

Financial Statements of

EHP ADVANTAGE FUND

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013



KPMG LLP
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5
Canada

Telephone (416) 777-8500
Fax (416) 777-8818
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Partners of EHP Advantage Fund

We have audited the accompanying financial statements of EHP Advantage Fund, which comprise the statements financial position as at December 31, 2014, December 31, 2013 and May 1, 2013, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the year ended December 31, 2014 and period from May 1, 2013 (commencement of operations) to December 31, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of EHP Advantage Fund as at December 31, 2014, December 31, 2013 and May 1, 2013 and its financial performance and its cash flows for the year ended December 31, 2014 and period from May 1, 2013 (commencement of operations) to December 31, 2013 in accordance with International Financial Reporting Standards.

Chartered Professional Accountants, Licensed Public Accountants

March 31, 2015
Toronto, Canada

EHP ADVANTAGE FUND

Statements of Financial Position

December 31, 2014, December 31, 2013 and May 1, 2013

	December 31, 2014	December 31, 2013	May 1, 2013
Assets			
Cash	\$ 6,269,789	\$ 758,488	\$ 2,000,010
Financial assets at fair value through profit or loss (cost - \$31,912,407; December 31, 2013 - \$11,011,570; May 1, 2013 - nil) (note 2)	34,370,867	12,007,478	—
Receivable for investments sold (note 2)	4,130,045	73,809	—
Dividends receivable	55,446	27,611	—
Interest receivable	3,318	—	—
Other receivable	3,328	—	—
	<u>44,832,793</u>	<u>12,867,386</u>	<u>2,000,010</u>
Liabilities			
Financial liabilities at fair value through profit or loss (cost - \$8,451,746; December 31, 2013 - \$2,531,009; May 1, 2013 - nil) (note 2)	8,578,677	2,607,953	—
Payable for investments purchased (note 2)	30,580	486,840	—
Performance fee payable (note 7)	329,950	118,804	—
Accounts payable and accrued liabilities	55,677	47,149	—
Management fee payable (note 7)	83,783	13,283	—
Dividends payable	29,486	3,144	—
Interest payable	220	99	—
Subscriptions received in advance	100,000	384,500	—
	<u>9,208,373</u>	<u>3,661,772</u>	<u>—</u>
Net liabilities attributable to holders of redeemable units (note 6)	<u>\$ 35,624,420</u>	<u>\$ 9,205,614</u>	<u>\$ 2,000,010</u>

EHP ADVANTAGE FUND

Statements of Financial Position (continued)

December 31, 2014, December 31, 2013 and May 1, 2013

	December 31, 2014	December 31, 2013	May 1, 2013
Net assets attributable to holders of redeemable units per class and series:			
Class A - Initial Series	\$ 757,095	\$ 12	\$ 10
Class A - 2013 Series 10	-	24,860	-
Class A - 2013 Series 11	-	88,205	-
Class A - 2013 Series 12	-	61,632	-
Class A - 2014 Series 11	2,263,958	-	-
Class A - 2014 Series 12	849,923	-	-
Class E - Initial Series	3,919,191	-	-
Class F - Initial Series	287,595	-	-
Class F - 2014 Series 10	10,568	-	-
Class F - 2014 Series 11	405,966	-	-
Class F - 2014 Series 12	1,294,824	-	-
Founder Class - Initial Series	19,388,427	7,851,144	2,000,000
Founder Class - 2013 Series 10	-	112,175	-
Founder Class - 2013 Series 11	-	490,167	-
Founder Class - 2013 Series 12	-	577,419	-
Founder Class - 2014 Series 9	512,560	-	-
Founder Class - 2014 Series 10	65,262	-	-
Founder Class - 2014 Series 11	4,682,554	-	-
Founder Class - 2014 Series 12	1,186,497	-	-
Total net assets attributable to holders of redeemable units	\$ 35,624,420	\$ 9,205,614	\$ 2,000,010

Net assets attributable to holders of redeemable units per units:			
Class A - Initial Series	\$ 15.02	\$ 12.28	\$ 10.00
Class A - 2013 Series 10	-	11.05	-
Class A - 2013 Series 11	-	10.56	-
Class A - 2013 Series 12	-	10.19	-
Class A - 2014 Series 11	10.35	-	-
Class A - 2014 Series 12	10.25	-	-
Class E - Initial Series	11.41	-	-
Class F - Initial Series	11.68	-	-
Class F - 2014 Series 10	10.57	-	-
Class F - 2014 Series 11	10.37	-	-
Class F - 2014 Series 12	10.25	-	-
Founder Class - Initial Series	16.02	12.67	10.00
Founder Class - 2013 Series 10	-	11.22	-
Founder Class - 2013 Series 11	-	10.66	-
Founder Class - 2013 Series 12	-	10.22	-
Founder Class - 2014 Series 9	10.91	-	-
Founder Class - 2014 Series 10	10.96	-	-
Founder Class - 2014 Series 11	10.34	-	-
Founder Class - 2014 Series 12	10.29	-	-

See accompanying notes to financial statements.

On behalf of the Partnership:

EHP ADVANTAGE FUND

Statements of Comprehensive Income

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

	2014	2013
Income:		
Dividend	\$ 587,845	\$ 138,226
Interest for distribution purposes	18,713	873
Net foreign currency losses	(28,006)	(11,616)
Net realized gains on financial assets and liabilities at fair value through profit or loss (note 3)	4,623,011	680,847
Net change in unrealized appreciation on financial assets and liabilities at fair value through profit or loss (note 3)	1,412,564	918,964
	<u>6,614,127</u>	<u>1,727,294</u>
Operating expenses:		
Performance fee (note 7)	593,012	169,370
Commissions and other portfolio transaction	507,060	67,031
Management fee (note 7)	317,349	64,142
Dividend expense on investments sold short	141,164	18,696
Interest and stock loan fees	78,577	14,909
Other fees	63,764	28,788
Administration fee	48,542	21,922
Withholding taxes	46,025	7,832
Audit and tax fees	34,094	22,600
	<u>1,829,587</u>	<u>415,290</u>
Finance cost and taxes:		
Distributions to holders of redeemable shares	3,079,342	40,245
Increase in net assets attributable to holders of redeemable units	<u>\$ 1,705,198</u>	<u>\$ 1,271,759</u>

See accompanying notes to financial statements.

EHP ADVANTAGE FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

2014	Net assets attributable to holders of redeemable units, beginning of period	Increase in net assets attributable to holders of redeemable units	Unit transactions				Net assets attributable to holders of redeemable units, end of period
			Proceeds from redeemable units issued	Reinvestment of distributions to holders of redeemable shares	Redemption of redeemable units	Redesignation of redeemable units	
Class A - Initial Series	\$ 12	\$ 37,853	\$ -	\$ 73,068	\$ (11,270)	\$ 657,432	\$ 757,095
Class A - 2013 Series 10	24,860	-	-	-	-	(24,860)	-
Class A - 2013 Series 11	88,205	-	-	-	-	(88,205)	-
Class A - 2013 Series 12	61,632	-	-	-	-	(61,632)	-
Class A - 2014 Series 1	-	520	11,500	148	-	(12,168)	-
Class A - 2014 Series 2	-	12,655	306,500	3,044	-	(322,199)	-
Class A - 2014 Series 3	-	449	116,000	44	-	(116,493)	-
Class A - 2014 Series 4	-	579	15,773	196	-	(16,548)	-
Class A - 2014 Series 5	-	138	5,000	35	-	(5,173)	-
Class A - 2014 Series 7	-	155	10,000	-	-	(10,155)	-
Class A - 2014 Series 11	-	68,958	2,195,000	-	-	-	2,263,958
Class A - 2014 Series 12	-	8,121	841,500	302	-	-	849,923
Class E - Initial Series	-	374,301	3,435,643	109,247	-	-	3,919,191
Class F - Initial Series	-	16,285	7,500	9,832	-	253,978	287,595
Class F - 2014 Series 6	-	482	120,321	134	-	(120,937)	-
Class F - 2014 Series 7	-	1,737	131,304	-	-	(133,041)	-
Class F - 2014 Series 10	-	504	10,000	64	-	-	10,568
Class F - 2014 Series 11	-	11,703	419,355	-	-	(25,092)	405,966
Class F - 2014 Series 12	-	31,461	1,260,000	3,363	-	-	1,294,824
Founder Class - Initial Series	7,851,144	672,561	-	2,817,938	(2,989,256)	11,036,040	19,388,427
Founder Class - 2013 Series 10	112,175	-	-	-	-	(112,175)	-
Founder Class - 2013 Series 11	490,167	-	-	-	-	(490,167)	-
Founder Class - 2013 Series 12	577,419	-	-	-	-	(577,419)	-
Founder Class - 2014 Series 1	-	20,715	375,000	4,740	-	(400,455)	-
Founder Class - 2014 Series 2	-	87,247	1,750,000	17,038	-	(1,854,285)	-
Founder Class - 2014 Series 3	-	2,867	600,000	306	-	(603,173)	-
Founder Class - 2014 Series 4	-	20,444	453,075	5,656	-	(479,175)	-
Founder Class - 2014 Series 5	-	53,136	1,594,880	11,552	-	(1,659,568)	-
Founder Class - 2014 Series 6	-	53,072	2,797,722	10,019	-	(2,860,813)	-
Founder Class - 2014 Series 7	-	3,081	300,000	-	-	(303,081)	-

EHP ADVANTAGE FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

	Net assets attributable to holders of redeemable units, beginning of period	Increase in net assets attributable to holders of redeemable units	Unit transactions				Net assets attributable to holders of redeemable units, end of period
			Proceeds from redeemable units issued	Reinvestment of distributions to holders of redeemable shares	Redemption of redeemable units	Redesignation of redeemable units	
Founder Class - 2014 Series 8	–	28,528	1,665,000	2,200	–	(1,695,728)	–
Founder Class - 2014 Series 9	–	34,852	470,000	7,708	–	–	512,560
Founder Class - 2014 Series 10	–	4,249	60,000	1,013	–	–	65,262
Founder Class - 2014 Series 11	–	146,165	4,560,020	1,277	(50,000)	25,092	4,682,554
Founder Class - 2014 Series 12	–	12,380	1,173,699	418	–	–	1,186,497
	\$ 9,205,614	\$ 1,705,198	\$ 24,684,792	\$ 3,079,342	\$ (3,050,526)	\$ –	\$ 35,624,420

