

Financial Statements of

EHP ADVANTAGE FUND

Year ended December 31, 2016



KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818

INDEPENDENT AUDITORS' REPORT

To the Unitholders of EHP Advantage Fund

We have audited the accompanying financial statements of EHP Advantage Fund, which comprise the statement of financial position as at December 31, 2016, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the year then ended, 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 audit. We conducted our audit 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 is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of EHP Advantage Fund as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

March 31, 2017
Toronto, Canada

EHP ADVANTAGE FUND

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Cash	\$ 3,378,755	\$ 17,943,430
Financial assets at fair value through profit or loss (cost - \$105,840,207; 2015 - \$73,812,141) (note 5)	112,770,673	75,474,127
Receivable for investments sold (note 2)	7,872,011	17,339,417
Dividends receivable	216,847	145,149
Interest receivable	3,850	8,423
Other receivable	35,565	—
	<u>124,277,701</u>	<u>110,910,546</u>
Liabilities		
Financial liabilities at fair value through profit or loss (proceeds - \$29,901,285; 2015 - \$24,659,043) (note 5)	31,323,922	23,667,516
Bank margin	5,422,620	—
Payable for investments purchased (note 2)	5,025,267	15,258,406
Performance fees payable (note 7)	525,421	1,762
Accounts payable and accrued liabilities	71,959	81,613
Management fees payable (note 7)	94,995	89,350
Dividends payable	49,581	76,371
Interest payable	13,495	8,894
Redemptions payable	—	284,197
	<u>42,527,260</u>	<u>39,468,109</u>
Net assets attributable to holders of redeemable units (note 6)	<u>\$ 81,750,441</u>	<u>\$ 71,442,437</u>

EHP ADVANTAGE FUND

Statement of Financial Position (continued)

December 31, 2016, with comparative information for 2015

	2016	2015
Net assets attributable to holders of redeemable units per class and series:		
Class A - Initial Series	\$ 3,608,142	\$ 5,175,985
Class A - 2015 Series 4	1,008,279	1,129,053
Class A - 2015 Series 5	292,700	313,841
Class A - 2015 Series 6	701,499	692,310
Class A - 2015 Series 7	168,528	379,705
Class A - 2015 Series 8	420,331	495,380
Class A - 2015 Series 9	84,925	157,714
Class A - 2015 Series 10	109,221	160,380
Class A - 2015 Series 11	160,370	146,403
Class A - 2015 Series 12	54,093	49,551
Class A - 2016 Series 2	44,661	-
Class A - 2016 Series 3	255,082	-
Class A - 2016 Series 4	112,648	-
Class A - 2016 Series 6	84,241	-
Class A - 2016 Series 7	51,862	-
Class A - 2016 Series 8	157,049	-
Class A - 2016 Series 9	195,701	-
Class A - 2016 Series 10	51,854	-
Class A - 2016 Series 11	67,342	-
Class A - 2016 Series 12	322,171	-
Class E - Initial Series	6,402,341	5,612,238
Class F - Initial Series	7,004,898	11,265,476
Class F - 2015 Series 4	548,949	531,473
Class F - 2015 Series 5	1,575,623	1,574,323
Class F - 2015 Series 6	2,667,852	2,444,362
Class F - 2015 Series 7	1,445,309	1,650,498
Class F - 2015 Series 8	2,282,575	3,089,785
Class F - 2015 Series 9	802,972	883,811
Class F - 2015 Series 10	360,785	355,108
Class F - 2015 Series 11	762,261	724,101
Class F - 2015 Series 12	542,259	574,083
Class F - 2016 Series 1	530,686	-
Class F - 2016 Series 2	1,088,308	-
Class F - 2016 Series 3	156,717	-
Class F - 2016 Series 4	440,456	-
Class F - 2016 Series 5	510,996	-
Class F - 2016 Series 6	638,566	-
Class F - 2016 Series 7	1,688,950	-
Class F - 2016 Series 8	1,029,140	-
Class F - 2016 Series 9	1,175,146	-
Class F - 2016 Series 10	1,452,488	-
Class F - 2016 Series 11	2,348,230	-
Class F - 2016 Series 12	4,447,786	-
Class UF - Initial Series	76,623	-
Class UF - 2016 Series 9	249,071	-
Founder Class - Initial Series	29,836,776	31,137,660
Founder Class - 2015 Series 4	55,418	49,597
Founder Class - 2015 Series 5	1,400,804	1,258,036
Founder Class - 2015 Series 6	371,074	332,868

EHP ADVANTAGE FUND

Statement of Financial Position (continued)

December 31, 2016, with comparative information for 2015

	2016	2015
Founder Class - 2015 Series 7	207,651	185,784
Founder Class - 2015 Series 8	131,525	117,871
Founder Class - 2015 Series 9	12,168	10,969
Founder Class - 2015 Series 10	111,537	100,615
Founder Class - 2015 Series 11	120,390	843,457
Founder Class - 2016 Series 1	11,086	-
Founder Class - 2016 Series 2	24,031	-
Founder Class - 2016 Series 4	12,395	-
Founder Class - 2016 Series 8	821,845	-
Founder Class - 2016 Series 9	282,485	-
Founder Class - 2016 Series 11	131,749	-
Founder Class - 2016 Series 12	39,821	-
	\$ 81,750,441	\$ 71,442,437

Net assets attributable to holders of redeemable
units per unit:

Class A - Initial Series	\$ 16.60	\$ 14.96
Class A - 2015 Series 4	10.23	9.22
Class A - 2015 Series 5	10.52	9.56
Class A - 2015 Series 6	10.44	9.48
Class A - 2015 Series 7	10.47	9.46
Class A - 2015 Series 8	10.23	9.29
Class A - 2015 Series 9	10.86	9.95
Class A - 2015 Series 10	10.94	10.04
Class A - 2015 Series 11	10.66	9.73
Class A - 2015 Series 12	10.82	9.91
Class A - 2016 Series 2	11.17	-
Class A - 2016 Series 3	10.92	-
Class A - 2016 Series 4	10.62	-
Class A - 2016 Series 6	10.62	-
Class A - 2016 Series 7	10.37	-
Class A - 2016 Series 8	10.47	-
Class A - 2016 Series 9	10.49	-
Class A - 2016 Series 10	10.37	-
Class A - 2016 Series 11	10.54	-
Class A - 2016 Series 12	10.16	-
Class E - Initial Series	13.58	11.89
Class F - Initial Series	13.15	11.77
Class F - 2015 Series 4	10.41	9.31
Class F - 2015 Series 5	10.67	9.62
Class F - 2015 Series 6	10.54	9.50
Class F - 2015 Series 7	10.61	9.53
Class F - 2015 Series 8	10.37	9.34
Class F - 2015 Series 9	10.98	9.98
Class F - 2015 Series 10	10.94	9.93
Class F - 2015 Series 11	10.87	9.86
Class F - 2015 Series 12	10.82	9.83

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Statement of Financial Position (continued)

December 31, 2016, with comparative information for 2015

	2016	2015
Class F - 2016 Series 1	10.94	—
Class F - 2016 Series 2	11.14	—
Class F - 2016 Series 3	11.00	—
Class F - 2016 Series 4	10.67	—
Class F - 2016 Series 5	10.85	—
Class F - 2016 Series 6	10.68	—
Class F - 2016 Series 7	10.63	—
Class F - 2016 Series 8	10.34	—
Class F - 2016 Series 9	10.40	—
Class F - 2016 Series 10	10.38	—
Class F - 2016 Series 11	10.56	—
Class F - 2016 Series 12	10.16	—
Class UF - Initial Series	14.19	—
Class UF - 2016 Series 9	13.92	—
Founder Class - Initial Series	18.15	16.23
Founder Class - 2015 Series 4	10.38	9.29
Founder Class - 2015 Series 5	10.66	9.57
Founder Class - 2015 Series 6	10.60	9.51
Founder Class - 2015 Series 7	10.38	9.29
Founder Class - 2015 Series 8	10.39	9.31
Founder Class - 2015 Series 9	11.06	9.97
Founder Class - 2015 Series 10	11.15	10.06
Founder Class - 2015 Series 11	10.94	9.85
Founder Class - 2016 Series 1	11.09	—
Founder Class - 2016 Series 2	11.44	—
Founder Class - 2016 Series 4	10.92	—
Founder Class - 2016 Series 8	10.41	—
Founder Class - 2016 Series 9	10.46	—
Founder Class - 2016 Series 11	10.63	—
Founder Class - 2016 Series 12	9.96	—

See accompanying notes to financial statements.

Approved by Edgehill Partners, Investment Manager,
on behalf of the Fund:


 _____ Chief Financial Officer

EHP ADVANTAGE FUND

Statement of Comprehensive Income

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Income:		
Dividend income	\$ 3,075,411	\$ 1,835,945
Interest for distribution purposes	69,824	90,719
Other income	6,299	45,984
Net foreign currency gains	549,957	526,980
Net gains (losses) on financial assets and liabilities at fair value through profit or loss:		
Net realized gains (losses) on financial assets and liabilities at fair value through profit or loss (note 3)	5,325,281	(661,011)
Net change in unrealized appreciation on financial assets and liabilities at fair value through profit or loss (note 3)	2,854,316	321,984
	<u>11,881,088</u>	<u>2,160,601</u>
Operating expenses:		
Management fees (note 7)	1,005,145	979,519
Commissions and other portfolio transaction	910,606	1,062,423
Dividends paid on investments sold short	811,883	620,894
Performance fees (note 7)	694,887	540,890
Interest and stock loan fees	398,013	277,193
Withholding taxes	243,922	167,031
Administration fees	91,189	86,446
Other fees	67,765	82,937
Audit and tax fees	16,954	33,900
Trustee fees	6,780	—
	<u>4,247,144</u>	<u>3,851,233</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>\$ 7,633,944</u>	<u>\$ (1,690,632)</u>

See accompanying notes to financial statements.

