

Financial Statements of

EHP SELECT FUND

June 30, 2017

Manager's comments on unaudited interim financial statements

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

EHP SELECT FUND

Statements of Financial Position

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

	2017	2016
Assets		
Cash	\$ 10,086,953	\$ 1,117,953
Financial assets at fair value through profit or loss (cost - \$25,048,691; December 31, 2016 - \$20,328,592) (note 3)	26,326,913	22,211,924
Dividends receivable	29,325	53,020
Interest receivable	3,207	93
Receivable for investments sold (note 2)	4,842,025	458,348
Other receivable	2,564	232,000
Expenses paid in advance	5,520	-
	41,296,507	24,073,338
Liabilities		
Financial liabilities at fair value through profit or loss (proceeds - \$12,329,032; December 31, 2016 - \$3,995,687) (note 3)	11,828,954	4,493,813
Payable for investments purchased	7,275,987	2,003,868
Performance fees payable (note 7)	4,959	57,220
Accounts payable and accrued liabilities	34,849	46,793
Management fees payable (note 7)	18,432	14,819
Dividends payable	38,617	10,547
Interest payable	-	98
	19,201,798	6,627,158
Net assets attributable to holders of redeemable units (note 6)	\$ 22,094,709	\$ 17,446,180
Net assets attributable to holders of redeemable units per class and series:		
Class A - Initial Series	\$ 824,858	\$ 652,633
Class A - 2016 Series 10	-	84,938
Class A - 2016 Series 12	-	59,618
Class A - 2017 Series 5	108,662	-
Class A - 2017 Series 6	24,718	-
Class E - Initial Series	6,323,087	5,505,070
Class F - Initial Series	6,222,735	3,396,754
Class F - 2016 Series 10	-	1,180,803
Class F - 2016 Series 11	-	365,507
Class F - 2016 Series 12	-	175,509
Class F - 2017 Series 4	109,326	-
Class F - 2017 Series 5	207,558	-
Class F - 2017 Series 6	1,069,044	-
Class UA - Initial Series	290,244	-
Class UF - Initial Series	565,093	70,073
Class UF - 2016 Series 11	-	292,801
Class UF - 2017 Series 4	194,910	-
Founder Class - Initial Series	6,054,514	5,298,448
Founder Class - 2016 Series 12	-	364,026
Founder Class - 2017 Series 4	99,960	-
Total net assets attributable to holders of redeemable units	\$ 22,094,709	\$ 17,446,180

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Statements of Financial Position (continued)

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

	2017	2016
Net assets attributable to holders of redeemable units per unit:		
Class A - Initial Series	\$ 13.97	\$ 13.53
Class A - 2016 Series 10	-	10.19
Class A - 2016 Series 12	-	9.94
Class A - 2017 Series 5	9.73	-
Class A - 2017 Series 6	9.89	-
Class E - Initial Series	16.30	15.47
Class F - Initial Series	14.31	13.80
Class F - 2016 Series 10	-	10.33
Class F - 2016 Series 11	-	10.21
Class F - 2016 Series 12	-	10.03
Class F - 2017 Series 4	10.00	-
Class F - 2017 Series 5	9.68	-
Class F - 2017 Series 6	9.96	-
Class UA - Initial Series	13.31	-
Class UF - Initial Series	14.00	14.01
Class UF - 2016 Series 11	-	13.95
Class UF - 2017 Series 4	12.99	-
Founder Class - Initial Series	12.12	11.66
Founder Class - 2016 Series 12	-	10.05
Founder Class - 2017 Series 4	10.00	-

See accompanying notes to financial statements.

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



Chief Financial Officer

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Statements of Comprehensive Income

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

	2017	2016
Income:		
Dividend income	\$ 243,006	\$ 182,845
Interest for distribution purposes	5,610	3,448
Net foreign currency gains (losses)	(1,207)	1,076
Net gains on financial assets and liabilities		
at fair value through profit or loss:		
Net realized gains on financial assets and liabilities		
at fair value through profit or loss	751,568	174,042
Net change in unrealized appreciation on financial assets and liabilities		
at fair value through profit or loss	393,094	621,814
	1,392,071	983,225
Operating expenses:		
Commissions and other portfolio transaction costs	183,238	188,696
Dividends expense on investments sold short	109,037	73,038
Performance fees (note 7)	106,818	41,851
Management fees (note 7)	100,962	51,367
Interest and stock loan fees	55,504	31,918
Administration fees	34,540	30,041
Audit fees	10,493	8,429
Other fees	8,958	8,261
Legal fees	4,829	284
	614,379	433,885
Increase in net assets attributable to holders of redeemable units	\$ 777,692	\$ 549,340

See accompanying notes to financial statements.

