

Financial Statements of

EHP GUARDIAN FUND

June 30, 2017

Manager's comments on unaudited interim financial statements

These interim financial statements of EHP Guardian Fund for the six months ended June 30, 2017 have been prepared by the Manager. These interim financial statements have not been audited by KPMG LLP, the independent external auditors of the Fund.

EHP GUARDIAN FUND

Statements of Financial Position

As at June 30, 2017 and December 31, 2016 (unaudited)

	2017	2016
Assets		
Cash and cash equivalents	\$ 106,741,889	\$ 50,192,867
Financial assets at fair value through profit or loss (cost - \$121,667,485; December 31, 2016 - \$62,371,488) (note 2)	120,983,091	65,336,076
Receivable for investments sold (note 2)	24,243,170	11,931,775
Dividends receivable	266,996	212,148
Interest receivable	37,147	5,022
Subscription receivable	-	432
Other receivables	30,957	-
	252,303,250	127,678,320
Liabilities		
Financial liabilities at fair value through profit and loss (proceeds - \$74,484,872; December 31, 2016 - \$38,395,907) (note 2)	73,265,127	39,347,993
Payable for investments purchased (note 2)	24,929,554	2,771,812
Accounts payable and accrued liabilities	67,514	65,090
Management fees payable (note 7)	155,698	88,695
Dividends payable	62,158	6,322
Performance fees payable (note 7)	605	277,223
Distribution payable	-	1,916
Redemptions payable	-	4,500
	98,480,656	42,563,551
Net assets attributable to holders of redeemable units (note 6)	\$ 153,822,594	\$ 85,114,769
Net assets attributable to holders of redeemable units per class and series:		
Class A - Initial Series	\$ 9,658,024	\$ 5,486,221
Class A - 2016 Series 10	-	1,010,477
Class A - 2016 Series 11	-	2,483,608
Class A - 2016 Series 12	-	1,443,867
Class A - 2017 Series 1	2,698,343	-
Class A - 2017 Series 2	1,375,273	-
Class A - 2017 Series 3	1,037,725	-
Class A - 2017 Series 4	980,052	-
Class A - 2017 Series 5	449,870	-
Class A - 2017 Series 6	104,857	-
Class E - Initial Series	1,431,420	3,458,435
Class F - Initial Series	45,349,339	31,315,561
Class F - 2016 Series 10	-	4,935,370
Class F - 2016 Series 11	-	6,348,571
Class F - 2016 Series 12	-	5,895,086
Class F - 2017 Series 1	5,330,598	-
Class F - 2017 Series 2	7,524,583	-
Class F - 2017 Series 3	17,340,032	-
Class F - 2017 Series 4	8,382,628	-
Class F - 2017 Series 5	6,643,190	-
Class F - 2017 Series 6	8,825,035	-
Class UA - Initial Series	475,145	-
Class UA - 2016 Series 9	-	33,382
Class UA - 2016 Series 11	-	202,373
Class UA - 2016 Series 12	-	269,150
Class UA - 2017 Series 2	127,424	-
Class UA - 2017 Series 3	664,839	-

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Statements of Financial Position (continued)

As at June 30, 2017 and December 31, 2016 (unaudited)

	2017	2016
Class UF - Initial Series	3,439,516	779,722
Class UF - 2016 Series 8	-	-
Class UF - 2016 Series 9	-	-
Class UF - 2016 Series 10	-	1,869,693
Class UF - 2016 Series 11	-	724,702
Class UF - 2016 Series 12	-	257,977
Class UF - 2017 Series 1	5,875,419	-
Class UF - 2017 Series 2	518,504	-
Class UF - 2017 Series 3	1,362,498	-
Class UF - 2017 Series 4	496,410	-
Class UF - 2017 Series 5	2,150,674	-
Class UF - 2017 Series 6	3,901,753	-
Class UJ - 2016 Series 10	12,658,591	13,590,244
Founder Class - Initial Series	4,478,506	5,010,330
Founder Class - 2017 Series 1	245,192	-
Founder Class - 2017 Series 4	297,154	-
Total net assets attributable to holders of redeemable units	\$ 153,822,594	\$ 85,114,769

Net assets attributable to holders of redeemable units per unit:

Class A - Initial Series	\$ 10.33	\$ 10.79
Class A - 2016 Series 10	-	9.99
Class A - 2016 Series 11	-	10.15
Class A - 2016 Series 12	-	10.11
Class A - 2017 Series 1	9.56	-
Class A - 2017 Series 2	9.63	-
Class A - 2017 Series 3	9.63	-
Class A - 2017 Series 4	9.78	-
Class A - 2017 Series 5	9.82	-
Class A - 2017 Series 6	9.97	-
Class E - Initial Series	11.37	11.73
Class F - Initial Series	10.56	10.97
Class F - 2016 Series 10	-	10.01
Class F - 2016 Series 11	-	10.17
Class F - 2016 Series 12	-	10.12
Class F - 2017 Series 1	9.61	-
Class F - 2017 Series 2	9.68	-
Class F - 2017 Series 3	9.67	-
Class F - 2017 Series 4	9.81	-
Class F - 2017 Series 5	9.84	-
Class F - 2017 Series 6	9.97	-
Class UA - Initial Series	12.43	-
Class UA - 2016 Series 9	-	13.42
Class UA - 2016 Series 11	-	13.70
Class UA - 2016 Series 12	-	13.60
Class UA - 2017 Series 2	12.52	-
Class UA - 2017 Series 3	12.53	-
Class UF - Initial Series	12.51	13.46
Class UF - 2016 Series 8	-	-
Class UF - 2016 Series 9	-	-
Class UF - 2016 Series 10	-	13.46

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Statements of Financial Position (continued)

As at June 30, 2017 and December 31, 2016 (unaudited)

	2017	2016
Class UF - 2016 Series 11	-	13.67
Class UF - 2016 Series 12	-	13.61
Class UF - 2017 Series 1	12.50	-
Class UF - 2017 Series 2	12.56	-
Class UF - 2017 Series 3	12.58	-
Class UF - 2017 Series 4	12.75	-
Class UF - 2017 Series 5	12.77	-
Class UF - 2017 Series 6	12.92	-
Class UJ - 2016 Series 10	12.51	13.47
Founder Class - Initial Series	10.83	11.28
Founder Class - 2017 Series 1	9.62	-
Founder Class - 2017 Series 4	9.81	-

See accompanying notes to financial statements.

