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EHP Global Arbitrage Alternative Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2018

This annual Management Report of Fund Performance ("MRFP") contains financial highlights, but not the Fund's annual Financial Statements, which may be included at the back of the MRFP. You can obtain a free copy of the annual Financial Statements by calling 1-833-360-3100, writing to EHP Funds Inc., 45 Hazelton Avenue, Suite B, Toronto, ON, M5R 2E3, or visiting our website at www.ehpfunds.com/advisors.php or the SEDAR website at www.sedar.com.

Likewise, unitholders can obtain copies of the Fund's proxy voting policies and procedures, proxy voting disclosure records and Fund-related quarterly portfolio disclosures.

Please refer to the Fund's Simplified Prospectus, Fund Facts and the 2018 audited annual Financial Statements for more information.

Caution regarding forward-looking statements

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these differences, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the abovementioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and urge you to avoid placing undue reliance on forward-looking statements. The forward-looking information contained in this report is current only as of the date of this report. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

Management discussion of fund performance

The management discussion of fund performance presents the views of the portfolio management team concerning significant factors and developments that have affected the Fund's performance and outlook.

Please read the aforementioned caution on the preceding page regarding forward-looking statements.

Investment objectives and strategies

The investment objective of the EHP Global Arbitrage Alternative Fund (the "Fund") is to provide a positive total return over a market cycle, regardless of market conditions or general market direction, with low correlation to equity markets. The Fund will use alternative investment strategies including merger arbitrage, equity long/short, convertible arbitrage and credit long/short, by investing in global developed-market equities, fixed income securities, convertible securities, fixed income ETFs, equity ETFs, Special Purpose Acquisition Corps and treasury futures derivative contracts as a part of implementing these strategies. The Fund may invest up to 100% or more of its net assets in foreign equities. The Fund will engage in physical short sales and/or borrowing for investment purposes.

The Fund will use leverage. Through the use of buying long positions, short selling, or specified derivatives, the Fund's aggregate gross exposure will not exceed 300% of the Fund's net asset value (the "NAV") or as otherwise as permitted under applicable securities legislation. The aggregate gross exposure will be calculated in accordance with the methodology prescribed by securities regulations, or any exemptions therefrom. Further, the aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the "Investment Strategies" section of the Fund's Simplified Prospectus or as otherwise as permitted under applicable securities legislation.

Exemptions from National Instrument 81-102

The Fund is subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 ("NI 81-102"), which are designed, in part, to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds. We intend to manage the Fund in accordance with these restrictions and practices or to obtain relief from the securities regulatory authorities before implementing any variations. The following provides a description of the exemptions that the Fund has obtained from the provisions of NI 81-102, and/or a description of the general investment activity.

Alternative Fund Investment Relief

The Fund has obtained the following exemptions from NI 81-102:

- subsection 2.1(1), to permit the Fund to invest more than 10% of its NAV in the securities of a single issuer;
- to permit the Fund to purchase, sell or use specified derivatives and/or debt like securities other than in compliance with subsections 2.7(1), (2) and (3), and sections 2.8 and 2.11;
- section 2.6 to permit the Fund to borrow cash to use for investment purposes in excess of the limits set out in subsection 2.6(a) and to grant a security interest of its assets in connection therewith;
- subsections 2.6.1(1)(c) and 2.6.1(2) and (3) to permit the Fund to borrow securities from a borrowing agent to sell securities short within prescribed limitations;
- section 6.8, to permit the Fund to deposit with its lender, assets over which it has granted a security interest in connection with borrowing cash above; and
- subsection 7.1, to permit the Fund to pay, or enter into arrangements that would require it to pay, a fee that is determined by the performance of the Fund that is based on the cumulative total return of the Fund for the period that began immediately after the last period for which such fee was paid.

Risk

The risks of the Fund remain as discussed in the Fund's Simplified Prospectus. The Fund is suitable for investors looking for a low to medium risk, diversified portfolio of alternative investment strategies to hold as part of a balanced portfolio, who want exposure to arbitrage opportunities that have a low correlation to equity market, who can tolerate a low to medium level of risk (which is also the risk rating for the Fund), and who want a medium-term or longer investment.

There are several types of risks that include, but are not limited to:

Leverage

Leverage occurs when the Fund's aggregate gross exposure to underlying assets is greater than the amount invested.

