

Financial Statements of

EHP SELECT FUND

Period ended June 30, 2018

Manager's comments on unaudited interim financial statements

These interim financial statements of EHP Select Fund for the six months ended June 30, 2018 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

June 30, 2018 and December 31, 2017 (unaudited)

	2018	2017
Assets		
Cash	\$ 40,043	\$ 37,829
Financial assets at fair value through profit or loss (cost - \$35,044,271; December 31, 2017 - \$36,247,953) (note 5)	39,336,494	40,534,860
Derivative assets	259,303	5,950
Receivable for investments sold (note 2)	1,955,584	4,649,686
Dividends receivable	62,520	76,203
Interest receivable	1,207	1,064
Expenses paid in advance	7,335	3,581
Other receivable	7,090	-
	41,669,576	45,309,173
Liabilities		
Financial liabilities at fair value through profit and loss (proceeds - \$9,861,193; December 31, 2017 - \$10,848,867) (note 5)	\$ 10,026,017	\$ 11,062,825
Bank margin	1,638,527	1,539,893
Derivative liabilities	47,740	-
Payable for investments purchased	1,315,446	4,547,070
Performance fees payable (note 7)	34,954	283,413
Accounts payable and accrued liabilities	29,214	38,658
Management fees payable (note 7)	24,738	25,537
Dividends payable	34,567	35,255
Interest payable	1,761	29
	13,152,964	17,532,680
Net assets attributable to holders of redeemable units (note 6)	\$ 28,516,612	\$ 27,776,493
Net assets attributable to holders of redeemable units per class and series:		
Class A - Initial Series	\$ 1,094,716	\$ 1,016,331
Class A - 2017 Series 10	-	52,393
Class A - 2017 Series 11	-	25,647
Class E - Initial Series	7,017,370	6,438,133
Class F - Initial Series	9,879,734	7,693,671
Class F - 2017 Series 10	-	148,603
Class F - 2017 Series 11	-	4,052,895
Class F - 2017 Series 12	-	148,862
Class F - 2018 Series 1	192,869	-
Class F - 2018 Series 2	222,725	-
Class F - 2018 Series 3	1,272,830	-
Class F - 2018 Series 4	87,512	-
Class F - 2018 Series 5	116,397	-
Class F - 2018 Series 6	176,704	-
Class UA - Initial Series	321,890	307,620
Class UF - Initial Series	890,658	808,676
Class UF - 2017 Series 10	-	19,789
Class UF - 2017 Series 12	-	19,073
Founder Class - Initial Series	6,931,780	6,408,681
Founder Class - 2017 Series 10	-	636,119
Founder Class - 2018 Series 1	311,427	-
Total net assets attributable to holders of redeemable units	\$ 28,516,612	\$ 27,776,493

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Statements of Financial Position

June 30, 2018 and December 31, 2017 (unaudited)

	2018	2017
Net assets attributable to holders of redeemable units per unit:		
Class A - Initial Series	\$ 15.25	\$ 15.25
Class A - 2017 Series 10	-	10.48
Class A - 2017 Series 11	-	10.26
Class E - Initial Series	18.66	18.44
Class F - Initial Series	15.76	15.69
Class F - 2017 Series 10	-	10.69
Class F - 2017 Series 11	-	10.27
Class F - 2017 Series 12	-	10.05
Class F - 2018 Series 1	9.98	-
Class F - 2018 Series 2	10.06	-
Class F - 2018 Series 3	10.24	-
Class F - 2018 Series 4	10.19	-
Class F - 2018 Series 5	10.23	-
Class F - 2018 Series 6	9.91	-
Class UA - Initial Series	14.77	14.11
Class UF - Initial Series	15.65	14.89
Class UF - 2017 Series 10	-	13.19
Class UF - 2017 Series 12	-	12.72
Founder Class - Initial Series	13.47	13.43
Founder Class - 2017 Series 10	-	10.78
Founder Class - 2018 Series 1	9.96	-

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, 2018 and 2017 (unaudited)