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



Chief Financial Officer

EHP GUARDIAN FUND

Statements of Comprehensive Income

For the six months period ended June 30, 2017 and 2016 (unaudited)

	2017	2016
Income:		
Dividend income	\$ 1,965,420	\$ 298,551
Interest for distribution purposes	92,982	18,266
Net foreign currency (losses) gains	(717,623)	65,125
Other income	21,757	-
Net gains (losses) on financial assets and liabilities at fair value through profit or loss:		
Net realized (losses) gains (note 3)	(1,251,471)	584,506
Net change in unrealized (depreciation) appreciation (note 3)	(1,477,151)	797,672
	<u>(1,366,086)</u>	<u>1,764,120</u>
Operating expenses:		
Management fees (note 7)	782,855	98,857
Dividend expense on investments sold short	331,848	72,520
Commissions and other portfolio transaction costs	309,515	94,367
Interest and stock loan fees	236,273	51,330
Withholding taxes	169,403	21,626
Administration fees	109,834	32,865
Legal fees	28,014	3,568
Other operating expenses	15,718	12,210
Audit fees	10,551	9,104
Performance fees (note 7)	789	225,401
	<u>1,994,800</u>	<u>621,848</u>
Expenses absorbed by the Investment Manager (note 7)	-	(14,564)
(Decrease) increase in net assets attributable to holders of redeemable units (note 6)	<u>\$ (3,360,886)</u>	<u>\$ 1,156,836</u>

See accompanying notes to financial statements.

EHP GUARDIAN FUND

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

For the six months period ended June 30, 2017 and 2016 (unaudited)

	Unit Transactions									Net assets attributable to holders of redeemable units, end of period
	Net assets attributable to holders of redeemable units, beginning of period	Increase (decrease) in net assets attributable to holders of redeemable units	Proceeds from redeemable units issued	Reinvestment of Distributions to holders of redeemable shares	Redemption of redeemable units	Transfer In / Transfer Out	Redesignation of redeemable units	Distributions of redeemable shares	Net assets attributable to holders of redeemable units, end of period	
2017										
Class A - Initial Series	\$ 5,486,221	\$ (236,978)	\$ -	\$ 104,716	\$ (288,202)	\$ (136,463)	\$ 4,935,491	\$ (206,761)	\$ 9,658,024	
Class A - 2016 Series 10	1,010,477	-	-	851	-	-	(1,010,455)	(873)	-	
Class A - 2016 Series 11	2,483,608	-	-	743	-	-	(2,482,240)	(2,111)	-	
Class A - 2016 Series 12	1,443,867	-	-	159	-	-	(1,442,794)	(1,232)	-	
Class A - 2017 Series 1	-	(64,832)	3,206,800	35,561	(24,943)	(399,007)	-	(55,236)	2,698,343	
Class A - 2017 Series 2	-	(28,882)	1,407,670	17,776	-	-	-	(21,291)	1,375,273	
Class A - 2017 Series 3	-	(19,255)	1,057,980	11,422	-	-	-	(12,422)	1,037,725	
Class A - 2017 Series 4	-	(10,324)	991,695	8,118	-	-	-	(9,437)	980,052	
Class A - 2017 Series 5	-	(5,206)	457,000	1,005	-	-	-	(2,929)	449,870	
Class A - 2017 Series 6	-	(143)	105,000	206	-	-	-	(206)	104,857	
Class E - Initial Series	3,458,435	(33,838)	25,000	52,411	(2,018,177)	-	-	(52,411)	1,431,420	
Class F - Initial Series	31,315,561	(831,021)	30,519	624,709	(2,017,705)	-	17,175,367	(948,091)	45,349,339	
Class F - 2016 Series 10	4,935,370	-	-	3,365	-	-	(4,934,482)	(4,253)	-	
Class F - 2016 Series 11	6,348,571	-	-	3,614	-	-	(6,346,798)	(5,387)	-	
Class F - 2016 Series 12	5,895,086	-	-	4,028	-	-	(5,894,088)	(5,026)	-	
Class F - 2017 Series 1	-	(101,733)	5,726,740	94,250	(275,601)	-	-	(113,058)	5,330,598	
Class F - 2017 Series 2	-	(118,789)	7,902,738	86,647	(221,308)	-	-	(124,705)	7,524,583	
Class F - 2017 Series 3	-	(283,728)	17,341,534	148,955	(79,062)	425,750	-	(213,417)	17,340,032	
Class F - 2017 Series 4	-	(51,942)	8,549,475	61,330	(98,389)	-	-	(77,846)	8,382,628	
Class F - 2017 Series 5	-	(17,319)	6,559,395	27,299	-	109,720	-	(35,905)	6,643,190	
Class F - 2017 Series 6	-	2,095	8,853,552	8,604	(25,000)	-	-	(14,216)	8,825,035	
Class UA - Initial Series	-	(27,579)	-	8,588	-	-	504,819	(10,683)	475,145	
Class UA - 2016 Series 9	33,382	-	-	-	-	-	(33,353)	(29)	-	
Class UA - 2016 Series 11	202,373	-	-	171	-	-	(202,373)	(171)	-	
Class UA - 2016 Series 12	269,150	-	-	173	-	-	(269,093)	(230)	-	
Class UA - 2017 Series 2	-	(2,806)	130,230	2,305	-	-	-	(2,305)	127,424	
Class UA - 2017 Series 3	-	(35,604)	700,443	9,527	-	-	-	(9,527)	664,839	
Class UF - Initial Series	779,722	(179,293)	-	64,695	-	-	2,851,905	(77,513)	3,439,516	
Class UF - 2016 Series 10	1,869,693	-	-	1,439	-	-	(1,869,520)	(1,612)	-	
Class UF - 2016 Series 11	724,702	-	-	479	-	-	(724,566)	(615)	-	
Class UF - 2016 Series 12	257,977	-	-	63	-	-	(257,820)	(220)	-	
Class UF - 2017 Series 1	-	(222,247)	6,207,200	16,170	-	-	-	(125,704)	5,875,419	
Class UF - 2017 Series 2	-	(13,156)	577,797	7,731	(45,011)	-	-	(8,857)	518,504	
Class UF - 2017 Series 3	-	(65,444)	1,434,503	11,051	-	-	-	(17,612)	1,362,498	
Class UF - 2017 Series 4	-	(17,793)	515,143	4,177	-	-	-	(5,117)	496,410	
Class UF - 2017 Series 5	-	(131,067)	2,294,170	1,919	-	-	-	(14,348)	2,150,674	
Class UF - 2017 Series 6	-	(95,835)	3,997,632	-	-	-	-	(44)	3,901,753	
Class UJ - 2016 Series 10	13,590,244	(663,490)	-	295,356	(268,162)	-	-	(295,357)	12,658,591	
Founder Class - Initial Series	5,010,330	(97,023)	-	77,572	(416,272)	-	-	(96,101)	4,478,506	
Founder Class - 2017 Series 1	-	(4,808)	250,000	4,708	-	-	-	(4,708)	245,192	
Founder Class - 2017 Series 4	-	(2,846)	300,000	2,807	-	-	-	(2,807)	297,154	
	\$ 85,114,769	\$ (3,360,886)	\$ 78,622,216	\$ 1,804,700	\$ (5,777,832)	\$ -	\$ -	\$ (2,580,373)	\$ 153,822,594	

EHP GUARDIAN FUND

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

For the six months period ended June 30, 2017 and 2016 (unaudited)

