



SIMPLIFIED PROSPECTUS

Offering Class A, Class F, Class FT, Class T and Class I Units

**PICTON MAHONEY FORTIFIED EQUITY FUND
PICTON MAHONEY FORTIFIED INCOME FUND
PICTON MAHONEY FORTIFIED MULTI-ASSET FUND**

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.

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.

August 20, 2018

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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 Equity Fund, Picton Mahoney Fortified Income Fund and Picton Mahoney Fortified Multi-Asset Fund (collectively, the “**Funds**” and each, a “**Fund**”). 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 27, contains general information applicable to all of the Funds. The second part, from pages 28 through 42, contains specific information about each of the Funds described in this document.

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

- the Annual Information Form;
- the most recently filed Fund Facts;
- 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 our 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.

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 organized as an open-ended mutual fund trust governed by the laws of the Province of Ontario and established under a single amended and restated declaration of trust dated July 13, 2018. 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 five classes of units (“**mutual fund units**”) but may, in the future, offer one or more additional classes of units. 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 exchange-traded funds, 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*”.

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 Funds?*” under each individual fund profile starting on page 28. Not all risks apply to all Funds and there is no assurance that the Funds will be able to accomplish their objectives.

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 Risk

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.

Capital Depletion Risk

Class FT and Class T units are designed to provide a cash flow to investors based on a target annual distribution rate. Where this cash flow exceeds the net income and net realized capital gains attributable to that class, it will include a return of capital. 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. This distribution to you should not be confused with “yield” or “income”. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment. Returns of capital that are not reinvested will reduce the total assets of a Fund available for investment, which may reduce the ability of the Fund to generate future income. You should not draw any conclusions about a Fund’s performance from the amount of this distribution. Please see “*Income Tax Considerations for Investors*” for a discussion on tax consequences of a distribution of capital.

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.

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.

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.

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., transfer agent, 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. A Fund cannot use derivatives for speculative trading or to create a portfolio with excess leverage. If a Fund uses derivatives, applicable securities laws require that the Fund hold enough assets or cash to cover its commitments in the derivative contracts. This limits the amount of losses that could result from the use of derivatives.

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. To minimize this risk, the Manager monitors all of the Funds' derivative transactions regularly to ensure that the credit rating of the contract counterparty or its guarantor will generally be at least as high as the minimum approved credit rating required under National

Instrument 81-102 – *Investment Funds* (“**NI 81-102**”).

- 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 contracts 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.

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.

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.

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 it invests. 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, or have significant operations in, member countries of the European Union. The European Union requires compliance by member countries with restrictions on inflation rates, deficits, interest rates and debt levels, as well as fiscal and monetary controls, each of which may significantly affect every country in Europe, including those countries that are not members of the European Union. Changes in imports or exports, changes in governmental or European Union regulations on trade, changes in the exchange rate of the euro (the common currency of certain European Union countries), the default or threat of default by a European Union member country on its sovereign debt, and/or an economic recession in a European Union member country may have a significant adverse effect on the economies of European Union member countries and their trading partners. The European financial markets have experienced volatility and adverse trends in recent years due to concerns about economic downturns or rising government debt levels in several European countries, including, but not limited to, Greece, Ireland, Italy, Portugal, Spain and Ukraine. These events have adversely affected the exchange rate of the euro and may continue to significantly affect other European 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 European Union. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far reaching, including in the United Kingdom, which is a significant market in the global economy. In a referendum held on June 23, 2016, the United Kingdom, resolved to leave the European Union. The referendum may introduce significant new uncertainties and instability in the financial markets as the United Kingdom negotiates its exit from the European Union. Secessionist movements, as well as governmental or other responses to such movements, may create instability and uncertainty in the region. Finally, the occurrence of terrorist incidents throughout Europe also could impact financial markets. The impact of these events is not clear but could be significant and far-reaching and adversely affect the value of certain Funds. The investments of certain Funds could be negatively impacted by any economic or political instability in any European country.

Exchange-Traded Fund Risk

The Funds may from time to time invest in exchange-traded funds (“ETFs”) which qualify as index participation units under NI 81-102. 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.

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.

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.

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.

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.

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 Manager 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. Market value will also vary with changes in the general economic, political, social and financial conditions in countries where the investments are based.

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 compared to the total return of its benchmark index. 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. 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 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 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.

Prime Broker Risk

Some or all of the assets of the Funds may be held in one or more margin accounts due to the fact that a Fund may from time to time sell securities short. 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 the 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.

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.