2013	Net assets attributable to holders of redeemable units, beginning of period	Increase in net assets attributable to holders of redeemable units	Unit transactions				Net assets attributable to holders of redeemable units, end of period
			Proceeds from redeemable units issued	Reinvestment of distributions to holders of redeemable shares	Redemption of redeemable units	Redesignation of redeemable units	
Class A - Initial Series	\$ 10	\$ 2	\$ –	\$ –	\$ –	\$ –	\$ 12
Class A - 2013 Series 10	–	2,288	22,500	72	–	–	24,860
Class A - 2013 Series 11	–	4,558	83,500	147	–	–	88,205
Class A - 2013 Series 12	–	1,104	60,500	28	–	–	61,632
Founder Class - Initial Series	2,000,000	1,082,596	–	34,266	–	4,734,282	7,851,144
Founder Class - 2013 Series 6	–	3,765	100,000	119	–	(103,884)	–
Founder Class - 2013 Series 7	–	82,529	1,750,000	2,598	–	(1,835,127)	–
Founder Class - 2013 Series 8	–	7,414	250,000	233	–	(257,647)	–
Founder Class - 2013 Series 9	–	34,440	2,502,100	1,084	–	(2,537,624)	–
Founder Class - 2013 Series 10	–	11,801	100,000	374	–	–	112,175
Founder Class - 2013 Series 11	–	29,235	460,000	932	–	–	490,167
Founder Class - 2013 Series 12	–	12,027	565,000	392	–	–	577,419
	\$ 2,000,010	\$ 1,271,759	\$ 5,893,600	\$ 40,245	\$ –	\$ –	\$ 9,205,614

See accompanying notes to financial statements.

EHP ADVANTAGE FUND

Statements of Cash Flows

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

	2014	2013
Cash flows from operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 1,705,198	\$ 1,271,759
Adjustments for:		
Net realized losses on financial assets and liabilities at fair value through profit or loss (note 4)	(4,623,010)	(680,847)
Net change in unrealized depreciation on financial assets and liabilities at fair value through profit or loss (note 4)	(1,412,565)	(918,964)
Reinvestment of distributions to holders of redeemable units	3,079,342	40,245
	(1,251,035)	(287,807)
Change in non-cash balances:		
Purchases of investments	(303,134,532)	(37,583,720)
Cost of investments purchased to cover short positions	(114,768,702)	(25,053,641)
Proceeds from sale of investments	283,112,442	27,428,898
Proceeds from investments sold short	119,921,206	27,821,780
Net increase in dividends receivable	(27,835)	(27,611)
Net increase in interest receivable	(3,318)	-
Net increase in other receivable	(3,328)	-
Net increase in performance fee payable (note 7)	211,146	118,804
Net increase in accounts payable and accrued liabilities	8,528	47,149
Net increase in management fee payable (note 7)	70,500	13,283
Net increase in dividends payable	26,342	3,144
Net increase in interest payable	121	99
Net cash used in operating activities	(15,838,465)	(7,519,622)
Cash flows from financing activities:		
Proceeds from issuance of redeemable units (note 6)	24,400,292	6,278,100
Payment on redemption of redeemable units (note 6)	(3,050,526)	-
Net cash provided by financing activities	21,349,766	6,278,100
Net increase in cash	5,511,301	(1,241,522)
Cash, beginning of period	758,488	2,000,010
Cash, end of period	\$ 6,269,789	\$ 758,488
Supplemental cash flow information:		
Interest paid	\$ 782	\$ 2,302
Interest received	15,395	873
Dividends received, net of withholding taxes	513,987	102,783

See accompanying notes to financial statements.

EHP ADVANTAGE FUND

Schedule of Investments

December 31, 2014

Number of shares/ par value	Description	Cost	Carrying value	% of net assets
Investments - long				
Canadian equities:				
6,060	Canadian National Railway Co.	\$ 423,301	\$ 484,800	1.36
9,400	Alimentation Couche-Tard Inc., Class B	346,663	457,686	1.28
6,820	Dollarama Inc.	336,859	405,108	1.14
9,490	Power Financial Corp.	338,317	343,348	0.96
2,690	CCL Industries Inc., Class B	299,042	338,590	0.95
23,300	Celestica Inc.	279,116	318,045	0.89
16,640	Intertape Polymer Group Inc.	285,271	309,670	0.87
18,440	Transcontinental Inc., Class A	278,461	305,366	0.86
2,410	Magna International Inc., Class A	245,713	303,395	0.85
3,800	Linamar Corp.	212,567	269,610	0.76
9,440	Toromont Industries Ltd.	249,566	269,134	0.76
3,200	Intact Financial Corp	253,094	268,384	0.75
3,900	West Fraser Timber Company Ltd.	234,948	259,233	0.73
7,850	Westshore Terminals Investment Corp.	259,517	248,296	0.70
14,500	Enerflex Ltd.	245,583	237,655	0.67
50,700	RMP Energy Inc.	221,423	232,206	0.65
7,140	Stantec Inc.	226,604	227,980	0.64
6,980	CI Financial Corp.	229,842	225,384	0.63
6,200	Canadian Natural Resources Ltd.	246,907	222,704	0.63
28,050	Raging River Exploration Inc.	197,827	205,887	0.58
8,400	Cenovus Energy Inc.	238,175	201,348	0.57
10,110	Labrador Iron Ore Royalty Corp.	175,112	188,046	0.53
1,850	George Weston Ltd.	169,060	185,648	0.52
20,600	Canyon Services Group Inc.	173,649	185,194	0.52
4,690	Fortis Inc.	174,346	182,722	0.51
47,050	Bankers Petroleum Ltd.	163,484	152,442	0.43
1,200	Canadian Tire Corporation Ltd., Class A	145,384	147,288	0.41
7,600	Baytex Energy Corp.	148,570	146,832	0.41
41,600	Nobilis Health Corp.	82,398	145,600	0.41
3,190	Enbridge Income Fund Holdings Inc.	93,339	128,717	0.36
3,160	Saputo Inc.	101,552	110,347	0.31
2,710	Emera Inc.	93,263	104,714	0.29
1,500	Open Text Corp.	93,782	101,415	0.28
1,680	Enbridge Inc.	85,921	100,363	0.28
1,210	Bank of Montreal	89,376	99,438	0.28
1,680	TransCanada Corp.	90,791	95,928	0.27
1,190	Royal Bank of Canada	87,351	95,486	0.27
1,770	BCE Inc.	88,211	94,306	0.26
3,000	Shaw Communications Inc., Class B	83,326	94,050	0.26
3,350	Calloway REIT	87,379	91,455	0.26
1,810	Laurentian Bank of Canada	85,888	90,446	0.25
11,100	Absolute Software Corp.	85,266	90,132	0.25
2,200	Canadian Utilities Ltd., Class A	86,525	90,002	0.25
2,900	Uni-Select Inc.	82,765	89,755	0.25
1,810	National Bank of Canada	83,262	89,486	0.25

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2014

Number of shares/ par value	Description	Cost	Carrying value	% of net assets
1,340	Bank of Nova Scotia	87,382	88,855	0.25
4,200	Performance Sports Group Ltd.	84,110	88,788	0.25
1,890	Thomson Reuters Corp.	75,367	88,584	0.25
12,600	Knight Therapeutics Inc.	85,050	87,192	0.24
3,930	H&R REIT	87,378	85,399	0.24
6,100	Rona Inc.	87,418	84,485	0.24
2,370	Great-West Lifeco Inc.	74,009	79,608	0.22
1,300	Catamaran Corp.	75,728	78,156	0.22
700	Agrium Inc.	77,775	77,000	0.22
800	Metro Inc., Class A	64,304	74,640	0.21
3,990	First Capital Realty Inc.	72,011	74,453	0.21
740	Canadian Imperial Bank of Commerce	67,544	73,882	0.21
2,600	Jean Coutu Group Inc., Class A	67,913	73,606	0.21
2,000	DH Corp.	72,077	73,340	0.21
5,490	Blackberry Ltd.	68,803	69,943	0.20
2,000	Progressive Waste Solutions Ltd.	70,091	69,860	0.20
200	Constellation Software Inc.	64,191	69,088	0.19
2,600	Brookfield Property Partners LP	67,493	68,770	0.19
1,900	Brookfield Renewable Energy Partners LP	67,859	68,210	0.19
300	Canadian Pacific Railway Ltd.	60,711	67,125	0.19
1,200	Toronto-Dominion Bank	60,874	66,612	0.19
400	Valeant Pharmaceuticals International Inc.	61,257	66,532	0.19
1,000	Loblaw Companies Ltd.	57,077	62,170	0.17
4,380	Air Canada Inc.	50,943	51,991	0.15
900	Amaya Inc.	25,200	25,695	0.07
2,500	Ithaca Energy Inc.	2,827	2,975	0.01
Total Canadian equities		10,034,188	10,850,600	30.46
Canadian options:				
117,500	Immunovaccine Inc., \$1.24, March 18, 2016	—	—	—
Total Canadian warrants		—	—	—
United States equities:				
30,500	iShares Barclays 20+ Year Treasury Bond ETF	4,120,842	4,461,963	12.53
34,200	iShares Barclays 7-10 Year Bond ETF	4,057,880	4,211,361	11.82
1,770	The Travelers Company Inc.	201,524	217,710	0.61
1,330	Apple Inc.	129,152	170,559	0.48
2,230	AFLAC Inc.	147,451	158,273	0.44
1,470	Exxon Mobil Corp.	153,784	157,873	0.44
1,340	G-III Apparel Group Ltd.	113,715	157,254	0.44
6,800	Healthways Inc.	119,660	157,057	0.44
4,100	Lydall Inc.	122,550	156,334	0.44
1,400	Ross Stores Inc.	123,128	153,332	0.43
1,990	Abbvie Inc.	118,062	151,250	0.42
1,700	Scripps Networks Interactive Inc.	144,133	148,662	0.42
4,300	Amedisys Inc.	126,370	146,625	0.41

