

Financial Statements of

EHP GUARDIAN FUND

June 30, 2015

Manager's comments on unaudited interim financial statements

These interim financial statements of EHP Guardian Fund for the period ended June 30, 2015 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

Statement of financial position

As at June 30, 2015 and December 31, 2014 (unaudited)

	June 30, 2015
Assets	
Cash	\$ 1,011,161
Financial assets at fair value through profit or loss (cost - \$1,526,550) (note 2)	1,476,932
Receivable for investments sold (note 2)	1,106,348
Dividends receivable	6,730
Interest receivable	323
	<u>3,601,494</u>
Liabilities	
Financial liabilities at fair value through profit and loss (cost - \$878,350) (note 2)	856,009
Payable for investments purchased (note 2)	1,107,161
Performance fee payable (note 7)	429
Accounts payable and accrued liabilities	5,485
Management fee payable (note 7)	670
Dividends payable	464
Distribution payable	723
	<u>1,970,941</u>
Net assets attributable to holders of redeemable units (note 6)	\$ 1,630,553
Net assets attributable to holders of redeemable units per class and series:	
Class A - Initial Series	\$ 1,004
Class E - Initial Series	1,400,296
Class F - Initial Series	1,006
Founder Class - Initial Series	228,247
	<u>\$ 1,630,553</u>
Net assets attributable to holders of redeemable units per unit	
Class A - Initial Series	\$ 9.93
Class E - Initial Series	10.00
Class F - Initial Series	9.96
Founder Class - Initial Series	<u>10.08</u>

Signed on behalf of the Manager,
Edgehill Partners



Chief Financial Officer

EHP GUARDIAN FUND

Statement of comprehensive income

For period from April 1, 2015 (commencement of operations) to June 30, 2015
(unaudited)

	2015
Income:	
Dividend	\$ 23,389
Interest for distribution purposes	633
Net foreign currency gains	9,000
Net realized gains on financial assets and liabilities at fair value through profit or loss (note 3)	48,802
Net change in unrealized depreciation on financial assets and liabilities at fair value through profit or loss (note 3)	(27,277)
	<hr/> 54,547
Operating expenses:	
Commissions and other portfolio transaction costs	17,745
Performance fee (note 7)	429
Management fee (note 7)	670
Dividend expense on investments sold short	4,067
Interest and stock loan fees	3,431
Withholding taxes	1,021
Administration fee	7,910
	<hr/> 35,273
Finance costs and taxes	
Distributions to holders of redeemable shares	<hr/> 15,346
Increase in net assets attributable to holders of redeemable units	<hr/> \$ 3,928

EHP GUARDIAN FUND

Statement of changes in net assets attributable to holders of redeemable units
For period from April 1, 2015 (commencement of operations) to June 30, 2015 (unaudited)

2015

Series	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	Redemption of redeemable units	
Class A - Initial Series	\$ -	\$ (6)	\$ 1,010	\$ -	\$ 1,004
Class E - Initial Series	-	2,144	1,398,152	-	1,400,296
Class F - Initial Series	-	(4)	1,010	-	1,006
Founder Class - Initial Series	-	1,794	226,453	-	228,247
	\$ -	\$ 3,928	\$ 1,626,625	\$ -	\$ 1,630,553

EHP GUARDIAN FUND

Statement of cash flows

For period from April 1, 2015 (commencement of operations) to June 30, 2015
(unaudited)

	2015
<hr/>	
Cash flow from operating activities:	
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 3,928
Adjustments for:	
Net realized gains on financial assets and liabilities	
at fair value through profit or loss (note 4)	(48,802)
Net change in unrealized depreciation on financial assets and liabilities	
at fair value through profit or loss (note 4)	27,277
	<hr/>
	(17,597)
Change in non-cash balances:	
Purchases of investments	(10,196,886)
Cost of investments purchased to cover short positions	(4,805,190)
Proceeds from sale of investments	8,725,466
Proceeds from investments sold short	5,677,212
Net (increase) decrease in receivable for investments sold	(1,106,348)
Net (increase) decrease in dividends receivable	(6,730)
Net (increase) decrease in interest receivable	(323)
Net increase (decrease) in payable for investments purchased	1,107,161
Net increase (decrease) in performance fee payable (note 7)	429
Net increase (decrease) in accounts payable and accrued liabilities	5,485
Net increase (decrease) in management fee payable (note 7)	670
Net increase (decrease) in dividends payable	464
Net increase (decrease) in distribution payable	723
Net cash used in operating activities	<hr/>
	(615,464)
Cash flows from financing activities:	
Proceeds from issuance of redeemable units (note 6)	1,626,625
Payment on redemption of redeemable units (note 6)	-
Net cash provided by financing activities	<hr/>
	1,626,625
Net increase in cash	1,011,161
Cash at beginning of the period	-
Cash at end of the period	<hr/>
	\$ 1,011,161
Supplemental cash flow information:	
Interest received	309
Dividends received, net of withholding taxes	15,638