Securities Lending, Repurchase and Reverse Repurchase Transaction Risk

The Funds may enter into securities lending, repurchase and reverse repurchase 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 (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 it assumes 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 it agrees to resell the same securities for cash (usually at a higher price) at a later date. We have set out below some of the general risks associated with securities lending, repurchase and reverse repurchase transactions:

- When entering into 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 a 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 Selling Risk

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 stock 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.

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.

Trust Loss Restriction Rule Risk

A Fund may be subject to loss restriction rules contained in the *Income Tax Act* (Canada) (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 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.

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. Foreign Account Tax Compliance Act Risk

In March 2010, the U.S. enacted the *Foreign Account Tax Compliance Act* (“**FATCA**”), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement (“**IGA**”) which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30% U.S. withholding tax under U.S. tax law (the “**FATCA Tax**”) for Canadian entities such as the Funds, provided that (i) the Funds comply with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act; and (ii) the government of Canada complies with the terms of the IGA. Each Fund will endeavor to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, unitholders of a particular fund are required to provide identity and residency and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of Specified U.S. Persons or certain non-U.S. entities controlled by Specified U.S. Persons, such information and certain financial information (for example, account balances) will be provided by the Fund to the Canada Revenue Agency (the “**CRA**”) and from the CRA to the U.S. Internal Revenue Service. However, a Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of a Fund would reduce the Fund’s distributable cash flow and net asset value.

In addition, 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.

ORGANIZATION AND MANAGEMENT OF THE FUNDS

<p><i>Manager, Portfolio Advisor and Trustee</i></p> <p>Picton Mahoney Asset Management 33 Yonge Street, Suite 830 Toronto, Ontario M5E 1G4</p>	<p>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.</p> <p>As Portfolio Advisor, we are responsible for portfolio management and advisory services for the Funds.</p> <p>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.</p>
<p><i>Custodian, Administrator and Securities Lending Agent</i></p> <p>RBC Investor & Treasury Services Toronto, Ontario</p>	<p>The Custodian has physical custody of the Funds' property.</p> <p>The Administrator provides administrative services to the Funds, including maintaining the accounting records of the Funds, fund valuation and net asset value calculation and financial reporting services.</p> <p>The Securities Lending Agent arranges and administers loans of a Fund's portfolio securities for a fee to qualified borrowers who have posted collateral.</p> <p>The Manager continues to be responsible for the services provided by the Administrator and Securities Lending Agent.</p>
<p><i>Registrar</i></p> <p>RBC Investor & Treasury Services Toronto, Ontario</p>	<p>The Registrar keeps track of the owners of units of each of the Funds, processes purchases, reclassification and redemption orders, maintains the unit register, issues investor account statements and trade confirmations and issues annual tax reporting information.</p> <p>The Manager continues to be responsible for the services provided by the Registrar.</p>
<p><i>Auditor</i></p> <p>PricewaterhouseCoopers LLP Toronto, Ontario</p>	<p>The Auditor is responsible for auditing the annual financial statements of the Funds.</p>

<i>Independent Review Committee</i>	The Independent Review Committee (the “ IRC ”) will provide independent oversight of conflict of interest matters that may arise between the Manager and the Funds. Among other things, the IRC prepares an annual report of its activities for unitholders of the Funds which will be available on our website at www.pictonmahoney.com or upon request by any unitholder, at no cost, by calling 1-866-369-4108 or emailing service@pictonmahoney.com . The members of the IRC are independent of the Manager. Additional information concerning the IRC, including the names of the members, is available in the Funds’ Annual Information Form.
<i>Fund of Funds</i>	A Fund (the “ Top Fund ”) may invest in other mutual funds, including mutual funds managed by us (the “ 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.

PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS

Description of Units

Each Fund is permitted to issue an unlimited number of classes and may issue an unlimited number of units of each class. Each of the Funds has created Class A, Class F, Class FT, Class T and Class I units.

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. Class FT units will make monthly distributions 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 Funds and then 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 the class will make any distributions 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.** For more details, see “*Distribution Policy*” under each individual fund profile starting on page 29.

Class T units: Available to all investors. Class T units are designed to provide cash flow to investors by

making monthly distributions of cash. Class T units will make monthly distributions 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 T will initially be set at the inception of the Funds and then be reset at the beginning of each calendar year to provide a target yield based on the net asset value per Class T 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 the class will make any distributions 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.** For more details, see “*Distribution Policy*” under each individual fund profile starting on page 29.

Class I units: Available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager.

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.