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2014

Number of shares/ par value	Description	Cost	Carrying value	% of net assets
1,700	Delphi Automotive PLC	119,906	145,336	0.41
1,600	Standex International Corp.	131,376	143,468	0.40
8,500	Intersil Corp., Class A	126,268	142,896	0.40
2,100	Innophos Holdings Inc.	128,577	142,751	0.40
1,100	Hanesbrands Inc.	134,824	142,648	0.40
3,400	Natus Medical Inc.	114,168	142,244	0.40
8,600	Mercury Computer Systems Inc.	125,347	139,081	0.39
350	Biogen Idec Inc.	126,290	138,067	0.39
2,100	Atmos Energy Corp.	127,869	135,969	0.38
1,100	Chemed Corp.	131,873	135,044	0.38
2,100	Saia Inc.	119,609	135,042	0.38
2,500	Vectren Corp.	125,129	134,275	0.38
3,100	Verifone Systems Inc.	121,533	133,979	0.38
1,600	Harris Corp.	124,969	133,505	0.37
1,600	Dr. Pepper Snapple Group Inc.	119,648	133,245	0.37
2,400	Realty Income Corp.	126,962	133,031	0.37
2,900	National Retail Properties Inc.	126,326	132,646	0.37
1,030	Western Digital Corp.	96,405	132,470	0.37
3,030	Coach Inc.	131,226	132,186	0.37
2,100	Heartland Payment Systems Inc.	126,677	131,577	0.37
1,100	CIGNA Corp.	117,496	131,517	0.37
3,230	Micron Technology Inc.	103,232	131,379	0.37
5,200	Tuesday Morning Corp.	123,077	131,097	0.37
2,800	Kaman Corp.	123,647	130,479	0.37
800	Acuity Brands Inc.	119,013	130,196	0.37
1,400	Jack in the Box Inc.	119,523	130,057	0.37
700	Advance Auto Parts Inc.	116,507	129,569	0.36
1,600	Protective Life Corp.	126,351	129,490	0.36
2,740	Simmons First National Corp., Class A	120,963	129,371	0.36
4,000	Consolidated Communications Holdings Inc.	119,806	129,332	0.36
1,800	Emerson Electric Co.	125,721	129,071	0.36
6,200	Western Union Co.	122,685	129,009	0.36
3,300	Medifast Inc.	119,152	128,629	0.36
850	Boeing Co.	112,281	128,339	0.36
3,100	OGE Energy Corp.	123,145	127,784	0.36
1,650	Seagate Technology PLC	103,287	127,479	0.36
1,600	Clearwater Paper Corp.	117,852	127,426	0.36
3,600	CA Inc.	115,734	127,357	0.36
1,600	Assurant Inc.	121,279	127,185	0.36
1,600	Ball Corp.	115,307	126,720	0.36
2,200	Science Applications International Corp.	113,833	126,596	0.36
2,200	Logmein Inc.	120,463	126,111	0.35
1,200	Carlisle Companies Inc.	120,794	125,823	0.35
1,200	Marathon Petroleum Corp.	116,212	125,823	0.35
1,100	SanDisk Corp.	114,512	125,216	0.35
2,280	Electronic Arts Inc.	98,092	124,538	0.35

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2014

Number of shares/ par value	Description	Cost	Carrying value	% of net assets
1,700	Computer Sciences Corp.	111,498	124,528	0.35
2,000	Texas Instruments Inc.	110,710	124,231	0.35
1,900	Foot Locker Inc.	121,354	124,035	0.35
1,400	The Estee Lauder Companies Inc., Class A	118,927	123,941	0.35
1,200	Aetna Inc.	111,939	123,843	0.35
1,900	Parexel International Corp.	120,407	122,644	0.34
2,700	Cal-Maine Foods Inc.	129,548	122,432	0.34
3,900	Progressive Corp.	112,490	122,247	0.34
1,900	Franklin Resources Inc.	121,764	122,225	0.34
1,900	Skechers USA Inc., Class A	119,916	121,960	0.34
3,000	WhiteWave Foods Co., Class A	123,144	121,954	0.34
9,100	Cousins Properties Inc.	122,460	120,737	0.34
2,500	Lexmark International Inc.	120,845	119,868	0.34
2,200	Microsoft Corp.	115,756	118,750	0.33
2,700	Western Refining Inc.	124,405	118,511	0.33
2,300	Waste Connections Inc.	121,237	117,547	0.33
790	Edwards Lifesciences Corp.	79,943	116,912	0.33
2,370	Gap Inc.	102,541	115,948	0.33
900	Fossil Group Inc.	112,374	115,792	0.33
2,540	Best Buy Company Inc.	97,444	115,029	0.32
2,000	Valero Energy Corp.	113,391	115,018	0.32
5,000	Steel Dynamics Inc.	125,364	114,670	0.32
1,900	Principal Financial Group Inc.	112,482	114,653	0.32
3,500	Trinity Industries Inc.	119,921	113,938	0.32
14,000	SWS Group Inc.	109,846	112,393	0.32
1,400	Synaptics Inc.	106,646	111,970	0.31
700	General Dynamics Corp.	112,500	111,937	0.31
4,800	Repligen Corp.	121,437	110,417	0.31
890	Harman International Industries Inc.	108,461	110,318	0.31
1,150	PetSmart Inc.	88,642	108,616	0.30
1,600	GATX Corp.	106,698	106,960	0.30
1,000	Caterpillar Inc.	112,088	106,305	0.30
2,200	Cognex Corp.	102,669	105,638	0.30
1,050	Expedia Inc.	100,736	104,130	0.29
1,200	Tesoro Corp.	105,091	103,656	0.29
1,900	FMC Technologies Inc.	113,951	103,396	0.29
1,180	Michael Kors Holdings Ltd.	98,786	102,956	0.29
2,020	Teradata Corp.	96,816	102,510	0.29
1,150	Bed Bath and Beyond Inc.	86,967	101,768	0.29
4,800	Kindred Healthcare Inc.	116,765	101,382	0.28
200	NewMarket Corp.	83,137	93,764	0.26
1,000	LyondellBasell Industries NV, Class A	111,917	92,235	0.26
1,900	Halliburton Co.	112,703	86,796	0.24
400	Berkshire Hathaway Inc., Class B	55,370	69,801	0.20
950	Scana Corp.	55,370	66,664	0.19

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2014

Number of shares/ par value	Description	Cost	Carrying value	% of net assets
300	Public Storage Inc.	58,134	64,445	0.18
490	Sempra Energy	60,366	63,384	0.18
470	ACE Ltd.	53,517	62,730	0.18
1,050	Southern Co.	50,115	59,909	0.17
1,040	Altria Group Inc.	48,478	59,532	0.17
490	Johnson & Johnson	51,861	59,530	0.17
490	Hershey Co.	51,902	59,143	0.17
490	The Chubb Corp.	48,807	58,903	0.17
300	Avalonbay Communities Inc.	54,048	56,955	0.16
840	Marsh & McLennan Companies Inc.	45,265	55,861	0.16
900	DENTSPLY International Inc.	47,696	55,700	0.16
500	Illinois Tool Works Inc.	49,190	55,011	0.15
330	Costco Wholesale Corp.	45,255	54,346	0.15
900	Cincinnati Financial Corp.	48,418	54,194	0.15
510	Procter and Gamble Co.	46,009	53,984	0.15
490	Stryker Corp.	45,508	53,683	0.15
400	Kimberly Clark Corp.	50,796	53,671	0.15
490	McDonald's Corp.	51,828	53,342	0.15
350	Stericycle Inc.	46,601	53,301	0.15
400	United Parcel Service Inc., Class B	44,568	51,663	0.15
500	Deere & Co.	46,743	51,392	0.14
800	Wells Fargo & Co.	46,718	50,961	0.14
1,300	AT&T Inc.	51,709	50,732	0.14
850	Waste Management Inc.	42,036	50,680	0.14
1,030	Coca-Cola Co.	46,830	50,523	0.14
950	US Bancorp	42,485	49,612	0.14
1,060	Republic Services Inc.	44,489	49,568	0.14
780	AGL Resources Inc.	42,565	49,397	0.14
600	Allstate Corp.	46,149	48,970	0.14
490	Wal-Mart Stores Inc.	41,572	48,896	0.14
320	Praxair Inc.	45,307	48,177	0.14
620	Consolidated Edison Inc.	38,832	47,548	0.13
1,600	Kimco Realty Corp.	45,895	46,732	0.13
520	Colgate Palmolive Co.	36,361	41,794	0.12
650	General Mills Inc.	35,928	40,266	0.11
625	Torchmark Corp.	34,657	39,334	0.11
780	Loews Corp.	36,869	38,079	0.11
380	Northeast Utilities System	22,487	23,624	0.07
100	M&T Bank Corp.	14,141	14,595	0.04
100	Vornado Realty Trust	12,592	13,677	0.04
280	CMS Energy Corp.	10,522	11,304	0.03
40	DTE Energy Co.	3,086	4,013	0.01
20	Duke Energy Corp.	1,557	1,941	0.01
20	XCEL Energy Inc.	674	834	—
Total United States equities		21,878,219	23,520,267	66.02
Total investments - long		\$ 31,912,407	\$ 34,370,867	96.48