EHP ADVANTAGE FUND

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

Year ended December 31, 2016, with comparative information for 2015

2016	Net assets attributable to holders of redeemable units, beginning of year	Increase (decrease) in net assets attributable to holders of redeemable units	Unit transactions				Net assets attributable to holders of redeemable units, end of year
			Proceeds from redeemable units issued	Redemption of redeemable units	Transfer in (transfer out)	Redesignation of redeemable units	
Class A - Initial Series	\$ 5,175,985	\$ 457,744	\$ —	\$ (511,340)	\$ (1,514,247)	\$ —	\$ 3,608,142
Class A - 2015 Series 4	1,129,053	115,792	—	(211,024)	(25,542)	—	1,008,279
Class A - 2015 Series 5	313,841	27,369	—	(48,510)	—	—	292,700
Class A - 2015 Series 6	692,310	66,463	—	(57,274)	—	—	701,499
Class A - 2015 Series 7	379,705	40,641	—	(19,736)	(232,082)	—	168,528
Class A - 2015 Series 8	495,380	44,825	—	(41,642)	(78,232)	—	420,331
Class A - 2015 Series 9	157,714	15,118	—	—	(87,907)	—	84,925
Class A - 2015 Series 10	160,380	14,493	—	(65,652)	—	—	109,221
Class A - 2015 Series 11	146,403	13,967	—	—	—	—	160,370
Class A - 2015 Series 12	49,551	4,542	—	—	—	—	54,093
Class A - 2016 Series 2	—	4,661	40,000	—	—	—	44,661
Class A - 2016 Series 3	—	20,082	235,000	—	—	—	255,082
Class A - 2016 Series 4	—	7,648	105,000	—	—	—	112,648
Class A - 2016 Series 6	—	5,241	79,000	—	—	—	84,241
Class A - 2016 Series 7	—	420	200,000	—	(148,558)	—	51,862
Class A - 2016 Series 8	—	7,049	150,000	—	—	—	157,049
Class A - 2016 Series 9	—	6,701	189,000	—	—	—	195,701
Class A - 2016 Series 10	—	1,854	50,000	—	—	—	51,854
Class A - 2016 Series 11	—	2,342	65,000	—	—	—	67,342
Class A - 2016 Series 12	—	1,922	320,249	—	—	—	322,171
Class E - Initial Series	5,612,238	800,902	996	(132,600)	120,805	—	6,402,341
Class F - Initial Series	11,265,476	776,514	—	(5,037,092)	—	—	7,004,898
Class F - 2015 Series 4	531,473	57,446	—	(39,970)	—	—	548,949
Class F - 2015 Series 5	1,574,323	157,708	—	(156,408)	—	—	1,575,623
Class F - 2015 Series 6	2,444,362	264,227	—	(40,737)	—	—	2,667,852
Class F - 2015 Series 7	1,650,498	165,249	—	(370,438)	—	—	1,445,309
Class F - 2015 Series 8	3,089,785	243,834	—	(1,051,044)	—	—	2,282,575
Class F - 2015 Series 9	883,811	71,113	—	(151,952)	—	—	802,972
Class F - 2015 Series 10	355,108	33,890	—	(28,213)	—	—	360,785
Class F - 2015 Series 11	724,101	72,411	—	(34,251)	—	—	762,261
Class F - 2015 Series 12	574,083	50,193	—	(82,017)	—	—	542,259

EHP ADVANTAGE FUND

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

Year ended December 31, 2016, with comparative information for 2015

	Net assets attributable to holders of redeemable units, beginning of year	Increase (decrease) in net assets attributable to holders of redeemable units	Unit transactions				Net assets attributable to holders of redeemable units, end of year
			Proceeds from redeemable units issued	Redemption of redeemable units	Transfer in (transfer out)	Redesignation of redeemable units	
2016							
Class F - 2016 Series 1	–	55,301	475,385	–	–	–	530,686
Class F - 2016 Series 2	–	113,186	980,976	(5,854)	–	–	1,088,308
Class F - 2016 Series 3	–	13,931	148,000	(5,214)	–	–	156,717
Class F - 2016 Series 4	–	34,041	371,400	(35,563)	70,578	–	440,456
Class F - 2016 Series 5	–	33,982	485,250	(8,236)	–	–	510,996
Class F - 2016 Series 6	–	41,264	603,400	(6,098)	–	–	638,566
Class F - 2016 Series 7	–	67,300	1,648,478	(52,370)	25,542	–	1,688,950
Class F - 2016 Series 8	–	45,508	512,650	(39,076)	510,058	–	1,029,140
Class F - 2016 Series 9	–	53,003	574,801	–	547,342	–	1,175,146
Class F - 2016 Series 10	–	57,885	1,257,045	(11,000)	148,558	–	1,452,488
Class F - 2016 Series 11	–	50,505	2,196,677	–	101,048	–	2,348,230
Class F - 2016 Series 12	–	(14,671)	3,899,820	–	562,637	–	4,447,786
Class UF - Initial Series	–	4,633	–	–	–	71,990	76,623
Class UF - 2016 Series 8	–	2,487	69,503	–	–	(71,990)	–
Class UF - 2016 Series 9	–	13,424	235,647	–	–	–	249,071
Founder Class - Initial Series	31,137,660	3,157,373	–	(4,458,257)	–	–	29,836,776
Founder Class - 2015 Series 4	49,597	5,821	–	–	–	–	55,418
Founder Class - 2015 Series 5	1,258,036	142,768	–	–	–	–	1,400,804
Founder Class - 2015 Series 6	332,868	38,206	–	–	–	–	371,074
Founder Class - 2015 Series 7	185,784	21,867	–	–	–	–	207,651
Founder Class - 2015 Series 8	117,871	13,654	–	–	–	–	131,525
Founder Class - 2015 Series 9	10,969	1,199	–	–	–	–	12,168
Founder Class - 2015 Series 10	100,615	10,922	–	–	–	–	111,537
Founder Class - 2015 Series 11	843,457	61,727	–	(784,794)	–	–	120,390
Founder Class - 2016 Series 1	–	1,086	10,000	–	–	–	11,086
Founder Class - 2016 Series 2	–	3,031	21,000	–	–	–	24,031
Founder Class - 2016 Series 4	–	1,045	11,350	–	–	–	12,395
Founder Class - 2016 Series 8	–	32,050	789,795	–	–	–	821,845
Founder Class - 2016 Series 9	–	12,485	270,000	–	–	–	282,485
Founder Class - 2016 Series 11	–	6,749	125,000	–	–	–	131,749
Founder Class - 2016 Series 12	–	(179)	40,000	–	–	–	39,821
	\$ 71,442,437	\$ 7,633,944	\$ 16,160,422	\$ (13,486,362)	\$ –	\$ –	\$ 81,750,441

EHP ADVANTAGE FUND

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

Year ended December 31, 2016, with comparative information for 2015

	Net assets attributable to holders of redeemable units, beginning of year	Increase (decrease) in net assets attributable to holders of redeemable units	Unit transactions				Capital gains distribution to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
			Proceeds from redeemable units issued	Redemption of redeemable units	Transfer in (transfer out)	Redesignation of redeemable units		
2015								
Class A - Initial Series	\$ 757,095	\$ (247,565)	\$ 1,428	\$ (2,677,900)	\$ (99,124)	\$ 7,442,051	\$ -	\$ 5,175,985
Class A - 2014 Series 11	2,263,958	-	-	-	-	(2,263,958)	-	-
Class A - 2014 Series 12	849,923	-	-	-	-	(849,923)	-	-
Class A - 2015 Series 1	-	43,748	716,800	(5,000)	-	(755,548)	-	-
Class A - 2015 Series 2	-	9,938	1,100,000	-	-	(1,109,938)	-	-
Class A - 2015 Series 3	-	11,681	2,451,003	-	-	(2,462,684)	-	-
Class A - 2015 Series 4	-	(101,983)	1,302,555	(20,000)	(51,519)	-	-	1,129,053
Class A - 2015 Series 5	-	(13,992)	327,833	-	-	-	-	313,841
Class A - 2015 Series 6	-	(33,190)	725,500	-	-	-	-	692,310
Class A - 2015 Series 7	-	(27,045)	406,750	-	-	-	-	379,705
Class A - 2015 Series 8	-	(24,620)	520,000	-	-	-	-	495,380
Class A - 2015 Series 9	-	(286)	188,000	(30,000)	-	-	-	157,714
Class A - 2015 Series 10	-	(570)	160,950	-	-	-	-	160,380
Class A - 2015 Series 11	-	(3,597)	150,000	-	-	-	-	146,403
Class A - 2015 Series 12	-	(449)	50,000	-	-	-	-	49,551
Class E - Initial Series	3,919,191	89,769	285,000	(101,297)	1,419,575	-	-	5,612,238
Class F - Initial Series	287,595	(737,654)	-	(802,275)	-	12,517,810	-	11,265,476
Class F - 2014 Series 10	10,568	-	-	-	-	(10,568)	-	-
Class F - 2014 Series 11	405,966	-	-	-	-	(405,966)	-	-
Class F - 2014 Series 12	1,294,824	-	-	-	-	(1,294,824)	-	-
Class F - 2015 Series 1	-	10,016	252,400	-	-	(262,416)	-	-
Class F - 2015 Series 2	-	94,592	6,725,423	-	-	(6,820,015)	-	-
Class F - 2015 Series 3	-	23,095	3,726,130	(25,203)	-	(3,724,022)	-	-
Class F - 2015 Series 4	-	(42,434)	600,425	(26,518)	-	-	-	531,473
Class F - 2015 Series 5	-	(66,259)	1,640,582	-	-	-	-	1,574,323
Class F - 2015 Series 6	-	(121,518)	3,086,280	(520,400)	-	-	-	2,444,362
Class F - 2015 Series 7	-	(114,506)	2,095,853	(330,849)	-	-	-	1,650,498
Class F - 2015 Series 8	-	(146,522)	3,288,331	(52,024)	-	-	-	3,089,785
Class F - 2015 Series 9	-	76	857,697	-	26,038	-	-	883,811
Class F - 2015 Series 10	-	(3,966)	359,074	-	-	-	-	355,108
Class F - 2015 Series 11	-	(11,732)	735,833	-	-	-	-	724,101
Class F - 2015 Series 12	-	(4,397)	552,999	-	25,481	-	-	574,083

EHP ADVANTAGE FUND

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

Year ended December 31, 2016, with comparative information for 2015

2015	Net assets attributable to holders of redeemable units, beginning of year	Increase (decrease) in net assets attributable to holders of redeemable units	Unit transactions				Capital gains distribution to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
			Proceeds from redeemable units issued	Redemption of redeemable units	Transfer in (transfer out)	Redesignation of redeemable units		
Founder Class - Initial Series	19,388,427	(402,894)	57,061	(6,367,546)	(1,267,240)	19,729,852	–	31,137,660
Founder Class - 2014 Series 9	512,560	–	–	–	–	(512,560)	–	–
Founder Class - 2014 Series 10	65,262	–	–	–	–	(65,262)	–	–
Founder Class - 2014 Series 11	4,682,554	–	–	–	–	(4,682,554)	–	–
Founder Class - 2014 Series 12	1,186,497	–	–	–	–	(1,186,497)	–	–
Founder Class - 2015 Series 1	–	180,072	2,738,000	–	(53,211)	(2,864,861)	–	–
Founder Class - 2015 Series 2	–	36,136	3,127,935	–	–	(3,164,071)	–	–
Founder Class - 2015 Series 3	–	29,703	7,224,343	–	–	(7,254,046)	–	–
Founder Class - 2015 Series 4	–	(8,879)	137,500	(79,024)	–	–	–	49,597
Founder Class - 2015 Series 5	–	(50,964)	1,309,000	–	–	–	–	1,258,036
Founder Class - 2015 Series 6	–	(17,132)	350,000	–	–	–	–	332,868
Founder Class - 2015 Series 7	–	(14,216)	200,000	–	–	–	–	185,784
Founder Class - 2015 Series 8	–	(7,129)	125,000	–	–	–	–	117,871
Founder Class - 2015 Series 9	–	(31)	11,000	–	–	–	–	10,969
Founder Class - 2015 Series 10	–	615	100,000	–	–	–	–	100,615
Founder Class - 2015 Series 11	–	(16,543)	860,000	–	–	–	–	843,457
	\$ 35,624,420	\$ (1,690,632)	\$ 48,546,685	\$ (11,038,036)	\$ –	\$ –	\$ –	\$ 71,442,437

See accompanying notes to financial statements.

