.0 times this amount by selling securities short and investing in derivatives such as such as options, futures, forward contracts and swaps, cleared and uncleared, for both hedging and non-hedging strategies. Derivatives instruments may be used in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:

- hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies;
- implement option spreads by purchasing an option on a security and simultaneously selling an option on the same security with the same expiry date; and gain exposure to individual securities, markets and asset classes instead of buying the securities directly.

The Fund will not be limited in the type of equity securities in which it may invest.

The Fund may also choose to:

- invest up to 100% of its portfolio in international securities;
- participate in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded issuers to the extent permitted by securities regulations;
- invest in private placements by private companies, to the extent permitted by securities regulations;
- invest up to 20% of its net exposure in the Picton Mahoney Fortified Multi-Strategy Fund or other securities which provide exposure to asset classes set out in the investment objective of the Fund**;** and
- hold cash and cash equivalents.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "Derivatives Risk", "Short Selling Risk", "Leverage Risk" and "Prime Broker Risk" in the "What are the Risks of Investing in a Mutual Fund?" section of this Simplified Prospectus.

<u>Leverage</u>
The Fund is permitted to borrow to increase its investment leverage. As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or derivatives. On average, over time, the Fund generally expects to utilize leverage of 2 to 2.5 times its net assets, or, as permitted by securities regulations.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

Cash Borrowing
As an "alternative mutual fund", the Fund is not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds. Where a Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Pursuant to NI 81-102, as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102, the Fund's cash borrowing is subject to certain conditions including:

(a) the Fund may only borrow from an entity described in sections 6.2 or 6.3 of NI 81-102;

(b) if the lender is an affiliate of the Manager, the IRC must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

(c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction;

(d) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value;

(e) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(f) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Repurchase and Reverse Repurchase Transactions and Securities Lending
The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

Short Sales
Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender).

As an "alternative mutual fund" under NI 81-102, the Fund's use of short selling is subject to the following conditions as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value;

(b) the aggregate market value of all securities of the issuer of the securities sold short by the Fund must not exceed 10% of the Fund's net asset value;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Use of Derivatives
There are many types of derivatives that generally take the form of a contract between two parties to purchase or sell a specific currency, commodity, security, index or other underlying interest (each, an "**Underlying Interest**") at a later time. A derivative is not a direct investment in the Underlying Interest itself. Derivatives may be traded on a securities exchange or "over-the-counter" markets. Common types of derivatives include:

- Options – agreements that give the holder of the option the right, but not the obligation, to purchase or sell an Underlying Interest within a specified period at an agreed upon price. A premium is paid by the purchaser of the option to the seller for the option.
- Futures and Forward Contracts – agreements made today to purchase or sell a particular Underlying Interest at a future date at an agreed upon price, or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange and are generally subject to standardized terms and conditions, while forward contracts are not.
- Swaps – agreements between two parties to exchange payments based on the value, level or price, or on relative changes or movements of the value, level or price, of one or more Underlying Interests, which payments may be netted against each other. Swaps could also involve the physical delivery of an Underlying Interest instead of the exchange of cash payments, or the exchange of principal amounts. The most common type of swap is an interest rate swap, where one party makes cash payments based on a fixed interest rate applied to a notional amount, in exchange for cash payments based on floating interest rate based on reference rate such as the London Interbank Offered Rate applied on the same notional amount. Swaps do not trade on organized exchanges

and are “over-the-counter” contracts.

As an “alternative mutual fund”, the Fund is permitted to invest in specified derivatives, uncovered derivatives and enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102. The Fund’s use of derivatives is limited by the restrictions on the Fund’s aggregate gross exposure described under “Leverage” above.

<u>Investments in Other Funds</u>
The Fund may invest in securities of underlying funds (including underlying funds managed by the Manager or an affiliate or associate of the Manager). The types of underlying funds held by the Fund will be selected with consideration for the underlying fund’s investment objectives and strategies, past performance and operational efficiencies. The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a “**Permitted ETF**”). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund’s net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a “**Bear ETF**”) or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

<u>Portfolio Turnover</u>
The investment strategies of the Fund involve a significant amount of portfolio turnover. See “*Portfolio Turnover and Rebalancing Risk*” on page 51 for a description of the risks of high portfolio turnover.

<u>General</u>
As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a “material change” if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Advisor may actively trade the Fund’s investments. This can increase trading costs, which lower the Fund’s returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund’s holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see “*What are the specific investment risks of investing in a mutual fund?*“ for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Change in Laws
- Concentration Risk
- Currency Risk

- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Emerging Markets Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Factor Risk Premia Strategies Risk
- Foreign Investments Risk
- Fund of Fund Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Private Company Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- Trust Loss Restriction Rule Risk
- U.K. Investments Risk
- Underlying Fund Investments Risk
- U.S. Investments Risk

The Fund is exposed to the following risk in connection with its investment in equity securities:

- Equity Investment Risk
- Income Trust Investment Risk
- Large Capitalization Companies Risk
- Mid-Capitalization Companies Risk
- Small-Capitalization Companies Risk
- Volatility Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk
- Corporate Debt Securities Risk
- Credit Risk
- Fixed Income Investment Risk
- High Yield Securities Risk
- Interest Rate Risk

Additional risks associated with an investment in ETF units of the Fund include:

- Absence of Active Market Risk
- Halted Trading Risk
- Trading Price Risk

As at March 31, 2024, no unitholder owned, beneficially and of record, more than 10% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as low to medium risk. Please see "*Investment Risk Classification Methodology*" on page 67 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the historical return of the Fund since inception and the return of the following reference index for the remainder of the 10 year period: HFRI Equity Market Neutral Index (hedged to CAD), a broadly constructed index of market neutral investment strategies maintained by Hedge Fund Research Inc.

DISTRIBUTION POLICY

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 15). Subject to applicable securities legislation, all distributions paid on Class A, Class F and Class I units will be automatically reinvested in additional units unless the holder instructs the Fund to pay such distributions in cash, and all distributions paid on ETF units will be made in cash. For Class FT units, unitholders will receive a target monthly distribution at an initial rate of 4% per annum. The target rate of monthly distribution will initially be set at the inception of the class and then will be reset at the beginning of each calendar year to provide a target yield based on the net asset value per Class FT unit as at December 31 of the prior year. Throughout the year, such monthly distributions to unitholders will be composed of net income, net capital gains and/or a return of capital. Distributions paid on Class FT will automatically be paid in cash unless the holder instructs the Fund to pay reinvest such distributions.

Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. A unitholder that subscribes for ETF units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units. The Manager reserves the right to change such policy, and may elect to have distributions on the Class A, Class F and Class I units paid in cash, or in the case of Class FT, to have distributions automatically reinvested.

PICTON MAHONEY FORTIFIED MULTI-STRATEGY ALTERNATIVE FUND

FUND DETAILS

Type of Fund	Alternative mutual fund; multi-strategy fund
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started: Date ETF Units Started: Date Class FT Units Started:	September 21, 2018 September 21, 2018 September 21, 2018 September 21, 2018 July 5, 2019 July 9, 2021
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Multi-Strategy Alternative Fund (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, distressed debt, floating rate loans, senior loans and unsecured loans), 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 aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

Investment Strategies

The investment strategy of the Fund is global in nature and will have exposure to international markets, including emerging markets. Strategies can be implemented within and across various financial markets including global equity markets including emerging markets, global government and corporate fixed income markets, foreign exchange markets, commodity derivative markets, currency markets and volatility markets. To achieve the investment objective, the Fund invests in an actively managed portfolio comprised of securities across a variety of asset classes identified as attractive investment candidates by the Portfolio Advisor's investment process.

Consistent with the investment objectives of the Fund, up to 100% of the aggregate market value of the Fund may be sold short, as permitted by securities regulations. The Fund will short sell securities identified as unattractive investments by the Portfolio Advisor's investment process and/or to hedge the market exposure of the Fund's long positions.

The Portfolio Advisor utilizes a multi-layered investment process based on modern portfolio construction techniques and a comprehensive set of traditional and alternative asset classes, factor risk premia strategies and alpha processes:

- Asset class exposure includes exposure to global equity markets, global fixed income markets (both government and corporate), commodity markets and currency markets.

- A risk premium reflects exposure to sources of systemic risk. Factor risk premia seeks to harvest risk premia through exposures to factors. Factors are attributes relating to a group of securities that help explain their return and risk. Factor risk premia strategies are implemented by ranking groups of securities by their exposure to a factor such as momentum or value. This strategy can be implemented within a traditional asset class, such as equities or fixed income, or an alternative asset class, such as commodities or currencies.

- Alpha process seeks to capture idiosyncratic returns associated with manager skill. Alpha processes can be implemented by investing in other actively managed strategies, such as a market neutral strategy. This may include investing in funds for which the Manager is the manager and/or portfolio advisor.

The Portfolio Advisor will use a proprietary economic cycle model in order to assess asset class and risk premia strategy behaviour and to construct portfolios. Using both systematic as well as discretionary approaches, the Portfolio Advisor will apply strategic and tactical allocations at all levels of the Fund, within and across layers. The strategic allocations will be aligned with a longer-term view of the behaviour and characteristics of markets and strategies. The tactical allocations will be based on a short to intermediate time horizon and may contain portfolio hedges through the use of options, futures and other securities.

The portfolio management process will also use a risk-budgeting process to weigh different components of the portfolios. The risk-budgeting will occur across layers as well as within layers. A variety of methods are used to measure risk, including, standard deviation of returns (volatility), maximum drawdown experienced through time, tail-risk as defined by a large loss over a short time horizon as well as both historical and hypothetical stress tests. Both qualitative and quantitative approaches are used to estimate risk measures. The risk measures are potentially applied to the individual markets as well as asset classes, strategies, layers and fund investments.

On a position-by-position basis, margin requirements of the applicable exchange will be adhered to by the Fund.

The Fund may also choose to:

- invest up to 100% of its portfolio in international securities;

- pairs trade by taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers;

- invest in fixed income securities;

- engage in arbitrage strategies, including:

    - yield and credit curve arbitrage by combining a long position in an issuer's bond at one maturity with a short position in the bonds of the same issuer at a different maturity;

- fixed income arbitrage by taking offsetting long and short positions in government bonds and investment grade corporate bonds, government agency securities, swap contracts, and futures and options on fixed income instruments that are mathematically, fundamentally, or historically interrelated;
- capital structure arbitrage by combining a long position in an issuer's senior debt with a short position in its junior debt or common equity using a hedge ratio; or
- convertible arbitrage by combining a long position in an issuer's convertible securities with a short position in its common equity.