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2014

Number of shares/ par value	Description	Cost	Carrying value	% of net assets
Investments - short				
Canadian equities:				
(22,890)	HudBay Minerals Inc.	\$ (202,383)	\$ (231,647)	(0.65)
(76,620)	Sherritt International Corp.	(203,915)	(229,860)	(0.65)
(57,690)	Canexus Corp.	(198,472)	(188,069)	(0.53)
(70,400)	Legacy Oil Plus Gas Inc., Class A	(151,789)	(152,064)	(0.43)
(59,190)	Capstone Mining Corp.	(122,562)	(120,156)	(0.34)
(11,320)	Martinrea International Inc.	(116,294)	(117,387)	(0.33)
(12,400)	Painted Pony Petroleum Ltd., Class A	(119,768)	(114,700)	(0.32)
(18,200)	Crew Energy Inc.	(112,050)	(107,744)	(0.30)
(24,700)	Bellatrix Exploration Ltd.	(119,292)	(104,481)	(0.29)
(8,310)	Innergex Renewable Energy Inc.	(88,201)	(94,402)	(0.26)
(7,290)	Dundee Corp., Class A	(90,479)	(93,385)	(0.26)
(5,100)	Veresen Inc.	(86,594)	(93,330)	(0.26)
(3,600)	Norbord Inc.	(80,009)	(92,988)	(0.26)
(16,000)	Lundin Mining Corp.	(89,813)	(91,520)	(0.26)
(4,600)	MEG Energy Corp.	(90,601)	(89,930)	(0.25)
(2,400)	Allied Properties REIT	(86,651)	(89,856)	(0.25)
(20,000)	Gran Tierra Energy Inc.	(94,628)	(89,200)	(0.25)
(3,400)	Capital Power Corp.	(88,898)	(88,400)	(0.25)
(4,270)	Chemtrade Logistics Income Fund	(89,847)	(88,389)	(0.25)
(4,510)	Maple Leaf Foods Inc.	(88,579)	(87,810)	(0.25)
(3,110)	Paramount Resources Ltd., Class A	(96,054)	(87,453)	(0.25)
(14,890)	Major Drilling Group International Inc.	(92,014)	(85,022)	(0.24)
(1,900)	SNC-Lavalin Group Inc.	(91,739)	(84,189)	(0.24)
(1,900)	AltaGas Ltd.	(84,029)	(82,346)	(0.23)
(5,600)	Aimia Inc.	(90,943)	(81,816)	(0.23)
(8,300)	Algonquin Power and Utilities Corp.	(79,622)	(80,012)	(0.22)
(10,600)	Nuvista Energy Ltd.	(96,255)	(78,546)	(0.22)
(14,300)	Trinidad Drilling Ltd.	(101,060)	(74,360)	(0.21)
(4,500)	First Quantum Minerals Ltd.	(73,812)	(74,295)	(0.21)
(4,600)	Teck Resources Ltd., Class B	(60,584)	(73,048)	(0.21)
(9,300)	Canaccord Genuity Group Inc.	(61,492)	(72,633)	(0.20)
(29,640)	Penn West Petroleum Ltd.	(74,690)	(72,025)	(0.20)
(2,800)	Dream Office REIT	(77,689)	(70,420)	(0.20)
(8,300)	Trilogy Energy Corp.	(72,149)	(65,653)	(0.18)
(8,940)	Bonavista Energy Corp.	(102,893)	(65,262)	(0.18)
(5,700)	Enerplus Corp.	(59,582)	(63,783)	(0.18)
(11,100)	Trican Well Service Ltd.	(65,541)	(61,827)	(0.17)
(4,810)	Black Diamond Group Ltd.	(64,022)	(61,279)	(0.17)
(47,530)	Lightstream Resources Ltd.	(57,174)	(56,561)	(0.16)
(1,870)	Avigilon Corp.	(33,131)	(35,867)	(0.10)
(5,750)	Just Energy Group Inc.	(32,009)	(34,960)	(0.10)
(8,820)	Turquoise Hill Resources Ltd.	(33,847)	(31,664)	(0.09)
(6,760)	Nevsun Resources Ltd.	(26,771)	(30,285)	(0.09)
(11,400)	Horizon North Logistics Inc.	(28,750)	(30,096)	(0.08)
(1,100)	Badger Daylighting Ltd.	(31,694)	(29,095)	(0.08)
(590)	AutoCanada Inc.	(34,278)	(26,255)	(0.07)
Total Canadian equities - short		(4,042,649)	(3,974,070)	(11.15)

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2014

Number of shares/ par value	Description	Cost	Carrying value	% of net assets
United States equities:				
(170)	Netflix Inc.	(63,063)	(67,470)	(0.19)
(2,220)	Dr. Horton Inc.	(55,360)	(65,228)	(0.18)
1,400	Iron Mountain Inc.	(56,229)	(62,881)	(0.18)
(1,170)	First Solar Inc.	(73,152)	(60,618)	(0.17)
(430)	Vertex Pharmaceuticals Inc.	(41,862)	(59,349)	(0.17)
(850)	Salesforce.com Inc.	(50,552)	(58,561)	(0.16)
(4,800)	8X8 Inc.	(37,215)	(51,082)	(0.14)
(1,940)	Tredegar Corp.	(42,180)	(50,690)	(0.14)
(3,300)	FutureFuel Corp.	(46,543)	(49,918)	(0.14)
(400)	NextEra Energy Inc.	(45,113)	(49,395)	(0.14)
(1,000)	Kinder Morgan Inc.	(43,384)	(49,156)	(0.14)
(2,180)	Dean Foods Co.	(36,408)	(49,084)	(0.14)
(7,140)	First Bancorp	(40,418)	(48,693)	(0.14)
(1,520)	Brady Corp., Class A	(44,681)	(48,281)	(0.14)
(3,100)	SkyWest Inc.	(40,802)	(47,829)	(0.13)
(2,100)	Ciena Corp.	(39,994)	(47,356)	(0.13)
(5,410)	TTM Technologies Inc.	(44,207)	(47,329)	(0.13)
(14,790)	Ion Geophysical Corp.	(51,228)	(47,253)	(0.13)
(2,400)	Invacare Corp.	(42,493)	(46,732)	(0.13)
(3,500)	Wausau Paper Corp.	(39,141)	(46,234)	(0.13)
(18,000)	Quicksilver Inc.	(40,130)	(46,216)	(0.13)
(600)	Lumber Liquidators Holdings Inc.	(42,387)	(46,216)	(0.13)
(1,300)	Aaron's Inc.	(41,631)	(46,171)	(0.13)
(3,410)	American Vanguard Corp.	(45,974)	(46,035)	(0.13)
(400)	American Tower Corp., Class A	(45,375)	(45,942)	(0.13)
(550)	Equity Residential REIT	(37,176)	(45,918)	(0.13)
(1,400)	General Growth Properties Inc.	(38,981)	(45,754)	(0.13)
(400)	Constellation Brands Inc.	(40,600)	(45,608)	(0.13)
(900)	Leidos Holdings Inc.	(40,769)	(45,474)	(0.13)
(1,000)	FirstEnergy Corp.	(38,575)	(45,299)	(0.13)
(1,200)	Thoratec Corp.	(43,386)	(45,254)	(0.13)
(500)	Integrus Energy Group Inc.	(44,758)	(45,206)	(0.13)
(600)	Wageworks Inc.	(31,399)	(45,010)	(0.13)
(660)	Darden Restaurants Inc.	(35,704)	(44,964)	(0.13)
(300)	Boston Properties Inc.	(42,857)	(44,854)	(0.13)
(500)	Red Robin Gourmet Burgers Inc.	(32,213)	(44,715)	(0.13)
(500)	Dominion Resources Inc.	(38,849)	(44,665)	(0.13)
(700)	MAXIMUS Inc.	(39,066)	(44,599)	(0.13)
(300)	Thermo Fisher Scientific Inc.	(41,248)	(43,672)	(0.12)
(1,400)	La-Z-Boy Inc.	(41,105)	(43,640)	(0.12)
(4,700)	A.M. Castle & Co.	(44,321)	(43,574)	(0.12)
(800)	Rackspace Hosting Inc.	(31,510)	(43,507)	(0.12)
(780)	Stamps.com	(27,630)	(43,489)	(0.12)
(1,700)	Hanger Inc.	(44,415)	(43,254)	(0.12)
(1,000)	Apartment Investment and Management Co., Class A	(41,391)	(43,161)	(0.12)
(600)	EnerSys Inc.	(42,482)	(43,024)	(0.12)
(1,320)	Rayonier Inc.	(46,390)	(42,848)	(0.12)

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2014

Number of shares/ par value	Description	Cost	Carrying value	% of net assets
(1,900)	Gulf Island Fabrication Inc.	(41,876)	(42,802)	(0.12)
(520)	OSI Systems Inc.	(39,153)	(42,755)	(0.12)
(820)	Nielsen Holdings BV	(40,988)	(42,604)	(0.12)
(2,200)	Monarch Casino and Resort Inc.	(40,454)	(42,403)	(0.12)
(2,400)	Peoples United Financial Inc.	(39,150)	(42,327)	(0.12)
(820)	The Ensign Group Inc.	(31,336)	(42,289)	(0.12)
(850)	Plum Creek Timber Co.	(40,706)	(42,276)	(0.12)
(1,000)	PPL Corp.	(40,741)	(42,208)	(0.12)
(460)	Crown Castle International Corp.	(38,843)	(42,059)	(0.12)
(500)	Ventas Inc.	(38,421)	(41,656)	(0.12)
(430)	Macerich Co.	(31,953)	(41,654)	(0.12)
(1,290)	Medicines Co.	(36,659)	(41,470)	(0.12)
(400)	CME Group Inc., Class A	(36,464)	(41,202)	(0.12)
(1,200)	Wolverine World Wide Inc.	(41,323)	(41,086)	(0.12)
(4,030)	VOXX International Corp.	(39,409)	(41,015)	(0.12)
(530)	Vulcan Materials Co.	(34,543)	(40,474)	(0.11)
(2,870)	Momenta Pharma Inc.	(36,429)	(40,146)	(0.11)
(2,600)	Boston Scientific Corp.	(38,568)	(40,024)	(0.11)
(800)	Timken Co.	(39,100)	(39,669)	(0.11)
(800)	NiSource Inc.	(37,586)	(39,418)	(0.11)
(990)	Consol Energy Inc.	(40,943)	(38,888)	(0.11)
(200)	Perrigo Co.	(35,149)	(38,827)	(0.11)
(8,200)	Swift Energy Co.	(63,812)	(38,583)	(0.11)
(1,400)	Centerpoint Energy Inc.	(37,749)	(38,109)	(0.11)
(1,300)	eHealth Inc.	(36,737)	(37,638)	(0.11)
(1,200)	Pepco Holdings Inc.	(37,268)	(37,545)	(0.11)
(1,000)	Cree Inc.	(39,521)	(37,433)	(0.11)
(300)	Tiffany & Co.	(36,905)	(37,231)	(0.10)
(290)	Martin Marietta Materials Inc.	(39,149)	(37,169)	(0.10)
(1,120)	Atwood Oceanics Inc.	(51,156)	(36,916)	(0.10)
(1,200)	Koppers Holdings Inc.	(47,116)	(36,220)	(0.10)
(2,430)	Scientific Games Corp., Class A	(27,842)	(35,939)	(0.10)
(620)	Oneok Inc.	(38,958)	(35,865)	(0.10)
(1,400)	Winnebago Industries Inc.	(40,295)	(35,393)	(0.10)
(1,200)	General Electric Co.	(34,348)	(35,230)	(0.10)
(1,100)	NRG Energy Inc.	(35,453)	(34,442)	(0.10)
(650)	Williams Companies Inc.	(35,241)	(33,937)	(0.10)
(800)	Spectra Energy Corp.	(35,480)	(33,739)	(0.09)
(4,010)	Cliffs Natural Resources Inc.	(53,626)	(33,264)	(0.09)
(3,460)	Liquidity Services Inc.	(53,229)	(32,842)	(0.09)
(15,180)	Arch Coal Inc.	(48,137)	(31,392)	(0.09)
(100)	Actavis Inc.	(18,586)	(29,929)	(0.08)
(10,540)	Aerpostale Inc.	(46,795)	(28,409)	(0.08)
(150)	Pioneer National Resource Co.	(27,214)	(25,940)	(0.07)