2016	Unit Transactions								Distributions of redeemable shares	Net assets attributable to holders of redeemable units, end of period
	Net assets attributable to holders of redeemable units, beginning of period	Increase (decrease) in net assets attributable to holders of redeemable units	Proceeds from redeemable units issued	Reinvestment of Distributions to holders of redeemable shares	Redemption of redeemable units	Transfer In / Transfer Out	Redesignation of redeemable units			
Class A - Initial Series	\$ 1,071	\$ 46,854	\$ -	\$ 16,454	\$ -	\$ -	\$ 1,364,793	\$ (16,454)	\$ 1,412,718	
Class A - 2015 Series 11	490,340	-	-	370	-	-	(490,340)	(370)	-	
Class A - 2015 Series 12	14,986	550	-	162	-	-	(15,536)	(162)	-	
Class A - 2016 Series 1	-	3,586	98,564	912	-	-	(102,150)	(912)	-	
Class A - 2016 Series 2	-	2,991	160,973	747	-	-	(163,964)	(747)	-	
Class A - 2016 Series 3	-	7,803	685,000	1,591	-	-	(692,803)	(1,591)	-	
Class A - 2016 Series 4	-	5,382	300,500	2,096	-	-	(25,222)	(2,096)	280,660	
Class A - 2016 Series 5	-	16,285	1,131,100	1,836	-	-	-	(5,079)	1,144,142	
Class A - 2016 Series 6	-	17,389	1,204,168	680	-	-	-	(1,606)	1,220,631	
Class E - Initial Series	2,408,129	264,112	750,000	55,238	-	-	-	(55,238)	3,422,241	
Class F - Initial Series	208,141	245,170	-	82,289	(145,370)	-	8,957,986	(85,132)	9,263,084	
Class F - 2015 Series 10	105,736	-	-	79	-	-	(105,736)	(79)	-	
Class F - 2015 Series 11	233,846	-	-	176	-	-	(233,846)	(176)	-	
Class F - 2015 Series 12	40,247	-	-	30	-	-	(40,247)	(30)	-	
Class F - 2016 Series 1	-	43,159	1,030,339	9,322	-	-	(1,073,498)	(9,322)	-	
Class F - 2016 Series 2	-	87,089	4,494,381	20,483	-	-	(4,581,470)	(20,483)	-	
Class F - 2016 Series 3	-	27,950	2,895,239	6,174	-	-	(2,923,189)	(6,174)	-	
Class F - 2016 Series 4	-	83,872	3,546,710	15,705	(3,983)	-	-	(28,733)	3,613,571	
Class F - 2016 Series 5	-	62,238	3,698,206	10,872	-	-	25,222	(17,552)	3,778,986	
Class F - 2016 Series 6	-	28,457	2,059,350	2,539	-	-	-	(3,599)	2,086,747	
Founder Class - Initial Series	246,444	143,717	-	38,199	(326)	-	2,815,071	(39,733)	3,203,372	
Founder Class - 2015 Series 10	387,375	-	-	287	-	-	(387,375)	(287)	-	
Founder Class - 2015 Series 11	754,567	-	-	566	-	-	(754,567)	(566)	-	
Founder Class - 2015 Series 12	449,619	19,434	-	4,862	-	-	(469,053)	(4,862)	-	
Founder Class - 2016 Series 1	-	11,670	300,000	2,298	-	-	(311,670)	(2,298)	-	
Founder Class - 2016 Series 2	-	11,570	480,000	2,340	-	-	(491,570)	(2,340)	-	
Founder Class - 2016 Series 3	-	836	300,000	226	-	-	(300,836)	(226)	-	
Founder Class - 2016 Series 4	-	17,717	650,000	3,776	-	-	-	(5,159)	666,334	
Founder Class - 2016 Series 5	-	9,005	500,000	-	-	-	-	(1,871)	507,134	
	\$ 5,340,501	\$ 1,156,836	\$ 24,284,530	\$ 280,309	\$ (149,679)	\$ -	\$ -	\$ (312,877)	\$ 30,599,620	

See accompanying notes to financial statements.

EHP GUARDIAN FUND

Statements of Cash Flows

For the six months period ended June 30, 2017 and 2016 (unaudited)

	2017	2016
Cash flow from operating activities:		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (3,360,886)	\$ 1,156,836
Adjustments for:		
Net realized (losses) gains on financial assets and liabilities at fair value through profit or loss (note 3)	1,251,471	(584,506)
Net change in unrealized (depreciation) appreciation on financial assets and liabilities at fair value through profit or loss (note 3)	1,477,151	(797,672)
	(632,264)	(225,342)
Change in non-cash balances:		
Purchases of investments	(332,423,446)	(58,539,431)
Cost of investments purchased to cover short positions	(160,252,618)	(43,369,111)
Proceeds from sale of investments	295,000,830	43,945,775
Proceeds from investments sold short	183,063,078	52,241,333
Net increase in dividends receivable	(54,848)	(51,556)
Net increase in interest receivable	(32,125)	(4,200)
Net increase in other receivables	(30,957)	(2,038)
Net increase in accounts payable and accrued liabilities	2,424	15,971
Net increase in management fees payable (note 7)	67,003	20,738
Net increase in dividends payable	55,836	1,874
Net (decrease) increase in performance fees payable (note 7)	(276,618)	142,925
Net (decrease) increase in interest payable	-	2,451
Net cash used in operating activities	(15,513,705)	(5,820,611)
Cash flows from financing activities:		
Proceeds from issuance of redeemable units (note 6)	78,622,648	24,749,530
Payment on redemption of redeemable units (note 6)	(5,782,332)	(149,679)
Distributions to holders of redeemable units	(777,589)	(30,746)
Net cash provided by financing activities	72,062,727	24,569,105
Net increase in cash	56,549,022	18,748,494
Cash, beginning of period	50,192,867	3,243,092
Cash, end of period	\$ 106,741,889	\$ 21,991,586
Supplemental cash flow information:		
Interest paid	\$ 19,028	\$ 5,282
Interest received	60,857	14,066
Dividends received, net of withholding taxes	1,741,169	225,369
Dividends paid	276,012	70,646

See accompanying notes to financial statements.