As mentioned above, the Fund obtained an exemption to permit it to borrow cash up to a maximum of 50% of its NAV and to sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its NAV. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 50% of its NAV.

In accordance with the *Alternative Fund Investment Relief* obtained by the Fund, the aggregate gross exposure of the Fund, to be calculated as the sum of the following, must not exceed three times the Fund's NAV: (i) the aggregate market value of the Fund's long positions; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes.

During the period from the Fund's inception to December 31, 2018, the Fund did not breach the aggregate gross exposure limit of 300% of the Fund's NAV as prescribed by securities legislation, while the Fund's aggregate gross exposure ranged from 100.7% to 200.6% of the Fund's NAV during such period of time. The low end of the range occurred soon after the Fund's launch, and was a result of the Fund having cash subscriptions which could not immediately be invested. The high end of the range was within the expected range as outlined in the Simplified Prospectus, and was a result of the strategy of the Fund being fully allocated as of such time. As of December 31, 2018, the Fund's aggregate gross exposure was 129.6% of the Fund's NAV. The primary source of leverage was short positions in equity securities.

Currency risk

The Fund is valued in Canadian dollars; however, it invests in foreign securities denominated in foreign currencies. In order to reduce the impact of short-term currency fluctuations, we may employ currency hedging. Specifically, we may hedge all or a portion of our foreign currency exposure depending on our view of a currency's relative value and its associated risks.

As at December 31, 2018, the Fund's most significant foreign currency exposure was to the U.S. dollar, which as a percentage of total net assets was approximately 51.1%. As approximately 99.8% of the Fund's exposure to the U.S. dollar was hedged at the end of 2018, the Fund had net exposure to the U.S. dollar of 0.1%.

There were also currency hedges to the Australian dollar, U.K. pound sterling and Euro in place, each equal to approximately 100% of such respective foreign currency exposure.

Results of operations

The Fund was launched on August 10, 2018, and the Fund's NAV was $3.4 million as of December 31, 2018. Investment performance is not provided for a Fund that has been available for less than one year.

In general, the Fund seeks to earn a return on investment by buying securities that are the subject of an announced merger (the "target" company) and shorting the stock of the acquiring company if they are offering their shares as a part of the payment for the merger. Normally, the shares of the target company trade at a slight discount to their ultimate value that will be received once the merger closes. This discount is a result of two things: the time value of money, which is in turn determined by the prevailing interest rates, and the risk that the deal doesn't close due to reasons such as a failed vote, regulatory or legal problems, financing risks, etc. This investment process means that the Fund is generally not affected by overall market moves, but rather the availability of attractive mergers to participate in, as well as the movements in interest rates.

2018 was a below average year for merger arbitrage strategies as evidenced by the 3.8% return of the HRFI Merger Arbitrage Index, relative to an annualized return for that index of 5.3% over the last 20 years. There were an unusual number of failed deals in large capitalization stocks that were likely held by many of the Funds, and which reduced the return of the index. Overall, merger arbitrage strategies outperformed broad equity indices, with the MSCI World Total Return Index declining 7.4% for the year.

During the period from the Fund's inception to December 31, 2018, the Fund's cash borrowing ranged from nil to approximately 11.2% of the Fund's NAV during such period of time. The financing terms for the Fund's cash borrowing with the prime broker is based on the commercially agreed terms of the applicable reference rate plus a basis point spread. Such financing costs (i.e., margin interest), if any, are calculated and accrued daily based on the amount borrowed each day during a month. Further, the Fund has arranged with the applicable prime broker and custodian of the Fund to borrow such money against a pledge of securities in order to employ leverage when the Manager deems such action appropriate.

Recent developments

Changes with the Fund

From the period of launch of the Fund through December 31, 2018, EdgeHill Partners ("EdgeHill") was the trustee (the "Trustee"), manager (the "Manager") and portfolio manager (the "Portfolio Manager") of the Fund. Effective for January 1, 2019, EdgeHill was receipted from the Ontario Securities Commission (the "OSC") to: (a) change the Trustee, Manager and Portfolio Manager of the Fund from EdgeHill to EHP Funds Inc. ("EHP"), an affiliate of EdgeHill; and (b) begin to offer Class UA units of the Fund. The Class UA units of the Fund are denominated in U.S. dollars, and the returns of the Class UA units are generally hedged back to the Canadian dollar.