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2014

Number of shares/ par value	Description	Cost	Carrying value	% of net assets
(3,470)	Approach Resources Inc.	(51,450)	(25,761)	(0.07)
(70)	Amazon.com Inc.	(25,591)	(25,240)	(0.07)
(200)	Avago Technologies Ltd.	(20,132)	(23,373)	(0.07)
(200)	Mallinckrodt Public Limited Co.	(19,143)	(23,004)	(0.06)
(300)	Akamai Technologies Inc.	(18,407)	(21,944)	(0.06)
(1,040)	Staples Inc.	(13,323)	(21,895)	(0.06)
(4,300)	NTELOS Holdings Corp.	(50,581)	(20,932)	(0.06)
(280)	Ingersoll-Rand PLC	(19,037)	(20,621)	(0.06)
(730)	E*Trade Financial Corp.	(17,491)	(20,571)	(0.06)
(500)	Discovery Communications Inc., Series A	(21,717)	(20,012)	(0.06)
(690)	Pitney Bowes Inc.	(18,138)	(19,520)	(0.05)
(330)	Tenet Healthcare Corp.	(18,060)	(19,423)	(0.05)
(1,280)	Nabors Industries Ltd.	(23,157)	(19,303)	(0.05)
(40)	Regeneron Pharmaceuticals Inc.	(12,806)	(19,065)	(0.05)
(400)	Agilent Technologies Inc.	(19,240)	(19,026)	(0.05)
(800)	QEP Resources Inc.	(18,391)	(18,793)	(0.05)
(320)	Yahoo! Inc.	(14,905)	(18,782)	(0.05)
(460)	Allegheny Technologies Inc.	(16,746)	(18,582)	(0.05)
(730)	Navient Corp.	(14,129)	(18,328)	(0.05)
(830)	Newmont Mining Corp.	(20,207)	(18,216)	(0.05)
(210)	TripAdvisor Inc.	(18,083)	(18,213)	(0.05)
(800)	Chesapeake Energy Corp.	(19,513)	(18,189)	(0.05)
(550)	Newfield Exploration Co.	(18,323)	(17,329)	(0.05)
(100)	Wynn Resorts Ltd.	(20,549)	(17,285)	(0.05)
(300)	Delta Air Lines Inc.	(12,241)	(17,141)	(0.05)
(110)	F5 Networks Inc.	(11,763)	(16,673)	(0.05)
(280)	Whole Foods Market Inc.	(12,658)	(16,402)	(0.05)
(1,600)	Genworth Financial Inc., Class A	(16,346)	(15,800)	(0.04)
(400)	GameStop Corp., Class A	(17,135)	(15,698)	(0.04)
(170)	Facebook Inc., Class A	(11,495)	(15,409)	(0.04)
(120)	Cimarex Energy Co.	(17,934)	(14,778)	(0.04)
(180)	Under Armour Inc., Class A	(10,612)	(14,197)	(0.04)
(90)	Keurig Green Mountain Inc.	(9,749)	(13,843)	(0.04)
(60)	Alexion Pharmaceuticals Inc.	(10,518)	(12,898)	(0.04)
(100)	Monster Beverage Corp.	(9,708)	(12,588)	(0.03)
(20)	Intuitive Surgical Inc.	(8,507)	(12,290)	(0.03)
(100)	United Rentals Inc.	(12,554)	(11,858)	(0.03)
Total United States equities - short		(4,409,097)	(4,604,607)	(12.93)
Total investments - short		\$ (8,451,746)	\$ (8,578,677)	(24.08)
Total investments - long		\$ 31,912,407	\$ 34,370,867	96.48
Total investments - short		(8,451,746)	(8,578,677)	(24.08)
Total investments owned		\$ <u>23,460,661</u>	25,792,190	72.40
Other liabilities, net			9,832,230	27.60
Net assets			\$ 35,624,420	100.00

See accompanying notes to financial statements.

EHP ADVANTAGE FUND

Notes to Financial Statements

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

1. General information:

The EHP Advantage Fund (the "Fund") is an open-ended investment trust established under the laws of the Province of Ontario pursuant to a trust agreement (the "Trust Agreement") made as of April 17, 2013 and amended and restated as of June 1, 2014. The registered office of the Fund is 2 Bloor Street East, Suite 2102, Toronto, Ontario, Canada, M4W 1A8.

EdgeHill Partners, a general partnership formed under the laws of the Province of Ontario, is the manager and investment advisor of the Fund (the "Investment Manager"). The Investment Manager performs management functions for the Fund, including investment management of the Fund's portfolio.

The Fund's investment objective is to generate superior risk-adjusted investment returns over the long term by utilizing a multi-strategy approach, consisting of diversified quantitative and systematic investment strategies. The Fund will also seek to preserve capital and mitigate risk through the application of both portfolio and risk management tools. In order to achieve its objective, the Fund will actively allocate capital over multiple investment strategies predominantly based upon researched, repeatable and process-driven methodologies.

2. Significant accounting policies:

The principal accounting policies applied in the preparation of these financial statements are set out below:

(a) Basis of presentation:

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"). These are the Fund's first financial statements prepared in accordance with IFRS and IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1"), has been applied. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), as defined in Part V of the Chartered Professional Accountants of Canada Handbook. The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at May 1, 2013 and through all periods presented. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Fund is provided in note 9. This note includes reconciliations of equity and comprehensive income for comparative periods and of equity at the date of transition, being May 1, 2013, from reporting under Canadian GAAP to those reported for those periods and at the date of transition.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

2. Significant accounting policies (continued):

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss ("FVTPL") which are presented at fair value.

(b) Approval of the financial statements:

The financial statements were approved by the Investment Manager and authorized for issue on March 31, 2015.

(c) Functional currency and foreign currency translation:

The measurement and functional currency of the Fund is the Canadian dollar ("CAD") and the financial statements are presented in CAD. Investment transactions and income and expenses in foreign currencies have been translated to CAD at the rate of exchange prevailing at the time of the transaction.

Foreign currency assets and liabilities have been translated into the functional currency, using the rate of exchange prevailing at the statement of financial position date.

Foreign exchange gains and losses relating to cash are presented in the statement of comprehensive income within net foreign currency losses.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at FVTPL are presented in the statement of comprehensive income within net changes in fair value on financial assets at FVTPL.

(d) Financial assets and financial liabilities:

(i) Classification:

The Fund classifies its investments in debt and equity securities, and derivatives, as financial assets or financial liabilities at FVTPL.

This category has two sub-categories: financial assets and financial liabilities held for trading, and those designated at FVTPL at inception.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

2. Significant accounting policies (continued):

(a) Financial assets and liabilities held for trading:

A financial asset or financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Investments in securities sold short have been categorized as held-for-trading.

(b) Financial assets and liabilities designated at FVTPL at inception:

Financial assets and financial liabilities designated at FVTPL at inception are financial instruments that are not classified as held-for-trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. Investments in long-listed equities and exchange-traded funds have been categorized as designated at FVTPL.

All other financial assets and liabilities are classified as loans and receivables and other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost.

(ii) Recognition, derecognition and measurement:

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in the statement of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

2. Significant accounting policies (continued):

When the Fund purchases an option or warrant, an amount equal to fair value which is based on the premium paid is recorded as an asset. When the Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability. When options and warrants are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a realized gain or loss and is presented in the statement of comprehensive income within net realized gains (losses) on financial assets at FVTPL.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Net realized and changes in unrealized gains and losses arising from changes in the fair value of the financial assets or financial liabilities at FVTPL category are presented in the statement of comprehensive income within realized and net change in unrealized appreciation on financial assets at FVTPL in the period in which they arise.

Dividend income from financial assets at FVTPL is recognized in the statement of comprehensive income within dividend income, gross of withholding taxes, when the Fund's right to receive payments is established. Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date. Amounts not yet received or paid are included in the statement of financial position in dividends receivable and dividends payable on securities sold short, respectively. Interest for distribution purposes earned on debt securities at FVTPL is recognized in the statement of comprehensive income.

(iii) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

2. Significant accounting policies (continued):

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at last sale or close price, where the close price falls within the day's bid-ask spread. In circumstances where the close price is not within the day's bid-ask spread, management determines the point within bid-ask spread that is most representative of fair value based on specific facts and circumstances.