	2018	2017
Income:		
Dividend income	\$ 314,143	\$ 243,006
Interest for distribution purposes	36,420	5,610
Net foreign currency losses	(1,749)	(1,207)
Other income	7,090	-
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 (note 3)	463,156	751,568
Net change in unrealized appreciation on financial assets and liabilities at fair value through profit or loss (note 3)	130,481	393,094
	<u>949,541</u>	<u>1,392,071</u>
Operating expenses:		
Dividend expense on investments sold short	192,040	109,037
Commissions and other portfolio transaction costs	189,282	183,238
Management fees (note 7)	150,198	100,962
Interest and stock loan fees	110,124	55,504
Performance fees (note 7)	35,368	106,818
Administration fee	25,248	34,540
Other fees	15,155	8,958
Audit fee	8,976	10,493
Legal fee	6,021	4,829
	<u>732,412</u>	<u>614,379</u>
Increase in net assets attributable to holders of redeemable units (note 6)	<u>\$ 217,129</u>	<u>\$ 777,692</u>

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, 2018 and 2017 (unaudited)

	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	Redesignation of redeemable units		
2018							
Class A - Initial Series	\$ 1,016,331	\$ 345	\$ -	\$ -	\$ 78,040	\$ 1,094,716	
Class A - 2017 Series 10	52,393	-	-	-	(52,393)	-	
Class A - 2017 Series 11	25,647	-	-	-	(25,647)	-	
Class E - Initial Series	6,438,133	64,237	515,000	-	-	7,017,370	
Class F - Initial Series	7,693,671	54,428	-	(2,218,725)	4,350,360	9,879,734	
Class F - 2017 Series 10	148,603	-	-	-	(148,603)	-	
Class F - 2017 Series 11	4,052,895	-	-	-	(4,052,895)	-	
Class F - 2017 Series 12	148,862	-	-	-	(148,862)	-	
Class F - 2018 Series 1	-	(3,609)	244,736	(48,258)	-	192,869	
Class F - 2018 Series 2	-	1,665	221,060	-	-	222,725	
Class F - 2018 Series 3	-	31,931	1,260,000	(19,101)	-	1,272,830	
Class F - 2018 Series 4	-	1,812	85,700	-	-	87,512	
Class F - 2018 Series 5	-	1,710	114,687	-	-	116,397	
Class F - 2018 Series 6	-	(2,745)	179,449	-	-	176,704	
Class UA - Initial Series	307,620	14,270	-	-	-	321,890	
Class UF - Initial Series	808,676	43,120	-	-	38,862	890,658	
Class UF - 2017 Series 10	19,789	-	-	-	(19,789)	-	
Class UF - 2017 Series 12	19,073	-	-	-	(19,073)	-	
Founder Class - Initial Series	6,408,681	13,990	-	(127,010)	636,119	6,931,780	
Founder Class - 2017 Series 10	636,119	-	-	-	(636,119)	-	
Founder Class - 2018 Series 1	-	(4,025)	315,452	-	-	311,427	
	\$ 27,776,493	\$ 217,129	\$ 2,936,084	\$ (2,413,094)	\$ -	\$ 28,516,612	

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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, 2018 and 2017 (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

See accompanying notes to financial statements.

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Statements of Cash Flows

For the six months period ended June 30, 2018 and 2017 (unaudited)