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

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

2017	Net assets attributable to holders of redeemable units, beginning of period	Increase (decrease) in net assets attributable to holders of redeemable units	Unit Transactions			Net assets attributable to holders of redeemable units, end of period
			Proceeds from redeemable units issued	Redemption of redeemable units	Redesignation of redeemable units	
Class A - Initial Series	\$ 652,633	\$ 22,676	\$ -	\$ (26,642)	\$ 176,191	\$ 824,858
Class A - 2016 Series 10	84,938	-	-	-	(84,938)	-
Class A - 2016 Series 12	59,618	2,109	-	-	(61,727)	-
Class A - 2017 Series 1	-	886	28,638	-	(29,524)	-
Class A - 2017 Series 5	-	(2,838)	111,500	-	-	108,662
Class A - 2017 Series 6	-	(282)	25,000	-	-	24,718
Class E - Initial Series	5,505,070	314,011	504,006	-	-	6,323,087
Class F - Initial Series	3,396,754	184,580	-	(80,465)	2,721,866	6,222,735
Class F - 2016 Series 10	1,180,803	-	-	-	(1,180,803)	-
Class F - 2016 Series 11	365,507	-	-	-	(365,507)	-
Class F - 2016 Series 12	175,509	5,362	-	(30,500)	(150,371)	-
Class F - 2017 Series 1	-	7,033	204,300	-	(211,333)	-
Class F - 2017 Series 2	-	8,969	396,725	-	(405,694)	-
Class F - 2017 Series 3	-	588	407,550	-	(408,138)	-
Class F - 2017 Series 4	-	326	109,000	-	-	109,326
Class F - 2017 Series 5	-	5,217	202,341	-	-	207,558
Class F - 2017 Series 6	-	5,044	1,064,000	-	-	1,069,044
Class UA - Initial Series	-	(8,623)	-	-	298,867	290,244
Class UA - 2017 Series 1	-	2,977	65,570	-	(68,547)	-
Class UA - 2017 Series 2	-	7,909	222,411	-	(230,320)	-
Class UF - Initial Series	70,073	(5,850)	-	-	500,870	565,093
Class UF - 2016 Series 11	292,801	-	-	-	(292,801)	-
Class UF - 2017 Series 1	-	1,295	32,883	-	(34,178)	-
Class UF - 2017 Series 3	-	362	173,550	-	(173,912)	-
Class UF - 2017 Series 4	-	(6,060)	200,970	-	-	194,910
Founder Class - Initial Series	5,298,448	210,468	-	-	545,598	6,054,514
Founder Class - 2016 Series 12	364,026	14,736	-	-	(378,762)	-
Founder Class - 2017 Series 1	-	6,837	160,000	-	(166,837)	-
Founder Class - 2017 Series 4	-	(40)	100,000	-	-	99,960
	\$ 17,446,180	\$ 777,692	\$ 4,008,444	\$ (137,607)	\$ -	\$ 22,094,709

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

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

2016	Net assets attributable to holders of redeemable units, beginning of period	Increase (decrease) in net assets attributable to holders of redeemable units	Unit Transactions			Net assets attributable to holders of redeemable units, end of period
			Proceeds from redeemable units issued	Redemption of redeemable units	Redesignation of redeemable units	
Class A - Initial Series	\$ 1,234	\$ 5,225	\$ -	\$ -	\$ 402,730	\$ 409,189
Class A - 2015 Series 8	24,704	623	-	-	(25,327)	-
Class A - 2015 Series 11	35,203	-	-	-	(35,203)	-
Class A - 2015 Series 12	63,991	-	-	-	(63,991)	-
Class A - 2016 Series 2	-	1,636	25,000	-	(26,636)	-
Class A - 2016 Series 3	-	5,712	245,861	-	(251,573)	-
Class A - 2016 Series 4	-	136	25,000	-	-	25,136
Class A - 2016 Series 5	-	1,953	250,000	-	-	251,953
Class E - Initial Series	4,010,065	280,788	764,189	(20,000)	-	5,035,042
Class F - Initial Series	1,247	(1,340)	-	(110,870)	405,347	294,384
Class F - 2015 Series 7	10,000	-	-	-	(10,000)	-
Class F - 2015 Series 11	92,430	-	-	-	(92,430)	-
Class F - 2016 Series 1	-	8,716	130,000	-	(138,716)	-
Class F - 2016 Series 2	-	7,644	105,000	-	(112,644)	-
Class F - 2016 Series 3	-	1,557	50,000	-	(51,557)	-
Class F - 2016 Series 4	-	13,406	1,131,840	-	-	1,145,246
Class F - 2016 Series 5	-	(950)	298,518	-	-	297,568
Class F - 2016 Series 6	-	149	418,500	-	-	418,649
Founder Class - Initial Series	1,320,674	142,092	-	(619,463)	4,124,724	4,968,027
Founder Class - 2015 Series 6	1,381,194	-	-	-	(1,381,194)	-
Founder Class - 2015 Series 7	98,783	2,814	-	-	(101,597)	-
Founder Class - 2015 Series 8	741,297	21,071	-	-	(762,368)	-
Founder Class - 2015 Series 9	257,131	-	-	-	(257,131)	-
Founder Class - 2015 Series 10	197,777	5,611	-	-	(203,388)	-
Founder Class - 2015 Series 11	100,733	-	-	-	(100,733)	-
Founder Class - 2015 Series 12	50,369	-	-	-	(50,369)	-
Founder Class - 2016 Series 1	-	3,151	116,271	-	(119,422)	-
Founder Class - 2016 Series 2	-	11,482	153,000	-	(164,482)	-
Founder Class - 2016 Series 3	-	34,025	950,015	-	(984,040)	-
Founder Class - 2016 Series 4	-	2,815	150,000	-	-	152,815
Founder Class - 2016 Series 5	-	1,024	103,101	-	-	104,125
	\$ 8,386,832	\$ 549,340	\$ 4,916,295	\$ (750,333)	\$ -	\$ 13,102,134

See accompanying notes to financial statements.