EHP ADVANTAGE FUND

Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 7,633,944	\$ (1,690,632)
Adjustments for:		
Net realized losses (gains) on financial assets and liabilities at fair value through profit or loss (note 3)	(5,325,281)	661,011
Net change in unrealized appreciation on financial assets and liabilities at fair value through profit or loss (note 3)	(2,854,316)	(321,984)
	(545,653)	(1,351,605)
Change in non-cash balances:		
Purchases of investments	(569,400,491)	(971,781,838)
Cost of investments purchased to cover short positions	(343,945,945)	(393,045,915)
Proceeds from sale of investments	534,847,829	942,544,543
Proceeds from investments sold short	356,272,331	397,948,216
Net increase in dividends receivable	(71,698)	(89,703)
Net (increase) decrease in interest receivable	4,573	(5,105)
Net (increase) decrease in other receivable	(35,565)	3,328
Net increase (decrease) in performance fees payable (note 7)	523,659	(328,188)
Net increase (decrease) in accounts payable and accrued liabilities	(9,654)	25,936
Net increase in management fees payable (note 7)	5,645	5,567
Net increase (decrease) in dividends payable	(26,790)	46,885
Net increase in interest payable	4,601	8,674
Net cash used in operating activities	(22,377,158)	(26,019,205)
Cash flows from financing activities:		
Proceeds from issuance of redeemable units (note 6)	16,160,422	48,446,685
Payment on redemption of redeemable units (note 6)	(13,770,559)	(10,753,839)
Net cash provided by financing activities	2,389,863	37,692,846
Net increase (decrease) in cash	(19,987,295)	11,673,641
Cash, beginning of year	17,943,430	6,269,789
Net cash (bank margin), end of year	\$ (2,043,865)	\$ 17,943,430
Supplemental cash flow information:		
Interest paid	\$ 199,594	\$ 67,954
Interest received	74,397	85,614
Dividends received, net of withholding taxes	2,759,791	1,579,211
Dividends paid	838,673	574,009

See accompanying notes to financial statements.

EHP ADVANTAGE FUND

Schedule of Investments

December 31, 2016

Number of shares/ par value	Description	Cost	Fair value	% of net assets
Investments - long				
Canadian equities:				
91,980	Air Canada Inc.	\$ 1,261,705	\$ 1,257,368	1.54
160,200	Alignvest Acquisition Corp., Class A	1,610,652	1,634,040	2.00
16,560	Altus Group Ltd.	489,232	512,698	0.63
17,120	Badger Daylighting Ltd.	476,167	549,552	0.67
3,020	Bank of Montreal	235,162	291,641	0.36
3,190	Bank of Nova Scotia	200,324	238,484	0.29
4,460	BCE Inc.	242,881	258,814	0.32
92,210	Bonavista Energy Corp.	295,862	443,530	0.54
26,450	Canadian Energy Services and Technology Corp.	144,634	202,607	0.25
1,910	Canadian Imperial Bank of Commerce	190,383	209,260	0.26
11,590	Canadian National Railway Co.	926,832	1,047,272	1.28
48,490	Canfor Corp.	739,925	740,442	0.91
46,070	Capital Power Corp.	844,886	1,070,206	1.31
90,840	Celestica Inc.	1,318,958	1,445,264	1.77
17,630	Chartwell Retirement Residences REIT	265,836	258,280	0.32
19,870	CI Financial Corp.	601,535	573,647	0.70
5,430	Cineplex Inc.	258,662	278,125	0.34
13,170	Cogeco Communications Inc.	844,249	872,381	1.07
2,620	Cominar REIT	40,107	38,566	0.05
37,190	Crew Energy Inc.	239,946	279,297	0.34
705,300	ECN Capital Corp.	2,303,763	2,327,490	2.85
7,250	Emera Inc.	329,674	329,078	0.40
29,240	Encana Corp.	502,738	460,822	0.56
14,860	EnerCare Inc.	249,493	265,102	0.32
34,910	Enerflex Ltd.	476,133	595,216	0.73
9,780	First Capital Realty Inc.	189,740	202,153	0.25
26,150	First Quantum Minerals Ltd.	391,973	349,103	0.43
18,150	Genworth M I Canada Inc.	588,670	610,929	0.75
2,850	George Weston Ltd.	300,746	323,732	0.40
61,310	Great Canadian Gaming Corp.	1,392,981	1,531,524	1.87
6,100	Great-West Lifeco Inc.	206,954	214,537	0.26
9,690	H&R REIT	211,722	216,765	0.27
25,570	Home Capital Group Inc., Class B	821,087	801,364	0.98
77,080	HudBay Minerals Inc.	493,338	591,974	0.72
9,410	Hydro One Ltd.	243,998	221,888	0.27
27,690	Industrial Alliance Insurance and Financial Services Inc.	1,342,137	1,478,369	1.81
53,290	Interfor Corp.	811,007	800,949	0.98
36,220	Intertape Polymer Group Inc.	824,840	912,020	1.12
113,790	Just Energy Group Inc.	854,508	835,219	1.02
29,470	Kelt Exploration Ltd.	181,984	199,512	0.24
23,620	Labrador Iron Ore Royalty Corp.	422,336	439,804	0.54
4,710	Laurentian Bank of Canada	232,547	271,908	0.33
10,700	Linamar Corp.	660,411	617,283	0.76
3,610	Loblaw Companies Ltd.	240,970	255,732	0.31
62,540	Lundin Mining Corp.	428,725	400,256	0.49
13,890	Magna International Inc., Class A	828,569	809,787	0.99
65,890	Manulife Financial Corp.	1,331,269	1,575,430	1.93
63,540	Martinrea International Inc.	550,586	545,809	0.67
8,540	Methanex Corp.	431,070	502,921	0.62

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2016

Number of shares/ par value	Description	Cost	Fair value	% of net assets
1,200	Metro Inc., Class A	50,293	48,192	0.06
79,850	Mullen Group Income Fund	1,374,138	1,583,426	1.94
29,480	Parex Resources Inc.	406,894	498,212	0.61
5,430	Power Financial Corp.	187,018	182,231	0.22
43,400	Quantum International Income Corp., Subscription Receipts	—	—	—
9,680	Ritchie Bros Auctioneers Inc.	494,693	440,924	0.54
5,430	Rogers Communications Inc., Class B	273,351	281,220	0.34
3,020	Royal Bank of Canada	247,525	274,427	0.34
7,750	Shaw Communications Inc.	203,296	208,785	0.26
2,770	Smart REIT	84,888	89,443	0.11
9,600	Sun Life Financial Inc.	502,157	494,880	0.61
6,310	Telus Corp.	259,435	269,753	0.33
5,010	Thomson Reuters Corp.	255,900	294,388	0.36
7,700	Torq Oil & Gas Ltd.	54,285	63,679	0.08
3,020	Toronto-Dominion Bank	163,820	199,984	0.24
31,180	Transalta Corp.	193,464	231,667	0.28
43,560	Transcontinental Inc., Class A	193,464	966,596	1.18
47,730	TransForce Inc.	1,377,358	1,665,300	2.02
9,850	Vermilion Energy Inc.	518,912	556,427	0.68
18,310	West Fraser Timber Co. Ltd.	839,029	879,063	1.08
14,490	Western Forest Products Inc.	27,711	27,386	0.03
30,200	WestJet Airlines Ltd.	663,393	695,808	0.85
18,480	Westshore Terminals Investment Corp.	486,185	478,447	0.59
	Total Canadian equities	38,548,935	41,318,388	50.57
	United States equities:			
490	3M Co.	102,870	117,608	0.14
13,240	8X8 Inc.	241,835	254,481	0.31
2,190	AAON Inc.	310,239	328,297	0.40
1,710	AB IOM ED Inc.	242,694	258,985	0.32
1,850	Adobe Systems Inc.	260,433	255,994	0.31
1,530	AFLAC Inc.	129,309	143,131	0.18
3,750	Agilent Technologies Inc.	231,184	229,639	0.28
4,130	Agree Realty Corp.	244,541	255,630	0.31
3,440	Alaska Air Group Inc.	306,911	410,261	0.50
2,330	Albermarle Corp.	255,900	269,581	0.33
3,870	Allstate Corp.	352,344	385,548	0.47
200	Alphabet Inc., Class A	178,505	213,026	0.26
200	Alphabet Inc., Class C	171,164	207,481	0.25
4,690	Altria Group Inc.	375,127	426,265	0.52
260	Amazon.com Inc.	241,366	262,054	0.32
1,920	Ameren Corp.	124,411	135,382	0.17
7,000	American Airlines Group Inc.	324,855	439,292	0.54
4,340	American Express Co.	390,319	432,138	0.53
3,540	AmerisourceBergen Corp.	373,556	372,037	0.46
2,170	Amgen Inc.	425,871	426,450	0.52
9,850	Amphastar Pharmaceuticals Inc.	246,970	243,869	0.30
11,510	Angio Dynamics Inc.	249,190	260,989	0.32
6,020	Applied Materials Inc.	240,571	261,112	0.32
6,230	AT&T Inc.	317,832	356,135	0.44