	2018	2017
Cash flow from operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 217,129	\$ 777,692
Adjustments for:		
Net realized gains on financial assets and liabilities at fair value through profit or loss	(463,156)	(751,568)
Net change in unrealized appreciation on financial assets and liabilities at fair value through profit or loss	(130,481)	(393,094)
	(376,508)	(366,970)
Change in non-cash balances:		
Purchases of investments	(92,030,949)	(74,999,594)
Cost of investments purchased to cover short positions	(62,256,032)	(61,560,001)
Proceeds from sale of investments	90,717,371	75,475,284
Proceeds from investments sold short	63,581,670	66,337,567
Net decrease in dividends receivable	13,683	23,695
Net increase in interest receivable	(143)	(3,114)
Net increase in expenses paid in advance	(3,754)	(5,520)
Net (increase) decrease in other receivable	(7,090)	229,436
Net decrease in performance fees payable (note 7)	(248,459)	(52,261)
Net decrease in accounts payable and accrued liabilities	(9,444)	(11,944)
Net increase (decrease) in management fees payable (note 7)	(799)	3,613
Net increase (decrease) in dividends payable	(688)	28,070
Net increase (decrease) in interest payable	1,732	(98)
Net cash used in operating activities	(619,410)	5,098,163
Cash flows from financing activities:		
Proceeds from issuance of redeemable units	2,936,084	4,008,444
Payment on redemption of redeemable units	(2,413,094)	(137,607)
Net cash provided by financing activities	522,990	3,870,837
Net increase (decrease) in cash	(96,420)	8,969,000
Cash (bank margin), beginning of period	(1,502,064)	1,117,953
Cash (bank margin), end of period	\$ (1,598,484)	\$ 10,086,953
Supplemental cash flow information:		
Interest paid	\$ 635	\$ 98
Interest received	36,277	3,058
Dividends received, net of withholding taxes	327,826	266,701
Dividends paid	192,728	80,967

See accompanying notes to financial statements.

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Schedule of Investments

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
Investments - long				
Canadian equities:				
412,700	Aimia Inc.	\$ 984,192	\$ 957,464	3.38
31,400	Air Canada Inc.	768,491	667,250	2.34
70,000	Alignvest Acquisition II Corp., Class A	683,729	682,500	2.39
63,000	Aritzia Inc.	863,877	982,800	3.45
47,200	Badger Daylighting Ltd.	1,266,418	1,494,824	5.24
22,000	BRP Inc.	827,775	1,394,360	4.89
125,300	Canaccord Genuity Group Inc.	799,901	909,678	3.19
55,100	Canfor Corp.	1,189,506	1,743,364	6.11
90,700	Cannabis Strategies Acquisition Corp., Subscription Receipts	12,049	58,955	0.21
63,700	Cannabis Strategies Acquisition Corp., Class A	635,632	633,815	2.22
12,700	CCL Industries Inc., Class B	807,517	818,515	2.87
14,500	CGI Group Inc.	924,693	1,207,995	4.24
33,800	CI Financial Corp.	931,929	798,694	2.80
9,700	Cogeco Inc.	841,778	563,764	1.98
12,800	Colliers International Group Inc.	1,103,256	1,280,256	4.49
1,300	Constellation Software Inc.	1,251,078	1,325,415	4.65
35,500	Enbridge Income Fund Holdings Inc.	1,079,190	1,144,520	4.01
27,600	Genworth MI Canada Inc.	965,303	1,180,728	4.14
19,100	Gluskin Sheff + Associates Inc.	315,297	313,622	1.10
24,100	Great Canadian Gaming Corp.	1,269,525	1,121,855	3.93
65,500	Interfor Corp.	1,153,036	1,653,875	5.80
819,000	Iron Bridge Resources Inc.	599,180	614,250	2.15
4,500	Linamar Corp.	325,604	260,145	0.91
15,600	Magna International Inc., Class A	1,101,179	1,192,776	4.18
103,000	Martinrea International Inc.	1,258,158	1,452,300	5.09
40,000	Mav Beauty Brands Inc.	560,000	560,000	1.96
70,900	Medical Facilities Corp.	1,081,633	990,473	3.47
24,300	MedReleaf Corp.	614,287	655,857	2.30
14,400	Methanex Corp.	1,100,732	1,338,624	4.69
14,700	Minto Apartment Real Estate Investment Trust	213,150	213,150	0.75
40,900	Nevsun Resources Ltd.	173,137	186,913	0.66
26,600	Norbord Inc.	1,134,662	1,437,996	5.04
67,400	Parex Resources Inc.	1,256,181	1,672,868	5.87
158,000	Quantum International Income Corp., Subscription Receipts	-	-	-
47,000	Quebecor Inc.	1,114,673	1,265,240	4.44
131,000	Raging River Exploration Inc.	748,352	746,700	2.62
5,900	Rogers Communications Inc., Class B	360,813	368,396	1.29
90,000	Superior Plus Corp., Subscription Receipts	1,125,000	1,150,200	4.03
9,200	Teck Resources Ltd., Class B	259,365	308,108	1.08
44,300	Transcontinental Inc., Class A	1,146,227	1,352,479	4.74
13,800	West Fraser Timber Co. Ltd.	804,815	1,248,762	4.38
696,400	Western Energy Services Corp.	833,789	745,148	2.61
239,500	Western Forest Products Inc.	559,162	641,860	2.25
	Total Candian equities	35,044,271	39,336,494	137.94
Total investments - long		\$ 35,044,271	\$ 39,336,494	137.94