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Statements of Cash Flows

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

	2017	2016
Cash flow from operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 777,692	\$ 549,340
Adjustments for:		
Net realized gain on financial assets and liabilities at fair value through profit or loss	(751,568)	(174,042)
Net change in unrealized appreciation on financial assets and liabilities at fair value through profit or loss	(393,094)	(621,814)
	(366,970)	(246,516)
Change in non-cash balances:		
Purchases of investments	(74,999,594)	(44,922,395)
Cost of investments purchased to cover short positions	(61,560,001)	(53,804,442)
Proceeds from sale of investments	75,475,284	37,525,315
Proceeds from investments sold short	66,337,567	55,287,324
Net (increase) decrease in dividends receivable	23,695	(31,625)
Net (increase) decrease in interest receivable	(3,114)	371
Net decrease in other receivable	229,436	-
Net increase in expenses paid in advance	(5,520)	(2,038)
Net increase (decrease) in performance fees payable	(52,261)	11,462
Net increase in accounts payable and accrued liabilities	(11,944)	(12,948)
Net increase (decrease) in management fees payable	3,613	(7,231)
Net increase in dividends payable	28,070	2,280
Net increase (decrease) in interest payable	(98)	184
Net cash provided by (used in) operating activities	5,098,163	(6,200,259)
Cash flows from financing activities:		
Proceeds from issuance of redeemable units	4,008,444	4,966,295
Payment on redemption of redeemable units	(137,607)	(750,333)
Net cash provided by financing activities	3,870,837	4,215,962
Net increase (decrease) in cash	8,969,000	(1,984,297)
Cash, beginning of period	1,117,953	3,344,958
Cash, end of period	\$ 10,086,953	\$ 1,360,661
Supplemental cash flow information:		
Interest paid	\$ 98	\$ 144
Interest received	3,058	3,819
Dividends received, net of withholding taxes	266,701	151,220
Dividends paid	80,967	70,758

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Schedule of Investments

As at June 30, 2017 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
Investments - long				
Canadian equities:				
295,490	Aimia Inc.	\$ 1,150,321	\$ 511,198	2.32
17,000	Alignvest Acquisition II Corp., Class A	170,000	171,700	0.79
35,100	Alio Gold Inc.	218,225	206,037	0.94
22,980	BRP Inc.	534,001	873,010	3.96
11,190	Canadian National Railway Co.	899,260	1,175,957	5.33
47,680	Canfor Corp.	894,628	934,051	4.23
4,000	CCL Industries Inc., Class B	232,618	262,440	1.19
51,170	Celestica Inc.	834,611	901,615	4.08
12,540	CGI Group Inc.	754,963	830,900	3.76
22,320	CI Financial Corp.	615,867	616,925	2.79
7,990	Cogeco Communications Inc.	634,403	632,888	2.86
13,660	Colliers International Group Inc.	894,919	1,001,278	4.53
6,780	Dollarama Inc.	589,605	840,110	3.80
3,920	Enghouse Systems Ltd.	223,541	205,996	0.93
1,000,000	Gaming Nation Inc.	920,055	920,000	4.16
24,040	Genworth MI Canada Inc.	764,071	857,747	3.88
11,140	Gildan Activewear Inc.	464,974	443,929	2.01
10,000	Imperial Oil Ltd.	393,460	378,000	1.71
811,000	Integra Gold Corp.	773,613	770,450	3.49
56,730	Interfor Corp.	863,985	1,054,043	4.77
185,700	iShares Canadian S&P/TSX Capped Energy Index ETF	2,066,866	2,031,558	9.19
10,000	Jamieson Wellness Inc.	157,500	157,500	0.71
29,290	Just Energy Group Inc.	220,863	199,172	0.90
9,510	Linamar Corp.	617,322	607,879	2.75
13,720	Magna International Inc., Class A	767,813	824,160	3.73
89,180	Martinrea International Inc.	884,946	944,416	4.27
338,200	Merus Labs International Inc.	543,805	554,648	2.51
10,600	New Flyer Industries Inc.	593,612	574,944	2.60
23,190	Norbord Inc.	887,365	936,180	4.24
9,400	RioCan REIT	228,982	226,258	1.02
3,240	Rogers Communications Inc., Class B	199,631	198,450	0.90
6,710	Royal Bank of Canada	635,789	630,203	2.85
14,090	The North West Company Inc.	421,744	440,453	1.99
17,200	Toronto-Dominion Bank	1,124,390	1,120,580	5.07
38,450	Transcontinental Inc., Class A	874,532	988,165	4.47
17,430	West Fraser Timber Co. Ltd.	827,602	1,069,853	4.84
411,320	Western Forest Products Inc.	885,487	962,489	4.36
Total Canadian equities - long		24,765,369	26,055,182	117.93
Canadian warrants:				
833,750	Aequus Pharmaceuticals Inc., Warrants \$0.45 13MAR19	-	-	-
50,000	Alio Gold Inc., Warrants \$8 20JUL18	-	-	-
33,500	Quantum International Income Corp., Warrants \$0.65 28JUL17	-	-	-
Total Canadian warrants		-	-	-
United States bonds:				
210,700	American Hotel Income Properties REIT 5% June 30, 2022	\$ 283,322	\$ 271,731	1.23
Total investments - long		\$ 25,048,691	\$ 26,326,913	119.16

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Schedule of Investments (continued)