Changes with the regulatory regime of the Fund

On October 4, 2018, the Canadian Securities Administrators published the final rules for the new category of prospectus offered investment funds called "alternative mutual funds" (the "Final Rules"). The Final Rules became effective on January 3, 2019 and modify provisions in NI 81-102 and related National Instruments that previously applied to conventional mutual funds. Accordingly, effective for January 3, 2019, the Fund no longer relies on the exemptions previously provided from the regulator (see "Exemptions from National Instrument 81-102" section on the previous page), and is instead subject to the Final Rules.

The following is a summary, and not an exhaustive list, of the Final Rules relevant to the Fund:

- the 10% single issuer concentration limit for short sale transactions will not apply to the short sale of "government securities" (as defined in NI 81-102);
- alternative mutual funds will be permitted to borrow from both domestic and foreign entities that qualify as a custodian or a sub-custodian under NI 81-102 (The 2016 proposed changes had contemplated that borrowing would only be permitted from Canadian entities);
- the overall leverage limit for alternative mutual funds will remain at 300% of NAV but the calculation of leverage will exclude the notional value of derivatives used for "hedging" purposes (as defined in NI 81-102);
- the requirements for entities to qualify to act as custodian or a sub-custodian of an investment fund have been amended to remove the requirement for affiliates of domestic and foreign banks and trust companies to have publicly available financial statements reflecting the required amount of equity (although audited statements evidencing the required amount of equity will still be required); and
- alternative mutual funds will be permitted to deposit portfolio assets with a value of up to 25% of NAV with a single borrowing agent (other than the custodian or a sub-custodian of the fund) as collateral for short sale transactions as compared to the original 10% of NAV limit in the 2016 proposed amendments.

The full text of the Final Rules is available at the OSC's site: https://www.osc.gov.on.ca/en/SecuritiesLaw_csa_20181004_81-102_alternative-mutual-funds.htm

Other developments

We consistently apply our investment process to the Fund over market cycles without a view or prediction on how that cycle will evolve. That said, it is clear that global growth has slowed since peaking in early 2018, and there is an increasing risk of recessionary conditions as we look forward. As of the end of 2018, while there are pockets of more meaningful weakness in markets like Germany and Japan, the overall world economy appears to be slowing, but does not yet have the conditions that would cause an outright contraction. If the trade war between the U.S. and China is resolved, we may in fact see a resurgence in global growth and a subsequent rise in interest rates once again.

A recessionary environment would see both a decrease in available mergers to invest in, as well as a decline in interest rates that would tend to decrease the return of investing in merger arbitrage strategies. Our current view is that 2019 will provide an environment that is favourable to the Fund, with an active environment for mergers, and generally rising interest rates that tend to increase the potential returns to merger arbitrage strategies. We are also taking care to mitigate specific country risk with respect to China. For mergers involving Canadian or U.S. companies that require the approval of the Chinese government, we believe there is a heightened risk of deal failure, due to the ongoing trade war between the U.S. and China, and the current unfavourable political relations between Canada and China.

Related party transactions

For the period from launch of the Fund through December 31, 2018, EdgeHill was responsible for the day-to-day business operations and affairs of the Fund and, on this basis, was entitled to fees as described under "Management Fees" below.

Expenses absorbed by the Manager

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 Manager has elected to absorb certain of the expenses of the Fund in 2018. For the period ended December 31, 2018, the Manager absorbed total expenses of the Fund of $63,761, comprising: $15,783 in administration fees, $27,890 in audit fees, $11,436 in professional fees and $8,652 in other fees.

Management Fees

As a result of providing investment and management services, EdgeHill, and EHP effective for January 1, 2019, receives a management fee calculated and accrued daily based on the NAV of the class of units of the Fund, plus applicable taxes, payable on the last day of each calendar month. For the period ended December 31, 2018, the Fund incurred management fees of $3,314 plus applicable taxes. Management fees, if any, in respect of Class I units are direct fees negotiated with the investor.

EdgeHill uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund's shares, investment advice, as well as general administrative expenses relating to EdgeHill's role as Manager.