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Schedule of Investments

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
Investments - short				
Canadian equities:				
(19,200)	Aecon Group Inc.	\$ (290,472)	\$ (296,832)	(1.04)
(9,400)	AltaGas Ltd.	(225,707)	(255,210)	(0.89)
(5,200)	Altus Group Ltd.	(161,103)	(152,412)	(0.53)
(5,900)	Atco Ltd., Class I	(229,398)	(229,422)	(0.84)
(137,900)	Baytex Energy Corp.	(639,900)	(602,624)	(2.13)
(3,400)	Boardwalk REIT	(150,817)	(155,278)	(0.54)
(10,400)	Boralex Inc., Class A	(229,950)	(219,024)	(0.77)
(6,200)	Brookfield Infrastructure Partners LP	(332,761)	(312,728)	(1.10)
(6,900)	Canadian Utilities Ltd., Class A	(230,308)	(229,080)	(0.80)
(4,600)	Canadian Western Bank	(157,578)	(159,390)	(0.56)
(12,300)	Capital Power Corp.	(279,686)	(310,329)	(1.09)
(23,600)	Cascades Inc.	(296,052)	(277,772)	(0.97)
(17,200)	Cenovus Energy Inc.	(180,337)	(234,780)	(0.82)
(40,100)	CES Energy Solutions Corp.	(224,578)	(180,049)	(0.63)
(9,500)	Chemtrade Logistics Income Fund	(145,284)	(142,215)	(0.50)
(2,800)	Cineplex Inc.	(80,476)	(81,704)	(0.29)
(24,700)	Cominar REIT	(308,145)	(316,654)	(1.11)
(15,700)	Cott Corp.	(309,259)	(341,946)	(1.20)
(46,600)	ECN Capital Corp.	(160,054)	(164,498)	(0.58)
(3,700)	Emera Inc.	(153,681)	(158,360)	(0.56)
(30,900)	Enbridge Inc.	(1,349,848)	(1,452,300)	(5.09)
(4,600)	EnerCare Inc.	(78,441)	(82,708)	(0.29)
(39,400)	Ensign Energy Services Inc.	(233,705)	(231,278)	(0.81)
(12,000)	First Quantum Minerals Ltd.	(184,597)	(232,440)	(0.82)
(13,700)	Gibson Energy Inc.	(231,541)	(240,161)	(0.84)
(18,700)	Kelt Exploration Ltd.	(156,832)	(166,991)	(0.59)
(4,700)	Laurentian Bank of Canada	(228,368)	(210,842)	(0.74)
(19,400)	Paramount Resources Ltd., Class A	(319,530)	(288,866)	(1.01)
(28,400)	Secure Energy Services Inc.	(235,728)	(206,184)	(0.72)
(1,400)	Shopify Inc., Class A	(215,207)	(268,394)	(0.94)
(10,700)	Sierra Wireless Inc.	(264,023)	(225,021)	(0.79)
(90,000)	Superior Plus Corp.	(1,133,676)	(1,143,900)	(4.01)
(60,900)	Turquoise Hill Resources Ltd.	(226,315)	(226,548)	(0.79)
(24,700)	Whitecap Resources Inc.	(217,836)	(220,077)	(0.77)
	Total Canadian equities	(9,861,193)	(10,026,017)	(35.16)
Total investments - short		\$ (9,861,193)	\$ (10,026,017)	(35.16)
Total investments - long		\$ 35,044,271	\$ 39,336,494	137.94
Total investments - short		(9,861,193)	(10,026,017)	(35.16)