As at June 30, 2017 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
Investments - short				
Canadian equities:				
(14,130)	Aecon Group Inc.	\$ (216,385)	\$ (228,058)	(1.03)
(16,950)	AGT Food and Ingredients Inc.	(459,887)	(394,596)	(1.79)
(14,100)	Bank of Nova Scotia	(1,107,572)	(1,099,941)	(4.98)
(23,970)	Baytex Energy Corp.	(102,744)	(75,506)	(0.34)
(37,230)	Bird Construction Inc.	(307,495)	(317,200)	(1.44)
(132,310)	Black Diamond Group Ltd.	(423,288)	(365,176)	(1.65)
(9,030)	Boardwalk REIT	(432,300)	(429,377)	(1.94)
(6,930)	Bonterra Energy Corp.	(110,080)	(116,008)	(0.53)
(18,620)	Boralex Inc., Class A	(384,168)	(408,895)	(1.85)
(2,020)	Brookfield Infrastructure Partners LP	(109,197)	(107,141)	(0.48)
(4,940)	Brookfield Renewable Partners LP	(201,261)	(204,269)	(0.92)
(93,240)	Calfrac Well Services Ltd.	(315,596)	(234,032)	(1.06)
(32,830)	Cameco Corp.	(430,865)	(387,722)	(1.75)
(8,300)	Canadian Western Bank	(213,396)	(227,254)	(1.03)
(60,670)	CES Energy Solution Corp.	(407,585)	(350,673)	(1.59)
(6,030)	Chemtrade Logistics Income Fund	(108,845)	(109,686)	(0.50)
(70,950)	DHX Media Ltd.	(415,280)	(407,253)	(1.84)
(21,540)	Dream Office REIT	(422,155)	(421,107)	(1.91)
(147,600)	Eldorado Gold Corp.	(520,733)	(506,268)	(2.29)
(39,270)	Element Fleet Management Corp.	(399,380)	(399,503)	(1.58)
(18,150)	Exchange Income Corp.	(566,474)	(600,039)	(2.72)
(5,320)	First Capital Realty Inc.	(105,891)	(105,123)	(0.48)
(36,250)	First Quantum Minerals Ltd.	(439,167)	(392,588)	(1.78)
(11,710)	Gibson Energy Inc.	(206,863)	(196,260)	(0.89)
(36,500)	Gran Tierra Energy Inc.	(102,580)	(105,120)	(0.48)
(14,540)	HudBay Minerals Inc.	(103,692)	(109,050)	(0.49)
(1,840)	Hudson's Bay Co.	(16,795)	(21,289)	(0.10)
(30,100)	Innergex Renewable Energy Inc.	(429,504)	(429,226)	(1.94)
(13,200)	iShares Canadian S&P/TSX Capped REIT Index ETF	(216,132)	(213,180)	(0.96)
(94,480)	Ivanhoe Mines Ltd.	(410,128)	(393,982)	(1.78)
(21,290)	Knight Therapeutics Inc.	(219,079)	(219,074)	(0.99)
(17,800)	MEG Energy Corp.	(108,940)	(67,818)	(0.31)
(138,770)	Nevsun Resources Ltd.	(441,669)	(434,350)	(1.97)
(148,190)	NexGen Energy Ltd.	(416,685)	(425,305)	(1.92)
(44,460)	Precision Drilling Corp.	(206,924)	(196,958)	(0.89)
(32,320)	Secure Energy Services Inc.	(307,094)	(286,032)	(1.29)
(10,890)	Shawcor Ltd.	(304,202)	(288,367)	(1.31)
(55,110)	Trican Well Service Ltd.	(202,441)	(200,049)	(0.91)
(117,530)	Turquoise Hill Resources Ltd.	(436,560)	(405,479)	(1.83)
	Total Canadian equities - short	(12,329,032)	(11,828,954)	(53.54)
Total investments - short		\$ (12,329,032)	\$ (11,828,954)	(53.54)
Total investments - long		\$ 25,048,691	\$ 26,326,913	119.16
Total investments - short		(12,329,032)	(11,828,954)	(53.54)
Total investments owned		<u>\$ 12,719,659</u>	14,497,959	65.62
Other assets, net			7,596,750	34.38
Net assets			\$ 22,094,709	100.00

See accompanying notes to financial statements.

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Notes to Financial Statements

June 30, 2017 (unaudited)

1. General information:

The EHP Select 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 October 14, 2014 and amended and restated as of June 1, 2015 between Caledon Trust Company as Trustee (the "Trustee") and EdgeHill Partners. The registered office of the Fund is 45 Hazelton Ave., Suite B, Toronto, Ontario, Canada M5R 2E3.

EdgeHill Partners, a general partnership formed under the laws of the Province of Ontario, is the manager and investment advisor of the Fund (the "Investment Manager"). The Investment Manager performs management functions for the Fund, including investment management of the Fund's portfolio.

The Fund's investment objective is to generate superior risk-adjusted investment returns over the long term by utilizing 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 its objective, the Fund will invest by employing diversified strategies.

2. Significant accounting policies:

The principal accounting policies applied in the preparation of these financial statements are set out below:

(a) Basis of presentation:

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board ("IASB"). In the preparation of these financial statements, the Fund has consistently applied these standards.

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss ("FVTPL") which are presented at fair value.

(b) Approval of the financial statements:

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

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

(c) Functional currency and foreign currency translation:

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

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

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

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

(d) Financial assets and liabilities:

(i) Classification:

The Fund classifies its investments in debt and equity securities, and derivatives, as financial assets and 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.