- take long and short positions in securities impacted by event driven situations, such as mergers, divestitures, restructurings or other issuer events;
- take long and short positions in private company debt offerings;
- participate in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded issuers to the extent permitted by securities regulations, but shall not invest in any private placements by a private company;
- purchase, hold, sell, or otherwise deal in commodity forward contracts, commodity futures, financial futures or options on financial futures, but not physical commodities;
- use derivative instruments, such as options, futures, forward contracts and swaps, cleared and uncleared, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:
    - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies;
    - implement option spreads by purchasing an option on a security and simultaneously selling an option on the same security with the same expiry date; and
    - gain exposure to individual securities and markets instead of buying the securities directly; and
- hold cash and cash equivalents.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "Commodities Risk", "Derivatives Risk", "Short Selling Risk", "Leverage Risk" and "Prime Broker Risk" in the "What are the Risks of Investing in a Mutual Fund?" section of this Simplified Prospectus.

Leverage

The Fund is permitted to borrow to increase its investment leverage. As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or derivatives. On average, over time, the Fund generally expects to utilize leverage of 2.5 to 3 times its net assets, or, as may be permitted by securities regulations.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

Cash Borrowing

As an "alternative mutual fund", the Fund is not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds. Where a Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Pursuant to NI 81-102, as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102, the Fund's cash borrowing is subject to certain conditions including:

(a) the Fund may only borrow from an entity described in sections 6.2 or 6.3 of NI 81-102;

(b) if the lender is an affiliate of the Manager, the IRC must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

(c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction;

(d) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value;

(e) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(f) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Repurchase and Reverse Repurchase Transactions and Securities Lending

The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

Short Sales

Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender).

As an "alternative mutual fund" under NI 81-102, the Fund's use of short selling is subject to the following conditions as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value;

(b) the aggregate market value of all securities of the issuer of the securities sold short by the Fund must not exceed 10% of the Fund's net asset value;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Use of Derivatives

There are many types of derivatives that generally take the form of a contract between two parties to purchase or sell a specific currency, commodity, security, index or other underlying interest (each, an "**Underlying Interest**") at a later time. A derivative is not a direct investment in the Underlying Interest itself. Derivatives may be traded on a securities exchange or "over-the-counter" markets. Common types of derivatives include:

- Options – agreements that give the holder of the option the right, but not the obligation, to purchase or sell an Underlying Interest within a specified period at an agreed upon price. A premium is paid by the purchaser of the option to the seller for the option.
- Futures and Forward Contracts – agreements made today to purchase or sell a particular Underlying Interest at a future date at an agreed upon price, or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange and are generally subject to standardized terms and conditions, while forward contracts are not.
- Swaps – agreements between two parties to exchange payments based on the value, level or price, or on relative changes or movements of the value, level or price, of one or more Underlying

Interests, which payments may be netted against each other. Swaps could also involve the physical delivery of an Underlying Interest instead of the exchange of cash payments, or the exchange of principal amounts. The most common type of swap is an interest rate swap, where one party makes cash payments based on a fixed interest rate applied to a notional amount, in exchange for cash payments based on floating interest rate based on reference rate such as the London Interbank Offered Rate applied on the same notional amount. Swaps do not trade on organized exchanges and are "over-the-counter" contracts.

As an "alternative mutual fund", the Fund is permitted to invest in specified derivatives, uncovered derivatives and enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102. The Fund's use of derivatives is limited by the restrictions on the Fund's aggregate gross exposure described under "Leverage" above.

Investments in Other Funds

The Fund may invest in securities of underlying funds (including underlying funds managed by the Manager or an affiliate or associate of the Manager). The types of underlying funds held by the Fund will be selected with consideration for the underlying fund's investment objectives and strategies, past performance and operational efficiencies. The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a "**Permitted ETF**"). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund's net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a "**Bear ETF**") or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

Portfolio Turnover

The investment strategies of the Fund involve a significant amount of portfolio turnover. See "*Portfolio Turnover and Rebalancing Risk*" on page 51 for a description of the risks of high portfolio turnover.

General

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Advisor may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund's holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Change in Laws
- Commodities Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Factor Risk Premia Securities Risk
- Foreign Investments Risk
- Fund of Fund Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- Trust Loss Restriction Rule Risk
- U.K. Investments Risk

- Underlying Fund Investments Risk

The Fund is exposed to the following risk in connection with its investment in equity securities:

- Equity Investment Risk
- Income Trust Investment Risk
- Large Capitalization Companies Risk
- Mid-Capitalization Companies Risk
- Small-Capitalization Companies Risk
- Volatility Risk
- Convertible Securities Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk
- Corporate Debt Securities Risk
- Credit Risk
- Distressed Claims Risk
- Distressed Debt Risk
- Fixed Income Investment Risk
- Floating Rate Loan Liquidity Risk
- High Yield Securities Risk
- Interest Rate Risk
- Prepayment Risk
- Senior Loan Risk
- Unsecured Loan Risk

Additional risks associated with an investment in ETF units of the Fund include:

- Absence of Active Market Risk
- Halted Trading Risk
- Trading Price Risk

As at March 31, 2024, no unitholder owned, beneficially and of record, more than 10% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as low to medium risk. Please see "*Investment Risk Classification Methodology*" on page 67 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the historical return of the Fund since inception and the return of the following blended reference index based on the representative asset classes within the Fund for the remainder of the 10 year period: 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. The MSCI World 100% hedged to CAD Index captures large and mid cap representation across developed market countries. The ICE BofAML Global Broad Market Index (Hedged to CAD) tracks the performance of investment grade debt publicly issued in the major domestic and eurobond markets, including sovereign, quasi-government, corporate, securitized and collateralized securities. The S&P GSCI Canadian Dollar Hedged Index TR is a broad-based and production weighted commodity index which represents global commodity market performance. The FTSE TMX Canada 30 Day T-Bill Index tracks the performance of 1-month Government of Canada Treasury Bills. The LBMA Gold Price is price of gold, set twice daily by auction, on the London Bullion Market.

DISTRIBUTION POLICY

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 15). Subject to applicable securities legislation, all distributions paid on Class A, Class F and Class I units will be automatically reinvested in additional units unless the holder instructs the Fund to pay such distributions in cash, and all distributions paid on ETF units will be made in cash. For Class FT units, unitholders will receive a target monthly distribution at an initial rate of 5% per annum. The target rate of monthly distribution will initially be set at the inception of the class and then will be reset at the beginning of each calendar year to provide a target yield based on the net asset value per Class FT unit as at December 31 of the prior year. Throughout the year, such monthly distributions to unitholders will be composed of net income, net capital gains and/or a return of capital. Distributions paid on Class FT will automatically be paid in cash unless the holder instructs the Fund to pay reinvest such distributions.

Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. A unitholder that subscribes for ETF units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units. The Manager reserves the right to change such policy, and may elect to have distributions on the Class A, Class F and Class I units paid in cash, or in the case of Class FT, to have distributions automatically reinvested.

PICTON MAHONEY FORTIFIED INCOME ALTERNATIVE FUND

FUND DETAILS

Type of Fund	Alternative mutual fund; high yield fixed income fund
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started: Date ETF Units Started:	July 5, 2019 July 5, 2019 July 5, 2019 July 5, 2019 July 5, 2019
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Income Alternative Fund (the "**Fund**") is to maximize total return to unitholders through income and capital appreciation by investing primarily in global fixed income securities while mitigating capital loss through shorting and other hedging strategies.

The Fund invests its assets primarily in North America but can invest up to 100% of its assets globally in long and short positions in high yield bonds, investment grade corporate bonds, government bonds, emerging market bonds, loans, convertible bonds, convertible debentures, preferred shares, options, futures, forward contracts, swaps, swaptions, short-term debt instruments, distressed debt, collateral loan obligations, mortgage-backed securities, asset-backed securities, cash and cash equivalents, equities, ETFs and other mutual funds. The Fund may engage in borrowing for investment purposes.

The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

Investment Strategies

To achieve the investment objective, the Fund invests in an actively managed portfolio composed primarily of North American corporate debt securities. The Fund may also invest in government bonds, loans (including floating rate loans, senior loans, unsecured loans and distressed securities), convertible bonds and derivatives. The Fund may invest no more than 5% of its portfolio in preferred shares and equities. The Fund may invest in other mutual funds and ETFs, including funds managed by the Portfolio Advisor. For clarity, the Fund will not be limited in the type of debt securities in which it may invest. In selecting securities for the portfolio, the Manager will focus on securities that it believes will maximize risk-adjusted returns.

On a position-by-position basis, margin requirements of the applicable exchange will be adhered to by the Fund.

The Fund may also choose to:

- invest a portion of the Fund’s assets in exchange-traded funds to gain exposure to the securities described herein;
- invest up to 100% of its portfolio in international securities;
- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations;
- pairs trade by taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers;
- take long and short positions in securities impacted by event driven situations, such as mergers, divestitures, restructurings or other issuer events;
- take long and short positions in private company debt offerings;
- purchase, hold, sell, or otherwise deal in commodity forward contracts, commodity futures, financial futures or options on financial futures, but not physical commodities;
- use derivative instruments, such as options, futures, forward contracts and swaps, cleared and uncleared, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:
    - hedge against losses from changes in the prices of the Fund’s investments and from exposure to foreign currencies;
    - implement option spreads by purchasing an option on a security and simultaneously selling an option on the same security with the same expiry date; and
    - gain exposure to individual securities and markets instead of buying the securities directly; and
- hold cash and cash equivalents.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund’s investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under “Derivatives Risk”, “Short Selling Risk”, “Leverage Risk” and “Prime Broker Risk” in the “What are the Risks of Investing in a Mutual Fund?” section of this Simplified Prospectus.

