JUNE 2018

EHP Advantage International Fund

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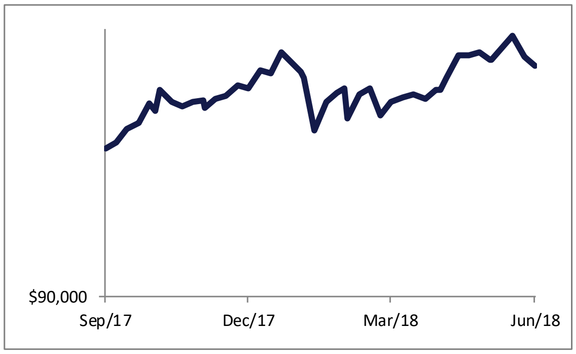
EHP Advantage International Fund

Returns (Class F units, net of all fees and expenses)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2018	1.1%	-1.0%	-0.9%	0.8%	2.0%	-0.4%							1.5%
2017										2.6%	0.7%	0.8%	4.1%

Growth of $100,000 (weekly)



Risk/Reward Analysis

	Fund	MSCI EAFE
Annualized Return		
Annualized Std Deviation		
Winning Months	67%	44%
Average Monthly Gain	1.3%	2.5%
Average Monthly Loss	-0.8%	-1.4%
Largest Drawdown	-1.9%	-5.4%
Sharpe Ratio		
Fund Correlation		64.6%
Fund Beta		0.29
Net Exposure	86%	
Gross Exposure	184%	

Compound Returns (%)

	1 Mo	3 Mo	6 Mo	1 Yr	Incep.
Fund	-0.4%	2.4%	1.5%		

Source of Returns for Most Recent Month

Returns from Longs	-0.7%
Returns from Shorts	0.3%

Commentary

The EHP Advantage International Fund Class "F" units declined -0.4% for month of June. It was another down month for EAFE markets overall, with Europe leading declines after a promising start to the month. Shorts offered some protection against losses from longs, but consistent with recent months it's clear that the market continues to reward lower quality stocks and shun high quality ones, even during periods of market stress. From a style perspective, returns were mixed across markets, although in general value strategies lost money, while growth outperformed. Our Credit Momentum strategy, which exited International high yield last month, moved into long-dated Treasuries as the asset class resumed a tentative uptrend as investors sought havens from the equity market weakness.

Globally, most markets struggled in June as investors digested the evidence of slowing economic momentum, particularly in Emerging markets and Europe, along with the uncertainty caused by the potential for escalating tensions resulting from Trump's announced trade policies. It would appear that investors are increasingly fearful that the tailwind for equities provided by a backdrop of easing monetary policies, synchronized global growth and improving earnings may be nearer to the end. U.S. markets were able to eke out a small gain during June, with investors choosing to de-risk portfolios, turning to defensive, low volatility, small cap and technology stocks while dumping financials and industrials. Looking beyond the U.S., commodity based markets (Canada and Australia), outperformed while Europe, Asian and EM markets all declined. Chinese equity markets having been particularly rough, entering "bear" market territory during the month as economic data has been coming in weaker than expected coupled with the trade threat tit-for-tat going on with Washington.

The first half of the year has been marked by high volatility, a lack of consistent sector leadership from month to month, and a market seemingly driven by technical price levels at both the high and low-end of its range. Ironically despite this "risk-on, risk-off" market, one of the best strategies this year would have been to buy the "most shorted stocks" – making it an obvious challenge for long/short mandates. This type of market action isn't unprecedented. We've argued for some time now that this market shares many characteristics with the 1999 tech bubble, and ultimately investors who stuck with a discipline of owning quality, reasonably priced, lower volatility stocks and avoiding or shorting the opposite were rewarded for many years after the bubble popped.

We enter July with fund carrying risk exposures at the middle of its targeted range. 2018 has been frustrating given that markets have yet to demonstrate any real direction, instead constantly flirting, and occasionally breaching levels that have caused us to adjust risk allocations more often than usual. While not overly punitive in terms of returns, we recognize this is part of our rules-based process and over time it serves its purpose, which is to participate in bull markets and avoid the drawdowns that come during bear markets. We remain of the view that this is a market that has all the characteristics of being late cycle and we are beginning to see more ominous signs as it relates to the health of the market, including; the flattest yield curve since '08, weak copper prices, the negative impact of an overly strong USD, weak Chinese and European economic data, and the end of easy money policies. For now these are just concerns, and as always, despite our opinions, we instead follow our discipline-based approach to allocating risk and overall exposures.