(a) Financial assets and liabilities held for trading:

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

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

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

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

All other financial assets and liabilities are classified as loans and receivables and other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost.

(ii) Recognition, derecognition and measurement:

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

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

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

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.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

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

Dividend income from financial assets at FVTPL is recognized in the statement of comprehensive income within dividend income, gross of withholding taxes, when the Fund's right to receive payments is established. Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date. Amounts not yet received or paid are included in the statement of financial position in dividends receivable and dividends payable on securities sold short, respectively. Interest for distribution purposes earned on debt securities at FVTPL is recognized in the statement of comprehensive income on an accrual basis.

(iii) Fair value measurement:

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

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.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

(e) Cost of investments:

The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other transaction costs. Realized gains and losses on disposition are determined based on the average cost of investments. Gains and losses arising from changes in the fair value of the investments are included in the statement of comprehensive income for the year in which they arise.

(f) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Fund currently has a legally enforceable right to 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.

(g) 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.

(h) Payable for investments purchased/receivable for investments sold:

Amounts receivable for investments sold and amounts payable for investments purchased that have been contracted are recorded on the statement of financial position at the amount to be received or delivered.

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

The Fund issues multiple classes of redeemable units, which are redeemable at the holder's option and do not have identical features and, therefore, are classified as financial liabilities. For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale, which amount is included in net assets attributable to holders of redeemable units. For each unit redeemed, net assets attributable to holders of redeemable units is reduced by the net asset value of the unit at the date of redemption. The redeemable shares are measured at the current value of the Fund's net assets and are considered a residual amount of the net assets attributable to holders of redeemable units. There is no difference in the method net asset value and net assets attributable to holders of redeemable units is computed.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

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

(j) Income allocation:

Income, expenses other than management fees, performance fees and realized and unrealized capital gains (losses) are distributed amongst the different classes of units in proportion to the amount invested in them. For management fees and performance fees, please refer to note 7.

(k) Net assets attributable to holders of redeemable units per unit:

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of units by the total numbers of units of that particular class or series outstanding at the end of the year.

(l) Commissions and other portfolio transaction costs:

Commissions and other portfolio transaction costs are costs incurred to acquire financial assets or liabilities at FVTPL. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognized in the statement of comprehensive income as an expense.

(m) Taxation:

The Fund qualifies as a unit trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income, including net realized capital gains, for the fiscal year which is not paid or payable to its unitholders as at the end of the fiscal year. It is the intention of the Manager that sufficient net taxable investment income and net taxable capital gains realized will be distributed to unitholders on a calendar year basis such that Canadian income taxes payable by the Fund under present legislation will be minimized.

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.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

2. Significant accounting policies (continued):

(n) Critical accounting estimates and assumptions:

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates.

(o) Future accounting standards:

IFRS 9, Financial Instruments ("IFRS 9"):

IFRS 9 was issued by the IASB in November 2009 and will replace International Accounting Standard 39, Financial Instruments - Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. In July 2014, the IASB issued the final version of IFRS 9. The revised standard adds guidance on the classification and measurement of financial liabilities.

IFRS 9 is effective for fiscal years beginning on or after January 1, 2018. The Fund continues to evaluate the impact of IFRS 9 on its financial statements, particularly with regard to the recording of its investments.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

3. Net gains (losses) on financial assets at fair value through profit or loss:

The Fund's classification of financial assets and liabilities at FVTPL is described in note 2. The following tables present the net gains (losses) on financial assets and liabilities at FVTPL for the period ended June 30, 2017 and 2016:

2017	Held-for-trading	Designated at FVTPL	Total
Financial assets at FVTPL			
Net realized gains	\$ -	\$ 465,434	\$ 465,434
Net change in unrealized losses	-	(605,111)	(605,111)
	-	(139,677)	(139,677)
Financial liabilities at FVTPL			
Net realized gains	286,134	-	286,134
Net change in unrealized gains	998,205	-	998,205
	1,284,339	-	1,284,339
Total	\$ 1,284,339	\$ (139,677)	\$ 1,144,662

2016	Held-for-trading	Designated at FVTPL	Total
Financial assets at FVTPL			
Net realized gains (losses)	\$ 40,793	\$ (145,417)	\$ (104,624)
Net change in unrealized gains (losses)	(29,061)	872,940	843,879
	11,732	727,523	739,255
Financial liabilities at FVTPL			
Net realized gains	278,666	-	278,666
Net change in unrealized losses	(222,065)	-	(222,065)
	56,601	-	56,601
Total	\$ 68,333	\$ 727,523	\$ 795,856

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

4. Derivative financial instruments:

The Fund holds the following derivative instruments:

Warrants:

A warrant is a contractual arrangement under which the issuer grants the holder the right, but not the obligation, either to buy at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price directly from the issuer of the underlying securities. The Fund is exposed to credit risk on purchased warrants only to the extent of their carrying amount, which is their fair value.

The following tables detail the Fund's investments in warrants:

June 30, 2017:

Description	Maturity date	Strike price	Notional amount
Warrants:			
Alio Gold Inc.	July 20, 2018	8.00	\$ 400,000
Aequus Pharmaceuticals Inc.	March 13, 2019	0.45	375,188
Quantum International Income Corp.	July 28, 2017	0.65	21,775

December 31, 2016

Description	Maturity date	Strike price	Notional amount
Warrants:			
Quantum International Income Corp.	July 28, 2017	\$ 0.65	\$ 21,775

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

4. Derivative financial instruments (continued):

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

5. Financial risk management:

(a) Financial risk factors:

The Fund's investment activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including other 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 against or obtain exposure to 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.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

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

Purchasing securities:

The Fund will typically purchase securities through normal market facilities. Purchases of securities under other circumstances will only be permitted where the purchase price for such securities approximates the prevailing market price or is negotiated or established on an arm's length basis.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below:

(i) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The carrying amount of the Fund's assets represents the maximum credit risk exposure.