EHP GUARDIAN FUND

Schedule of Investments

As at June 30, 2017 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
Investments - long				
Canadian equities:				
92,670	Aimia Inc.	\$ 337,336	\$ 160,321	0.10
20,020	Algonquin Power and Utilities Corp.	253,338	273,273	0.20
228,600	Alignvest Acquisition II Corp., Class A	2,286,157	2,308,860	1.60
39,000	Artis REIT	517,664	510,900	0.30
3,960	BCE Inc.	234,368	231,264	0.20
72,200	Black Diamond Group Ltd.	249,858	199,272	0.10
980	Canadian Imperial Bank of Commerce	103,984	103,282	0.10
73,670	Chartwell Retirement Residences REIT	1,102,875	1,141,148	0.80
51,410	Chemtrade Logistics Income Fund	941,022	935,148	0.70
128,740	Chorus Aviation Inc.	928,966	979,711	0.60
24,330	CI Financial Corp.	654,861	672,481	0.40
9,790	Cogeco Communications Inc.	711,731	775,466	0.50
19,170	Corus Entertainment Inc., Class B	254,224	261,287	0.20
4,950	Domtar Corp.	264,554	246,708	0.20
95,120	Dream Global REIT	883,951	1,038,710	0.80
26,420	Enbridge Income Fund Holdings Inc.	879,248	850,460	0.60
113,780	Ensign Energy Services Inc.	889,095	788,495	0.50
109,270	Extendicare Inc.	1,053,143	1,130,945	0.70
26,600	Genworth MI Canada Inc.	998,790	949,088	0.60
21,110	Granite REIT	1,005,769	1,082,732	0.70
3,064,500	Integra Gold Corp.	3,421,816	2,911,275	1.90
30,540	Inter Pipeline Ltd.	846,922	775,716	0.50
46,200	Jamieson Wellness Inc.	727,650	727,650	0.50
29,660	Just Energy Group Inc.	234,220	201,688	0.10
57,820	Labrador Iron Ore Royalty Corp.	1,048,783	908,930	0.60
61,800	Laurentian Bank of Canada			
	Subscription Receipt	3,206,211	3,357,594	2.20
53,570	Medical Facilities Corp.	994,335	784,265	0.50
2,350,400	Merus Labs International Inc.	3,804,959	3,854,656	2.50
3,770	New Flyer Industries Inc.	211,904	204,485	0.10
12,690	Norbord Inc.	505,419	512,295	0.30
96,370	Northwest Healthcare Properties REIT	1,039,448	1,029,232	0.70
32,350	Power Financial Corp.	1,072,002	1,076,285	0.70
113,520	Pure Industrial REIT, Class A	633,597	781,018	0.50
26,500	Quantum International Income Corp.			
	Subscription Receipts	-	-	-
10,430	Russel Metals Inc.	276,840	270,763	0.20
32,590	Shaw Communications Inc., Class B	872,178	921,971	0.32
26,350	Sienna Senior Living Inc.	466,553	473,510	0.30
61,660	Student Transportation of America Inc.	493,067	484,648	0.30
29,390	Superior Plus Corp.	352,572	335,634	0.20
288,880	Surge Energy Inc.	754,751	603,759	0.40
202,700	Tembec Inc.	839,088	851,340	0.60
31,730	The North West Company Inc.	921,697	991,880	0.60
6,520	TMX Group Inc.	493,251	460,051	0.30
118,700	Toronto-Dominion Bank	7,759,597	7,733,305	5.00
73,610	Transalta Renewables Corp.	1,050,604	1,152,733	0.70
16,470	TransCanada Corp.	978,589	1,018,175	0.70
47,080	Transcontinental Inc., Class A	1,075,328	1,209,956	0.80
9,440	Valener Inc.	214,434	210,701	0.10
108,500	Veresen Inc.	1,987,038	1,989,890	1.30
462,500	Western Forest Products Inc.	967,361	1,082,250	0.70
	Total Candian equities	51,801,148	51,555,206	33.52

EHP GUARDIAN FUND

Schedule of Investments (continued)

As at June 30, 2017 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
	Canadian warrants			
11,500	Quantum International Income Corp., Warrants	-	-	-
	Total Candian warrants	-	-	-
	United States equities:			
8,220	AFLAC Inc.	\$ 777,153	\$ 827,790	0.50
8,520	Altria Group Inc.	835,871	822,546	0.50
6,220	American Financial Group Inc.	692,988	801,281	0.50
6,540	Automatic Data Processing Inc.	830,353	868,703	0.60
10,560	Best Buy Company Inc.	635,366	784,847	0.50
3,480	Boeing Co.	831,395	892,144	0.60
18,690	CA Inc.	811,475	835,198	0.50
21,330	Centerpoint Energy Inc.	733,605	757,118	0.50
5,420	Chevron Corp.	758,492	733,073	0.50
8,390	Cincinnati Financial Corp.	801,554	788,024	0.50
19,110	Cisco Systems Inc.	793,157	775,433	0.50
21,180	Corporate Office Properties Trust	856,818	961,845	0.60
3,690	Cracker Barrel Old Country Store Inc.	744,036	800,077	0.50
6,990	Exxon Mobil Corp.	786,248	731,562	0.50
48,840	Ford Motor Co.	792,485	708,508	0.50
17,700	General Motors Co.	799,035	801,514	0.50
13,820	HealthSouth Corp.	854,755	867,146	0.60
12,490	Highwoods Properties Inc.	853,223	821,098	0.50
4,900	Honeywell International Inc.	767,210	846,706	0.60
19,880	Hospitality Propertieis Trust	840,433	751,266	0.50
17,310	Intel Corp.	807,322	757,149	0.50
4,090	International Business Machines Corp.	867,422	815,649	0.50
37,000	iShares Barclays 20+ Year Treasury Bond ETF	6,290,033	6,001,606	3.90
91,800	iShares iBoxx High Yield Corp Bond ETF	10,699,698	10,519,251	6.80
4,880	Johnson & Johnson	773,561	836,924	0.50
910	Kaiser Aluminum Corp., Rights	-	-	-
5,110	Kimberly Clark Corp.	840,586	855,303	0.60
6,610	KLA-Tencor Corp.	719,016	784,168	0.50
8,440	Lamar Advertising Co., Class A	846,983	804,975	0.50
2,440	Lockheed Martin Corp.	824,113	878,140	0.60
4,380	McDonald's Corp.	722,130	869,678	0.60
9,190	Occidental Pete Corp.	829,494	713,286	0.50
29,410	Old Republic International Corp.	738,989	744,623	0.50
7,370	Omnicom Group Inc.	816,887	792,065	0.50
11,740	Oneok Inc.	845,487	793,861	0.50
18,340	Owens & Minor Inc.	833,543	765,349	0.50
6,190	Packaging Corporation of America	736,853	893,873	0.60
10,540	Paychex Inc.	816,676	778,031	0.50
18,400	Pfizer Inc.	806,745	801,248	0.50
7,350	Phillips 66 Co.	794,010	787,915	0.50
4,900	Praxair Inc.	775,231	842,005	0.50
9,370	Principal Financial Group Inc.	749,663	778,275	0.50
6,930	Procter and Gamble Co.	827,648	782,960	0.50
7,250	Scotts Miracle-Grow Co.	851,841	840,826	0.50
11,640	Sonoco Products Co.	796,302	775,933	0.50
224,300	SPDR Bloomberg Barclays High Yield Bond ETF	11,006,906	10,817,110	7.00
12,050	Sysco Corp.	830,389	786,236	0.60

EHP GUARDIAN FUND

Schedule of Investments (continued)