How We Price a Fund’s Units

Each Fund’s net asset value is calculated at the close of regular trading, normally 4:00 p.m. (Eastern Time), on a day the Toronto Stock Exchange (“**TSX**”) is open (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.

The Funds’ units are divided into the Class A, Class F, Class FT, Class T and Class I 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 the Fund.

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

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.

Although the purchases and redemptions of units are recorded on a class basis, the assets attributable to all of the class of a Fund are pooled to create one fund for investment purposes.

Each class pays its proportionate share of fund costs in addition to its management fee and performance fee. The difference in fund costs, management fees and performance fees between each class means that each class has a different Unit Price.

Any purchase, switch, reclassification or redemption instruction received after 4:00 p.m. (Eastern Time) on a Valuation Day will be processed on the next Valuation Day.

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.

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

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, Class FT and Class T units of the Funds is \$2,000. The minimum subsequent investment in Class A, Class F, Class FT and Class T units of the Funds is \$500. These minimum investment amounts may be adjusted or waived in the 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 the Funds is credited to the Funds, 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.

Redemptions

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. 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.

Under exceptional circumstances we may be unable to process your redemption order. This would most likely occur if market trading has been suspended on stock exchanges, options 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 as required by securities legislation or with the approval of the applicable securities regulatory authorities.

There are no redemption fees for the Funds, except as described under "*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. 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 fee to your dealer to effect such a switch. You negotiate the fee with your investment professional. See "*Fees and Expenses*" for details.

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 Investors*" for details.

There are no fees for switching between the Funds, except as described under "*Short-Term Trading Fee*".

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. This is called a reclassification.

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 fee to your dealer to effect such a reclassification. You negotiate the fee with your investment professional. See "*Fees and Expenses*" for details.

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 or switches 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.

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

- redemptions of units by another fund managed by Picton Mahoney Asset Management (a “**Picton Mahoney Fund**”);
- 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.

OPTIONAL SERVICES

Pre-authorized Contribution Plan

You can make regular purchases of units of the Funds 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 therefore reduce the value of your investment in a Fund.

Fees and Expenses Payable by the Funds	
Management Fees	<p>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.</p> <p>Class A units: 2% per annum Class F units: 1% per annum Class FT units: 1% per annum Class T units: 2% 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.</p> <p>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</p>

Fees and Expenses Payable by the Funds	
	<p>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 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.</p> <p>Management Fee Distributions</p> <p>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 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.</p>
Performance Fees	<p>The Manager receives a performance fee in respect of each class units of the Funds. The performance fee is equal to the daily net asset value of the class units of a 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 a reference index (the “Performance Fee Index”) since the end of the period for which the last performance fee was paid, plus applicable taxes. If at any time the total return of the class of units of a Fund is less than its Performance Fee Index, then no performance fee will be payable until the total return of the class of units of such Fund relative to its Performance Fee Index has exceeded the amount of the deficiency calculated on a percentage basis. Each Fund’s Performance Fee Index is as follows:</p> <p>Picton Mahoney Fortified Equity Fund: 25% S&P/TSX Composite Index (TR); and 50% MSCI World Index (net total return in Canadian dollars); and 25% FTSE TMX Canada 30 Day T-Bill Index (TR).</p> <p>Picton Mahoney Fortified Income Fund: 75% ICE BofAML Global High Yield Index (hedged to Canadian dollars); and 25% ICE BofAML Global Corporate Index (hedged to Canadian dollars).</p> <p>Picton Mahoney Fortified Multi-Asset Fund: 15% S&P/TSX Composite Index (TR); and 30% MSCI World Index (net total return, in Canadian dollars); and 10% FTSE TMX Canada 30 Day T-Bill Index; and 25% ICE BofAML Global High Yield Index (hedged to Canadian dollars); and 5% ICE BofAML Global Corporate</p>

Fees and Expenses Payable by the Funds

Index (hedged to Canadian dollars); and 15% ICE BofAML G7 Government Index (hedged to Canadian dollars).

S&P/TSX Composite Index: The S&P/TSX Composite Index is a capitalization-weighted index designed to measure market activity of stocks listed on the TSX. The index is comprised of the largest (by market capitalization) and most liquid securities listed on the TSX. The total return calculation assumes the reinvestment of all dividends, including stock dividends paid in kind, stock dividends paid with the securities of an issuer other than the issuer declaring such dividend, rights distributions, and cash distributions less than 4% of the underlying stock price based on the last traded board lot.