The Fund's investments in debt instruments and related derivatives represent the main concentration of credit risk. The fair value of these financial instruments includes consideration of the creditworthiness of the issuer. As at June 30, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives.

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The majority of the cash and cash equivalents and investments of the Fund are held by BMO Capital Markets (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.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

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 BMO Capital Markets was A-1 (December 31, 2016 - A-1).

The Fund has provided the Prime Brokers with a general lien over the financial assets held in custody as security for the Prime Broker exposures relating to provision of custody services to the Fund. The terms under which the general lien is provided are usual and customary services to the Fund. The terms under which the general lien is provided are usual and customary for Prime Broker agreements. As at June 30, 2017, the fair value of financial assets subject to the general lien is \$41,296,507 (December 31, 2016 - \$24,073,338). The Fund's cash investments are held by highly credit worthy financial institutions.

(ii) Liquidity risk:

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

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

Under extraordinary circumstances, the Fund also has the ability to suspend redemptions if this is deemed to be in the best interest of all unitholders. The Fund did not withhold any redemptions or implement any suspension during 2017 or 2016.

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.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

(iii) Market risk:

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

(a) Price risk:

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

All investments represent a risk of loss of capital. The Investment Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Fund's investment objectives and strategy. Except for securities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from securities sold short can be unlimited. The Fund's overall market positions are monitored on a regular basis by the Investment Manager.

The Fund is primarily exposed to other price risk from its investments in equity securities and related derivatives. As at June 30, 2017, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$1,422,623 (December 31, 2016 - \$1,771,811).

The Fund is also exposed to other 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.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

(b) Foreign exchange risk:

The Fund holds both monetary and non-monetary assets denominated or traded in currencies other than the CAD, the Fund's functional currency. Foreign currency risk arises as the value of future transactions, assets and liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The tables below summarize the foreign currencies to which the Fund had significant exposure at June 30, 2017 and December 31, 2016 in CAD terms. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable units if CAD had strengthened or weakened by 5% in relation to the listed currencies, with all other variables held constant.

2017:

United States dollar		Exposure		Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$	790,814	\$	39,541
Investments at FVTPL		271,731		13,587
<hr/>				
% of net assets attributable to holders of redeemable units		4.8%		0.2%

2016:

United States dollar		Exposure		Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$	364,784	\$	18,239
<hr/>				
% of net assets attributable to holders of redeemable units		2.1%		0.1%

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

The analysis above is based on the assumptions that the relevant foreign exchange rate increased/decreased by 5%, with all other variables held constant. This represents management's best estimate of a reasonably possible shift in the foreign exchange rates.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates.

The majority of the Fund's investments are non-interest bearing and, as such, are not subject to a significant amount of risk arising from fluctuations in interest rates.

(b) Capital risk management:

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's net asset value per unit upon redemption. The relevant movements are shown on the statement of changes in net assets attributable to holders of redeemable units. There is no external regulatory requirement to maintain a minimum capital amount.

(c) 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 year 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.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

5. Financial risk management (continued):

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.

All investments held by the Fund are classified as Level 1 except for investments in bonds of \$271,731 (December 31, 2016 - \$Nil) which are classified as Level 2.

There were no transfers among Levels 1, 2, and 3 in the years presented.

EHP SELECT FUND

Notes to Financial Statements (continued)

June 30, 2017 (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 on the last business day of a week, a valuation date, and such subscription is accepted, the units subscribed for will be issued on the first business day of the next week. Units will be issued in series each month at an opening pricing net asset value for each new series of CAD \$10 for Class A, Class F and Founders Class units or U.S. \$10 for Class UA and Class UF units.

Units may be redeemed as of the last business day of each week (a "Redemption Date"), except in extraordinary circumstances. A request in writing (including, for greater certainty, requests sent by email) with the unitholder's signature, to the satisfaction of the Investment Manager and the Trustee, must be received by the Investment Manager at least one business day prior to the Redemption Date or such other period as permitted by the Investment Manager and the Trustee in their sole discretion. The amount payable to a unitholder for each unit redeemed will be an amount equal to the class net asset value per unit of the relevant series on the Redemption Date, together with the proportionate share attributable to such units of any distribution which has been declared and not paid, less (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 fourth business day following the Redemption Date.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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