EHP GUARDIAN FUND

Schedule of investments

As at June 30, 2015 (unaudited)

NUMBER OF SHARES/ PAR VALUE	DESCRIPTION	AVERAGE COST	CARRYING VALUE	% OF NET ASSETS
INVESTMENTS LONG				
CANADIAN DEBT				
80,000	NYX Gaming Group Ltd., Subscription Receipts 9.0% 30JUN20	79,997	80,000	4.90
TOTAL CANADIAN BONDS		79,997	80,000	4.90
CANADIAN EQUITIES				
25,000	Diversified Royalty Corp.	73,750	73,750	4.52
3,600	Tahoe Resources Inc.	58,981	54,504	3.34
3,070	Black Diamond Group Ltd.	51,321	53,756	3.30
7,670	Chorus Aviation Inc., Class B	47,466	50,699	3.11
6,680	Extendicare Inc.	48,497	50,568	3.10
4,090	Ensign Energy Services Inc.	50,023	50,062	3.07
115,000	Quantum International Income Corp., Subscription Receipts	48,300	49,450	3.03
1,750	Manitoba Telecom Services Inc.	49,021	48,843	2.99
3,160	Sienna Senior Living Inc.	48,651	48,822	2.99
1,340	Great-West Lifeco Inc.	49,019	48,722	2.99
1,950	Parkland Fuel Corp.	49,113	48,516	2.97
4,860	Dream Global REIT	47,990	48,260	2.96
3,110	New Flyer Industries Inc.	48,406	48,143	2.95
12,490	Horizon North Logistics Inc.	51,122	48,087	2.95
2,350	Chemtrade Logistics Income Fund	48,771	47,705	2.92
620	Royal Bank of Canada	49,441	47,356	2.90
1,000	National Bank of Canada	49,434	46,920	2.88
1,430	Genworth MI Canada Inc.	49,277	46,904	2.88
7,100	Just Energy Group Inc.	48,658	46,221	2.83
1,440	Prairiesky Royalty Ltd.	45,772	45,374	2.78
7,810	Western Energy Services Corp.	49,272	45,220	2.77
2,000	Northern Property REIT	48,194	44,760	2.74
3,540	Superior Plus Corp.	48,042	44,462	2.73
2,620	Veresen Inc.	47,567	44,252	2.71
3,490	Computer Modelling Group Ltd.	48,133	44,183	2.71
9,320	Nevsun Resources Ltd.	49,143	43,804	2.69
6,280	Bonavista Energy Corp.	48,210	42,641	2.61
2,620	Transcontinental Inc., Class A	48,114	40,322	2.47
2,700	Mogo Finance Technology Inc.	26,065	24,138	1.48
5,200	UrtheCast Corp., Subscription Receipts	20,800	20,488	1.26
TOTAL CANADIAN EQUITIES		1,446,553	1,396,932	85.63
UNITED STATES WARRANTS				
57,500	Quantum International Income Corp., \$0.65 21JUL17	-	-	-
5,600	NYX Gaming Group Ltd. \$5.00 16JUL18	-	-	-
75,000	Western Lithium USA Corporation. \$0.90 10JUN17	-	-	-
TOTAL UNITED STATES WARRANTS		-	-	-
TOTAL INVESTMENTS LONG		1,526,550	1,476,932	90.54

EHP GUARDIAN FUND

Schedule of investments

As at June 30, 2015 (unaudited)