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2016

Number of shares/ par value	Description	Cost	Fair value	% of net assets
4,050	Baxter International Inc.	255,844	241,369	0.30
540	Berkshire Hathaway Inc., Class B	92,349	118,293	0.14
8,240	Best Buy Company Inc.	392,918	472,587	0.58
1,060	Bio gen Inc.	383,527	404,029	0.49
10,170	Bio Telemetry Inc.	246,400	305,513	0.37
3,210	Black Hills Corp.	251,633	264,655	0.32
2,230	Boeing Co.	388,461	466,626	0.57
7,330	Boston Scientific Corp.	232,118	213,104	0.26
1,060	Broadcom Ltd.	240,539	251,852	0.31
5,370	California Water Service Group	238,450	244,684	0.30
2,420	Chubb Ltd.	367,779	429,750	0.53
1,990	Church & Dwight Company Inc.	121,257	118,198	0.14
1,460	Cincinnati Financial Corp.	131,874	148,651	0.18
3,420	Cirrus Logic Inc.	238,879	259,904	0.32
6,300	Cisco Systems Inc.	248,785	255,898	0.31
4,120	Citrix Systems Inc.	378,746	494,571	0.60
830	Clorox Co.	132,207	133,895	0.16
2,090	CMS Energy Corp.	122,672	116,918	0.14
1,630	Coca-Cola Co.	91,653	90,834	0.11
3,430	Colgate Palmolive Co.	308,364	301,696	0.37
6,350	Communications Sales & Leasing Inc.	229,488	216,875	0.27
1,160	Consolidated Edison Inc.	113,839	114,879	0.14
1,270	Constellation Brands Inc., Class A	230,073	261,701	0.32
3,410	Copart Inc.	239,976	253,965	0.31
2,160	CoreSite Realty Corp.	232,727	230,431	0.28
6,470	Corporate Office Properties Trust	242,600	271,499	0.33
480	Costco Wholesale Corp.	95,707	103,298	0.13
4,440	Delphi Automotive PLC	374,735	401,932	0.49
6,460	Delta Air Lines Inc.	382,757	427,111	0.52
7,980	Depomed Inc.	238,337	193,281	0.24
3,080	Dick's Sporting Goods Inc.	244,352	219,825	0.27
1,160	Dominion Resources Inc.	108,205	119,416	0.15
1,120	Dr. Pepper Snapple Group Inc.	127,423	136,494	0.17
900	DTE Energy Co.	115,411	119,167	0.15
11,080	E*Trade Financial Corp.	365,654	516,030	0.63
2,700	Eaton Corporation PLC	230,248	243,474	0.30
3,710	Ebix Inc.	229,555	284,486	0.35
1,670	Edwards Lifesciences Corp.	215,789	210,323	0.26
24,440	Electro Scientific Industries Inc.	224,527	194,471	0.24
5,690	Emerson Electric Co.	388,771	426,372	0.52
20,020	Exar Corp.	246,423	290,078	0.35
2,260	F5 Networks Inc.	411,315	439,611	0.54
4,750	Fabrinet	241,402	257,294	0.31
1,550	Facebook Inc., Class A	224,137	239,690	0.29
1,440	Fair Isaac Corp.	236,620	230,751	0.28
520	Federal Realty Investment Trust	115,616	99,325	0.12
2,310	Fidelity National Information Services Inc.	234,437	234,852	0.29
6,470	First Industrial Realty Trust Inc.	241,591	243,932	0.30
4,390	Foot Locker Inc.	395,174	418,293	0.51
25,020	Ford Motor Co.	400,047	407,924	0.50
8,410	Franklin Resources Inc.	402,104	447,408	0.55
11,720	Gap Inc.	371,181	353,494	0.43
3,020	General Electric Co.	125,251	128,270	0.16

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2016

Number of shares/ par value	Description	Cost	Fair value	% of net assets
1,160	General Mills Inc.	80,927	96,309	0.12
9,120	General Motors Co.	370,438	427,075	0.52
3,540	Gilead Sciences Inc.	370,847	340,729	0.42
7,980	Government Properties Income REIT	240,278	204,490	0.25
7,980	Green Dot Corp., Class A	243,126	252,595	0.31
3,690	Hasbro Inc.	425,062	385,817	0.47
5,260	Healthcare Realty Trust	238,006	214,361	0.26
8,420	HMS Holdings Corp.	240,370	205,523	0.25
1,440	Honeywell International Inc.	205,973	224,228	0.27
1,050	Illinois Tool Works Inc.	147,800	172,828	0.21
4,340	Ingersoll-Rand PLC	390,693	437,738	0.54
1,350	Ingredion Inc.	235,214	226,744	0.28
2,530	Insperty Inc.	243,131	241,271	0.30
2,220	Integra LifeSciences Holdings Corp.	240,214	255,989	0.31
9,870	Intel Corp.	388,436	481,168	0.59
3,440	IntercontinentalExchange Inc.	244,836	260,869	0.32
1,720	International Business Machines Corp.	339,900	383,744	0.47
1,680	Intuit Inc.	247,316	258,799	0.32
250	Intuitive Surgical Inc.	228,564	213,097	0.26
88,580	iShares iBoxx High Yield Corp Bond ETF (note 9)	10,105,052	10,304,676	12.61
3,320	Itron Inc.	242,005	280,463	0.34
2,730	Johnson & Johnson	382,965	422,751	0.52
3,470	Kellogg Co.	339,112	343,785	0.42
830	Kimberly Clark Corp.	135,046	127,313	0.16
4,160	KLA-Tencor Corp.	376,932	439,936	0.54
5,810	Kohls Corp.	340,168	385,619	0.47
2,330	Kraft Heinz Co.	255,654	273,465	0.33
1,450	Lockheed Martin Corp.	456,289	487,119	0.60
1,450	Loews Corp.	73,808	91,269	0.11
5,410	Lumentum Holdings Inc.	254,699	281,047	0.34
2,800	LyondellBasell Industries NV, Class A	309,807	322,831	0.39
1,090	MarketAxess Holdings Inc.	236,910	215,248	0.26
4,110	Marsh & McLennan Companies Inc.	340,775	373,384	0.46
3,230	Masimo Corp.	240,950	292,613	0.36
1,820	Mastercard Inc., Class A	244,489	252,577	0.31
1,160	McCormick & Company Inc.	127,659	145,516	0.18
720	McDonald's Corp.	120,227	117,795	0.14
12,970	Medical Properties Trust Inc.	233,768	214,426	0.26
1,930	Medtronic Inc.	194,744	184,779	0.23
2,820	Merck & Company Inc.	230,890	223,139	0.27
4,510	Michael Kors Holdings Ltd.	290,081	260,540	0.32
8,320	Microsoft Corp.	592,717	694,906	0.85
1,900	Monsanto Co.	253,472	268,684	0.33
2,220	MSCI Inc., Class A	243,263	235,072	0.29
10,080	NetApp Inc.	428,660	477,857	0.58
2,230	NextEra Energy Inc.	349,796	358,063	0.44
5,860	NIKE Inc., Class B	389,358	400,359	0.49
5,140	Nordstrom Inc.	348,699	331,133	0.41
1,310	Northrop Grumman Corp.	360,227	409,520	0.50
2,950	NuVasive Inc.	235,340	267,089	0.33
1,160	Omnicom Group Inc.	115,375	132,700	0.16
1,460	Paychex Inc.	98,249	119,470	0.15
2,460	Pepsico Inc.	326,267	345,958	0.42
3,000	PG&E Corp.	233,362	245,043	0.30

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2016

Number of shares/ par value	Description	Cost	Fair value	% of net assets
2,530	Philip Morris International Inc.	310,593	311,118	0.38
1,990	Pool Corp.	222,646	279,084	0.34
2,450	Post Holdings Inc.	225,167	264,728	0.32
6,460	Principal Financial Group Inc.	397,226	502,392	0.61
3,280	Procter and Gamble Co.	363,665	370,679	0.45
2,690	Progressive Corp.	115,931	128,355	0.16
4,050	Prologis Inc.	255,423	287,368	0.35
3,040	Prudential Financial Inc.	395,931	425,196	0.52
7,570	Qualcomm Inc.	644,065	663,399	0.81
1,360	Raytheon Co.	238,164	259,573	0.32
1,630	Republic Services Inc.	87,573	124,990	0.15
4,480	Ross Stores Inc.	417,311	395,015	0.48
1,540	S&P Global Inc.	241,856	222,599	0.27
4,820	Scripps Networks Interactive Inc., Class A	383,865	462,375	0.57
6,290	Seagate Technology PLC	293,535	322,704	0.39
7,150	Shoe Carnival Inc.	262,478	259,286	0.32
1,630	Southern Co.	102,318	107,770	0.13
6,230	Southwest Airlines Co.	370,278	417,347	0.51
210,180	SP DR Bloomberg Barclays High Yield Bond ETF (note 9)	10,104,357	10,297,232	12.59
1,660	Stryker Corp.	248,434	267,321	0.33
10,490	Synchrony Financial	391,647	511,393	0.63
5,800	Sysco Corp.	390,855	431,652	0.53
4,100	Target Corp.	368,151	398,046	0.49
10,530	Teradata Corp.	382,436	384,547	0.47
5,280	Texas Instruments Inc.	396,763	517,857	0.63
1,770	The Valspar Corp.	246,226	246,494	0.30
2,270	Thor Industries Inc.	245,554	305,263	0.37
9,440	TiVo Inc.	249,834	265,186	0.32
4,170	TJX Companies Inc.	423,638	421,096	0.52
900	Travelers Companies Inc.	126,359	148,090	0.18
13,830	TTM Technologies Inc.	247,413	253,367	0.31
8,120	Ultratech Inc.	247,854	261,720	0.32
4,760	United Continental Holdings Inc.	321,834	466,280	0.57
810	United Parcel Service Inc., Class B	108,536	124,811	0.15
2,100	United Rentals Inc.	187,690	298,011	0.36
1,320	UnitedHealth Group Inc.	242,093	283,945	0.35
2,490	Universal Electronics Inc.	242,210	216,037	0.26
4,820	Valero Energy Corp.	343,858	442,615	0.54
3,950	Veritiv Corp.	250,821	285,369	0.35
4,700	Verizon Communications Inc.	315,472	337,216	0.41
25,350	Viavi Solutions Inc.	243,150	278,717	0.34
2,440	Wal-Mart Stores Inc.	227,151	226,686	0.28
1,460	Waste Management Inc.	117,597	139,153	0.17
2,970	WebMD Health Corp.	222,555	197,882	0.24
1,420	WEC Energy Group Inc.	119,483	111,941	0.14
1,610	WellCare Health Plans Inc.	255,690	296,641	0.36
3,300	Westar Energy Inc.	249,024	249,942	0.31
2,160	XCEL Energy Inc.	115,261	118,163	0.14
3,360	Zoetis Inc., Class A	225,431	241,751	0.30
	Total United States equities	67,291,272	71,452,285	87.38
Total investments - long		\$ 105,840,207	\$ 112,770,673	137.95