As at June 30, 2017 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
10,730	Target Corp.	913,193	727,373	0.50
27,120	The Interpublic Group of Companies Inc.	842,173	864,896	0.60
5,080	United Parcel Service Inc., Class B	736,359	728,314	0.50
9,600	Valero Energy Corp.	798,107	839,569	0.50
8,420	Wal-Mart Stores Inc.	788,256	826,099	0.50
8,910	Waste Management Inc.	801,335	847,260	0.60
28,890	Western Union Co.	775,592	713,480	0.50
	Total United States equities	67,898,195	67,539,309	43.90
	United States bonds			
1,464,400	American Hotel Income Properties REIT 5% June 30, 2022	\$ 1,968,141	\$ 1,888,576	1.20
	Total investments - long	\$ 121,667,485	\$ 120,983,091	78.62

Investments - short

Canadian equities:

(23,500)	AGT Food and Ingredients Inc.	\$ (642,718)	\$ (547,080)	(0.40)
(37,110)	Air Canada Inc.	(520,930)	(644,972)	(0.40)
(4,720)	Alimentation Couche-Tard Inc., Class B	(291,908)	(293,395)	(0.20)
(19,970)	Altus Group Ltd.	(594,688)	(559,759)	(0.40)
(17,350)	Amaya Inc.	(408,898)	(402,173)	(0.30)
(23,110)	AutoCanada Inc.	(468,771)	(440,939)	(0.30)
(12,500)	Bank of Montreal	(1,190,216)	(1,190,250)	(0.80)
(47,710)	Birchcliff Energy Ltd.	(307,711)	(291,508)	(0.20)
(43,290)	Blackberry Ltd.	(519,741)	(561,038)	(0.40)
(3,050)	Boardwalk REIT	(143,778)	(145,028)	(0.10)
(28,350)	Brookfield Asset Management Inc., Class A	(1,440,886)	(1,441,881)	(0.90)
(13,470)	Cargojet Inc.	(606,947)	(641,846)	(0.40)
(38,200)	Cascades Inc.	(559,363)	(675,758)	(0.40)
(72,380)	CES Energy Solution Corp.	(463,982)	(418,356)	(0.30)
(51,360)	Clearwater Seafoods Inc.	(557,867)	(586,531)	(0.40)
(34,890)	Cott Corp.	(597,225)	(653,490)	(0.40)
(48,910)	DHX Media Ltd.	(281,964)	(280,743)	(0.20)
(555,500)	Eldorado Gold Corp.	(2,572,216)	(1,905,365)	(1.20)
(59,830)	Element Fleet Management Corp.	(597,120)	(532,487)	(0.30)
(44,060)	Encana Corp.	(605,880)	(502,725)	(0.30)
(11,840)	Equitable Group Inc.	(610,853)	(704,243)	(0.50)
(880)	Fairfax Financial Holdings Ltd.	(539,453)	(494,569)	(0.30)
(22,550)	First Capital Realty Inc.	(451,041)	(445,588)	(0.30)
(50,190)	First Quantum Minerals Ltd.	(600,750)	(543,558)	(0.40)
(16,050)	Gildan Activewear Inc.	(595,118)	(639,593)	(0.40)
(67,150)	HudBay Minerals Inc.	(455,814)	(503,625)	(0.30)
(3,190)	Hudson's Bay Co.	(34,374)	(36,908)	-
(9,370)	Husky Energy Inc.	(147,215)	(137,926)	(0.10)
(32,860)	Interfor Corp.	(571,690)	(610,539)	(0.40)
(25,580)	Kelt Exploration Ltd.	(147,432)	(160,642)	(0.10)
(6,880)	Kinaxis Inc.	(535,423)	(555,491)	(0.40)
(29,210)	Knight Therapeutics Inc.	(296,698)	(300,571)	(0.20)
(43,820)	Laurentian Bank of Canada	(2,312,828)	(2,373,731)	(1.50)
(38,400)	Manulife Financial Corp.	(932,348)	(933,504)	(0.60)
(51,100)	Martinrea International Inc.	(538,953)	(541,149)	(0.40)
(96,440)	MEG Energy Corp.	(540,402)	(367,436)	(0.20)
(6,700)	National Bank of Canada	(364,869)	(365,351)	(0.20)
(20,380)	Nuvista Energy Ltd.	(136,724)	(133,489)	(0.10)

EHP GUARDIAN FUND

Schedule of Investments (continued)

As at June 30, 2017 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
(28,140)	Paramount Resources Ltd., Class A	(503,910)	(537,193)	(0.30)
(14,300)	Pembina Pipeline Corp.	(614,980)	(617,188)	(0.40)
(7,240)	Restaurant Brands International Ltd.	(549,079)	(587,454)	(0.40)
(14,150)	Ritchie Bros Auctioneers Inc.	(605,148)	(527,229)	(0.30)
(25,860)	Royal Bank of Canada	(2,433,431)	(2,428,771)	(1.60)
(4,560)	Shopify Inc., Class A	(448,053)	(513,456)	(0.30)
(11,820)	Sierra Wireless Inc.	(453,434)	(430,484)	(0.30)
(11,550)	SNC-Lavalin Group Inc.	(602,019)	(647,609)	(0.40)
(4,720)	Stantec Inc.	(150,557)	(154,108)	(0.10)
(6,880)	Stella-Jones Inc.	(287,506)	(304,509)	(0.20)
(11,900)	Sun Life Financial Inc.	(549,790)	(551,684)	(0.40)
(24,230)	Teck Resources Ltd., Class B	(610,264)	(544,690)	(0.40)
(5,400)	Thomson Reuters Corp.	(325,091)	(324,216)	(0.20)
(83,990)	Transalta Corp.	(597,880)	(696,277)	(0.40)
(62)	Trisura Group Ltd.	(1,431)	(1,345)	-
	Total Candian equities	(31,917,367)	(31,429,450)	(20.40)
	United States equities:			
(7,620)	3D Systems Corp.	\$ (155,194)	\$ (184,729)	(0.10)
(6,360)	Actuant Corp., Class A	(207,813)	(202,830)	(0.10)
(11,490)	Advanced Micro Devices Inc.	(162,991)	(185,898)	(0.10)
(8,940)	Allegheny Technologies Inc.	(210,090)	(197,143)	(0.10)
(3,560)	American Airlines Group Inc.	(199,223)	(232,236)	(0.20)
(3,150)	Bank of the Ozarks Inc.	(209,600)	(191,401)	(0.10)
(3,790)	Cal-Maine Foods Inc.	(194,082)	(194,569)	(0.10)
(10,740)	Century Aluminum Co.	(147,135)	(216,926)	(0.10)
(17,130)	Community Health System Inc.	(213,829)	(221,185)	(0.10)
(12,080)	Darling International Inc.	(220,600)	(246,496)	(0.20)
(13,610)	Diamond Offshore Drilling Inc.	(216,816)	(191,085)	(0.10)
(6,730)	Diebold Inc.	(226,603)	(244,294)	(0.20)
(1,420)	Dycom Industries Inc.	(160,167)	(164,796)	(0.10)
(5,050)	First Solar Inc.	(240,918)	(261,087)	(0.20)
(11,710)	Freeport-McMoRan Inc.	(188,811)	(182,322)	(0.10)
(5,240)	G-III Apparel Group Ltd.	(179,022)	(169,489)	(0.10)
(10,270)	Impax Laboratories, Inc.	(221,700)	(214,356)	(0.10)
(7,070)	Integrated Device Technology Inc.	(226,634)	(236,379)	(0.20)
(175,000)	iShares Barclays 1-3 Year Treasury ETF	(20,208,321)	(19,168,246)	(12.40)
(90,000)	iShares Barclays 7-10 Year Bond ETF	(12,664,573)	(12,438,828)	(8.00)
(1,170)	Jones Lang LaSalle Inc.	(161,636)	(189,599)	(0.10)
(5,440)	Korn Ferry International	(229,832)	(243,520)	(0.20)
(6,930)	Lannett Company Inc.	(202,081)	(183,275)	(0.10)
(980)	Ligand Pharmaceuticals Inc.	(130,075)	(154,235)	(0.10)
(3,190)	Medicines Co.	(172,549)	(157,191)	(0.10)
(5,480)	Micron Technology Inc.	(157,152)	(212,134)	(0.10)
(6,750)	Nektar Therapeutics	(134,591)	(171,076)	(0.10)
(9,430)	Now Inc.	(212,394)	(196,579)	(0.10)
(10,040)	NRG Energy Inc.	(188,728)	(224,133)	(0.10)
(5,330)	Oil States International Inc.	(212,222)	(187,601)	(0.10)
(2,300)	Perrigo Co.	(235,165)	(225,179)	(0.10)
(5,250)	PRA Group Inc.	(233,415)	(257,951)	(0.20)
(2,440)	Proto Labs Inc.	(212,763)	(212,726)	(0.10)
(5,440)	Range Resources Corp.	(204,132)	(163,404)	(0.10)
(17,245)	Rayonier Advanced Materials Ord.	(355,835)	(351,443)	(0.20)
(2,730)	Red Robin Gourmet Burgers Inc.	(213,091)	(230,931)	(0.20)
(12,190)	SLM Corp.	(152,298)	(181,736)	(0.10)