The fair value used for financial reporting is consistent with the fair value used for unitholder and related transactions.

(e) Cost of investments:

The cost of investments represents the amount paid for each security and is determined on an average cost basis, excluding commissions and other transaction costs.

(f) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Fund currently has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realized the asset and settle the liability simultaneously. Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL.

(g) Cash and cash equivalents:

Cash and cash equivalents consist of cash on deposit and short-term deposits with terms to maturity of less than three months at acquisition.

(h) Payable for investments purchased/receivable for investments sold:

Amounts receivable for investments sold and amounts payable for investments purchased that have been contracted are recorded on the statement of financial position at the amount to be received or delivered.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

2. Significant accounting policies (continued):

- (i) Redeemable units and net assets attributable to holders of redeemable units:

The Fund issues multiple classes of redeemable units, which are redeemable at the holder's option and do not have identical rights. For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale, which amount is included in net assets attributable to holders of redeemable units. For each unit redeemed, net assets attributable to holders of redeemable units is reduced by the net asset value of the unit at the date of redemption. The redeemable shares are measured at the current value of the Fund's net assets and are considered a residual amount of the net assets attributable to holders of redeemable units.

The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period for each class/series, respectively. Refer to note 6 for further detail.

- (j) Net assets attributable to holders of redeemable units per unit:

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of units by the total numbers of units of that particular class outstanding at the end of the year.

- (k) Commissions and other portfolio transaction costs:

Commissions and other portfolio transaction costs are costs incurred to acquire financial assets or liabilities at FVTPL. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognized in profit or loss as an expense. Refer to note 9 for further detail on soft dollar arrangements.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

2. Significant accounting policies (continued):

(l) Taxation:

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) (the "Tax Act") and, accordingly, is not subject to tax on its net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to its unitholders as at the end of the tax year. However, such part of the Fund's net income and net realized capital gains that is not so paid or payable, is subject to income tax. Income tax on net realized capital gains not paid or payable is generally recoverable by virtue of refunding provisions contained in tax legislation, as redemptions occur. It is the intention of the Fund to distribute all of its income and sufficient net realized capital gains so that the Fund will not be subject to income tax. Refer to note 7 for further details.

The Fund is subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes.

(m) Critical accounting estimates and assumptions:

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates.

(n) Future accounting standards:

Financial instruments:

IFRS 9, Financial Instruments ("IFRS 9"), is part of the International Accounting Standards Board's wider project to release IAS 39, Financial Instruments - Recognition and Measurement. IFRS 9 retains, but simplifies the mixed measurements model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entities' business model and the contractual cash flow characteristics of the financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018; however early adoption is permitted. The Fund is in the process of evaluating the impact of the new standard.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

3. Financial assets and financial liabilities at FVTPL:

The Fund's classification of financial assets and liabilities at FVTPL is described in note 2. The following table presents the net gains (losses) on financial assets and liabilities at FVTPL for the year ended December 31, 2014 and period ended December 31, 2013:

2014	Held-for-trading	Designated at FVTPL	Total
Financial assets at FVTPL:			
Net realized gains	\$ 178,698	\$ 2,679,238	\$ 2,857,936
Net change in unrealized gains	–	1,514,596	1,514,596
	178,698	4,193,834	4,372,532
Financial liabilities at FVTPL:			
Net realized gains	1,765,074	–	1,765,074
Net change in unrealized losses	(102,032)	–	(102,032)
	1,663,042	–	1,663,042
Total	\$ 1,841,740	\$ 4,193,834	\$ 6,035,574

2013	Held-for-trading	Designated at FVTPL	Total
Financial assets at FVTPL:			
Net realized gains	\$ –	\$ 369,907	\$ 369,907
Net change in unrealized gains	–	995,910	995,910
	–	1,365,817	1,365,817
Financial liabilities at FVTPL:			
Net realized gains	310,940	–	310,940
Net change in unrealized losses	(76,945)	–	(76,945)
	233,995	–	233,995
Total	\$ 233,995	\$ 1,365,817	\$ 1,599,812

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

4. Derivative financial instruments:

The Fund holds the following derivative instruments:

Warrants:

A warrant is a contractual arrangement under which the issuer grants the holder the right, but not the obligation, either to buy at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price directly from the issuer of the underlying securities. The Fund is exposed to credit risk on purchased warrants only to the extent of their carrying amount, which is their fair value.

The Fund did not hold warrants as at December 31, 2013 or May 1, 2013. The following table details the Fund's investments in warrants as at December 31, 2014:

Description	Maturity date	Strike price	Notional amount	Fair value in financial assets (liabilities)
Options:				
Immunovaccine Inc.	March 18, 2016	1.24	\$ 145,700	\$ –

The notional amounts of certain types of financial instrument provide a basis for comparison with instruments recognized on the statement of financial position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and do not, therefore, indicate the Fund's exposure to credit or market price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market prices or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable and, thus, the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

5. Financial risk management:

(a) Financial risk factors:

The Fund's investment activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including price risk, foreign exchange risk, and interest rate risk).

The Fund is also exposed to operational risks, such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that reduces the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, the market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objective and the types of securities it invests in. The Investment Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and may use derivatives to hedge certain risk exposures. To assist in managing risks, the Investment Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategies, internal guidelines and securities regulations.

The Fund's investment policy allows it to invest in a variety of financial instruments and utilize various investment strategies in order to meet its objectives. As part of the Fund's risk management practices, investment activities of the Fund are subject to the following investment restrictions, as prescribed in the Offering Memorandum:

(i) Purchasing securities:

The Fund will typically purchase securities through normal market facilities. Purchases of securities under other circumstances will only be permitted where the purchase price for such securities approximates the prevailing market price or is negotiated or established on an arm's-length basis.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

5. Financial risk management (continued):

(ii) Foreign investment proposals:

The Fund will not invest in (a) an interest in a trust (or partnership which holds such interest) which would require the Fund (or the partnership) to report income in connection with such interest pursuant to proposed section 94.2 of the Tax Act or (b) the securities of any non-resident corporation, trust or other non-resident entity if the Fund would be required to include an amount in income pursuant to section 94.1 of the Tax Act as amended by, or set forth in, the amendments to the Tax Act released on October 24, 2012 (or amendments to such proposals or provisions as enacted into law or successor provisions thereto).

(iii) Commodities:

The Fund may not purchase or sell commodities if the intention is to take physical delivery of the commodity.

(iv) Unit fund status:

The Fund will comply with the requirements set out in the Tax Act in order to cause the Fund to have "unit trust" status.

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can also increase the potential returns the Fund can achieve.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(i) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The carrying amount of the Fund's assets represents the maximum credit risk exposure.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

5. Financial risk management (continued):

The Fund's investments in debt instruments and related derivatives represent the main concentration of credit risk. The fair value of these financial instruments includes consideration of the creditworthiness of the issuer and, accordingly, represents the maximum credit risk exposure of the Fund.

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at December 31, 2014 and December 31, 2013, the Fund had no significant investments in debt instruments and/or derivatives.

The majority of the cash and cash equivalents and investments of the Fund are held by the Bank of Nova Scotia (the "prime broker"). Bankruptcy or insolvency of the prime broker may cause the Fund's rights with respect to cash and cash equivalents held by the prime broker to be delayed or limited. The Fund monitors its risk by monitoring the credit quality and financial position of the prime broker. At the date of the approval of the financial statements, the credit rating for the prime broker was A+.

(ii) Liquidity risk:

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Fund could be exposed to weekly cash redemptions of redeemable units. The Fund manages its liquidity risk by primarily investing in marketable securities and other financial instruments which are traded in active markets and can be readily disposed of under normal market conditions. In addition, the Fund generally retains sufficient cash and cash equivalent positions to maintain liquidity.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

5. Financial risk management (continued):

Under extraordinary circumstances, the Fund also has the ability to suspend redemptions if this is deemed to be in the best interest of all shareholders. The Fund did not withhold any redemptions or implement any suspension during 2014 or 2013.

It is the Fund's policy that the Investment Manager monitors the Fund's liquidity position on a daily basis.

The Fund's liabilities are generally expected to be due and paid within 90 days, with the exception of net assets attributable to holders of redeemable units. Redeemable units are redeemable on demand at the holder's option; however, it does not represent significant liquidity risk as holders of these instruments typically retain them for the medium to long term.

(iii) Market risk:

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables, such as interest rates, foreign exchange rates and market prices. The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Price risk:

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Fund is primarily exposed to price risk from its investments in equity securities.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

5. Financial risk management (continued):

All investments represent a risk of loss of capital. The Investment Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Fund's investment objectives and strategy. Except for securities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from securities sold short can be unlimited. The Fund's overall market positions are monitored on a regular basis by the Investment Manager.

The Fund is primarily exposed to price risk from its investments in equity securities and related derivatives. As at December 31, 2014, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$2,579,219 (December 31, 2013 - \$939,953; May 1, 2013 - nil).

The Fund is also exposed to price risk through the concentration of its investment portfolio, and manages this risk through daily monitoring of the portfolio to comply with the investment strategies outlined in the Fund's Offering Memorandum.

(b) Foreign exchange risk:

The Fund holds both monetary and non-monetary assets denominated or traded in currencies other than the Canadian dollar, the Fund's functional currency. Foreign currency risk arises as the value of future transactions, assets and liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

5. Financial risk management (continued):

The table below summarizes the foreign currencies to which the Fund had significant exposure at December 31, 2014 and December 31, 2013 in CAD terms. The Fund did not have foreign currency exposure as at May 1, 2013. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if CAD had strengthened or weakened by 5% in relation to the listed currencies, with all other variables held constant.

December 31, 2014:

United States dollar	Exposure	Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$ 214,313	\$ 10,716
Investments at FVTPL	18,915,659	945,783
Total	\$ 19,129,972	\$ 956,499
% of net assets attributable to holders of redeemable units	53.7	2.7

December 31, 2013:

United States dollar	Exposure	Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$ 22,966	\$ 1,148
Investments at FVTPL	4,261,882	213,094
Total	\$ 4,284,848	\$ 214,242
% of net assets attributable to holders of redeemable units	46.5	2.3

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

5. Financial risk management (continued):

The analysis above is based on the assumptions that the relevant foreign exchange rate increased/decreased by 5%, with all other variables held constant. This represents management's best estimate of a reasonably possible shift in the foreign exchange rates.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates.