Leverage
The Fund is permitted to borrow to increase its investment leverage. As an “alternative mutual fund”, the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or derivatives. On average, over time, the Fund generally expects to utilize leverage of 1.5 to 2.5 times its net assets, or, as may be permitted by securities regulations.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

Cash Borrowing

As an "alternative mutual fund", the Fund is not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds. Where a Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Pursuant to NI 81-102, as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102, the Fund's cash borrowing is subject to certain conditions including:

(a) the Fund may only borrow from an entity described in sections 6.2 or 6.3 of NI 81-102;

(b) if the lender is an affiliate of the Manager, the IRC must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

(c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction;

(d) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value;

(e) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(f) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Repurchase and Reverse Repurchase Transactions and Securities Lending

The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

Short Sales

Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender).

As an "alternative mutual fund" under NI 81-102, the Fund's use of short selling is subject to the following conditions as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value;

(b) the aggregate market value of all securities of the issuer of the securities sold short by the Fund must not exceed 10% of the Fund's net asset value;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Use of Derivatives

There are many types of derivatives that generally take the form of a contract between two parties to purchase or sell a specific currency, commodity, security, index or other underlying interest (each, an "**Underlying Interest**") at a later time. A derivative is not a direct investment in the Underlying Interest itself. Derivatives may be traded on a securities exchange or "over-the-counter" markets. Common types of derivatives include:

- Options – agreements that give the holder of the option the right, but not the obligation, to purchase or sell an Underlying Interest within a specified period at an agreed upon price. A premium is paid by the purchaser of the option to the seller for the option.
- Futures and Forward Contracts – agreements made today to purchase or sell a particular Underlying Interest at a future date at an agreed upon price, or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange and are generally subject to standardized terms and conditions, while forward contracts are not.
- Swaps – agreements between two parties to exchange payments based on the value, level or price, or on relative changes or movements of the value, level or price, of one or more Underlying Interests, which payments may be netted against each other. Swaps could also involve the physical

delivery of an Underlying Interest instead of the exchange of cash payments, or the exchange of principal amounts. The most common type of swap is an interest rate swap, where one party makes cash payments based on a fixed interest rate applied to a notional amount, in exchange for cash payments based on floating interest rate based on reference rate such as the London Interbank Offered Rate applied on the same notional amount. Swaps do not trade on organized exchanges and are "over-the-counter" contracts.

As an "alternative mutual fund", the Fund is permitted to invest in specified derivatives, uncovered derivatives and enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102. The Fund's use of derivatives is limited by the restrictions on the Fund's aggregate gross exposure described under "Leverage" above.

Investments in Other Funds

The Fund may invest in securities of underlying funds (including underlying funds managed by the Manager or an affiliate or associate of the Manager). The types of underlying funds held by the Fund will be selected with consideration for the underlying fund's investment objectives and strategies, past performance and operational efficiencies. The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a "**Permitted ETF**"). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund's net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a "**Bear ETF**") or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

Portfolio Turnover

The investment strategies of the Fund involve a significant amount of portfolio turnover. See "*Portfolio Turnover and Rebalancing Risk*" on page 51 for a description of the risks of high portfolio turnover.

General

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Advisor may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund's holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Change in Laws
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Foreign Investments Risk
- Fund of Fund Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- Trust Loss Restriction Rule Risk
- U.K. Investments Risk
- Underlying Fund Investments Risk
- U.S. Investments Risk

The Fund is exposed to the following risk in connection with its investment in equity securities:

- Equity Investment Risk
- Income Trust Investment Risk
- Large Capitalization Companies Risk
- Mid-Capitalization Companies Risk
- Small-Capitalization Companies Risk
- Volatility Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk
- Corporate Debt Securities Risk
- Credit Risk
- Distressed Claims Risk
- Distressed Debt Risk
- Fixed Income Investment Risk
- Prepayment Risk
- Floating Rate Loan Liquidity Risk
- High Yield Securities Risk
- Interest Rate Risk
- Senior Loan Risk
- Unsecured Loan Risk

Additional risks associated with an investment in ETF units of the Fund include:

- Absence of Active Market Risk
- Halted Trading Risk
- Trading Price Risk

As at March 31, 2024, no unitholder owned, beneficially and of record, more than 10% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as low risk. Please see "*Investment Risk Classification Methodology*" on page 67 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the return of the following reference index: 75% ICE BofAML Global High Yield Index (Hedged to CAD) and 25% BofAML Global Corporate Index (Hedged to CAD).

DISTRIBUTION POLICY

The Fund intends to distribute any net income on or about mid-month for Class A, Class F and Class I units and on or about the end of each month for ETF units. The Fund also intends to distribute net capital gains at the end of each taxation year (normally December 15) for all units. Subject to applicable securities legislation, all distributions paid on Class A, Class F and Class I units will be automatically reinvested in additional units unless the holder instructs the Fund to pay such distributions in cash, and all distributions paid on ETF units will be made in cash.

Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. A unitholder that subscribes for ETF units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units. The Manager reserves the right to change such policy, and may elect to have distributions on the Class A, Class F and Class I units paid in cash.

PICTON MAHONEY FORTIFIED LONG SHORT ALTERNATIVE FUND

FUND DETAILS

Type of Fund	Alternative mutual fund; long/short primarily Canadian and International equities
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started: Date ETF Units Started:	July 7, 2020 July 7, 2020 July 7, 2020 July 7, 2020 July 7, 2020
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Long Short Alternative Fund (the "**Fund**") is to provide consistent long-term capital appreciation and to provide unitholders with an attractive risk-adjusted rate of return by actively investing in a portfolio comprised of long and short equity securities.

The Fund may also invest in fixed income securities, derivative instruments, such as options, futures, forward contracts and swaps, securities of investment funds, and cash and cash equivalents. The Fund may engage in physical short sales and/or borrowing for investment purposes.

The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

Investment Strategies

To achieve the investment objective, the Fund invests in an actively managed long portfolio comprised primarily of equity securities identified as attractive investment candidates by the Portfolio Advisor's investment process. Consistent with the investment objectives of the Fund, up to 100% of the aggregate market value of the Fund may be sold short, as permitted by securities regulations. The Fund will short sell securities identified as unattractive investments by the Portfolio Advisor's investment process and/or to hedge the market exposure of the Fund's long positions.

The Fund will be structured so that it generally possesses moderate equity market exposure. On a position-by-position basis, margin requirements of the applicable exchange will be adhered to by the Fund.

The Fund will invest primarily in Canadian, U.S. and international equity securities but will not be limited in the type of equity securities in which it may invest.

The Fund may also choose to:

- invest up to 100% of its portfolio in international securities;

- pairs trade by taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers;

- participate in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded issuers to the extent permitted by securities regulations;

- invest in private placements by private companies, to the extent permitted by securities regulations;

- invest in fixed income securities;

- use derivative instruments, such as options, futures, forward contracts and swaps, cleared and uncleared, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:

    - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies;

    - implement option spreads by purchasing an option on a security and simultaneously selling an option on the same security with the same expiry date; and

    - gain exposure to individual securities and markets instead of buying the securities directly; and

- hold cash and cash equivalents.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "Derivatives Risk", "Short Selling Risk", "Leverage Risk" and "Prime Broker Risk" in the "What are the Risks of Investing in a Mutual Fund?" section of this Simplified Prospectus.

Leverage

The Fund is permitted to borrow to increase its investment leverage. As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or derivatives. On average, over time, the Fund generally expects to utilize leverage of 2.5 to 3 times its net assets, or, as may be permitted by securities regulations.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

Cash Borrowing
As an "alternative mutual fund", the Fund is not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds. Where a Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Pursuant to NI 81-102, as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102, the Fund's cash borrowing is subject to certain conditions including:

(a) the Fund may only borrow from an entity described in sections 6.2 or 6.3 of NI 81-102;

(b) if the lender is an affiliate of the Manager, the IRC must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

(c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction;

(d) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value;

(e) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(f) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Repurchase and Reverse Repurchase Transactions and Securities Lending
The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

Short Sales

Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender).

As an "alternative mutual fund" under NI 81-102, the Fund's use of short selling is subject to the following conditions as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value;

(b) the aggregate market value of all securities of the issuer of the securities sold short by the Fund must not exceed 10% of the Fund's net asset value;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Use of Derivatives

There are many types of derivatives that generally take the form of a contract between two parties to purchase or sell a specific currency, commodity, security, index or other underlying interest (each, an "**Underlying Interest**") at a later time. A derivative is not a direct investment in the Underlying Interest itself. Derivatives may be traded on a securities exchange or "over-the-counter" markets. Common types of derivatives include:

- Options – agreements that give the holder of the option the right, but not the obligation, to purchase or sell an Underlying Interest within a specified period at an agreed upon price. A premium is paid by the purchaser of the option to the seller for the option.
- Futures and Forward Contracts – agreements made today to purchase or sell a particular Underlying Interest at a future date at an agreed upon price, or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange and are generally subject to standardized terms and conditions, while forward contracts are not.
- Swaps – agreements between two parties to exchange payments based on the value, level or price, or on relative changes or movements of the value, level or price, of one or more Underlying Interests, which payments may be netted against each other. Swaps could also involve the physical delivery of an Underlying Interest instead of the exchange of cash payments, or the exchange of principal amounts. The most common type of swap is an interest rate swap, where one party makes cash payments based on a fixed interest rate applied to a notional amount, in exchange for cash payments based on floating interest rate based on reference rate such as the London Interbank Offered Rate applied on the same notional amount. Swaps do not trade on organized exchanges and are "over-the-counter" contracts.

As an "alternative mutual fund", the Fund is permitted to invest in specified derivatives, uncovered derivatives and enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102. The Fund's use of derivatives is limited by the restrictions on the Fund's aggregate gross exposure described under "Leverage" above.

Investments in Other Funds

The Fund may invest in securities of underlying funds (including underlying funds managed by the Manager or an affiliate or associate of the Manager). The types of underlying funds held by the Fund will be selected with consideration for the underlying fund's investment objectives and strategies, past performance and operational efficiencies. The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a "**Permitted ETF**"). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund's net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a "**Bear ETF**") or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

Portfolio Turnover

The investment strategies of the Fund involve a significant amount of portfolio turnover. See "*Portfolio Turnover and Rebalancing Risk*" on page 51 for a description of the risks of high portfolio turnover.