EHP GUARDIAN FUND

Schedule of Investments (continued)

As at June 30, 2017 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
(3,280)	Stifel Financial Inc.	(189,840)	(195,516)	(0.10)
(15,170)	Superior Energy Services Inc.	(213,710)	(205,120)	(0.10)
(860)	SVB Financial Group	(160,578)	(195,989)	(0.10)
(5,030)	The Chemours Co.	(165,673)	(247,272)	(0.20)
(500)	TransDigm Group Inc.	(182,019)	(174,282)	(0.10)
(1,780)	Treehouse Foods Inc.	(203,003)	(188,507)	(0.10)
(4,090)	TripAdvisor Inc.	(224,025)	(202,547)	(0.10)
(5,600)	Triumph Group Inc.	(192,651)	(229,411)	(0.10)
(8,820)	Under Armour Inc., Class C	(219,476)	(230,514)	(0.10)
(9,100)	Verifone Systems Inc.	(218,476)	(213,530)	(0.10)
(1,250)	Vertex Pharmaceuticals Inc.	(148,847)	(208,834)	(0.10)
(1,270)	Wynn Resorts Ltd.	(200,158)	(220,819)	(0.10)
(2,110)	Yum! Brands Inc.	(208,168)	(201,763)	(0.10)
(1,800)	Zebra Technologies Corp., Class A	(178,800)	(234,565)	(0.20)
	Total United States equities	(42,567,505)	(41,835,677)	(26.40)
Total investments - short		\$ (74,484,872)	\$ (73,265,127)	(46.80)
Total investments - long		\$ 121,667,485	\$ 120,983,091	78.62
Total investments - short		(74,484,872)	(73,265,127)	(46.80)
Total investments owned		<u>\$ 47,182,613</u>	47,717,964	31.82
Other assets, net			106,104,630	68.18
Net assets			\$ 153,822,594	100.00

See accompanying notes to financial statements.

EHP GUARDIAN FUND

Notes to Financial Statements

June 30, 2017 (unaudited)

1. General information:

The EHP Guardian Fund (the "Fund") is an open-ended investment trust established under the laws of the Province of Ontario pursuant to a trust agreement made as of March 19, 2015 and amended and restated as of June 25, 2015 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, consisting of interest and dividend income and capital gain appreciation and to provide unitholders with monthly distributions. The Investment Manager plans to generate these returns by utilizing predominantly a long/short equity strategy, consisting of diversified qualitative, 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 the above-stated objectives, the Fund will invest by employing diversified strategies.

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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

(b) Approval of the financial statements:

The financial statements were approved by the Investment Manager and authorized for issue on August 24, 2017.

(c) Functional currency and foreign currency translation:

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

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

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

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

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

(a) Financial assets and liabilities held-for-trading:

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

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

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

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

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

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

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

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

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

(e) Cost of investments:

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

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

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

The Fund issues multiple classes of redeemable units, which are redeemable at the holder's option and do not have identical 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 is reduced by the net asset value of the unit at the date of redemption. The redeemable shares are measured at the current value of the Fund's net assets and are considered a residual amount of the net assets attributable to holders of redeemable units. There is no difference in the method net asset value and net assets attributable to holders of redeemable units is computed.

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

- (j) 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 period.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

(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.

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 June 30, 2017, the Fund had non-capital loss carryforwards of \$339,829 (December 31, 2016 - \$339,829).

(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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

(o) Future accounting standard:

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.

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 tables present the net gains (losses) on financial assets and liabilities at FVTPL for the period ended June 30, 2017 and 2016:

2017	Held-for-trading	Designated at FVTPL	Total
Financial assets at FVTPL			
Net realized losses	\$ -	\$ (284,357)	\$ (284,357)
Net change in unrealized losses	-	(3,648,982)	(3,648,982)
	-	(3,933,339)	(3,933,339)
Financial assets at FVTPL			
Net realized losses	(967,114)	-	(967,114)
Net change in unrealized gains	2,171,831	-	2,171,831
	1,204,717	-	1,204,717
Total	\$ 1,204,717	\$ (3,933,339)	\$ (2,728,622)

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

3. Financial assets and financial liabilities at FVTPL (continued):

2016	Held-for-trading	Designated at FVTPL	Total
Financial assets at FVTPL			
Net realized gains	\$ 14,933	\$ 569,765	\$ 584,698
Net change in unrealized (losses) gains	(22,499)	819,765	797,266
	(7,566)	1,389,530	1,381,964
Financial liabilities at FVTPL			
Net realized losses	(192)	-	(192)
Net change in unrealized gains	406	-	406
	214	-	214
Total	\$ (7,352)	\$ 1,389,530	\$ 1,382,178

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 following tables detail the Fund's investments in warrants:

June 30, 2017			
Description	Maturity date	Strike price	Notional amount
Warrants:			
Quantum International Income Corp.	July 28, 2017	0.65	\$ 7,475

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

4. Derivative financial instruments (continued):

December 31, 2016

Description	Maturity date	Strike price	Notional amount
Warrants:			
Quantum International Income Corp.	July 28, 2017	\$ 0.65	\$ 7,475

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

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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

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.