MSCI World Index: The MSCI World Index captures large and mid-cap stocks across 23 developed markets countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The net total return index reinvests an index constituent's dividends at the close of trading on the day the security is quoted ex-dividend, after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

FTSE TMX Canada 30 Day T-Bill Index: The FTSE TMX Canada 30 Day T-Bill Index tracks the performance of the current on-the-run 30 day Government of Canada treasury bill.

The ICE BofAML Global High Yield Index tracks the performance of United States dollar (“**USD**”), Canadian dollar (“**CAD**”), Great Britain Pound (“**GBP**”) and Euro (“**EUR**”) denominated below investment grade corporate debt publicly issued in the major domestic or eurobond markets. Qualifying securities must have: a below investment grade rating (based on an average of Moody's, S&P and Fitch); at least 18 months to final maturity at the time of issuance; at least one year remaining term to final maturity as of the rebalancing date; a fixed coupon schedule; a minimum amount outstanding of USD 250 million, EUR 250 million, GBP 100 million, or CAD 100 million; and meet other criteria. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest.

The ICE BofAML Global Corporate Index tracks the performance of investment grade corporate debt publicly issued in the major domestic and eurobond markets. Qualifying securities must have: an investment grade rating (based on an average of Moody's, S&P and Fitch); at least 18 months to final maturity at the time of issuance; at least one year remaining term to final maturity as of the rebalancing date; a fixed coupon schedule; a minimum size requirements (in local currency terms) of Australian dollar 100 million; CAD 100 million; EUR 250 million; Japanese Yen 20 billion; GBP 100 million; and USD 250 million; and meet other criteria. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest.

The ICE BofAML G7 Government Index tracks the performance of certain investment grade sovereign debt publicly issued by a G7 country and denominated in the issuer's

Fees and Expenses Payable by the Funds	
	<p>own domestic market and currency. In order to qualify for inclusion in the Index, a country (i) must be an OECD member; (ii) must have an investment grade foreign currency long-term sovereign debt rating (based on an average of Moody's, S&P and Fitch); (iii) must have at \$50 billion (USD equivalent) outstanding face value of Index qualifying debt (i.e., after imposing constituent level filters on amount outstanding, remaining term to maturity, etc.) to enter the Index; (iv) must have at least \$25 billion (USD equivalent) in outstanding face value of Index qualifying debt in order to remain in the Index; (v) must be available to foreign investors; (vi) must have at least one readily available, transparent price source for its securities; and (vii) must be a G7 country, which consists of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.</p> <p>The Manager, in its sole discretion, may discontinue, decrease or waive the performance fee at any time.</p> <p>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.</p>
Operating Expenses	<p>Each Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the Manager.</p> <p>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, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses, annual information forms and fund facts. Operating expenses and other costs of a Fund are subject to applicable taxes including HST.</p> <p>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, \$7,500 (plus applicable taxes or other deductions) per annum. The Chair is paid \$10,000 (plus applicable taxes or other deductions) per annum.</p> <p>The Manager, in its sole discretion, may waive and/or reimburse a portion or all of a Fund's operating expenses.</p>
Fund-on-fund Fees and Expenses	<p>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</p>

Fees and Expenses Payable by the Funds	
	<p>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 a Picton Mahoney fund, 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.</p>
Fees and Expenses Payable Directly by You	
Class I Units Management Fees and Performance Fees	<p>Unitholders of Class I units pay a negotiated management fee based on the net asset value of the Class I units of a Fund you own directly to the Manager, which will not exceed 2%. This fee will be set out in an agreement between you and the Manager.</p> <p>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.</p> <p>Management and performance fees are not included in the management expense ratio.</p>
Sales Commissions	<p>You may have to pay a sales commission of up to 5% based on the net asset value of the applicable class of units of a Fund you acquire when you buy Class A and Class T units. You may negotiate the amount with your dealer.</p> <p>There are no sales commissions for Class F, Class FT and Class I units.</p>
Switch and Reclassification Fees	<p>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.</p> <p>See "<i>Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan</i>" and "<i>Short-Term Trading Fee</i>" below.</p>
Redemption Fees	<p>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 "<i>Short-Term Trading Fee</i>" below.</p>
Short-Term Trading Fee	<p>A fee of 1% of the amount redeemed may be charged if you redeem or switch 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 the subheading "<i>Short-Term Trading</i>" under the heading "<i>Fund Governance</i>" in the Annual Information Form.</p> <p>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</p>

Fees and Expenses Payable by the Funds	
	<p>will not apply in certain circumstances, such as:</p> <ul style="list-style-type: none"> • redemptions of units by another Picton Mahoney fund; • 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.