The following is a breakdown:

		As a Percentage of Management Fees	
Class of Units	**Annual Rates**	**Dealer Compensation**	**General Administration and Investment Advice**
Class A	1.90%	31.0%	69.0%
Class F	0.90%	–	100%
Class UF	0.90%	–	100%

Performance Fees

The Manager receives a performance fee in respect of each class of units of a Fund. The Fund will pay the Manager a performance fee each calendar quarter (a "Performance Fee Determination Period") equal to 15% of the Net Profit (as defined below) of each of the applicable class units subject to the High Watermark (as defined below). The performance fee will be calculated and accrued for each class on a daily basis during each Performance Fee Determination Period and, with respect to an intra-quarter redemption of units of a class, on the relevant redemption date.

Net Profit means, in respect of any class of units of the Fund for any Performance Fee Determination Period, the amount calculated, and aggregated on a daily basis through-out such Performance Fee Determination Period, by deducting the initial NAV per unit of the class for that Performance Fee Determination Period from the closing NAV per unit of such class for that Performance Fee Determination Period and multiplying the resulting amount by the total number of the units of such class outstanding at the close of business on each such business day in that Performance Fee Determination Period (and, with respect to an intra-quarter redemption, on the relevant redemption date).

No performance fee shall be paid in respect of a class of units of the Fund unless the Net Profit for the current Performance Fee Determination Period for such class of units exceeds any net losses from the prior Performance Fee Determination Period(s) that are attributable to the units outstanding as of the current Performance Fee Determination Period for such class (the "High Watermark") and, in such circumstances, a performance fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark (i.e., the Manager must first recover any losses attributable to the units outstanding of a class before the Manager can charge a performance fee related to such class).

Investors in Class I units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the investor that is different than the one described above or no performance fee at all.

For the period ended December 31, 2018, the Fund incurred performance fees of $10,628 plus applicable taxes.

Other related party transactions

The Manager, its officers and directors invest in units of the Fund from time to time in the normal course of business. All related party transactions with the Manager are based on the applicable NAV per class of unit for each transaction date. As at December 31, 2018, 612.1898 of Class A units, 100.5396 of Class F units and 40,261.4332 of Class I units were held by the Manager and unitholders related to the Manager, totaling approximately 13.0% of the Fund's NAV.

Independent Review Committee

EdgeHill appointed an Independent Review Committee ("IRC") consisting of three independent members and established under the Canadian Securities Administrators' National Instrument 81-107 (the "Instrument"). The IRC's mandate is to review and provide input on the Manager's written policies and procedures that pertain to conflict of interest matters with respect to the EdgeHill-managed funds.

The Fund receives standing instructions (the "SI") from the IRC. The SI constitutes a written approval or recommendation from the IRC that permits the Manager to proceed with specific action(s) set out in the SI on an ongoing basis. The SI is designed to ensure that the Manager's actions are carried out in accordance with the law, the instrument and the Manager's policies and procedures in order to achieve a fair and reasonable result for the Fund. The SI outlines actions related to (a) Fees and Expenses, (b) Trade Allocations, (c) Broker Selection, (d) Portfolio Pricing Issues, amongst other things. The Manager must provide the IRC with a written report summarizing each instance where the Manager has relied on the SI. For the period ended December 31, 2018, the IRC did not provide any recommendations to the Manager.

Additional information about the IRC is available in the Simplified Prospectus and Annual Information Form for the Fund. IRC members receive fees and reimbursement of expenses for services provided to the Fund.

Past Performance

Investment performance is not provided for a Fund that has been available for less than one year.

Financial highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended December 31, 2018. This information is derived from the Fund's Financial Statements.

