SEPTEMBER 2018

EHP Advantage Fund

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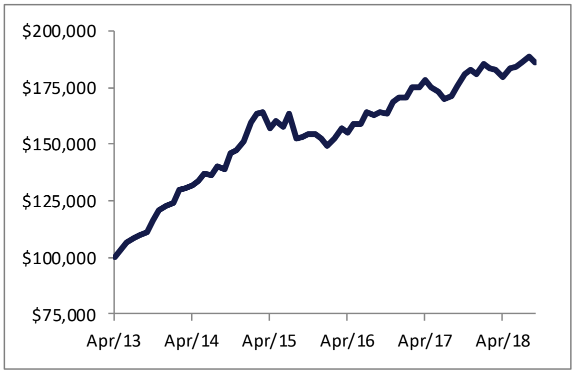
Returns (Class F units, net of all fees and expenses)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2018	2.3%	-1.0%	-0.5%	-1.4%	1.9%	0.5%	1.1%	1.4%	-1.6%				2.6%
2017	0.1%	2.8%	-0.2%	1.8%	-1.9%	-1.0%	-1.6%	0.6%	2.6%	3.0%	1.1%	-0.9%	6.4%
2016	-2.0%	1.9%	3.3%	-1.4%	2.5%	0.1%	3.2%	-0.7%	0.5%	-0.1%	3.0%	1.0%	11.7%
2015	5.4%	2.5%	0.4%	-4.4%	2.3%	-1.6%	3.4%	-6.7%	0.6%	0.9%	-0.1%	-1.3%	0.7%
2014	0.6%	4.7%	0.5%	1.5%	1.3%	2.3%	-0.5%	2.7%	-0.9%	5.1%	1.1%	2.6%	23.1%
2013					3.2%	3.4%	1.5%	1.4%	1.2%	4.6%	3.7%	2.0%	22.9%

Growth of $100,000 (monthly)



Risk/Reward Analysis

	Fund	S&P TSX	S&P 500 (C$)
Annualized Return	12.1%	8.0%	19.5%
Annualized Std Deviation	7.5%	7.5%	9.7%
Winning Months	69%	66%	71%
Average Monthly Gain	2.1%	1.9%	2.9%
Average Monthly Loss	-1.5%	-1.7%	-1.7%
Largest Drawdown	-9.0%	-14.3%	-7.6%
Sharpe Ratio	1.6	1.1	2.0
Fund Correlation		38.1%	75.7%
Fund Beta		0.38	0.58
Net Exposure	113%		
Gross Exposure	200%		

Compound Returns (%)

	6 Mo	1 Yr	3 Yr	5 Yr	Incep.
Fund	1.8%	5.8%	6.7%	10.8%	12.1%

Commentary

The EHP Advantage Fund Class "F" units declined -1.6% for the month of September. Losses came mostly from the long side of the portfolio with both Canadian and U.S. markets lower on the month, although losses were dominated by the Canadian side of the portfolio. Growth and momentum stocks were lower in the U.S., while value stocks were relatively stronger. Canada was the exact opposite however, with sharp sell-offs in high quality value stocks which we tend to be long, and sharp gains in high-beta growth stocks which we tend to be short. It very much felt as though the renewed frenzy in cannabis stocks has infected our home market, with investors tripping over themselves to dump profitable, long-standing businesses at very reasonable valuations while chasing ever more expensive speculative stocks. Our Credit Momentum strategy also had gains as high yield debt continued its steady climb higher.

Global markets were mixed in September, with U.S. markets led lower by weakness in growth stocks, as evidenced by the Nasdaq down -1.3% on the month. Beaten down Emerging and European markets appeared to benefit from a weaker USD as investors looked to add back risk to their portfolios after sharp declines. Japan was a bright spot, rallying sharply as the Yen weakened. Within the key U.S markets, it is cyclicals that are providing leadership as the sector/style rotation that began in July continues. High priced tech stocks (FAANG) have languished and are no longer the sole driver of market strength. Despite this shift away from growth stocks, we have not seen the typical rotation into pure value stocks, as investors have instead chosen to seek out more defensive sectors with an emphasis on quality and yield.

