

# ETF FACTS

## PICTON MAHONEY FORTIFIED INCOME ALTERNATIVE FUND

### ETF UNITS

### PFIA



April 25, 2024

This document contains key information you should know about Picton Mahoney Fortified Income Alternative Fund – ETF units (the “ETF”). You can find more detailed information in the ETF’s simplified prospectus. Ask your representative for a copy, or contact Picton Mahoney Asset Management (the “Manager”) toll-free at 1-866-369-4108 or [service@pictonmahoney.com](mailto:service@pictonmahoney.com), or visit [www.pictonmahoney.com](http://www.pictonmahoney.com).

**Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.**

**This ETF is an alternative mutual fund. It has the ability to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. The specific strategies that differentiate this ETF 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 ETF’s investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.**

**This ETF has obtained exemptive relief to permit it to utilize short selling and/or cash borrowing to provide additional investment exposure pursuant to which the ETF may engage in the short selling of securities and/or cash borrowing with a combined limit of 100% of its net asset value. This short selling and cash borrowing limit is greater than the limits permitted under applicable securities legislation for exchange-traded mutual funds as well as alternative mutual funds.**

#### QUICK FACTS

Date ETF Units Started:	July 5, 2019	Fund Manager:	Picton Mahoney Asset Management
Total Value on February 29, 2024:	\$1,047,010,685	Portfolio Manager:	Picton Mahoney Asset Management
Management Expense Ratio (MER):	1.73%	Distributions:	The ETF distributes any net income monthly and any net capital gains annually in December. All distributions paid will be made in cash.
Leverage:	The ETF’s aggregate gross exposure must not exceed three times its net asset value, calculated on a daily basis. During normal market conditions, the ETF’s expected range of aggregate gross exposure is 1.5 to 2.5 times its net asset value.		

TRADING INFORMATION (12 MONTHS ENDING FEBRUARY 29, 2024)		PRICING INFORMATION (12 MONTHS ENDING FEBRUARY 29, 2024)	
Ticker Symbol:	PFIA	Market Price	\$9.06 - \$9.73
Exchange:	Toronto Stock Exchange	Net Asset Value:	\$9.45 - \$9.77
Currency:	CAD	Average bid-ask spread:	0.28%
Average Daily Volume:	19,752 ETF units		
Number of days traded:	253 out of 253 trading days		

# PICTON MAHONEY FORTIFIED INCOME ALTERNATIVE FUND ETF UNITS



## What does the ETF invest in?

The proposed investment objective of the ETF is to maximize total return to unitholders through income and capital appreciation by investing primarily in global income securities while mitigating capital loss through shorting and other hedging strategies.

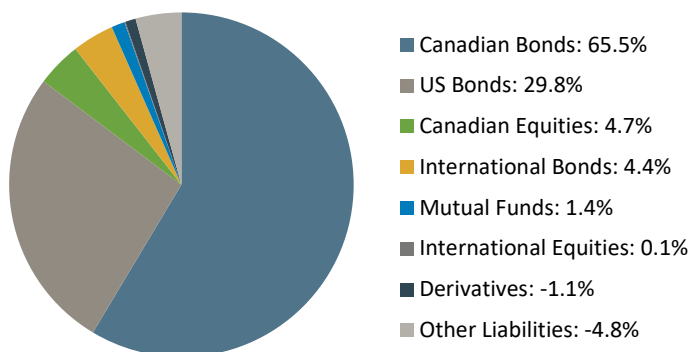
The ETF's aggregate gross exposure is calculated as the sum of the following, and must not exceed three times its net asset value: (i) the aggregate market value of the ETF's long positions; (ii) the aggregate market value of physical short sales on equities, fixed-income securities or other portfolio assets; and (iii) the aggregate notional value of the ETF's specified derivatives positions excluding any specified derivatives used for hedging purposes.

The charts below give you a snapshot of the ETF's investments on February 29, 2024. The ETF's investments will change.

### Top 10 Investments (February 29, 2024)

1. Secure Energy 7.25% 30-Dec-26	2.7%
2. Parkland Corp. 4.375% 26-Mar-29	2.4%
3. Royal Bank of Canada FRN 24-Nov-80	2.3%
4. Freeport Minerals Corp. 7.125% 01-Nov-27	2.2%
5. Permian Resources Operating 8% 15-Apr-27	2.1%
6. Toronto-Dominion Bank FRN 24-Nov-80	2.1%
7. Prime Healthcare Service Inc. 7.25% 01-Nov-25	1.9%
8. Northriver Midstream 5.625% 15-Feb-26	1.9%
9. Manitoulin USD FRN 10-Nov-27	1.9%
10. Acadia Healthcare Co Inc. 5.50% 01-Jul-28	1.8%
Total percentage of top 10 investments	21.3%
Total number of investments	199

### Investment Mix (February 29, 2024)



## How risky is it?

The value of the ETF can go down as well as up. You could lose money.

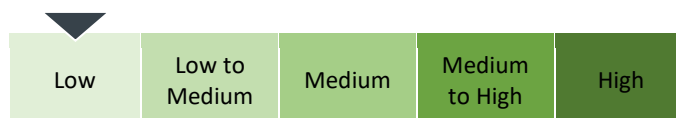
One way to gauge risk is to look at how much an exchange-traded fund's returns change over time. This is called "volatility".

In general, exchange-traded funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Exchange-traded funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

## Risk rating

The Manager has rated the volatility of this ETF as **low**.

The rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An exchange-traded fund with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the ETF's returns, see the "What is a mutual fund and what are the risks of investing in a mutual fund?" section of the ETF's simplified prospectus.

### No guarantees

Exchange-traded funds do not have any guarantees. You may not get back the amount of money you invest.

## How has the ETF performed?

This section tells you how the ETF units of the ETF have performed over the past four years. Returns<sup>1</sup> are after expenses have been deducted. These expenses reduce the ETF's returns.

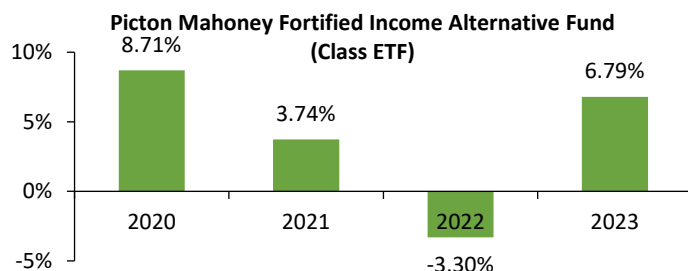
<sup>1</sup> Returns are calculated using the ETF's net asset value.

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## Year-by-year returns

This chart shows how the ETF units of the ETF have performed in each of the past four years. The ETF dropped in value in one of the last four years. The range of returns and change from year to year can help you assess how risky the Fund has been in the past. It does not tell you how the Fund will perform in the future.



## Best and worst 3-month returns

This table shows the best and worst returns for ETF units of the ETF in a 3-month period over the past four years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ending	If you invested \$1,000 at the beginning of the period
Best Return	6.16%	August 31, 2020	Your investment would rise to \$1061.56
Worst Return	-4.85%	March 31, 2020	Your investment would drop to \$951.49

## Average Return

A person who invested \$1,000 in ETF units of the ETF since inception now has \$1,221.38. This works out to an annual compound return of 4.41%.

## Trading exchange-traded funds

Exchange-traded funds hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading exchange-traded funds:

### Pricing

Exchange-traded funds have two sets of prices: market price and net asset value.

### Market price

Exchange-traded funds are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an exchange-traded fund's investments can affect the market price.

You can get price quotes any time during the trading day. Quotes have two parts: bid and ask.

The bid is the highest price a buyer is willing to pay if you want to sell your exchange-traded fund units. The ask is the lowest price a seller is willing to accept if you want to buy exchange-traded fund units. The difference between the two is called the "bid-ask spread".

In general, a smaller bid-ask spread means the exchange-traded fund is more liquid. That means you are more likely to get the price you expect.

### Net asset value

Like mutual funds, exchange-traded funds have a net asset value. It is calculated after the close of each trading day and reflects the value of an exchange-traded fund's investments at that point in time. Net asset value is used to calculate financial information for reporting purposes – like the returns shown in this document.

### Orders

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell units at the current market price. A limit order lets you set the price at which you are willing to buy or sell units.

### Timing

In general, market prices of exchange-traded funds can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

## Who is this ETF for?

This ETF may be right for you if:

- you plan to hold your investment for the long-term;
- you want to gain exposure to a portfolio of high yield, income securities of global corporate issuers; and
- you can tolerate a low to medium level of risk.

## A word about tax

In general, you will have to pay tax on any money you make on an exchange-traded fund. How much you pay depends on the tax laws where you live and whether or not you hold the exchange-traded fund in a registered plan such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your exchange-traded fund in a non-registered account, distributions from the exchange-traded fund are included in your taxable income, whether you get them in cash or have them reinvested.

# PICTON MAHONEY FORTIFIED INCOME ALTERNATIVE FUND ETF UNITS



## How much does it cost?

This section shows the fees and expenses you could pay to buy, own and sell ETF units of the ETF. Fees and expenses – including trailing commissions – can vary among classes of an exchange-traded fund and among exchange-traded funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other exchange-traded funds and investments that may be suitable for you at a lower cost.

### 1. Brokerage Commissions:

You may have to pay a commission every time you buy and sell ETF units of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free exchange-traded funds or require a minimum purchase amount.

### 2. ETF Expenses:

You don't pay these expenses directly. They affect you because they reduce the ETF's returns.

As of December 31, 2023, the ETF's expenses were 2.19% of its value. This equals \$21.90 for every \$1,000 invested.

ANNUAL RATE (AS A % OF THE ETF'S VALUE)	
<b>Management expense ratio (MER)</b> This is the total of the ETF's management fee (including the trailing commission), performance fee (if applicable), and operating expenses.	1.73%
<b>Trading expense ratio (TER)</b> These are the ETF's trading costs.	0.46%
<b>ETF expenses</b>	2.19%

The ETF pays the Manager quarterly a performance fee equal to 20% of, the positive difference between the unit price on each valuation day and high water mark less the hurdle amount per unit on the valuation day, multiplied by the number of units outstanding on the applicable valuation day on which the performance fee is determined. The high water mark is the greatest unit price on any previous valuation day. The hurdle amount per unit on a valuation day 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.

### Trailing Commission

The trailing commission is an ongoing commission. It is paid for as long as you own units of the exchange-traded fund. It is for services and advice that your representative and their firm provide to you.

The ETF units do not have a trailing commission.

### What if I Change My Mind?

Under securities law in some provinces and territories, you have the right to 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, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

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

### For More Information

Contact Picton Mahoney Asset Management or your representative for a copy of the ETF's simplified prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.

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