General

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Advisor may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund's holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Change in Laws
- Concentration Risk
- Currency Risk
- Cyber Security Risk

- Derivatives Risk
- Developed Countries Investment Risk
- Emerging Markets Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Foreign Investments Risk
- Fund of Fund Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Private Company Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- Trust Loss Restriction Rule Risk
- U.K. Investments Risk
- Underlying Fund Investments Risk
- U.S. Investments Risk

The Fund is exposed to the following risk in connection with its investment in equity securities:

- Equity Investment Risk

- Income Trust Investment Risk
- Large Capitalization Companies Risk
- Mid-Capitalization Companies Risk
- Small-Capitalization Companies Risk
- Volatility Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk
- Corporate Debt Securities Risk
- Credit Risk
- Fixed Income Investment Risk
- High Yield Securities Risk
- Interest Rate Risk

Additional risks associated with an investment in ETF units of the Fund include:

- Absence of Active Market Risk
- Halted Trading Risk
- Trading Price Risk

As at March 31, 2024, no unitholder owned, beneficially and of record, more than 10% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as low to medium risk. Please see "*Investment Risk Classification Methodology*" on page 67 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the historical return of the Fund since inception and the return of the following blended reference index based on the representative asset classes within the Fund for the remainder of the 10 year period: HFRI Equity Hedge Index (hedged to CAD). The HRFI Equity Hedge Index is an index of investment managers who maintain positions both long and short in primarily equity and equity derivative securities.

DISTRIBUTION POLICY

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 15). Subject to applicable securities legislation, all distributions paid on Class A, Class F and Class I units will be automatically reinvested in additional units unless the holder instructs the Fund to pay such distributions in cash, and all distributions paid on ETF units will be made in cash.

Potential investors should keep this policy in mind when determining whether or not an investment in the

Fund is suitable for their particular circumstances. A unitholder that subscribes for ETF units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units. The Manager reserves the right to change such policy, and may elect to have distributions on the Class A, Class F and Class I units paid in cash.

PICTON MAHONEY FORTIFIED SPECIAL SITUATIONS ALTERNATIVE FUND

FUND DETAILS

Type of Fund	Alternative mutual fund; event driven credit; investing long or short primarily in North American and International corporate debt with hedges in credit, currencies and rates
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started: Date ETF Units Started:	July 9, 2021 July 9, 2021 July 9, 2021 July 9, 2021 July 9, 2021
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Special Situations Alternative Fund (the "**Fund**") is to maximize total return to unitholders through income and capital appreciation by investing primarily in event-driven situations in global fixed income while mitigating capital loss through shorting and other hedging strategies.

The Fund invests its assets primarily in North America but can invest up to 100% of its assets globally in long and short positions in high yield bonds, investment grade corporate bonds, government bonds, emerging market bonds, loans, convertible bonds, convertible debentures, preferred shares, options, futures, forward contracts, swaps, swaptions, short-term debt instruments, distressed debt, collateral loan obligations, mortgage-backed securities, asset-backed securities, cash and cash equivalents, equities, ETFs and other mutual funds. The Fund may engage in borrowing for investment purposes.

The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

Investment Strategies

The Fund seeks to build a diversified portfolio by investing long or short in event driven, credit situations including fixed income securities that are impacted by some form of catalyst such as a corporate event, capital structure reorganization or other opportunistic situations. The Fund seeks gains through income and movements in security prices that can occur over a short to long-term time horizon providing an attractive risk-adjusted return with less volatility to the traditional equity and credit markets. The Fund will invest primarily in Canadian, U.S. and international fixed income securities but will not be limited in the type of fixed income securities in which it may invest.

The Fund may invest in other mutual funds and ETFs, including funds managed by the Portfolio Advisor. In selecting securities for the portfolio, the Manager will focus on securities that it believes will maximize risk-adjusted returns.

The Fund may also choose to:

- invest up to 100% of its portfolio in international securities;
- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations;
- pairs trade by taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers;
- take long and short positions in private company debt offerings;
- purchase, hold, sell, or otherwise deal in commodity forward contracts, commodity futures, financial futures or options on financial futures, but not physical commodities;
- invest up to 10% of its portfolio in equity securities;
- invest up to 10% of its portfolio in preferred stock;
- use derivative instruments, such as options, futures, forward contracts, swaps and swaptions, cleared and uncleared, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:
    - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies;
    - implement option spreads by purchasing an option on a security and simultaneously selling an option on the same security with the same expiry date; and
    - gain exposure to individual securities and markets instead of buying the securities directly; and
- hold cash and cash equivalents.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "Derivatives Risk", "Short Selling Risk", "Leverage Risk" and "Prime Broker Risk" in the "What are the Risks of Investing in a Mutual Fund?" section of this Simplified Prospectus.

Leverage
The Fund is permitted to borrow to increase its investment leverage. As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or derivatives. On average, over time, the Fund generally expects to utilize leverage of 1.5 to 2.5 times its net assets, or, as may be permitted by securities regulations.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

Cash Borrowing
As an "alternative mutual fund", the Fund is not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds. Where a Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Pursuant to NI 81-102, as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102, the Fund's cash borrowing is subject to certain conditions including:

(a) the Fund may only borrow from an entity described in sections 6.2 or 6.3 of NI 81-102;

(b) if the lender is an affiliate of the Manager, the IRC must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

(c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction;

(d) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value;

(e) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(f) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Repurchase and Reverse Repurchase Transactions and Securities Lending
The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher

price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

<u>Short Sales</u>
Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender).

As an "alternative mutual fund" under NI 81-102, the Fund's use of short selling is subject to the following conditions as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value;

(b) the aggregate market value of all securities of the issuer of the securities sold short by the Fund must not exceed 10% of the Fund's net asset value;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

<u>Use of Derivatives</u>
There are many types of derivatives that generally take the form of a contract between two parties to purchase or sell a specific currency, commodity, security, index or other underlying interest (each, an "**Underlying Interest**") at a later time. A derivative is not a direct investment in the Underlying Interest itself. Derivatives may be traded on a securities exchange or "over-the-counter" markets. Common types of derivatives include:

- <u>Options</u> – agreements that give the holder of the option the right, but not the obligation, to purchase or sell an Underlying Interest within a specified period at an agreed upon price. A premium is paid by the purchaser of the option to the seller for the option.
- <u>Futures and Forward Contracts</u> – agreements made today to purchase or sell a particular Underlying

Interest at a future date at an agreed upon price, or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange and are generally subject to standardized terms and conditions, while forward contracts are not.

- Swaps – agreements between two parties to exchange payments based on the value, level or price, or on relative changes or movements of the value, level or price, of one or more Underlying Interests, which payments may be netted against each other. Swaps could also involve the physical delivery of an Underlying Interest instead of the exchange of cash payments, or the exchange of principal amounts. The most common type of swap is an interest rate swap, where one party makes cash payments based on a fixed interest rate applied to a notional amount, in exchange for cash payments based on floating interest rate based on reference rate such as the London Interbank Offered Rate applied on the same notional amount. Swaps do not trade on organized exchanges and are "over-the-counter" contracts.

As an "alternative mutual fund", the Fund is permitted to invest in specified derivatives, uncovered derivatives and enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102. The Fund's use of derivatives is limited by the restrictions on the Fund's aggregate gross exposure described under "Leverage" above.

Investments in Other Funds

The Fund may invest in securities of underlying funds (including underlying funds managed by the Manager or an affiliate or associate of the Manager). The types of underlying funds held by the Fund will be selected with consideration for the underlying fund's investment objectives and strategies, past performance and operational efficiencies. The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a "**Permitted ETF**"). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund's net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a "**Bear ETF**") or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

Portfolio Turnover

The investment strategies of the Fund involve a significant amount of portfolio turnover. See "*Portfolio Turnover and Rebalancing Risk*" on page 51 for a description of the risks of high portfolio turnover.

General

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Advisor may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund's holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Change in Laws
- Concentration Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Emerging Markets Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Foreign Investments Risk
- Fund of Fund Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk

- Short Selling Risk
- Trust Loss Restriction Rule Risk
- U.K. Investments Risk
- Underlying Fund Investments Risk
- U.S. Investments Risk

The Fund is exposed to the following risk in connection with its investment in equity securities:

- Equity Investment Risk
- Income Trust Investment Risk
- Large Capitalization Companies Risk
- Mid-Capitalization Companies Risk
- Small-Capitalization Companies Risk
- Volatility Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk
- Corporate Debt Securities Risk
- Credit Risk
- Distressed Claims Risk
- Distressed Debt Risk
- Fixed Income Investment Risk
- Floating Rate Loan Liquidity Risk
- High Yield Securities Risk
- Interest Rate Risk
- Prepayment Risk
- Senior Loan Risk
- Unsecured Loan Risk

Additional risks associated with an investment in ETF units of the Fund include:

- Absence of Active Market Risk
- Halted Trading Risk

- Trading Price Risk

As at March 31, 2024, no unitholder owned, beneficially and of record, more than 10% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as low to medium risk. Please see "*Investment Risk Classification Methodology*" on page 67 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the historical return of the Fund since inception and the return of the following blended reference index based on the representative asset classes within the Fund for the remainder of the 10 year period: ICE BofAML Global High Yield Index (Hedged to CAD).

DISTRIBUTION POLICY

The Fund intends to distribute any net income on or about mid-month for Class A, Class F and Class I units and on or about the end of each month for ETF units. The Fund also intends to distribute any net income and net capital gains at the end of each taxation year (normally December 15) for all units. Subject to applicable securities legislation, all distributions paid on Class A, Class F and Class I units will be automatically reinvested in additional units unless the holder instructs the Fund to pay such distributions in cash, and all distributions paid on ETF units will be made in cash.

Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. A unitholder that subscribes for ETF units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units. The Manager reserves the right to change such policy, and may elect to have distributions on the Class A, Class F and Class I units paid in cash.

PICTON MAHONEY FORTIFIED ALPHA ALTERNATIVE FUND

FUND DETAILS

Type of Fund	Alternative mutual fund; absolute return, multi-strategy fund
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started: Date ETF Units Started: Date Class FT Units Started:	April 25, 2022 April 25, 2022 April 25, 2022 April 25, 2022 May 6, 2022 April 25, 2022
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Alpha Alternative Fund (the "**Fund")** is to provide consistent long-term capital appreciation to unitholders ("**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, distressed debt, floating rate loans, senior loans and unsecured loans), special purpose acquisition companies, master limited partnerships, 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 aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

Investment Strategies

The strategy is expected to combine the firm's best ideas by deploying the investment expertise of the firm's investment teams including the equity, fixed income, arbitrage and quantitative teams. The low correlation among these components to equity markets will aim to enhance risk-adjusted returns.