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2016

Number of shares/ par value	Description	Cost	Fair value	% of net assets
Investments - short				
Canadian equities:				
(10,720)	Aecon Group Inc.	\$ (167,456)	\$ (163,480)	(0.20)
(7,230)	Alaris Royalty Corp.	(163,257)	(173,159)	(0.21)
(4,990)	Allied Properties REIT	(168,731)	(179,391)	(0.22)
(4,210)	Amaya Inc.	(87,717)	(80,032)	(0.10)
(12,230)	Arc Resources Ltd.	(276,344)	(282,635)	(0.35)
(14,030)	Artis REIT	(164,501)	(178,181)	(0.22)
(41,710)	Baytex Energy Corp.	(249,035)	(273,618)	(0.33)
(9,330)	Boardwalk REIT	(432,732)	(453,905)	(0.56)
(7,760)	Brookfield Renewable Partners LP	(296,539)	(309,236)	(0.38)
(6,580)	Canadian Natural Resources Ltd.	(267,543)	(281,558)	(0.34)
(13,590)	Cenovus Energy Inc.	(278,894)	(275,877)	(0.34)
(15,120)	Chemtrade Logistics Income Fund	(273,221)	(286,373)	(0.35)
(3,510)	Colliers International Group Inc.	(167,446)	(173,710)	(0.21)
(19,140)	Computer Modelling Group Ltd.	(168,068)	(174,365)	(0.21)
(13,650)	Corus Entertainment Inc., Class B	(164,702)	(171,990)	(0.21)
(9,340)	Cott Corp.	(161,529)	(141,968)	(0.17)
(14,450)	Crescent Point Energy Corp.	(265,305)	(263,713)	(0.32)
(12,220)	Crombie REIT	(163,816)	(165,948)	(0.20)
(13,040)	DH Corp.	(283,261)	(290,531)	(0.36)
(38,070)	DHX Media Ltd.	(259,487)	(268,394)	(0.33)
(34,990)	Element Fleet Management Corp.	(416,853)	(435,975)	(0.53)
(9,250)	Empire Company Ltd., Class A	(169,013)	(145,410)	(0.18)
(810)	Enerplus Corp.	(10,264)	(10,319)	(0.01)
(260)	Fairfax Financial Holdings Ltd.	(164,643)	(168,610)	(0.21)
(6,610)	Freehold Royalties Ltd.	(72,995)	(93,664)	(0.11)
(15,260)	Gibson Energy Inc.	(275,846)	(289,635)	(0.35)
(19,500)	Gran Tierra Energy Inc.	(69,025)	(79,170)	(0.10)
(31,060)	Hudson's Bay Co.	(525,684)	(409,681)	(0.50)
(20,610)	Innervex Renewable Energy Inc.	(296,418)	(289,158)	(0.35)
(236,700)	iShares S&P TSX 60 Index ETF (note 9)	(5,390,442)	(5,358,888)	(6.57)
(2,330)	M acdonald Dettwiler & Associates Ltd.	(157,266)	(155,854)	(0.19)
(11,810)	MEG Energy Corp.	(76,351)	(109,006)	(0.13)
(13,100)	Northland Power Inc.	(271,321)	(305,230)	(0.37)
(14,370)	Northview Apartment REIT	(272,725)	(287,544)	(0.35)
(10,590)	Nuvista Energy Ltd.	(70,704)	(73,495)	(0.09)
(17,550)	Pason Systems Inc.	(279,935)	(344,682)	(0.43)
(12,570)	Precision Drilling Corp.	(70,427)	(92,012)	(0.11)
(184,800)	Prometic Life Sciences Inc.	(424,417)	(412,104)	(0.50)
(8,660)	Secure Energy Services Inc.	(71,882)	(101,409)	(0.12)
(4,270)	Sierra Wireless Inc.	(79,706)	(89,755)	(0.11)
(86,620)	Spartan Energy Corp.	(270,915)	(288,445)	(0.35)
(2,510)	Teck Resources Ltd., Class B	(37,968)	(67,444)	(0.08)
(6,570)	The North West Company Inc.	(169,606)	(180,806)	(0.22)
(7,700)	Torc Oil & Gas Ltd.	(59,447)	(63,679)	(0.08)
(7,870)	Tourmaline Oil Corp.	(265,851)	(282,612)	(0.35)
(20,330)	Transalta Renewables Corp.	(276,555)	(291,532)	(0.36)
(24,400)	Valeant Pharmaceuticals International Inc.	(657,050)	(475,069)	(0.58)
(1,230)	Whitecap Resources Inc.	(14,818)	(14,957)	(0.02)
	Total Canadian equities	(15,377,711)	(15,504,209)	(18.96)

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2016

Number of shares/ par value	Description	Cost	Fair value	% of net assets
United States equities:				
(1,790)	A. Schulman Inc.	(67,241)	(80,479)	(0.10)
(350)	Advance Auto Parts Inc.	(79,421)	(79,560)	(0.10)
(180)	Alexion Pharmaceuticals Inc.	(34,920)	(29,601)	(0.04)
(590)	Allergan PLC	(146,443)	(166,542)	(0.20)
(260)	Alliance Data Systems Corp.	(78,759)	(79,853)	(0.10)
(2,790)	Alliant Energy Corp.	(142,714)	(142,089)	(0.17)
(2,050)	AM AG Pharmaceuticals Inc.	(64,366)	(95,888)	(0.12)
(3,140)	American Equity Investment Life Holding Co.	(64,791)	(95,129)	(0.12)
(1,790)	American International Group Inc.	(141,872)	(157,132)	(0.19)
(1,040)	American Tower Corp., Class A	(152,386)	(147,726)	(0.18)
(2,290)	Anadarko Petroleum Corp.	(179,264)	(214,628)	(0.26)
(520)	Apache Corp.	(33,450)	(44,361)	(0.05)
(1,850)	Arcbest Corp.	(48,326)	(68,754)	(0.08)
(7,470)	Arconic Inc.	(177,746)	(186,150)	(0.23)
(6,460)	Atwood Oceanics Inc.	(91,805)	(114,006)	(0.14)
(1,450)	Auto Nation Inc.	(94,669)	(94,816)	(0.12)
(520)	Avalonbay Communities Inc.	(124,251)	(123,816)	(0.15)
(1,150)	Bank of the Ozarks Inc.	(75,902)	(81,289)	(0.10)
(4,990)	Barnes & Noble Education Inc.	(76,393)	(76,930)	(0.09)
(1,390)	Bed Bath and Beyond Inc.	(76,509)	(75,928)	(0.09)
(7,170)	Bill Barrett Corp.	(75,766)	(67,364)	(0.08)
(1,940)	Borg Warner Inc.	(90,827)	(102,842)	(0.13)
(810)	Boston Properties Inc.	(132,878)	(136,939)	(0.17)
(3,580)	Bristow Group Inc.	(77,104)	(98,547)	(0.12)
(270)	Buffalo Wild Wings Inc.	(53,291)	(56,033)	(0.07)
(5,710)	Cabot Oil & Gas Corp.	(172,665)	(179,284)	(0.22)
(6,760)	Carbo Ceramics Inc.	(76,135)	(95,041)	(0.12)
(1,010)	Carmax Inc.	(68,127)	(87,412)	(0.11)
(8,090)	CDI Corp.	(63,610)	(80,466)	(0.10)
(5,930)	Celadon Group Inc.	(66,764)	(56,989)	(0.07)
(3,330)	CF Industries Holding Inc.	(119,320)	(140,900)	(0.17)
(13,400)	Chesapeake Energy Corp.	(93,110)	(126,437)	(0.15)
(1,050)	Chevron Corp.	(129,104)	(166,111)	(0.20)
(460)	Chipotle Mexican Grill Inc., Class A	(247,225)	(233,292)	(0.30)
(1,050)	Cimarex Energy Co.	(147,472)	(191,796)	(0.23)
(1,060)	Concho Resources Inc.	(157,652)	(188,921)	(0.23)
(2,530)	Conoco Phillips	(164,938)	(170,505)	(0.21)
(2,520)	CoreCivic Inc.	(78,512)	(82,849)	(0.10)
(5,800)	Coty Inc., Class A	(144,167)	(142,741)	(0.17)
(110)	Crown Castle International Corp.	(12,541)	(12,829)	(0.02)
(14,840)	Denbury Resources Inc.	(79,060)	(73,403)	(0.09)
(690)	Devon Energy Corp.	(36,607)	(42,356)	(0.05)
(2,260)	Discovery Communications Inc., Series A	(77,261)	(83,262)	(0.10)
(1,770)	DXP Enterprises Inc.	(64,974)	(82,648)	(0.10)
(1,330)	East West Bancorp Inc.	(70,523)	(90,866)	(0.11)
(5,180)	Endo International PLC	(137,314)	(114,671)	(0.14)
(6,170)	Ensco PLC, Class A	(66,818)	(80,609)	(0.10)
(1,130)	EOG Resources Inc.	(143,362)	(153,554)	(0.19)