Impact of Sales Charges

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in a Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.

Sales commissions may apply when you purchase Class A and Class T units of a Fund. The sales commissions may be negotiated between you and the dealer. There are no sales commissions payable on Class F, Class FT or Class I units of the Funds.

		Sales Charge At Time of Purchase	Before End Of:			
			1 Year ¹	3 Years	5 Years	10 Years
Redemption Option	Charge ¹	Up to \$50	Nil	Nil	Nil	Nil

¹ There is no redemption charge. However, a short-term trading fee may apply only if you redeem your units within 30 days of purchasing them.

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 or Class T units of a Fund. The maximum sales commission you may pay is 5% 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, Class FT and Class I units of the Funds. Please see “*Purchases, Switches, Reclassifications and Redemptions*” for further details.

Trailing Commissions – For Class A and Class T units of a Fund, we pay dealers (including discount brokerages) 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 or Class T units their clients hold in the Fund. There are no trailing commissions paid on Class F, Class FT and Class I units of the Funds. The trailing commissions are paid quarterly at a current annual rate of up to 1.00% of the value of the Class A or Class T 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 the policies and the rules set out in National Instrument 81-105 – *Mutual Fund Sales Practices*.

DEALER COMPENSATION FROM MANAGEMENT FEES

During the financial year ended December 31, 2017, the total compensation (including sales commissions, trailing commissions and other kinds of dealer compensation for all mutual funds managed by us) was approximately 17% of the total management fees that we received from the Picton Mahoney mutual funds.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary, at the time of filing, of certain of the principal Canadian federal income tax considerations generally applicable to you as an investor in a Fund offered under this Simplified Prospectus. This summary assumes you (i) are an individual (other than a trust) who, for purposes of the Tax Act, and at all times, (ii) are a resident of Canada, (iii) deal at arm's length, and are not affiliated, with the Funds, and (iv) hold units as capital property.

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 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. 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, and (iii) will not be required to include any amounts in income pursuant to section 94.1 or section 94.2 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. A more detailed summary is contained in the annual information form of the Funds. 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 will 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 dispersal 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 will elect under subsection 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 detailed rules in the Tax Act. Whether gains or losses realized by a Fund in respect of 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.

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, the Fund may

realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

Any income of a Fund which is derived from foreign sources may be subject to foreign taxes which may, within certain limits, be either deducted from taxable income in the Fund or allocated to unitholders to potentially offset taxes payable on such foreign source income.

A Fund may be subject to alternative minimum tax in any taxation year throughout which the Fund is not a “mutual fund trust” for purposes of 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.

A Fund may be subject to the “straddle losses” rules contained in the Tax Act, which generally defer the realization of any loss on the disposition of a “position” to the extent of any unrealized gain on an offsetting “position”. For the purposes of these rules, a “position” held by a Fund includes any interest in actively traded personal properties such as commodities, derivatives, and certain debt obligations. An offsetting “position” is any similar interest that has the effect of eliminating all or substantially all of the Fund’s risk of loss and opportunity for gain in respect of the underlying “position”. These rules apply to any losses realized on a “position” entered into after March 21, 2017, and are subject to various exceptions set out in the Tax Act.

Taxation of Unitholders

Units Held in a Registered Plan

If you hold units of a particular Fund in a tax-free savings accounts (“**TFSA**”), registered retirement savings plans (“**RRSP**”), registered retirement income funds (“**RRIF**”), registered education savings plans (“**RESP**”), or registered disability savings plans (“**RDSP**”) (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 or RRIF, you, as the holder of the TFSA or the 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, RRIF, RDSP or RESP, 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. 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, RRIF, RDSP or RESP.

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, RRIF, RDSP or RESP, based on your particular circumstances.

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.

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.

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 the rules in Part XIX of the Tax Act was enacted implementing the Organisation 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 residents of foreign countries (other than the U.S.) or by certain entities the “controlling persons” of which are 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 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 certain information to their dealer regarding their investment in a Fund for the purpose of such information exchange, unless the investment is held within certain Registered Plans.

U.S. Foreign Account Tax Compliance

In March 2010, the U.S. enacted FATCA, which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an IGA which establishes a framework for cooperation and information sharing between the two countries and may provide relief from the FATCA Tax under U.S. tax law for Canadian entities such as the Funds, provided that (i) the Funds comply with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act and (ii) the government of Canada complies with the terms of the IGA. Each Fund will endeavor to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, unitholders of a particular Fund are required to provide identity and residency and other information to the Fund (and may be subject to penalties for failing to do so), which in the case of Specified U.S. Persons or certain non-U.S. entities controlled by Specified U.S. Persons, such information and certain financial information (for example, account balances) will be provided by the Fund to the CRA and from the CRA to the U.S. Internal Revenue Service. However, a Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of a Fund would reduce the Fund’s distributable cash flow and net asset value.