The investment strategy of the Fund is global in nature and will have exposure to international markets, including emerging markets. Strategies can be implemented within and across various financial markets including global equity markets, emerging markets, global government and corporate fixed income markets, foreign exchange markets, commodity markets and volatility markets.

The strategy will consist of individual security risk premia strategies implemented primarily through long and short positions across global equity markets and may include global fixed income and other asset classes.

The Manager will seek to obtain exposure to skill-based, alpha processes either directly or indirectly through investment in other funds, including funds for which the Manager is the manager and/or portfolio manager.

Markets as well as some strategies possess the propensity for sharp declines in performance, known as tail risk. The Manager will attempt to mitigate some of these risks through tail-risk hedging strategies. These may be run both internally and externally and may involve allocation to external funds or portfolio managers (i.e., sub-advisers).

The portfolio will be considered in both the strategic and tactical aspects of the portfolio management process. The returns of the Fund should be generally independent of the movements in common stock market or bond market indices. Each component of the portfolio is intended to provide access to a unique return stream, such as risk premia and skill-based investment processes. The Manager will also use a risk-budgeting process to weigh different components of the portfolios.

The Fund may also choose to:

- invest up to 100% of its portfolio in international securities;

- pairs trade by taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers;

- invest in fixed income securities;

- engage in arbitrage strategies, including:

    - yield and credit curve arbitrage by combining a long position in an issuer's bond at one maturity with a short position in the bonds of the same issuer at a different maturity;

    - fixed income arbitrage by taking offsetting long and short positions in government bonds and investment grade corporate bonds, government agency securities, swap contracts, and futures and options on fixed income instruments that are mathematically, fundamentally, or historically interrelated;

    - capital structure arbitrage by combining a long position in an issuer's senior debt with a short position in its junior debt or common equity using a hedge ratio; or

    - convertible arbitrage by combining a long position in an issuer's convertible securities with a short position in its common equity.

- take long and short positions in securities impacted by event driven situations, such as mergers, divestitures, restructurings or other issuer events;

- take long and short positions in private company debt offerings;

- participate in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded issuers to the extent permitted by securities regulations;

- invest in private placements by private companies, to the extent permitted by securities regulations;

- purchase, hold, sell, or otherwise deal in commodity forward contracts, commodity futures, financial futures or options on financial futures, but not physical commodities;

- use derivative instruments, such as options, futures, forward contracts and swaps, cleared and uncleared, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:

    - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies;

    - implement option spreads by purchasing an option on a security and simultaneously selling an option on the same security with the same expiry date; and

    - gain exposure to individual securities and markets instead of buying the securities directly; and

- hold cash and cash equivalents.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "Commodities Risk", "Derivatives Risk", "Short Selling Risk", "Leverage Risk" and "Prime Broker Risk" in the "What are the Risks of Investing in a Mutual Fund?" section of this Simplified Prospectus.

<u>Leverage</u>
The Fund is permitted to borrow to increase its investment leverage. As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or derivatives. On average, over time, the Fund generally expects to utilize leverage of 2.5 to 3 times its net assets, or, as may be permitted by securities regulations.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

Cash Borrowing
As an "alternative mutual fund", the Fund is not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds. Where a Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Pursuant to NI 81-102, as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102, the Fund's cash borrowing is subject to certain conditions including:

(a) the Fund may only borrow from an entity described in sections 6.2 or 6.3 of NI 81-102;

(b) if the lender is an affiliate of the Manager, the IRC must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

(c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction;

(d) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value;

(e) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(f) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Repurchase and Reverse Repurchase Transactions and Securities Lending
The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

Short Sales

Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender).

As an "alternative mutual fund" under NI 81-102, the Fund's use of short selling is subject to the following conditions as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value;

(b) the aggregate market value of all securities of the issuer of the securities sold short by the Fund must not exceed 10% of the Fund's net asset value;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Use of Derivatives

There are many types of derivatives that generally take the form of a contract between two parties to purchase or sell a specific currency, commodity, security, index or other underlying interest (each, an "**Underlying Interest**") at a later time. A derivative is not a direct investment in the Underlying Interest itself. Derivatives may be traded on a securities exchange or "over-the-counter" markets. Common types of derivatives include:

- Options – agreements that give the holder of the option the right, but not the obligation, to purchase or sell an Underlying Interest within a specified period at an agreed upon price. A premium is paid by the purchaser of the option to the seller for the option.
- Futures and Forward Contracts – agreements made today to purchase or sell a particular Underlying Interest at a future date at an agreed upon price, or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange and are generally subject to standardized terms and conditions, while forward contracts are not.
- Swaps – agreements between two parties to exchange payments based on the value, level or price, or on relative changes or movements of the value, level or price, of one or more Underlying Interests, which payments may be netted against each other. Swaps could also involve the physical delivery of an Underlying Interest instead of the exchange of cash payments, or the exchange of principal amounts. The most common type of swap is an interest rate swap, where one party makes cash payments based on a fixed interest rate applied to a notional amount, in exchange for cash payments based on floating interest rate based on reference rate such as the London Interbank Offered Rate applied on the same notional amount. Swaps do not trade on organized exchanges and are "over-the-counter" contracts.

The Fund is permitted to invest in specified derivatives, uncovered derivatives and enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102.

Investments in Other Funds

The Fund may invest in securities of underlying funds (including underlying funds managed by the Manager or an affiliate or associate of the Manager). The types of underlying funds held by the Fund will be selected with consideration for the underlying fund's investment objectives and strategies, past performance and operational efficiencies. The Fund has obtained exemptive relief from Canadian securities regulatory authorities to invest in ETFs listed on a Canadian or United States stock exchange that seek to replicate the daily performance of a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a "**Permitted ETF**"). In each case: (a) the investment would be made by the Fund in accordance with its investment objective; (b) the Fund would not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Permitted ETFs would not exceed 10% of the Fund's net asset value, taken at market value at the time of purchase; and (d) the Fund would not purchase securities of a Permitted ETF that tracks the inverse of its underlying index (a "**Bear ETF**") or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Bear ETFs and all securities sold short by the Fund.

Portfolio Turnover

The investment strategies of the Fund involve a significant amount of portfolio turnover. See "*Portfolio Turnover and Rebalancing Risk*" on page 51 for a description of the risks of high portfolio turnover.

General

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Advisor may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund's holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Change in Laws
- Commodities Risk
- Concentration Risk
- Currency Risk
- Cyber Security Risk

- Derivatives Risk
- Developed Countries Investment Risk
- Emerging Markets Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Factor Risk Premia Securities Risk
- Foreign Investments Risk
- Fund of Fund Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Private Company Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- Trust Loss Restriction Rule Risk
- U.K. Investments Risk
- Underlying Fund Investments Risk
- U.S. Investments Risk

The Fund is exposed to the following risk in connection with its investment in equity securities:

- Equity Investment Risk
- Income Trust Investment Risk
- Large Capitalization Companies Risk
- Mid-Capitalization Companies Risk
- Small-Capitalization Companies Risk
- Volatility Risk
- Convertible Securities Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk
- Corporate Debt Securities Risk
- Credit Risk
- Distressed Claims Risk
- Distressed Debt Risk
- Fixed Income Investment Risk
- Floating Rate Loan Liquidity Risk
- High Yield Securities Risk
- Interest Rate Risk
- Prepayment Risk
- Senior Loan Risk
- Unsecured Loan Risk

Additional risks associated with an investment in ETF units of the Fund include:

- Absence of Active Market Risk
- Halted Trading Risk
- Trading Price Risk

As at March 31, 2024, no unitholder owned, beneficially and of record, more than 10% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as low to medium risk. Please see "*Investment Risk Classification Methodology*" on page 67 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the historical return of the Fund since inception and the return of the following blended reference index based on the representative asset classes within the Fund for the remainder of the 10 year period: HFRX Absolute Return Index.

DISTRIBUTION POLICY

The Fund intends to distribute any net income on or about mid-month for Class A, Class F and Class I units and on or about the end of the month for ETF units. The Fund also intends to distribute net capital gains at the end of each taxation year (normally December 15) for all units. Subject to applicable securities legislation, all distributions paid on Class A, Class F and Class I units will be automatically reinvested in additional units unless the holder instructs the Fund to pay such distributions in cash, and all distributions paid on ETF units will be made in cash. For Class FT units, unitholders will receive a target monthly distribution at an initial rate of 5% per annum. The target rate of monthly distribution will initially be set at the inception of the class and then will be reset at the beginning of each calendar year to provide a target yield based on the net asset value per Class FT unit as at December 31 of the prior year. Throughout the year, such monthly distributions to unitholders will be composed of net income, net capital gains and/or a return of capital. Distributions paid on Class FT will automatically be paid in cash unless the holder instructs the Fund to pay reinvest such distributions.

Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. A unitholder that subscribes for ETF units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units. The Manager reserves the right to change such policy, and may elect to have distributions on the Class A, Class F and Class I units paid in cash, or in the case of Class FT, to have distributions automatically reinvested.

PICTON MAHONEY FORTIFIED ARBITRAGE ALTERNATIVE FUND

FUND DETAILS

Type of Fund	Alternative mutual fund; market neutral
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started:	January 11, 2019 January 11, 2019 January 11, 2019 January 11, 2019
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The fundamental investment objective of the Picton Mahoney Fortified Arbitrage Alternative Fund (the "**Fund**") is to generate consistent, positive returns, with low volatility and low correlation to equity markets by investing in securities in Canada, the United States and in other foreign jurisdictions.