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 June 30, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

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

The Fund has provided the Prime Broker 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 June 30, 2017, the fair value of financial assets subject to the general lien is \$252,272,291 (December 31, 2016 - \$127,678,320). The Fund's cash investments are held by highly creditworthy financial institutions.

(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 unitholders. The Fund did not withhold any redemptions or implement any suspension during 2017 or 2016.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

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 sensitivity analysis shows how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Price risk:

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

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 June 30, 2017, 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 \$4,582,939 (December 31, 2016 - \$2,598,808).

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

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.

The tables below summarize the foreign currencies to which the Fund had significant exposure at June 30, 2017 and December 31, 2016 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.

2017:

United States dollar	Exposure		Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$	4,271,025	\$ 213,551
Investments at FVTPL		27,592,208	1,379,610
Total	\$	31,863,233	\$ 1,593,162
% of net assets attributable to holders of redeemable units		20.7	1.0

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

2016:

United States dollar	Exposure		Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$	7,628,336	\$ 381,417
Investments at FVTPL		11,080,494	554,025
Total	\$	18,708,830	\$ 935,442
% of net assets attributable to holders of redeemable units		22.0	1.1

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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

(c) Fair value measurement:

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

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

The fair value hierarchy has the following levels:

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

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

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

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

All investments held by the Fund are classified as Level 1 except for investments in bonds of \$1,888,576 (December 31, 2016 - \$Nil) that are classified as Level 2.

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

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 CAD \$10 for Class A, Class F and Founders units or USD \$10 for Class UA, Class UF and Class UJ units.

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 GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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

During the periods ended June 30, 2017 and 2016, the number of units issued, redeemed and outstanding was as follows:

June 30, 2017	Units, beginning of period	Issuance of units	Distribution reinvestment	Redemption of units	Redesignation of units	Units, end of period
Class A - Initial Series	508,237	-	(3,214)	(27,532)	457,598	935,089
Class A - 2016 Series 10	101,137	-	85	-	(101,222)	-
Class A - 2016 Series 11	244,656	-	73	-	(244,729)	-
Class A - 2016 Series 12	142,759	-	15	-	(142,774)	-
Class A - 2017 Series 1	-	321,684	(36,764)	(2,606)	-	282,314
Class A - 2017 Series 2	-	140,959	1,817	-	-	142,776
Class A - 2017 Series 3	-	106,555	1,174	-	-	107,729
Class A - 2017 Series 4	-	99,378	824	-	-	100,202
Class A - 2017 Series 5	-	45,713	102	-	-	45,815
Class A - 2017 Series 6	-	10,500	21	-	-	10,521
Class E - Initial Series	294,834	2,134	4,522	(175,616)	-	125,874
Class F - Initial Series	2,855,386	2,794	58,051	(187,787)	1,567,273	4,295,717
Class F - 2016 Series 10	492,838	-	336	-	(493,174)	-
Class F - 2016 Series 11	624,233	-	355	-	(624,588)	-
Class F - 2016 Series 12	582,422	-	398	-	(582,820)	-
Class F - 2017 Series 1	-	573,351	9,623	(28,467)	-	554,507
Class F - 2017 Series 2	-	791,227	8,814	(22,702)	-	777,339
Class F - 2017 Series 3	-	1,743,293	58,025	(8,149)	-	1,793,169
Class F - 2017 Series 4	-	858,453	6,221	(10,068)	-	854,606
Class F - 2017 Series 5	-	661,327	13,936	-	-	675,263
Class F - 2017 Series 6	-	887,132	862	(2,500)	-	885,494
Class UA - Initial Series	-	-	658	-	37,556	38,214
Class UA - 2016 Series 9	2,488	-	-	-	(2,488)	-
Class UA - 2016 Series 11	14,769	-	12	-	(14,781)	-
Class UA - 2016 Series 12	19,792	-	13	-	(19,805)	-
Class UA - 2017 Series 2	-	10,000	176	-	-	10,176
Class UA - 2017 Series 3	-	52,350	725	-	-	53,075
Class UF - Initial Series	57,932	-	4,924	-	212,087	274,943
Class UF - 2016 Series 10	138,942	-	116	-	(139,058)	-
Class UF - 2016 Series 11	53,018	-	38	-	(53,056)	-
Class UF - 2016 Series 12	18,959	-	6	-	(18,965)	-
Class UF - 2017 Series 1	-	468,764	1,239	-	-	470,003
Class UF - 2017 Series 2	-	44,192	588	(3,503)	-	41,277
Class UF - 2017 Series 3	-	107,458	840	-	-	108,298
Class UF - 2017 Series 4	-	38,617	314	-	-	38,931
Class UF - 2017 Series 5	-	168,218	148	-	-	168,366
Class UF - 2017 Series 6	-	301,901	-	-	-	301,901
Class UJ - 2016 Series 10	1,009,254	-	22,515	(20,214)	-	1,011,555
Founder Class - Initial Series	444,362	-	7,015	(37,808)	-	413,569
Founder Class - 2017 Series 1	-	25,000	480	-	-	25,480
Founder Class - 2017 Series 4	-	30,000	284	-	-	30,284

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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

June 30, 2016	Units, beginning of period	Sale of units	Distribution reinvestment	Redemption of units	Redesignation of units	Units, end of period
Class A - Initial Series	103	-	1,548	-	128,958	130,609
Class A - 2015 Series 11	49,178	-	37	-	(49,215)	-
Class A - 2015 Series 12	1,500	-	16	-	(1,516)	-
Class A - 2016 Series 1	-	9,863	90	-	(9,953)	-
Class A - 2016 Series 2	-	16,084	74	-	(16,158)	-
Class A - 2016 Series 3	-	68,315	158	-	(68,473)	-
Class A - 2016 Series 4	-	30,016	210	-	(2,519)	27,707
Class A - 2016 Series 5	-	113,056	184	-	-	113,240
Class A - 2016 Series 6	-	120,473	68	-	-	120,541
Class E - Initial Series	223,087	68,238	4,951	-	-	296,276
Class F - Initial Series	19,875	-	7,640	(13,539)	832,840	846,816
Class F - 2015 Series 10	10,440	-	8	-	(10,448)	-
Class F - 2015 Series 11	23,411	-	18	-	(23,429)	-
Class F - 2015 Series 12	3,996	-	3	-	(3,999)	-
Class F - 2016 Series 1	-	102,982	915	-	(103,897)	-
Class F - 2016 Series 2	-	446,510	2,018	-	(448,528)	-
Class F - 2016 Series 3	-	288,112	611	-	(288,723)	-
Class F - 2016 Series 4	-	354,746	1,568	(397)	-	355,917
Class F - 2016 Series 5	-	369,765	1,089	-	2,523	373,377
Class F - 2016 Series 6	-	205,629	255	-	-	205,884
Founder Class - Initial Series	23,069	-	3,480	(30)	258,617	285,136
Founder Class - 2015 Series 10	38,169	-	28	-	(38,197)	-
Founder Class - 2015 Series 11	75,278	-	57	-	(75,335)	-
Founder Class - 2015 Series 12	45,000	-	480	-	(45,480)	-
Founder Class - 2016 Series 1	-	30,000	226	-	(30,226)	-
Founder Class - 2016 Series 2	-	47,864	231	-	(48,095)	-
Founder Class - 2016 Series 3	-	30,000	23	-	(30,023)	-
Founder Class - 2016 Series 4	-	65,100	377	-	-	65,477
Founder Class - 2016 Series 5	-	50,000	-	-	-	50,000