NUMBER OF SHARES/ PAR VALUE	DESCRIPTION	AVERAGE COST	CARRYING VALUE	% OF NET ASSETS
INVESTMENTS SHORT				
CANADIAN EQUITIES SHORT				
(5,240)	RMP Energy Inc.	(16,481)	(12,262)	(0.75)
(430)	Sierra Wireless Inc.	(16,892)	(13,343)	(0.82)
(1,120)	Teck Resources Ltd., Class B	(17,060)	(13,866)	(0.85)
(6,300)	Bombardier Inc., Class B	(16,022)	(14,175)	(0.87)
(1,110)	Secure Energy Services Inc.	(16,394)	(14,186)	(0.87)
(1,340)	Cipher Pharmaceuticals Inc.	(16,076)	(14,298)	(0.88)
(510)	Paramount Resources Ltd., Class A	(16,458)	(14,637)	(0.90)
(2,700)	PHX Energy Services Corp.	(16,283)	(14,796)	(0.91)
(2,360)	Granite Oil Corp.	(16,736)	(14,844)	(0.91)
(890)	Avigilon Corp.	(15,888)	(14,988)	(0.92)
(850)	Altus Group Ltd.	(16,406)	(15,130)	(0.93)
(560)	Brookfield Property Partners LP	(15,914)	(15,467)	(0.95)
(590)	WestJet Airlines Ltd.	(16,282)	(15,552)	(0.95)
(1,130)	Callidus Capital Corp.	(17,169)	(15,764)	(0.97)
(2,530)	Major Drilling Group International Inc.	(16,193)	(15,813)	(0.97)
(230)	Onex Corp.	(16,316)	(15,895)	(0.97)
(80)	Canadian Pacific Railway Ltd.	(16,610)	(16,002)	(0.98)
(690)	Jean Coutu Group Inc., Class A	(16,206)	(16,008)	(0.98)
(340)	Restaurant Brands International Ltd.	(16,402)	(16,276)	(1.00)
(810)	Interfor Corp.	(15,740)	(16,597)	(1.02)
(2,490)	Knight Therapeutics Inc.	(16,990)	(16,683)	(1.02)
(620)	Canfor Corp.	(16,186)	(16,864)	(1.03)
(830)	MEG Energy Corp.	(17,527)	(16,932)	(1.04)
(1,440)	Dundee Corp. Class A	(16,592)	(18,058)	(1.11)
(30)	Fairfax Financial Holdings Ltd.	(18,455)	(18,476)	(1.13)
(4,200)	iShares S&P/TSX Global Gold Index ETF	(39,644)	(39,522)	(2.42)
TOTAL CANADIAN EQUITIES SHORT		(452,922)	(426,434)	(26.15)
UNITED STATES EQUITIES SHORT				
(3,275)	iShares Barclays 7-10 Year Bond ETF	(425,428)	(429,575)	(26.35)
TOTAL UNITED STATES EQUITIES SHORT		(425,428)	(429,575)	(26.3)
TOTAL INVESTMENTS SHORT		(878,350)	(856,009)	(52.50)
TOTAL INVESTMENTS OWNED		648,200	620,923	38.08
OTHER LIABILITIES, NET			1,009,630	61.92
NET ASSETS			1,630,553	100.00

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (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 (the “Trust Agreement”) made as of March 19, 2015 and amended and restated as of June 25, 2015. The registered office of the Fund is 2 Bloor Street East, Suite 2102, Toronto, Ontario, Canada, M4W 1A8.

EdgeHill Partners, a general partnership formed under the laws of the Province of Ontario, is the manager and investment adviser 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 holders 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.

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”). The Fund uses this basis of accounting as required by Canadian securities legislation and the Canadian Accounting Standards Board.

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.

These semi-annual financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting.

Approval of the financial statements

The financial statements were approved by the Investment Manager and authorized for issue on August 12, 2015.

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 changes in fair value on financial assets at FVTPL.

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (unaudited)

Financial assets and financial liabilities

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 or financial liabilities held for trading; and those designated at FVTPL at inception.

(i) 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 derivatives and securities sold short have been categorized as held for trading.

(ii) 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, debt securities and 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.

Recognition, derecognition and measurement

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in the statement of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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

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 realized and net change in unrealized appreciation (depreciation) on financial assets at FVTPL in the period in which they arise.

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (unaudited)

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.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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.

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 off-set 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.

Cash and cash equivalents

Cash and cash equivalents consists of cash on deposit and short-term deposits with terms to maturity of less than three months at acquisition.

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 the financial statements
June 30, 2015 (unaudited)

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 rights. 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.

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.

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 profit or loss as an expense. Refer to Note 9 for further detail on soft dollar arrangements.

Taxation

The Trust qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) (the "Tax Act") 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 Trust's net income and net realized capital gains as 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 Trust to distribute all of its income and sufficient net realized capital gains so that the Trust 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.

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.

Future accounting standards

Financial instruments

IFRS 9, Financial Instruments ("IFRS 9"), is part of the IASB wider project to release IAS 39, Financial Instruments - Recognition and Measurement. IFRS 9 retains, but simplifies the mixed measurements model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entities' business model and the contractual cash flow characteristics of the financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018; however early adoption is permitted. The Fund is in the process of evaluating the impact of the new standard.