The Fund falls within the definition of an "alternative mutual fund" set out in NI 81-102 as it is permitted, as modified by exemptive relief received by the Fund, to use strategies generally prohibited by other types of mutual funds, such as the ability to invest more than 10% of its NAV in securities of a single issuer, either directly or through the use of specified derivatives, the ability to borrow cash, up to 30% of its NAV, to use for investment purposes, the ability to sell securities short (the combined level of cash borrowing and short selling is limited to 100% of its NAV in aggregate), and the ability to use leverage through the use of cash borrowing, short selling and specified derivatives. The maximum aggregate exposure to these sources of leverage, as calculated in accordance with section 2.9.1 of NI 81-102, shall not exceed 300% of the Fund's NAV.

The fundamental investment objective of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Picton Mahoney Fortified Arbitrage Alternative Fund's investment strategies described below at our discretion.

Investment Strategies

To achieve its investment objectives, the Manager intends for the Fund to primarily employ arbitrage strategies, which are specialized investment techniques designed to profit from the successful completion of mergers, take-overs, tender offers, leveraged buyouts, spin-offs, liquidations, and other corporate reorganizations.

The most common arbitrage activity the Manager intends to use is merger arbitrage, which involves purchasing the shares of an announced acquisition target company at a discount to the expected merger consideration. When a transaction is announced, the value of the cash and/or securities to be received is typically higher than the market price of the target company. The discount that the target security trades at is called the merger arbitrage "spread." If the Manager believes that it is probable that the proposed transaction, or a higher value transaction, will be consummated in a time frame that makes the spread an attractive rate of return, the Fund may purchase shares of the target company. Alternatively, the Fund may engage in short selling of the target company's shares if the Manager determines that there is a likelihood that the transaction will fail to be consummated or if the spread is considered inadequate for the risks.

The Manager intends to use investment strategies designed to minimize market exposure which are permitted within an alternative mutual fund but may be limited or prohibited within other types of mutual funds:

- The Manager may engage in selling securities short when the terms of a proposed acquisition call for the exchange of common shares of the acquirer and/or other securities. If the transaction is consummated, the Fund will then exchange the securities of the target company which it has accumulated for the securities issued by the acquiring company and may cover its short position, if any, with the securities so received.

- The Manager may use listed put or call options to hedge positions.

The Manager may utilize a convertible arbitrage strategy by investing in convertible securities that are trading at discounts to their fundamental values and attempts to mitigate the various risks associated with investing in such convertible securities. The Manager may, at times, short convertible securities that are trading at premiums to their fundamental values and will attempt to mitigate various risks associated with the short position (for example, by buying common shares into which the convertible security is convertible). There are risks associated with using a convertible arbitrage strategy, due in part, to the nature of a convertible security.

The Manager may also employ a variety of additional investment strategies which are permitted within an alternative mutual fund but may be limited or prohibited within other types of mutual funds to take advantage of potentially profitable opportunities in the capital markets, including investing in special purpose acquisition companies ("**SPACs**"), Master Limited Partnerships, equity options, convertible securities, preferred shares, and corporate or sovereign debt securities.

The Fund may choose to:

- invest up to 100% of its assets in units of other mutual funds or exchange-traded funds managed by us or by third-party management firms, including to hedge currency exposure;

- invest up to 100% of its net assets in foreign securities;

- invest the majority of assets of the Fund in cash or cash equivalents; and

- use derivative instruments in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations to:

    - reduce transaction costs;
    - increase liquidity and efficiency of trading;
    - gain exposure to equity markets in a more efficient manner;
    - reduce risk,;
    - generate yield;
    - hedge currency exposure; and
    - provide leverage.

The Fund's investment strategies involve active and frequent trading of portfolio securities. In any year, the higher a fund's portfolio turnover rate, the greater the trading costs payable by the fund in the year and the larger the capital gains distribution may be. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a fund.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "Derivatives Risk", "Short Selling Risk", "Leverage Risk" and "Prime Broker Risk" in the "What are the Risks of Investing in a Mutual Fund?" section of this Simplified Prospectus.

Leverage

The Fund is permitted to borrow to increase its investment leverage. As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or derivatives.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

Cash Borrowing

As an "alternative mutual fund", the Fund is not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds. Where a Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Pursuant to NI 81-102, as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102, the Fund's cash borrowing is subject to certain conditions including:

(a) the Fund may only borrow from an entity described in sections 6.2 or 6.3 of NI 81-102;

(b) if the lender is an affiliate of the Manager, the IRC must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

(c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction;

(d) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value;

(e) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(f) exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Repurchase and Reverse Repurchase Transactions and Securities Lending

The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

The Manager intends to adhere to the following restrictions in implementing the investment strategies of the Fund:

- The Fund will not purchase private securities of private companies. Some mergers include a spin-out equity, contingent value right, private investment in public equity or other form of consideration that is unlisted at the time of the announcement but is intended to become listed shortly following the consummation of the merger, and, some SPAC opportunities may include privately issued seed capital investments. The Fund may transact in these types of securities when an active, listed market in a related, publicly issued security exists or if an active, unlisted "grey" market exists.

- No investment in a single issuer will exceed 15% of the net asset value of the Fund. This limit does not apply to holdings of cash or cash equivalents, which may exceed this limit where the Manager considers it desirable due to market conditions or otherwise.

- Unhedged foreign currency investments will be limited to no more than 10% of the NAV of the Fund.
- Borrowing will be limited to no more than 30% of the NAV and transacted only through a qualified investment fund custodian per section 6.2 of National Instrument 81-102. Borrowing

will be used for the purposes of cash management, enhancing returns, and bridging between new deal opportunities and consummated deals where the proceeds are yet to settle.

- Pursuant to NI 81-102, as modified by exemptive relief received by the Fund, short selling securities will be limited to 100% of the NAV and no more than 10% of a single issuer.
- The aggregate notional amount of the Fund's exposure under its specified derivatives positions (other than derivatives used for hedging purposes) will be limited to no more than 50% of the NAV.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund's holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Arbitrage Risk
- Change in Laws
- Commodities Risk
- Concentration Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investments Risk
- Foreign Investment Risk
- Fund of Fund Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies
- Large Transaction Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk

- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- SPAC Risk
- Trust Loss Restriction Rule Risk
- Underlying Fund Investments Risk
- U.S. Investments Risk

The Fund is exposed to the following risk in connection with its investment in equity securities:

- Income Trust Investment Risk
- Large Capitalization Companies Risk
- Mid-Capitalization Companies Risk
- Small-Capitalization Companies Risk
- Volatility Risk
- Convertible Securities Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk
- Corporate Debt Securities Risk
- Credit Risk
- Fixed Income Investment Risk
- Prepayment Risk

As noted above under "Investment objectives" the Fund falls within the definition of an "alternative mutual fund" set out in NI 81-102 as it is permitted, as modified by exemptive relief received by the Fund, to use strategies generally prohibited by other mutual funds, such as the ability to invest more than 10% of its NAV in securities of a single issuer, either directly or through the use of specified derivatives, the ability to borrow cash, up to 30% of its NAV, to use for investment purposes, the ability to sell securities short (the combined level of cash borrowing and short selling is limited to 100% of its NAV in aggregate), and the ability to use leverage through the use of cash borrowing, short selling and specified derivatives. For more information regarding the risks associated with these strategies, please see "Concentration Risk", "Derivative Risk", "Leverage Risk" and "Short Selling Risk" under the heading *What are the specific risks of investing in a mutual fund?* at page 44.

As at March 31, 2024, no unitholder owned, beneficially and of record, more than 10% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as low risk. Please see "*Investment Risk Classification Methodology*" on page 67 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the historical return of the Fund since inception and the return of the following reference index for the remainder of the 10 year period: HFRI ED: Merger Arbitrage Index. This index is event-driven and equal-weighted, focusing on merger arbitrage globally in U.S. dollars, with a monthly reporting interval.

DISTRIBUTION POLICY

The Fund distributes its net income and net realized capital gains annually in December. Subject to applicable securities legislation, distributions are automatically reinvested in additional units of the Fund.

Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. The Manager reserves the right to change such policy, and may elect to have distributions paid in cash.

PICTON MAHONEY FORTIFIED ARBITRAGE PLUS ALTERNATIVE FUND

FUND DETAILS

Type of Fund	Alternative mutual fund; market neutral
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started:	January 11, 2019 January 11, 2019 January 11, 2019 January 18, 2021
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The fundamental investment objective of the Picton Mahoney Fortified Arbitrage Plus Alternative Fund (the "**Fund**") is to generate consistent, positive returns, with lower volatility and low correlation to equity markets by providing levered exposure to the Picton Mahoney Fortified Arbitrage Alternative Fund (the "**Other Fund**").

The Fund falls within the definition of an "alternative mutual fund" set out in NI 81-102 as it is permitted, as modified by exemptive relief received by the Fund, to use strategies generally prohibited by other types of mutual funds, such as the ability to invest more than 10% of its NAV in securities of a single issuer, either directly or through the use of specified derivatives, the ability to borrow cash, up to 100% of its NAV, to use for investment purposes, the ability to sell securities short (the combined level of cash borrowing and short selling is limited to 100% of its NAV in aggregate), and the ability to use leverage through the use of cash borrowing, short selling and specified derivatives. The maximum aggregate exposure to these sources of leverage, as calculated in accordance with section 2.9.1 of NI 81-102, shall not exceed 300% of the fund's NAV.

The fundamental investment objective of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Fund's investment strategies described below at our discretion.

Investment Strategies

To achieve its investment objective, the Manager intends to invest in units of the Other Fund, enter into derivative contracts that are intended to replicate the return of the Other Fund (less the implicit funding cost), and/or use the same investment strategies as the Other Fund (investing directly in arbitrage situations). As a result of these investment activities, the Manager intends for the Fund to gain 200% exposure to the Other Fund, net of borrowing and/or dealer costs.

The most common arbitrage activity the Manager intends to use is merger arbitrage, which involves purchasing the shares of an announced acquisition target company at a discount to the expected merger consideration. When a transaction is announced, the value of the cash and/or securities to be received is typically higher than the market price of the target company. The discount that the target security trades at is called the merger arbitrage "spread." If the Manager believes that it is probable that the proposed transaction, or a higher value transaction, will be consummated in a time frame that makes the spread an attractive rate of return, the Fund may purchase shares of the target company. Alternatively, the Fund may engage in short selling of the target company's shares if the Manager determines that there is a likelihood that the transaction will fail to be consummated or if the spread is considered inadequate for the risks.