Class A	**Dec 31, 2018**
Fund's net assets per unit (Note 1)	
Net assets, beginning of period	$ 10.00
Increase from operations:	
Total revenue	$ 0.06
Total expenses	(0.40)
Realized gain for the period	0.78
Unrealized gain for the period	0.44
Total increase from operations	$ 0.88
Distributions to unitholders:	
From capital gains	$ (0.24)
Total distributions to unitholders	$ (0.24)
Net assets, end of period (Note 2)	$ 10.61
Ratios and supplemental data (Note 3)	
Total net asset value ('000s)	$ 281
Number of units outstanding ('000s)	27
Management expense ratio (Note 4)	5.76%
Management expense ratio before waivers or absorptions	14.60%
Net asset value per unit	$ 10.61

Class F	**Dec 31, 2018**
Fund's net assets per unit (Note 1)	
Net assets, beginning of period	$ 10.00
Increase from operations:	
Total revenue	$ 0.08
Total expenses	(0.33)
Realized gain for the period	0.64
Unrealized gain for the period	0.35
Total increase from operations	$ 0.74
Distributions to unitholders:	
From capital gains	$ (0.06)
Total distributions to unitholders	$ (0.06)
Net assets, end of period (Note 2)	$ 10.84
Ratios and supplemental data (Note 3)	
Total net asset value ('000s)	$ 2,308
Number of units outstanding ('000s)	213
Management expense ratio (Note 4)	4.28%
Management expense ratio before waivers or absorptions	13.13%
Net asset value per unit	$ 10.84

Financial highlights (continued)

Class I		**Dec 31, 2018**
Fund's net assets per unit (Note 1)		
Net assets, beginning of period	$	10.00
Increase from operations:		
Total revenue	$	0.08
Total expenses		(0.13)
Realized gain for the period		0.67
Unrealized gain for the period		0.53
Total increase from operations	$	1.15
Distributions to unitholders:		
From capital gains	$	(0.46)
Total distributions to unitholders	$	(0.46)
Net assets, end of period (Note 2)	$	10.66
Ratios and supplemental data (Note 3)		
Total net asset value ('000s)	$	429
Number of units outstanding ('000s)		40
Management expense ratio (Note 4)		1.81%
Management expense ratio before waivers or absorptions		10.66%
Net asset value per unit	$	10.66

Class UF	**Dec 31, 2018**			
		Canadian Dollars		**U.S. dollars**
Fund's net assets per unit (Note 1)				
Net assets, beginning of period	$	13.23	$	10.00
Increase from operations:				
Total revenue	$	0.04	$	0.03
Total expenses		(0.25)		(0.18)
Realized gain for the period		0.20		0.13
Unrealized gain for the period		1.06		0.56
Total increase from operations	$	1.05	$	0.54
Distributions to unitholders:				
From capital gains	$	(0.18)	$	(0.13)
Total distributions to unitholders	$	(0.18)	$	(0.13)
Net assets, end of period (Note 2)	$	13.72	$	10.05
Ratios and supplemental data (Note 3)				
Total net asset value ('000s)	$	341	$	250
Number of units outstanding ('000s)		25		25
Management expense ratio (Note 4)		4.30%		4.30%
Management expense ratio before waivers or absorptions		13.15%		13.15%
Net asset value per unit	$	13.72	$	10.05

Financial highlights (continued)

Notes

1. Net assets per unit is calculated as follows:
   (a) The financial information for 2018 is derived from the Fund's audited annual financial statements, covering the period from August 10, 2018 (commencement of operations) to December 31, 2018.
   (b) Net assets per unit of a class are based on the number of units outstanding for that class at the relevant time. The increase from operations per unit of a class is based on the weighted-average number of units outstanding for that class during the year.
   (c) Distributions per unit of a class are based on the number of units outstanding for the class on the record dates for distributions. Distributions were reinvested in additional units of the Fund.
   (d) The financial highlights are not intended to act as a continuity of the opening and closing net assets per unit.
2. The net assets are calculated in accordance with IFRS.
3. The financial information presented in the Ratios and supplemental data table is as at December 31, 2018 and for the respective period shown.
4. The management expense ratio ("MER") is calculated as the total expenses paid by each class of the Fund, including applicable taxes and excluding margin interest, commissions and other portfolio transaction costs, as an annualized percentage of the daily average NAV of each class of the Fund during the period. In the period a class is established, the MER is annualized. The Manager, at its sole discretion, waives or absorbs expenses. Such waivers and absorption can be terminated at any time. Fund MERs are shown both with and without the waiver and absorptions.