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2016

Number of shares/ par value	Description	Cost	Fair value	% of net assets
(310)	Equinix Inc.	(118,488)	(148,922)	(0.18)
(1,700)	Equity Residential REIT	(141,275)	(147,061)	(0.18)
(4,950)	Era Group Inc.	(77,244)	(112,906)	(0.14)
(1,220)	Fastenal Co.	(77,670)	(77,038)	(0.09)
(3,200)	First Solar Inc.	(156,503)	(138,023)	(0.17)
(3,280)	Flotek Industries Inc.	(65,068)	(41,397)	(0.05)
(2,530)	Flowserve Corp.	(146,156)	(163,398)	(0.20)
(660)	Freeport-McMoRan Inc.	(12,122)	(11,701)	(0.01)
(54,400)	Frontier Communications Corp.	(283,999)	(247,142)	(0.30)
(3,190)	General Communication Inc., Class A	(66,602)	(83,395)	(0.10)
(4,060)	General Growth Properties Inc.	(155,529)	(136,317)	(0.17)
(2,530)	Greenhill and Company Inc.	(65,738)	(94,196)	(0.12)
(880)	Group 1 Automotive Inc.	(71,791)	(92,188)	(0.11)
(3,170)	H&R Block Inc.	(95,726)	(97,956)	(0.12)
(1,970)	Halliburton Co.	(111,959)	(143,224)	(0.18)
(3,940)	Harsco Corp.	(49,200)	(72,022)	(0.09)
(2,680)	Heidrick & Struggles International Inc.	(64,318)	(86,993)	(0.11)
(440)	Helmerich & Payne Inc.	(36,808)	(45,775)	(0.06)
(1,760)	Hess Corp.	(122,326)	(147,354)	(0.18)
(1,990)	HollyFrontier Corp.	(68,667)	(87,625)	(0.11)
(10,970)	Hornbeck Offshore Services Inc.	(84,090)	(106,457)	(0.13)
(3,660)	Host Hotels & Resorts Inc.	(78,026)	(92,682)	(0.11)
(200)	Illumina Inc.	(44,041)	(34,420)	(0.04)
(2,220)	Integer Holdings Corp.	(65,657)	(87,876)	(0.11)
(5,400)	Invacare Corp.	(80,131)	(94,719)	(0.12)
(2,970)	Iron Mountain Inc.	(142,014)	(129,659)	(0.16)
(510)	Jones Lang LaSalle Inc.	(73,572)	(69,262)	(0.08)
(2,780)	KapStone Paper and Packaging Corp.	(49,075)	(82,392)	(0.10)
(4,070)	Kimco Realty Corp.	(144,012)	(137,637)	(0.17)
(6,250)	Kinder Morgan Inc.	(151,833)	(173,977)	(0.21)
(2,210)	Korn Ferry International	(75,096)	(87,421)	(0.11)
(2,220)	Lannett Company Inc.	(65,115)	(65,795)	(0.08)
(610)	Lithia Motors Inc., Class A	(75,885)	(79,391)	(0.10)
(1,500)	Macerich Co.	(142,042)	(142,824)	(0.17)
(1,410)	Macy's Inc.	(67,392)	(67,866)	(0.08)
(590)	Mallinckrodt Public Limited Co.	(46,160)	(39,508)	(0.05)
(680)	Manpowergroup Inc.	(69,891)	(81,226)	(0.10)
(5,120)	Marathon Oil Corp.	(77,281)	(119,124)	(0.15)
(1,790)	Micron Technology Inc.	(32,938)	(52,738)	(0.06)
(1,060)	Molson Coors Brewing Co., Class B	(139,050)	(138,642)	(0.17)
(5,850)	Murphy Oil Corp.	(212,513)	(244,775)	(0.30)
(750)	Mylan Inc.	(46,765)	(38,458)	(0.05)
(4,830)	National Oilwell Varco Inc.	(218,171)	(243,061)	(0.30)
(1,210)	Netflix Inc.	(165,135)	(201,343)	(0.25)
(640)	Newfield Exploration Co.	(27,605)	(34,839)	(0.04)
(950)	Newmont Mining Corp.	(30,635)	(43,504)	(0.05)
(4,690)	NiSource Inc.	(138,852)	(139,567)	(0.17)
(940)	Noble Energy Inc.	(45,620)	(48,087)	(0.06)
(8,060)	NRG Energy Inc.	(125,113)	(132,818)	(0.16)
(1,390)	Occidental Pete Corp.	(128,070)	(133,079)	(0.16)
(1,880)	Oceaneering International Inc.	(66,591)	(71,284)	(0.09)

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2016

Number of shares/ par value	Description	Cost	Fair value	% of net assets
(11,450)	Office Depot Inc.	(74,340)	(69,563)	(0.09)
(590)	Oneok Inc.	(25,536)	(45,527)	(0.06)
(3,360)	People's United Financial Inc.	(84,759)	(87,433)	(0.11)
(770)	Perrigo Co.	(91,688)	(86,139)	(0.11)
(720)	Pioneer Natural Resources Co.	(141,154)	(174,263)	(0.21)
(2,410)	Qorvo Inc.	(163,545)	(170,807)	(0.21)
(800)	Ralph Lauren Corp., Class A	(102,170)	(97,119)	(0.12)
(650)	Range Resources Corp.	(24,905)	(30,019)	(0.04)
(1,830)	Realty Income Corp.	(137,124)	(141,384)	(0.17)
(1,120)	Red Robin Gourmet Burgers Inc.	(68,891)	(84,904)	(0.10)
(5,600)	Roadrunner Transportation Systems Inc.	(76,080)	(78,205)	(0.10)
(1,350)	Robert Half International Inc.	(81,368)	(88,513)	(0.11)
(3,160)	Rowan Companies PLC	(76,146)	(80,233)	(0.10)
(690)	Royal Caribbean Cruises Ltd.	(68,194)	(76,086)	(0.09)
(750)	Ryder System Inc.	(69,895)	(75,041)	(0.09)
(630)	Signet Jewelers Ltd.	(67,155)	(79,818)	(0.10)
(350)	Skyworks Solutions Inc.	(35,072)	(35,123)	(0.04)
(10,930)	Southwestern Energy Co.	(183,690)	(158,957)	(0.19)
(890)	Stericycle Inc.	(89,770)	(92,159)	(0.11)
(1,380)	Stifel Financial Inc.	(67,986)	(92,650)	(0.11)
(7,230)	Synergy Resources Corp.	(66,773)	(86,586)	(0.11)
(760)	T. Rowe Price Group Inc.	(75,800)	(76,879)	(0.09)
(3,470)	Tailored Brands Inc.	(65,050)	(119,166)	(0.15)
(2,700)	Tegna Inc.	(81,019)	(77,626)	(0.09)
(970)	Tempur-Sealy International Inc.	(70,322)	(89,022)	(0.11)
(310)	Tesoro Corp.	(32,463)	(36,438)	(0.04)
(3,330)	The E.W. Scripps Company, Class A	(76,554)	(86,518)	(0.11)
(3,110)	The Mosaic Co.	(108,746)	(122,604)	(0.16)
(730)	Tiffany & Co.	(69,441)	(75,974)	(0.09)
(780)	Tractor Supply Co.	(79,440)	(79,479)	(0.10)
(8,470)	Transocean Ltd.	(116,886)	(167,808)	(0.21)
(1,770)	TripAdvisor Inc.	(145,358)	(110,317)	(0.13)
(2,740)	UDR Inc.	(129,564)	(134,350)	(0.16)
(2,820)	Under Armour Inc., Class A	(127,908)	(110,110)	(0.13)
(420)	United Therapeutics Corp.	(68,046)	(80,969)	(0.10)
(960)	Urban Outfitters Inc.	(45,593)	(36,749)	(0.04)
(1,440)	Ventas Inc.	(135,659)	(121,008)	(0.15)
(1,830)	Vertex Pharmaceuticals Inc.	(243,581)	(181,206)	(0.23)
(1,100)	Vornado Realty Trust	(135,004)	(154,312)	(0.19)
(790)	Vulcan Materials Co.	(117,841)	(132,889)	(0.16)
(2,910)	Waddell & Reed Financial Inc., Class A	(76,259)	(76,310)	(0.09)
(1,570)	Welltower Inc.	(138,897)	(141,238)	(0.17)
(1,510)	Western Digital Corp.	(100,571)	(137,911)	(0.17)
(3,260)	Weyerhaeuser Co.	(139,629)	(131,847)	(0.16)
(280)	Williams Companies Inc.	(11,617)	(11,719)	(0.01)
(810)	Willis Towers Watson PLC	(127,788)	(133,129)	(0.16)
(5,040)	WisdomTree Investments Inc.	(76,213)	(75,465)	(0.09)
(1,450)	Wynn Resorts Ltd.	(169,026)	(168,603)	(0.21)

EHP ADVANTAGE FUND

Schedule of Investments (continued)

December 31, 2016

Number of shares/ par value	Description	Cost	Fair value	% of net assets
(3,020)	Yahoo! Inc.	(142,905)	(156,969)	(0.19)
(770)	Zebra Technologies Corp., Class A	(70,227)	(88,758)	(0.11)
(1,580)	Zions Bancorp	(56,011)	(91,403)	(0.11)
	Total United States equities	(14,523,574)	(15,819,713)	(19.36)
Total investments - short		\$ (29,901,285)	\$ (31,323,922)	(38.32)
Total investments - long		\$ 105,840,207	\$ 112,770,673	137.95
Total investments - short		(29,901,285)	(31,323,922)	(38.32)
Total investments owned		<u>\$ 75,938,922</u>	81,446,751	99.63
Other assets, net			303,690	0.37
Net assets			\$ 81,750,441	100.00

See accompanying notes to financial statements.

EHP ADVANTAGE FUND

Notes to Financial Statements

Year ended December 31, 2016

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 the Trust Agreement made as of April 17, 2013 and amended and restated as of June 1, 2014 between Caledon Trust Company, as trustee (the "Trustee"), and EdgeHill Partners. The registered office of the Fund is 45 Hazelton Ave., Suite B, Toronto, Ontario, Canada M5R 2E3.

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"), as published by the International Accounting Standards Board ("IASB"). In the preparation of these financial statements, the Fund has consistently applied these standards.

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, 2017.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

(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 dates.

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

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 gains in fair value on financial assets and liabilities 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.

(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 and derivatives have been categorized as held-for-trading.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

(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 ("ETFs") 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.

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.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

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 net realized gains on financial assets and liabilities at FVTPL and net change in unrealized appreciation (depreciation) on financial assets and liabilities at FVTPL in the year 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 on an accrual basis.

(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.

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.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

(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. Realized gains and losses on disposition are determined based on the average cost of investments. Gains and losses arising from changes in the fair value of the investments are included in the statement of comprehensive income for the year in which they arise.

(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.

(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 features and, therefore, are classified as financial liabilities. 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 are 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. There is no difference in the method net asset value and net assets attributable to holders of redeemable units is computed.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

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 periods for each class/series, respectively. Refer to note 6 for further detail.

(j) Income allocation:

Income, expenses other than management fees, performance fees, and realized and unrealized capital gains (losses) are distributed among the different classes of units in proportion to the amount invested in them. For management fees and performance fees, please refer to note 7.

(k) 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 or series outstanding at the end of the year.

(l) 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 the statement of comprehensive income as an expense. Refer to note 8 for further detail on soft dollar arrangements.

(m) Taxation:

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) 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.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

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.

As at December 31, the Fund had capital loss carryforwards of nil (2015 - \$336,268) and non-capital loss carryforwards of \$882,063 (2015 - \$929,147).