The Manager intends to use investment strategies designed to minimize market exposure which are permitted within an alternative mutual fund but may be limited or prohibited within other types of mutual funds:

- The Manager may engage in selling securities short when the terms of a proposed acquisition call for the exchange of common shares of the acquirer and/or other securities. If the transaction is consummated, the Fund will then exchange the securities of the target company which it has accumulated for the securities issued by the acquiring company and may cover its short position, if any, with the securities so received.

- The Manager may use listed put or call options to hedge positions.

The Manager may utilize a convertible arbitrage strategy by investing in convertible securities that are trading at discounts to their fundamental values and attempts to mitigate the various risks associated with investing in such convertible securities. The Manager may, at times, short convertible securities that are trading at premiums to their fundamental values and will attempt to mitigate various risks associated with the short position (for example, by buying common shares into which the convertible security is convertible). There are risks associated with using a convertible arbitrage strategy, due in part, to the nature of a convertible security.

In seeking to achieve its investment objective, the Manager may also employ a variety of additional investment strategies which are permitted within an alternative mutual fund but may be limited or prohibited within other types of mutual funds to take advantage of potentially profitable opportunities in the capital markets, including investing in special purpose acquisition companies ("**SPACs**"), Master Limited Partnerships, equity options, convertible securities, preferred shares, and corporate or sovereign debt securities.

The Fund may choose to:

- invest up to 100% of its assets in units of other mutual funds or exchange-traded funds managed by us or by third-party management firms, including to hedge currency exposure;

- invest up to 100% of its net assets in foreign securities;

- invest the majority of assets of the Fund in cash or cash equivalents; and

- use derivative instruments in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations to:

    - reduce transaction costs;
    - increase liquidity and efficiency of trading;
    - gain exposure to equity markets in a more efficient manner;
    - reduce risk,;
    - generate yield;
    - hedge currency exposure; and

- provide leverage.

The Fund's investment strategies involve active and frequent trading of portfolio securities. In any year, the higher a fund's portfolio turnover rate, the greater the trading costs payable by the fund in the year and the larger the capital gains distribution may be. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a fund.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "Derivatives Risk", "Short Selling Risk", "Leverage Risk" and "Prime Broker Risk" in the "What are the Risks of Investing in a Mutual Fund?" section of this Simplified Prospectus.

<u>Leverage</u>
The Fund is permitted to borrow to increase its investment leverage. As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or derivatives.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

<u>Cash Borrowing</u>
As an "alternative mutual fund", the Fund is not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds. Where a Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Pursuant to NI 81-102, as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102, the Fund's cash borrowing is subject to certain conditions including:

(a) the Fund may only borrow from an entity described in sections 6.2 or 6.3 of NI 81-102;

(b) if the lender is an affiliate of the Manager, IRC must approve the applicable borrowing agreement under subsection 5.2(2) of NI 81-107;

(c) the borrowing agreement entered into is in accordance with normal industry practice and on standard commercial terms for the type of transaction;

(d) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value;

(e) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(f) exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Repurchase and Reverse Repurchase Transactions and Securities Lending

The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

The Manager intends to adhere to the following restrictions in implementing the investment strategies of the Fund:

- The Fund will not purchase private securities of private companies. Some mergers include a spin-out equity, contingent value right, public investment in private equity or other form of consideration that is unlisted at the time of the announcement but is intended to become listed shortly following the consummation of the merger, and, some SPAC opportunities may include privately issued seed capital investments. The Fund may transact in these types of securities when an active, listed market in a related, publicly issued security exists or if an active, unlisted "grey" market exists.

- No investment in a single issuer will exceed 15% of the net asset value of the Fund. This limit does not apply to holdings of cash or cash equivalents, which may exceed this limit where the Manager considers it desirable due to market conditions or otherwise.

- Unhedged foreign currency investments will be limited to no more than 10% of the NAV of the Fund.

- Pursuant to NI 81-102, as modified by exemptive relief received by the Fund, borrowing will be limited to no more than 100% of the NAV and transacted only through a qualified investment fund custodian per section 6.2 of National Instrument 81-102. Borrowing will be used for the purposes of cash management, enhancing returns, and bridging between new deal opportunities and consummated deals where the proceeds are yet to settle.

- Pursuant to NI 81-102, as modified by exemptive relief received by the Fund, short selling securities will be limited to 100% of the NAV and no more than 10% of a single issuer.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund’s holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see “*What are the specific investment risks of investing in a mutual fund?*“ for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Arbitrage Risk
- Change in Laws
- Commodities Risk
- Concentration Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investments Risk
- Foreign Investment Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk

- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- SPAC Risk
- Trust Loss Restriction Rule Risk
- Underlying Fund Investments Risk
- U.S. Investments Risk

The Fund is exposed to the following risk in connection with its investment in equity securities:

- Income Trust Investment Risk
- Large Capitalization Companies Risk
- Mid-Capitalization Companies Risk
- Small-Capitalization Companies Risk
- Volatility Risk
- Convertible Securities Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk
- Corporate Debt Securities Risk
- Credit Risk
- Fixed Income Investment Risk
- Prepayment Risk

In addition, the Fund is exposed to the following risk:

Tax Treatment of Derivative Agreement Risk

The Fund may utilize an investment strategy whereby it enters into a derivative agreement pursuant to which it agreed to acquire from the relevant counterparty units of the Other Fund at a specified future date at a price equal to the price of such units at the date the derivative is entered into (the "**Forward Agreement**").

In determining its income for tax purposes, the Fund will not treat the acquisition of units of the

Other Fund under the Forward Agreement or other similar agreements as a taxable event and will treat the cost of the units of the Other Fund so acquired as being the portion of the purchase price payable under the Forward Agreement or other similar agreements attributable to such units of the Other Fund. Depending on the value of the units of the Other Fund at the time they are acquired, such units may therefore have an accrued gain or loss. The Fund will redeem such units and will realize such accrued gain or, subject to the suspended loss rules, accrued loss, which the Fund will treat as a capital gain or a capital loss. The "suspended loss" rules in the Tax Act will prevent the Fund from recognizing capital losses on the disposition of units of the Other Fund in certain circumstances. In such cases, the denied capital losses will not be available to offset taxable capital gains of the Fund until a later date, if at all, which may increase the amount of net realized capital gains to be distributed to unitholders.

Generally, the Funds may include gains and deduct losses on income account in connection with their derivative activities and will recognize such gains or losses for tax purposes at the time they are realized by the Funds. In certain circumstances, if derivatives are utilized as a hedge gains and losses may be treated on account of capital. The DFA Rules target certain financial arrangements (described in the DFA Rules as "derivative forward agreements") that seek to reduce tax by converting, through the use of derivative contracts, the return on investments that would have the character of ordinary income to capital gains. The DFA Rules will generally not apply to derivatives used to closely hedge gains or losses due to currency fluctuations on underlying capital investments of a Fund. Gains and losses realized in connection with a Fund's derivative activities, other than currency hedging on underlying capital investments, where such activities reduce tax by converting the return on investments that would have the character of ordinary income to capital gains, will be treated by the DFA Rules as on income account. The DFA Rules can apply in a number of specified circumstances, including where a Canadian security is being purchased, the purchase agreement is an agreement to acquire property from a tax-indifferent investor or a financial institution (as defined in subsection 142.2(1) of the Tax Act), and it can reasonably be considered that one of the main purposes of the series of transactions or events, or any transaction or event in the series, of which the purchase agreement is part, is for all or any portion of the capital gain on the disposition of the Canadian security to be attributable to amounts of interest, dividends, or trust income paid or payable on the Canadian security by the issuer during the term of the agreement. Under the Forward Agreement, the units of the Other Fund to be purchased are Canadian securities and the counterparty is a financial institution; however, whether a Forward Agreement will be entered into for one of the purposes described above depends on the facts and circumstances at the time.

If the Forward Agreement were considered to give rise to a DFA under the Tax Act on delivery of the units of Other Fund to Fund by the counterparty, Fund would be required to include (deduct) in computing income the amount by which the fair market value of the units of Other Fund at such time exceeded (was exceeded by) the purchase price of the units except to the extent attributable to revenue, income or cash flow in respect of the Other Fund units over the term of the agreement or changes in the fair market value of the Other Fund. In such circumstances, the cost of the Other Fund units would be increased (decreased) by the amount included (deductible) in computing income and any capital gain or loss on the redemption of the Other Fund units would be determined with respect to such cost.

No advance income tax ruling has been requested or obtained from the CRA regarding the timing or characterization of the Fund's income, gains or losses. If the Fund were not a "mutual fund trust" within the meaning of the Tax Act and were found to be a "trader or dealer in securities", or if the Other Fund were not a "mutual fund trust" within the meaning of the Tax Act, or if, whether through the application of the general anti-avoidance rule or otherwise, or as a result of a change of law, the acquisition of units of the Other Fund by the Fund under the Forward Agreement were a taxable event, the character or timing of any gain on the redemption of units of the Other Fund acquired by the Fund under the Forward Agreement were other than a capital gain on the redemption of such units, or the Forward Agreement were a DFA, the after-tax return of unitholders could be reduced and the Fund could be subject to non-refundable income tax which would reduce the value of its unitholders' investments.

As noted above under "Investment objectives" the Fund falls within the definition of an "alternative mutual fund" set out in NI 81-102 as it is permitted to use strategies generally prohibited by other types of mutual funds, such as the ability to invest more than 10% of its NAV in securities of a single issuer, either directly or through the use of specified derivatives, the ability to borrow cash, up to 50% of its NAV, to use for investment purposes, the ability to sell securities short (the combined level of cash borrowing and short selling is limited to 50% of its NAV in aggregate), and the ability to use leverage through the use of cash borrowing, short selling and specified derivatives. For more information regarding the risks associated with these strategies, please see "Concentration Risk", "Derivative Risk", "Leverage Risk" and "Short Selling Risk" under the heading *What are the specific risks of investing in a mutual fund?* at page 44.

As at March 31, 2024, Picton Mahoney Fortified Alpha Alternative Fund owned, beneficially and of record, 17.21% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as low-to-medium risk. Please see "*Investment Risk Classification Methodology*" on page 67 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the historical return of the Fund since inception and the return of the following reference index for the remainder of the 10 year period: HFRI ED: Merger Arbitrage Index. This index is event-driven and equal-weighted, focusing on merger arbitrage globally in U.S. dollars, with a monthly reporting interval.