The majority of the Fund's investments are non-interest bearing and, as such, are not subject to a significant amount of risk arising from fluctuations in interest rates.

(b) Capital risk management:

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's net asset value per unit upon redemption. The relevant movements are shown on the statement of changes in net assets attributable to holders of redeemable units. There is no external regulatory requirement to maintain a minimum capital amount.

(c) Fair value measurement:

The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the period-end date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the period-end date, valuation techniques will be applied to determine the fair value.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

5. Financial risk management (continued):

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each period-end date. Valuation techniques used for non-standardized financial instruments include the use of comparable recent arm's-length transactions, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair value hierarchy has the following levels:

- Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs are unobservable inputs for the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

If an asset or liability classified as Level 1 subsequently ceases to be actively traded, it is transferred into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs; in which case, it is reclassified to Level 3. All transfers are recorded at fair value at the beginning of the period of the transfer.

All investments held by the Fund are classified as Level 1.

There were no transfers between Level 1, Level 2 and Level 3 in the periods presented.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

6. Net assets attributable to redeemable units:

(a) Redeemable units:

The Fund is authorized to issue an unlimited number of classes and series of units and an unlimited number of units in each such class or series. Each unit of a class or a series represents an undivided ownership interest in the net asset value of the Fund attributable to that class or series of units. Each unit of a particular series of a class has equal rights to each other unit of the same series with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with the Fund.

Subscriptions are accepted on a weekly basis, subject to applicable law and the Investment Manager's discretion to refuse a subscription in whole or in part. If a fully completed subscription agreement and subscription proceeds in cleared funds are delivered by the last business day of a week, a valuation date, and such subscription is accepted, the units subscribed for will be issued on the first business day of the next week. Units will be issued in series each month at an opening pricing net asset value for each new series of \$10.

Units may be redeemed as of the last business day of each week (a "Redemption Date"), except in extraordinary circumstances. A request in writing (including, for greater certainty, requests sent by email) with the unitholder's signature, to the satisfaction of the Investment Manager and the Trustee, must be received by the Investment Manager at least six calendar days prior to the Redemption Date or such other period as permitted by the Investment Manager and the Trustee in their sole discretion. The amount payable to a unitholder for each unit redeemed will be an amount equal to the class net asset value per unit of the relevant series on the Redemption Date, together with the proportionate share attributable to such units of any distribution which has been declared and not paid, less (i) any redemption charges payable, and (ii) any withholding or other taxes required to be deducted. The redemption proceeds will typically be paid to the unitholder on or before the fourth business day following the Redemption Date.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

6. Net assets attributable to redeemable units (continued):

During the year ended December 31, 2014 and period ended December 31, 2013, the number of units issued, redeemed and outstanding was as follows:

December 31, 2014:

	Units, beginning of period	Sale of units	Redemption of units	Re- designation of units	Units, end of period
Class A - Initial Series	1	—	(808)	51,225	50,418
Class A - 2013 Series 10	2,250	—	—	(2,250)	—
Class A - 2013 Series 11	8,350	—	—	(8,350)	—
Class A - 2013 Series 12	6,050	—	—	(6,050)	—
Class A - 2014 Series 1	—	1,150	—	(1,150)	—
Class A - 2014 Series 2	—	30,650	—	(30,650)	—
Class A - 2014 Series 3	—	11,600	—	(11,600)	—
Class A - 2014 Series 4	—	1,577	—	(1,577)	—
Class A - 2014 Series 5	—	500	—	(500)	—
Class A - 2014 Series 7	—	1,000	—	(1,000)	—
Class A - 2014 Series 11	—	218,682	—	—	218,682
Class A - 2014 Series 12	—	82,927	—	—	82,927
Class E - Initial Series	—	343,444	—	—	343,444
Class F - Initial Series	—	750	—	23,866	24,616
Class F - 2014 Series 6	—	11,819	—	(11,819)	—
Class F - 2014 Series 7	—	13,209	—	(13,209)	—
Class F - 2014 Series 10	—	1,000	—	—	1,000
Class F - 2014 Series 11	—	41,640	—	(2,483)	39,157
Class F - 2014 Series 12	—	126,340	—	—	126,340
Founder Class - Initial Series	619,468	—	(199,978)	790,679	1,210,169
Founder Class - 2013 Series 10	10,000	—	—	(10,000)	—
Founder Class - 2013 Series 11	46,000	—	—	(46,000)	—
Founder Class - 2013 Series 12	56,500	—	—	(56,500)	—
Founder Class - 2014 Series 1	—	37,500	—	(37,500)	—
Founder Class - 2014 Series 2	—	175,000	—	(175,000)	—
Founder Class - 2014 Series 3	—	60,000	—	(60,000)	—
Founder Class - 2014 Series 4	—	45,308	—	(45,308)	—
Founder Class - 2014 Series 5	—	159,488	—	(159,488)	—
Founder Class - 2014 Series 6	—	278,761	—	(278,761)	—
Founder Class - 2014 Series 7	—	30,056	—	(30,056)	—
Founder Class - 2014 Series 8	—	166,362	—	(166,362)	—
Founder Class - 2014 Series 9	—	46,968	—	—	46,968
Founder Class - 2014 Series 10	—	5,952	—	—	5,952
Founder Class - 2014 Series 11	—	455,415	(4,993)	2,499	452,921
Founder Class - 2014 Series 12	—	115,291	—	—	115,291

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

6. Net assets attributable to redeemable units (continued):

December 31, 2013:

	Units, beginning of period	Sale of units	Redemption of units	Re- designation of units	Units, end of period
Class A - Initial Series	—	1	—	—	1
Class A - 2013 Series 10	—	2,250	—	—	2,250
Class A - 2013 Series 11	—	8,350	—	—	8,350
Class A - 2013 Series 12	—	6,050	—	—	6,050
Founder Class - Initial Series	—	200,000	—	419,468	619,468
Founder Class - 2013 Series 06	—	10,000	—	(10,000)	—
Founder Class - 2013 Series 07	—	175,000	—	(175,000)	—
Founder Class - 2013 Series 08	—	25,000	—	(25,000)	—
Founder Class - 2013 Series 09	—	250,210	—	(250,210)	—
Founder Class - 2013 Series 10	—	10,000	—	—	10,000
Founder Class - 2013 Series 11	—	46,000	—	—	46,000
Founder Class - 2013 Series 12	—	56,500	—	—	56,500

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

6. Net assets attributable to redeemable units (continued):

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the year ended December 31, 2014 and period ended December 31, 2013 is calculated as follows:

Series	2014			2013		
	Increase (decrease) per series	Weighted average units out- standing	Increase (decrease) per unit	Increase (decrease) per series	Weighted average units out- standing	Increase (decrease) per unit
Class A - Initial Series	\$ 37,853	50,987	0.74	\$ 2	1	2.00
Class A - 2013 Series 10	-	-	-	2,288	2,250	1.02
Class A - 2013 Series 11	-	-	-	4,558	8,350	0.55
Class A - 2013 Series 12	-	-	-	1,104	6,050	0.18
Class A - 2014 Series 1	520	1,150	0.45	-	-	-
Class A - 2014 Series 2	12,655	30,650	0.41	-	-	-
Class A - 2014 Series 3	449	11,600	0.04	-	-	-
Class A - 2014 Series 4	579	1,577	0.37	-	-	-
Class A - 2014 Series 5	138	500	0.28	-	-	-
Class A - 2014 Series 7	155	1,000	0.16	-	-	-
Class A - 2014 Series 11	68,958	218,682	0.32	-	-	-
Class A - 2014 Series 12	8,121	82,927	0.10	-	-	-
Class E - Initial Series	374,301	343,444	1.09	-	-	-
Class F - Initial Series	16,285	24,616	0.66	-	-	-
Class F - 2014 Series 6	482	11,819	0.04	-	-	-
Class F - 2014 Series 7	1,737	13,209	0.13	-	-	-
Class F - 2014 Series 10	504	1,000	-	-	-	-
Class F - 2014 Series 11	11,703	39,157	0.30	-	-	-
Class F - 2014 Series 12	31,461	126,340	0.25	-	-	-
Founder Class - Initial Series	672,561	1,353,025	0.50	1,082,596	361,096	3.00
Founder Class - 2013 Series 06	-	-	-	3,765	1,184	3.18
Founder Class - 2013 Series 07	-	-	-	82,529	65,000	1.27
Founder Class - 2013 Series 08	-	-	-	7,414	6,224	1.19
Founder Class - 2013 Series 09	-	-	-	34,440	28,595	1.20
Founder Class - 2013 Series 10	-	-	-	11,801	10,000	1.18
Founder Class - 2013 Series 11	-	-	-	29,235	46,000	0.64
Founder Class - 2013 Series 12	-	-	-	12,027	56,500	0.21
Founder Class - 2014 Series 1	20,715	37,500	0.55	-	-	-
Founder Class - 2014 Series 2	87,247	175,000	0.50	-	-	-
Founder Class - 2014 Series 3	2,867	60,000	0.05	-	-	-
Founder Class - 2014 Series 4	20,444	45,308	0.45	-	-	-
Founder Class - 2014 Series 5	53,136	159,488	0.33	-	-	-
Founder Class - 2014 Series 6	53,072	278,761	0.19	-	-	-
Founder Class - 2014 Series 7	3,081	30,056	0.10	-	-	-
Founder Class - 2014 Series 8	28,528	166,362	0.17	-	-	-
Founder Class - 2014 Series 9	34,852	46,968	0.74	-	-	-
Founder Class - 2014 Series 10	4,249	5,952	0.71	-	-	-
Founder Class - 2014 Series 11	146,165	405,468	0.36	-	-	-
Founder Class - 2014 Series 12	12,380	115,291	0.11	-	-	-

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

7. Related party transactions:

(a) Management fees:

As consideration for the services provided by the Investment Manager, the Fund pays the Investment Manager a management fee, monthly in arrears, calculated as:

- (i) 1/12 of 2.0% of the aggregate of the net asset value of the Class A and/or Class I units on the last business day of the preceding month;
- (ii) 1/12 of 1.0% of the aggregate of the net asset value of the Class F units on the last business day of the preceding month; and
- (iii) 1/12 of 1.5% of the aggregate of the net asset value of the Founder units on the last business day of the preceding month.