Fund level ratios **Class A, F, I and UF**	**Dec. 31, 2018**
Trading expense ratio including short dividend expense (Note 5)	4.17%
Trading expense ratio excluding short dividend expense (Note 5)	3.26%
Portfolio turnover rate (Note 6)	430.52%

Notes

5. The trading expense ratio represents margin interest, borrow fees on investments sold short, total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's daily average NAV. The trading expense ratio is calculated at the fund level and applies to all classes of the Fund.
6. Portfolio turnover rate is calculated at the fund level based on the lesser of purchases or proceeds of sales of securities for the year, excluding cash, short term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the year. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and fund performance.

Summary of Investment Portfolio at December 31, 2018

The below table shows the top 25 long positions held by the Fund. In the case the Fund has fewer than 25 short positions, all positions are indicated.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update is available. Please consult our website at www.ehpfunds.com.

Total NAV of the Fund (in millions) **$3.4**

Top 25 Holdings - Long

Issuer	% of NAV
Cash and cash equivalents	16.4
Nevsun Resources Ltd	4.3
Integrity Gaming Inc.	4.1
Agellan Commercial Real Estate Investment Trust	3.6
Nexeo Solutions Inc.	3.3
TESARO Inc.	3.2
Travelport Worldwide Ltd	3.2
Red Hat Inc.	3.2
Neo Performance Materials Inc.	3.2
Esterline Technologies Corp.	3.2
Pandora Media Inc.	3.2
Blue Hills Bancorp Inc.	3.2
Cortex Business Solutions Inc.	3.2
Nutrisystem Inc.	3.2
The Navigators Group Inc.	3.2
Tribune Media Co.	3.2
Integrated Device Technology Inc.	3.2
Investment Technology Group Inc.	3.2
InfraREIT Inc.	3.2
MINDBODY Inc.	3.1
Randgold Resources Ltd	3.1
ECN Capital Corp.	2.9
Electro Scientific Industries Inc.	2.6
Imperva Inc.	2.6
BinckBank NV	2.5
Total	**93.3**

Portfolio Allocation

	% of NAV		
	Long	**Short**	**Net**
Equity	102.6	(18.5)	84.1
Cash and cash equivalents	16.4	–	16.4
Fixed Income	1.3	–	1.3
Warrant	1.2	–	1.2
Option	0.1	(0.1)	–
Other net assets	(3.0)	–	(3.0)
Total	**118.6**	**(18.6)**	**100.0**

Top Holdings - Short

Issuer	
Sirius XM Holdings Inc.	(3.3)
Barrick Gold Corp.	(3.1)
Independent Bank Corp/Rockland MA	(2.4)
Univar Inc.	(2.2)
Luxfer Holdings PLC	(2.0)
Science Applications International Corp.	(1.7)
First Merchants Corp.	(1.6)
Husky Energy Inc.	(0.8)
Essendant Inc.	(0.5)
Chesapeake Energy Corp.	(0.4)
Tivity Health Inc.	(0.4)
MEG Energy Corp. PUT $8.00 18JAN2019	(0.1)
Taseko Mines Ltd	(0.1)
Total	**(18.6)**

Sector Allocation

	% of NAV		
	Long	**Short**	**Net**
Financial	25.1	(4.0)	21.1
Cash and cash equivalents	16.4	–	16.4
Technology	16.2	(1.7)	14.5
Communications	15.0	(3.3)	11.7
Consumer, Non-cyclical	10.2	(0.4)	9.8
Industrial	9.0	–	9.0
Consumer, Cyclical	9.9	(2.5)	7.4
Basic Materials	10.8	(5.3)	5.5
Diversified	5.2	–	5.2
Utilities	3.0	–	3.0
Energy	0.8	(1.4)	(0.6)
Other net assets	(3.0)	–	(3.0)
Total	**118.6**	**(18.6)**	**100.0**

Summary of Investment Portfolio (continued)

Regional Allocation

	% of NAV		
	Long	**Short**	**Net**
United States	68.6	(12.5)	56.1
Canada	31.9	(4.1)	27.8
Cash and cash equivalents	16.4	–	16.4
Europe	2.6	–	2.6
Australia	1.6	–	1.6
United Kingdom	0.5	(2.0)	(1.5)
Other net assets	(3.0)	–	(3.0)
Total	**118.6**	**(18.6)**	**100.0**

Net Currency Exposure

	% of NAV
Canadian dollar	99.9
U.S. dollar	0.1
Australian dollar	–
U.K. pound sterling	–
Euro	–
Total	**100.0**