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (unaudited)

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FVTPL

The Fund's classification of financial assets and liabilities at FVTPL is described in note 2. The following table presents the net gains (losses) on financial assets and liabilities at FVTPL for the period ended June 30, 2015 and 2014:

2015	Held for trading	Designated at fair value through profit or loss	Total
Financial assets at FVTPL			
Net realized gains (losses)	-	55,132	55,132
Net change in unrealized gains (losses)	-	(49,621)	(49,621)
	-	5,511	5,511
Financial liabilities at FVTPL			
Net realized gains (losses)	(6,330)	-	(6,330)
Net change in unrealized gains (losses)	22,344	-	22,344
	16,014	-	16,014
Total	16,014	5,511	21,525

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 table details the Fund's investments in warrants as at June 30, 2015:

June 30, 2015				Fair value in
Description	Maturity Date	Strike Price	Notional Amount	financial assets (liabilities)
<i>Warrants</i>				
NYX Gaming Group Ltd.	July 16, 2018	5.00	28,000	-
Quantum International Income Corp.	July 21, 2017	0.65	37,375	-
Western Lithium USA Corp.	June 10, 2017	0.90	67,500	-

The notional amounts of certain types of financial instrument provide a basis for comparison with instruments recognized on the statement of financial position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and do not therefore indicate the Fund's exposure to credit or market price 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.

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (unaudited)

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Fund's investment activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including price risk, foreign exchange risk, and interest rate risk).

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that reduces the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, the market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objective and the types of securities it invests in. The Investment Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and may use derivatives to hedge certain risk exposures. To assist in managing risks, the Investment Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategies, internal guidelines and securities regulations.

The Fund's investment policy allows it to invest in a variety of financial instruments and utilize various investment strategies in order to meet its objectives. As part of the Fund's risk management practices, investment activities of the Fund are subject to the following investment restrictions as prescribed in the Offering Memorandum:

(i) *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 will not purchase private equity positions;

(ii) *Foreign investment proposals:*

The Fund will not invest in (i) an interest in a trust (or partnership which holds such interest) which would require the Fund (or the partnership) to report income in connection with such interest pursuant to proposed section 94.2 of the Income Tax Act (Canada) (the "Tax Act") or (ii) the securities of any non-resident corporation, trust or other non-resident entity if the Fund would be required to include an amount in income pursuant to section 94.1 Tax Act each as amended by, or set forth in, the amendments to the Tax Act released on October 24, 2012 (or amendments to such proposals or provisions as enacted into law or successor provisions thereto);

(iii) *Commodities:*

The Fund may not purchase or sell commodities.

(iv) *Unit fund status:*

The Fund will comply with the requirements set out in the Tax Act in order to cause the Fund to have "unit trust" status.

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (unaudited)

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can also increase the potential returns the Fund can achieve.

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 and, accordingly, represents the maximum credit risk exposure of the Fund.

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.

As at June 30, 2015, the Fund had no significant investments in debt instruments and/or derivatives.

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+.

(ii) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Fund could be exposed to weekly cash redemptions of redeemable units. The Fund manages its liquidity risk by primarily investing in marketable securities and other financial instruments which are traded in active markets and can be readily disposed of under normal market conditions. In addition, the Fund generally retains sufficient cash and cash equivalent positions to maintain liquidity.

Under extraordinary circumstances the Fund also has the ability to suspend redemptions if this is deemed to be in the best interest of all shareholders. The Fund did not withhold any redemptions or implement any suspension during 2015 or 2014.

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 does not represent significant liquidity risk as holders of these instruments typically retain them for the medium to long term.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices. The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (unaudited)

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 through 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 through from its investments in equity securities and related derivatives. As at June 30, 2015, 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 \$54,092.

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 Canadian Dollar, 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 table below summarizes the foreign currencies to which the Fund had significant exposure at June 30, 2015 in CAD terms. The table also illustrates 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.

June 30, 2015					
Currency Exposure					
Currency	Cash and other receivables	Investments at FVTPL	As a % of net assets attributable to holders of redeemable units	Impact on net assets attributable to holders of redeemable units	Impact as a % of net assets attributable to holders of redeemable units
United States Dollar	445,258	(429,575)	1.0	784	0.1

The analysis above is based on the assumptions that the relevant foreign exchange rate increased/decreased by the 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.

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (unaudited)

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 NAV 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.