Whether we have seen the end of the "growth at any price" trade, it is hard to tell, but for the time being, we are encouraged to see market breadth improve with a more rational approach to stock selection, one where investors pay a reasonable price for future cash flows. We recognize that a rolling-over of the tech sector is not necessarily a precursor to the end of this elongated bull market but may in fact just reflect a shift in the leadership for the next leg higher in markets, particularly in the context of a market that is in the later innings where cyclicals should outperform as rates gradually move higher.

We enter October with our tactical risk indicators mixed in terms of positioning, leaving our funds predominantly in the middle of their targeted risk ranges. As has been the case for the bulk of 2018, the U.S has been the only market that has shown consistent strength and has not been flirting with our tactical risk levels, while all other markets, including credit, have been incredibly frustrating in their lack of direction, and have continued to trade around levels that have caused us to repeatedly oscillate between gearing up and down risk. While not overly costly to the funds, we would prefer to see markets assert themselves either way, up or down. As always, despite hiccups along the road, we believe in our rules-based approach and continue to follow our disciplined approach, irrespective of the short-term noise.

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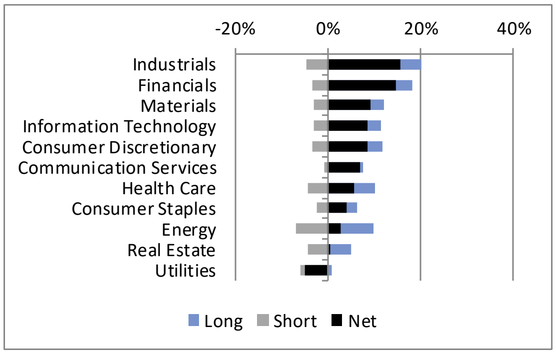
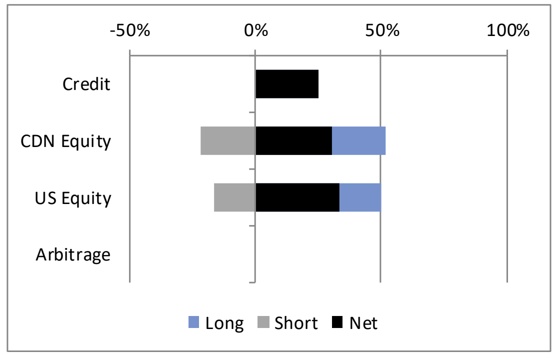
Fund Structure

Sector Allocations % of NAV



Capital Allocations % of NAV



Canadian Equity - Top 10 Longs

TFI International Inc	1.5%
Enghouse Systems Ltd	1.5%
Colliers International Group I	1.5%
Canadian Pacific Railway Ltd	1.5%
Methanex Corp	1.4%
Alimentation Couche-Tard Inc	1.3%
Rogers Communications Inc	1.3%
Toromont Industries Ltd	1.3%
Boyd Group Income Fund	1.3%
Canadian Apartment Properties	1.3%

U.S. Equity - Top 10 Longs

Mastercard Inc	1.2%
Apple Inc	1.2%
WW Grainger Inc	1.1%
Best Buy Co Inc	1.1%
Progressive Corp/The	1.1%
Centene Corp	1.1%
UnitedHealth Group Inc	1.1%
Humana Inc	1.1%
Pfizer Inc	1.1%
S&P Global Inc	1.1%

Fund Information

The Fund constructs a long/short portfolio of North American 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: EHP100A / EHP100F $USD: EHP100UA / EHP100UF
High Water Mark:	Yes, Perpetual
Fund Administrator:	SS&C CommonWealth
Prime Brokers:	Bank of Nova Scotia, BMO
Legal / Auditors:	McMillan LLP / KPMG LLP

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