DISTRIBUTION POLICY

The Fund distributes its net income and net realized capital gains annually in December. Subject to applicable securities legislation, distributions are automatically reinvested in additional units of the Fund.

Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. The Manager reserves the right to change such policy, and may elect to have distributions paid in cash.

PICTON MAHONEY FORTIFIED INFLATION OPPORTUNITIES ALTERNATIVE FUND

FUND DETAILS

Type of Fund	Alternative mutual fund
Date Fund Started: Date Class A Units Started: Date Class F Units Started: Date Class I Units Started: Date Class O Units Started:	April 26, 2023 April 26, 2023 April 26, 2023 April 26, 2023 April 26, 2023
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Inflation Opportunities Alternative Fund (the "**Fund**") is to provide exposure to an actively managed, diversified portfolio of inflation related assets that seeks to generate positive returns during periods of rising inflation.

The Fund invests globally in asset classes (predominately in commodities and fixed income) that collectively seek to benefit from rising inflation, and applies risk management tools to actively adjust exposures in the Fund. The Fund also invests in long and short positions in equity securities, fixed income securities (including high yield securities, distressed debt, floating rate loans, senior loans and unsecured loans), 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 aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

Investment Strategies

The investment strategy of the Fund is global in nature and will have exposure to international markets, including emerging markets. Strategies can be implemented within and across various financial markets including global equity markets including emerging markets, global government and corporate fixed income markets, foreign exchange markets, commodity derivative markets, currency markets and volatility markets.

To achieve the investment objective, the Fund invests in an actively managed portfolio comprised of securities across a variety of asset classes identified as attractive inflation investment opportunities by the Portfolio Advisor's investment process. Consistent with the investment objectives of the Fund, up to 100% of the aggregate market value of the Fund may be sold short, as permitted by securities regulations. The Fund will short sell securities identified as unattractive investments by the Portfolio Advisor's investment process and/or to hedge the market exposure of the Fund's long positions.

The Portfolio Advisor will use proprietary economic and inflation cycle models in order to assess asset class and risk premia strategy behaviour and to construct portfolios that are aligned with the goal of providing positive exposure to inflation. Using both systematic as well as discretionary approaches, the Portfolio Advisor will apply strategic and tactical allocations. The strategic allocations will be aligned with a longer-term view of the behaviour and characteristics of markets and strategies that are expected to profit from increases in inflation. The tactical allocations will be based on a short to intermediate time horizon and may contain portfolio hedges through the use of options, futures and other securities.

The portfolio management process will also use a risk-budgeting process to weigh different components of the portfolios. A variety of methods are used to measure risk, including, standard deviation of returns (volatility), maximum drawdown experienced through time, tail-risk as defined by a large loss over a short time horizon as well as both historical and hypothetical stress tests. Both qualitative and quantitative approaches are used to estimate risk measures. The risk measures are potentially applied to the individual markets as well as asset classes, strategies, and fund investments.

On a position-by-position basis, margin requirements of the applicable exchange will be adhered to by the Fund.

The Fund may also choose to:

- invest up to 100% of its portfolio in international securities;
- pairs trade by taking short positions from time to time in securities of one issuer while taking a long position in securities of another issuer in an attempt to gain from the relative valuation differences between the two issuers;
- invest in fixed income securities;
- purchase, hold, sell, or otherwise deal in commodity forward contracts, commodity futures, financial futures or options on financial futures, but not physical commodities;
- use derivative instruments, such as options, futures, forward contracts and swaps, cleared and uncleared, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to:
    - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies;
    - implement option spreads by purchasing an option on a security and simultaneously selling an option on the same security with the same expiry date; and
    - gain exposure to individual securities and markets instead of buying the securities directly; and
- hold cash and cash equivalents;
- take long and short positions in securities impacted by event driven situations, such as mergers, divestitures, restructurings or other issuer events;

- invest in various arbitrage strategies;
- take long and short positions in private company debt offerings; and
- participate in initial public offerings, secondary offerings, and private financings (including special warrant financings) in existing publicly traded issuers to the extent permitted by securities regulations, but shall not invest in any private placements by a private company.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "Commodities Risk", "Derivatives Risk", "Short Selling Risk", "Leverage Risk" and "Prime Broker Risk" in the "What are the Risks of Investing in a Mutual Fund?" section of this Simplified Prospectus.

Leverage

The Fund is permitted to borrow to increase its investment leverage. As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or derivatives. On average, over time, the Fund generally expects to utilize leverage of 0.5 to 2.0 times its net assets, or, as may be permitted by securities regulations.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, 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 value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; 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.

Repurchase and Reverse Repurchase Transactions and Securities Lending

The Fund is authorized to enter into securities lending, repurchase and reverse purchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering in securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.
- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

Short Sales
Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender).

As an "alternative mutual fund" under NI 81-102, the Fund's use of short selling is subject to the following conditions as modified by exemptive relief obtained by the Fund which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's net asset value;

(b) the aggregate market value of all securities of the issuer of the securities sold short by the Fund must not exceed 10% of the Fund's net asset value;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and

(d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

Use of Derivatives
There are many types of derivatives that generally take the form of a contract between two parties to purchase or sell a specific currency, commodity, security, index or other underlying interest (each, an "**Underlying Interest**") at a later time. A derivative is not a direct investment in the Underlying Interest itself. Derivatives may be traded on a securities exchange or "over-the-counter" markets. Common types of derivatives include:

- Options – agreements that give the holder of the option the right, but not the obligation, to purchase or sell an Underlying Interest within a specified period at an agreed upon price. A premium is paid by the purchaser of the option to the seller for the option.
- Futures and Forward Contracts – agreements made today to purchase or sell a particular Underlying Interest at a future date at an agreed upon price, or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange and are generally subject to standardized terms and conditions, while forward contracts are not.
- Swaps – agreements between two parties to exchange payments based on the value, level or price, or on relative changes or movements of the value, level or price, of one or more Underlying Interests, which payments may be netted against each other. Swaps could also involve the physical delivery of an Underlying Interest instead of the exchange of cash payments, or the exchange of principal amounts. The most common type of swap is an interest rate swap, where one party makes cash payments based on a fixed interest rate applied to a notional amount, in exchange for cash payments based on floating interest rate based on reference rate such as the London Interbank Offered Rate applied on the same notional amount. Swaps do not trade on organized exchanges and are "over-the-counter" contracts.

The Fund is permitted to invest in specified derivatives, uncovered derivatives and enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102.

Portfolio Turnover

The investment strategies of the Fund involve a significant amount of portfolio turnover. See "*Portfolio Turnover and Rebalancing Risk*" on page 51 for a description of the risks of high portfolio turnover.

General

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Advisor may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

The Fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations. In these circumstances, the Fund may, as a temporary defensive tactic, increase the Fund's holdings of cash or cash equivalents.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Change in Laws
- Commodities Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Factor Risk Premia Securities Risk
- Foreign Investments Risk
- Fund of Fund Risk
- Hedging Risk
- Income Arising on a Change in Investment Strategies

- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Regulatory and Legal Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- Trust Loss Restriction Rule Risk
- U.K. Investments Risk
- Underlying Fund Investments Risk

The Fund is exposed to the following risk in connection with its investment in equity securities:

- Equity Investment Risk
- Income Trust Investment Risk
- Large Capitalization Companies Risk
- Mid-Capitalization Companies Risk
- Small-Capitalization Companies Risk
- Volatility Risk
- Convertible Securities Risk

The Fund is exposed to the following risks in connection with its investment in fixed income securities:

- Call Risk
- Corporate Debt Securities Risk
- Credit Risk
- Distressed Claims Risk
- Distressed Debt Risk

- Fixed Income Investment Risk
- Floating Rate Loan Liquidity Risk
- High Yield Securities Risk
- Interest Rate Risk
- Prepayment Risk
- Senior Loan Risk
- Unsecured Loan Risk

Additional risks associated with an investment in ETF units of the Fund include:

- Absence of Active Market Risk
- Halted Trading Risk
- Trading Price Risk

As at March 31, 2024, Picton Mahoney Fortified Multi-Asset Fund owned, beneficially and of record, 49.28% of the Fund's net asset value, Picton Mahoney Fortified Market Neutral Alternative Fund owned, beneficially and of record, 26.99% of the Fund's net asset value, and Picton Mahoney Fortified Long Short Alternative Fund owned, beneficially and of record, 15% of the Fund's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as high risk. Please see "*Investment Risk Classification Methodology*" on page 67 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As this Fund has less than 10 years of performance history, the Fund's investment risk level is based on the historical return of the Fund since inception and the return of the following blended reference index based on the representative asset classes within the Fund for the remainder of the 10 year period: S&P GSCI.

DISTRIBUTION POLICY

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 15). Subject to applicable securities legislation, all distributions paid on Class A, Class F, Class I and Class O units will be automatically reinvested in additional units unless the holder instructs the Fund to pay such distributions in cash, and all distributions paid on ETF units will be made in cash.

Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. A unitholder that subscribes for ETF units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units. The Manager reserves the right to change such policy, and may elect to have distributions on the Class A, Class F, Class I and Class O units paid in cash.

Additional information about the Funds is available in the Funds' Fund Facts, document, ETF Facts, Management Reports of Fund Performance and Financial Statements. These documents are incorporated by reference in this Simplified Prospectus, which means that they legally form part of this document just as if they were printed in it.

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

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

Alternative Funds

Picton Mahoney Fortified Active Extension Alternative Fund

Picton Mahoney Fortified Market Neutral Alternative Fund

Picton Mahoney Fortified Multi-Strategy Alternative Fund

Picton Mahoney Fortified Income Alternative Fund

Picton Mahoney Fortified Long Short Alternative Fund

Picton Mahoney Fortified Special Situations Alternative Fund

Picton Mahoney Fortified Alpha Alternative Fund

Picton Mahoney Fortified Arbitrage Alternative Fund

Picton Mahoney Fortified Arbitrage Plus Alternative Fund

Picton Mahoney Fortified Inflation Opportunities Alternative Fund

Picton Mahoney Asset Management
Until May 31, 2024:
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Toronto, ON
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As of June 1, 2024:
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