Eligibility for Investment

Provided that a Fund qualifies as a “mutual fund trust” for purposes of the Tax Act, units offered hereby will be “qualified investments” under the Tax Act for your Registered Plans. However, as set out above, a penalty tax may apply if units of a Fund are a “prohibited investment” for a Registered Plan.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the Funds. These rights usually must be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

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

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.

Fund Details

This is a summary of some basic information about each of the Funds, such as when it was started, the type of fund that the Fund is best characterized as, the nature of the securities offered by the Fund, and whether the Fund is eligible as an investment for Registered Plans, such as RRSPs, TFSA's, 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 Funds?

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 a reference index that reasonably approximates such Fund's historical performance, as measured by the reference index's 10-year standard deviation of performance.

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.

Who should invest in these Funds?

The information is our assessment of the type of investor and the type of portfolio for which the Funds would be most suitable. In this section, we state what type of investor should consider an investment in a Fund having regard to that investor's objectives, i.e., whether the investor is looking to grow their capital over the long-term as opposed to an investor who is investing to receive current income; whether an investor should be in a non-registered account; and whether the investor is looking to invest in a specific region or industry. In addition to stating the type of investor for whom an investment in a Fund is suitable, we have also stated the degree of risk tolerance that an investor requires to invest in each Fund.

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).

Fund Expenses indirectly borne by investors

The information below is intended to help investors compare the cost of investing in this Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

PICTON MAHONEY FORTIFIED EQUITY FUND

FUND DETAILS

Type of Fund	Global Equity
Date Fund Started:	October 29, 2015
Nature of Securities Offered:	Units of a mutual fund trust
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Equity Fund (the “**Fund**”) is to achieve long-term capital appreciation by investing primarily in global equity securities while mitigating capital loss by engaging in hedging strategies for downside risk protection.

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 will seek to invest in a diversified portfolio of global equity securities of issuers of varying sizes of market capitalization. The Fund may also invest in ETFs and other mutual funds, including mutual funds managed by the Portfolio Advisor. The Portfolio Advisor employs a momentum-based investment strategy based on fundamental changes in the securities as identified by the Portfolio Advisor’s proprietary fundamental and quantitative research and analysis. The Fund intends to maintain an equity market exposure below 100%, and may typically range from 60% to 90% based on the Portfolio Advisor’s prevailing market outlook.

The Fund may also choose to:

- invest up to 100% of its portfolio in foreign securities;
- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations;
- engage in securities lending, repurchase and reverse repurchase transactions as permitted by securities regulations to seek to generate additional income; and
- use derivative instruments, such as options, futures, forward contracts, swaps and exchange-traded notes, 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;
 - write covered call options on the securities that the Fund owns in order to seek to generate

income from option premium; and

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

The Fund has also 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.

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 National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**“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.

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:

- Capital Depletion Risk (Class FT and Class T units only)
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Emerging Markets Risk
- Equity Investment Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Foreign Investments Risk
- Large Transaction Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover Risk
- Prime Broker Risk

- Regulatory and Legal Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Short Selling Risk
- Underlying Fund Investments Risk
- U.S. Foreign Account Tax Compliance Risk

As at July 31, 2018, one unitholder owned approximately 72.65% of the Fund. See “*Large Transaction Risk*” on page 8 for a description of the risks associated with possible redemption requests by this unitholder.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund’s risk as Low to Medium. Please see “*Investment Risk Classification Methodology*” on page 28 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund.

WHO SHOULD INVEST IN THIS FUND

This Fund may be right for you if:

- you plan to hold your investment for the long-term;
- you want to gain exposure to a diversified portfolio of global equities; and
- you can tolerate a Low to Medium level of risk.

This fund is not suitable for investors who are investing for the short-term or who are not willing to accept periodic volatility.

DISTRIBUTION POLICY

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 31). All annual distributions paid on Class A, Class F and Class I units will be automatically reinvested in additional units.