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

June 30, 2017	Units, beginning of period	Sale of units	Redemption of units	Redesignation of units	Units, end of period
Class A - Initial Series	48,229	-	(1,967)	12,799	59,061
Class A - 2016 Series 10	8,339	-	-	(8,339)	-
Class A - 2016 Series 12	6,000	-	-	(6,000)	-
Class A - 2017 Series 1	-	2,864	-	(2,864)	-
Class A - 2017 Series 5	-	11,166	-	-	11,166
Class A - 2017 Series 6	-	2,500	-	-	2,500
Class E - Initial Series	355,850	32,042	-	-	387,892
Class F - Initial Series	246,182	-	(5,590)	194,295	434,887
Class F - 2016 Series 10	114,363	-	-	(114,363)	-
Class F - 2016 Series 11	35,803	-	-	(35,803)	-
Class F - 2016 Series 12	17,496	-	(3,022)	(14,474)	-
Class F - 2017 Series 1	-	20,490	-	(20,490)	-
Class F - 2017 Series 2	-	39,236	-	(39,236)	-
Class F - 2017 Series 3	-	41,011	-	(41,011)	-
Class F - 2017 Series 4	-	10,936	-	-	10,936
Class F - 2017 Series 5	-	21,444	-	-	21,444
Class F - 2017 Series 6	-	107,355	-	-	107,355
Class UA - Initial Series	-	-	-	21,800	21,800
Class UA - 2017 Series 1	-	5,000	-	(5,000)	-
Class UA - 2017 Series 2	-	17,000	-	(17,000)	-
Class UF - Initial Series	5,000	-	-	35,368	40,368
Class UF - 2016 Series 11	20,983	-	-	(20,983)	-
Class UF - 2017 Series 1	-	2,500	-	(2,500)	-
Class UF - 2017 Series 3	-	13,000	-	(13,000)	-
Class UF - 2017 Series 4	-	15,000	-	-	15,000
Founder Class - Initial Series	454,400	-	-	44,984	499,384
Founder Class - 2016 Series 12	36,223	-	-	(36,223)	-
Founder Class - 2017 Series 1	-	16,109	-	(16,109)	-
Founder Class - 2017 Series 4	-	10,000	-	-	10,000

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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

June 30, 2016	Units, beginning of period	Sale of units	Redemption of units	Redesignation of units	Units, end of period
Class A - Initial Series	100	-	-	32,102	32,202
Class A - 2015 Series 8	2,500	-	-	(2,500)	-
Class A - 2015 Series 11	3,500	-	-	(3,500)	-
Class A - 2015 Series 12	6,281	-	-	(6,281)	-
Class A - 2016 Series 2	-	2,500	-	(2,500)	-
Class A - 2016 Series 3	-	24,522	-	(24,522)	-
Class A - 2016 Series 4	-	2,500	-	-	2,500
Class A - 2016 Series 5	-	25,000	-	-	25,000
Class E - Initial Series	298,628	59,728	(1,435)	-	356,921
Class F - Initial Series	100	-	(9,201)	31,924	22,823
Class F - 2015 Series 7	1,000	-	-	(1,000)	-
Class F - 2015 Series 11	9,284	-	-	(9,284)	-
Class F - 2016 Series 1	-	13,008	-	(13,008)	-
Class F - 2016 Series 2	-	10,500	-	(10,500)	-
Class F - 2016 Series 3	-	5,000	-	(5,000)	-
Class F - 2016 Series 4	-	113,375	-	-	113,375
Class F - 2016 Series 5	-	29,509	-	-	29,509
Class F - 2016 Series 6	-	41,890	-	-	41,890
Founder Class - Initial Series	126,526	-	(56,806)	389,282	459,002
Founder Class - 2015 Series 5	-	-	-	-	-
Founder Class - 2015 Series 6	137,183	-	-	(137,183)	-
Founder Class - 2015 Series 7	10,000	-	-	(10,000)	-
Founder Class - 2015 Series 8	75,413	-	-	(75,413)	-
Founder Class - 2015 Series 9	25,000	-	-	(25,000)	-
Founder Class - 2015 Series 10	20,000	-	-	(20,000)	-
Founder Class - 2015 Series 11	10,000	-	-	(10,000)	-
Founder Class - 2015 Series 12	5,000	-	-	(5,000)	-
Founder Class - 2016 Series 1	-	11,627	-	(11,627)	-
Founder Class - 2016 Series 2	-	15,300	-	(15,300)	-
Founder Class - 2016 Series 3	-	94,688	-	(94,688)	-
Founder Class - 2016 Series 4	-	15,000	-	-	15,000
Founder Class - 2016 Series 5	-	10,312	-	-	10,312

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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