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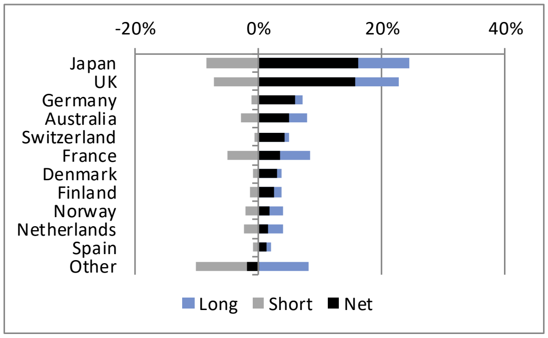
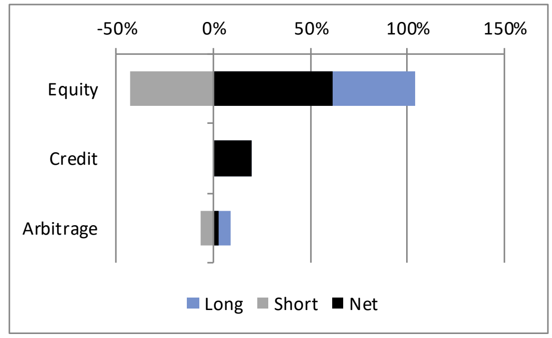
Fund Structure

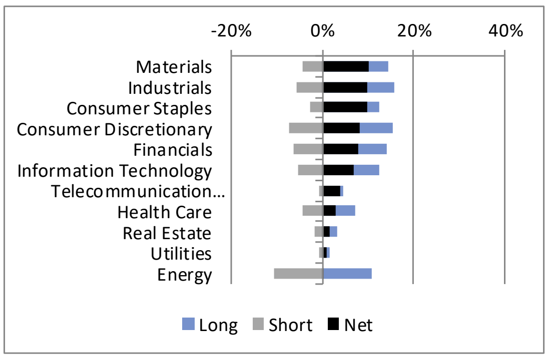
Country Allocations % of NAV



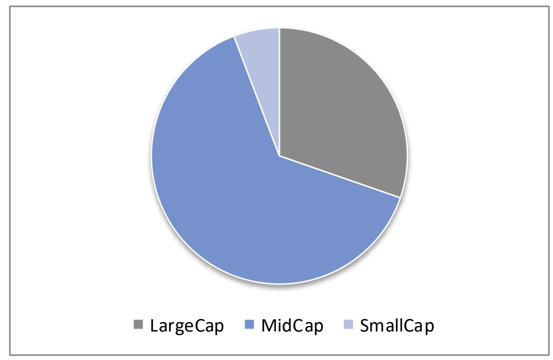
Capital Allocations % of NAV



Sector Allocations % of NAV



Market Cap Allocations



Top 10 Equity Longs

Christian Dior SE	0.9%
Ferrari NV	0.9%
UPM-Kymmene OYJ	0.9%
Koninklijke DSM NV	0.9%
GN Store Nord A/S	0.9%
Capgemini SE	0.9%
ERG SpA	0.9%
HBM Healthcare Investments AG	0.8%
Moncler SpA	0.8%
Safran SA	0.8%

Top 10 Equity Shorts

Takeaway.com NV	-0.4%
Tenaris SA	-0.4%
SES SA	-0.4%
AGFA-Gevaert NV	-0.4%
Carmila SA	-0.4%
Saipem SpA	-0.4%
Neopost SA	-0.4%
u-blox Holding AG	-0.4%
Svenska Cellulosa AB SCA	-0.4%
Frontline Ltd/Bermuda	-0.4%

Fund Information

The Fund constructs a long/short portfolio of International equities and credit by buying undervalued, rising, stable stocks and shorting overvalued, declining, volatile stocks. The Fund actively gears down risk in declining markets and tilts toward more defensive stocks and strategies to preserve capital. The Fund emphasizes a disciplined process of stock selection, risk control and liquidity. The Fund targets annual returns of 10-12% net of all fees.

Portfolio Managers:	Jason Mann, Ian Fairbrother
Fund Structure:	Mutual Fund Trust
RSP Eligible:	Yes
Fee Structure:	A, UA: 2% Mgmt Fee, 20% Perf Fee F, UF: 1% Mgmt Fee, 20% Perf Fee
Subscription Amounts:	$25,000 Minimum
Subscriptions:	Weekly, Friday 4pm deadline
Redemptions:	Weekly, 1 day notice A/F, 2 day UA/UF
Fund Risk Rating:	Low to Medium
Reporting Frequency:	Weekly
Fund Codes:	$CAD: EHP500A / EHP500F $USD: EHP500UA / EHP500UF
High Water Mark:	Yes, Perpetual
Fund Administrator:	SS&C CommonWealth
Prime Broker:	Bank of Nova Scotia
Legal / Auditors:	McMillan LLP / KPMG LLP

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