Fair value measurement

The fair value of financial assets and 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 year end date. Valuation techniques used for non-standardized financial instruments include the use of comparable recent arm's length transactions, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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.

The following table analyses within the fair value hierarchy the Partnership's assets and liabilities measured at fair value as at June 30, 2015:

June 30, 2015	Level 1	Level 2	Level 3	Total
<i>Financial assets designated at FVTPL:</i>				
Debt securities	-	80,000	-	80,000
Equities	1,396,932	-	-	1,396,932
	1,396,932	80,000	-	1,476,932
<i>Financial liabilities held for trading:</i>				
Equities	(856,009)	-	-	(856,009)
	(856,009)	-	-	(856,009)
Total	540,923	80,000	-	620,923

There were no transfers between Levels 1, 2, and 3 in the periods presented.

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (unaudited)

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 NAV for each new series of \$10.

Units may be redeemed as of the last Business Day of each week (a "Redemption Date"), except in extraordinary circumstances. A request in writing (including, for greater certainty, requests sent by email) with the Unitholder's signature, to the satisfaction of the Investment Manager and the Trustee, must be received by the Investment Manager at least 6 calendar days 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 NAV 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 (i) any redemption charges payable, and (ii) any withholding or other taxes required to be deducted. The redemption proceeds will typically be paid to the Unitholder on or before the forth Business Day following the Redemption Date.

During the period ended June 30, 2015, the number of units issued, redeemed and outstanding was as follows:

June 30, 2015

	Units, beginning of period	Sale of units	Redemption of units	Units, end of period
Class A - Initial Series	-	101	-	101
Class E - Initial Series	-	139,991	-	139,991
Class F - Initial Series	-	101	-	101
Founder Class - Initial Series	-	22,644	-	22,644

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the period ended June 30, 2015 is calculated as follows:

Series	Increase (decrease) per series	2015	
		Weighted average units outstanding	Increase (decrease) per unit
Class A - Initial Series	(6)	100	(0.06)
Class E - Initial Series	2,144	134,658	0.02
Class F - Initial Series	(4)	100	(0.04)
Founder Class - Initial Series	1,794	22,551	0.08

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (unaudited)

7. RELATED PARTY TRANSACTIONS

Management Fees

As consideration for the services provided by the Investment Manager, the Fund pays the Investment Manager a Management Fee, monthly in arrears, calculated as:

- 1/12 of 2.0% of the aggregate of the net asset value of the Class A units on the last business day of the preceding month;
- 1/12 of 1.0% of the aggregate of the net asset value of the Class F units on the last business day of the preceding month;
- 1/12 of 1.5% of the aggregate of the net asset value of the Founder units on the last business day of the preceding month; and

Performance Fees

The Investment Manager is entitled to a quarterly Performance Fee equal to:

- 20% of the amount by which the performance of each Class A series and/or Class F series exceeds the previous high water mark;
- 10% of the amount by which the performance of each Founder series exceeds the previous high water mark.

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 Watermark") and, in such circumstances, a Performance Fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark. 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.

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, 2015, all units held by unitholders are related to the Investment Manager.

8. SOFT DOLLAR COMMISSIONS

In allocating brokerage business, consideration may be given by the Investment Manager of the Fund to dealers to furnish research, statistical and other services to the Investment Manager through soft dollar arrangements (the amount ascertained to have been paid for goods and services other than order execution). The total brokerage commission paid to dealers in connection with investment portfolio transactions and amounts of soft dollar commission for the period ended June 30, 2015 is approximately \$nil.

EHP GUARDIAN FUND

Notes to the financial statements
June 30, 2015 (unaudited)

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 fair value through profit and loss. The Fund's primary purpose is defined in the Fund's prospectus to meet those objectives. The Fund also measures and evaluates the performance of any ETFs on a fair value basis.

ETFs over which the Fund has control or significant influence are categorized as subsidiaries and associates, respectively. All other ETFs are categorized as unconsolidated structured entities.

Investments in ETFs are susceptible to market price risk arising from uncertainty about future values of those ETFs. The maximum exposure to loss from interests in ETFs is equal to the total fair value of the investment in those respective ETFs at any given point in time. The fair value of, if any, are disclosed in investments in the statements of financial position and listed in the schedule of investments.

Information on the Fund's investments in unconsolidated structured entities is shown in the table below:

ETF	Place of business	June 30, 2015
iShares S&P/TSX Global Gold Index ETF	Canada	\$ (39,522)
iShares Barclays 7-10 Year Bond ETF	United States	(429,575)

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 on SEDAR.