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

Series	2017			2016		
	Increase (decrease) per series	Weighted average units outstanding	Increase (decrease) per unit	Increase (decrease) per series	Weighted average units outstanding	Increase (decrease) per unit
Class A - Initial Series	22,676	56,046	0.40	5,225	32,202	0.16
Class A - 2016 Series 2	-	-	-	1,636	2,500	0.65
Class A - 2016 Series 3	-	-	-	5,712	23,869	0.24
Class A - 2016 Series 4	-	-	-	136	2,500	0.05
Class A - 2016 Series 5	-	-	-	1,953	25,000	0.08
Class A - 2016 Series 12	2,109	6,000	0.35	-	-	-
Class A - 2017 Series 1	886	2,864	0.31	-	-	-
Class A - 2017 Series 5	(2,838)	10,914	(0.26)	-	-	-
Class A - 2017 Series 6	(282)	2,500	(0.11)	-	-	-
Class E - Initial Series	314,011	379,628	0.83	280,788	342,573	0.82
Class F - Initial Series	184,580	396,432	0.47	(1,340)	25,508	(0.05)
Class F - 2016 Series 1	-	-	-	8,716	12,668	0.69
Class F - 2016 Series 2	-	-	-	7,644	10,500	0.73
Class F - 2016 Series 3	-	-	-	1,557	5,000	0.31
Class F - 2016 Series 4	-	-	-	13,406	102,889	0.13
Class F - 2016 Series 5	-	-	-	(950)	21,749	(0.04)
Class F - 2016 Series 6	-	-	-	149	39,642	0.00
Class F - 2016 Series 12	5,362	15,174	0.35	-	-	-
Class F - 2017 Series 1	7,033	18,254	0.39	-	-	-
Class F - 2017 Series 2	8,969	24,360	0.37	-	-	-
Class F - 2017 Series 3	588	27,586	0.02	-	-	-
Class F - 2017 Series 4	326	9,723	0.03	-	-	-
Class F - 2017 Series 5	5,217	14,375	0.36	-	-	-
Class F - 2017 Series 6	5,044	78,906	0.06	-	-	-
Class UA - Initial Series	(8,623)	21,800	(0.40)	-	-	-
Class UA - 2017 Series 1	2,977	5,000	0.60	-	-	-
Class UA - 2017 Series 2	7,909	17,000	0.47	-	-	-
Class UF - Initial Series	(5,850)	32,771	(0.18)	-	-	-
Class UF - 2017 Series 1	1,295	2,500	0.52	-	-	-
Class UF - 2017 Series 3	362	13,000	0.03	-	-	-
Class UF - 2017 Series 4	(6,060)	15,000	(0.40)	-	-	-
Founder Class - Initial Series	210,468	475,774	0.44	142,092	502,834	0.28
Founder Class - 2016 Series 1	-	-	-	3,151	11,627	0.27
Founder Class - 2016 Series 2	-	-	-	11,482	15,300	0.75
Founder Class - 2016 Series 3	-	-	-	34,025	89,578	0.38
Founder Class - 2016 Series 4	-	-	-	2,815	15,000	0.19
Founder Class - 2016 Series 5	-	-	-	1,024	10,239	0.10
Founder Class - 2016 Series 12	14,736	36,223	0.41	-	-	-
Founder Class - 2017 Series 1	6,837	14,787	0.46	-	-	-
Founder Class - 2017 Series 4	(40)	10,000	(0.00)	-	-	-

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

7. Related party transactions:

(a) Management fees:

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

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

(b) Performance fee:

The Investment Manager is entitled to a quarterly performance fee equal to:

- 20% of the amount by which the performance of each Class A, Class UA, Class F, Class UF, Class I, Class J and Class UJ series exceeds the previous high water mark; and
- 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 water mark and, in such circumstances, a performance fee shall only be paid on that portion of the net profit that exceeds the high water mark. Because the performance fee is calculated on a series-by-series basis, if a new investor purchases units of the class or an existing unitholder purchases additional units of the class, the starting point for the measurement of net profit with respect to that new or additional investment will be the applicable subscription date for such class of units. The previous highest class net asset value per unit of the class of units of any series achieved prior to the purchase of the new units of the class will not be considered in determining whether a performance fee is payable with respect to any such newly issued series of units of the class. As a result, different series of units of the class may have different performance fees payable at the end of the same calculation period, based on the level of net profit relating to each such series during the period during which it was outstanding, and a unitholder may be subject to a performance fee payment with respect to its units of the class in one series even if it incurs a net loss with respect to the aggregate number of units of the class it owns in all series.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

7. Related party transactions (continued):

(c) Other expenses:

The Fund is responsible for all of its operating expenses including legal, audit and all other expenses incurred in the ordinary course of operations. There were no such expenses absorbed by the Investment Manager for the period ended June 30, 2017 (December 31, 2016 - \$Nil).

(d) Related party shareholdings:

The Investment Manager, its officers and directors invest in units of the Fund from time to time in the normal course of business. All transactions with the Investment Manager are in the normal course of business and are measured at the exchange amounts. As at June 30, 2017, 100.0000 of Class A Units and 100.0000 of Class F Units were held by the Investment Manager and 387,892.1507 of Class E Units and 37,591.3358 of Founder Units (December 31, 2016 - 100.0000, 100.0000, 355,850.3133 and 37,591.3358, respectively) were owned by unitholders 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 commissions for the period ended June 30, 2017 is approximately \$57,000 (2016 - \$35,727).

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.

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Notes to Financial Statements (continued)

June 30, 2017 (unaudited)

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

In determining whether the Fund has control or significant influence over an ETF, the Fund assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns. In instances where the Fund has control over an ETF, the Fund qualifies as an investment entity under IFRS 10, Consolidated Financial Statements, and therefore accounts for investments it controls at FVTPL. The Fund's primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in the Fund's Offering Memorandum to meet those objectives. The Fund also measures and evaluates the performance of any ETFs on a fair value basis.

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

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 statement of financial position and listed in the schedule of investments. The Fund also measures and evaluates the performance of any ETFs on a fair value basis.

As at	ETF	Place of business	Fair value amounts	Proportion of interest owned
June 30, 2017	iShares Canadian S&P/TSX Capped Energy Index ETF	Canada	\$ 2,031,558	0.22%
December 31, 2016	iShares Canadian S&P/TSX Capped Energy Index ETF	Canada	981,400	0.09%

10. Filing exemption:

The Fund is relying on the exemption contained in Section 2.11(d) of National Instrument 81-106 not to file its financial statements with the Ontario Securities Commission.

11. Subsequent events:

The Fund has evaluated the effect of subsequent events on the Fund's financial statements through August 18, 2017, which is the date the financial statement were available to be issued. For the period from July 1, 2017 to August 18, 2017, the Fund has subscriptions of \$192,935 and redemptions of \$719,863.