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the periods ended June 30 is calculated as follows:

Series	2017			2016		
	Decrease per series	Weighted average units outstanding	Decrease per unit	Increase per series	Weighted average units outstanding	Increase per unit
Class A - Initial Series	(236,978)	946,344	(0.25)	46,854	132,354	0.35
Class A - 2015 Series 12	-	-	-	550	1,512	0.36
Class A - 2016 Series 1	-	-	-	3,586	9,547	0.38
Class A - 2016 Series 2	-	-	-	2,991	15,480	0.19
Class A - 2016 Series 3	-	-	-	7,803	65,133	0.12
Class A - 2016 Series 4	-	-	-	5,382	23,036	0.23

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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

Series	2017			2016		
	Decrease per series	Weighted average units outstanding	Decrease per unit	Increase per series	Weighted average units outstanding	Increase per unit
Class A - 2016 Series 5	-	-	-	16,285	86,540	0.19
Class A - 2016 Series 6	-	-	-	17,389	77,100	0.23
Class A - 2017 Series 1	(64,832)	262,201	(0.25)	-	-	-
Class A - 2017 Series 2	(28,882)	125,944	(0.23)	-	-	-
Class A - 2017 Series 3	(19,255)	92,741	(0.21)	-	-	-
Class A - 2017 Series 4	(10,324)	93,174	(0.11)	-	-	-
Class A - 2017 Series 5	(5,206)	45,070	(0.12)	-	-	-
Class A - 2017 Series 6	(143)	8,490	(0.02)	-	-	-
Class E - Initial Series	(33,838)	233,491	(0.14)	264,112	276,861	0.95
Class F - Initial Series	(831,021)	4,330,438	(0.19)	245,170	851,512	0.29
Class F - 2016 Series 1	-	-	-	43,159	102,970	0.42
Class F - 2016 Series 2	-	-	-	87,089	388,415	0.22
Class F - 2016 Series 3	-	-	-	27,950	270,836	0.10
Class F - 2016 Series 4	-	-	-	83,872	314,099	0.27
Class F - 2016 Series 5	-	-	-	62,238	297,179	0.21
Class F - 2016 Series 6	-	-	-	28,457	162,467	0.18
Class F - 2017 Series 1	(101,733)	535,786	(0.19)	-	-	-
Class F - 2017 Series 2	(118,789)	732,498	(0.16)	-	-	-
Class F - 2017 Series 3	(283,728)	1,591,560	(0.18)	-	-	-
Class F - 2017 Series 4	(51,942)	766,586	(0.07)	-	-	-
Class F - 2017 Series 5	(17,319)	550,789	(0.03)	-	-	-
Class F - 2017 Series 6	2,095	617,416	0.00	-	-	-
Class UA - Initial Series	(27,579)	37,884	(0.73)	-	-	-
Class UA - 2017 Series 2	(2,806)	10,087	(0.28)	-	-	-
Class UA - 2017 Series 3	(35,604)	52,704	(0.68)	-	-	-
Class UF - Initial Series	(179,293)	267,751	(0.67)	-	-	-
Class UF - 2017 Series 1	(222,247)	463,582	(0.48)	-	-	-
Class UF - 2017 Series 2	(13,156)	39,075	(0.34)	-	-	-
Class UF - 2017 Series 3	(65,444)	97,678	(0.67)	-	-	-
Class UF - 2017 Series 4	(17,793)	37,540	(0.47)	-	-	-
Class UF - 2017 Series 5	(131,067)	164,798	(0.80)	-	-	-
Class UF - 2017 Series 6	(95,835)	301,901	(0.32)	-	-	-
Class UJ - 2016 Series 10	(663,490)	1,005,744	(0.66)	-	-	-
Founder Class - Initial Series	(97,023)	435,233	(0.22)	143,717	283,105	0.51
Founder Class - 2015 Series 12	-	-	-	19,434	45,356	0.43
Founder Class - 2016 Series 1	-	-	-	11,670	30,173	0.39
Founder Class - 2016 Series 2	-	-	-	11,570	53,456	0.22
Founder Class - 2016 Series 3	-	-	-	836	30,022	0.03
Founder Class - 2016 Series 4	-	-	-	17,717	56,488	0.31
Founder Class - 2016 Series 5	-	-	-	9,005	50,000	0.18
Founder Class - 2017 Series 1	(4,808)	25,236	(0.19)	-	-	-
Founder Class - 2017 Series 4	(2,846)	30,139	(0.09)	-	-	-

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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 weekly 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 GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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) Other expenses:

The Fund is responsible for all of its operating expenses, including legal, audit and all other expenses incurred in the ordinary course of operations. The Investment Manager has elected to absorb certain expenses of the Fund in 2017 and 2016. For the period ended June 30, 2017, the Investment Manager absorbed \$Nil (2016 – \$9,104) in audit fees and \$Nil (2016 - \$5,460) in administration fees. No legal fees and trustee fees were absorbed in 2017 or 2016.

(d) 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 June 30, 2017, 109.0914 of Class A units and 108.9945 of Class F units were held by the Investment Manager and 125,874.2297 of Class E units and 69,803.8793 of Founder units (December 31, 2016 - 106.8436, 106.7903, 294,833.9293 and 68,428.0359, respectively) were owned by unitholders related to the Investment Manager.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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 period ended June 30, 2017 is approximately \$70,865 (2016 - \$12,575).

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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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

Investments in ETFs are susceptible to market price risk arising from uncertainty about future values of those ETFs. The maximum exposure to loss from long position 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 ETFs and, the following, meet the definition of unconsolidated structures entities:

As at	ETF	Place of business	Fair value amounts	Proportion of interest owned
June 30, 2017	iShares iBoxx High Yield Corp Bond ETF	United States	\$10,519,251	0.05%
June 30, 2017	iShares Barclays 20+ Year Treasury Bond ETF	United States	6,001,606	0.06%
June 30, 2017	SPDR Bloomberg Barclays High Yield Bond ETF	United States	10,817,110	0.07%
December 31, 2016	iShares iBoxx High Yield Corp Bond ETF	United States	8,489,900	0.03%
December 31, 2016	SPDR Bloomberg Barclays High Yield Bond ETF	United States	8,479,122	0.05%

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 August 18, 2017, which is the date the financial statement were available to be issued. For the period from July 1, 2017 to August 18, 2017, the Fund has subscriptions of \$41,247,320 and redemptions of \$9,083,373.