For Class FT and Class T units, unitholders will receive a target monthly distribution at an initial rate of 5% per annum. The target rate of monthly distribution 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 or Class T 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. All distributions on Class FT and Class T units will be paid in cash.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The following information is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. While you do not pay these expenses directly, they have the effect of reducing the Fund’s return. This example is based on an initial investment of \$1,000 and a total annual return of 5% in each year, and assumes the management expense ratio of the Fund was the same throughout

each period shown as it was during the most recently completed financial year. See the “*Fees and Expenses*” section in this document for more information about the cost of investing in this Fund.

Cumulative fund expenses payable over the period	1 year (\$)	3 years (\$)	5 years (\$)	10 years (\$)
Class A	26.65	81.83	139.61	296.26
Class F	15.07	46.81	80.83	176.91
Class FT	15.07	46.81	80.83	176.91
Class T	26.65	81.83	139.61	296.26
Class I	3.49	10.95	19.14	43.24

PICTON MAHONEY FORTIFIED INCOME FUND

FUND DETAILS

Type of Fund	High Yield Fixed Income
Date Fund Started:	October 29, 2015
Nature of Securities Offered:	Units of a mutual fund trust
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Income Fund (the “**Fund**”) is to maximize total return to unitholders through income and capital appreciation by investing primarily in global income securities while mitigating capital loss by engaging in hedging strategies for downside risk protection.

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 global corporate debt securities. The Fund may also invest in government bonds, loans, and convertible bonds. The Fund may invest no more than 25% of its portfolio in preferred shares and equities, such as ETFs and other mutual funds, including mutual funds managed by the Portfolio Advisor. For clarity, the Fund may invest no more than 5% of its portfolio in equities of individual companies but will not be limited in the type of debt securities in which it may invest. In selecting securities for the portfolio, the Portfolio Manager will focus on securities that it believes will maximize risk-adjusted returns.

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 foreign securities;
- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations;
- engage in securities lending, repurchase and reverse repurchase transactions as permitted by securities regulations to seek to generate additional income; and
- use derivative instruments, such as options, futures, forward contracts and swaps, 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.

The Fund has also 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.

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.

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:

- Call Risk
- Capital Depletion Risk (Class FT and Class T units only)
- Corporate Debt Securities Risk
- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Equity Investment Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Fixed Income Investment Risk
- Foreign Investments Risk
- High Yield Securities Risk
- Interest Rate Risk
- Large Transaction Risk
- Liquidity Risk

- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover Risk
- Prime Broker Risk
- Regulatory and Legal Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Short Selling Risk
- Underlying Fund Investments Risk
- U.S. Foreign Account Tax Compliance Risk

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 28 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund.

WHO SHOULD INVEST IN THIS FUND

This Fund 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 income securities of global corporate issuers; and
- you can tolerate a Low to Medium level of risk.

This fund is not suitable for investors who are investing for the short-term or who are not willing to accept periodic volatility.

DISTRIBUTION POLICY

The Fund intends to distribute any net income on or about each calendar quarter end and any net capital gains at the end of each taxation year (normally December 31). All distributions paid on Class A, Class F and Class I units will be automatically reinvested in additional units unless you elect, by written request, to receive distributions in cash.

For Class FT and Class T units, unitholders will receive a target monthly distribution at an initial rate of 5% per annum. The target rate of monthly distribution 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 or Class T 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. All distributions on Class FT and Class T units will be paid in cash.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The following information is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. While you do not pay these expenses directly, they have the effect of reducing the Fund's return. This example is based on an initial investment of \$1,000 and a total annual return of 5% in each year, and assumes the management expense ratio of the Fund was the same throughout each period shown as it was during the most recently completed financial year. See the "*Fees and Expenses*" section in this document for more information about the cost of investing in this Fund.

Cumulative fund expenses payable over the period	1 year (\$)	3 years (\$)	5 years (\$)	10 years (\$)
Class A	24.70	76.00	129.92	277.14
Class F	14.35	44.61	77.09	169.06
Class FT	13.63	42.41	73.35	161.15
Class T	23.88	73.54	125.82	268.98
Class I	1.64	5.16	9.04	20.53

PICTON MAHONEY FORTIFIED MULTI-ASSET FUND

FUND DETAILS

Type of Fund	Tactical Balanced Fund
Date Fund Started:	October 29, 2015
Nature of Securities Offered:	Units of a mutual fund trust
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Picton Mahoney Fortified Multi-Asset Fund (the “**Fund**”) is to achieve long-term capital appreciation by investing primarily in global equity securities and global income securities while mitigating capital loss by engaging in hedging strategies for downside risk protection.