(n) 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.

(o) Future accounting standards:

IFRS 9, Financial Instruments ("IFRS 9"):

IFRS 9 was issued by the IASB in November 2009 and will replace International Accounting Standard 39, Financial Instruments - Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. In July 2014, the IASB issued the final version of IFRS 9. The revised standard adds guidance on the classification and measurement of financial liabilities.

IFRS 9 is effective for fiscal years beginning on or after January 1, 2018. The Fund continues to evaluate the impact of IFRS 9 on its financial statements, particularly with regard to the recording of its investments.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

3. Net gains (losses) on 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 years ended December 31, 2016 and 2015:

2016	Held-for-trading	Designated at FVTPL	Total
Financial assets at FVTPL:			
Net realized gains (losses)	\$ (160,558)	\$ 7,869,103	\$ 7,708,545
Net change in unrealized gains	–	5,154,116	5,154,116
	(160,558)	13,023,219	12,862,661
Financial liabilities at FVTPL:			
Net realized losses	(2,383,264)	–	(2,383,264)
Net change in unrealized losses	(2,299,800)	–	(2,299,800)
	(4,683,064)	–	(4,683,064)
Total	\$ (4,843,622)	\$ 13,023,219	\$ 8,179,597

2015	Held-for-trading	Designated at FVTPL	Total
Financial assets at FVTPL:			
Net realized gains (losses)	\$ 82,544	\$ (2,647,933)	\$ (2,565,389)
Net change in unrealized losses	–	(796,474)	(796,474)
	82,544	(3,444,407)	(3,361,863)
Financial liabilities at FVTPL:			
Net realized gains	1,904,378	–	1,904,378
Net change in unrealized gains	1,118,458	–	1,118,458
	3,022,836	–	3,022,836
Total	\$ 3,105,380	\$ (3,444,407)	\$ (339,027)

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

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, 2016.

The following table details the Fund's investments in warrants as at December 31, 2015:

Description	Maturity date	Strike price	Notional amount	Fair value in financial assets
Warrants:				
Immunovaccine Inc.	March 18, 2016	1.24	\$ 145,700	\$ –
Western Lithium USA Corp.	June 10, 2017	0.90	90,000	–

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 risk. 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, 2016

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:

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, 2016

5. Financial risk management (continued):

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.

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. As at December 31, 2016 and 2015, the Fund had no significant investments in debt instruments and/or derivatives.

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.

The majority of the cash and cash equivalents and investments of the Fund are held by the Bank of Nova Scotia and BMO Capital Markets (the "Prime Brokers"). Bankruptcy or insolvency of the Prime Brokers may cause the Fund's rights with respect to cash and cash equivalents held by the Prime Brokers to be delayed or limited. The Fund monitors its risk by monitoring the credit quality and financial position of the Prime Brokers. At the date of the approval of the financial statements, the credit rating for the Bank of Nova Scotia was A+ (2015 - A+) and for BMO Capital Markets it was A-1 (2015 - A-1).

The Fund has provided the Prime Brokers with a general lien over the financial assets held in custody as security for the Prime Brokers' exposures relating to provision of custody services to the Fund. The terms under which the general lien is provided are usual and customary services to the Fund. The terms under which the general lien is provided are usual and customary for Prime Broker agreements. As at December 31, 2016, the fair value of financial assets subject to the general lien is \$124,277,701 (2015 - \$110,910,546). The Fund's cash investments are held by highly creditworthy financial institutions.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

5. Financial risk management (continued):

(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.

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 2016 or 2015.

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.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

5. Financial risk management (continued):

(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.

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, 2016, 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 \$8,144,675 (2015 - \$5,180,661).

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 CAD, 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, 2016

5. Financial risk management (continued):

The tables below summarize the foreign currencies to which the Fund had significant exposure at December 31, 2016 and 2015 in CAD terms. The tables also illustrate 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.

2016:

United States dollar	Exposure	Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$ (20,127,218)	\$ (1,006,361)
Investments at FVTPL	55,632,572	2,781,629
Total	\$ 35,505,354	\$ 1,775,268
% of net assets attributable to holders of redeemable units	43.4	2.2

2015:

United States dollar	Exposure	Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$ (19,132,787)	\$ (956,639)
Investments at FVTPL	37,247,307	1,862,365
Total	\$ 18,114,520	\$ 905,726
% of net assets attributable to holders of redeemable units	25.4	1.3

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

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 year-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 year-end date, valuation techniques will be applied to determine the fair value.

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 year-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.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

5. Financial risk management (continued):

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 among Level 1, Level 2 and Level 3 in the years presented.

6. Net assets attributable to redeemable units:

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.

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

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

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 one business day 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 (a) any redemption charges payable, and (b) 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, 2016

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

During the years ended December 31, 2016 and 2015, the number of units issued, redeemed and outstanding was as follows:

2016	Units, beginning of year	Issuance of units	Redemption of units	Re- designation of units	Units, end of year
Class A - Initial Series	345,920	—	(32,813)	(95,802)	217,305
Class A - 2015 Series 4	122,432	—	(21,297)	(2,600)	98,535
Class A - 2015 Series 5	32,835	—	(5,000)	—	27,835
Class A - 2015 Series 6	73,035	—	(5,817)	—	67,218
Class A - 2015 Series 7	40,118	—	(1,961)	(22,063)	16,094
Class A - 2015 Series 8	53,318	—	(4,203)	(8,039)	41,076
Class A - 2015 Series 9	15,846	—	—	(8,028)	7,818
Class A - 2015 Series 10	15,982	—	(6,000)	—	9,982
Class A - 2015 Series 11	15,046	—	—	—	15,046
Class A - 2015 Series 12	5,000	—	—	—	5,000
Class A - 2016 Series 2	—	4,000	—	—	4,000
Class A - 2016 Series 3	—	23,361	—	—	23,361
Class A - 2016 Series 4	—	10,610	—	—	10,610
Class A - 2016 Series 6	—	7,934	—	—	7,934
Class A - 2016 Series 7	—	19,863	—	(14,863)	5,000
Class A - 2016 Series 8	—	15,000	—	—	15,000
Class A - 2016 Series 9	—	18,659	—	—	18,659
Class A - 2016 Series 10	—	5,000	—	—	5,000
Class A - 2016 Series 11	—	6,387	—	—	6,387
Class A - 2016 Series 12	—	31,699	—	—	31,699
Class E - Initial Series	472,109	85	(11,008)	10,358	471,544
Class F - Initial Series	957,447	—	(424,620)	—	532,827
Class F - 2015 Series 4	57,056	—	(4,318)	—	52,738
Class F - 2015 Series 5	163,607	—	(15,999)	—	147,608
Class F - 2015 Series 6	257,338	—	(4,119)	—	253,219
Class F - 2015 Series 7	173,197	—	(36,976)	—	136,221
Class F - 2015 Series 8	330,961	—	(110,790)	—	220,171
Class F - 2015 Series 9	88,587	—	(15,438)	—	73,149
Class F - 2015 Series 10	35,771	—	(2,787)	—	32,984
Class F - 2015 Series 11	73,465	—	(3,353)	—	70,112
Class F - 2015 Series 12	58,415	—	(8,299)	—	50,116
Class F - 2016 Series 1	—	48,497	—	—	48,497
Class F - 2016 Series 2	—	98,256	(535)	—	97,721
Class F - 2016 Series 3	—	14,745	(497)	—	14,248
Class F - 2016 Series 4	—	37,637	(3,488)	7,143	41,292
Class F - 2016 Series 5	—	47,900	(796)	—	47,104
Class F - 2016 Series 6	—	60,407	(600)	—	59,807
Class F - 2016 Series 7	—	161,519	(5,113)	2,503	158,909
Class F - 2016 Series 8	—	51,674	(3,965)	51,783	99,492

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

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

2016	Units, beginning of year	Issuance of units	Redemption of units	Re- designation of units	Units, end of year
Class F - 2016 Series 9	–	57,833		55,146	112,979
Class F - 2016 Series 10	–	126,235	(1,108)	14,840	139,967
Class F - 2016 Series 11	–	212,506	–	9,958	222,464
Class F - 2016 Series 12	–	382,564	–	55,084	437,648
Class UF - Initial Series	–	–	–	5,400	5,400
Class UF - 2016 Series 8	–	5,400	–	(5,400)	–
Class UF - 2016 Series 9	–	17,890	–	–	17,890
Founder Class - Initial Series	1,918,577	–	(274,554)	–	1,644,023
Founder Class - 2015 Series 4	5,338	–	–	–	5,338
Founder Class - 2015 Series 5	131,433	–	–	–	131,433
Founder Class - 2015 Series 6	35,000	–	–	–	35,000
Founder Class - 2015 Series 7	20,000	–	–	–	20,000
Founder Class - 2015 Series 8	12,655	–	–	–	12,655
Founder Class - 2015 Series 9	1,100	–	–	–	1,100
Founder Class - 2015 Series 10	10,000	–	–	–	10,000
Founder Class - 2015 Series 11	85,664	–	(74,664)	–	11,000
Founder Class - 2016 Series 1	–	1,000	–	–	1,000
Founder Class - 2016 Series 2	–	2,100	–	–	2,100
Founder Class - 2016 Series 4	–	1,135	–	–	1,135
Founder Class - 2016 Series 8	–	78,980	–	–	78,980
Founder Class - 2016 Series 9	–	27,000	–	–	27,000
Founder Class - 2016 Series 11	–	12,393	–	–	12,393
Founder Class - 2016 Series 12	–	4,000	–	–	4,000