(b) Performance fee:

The Investment Manager is entitled to a quarterly performance fee equal to:

- (i) 20% of the amount by which the performance of each Class A series, Class F series, and/or Class I series exceeds the previous high water mark; and
- (ii) 10% of the amount by which the performance of each Founder series exceeds the previous high water mark.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

7. Related party transactions (continued):

No performance fee shall be paid in respect of a particular series of the class of units unless the class net asset value per unit of the class of units of that series exceeds the highest net asset value per unit of the class of units of that series in respect of which a performance fee has been previously paid (the "High Watermark") and, in such circumstances, a performance fee shall only be paid on that portion of the net profit that exceeds the High Watermark. Because the performance fee is calculated on a series-by-series basis, if a new investor purchases units of the class or an existing unitholder purchases additional units of the class, the starting point for the measurement of net profit with respect to that new or additional investment will be the applicable subscription date for such class of units. The previous highest class net asset value per unit of the class of units of any series achieved prior to the purchase of the new units of the class will not be considered in determining whether a performance fee is payable with respect to any such newly issued series of units of the class. As a result, different series of units of the class may have different performance fees payable at the end of the same calculation period, based on the level of net profit relating to each such series during the period during which it was outstanding, and a unitholder may be subject to a performance fee payment with respect to its units of the class in one series even if it incurs a net loss with respect to the aggregate number of units of the class it owns in all series.

(c) Related party shareholdings:

The Investment Manager, its officers and directors invest in units of the Fund from time to time in the normal course of business. All transactions with the Investment Manager are measured at the exchange amounts. As at December 31, 2014, 430,606.4608 of Founder Units, 4,921.4923 of Class A units and 343,444.225 of Class E units (December 31, 2013 - 321,326, 3,301 and nil, respectively) were owned by unitholders related to the Investment Manager.

8. Soft dollar commissions:

In allocating brokerage business, consideration may be given by the Investment Manager of the Fund to dealers to furnish research, statistical and other services to the Investment Manager through soft dollar arrangements (the amount ascertained to have been paid for goods and services other than order execution). The total brokerage commission paid to dealers in connection with investment portfolio transactions and amounts of soft dollar commission for the year ended December 31, 2014 is approximately \$196,220 (period ended December 31, 2013 - \$12,072).

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

9. Interests in subsidiaries, associates and unconsolidated structured entities:

The Fund may invest in units of as part of its investment strategies. The nature and purpose of these ETFs generally, is to manage assets on behalf of third party investors in accordance with their investment objectives, and are financed through the issue of units to investors.

In determining whether the Fund has control or significant influence over an ETF, the Fund assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns. In instances where the Fund has control over an ETF, the Fund qualifies as an investment entity under IFRS 10, Consolidated Financial Statements, and therefore accounts for investments it controls at fair value through profit and loss. The Fund's primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in the Fund's prospectus to meet those objectives. The Fund also measures and evaluates the performance of any ETFs on a fair value basis.

ETFs over which the Fund has control or significant influence are categorized as subsidiaries and associates, respectively. All other ETFs are categorized as unconsolidated structured entities.

Investments in ETFs are susceptible to market price risk arising from uncertainty about future values of those ETFs. The maximum exposure to loss from interests in ETFs is equal to the total fair value of the investment in those respective ETFs at any given point in time. The fair value of, if any, are disclosed in investments in the statements of financial position and listed in the schedule of investments.

As at May 1, 2013, Fund did not have any material exposure to subsidiaries, associates or unconsolidated structured entities.

As at	ETF	Place of business	Carrying amounts
December 31, 2014	iShares Barclays 20+ Year Treasury Bond ETF	United States	\$ 4,461,963
December 31, 2014	iShares Barclays 7-10 Year Bond ETF	United States	4,211,361
December 31, 2013	iShares Iboxx H/Y Corp. Bond ETF	United States	690,470
December 31, 2013	Spdr Barclays High Yield Bond ETF	United States	674,550

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

10. Transition to IFRS:

As explained in note 2, these are the Fund's first financial statements prepared in accordance with IFRS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended December 31, 2014 and the comparative information presented in these financial statements, and in the preparation of an opening statement of financial position as at May 1, 2013.

In preparing its opening IFRS statement of financial position, the Fund has adjusted amounts reported previously in the financial statements prepared in accordance with previous Canadian GAAP. An explanation of how the transition from previous Canadian GAAP to IFRS has affected the Fund's financial positions, financial performance and cash flows is set out in the following tables and notes that accompany the tables:

(a) Exemptions and exceptions from full retrospective application:

First-time adopters of IFRS must apply the provisions of IFRS 1. IFRS required adopters to retrospectively apply all IFRS standards as of the reporting date with certain options exemptions and certain mandatory exemptions.

In preparing the opening IFRS statement of financial position, the only voluntary exemption adopted by the Fund upon transition was the ability to designate a financial asset or financial liability at FVTPL upon transition to IFRS. All financial assets designated at FVTPL upon transition were previously carried at fair value under Canadian GAAP, as required by Accounting Guideline 18, Investment Companies.

(b) Statement of cash flows:

Under Canadian GAAP, the Fund was exempt from providing a statement of cash flows. IAS 1, Presentation of Financial Statements, requires that a complete set of financial statements includes a statement of cash flows for the current and comparative periods, without exception.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

10. Transition to IFRS (continued):

- (c) Reconciliation of equity and comprehensive income, as previously reported under Canadian GAAP to IFRS is as follows:

	December 31, 2013
Equity:	
As reported under Canadian GAAP	\$ 9,182,951
Revaluation of investments at FVTPL	29,383
Net asset attributable to holders of redeemable units	\$ 9,212,334

	Period ended December 31, 2013
Comprehensive income:	
Comprehensive income, as reported under Canadian GAAP	\$ 1,289,341
Revaluation of investments at FVTPL	29,383
Increase in net assets attributable to unitholders of redeemable units	\$ 1,318,724

- (d) Classification of redeemable units of the Fund:

Under Canadian GAAP, the Fund accounted for its redeemable units as equity. Under IFRS, IAS 32, Financial Instruments - Presentation ("IAS 32") required that units or shares of an entity, which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Fund's units do not meet the criteria in IAS 32 for classification as equity as the Fund issues multiple classes and series that do not have identical attributes. Therefore, units have been reclassified as financial liabilities on transition to IFRS.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

10. Transition to IFRS (continued):

(e) Revaluation of investments at FVTPL:

Under Canadian GAAP, the Fund measured the fair value of its investments in accordance with Section 3855, Financial Instruments - Recognition and Measurement, which required the use of bid prices for long positions and ask prices for short positions, to the extent such prices are available. Under IFRS, the Fund measures the fair values of its investments using guidance in IFRS 13, Fair Value Measurements, which requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. It also allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. As such, the Investment Manager concluded to use the closing price for measurement of financial assets and liabilities. The impact of this change is presented in the above table.

(f) Classification of withholding taxes:

Under Canadian GAAP, the Fund presented its dividend income, net of withholding taxes. Under IFRS, IAS 1, Presentation of Financial Statements, does not allow for income and expenses to be offset unless certain criteria are met. Withholding taxes do not meet these criteria and, therefore, withholding taxes have been presented as an expense line item on the statement of comprehensive income.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2014 and period from May 1, 2013
(commencement of operations) to December 31, 2013

11. Comparison of net asset value and net assets attributable to holders of redeemable units:

For purposes of subscriptions and redemptions of redeemable units, the Fund determines the fair value of the Fund's assets and liabilities using the closing price for each of its investments, the net asset value, as at each valuation date. The table below shows the comparison between the net assets attributable to holders of redeemable units per unit and net asset value per unit as at December 31, 2014, December 31, 2013 and May 1, 2013:

	December 31, 2014		December 31, 2013		May 1, 2013	
	Net assets attributable to holders of redeemable units per unit	Transaction net asset value per unit	Net assets attributable to holders of redeemable units per unit	Transaction net asset value per unit	Net assets attributable to holders of redeemable units per unit	Transaction net asset value per unit
Class A - Initial Series	15.02	15.02	12.28	12.29	10.00	10.00
Class A - 2013 Series 10	-	-	11.05	11.06	-	-
Class A - 2013 Series 11	-	-	10.56	10.57	-	-
Class A - 2013 Series 12	-	-	10.19	10.19	-	-
Class A - 2014 Series 11	10.35	10.35	-	-	-	-
Class A - 2014 Series 12	10.25	10.25	-	-	-	-
Class E - Initial Series	11.41	11.41	-	-	-	-
Class F - Initial Series	11.68	11.68	-	-	-	-
Class F - 2014 Series 10	10.57	10.57	-	-	-	-
Class F - 2014 Series 11	10.37	10.37	-	-	-	-
Class F - 2014 Series 12	10.25	10.25	-	-	-	-
Founder Class - Initial Series	16.02	16.02	12.67	12.68	10.00	10.00
Founder Class - 2013 Series 10	-	-	11.22	11.23	-	-
Founder Class - 2013 Series 11	-	-	10.66	10.66	-	-
Founder Class - 2013 Series 12	-	-	10.22	10.23	-	-
Founder Class - 2014 Series 9	10.91	10.91	-	-	-	-
Founder Class - 2014 Series 10	10.96	10.96	-	-	-	-
Founder Class - 2014 Series 11	10.34	10.34	-	-	-	-
Founder Class - 2014 Series 12	10.29	10.29	-	-	-	-

12. Filing exemption:

The Fund is relying on the exemption contained in Section 2.11(d) of National Instrument 81-106 not to file its financial statements with the Ontario Securities Commission on SEDAR.