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 its investment objective, the Fund’s portfolio will include a tactical blend of global equities, global fixed income securities, derivatives of the securities in these asset classes and cash. The Fund may also invest in ETFs and other mutual funds, including mutual funds managed by the Portfolio Advisor. The Fund’s tactical allocation to these asset classes is based on the Portfolio Advisor’s general market outlook, which is derived from the Portfolio Advisor’s proprietary fundamental and quantitative research and analysis.

The Fund will typically have exposure of 25% to 75% of its portfolio to global listed equity securities and 25% to 75% to global fixed income securities of public or private companies. However, based on the prevailing market conditions, the Portfolio Advisor may allocate up to 100% of its portfolio in any one asset class.

The global equity component will invest primarily in equities of issuers of varying sizes of market capitalization. The global fixed income component of the Fund’s portfolio will be invested primarily in global high yield debt securities, and may also be invested in global investment grade debt securities, government bonds, loans, convertible bonds, preferred shares, and dividend-paying equity securities. The global equity and global fixed income components of the Fund’s portfolio may be invested in equity and fixed income mutual funds managed by the Manager in order to obtain exposure to these securities.

The Fund may also choose to:

- invest up to 100% of its portfolio in foreign securities;
- invest a portion of the Fund’s assets in exchange-traded funds to gain exposure to the securities described herein;
- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations;
- engage in securities lending, repurchase and reverse repurchase transactions as permitted by securities regulations to seek to generate additional income; and

- use derivative instruments, such as options, futures, forward contracts and swaps, 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;
 - write covered call options on the securities that the Fund owns in order to seek to generate income from option premium; and
 - gain exposure to individual securities and markets instead of buying the securities directly.

The Fund has also 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.

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.

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:

- Call Risk
- Corporate Debt Securities Risk
- Capital Depletion Risk (Class FT and Class T units only)
- Concentration Risk
- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Emerging Markets Risk

- Equity Investment Risk
- European Investments Risk
- Exchange-Traded Fund Risk
- Exchange-Traded Note Risk
- Fixed Income Investment Risk
- Foreign Investments Risk
- Fund of Fund Risk
- High Yield Securities Risk
- Interest Rate Risk
- Large Transaction Risk
- Liquidity Risk
- Market Risk
- Multiple Classes Risk
- Performance Fee Risk
- Portfolio Turnover Risk
- Prime Broker Risk
- Regulatory and Legal Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Short Selling Risk
- Underlying Fund Investments Risk
- U.S. Foreign Account Tax Compliance Risk

During the period August 1, 2017 to July 31, 2018, more than 10% of the net asset value of the Fund was invested in the securities of two different issuers. The Fund invested up to 56.53% in the securities issued by Picton Mahoney Fortified Equity Fund, and up to 36.06% in the securities issued by Picton Mahoney Fortified Income Fund. See “*Liquidity Risk*” on page 8 and “*Concentration Risk*” on page 3 for a description of the risks associated with the Fund’s investment in these securities.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund’s risk as Low to Medium. Please see “*Investment Risk Classification Methodology*” on page 28 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund.

WHO SHOULD INVEST IN THIS FUND

This Fund 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 global equity and fixed income securities; and
- you can tolerate a Low to Medium level of risk.

This fund is not suitable for investors who are investing for the short-term or who are not willing to accept periodic volatility.

DISTRIBUTION POLICY

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 31). All annual distributions paid on Class A, Class F and Class I units will be automatically reinvested in additional units.

For Class FT and Class T units, unitholders will receive a target monthly distribution at an initial rate of 5% per annum. The target rate of monthly distribution 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 or Class T 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. All distributions on Class FT and Class T units will be paid in cash.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The following information is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. While you do not pay these expenses directly, they have the effect of reducing the Fund's return. This example is based on an initial investment of \$1,000 and a total annual return of 5% in each year, and assumes the management expense ratio of the Fund was the same throughout each period shown as it was during the most recently completed financial year. See the "*Fees and Expenses*" section in this document for more information about the cost of investing in this Fund.

Cumulative fund expenses payable over the period	1 year (\$)	3 years (\$)	5 years (\$)	10 years (\$)
Class A	28.39	87.02	148.21	313.06
Class F	16.81	52.13	89.85	195.75
Class FT	16.81	52.13	89.85	195.75
Class T	28.39	87.02	148.21	313.06
Class I	5.23	16.40	28.61	64.32

Additional information about the Funds is available in the Funds' Annual Information Form, Fund 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.

Picton Mahoney Fortified Equity Fund
Picton Mahoney Fortified Income Fund
Picton Mahoney Fortified Multi-Asset Fund

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