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

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

2015	Units, beginning of year	Issuance of units	Redemption of units	Re- designation of units	Units, end of year
Class A - Initial Series	50,418	90	(171,715)	467,127	345,920
Class A - 2014 Series 11	218,682	—	—	(218,682)	—
Class A - 2014 Series 12	82,927	—	—	(82,927)	—
Class A - 2015 Series 4	—	130,109	(2,141)	(5,536)	122,432
Class A - 2015 Series 5	—	32,835	—	—	32,835
Class A - 2015 Series 6	—	73,035	—	—	73,035
Class A - 2015 Series 7	—	40,118	—	—	40,118
Class A - 2015 Series 8	—	53,318	—	—	53,318
Class A - 2015 Series 9	—	18,856	(3,010)	—	15,846
Class A - 2015 Series 10	—	15,982	—	—	15,982
Class A - 2015 Series 11	—	15,046	—	—	15,046
Class A - 2015 Series 12	—	5,000	—	—	5,000
Class E - Initial Series	343,444	23,197	(8,385)	113,853	472,109
Class F - Initial Series	24,616	—	(66,688)	999,519	957,447
Class F - 2014 Series 10	1,000	—	—	(1,000)	—
Class F - 2014 Series 11	39,157	—	—	(39,157)	—
Class F - 2014 Series 12	126,340	—	—	(126,340)	—
Class F - 2015 Series 4	—	59,859	(2,803)	—	57,056
Class F - 2015 Series 5	—	163,607	—	—	163,607
Class F - 2015 Series 6	—	311,511	(54,173)	—	257,338
Class F - 2015 Series 7	—	207,614	(34,417)	—	173,197
Class F - 2015 Series 8	—	336,444	(5,483)	—	330,961
Class F - 2015 Series 9	—	85,975	—	2,612	88,587
Class F - 2015 Series 10	—	35,771	—	—	35,771
Class F - 2015 Series 11	—	73,465	—	—	73,465
Class F - 2015 Series 12	—	55,867	—	2,548	58,415
Founder Class - Initial Series	1,210,169	3,509	(381,469)	1,086,368	1,918,577
Founder Class - 2014 Series 9	46,968	—	—	(46,968)	—
Founder Class - 2014 Series 10	5,952	—	—	(5,952)	—
Founder Class - 2014 Series 11	452,922	—	—	(452,922)	—
Founder Class - 2014 Series 12	115,291	—	—	(115,291)	—
Founder Class - 2015 Series 4	—	13,788	(8,450)	—	5,338
Founder Class - 2015 Series 5	—	131,433	—	—	131,433
Founder Class - 2015 Series 6	—	35,000	—	—	35,000
Founder Class - 2015 Series 7	—	20,000	—	—	20,000
Founder Class - 2015 Series 8	—	12,655	—	—	12,655
Founder Class - 2015 Series 9	—	1,100	—	—	1,100
Founder Class - 2015 Series 10	—	10,000	—	—	10,000
Founder Class - 2015 Series 11	—	85,664	—	—	85,664

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

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

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the years ended December 31, 2016 and 2015 is calculated as follows:

Series	2016			2015		
	Increase (decrease) per series	Weighted average units outstanding	Increase (decrease) per unit	Increase (decrease) per series	Weighted average units outstanding	Increase (decrease) per unit
Class A - Initial Series	\$ 457,744	297,543	1.54	\$ (247,565)	443,479	(0.56)
Class A - 2015 Series 1	—	—	—	43,748	67,528	0.65
Class A - 2015 Series 2	—	—	—	9,938	106,377	0.09
Class A - 2015 Series 3	—	—	—	11,681	239,748	0.05
Class A - 2015 Series 4	115,792	114,543	1.01	(101,983)	122,409	(0.83)
Class A - 2015 Series 5	27,369	28,928	0.95	(13,992)	31,702	(0.44)
Class A - 2015 Series 6	66,463	69,957	0.95	(33,190)	67,225	(0.49)
Class A - 2015 Series 7	40,641	38,285	1.06	(27,045)	37,853	(0.71)
Class A - 2015 Series 8	44,825	48,742	0.92	(24,620)	48,703	(0.51)
Class A - 2015 Series 9	15,118	15,758	0.96	(286)	14,599	(0.02)
Class A - 2015 Series 10	14,493	15,424	0.94	(570)	14,796	(0.04)
Class A - 2015 Series 11	13,967	15,046	0.93	(3,597)	13,047	(0.28)
Class A - 2015 Series 12	4,542	5,000	0.91	(449)	5,000	(0.09)
Class A - 2016 Series 2	4,661	4,000	1.17	—	—	—
Class A - 2016 Series 3	20,082	22,690	0.89	—	—	—
Class A - 2016 Series 4	7,648	10,423	0.73	—	—	—
Class A - 2016 Series 6	5,241	7,738	0.68	—	—	—
Class A - 2016 Series 7	420	11,942	0.04	—	—	—
Class A - 2016 Series 8	7,049	15,000	0.47	—	—	—
Class A - 2016 Series 9	6,701	17,592	0.38	—	—	—
Class A - 2016 Series 10	1,854	5,000	0.37	—	—	—
Class A - 2016 Series 11	2,342	5,652	0.41	—	—	—
Class A - 2016 Series 12	1,922	21,465	0.09	—	—	—
Class E - Initial Series	800,902	473,372	1.69	89,769	452,372	0.20
Class F - Initial Series	776,514	632,971	1.23	(737,654)	1,010,159	(0.73)
Class F - 2015 Series 1	—	—	—	10,016	24,380	0.41
Class F - 2015 Series 2	—	—	—	94,592	639,756	0.15
Class F - 2015 Series 3	—	—	—	23,095	366,012	0.06
Class F - 2015 Series 4	57,447	53,287	1.08	(42,434)	58,557	(0.72)
Class F - 2015 Series 5	157,707	153,681	1.03	(66,259)	158,705	(0.42)
Class F - 2015 Series 6	264,227	255,171	1.04	(121,518)	252,868	(0.48)
Class F - 2015 Series 7	165,250	158,951	1.04	(114,506)	182,231	(0.63)
Class F - 2015 Series 8	243,833	259,087	0.94	(146,522)	310,210	(0.47)
Class F - 2015 Series 9	71,114	75,151	0.95	76	78,155	—
Class F - 2015 Series 10	33,888	33,987	1.00	(3,966)	30,000	(0.13)
Class F - 2015 Series 11	72,412	71,584	1.01	(11,732)	64,212	(0.18)
Class F - 2015 Series 12	50,193	52,751	0.95	(4,397)	24,627	(0.18)
Class F - 2016 Series 1	55,301	46,008	1.20	—	—	—
Class F - 2016 Series 2	113,186	93,287	1.21	—	—	—
Class F - 2016 Series 3	13,931	14,367	0.97	—	—	—
Class F - 2016 Series 4	34,041	39,537	0.86	—	—	—
Class F - 2016 Series 5	33,982	43,649	0.78	—	—	—
Class F - 2016 Series 6	41,264	58,150	0.71	—	—	—
Class F - 2016 Series 7	67,300	148,279	0.45	—	—	—
Class F - 2016 Series 8	45,508	90,658	0.50	—	—	—

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

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

Series	2016			2015		
	Increase (decrease) per series	Weighted average units outstanding	Increase (decrease) per unit	Increase (decrease) per series	Weighted average units outstanding	Increase (decrease) per unit
Class F - 2016 Series 9	53,003	105,783	0.50	—	—	—
Class F - 2016 Series 10	57,885	112,006	0.52	—	—	—
Class F - 2016 Series 11	50,505	183,081	0.28	—	—	—
Class F - 2016 Series 12	(14,671)	210,479	(0.07)	—	—	—
Class UF - Initial Series	4,633	5,400	0.86	—	—	—
Class UF - 2016 Series 8	2,487	5,400	0.46	—	—	—
Class UF - 2016 Series 9	13,424	17,890	0.75	—	—	—
Founder Class - Initial Series	3,157,373	1,703,802	1.85	(402,894)	2,148,117	(0.19)
Founder Class - 2015 Series 1	—	—	—	180,072	250,796	0.72
Founder Class - 2015 Series 2	—	—	—	36,136	293,720	0.12
Founder Class - 2015 Series 3	—	—	—	29,703	691,136	0.04
Founder Class - 2015 Series 4	5,821	5,338	1.09	(8,879)	10,619	(0.84)
Founder Class - 2015 Series 5	142,768	131,433	1.09	(50,964)	127,957	(0.40)
Founder Class - 2015 Series 6	38,206	35,000	1.09	(17,132)	35,000	(0.49)
Founder Class - 2015 Series 7	21,867	20,000	1.09	(14,216)	20,000	(0.71)
Founder Class - 2015 Series 8	13,654	12,655	1.08	(7,129)	12,177	(0.59)
Founder Class - 2015 Series 9	1,199	1,100	1.09	(31)	1,100	(0.03)
Founder Class - 2015 Series 10	10,922	10,000	1.09	615	10,000	0.06
Founder Class - 2015 Series 11	61,727	54,656	1.13	(16,543)	59,532	(0.28)
Founder Class - 2016 Series 1	1,086	1,000	1.09	—	—	—
Founder Class - 2016 Series 2	3,031	2,100	1.44	—	—	—
Founder Class - 2016 Series 4	1,045	1,135	0.92	—	—	—
Founder Class - 2016 Series 8	32,050	78,980	0.41	—	—	—
Founder Class - 2016 Series 9	12,485	27,000	0.46	—	—	—
Founder Class - 2016 Series 11	6,749	11,784	0.57	—	—	—
Founder Class - 2016 Series 12	(179)	4,000	(0.04)	—	—	—

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

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 Class UA 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, Class UF, Class J and Class UJ 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, Class I and Class UI units on the last business day of the preceding month.

(b) Performance fees:

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, Class UA, Class F, Class UF, Class I, Class UI, Class J and Class UJ 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, 2016

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 water mark and, in such circumstances, a performance fee shall only be paid on that portion of the net profit that exceeds the high water mark. 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, 2016, 309,909.0645 of Founder units, 3,398.1490 of Class A units and 471,544.4209 of Class E units (2015 - 308,909.0645, 12,539.0023 and 472,108.6119, 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, 2016 is approximately \$291,478 (2015 - \$130,874).

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

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

The Fund may invest in units of ETFs 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 FVTPL. 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 Offering Memorandum 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 Fund did not have control or any significant influence on these ETF's. The following meet the definition of unconsolidated structure entities:

As at	ETF	Place of business	Fair value amounts	Proportion of interest owned
December 31, 2016	iShares iBoxx High Yield Corp Bond ETF	United States	\$ 10,304,676	0.04%
December 31, 2016	SPDR Barclays High Yield Bond ETF	United States	10,297,232	0.06%
December 31, 2015	iShares Barclays 20+ Year Treasury Bond ETF	United States	10,045,614	0.12%

EHP ADVANTAGE FUND

Notes to Financial Statements (continued)

Year ended December 31, 2016

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

The Fund may invest in or hold a short position of units of ETFs 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. The maximum exposure to loss from interests in short positions can be unlimited.

The fair value of these ETFs, if any, are disclosed in investments in the statement of financial position and listed in the schedule of investments.

10. 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.

11. Subsequent events:

The Fund has evaluated the effect of subsequent events on the Fund's financial statements through March 31, 2017, which is the date the financial statements were available to be issued. For the period from January 1, 2017 to March 31, 2017, the Fund had subscriptions of \$9,305,105 and redemptions of \$1,872,569.