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Schedule of Investments

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
Derivative assets				
Canadian options				
868	Aurora Cannabis Inc., PUT \$9 20JUL18	\$ 78,747	\$ 69,440	0.24
	Total Candian options	78,747	69,440	0.24
Canadian warrants				
833,750	Aequus Pharmaceuticals Inc., Warrants \$0.45 13MAR19	\$ -	\$ -	-
64,200	Alignvest Acquisition II Corp., Warrants \$11.50 04JUL21	30,745	34,668	0.12
151,700	Cannabis Strategies Acquisition Corp., Class A, Warrants \$11.50 21DEC25	54,270	128,945	0.46
22,500	MedReleaf Corp., Warrants \$34.50 31JAN20	-	-	-
18,750	The Hydrophocary Corp., Warrants \$5.6 30JAN20	-	26,250	0.09
	Total Candian warrants	85,015	189,863	0.67
Total derivative assets		\$ 163,762	\$ 259,303	0.91
Derivative liabilities				
Canadian options				
(868)	Aurora Cannabis Inc., CALL \$9 20JUL18	\$ (34,180)	\$ (47,740)	(0.17)
	Total Candian options	(34,180)	(47,740)	(0.17)
Total derivative liabilities		\$ (34,180)	\$ (47,740)	(0.17)
Total investments owned		<u>\$ 25,312,660</u>	29,522,040	103.52
Other assets, net			(1,005,428)	(3.52)
Net assets			\$ 28,516,612	100.00

See accompanying notes to financial statements.

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Notes to Financial Statements

Period ended June 30, 2018 (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 29, 2018.

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Notes to Financial Statements (continued)

Period ended June 30, 2018 (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) Recognition, measurement and classification

The Partnership classifies its investments in debt and equity securities, and derivatives, as financial assets or financial liabilities at FVTPL.

Financial assets and financial liabilities are initially recognized on the trade date, which is the date on which the Partnership becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value, with transaction costs recognized in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities 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.

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Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

2. Significant accounting policies (continued):

The Partnership derecognizes a financial asset when the contractual rights to the cash flows on the financial asset in the transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Partnership derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

All other financial assets and liabilities, excluding redeemable units, are classified as loans and receivables and other financial liabilities. Loans and receivables and other financial liabilities are recognized on the date on which they are originated and are measured at amortized cost. Redeemable units are measured at the present value of the redemption amount and are considered a residual.

When the Partnership 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 Partnership writes an option, an amount equal to fair value which is based on the premium received by the Partnership 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 and liabilities at FVTPL.

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.

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

2. Significant accounting policies (continued):

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.

(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 period 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.

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

2. Significant accounting policies (continued):

(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.

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.

(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 period.

(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.

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

2. Significant accounting policies (continued):

(m) Taxation:

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

(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.

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (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 periods ended June 30, 2018 and 2017:

2018	Derivatives	Financial assets and financial liabilities	Total
Financial assets at FVTPL			
Net realized gains	\$ 201,682	\$ 676,441	\$ 878,123
Net change in unrealized gains	89,591	5,318	94,909
	291,273	681,759	973,032
Financial liabilities at FVTPL			
Net realized losses	-	(414,967)	(414,967)
Net change in unrealized gains	(13,560)	49,132	35,572
	(13,560)	(365,835)	(379,395)
Total	\$ 277,713	\$ 315,924	\$ 593,637

2017	Derivatives	Financial assets and financial liabilities	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	\$ -	\$ 1,144,662	\$ 1,144,662

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

4. Derivative financial instruments:

The Fund holds the following derivative instruments:

Options:

An option is the right to buy (a call option) or to sell (a put option) a specified amount or value of a particular underlying interest (e.g., equity securities, stock indices, government debt securities, commodity or foreign currencies) at a fixed exercise price by exercising the option before its expiration date. The option may also be settled in cash, based on the difference between the exercise settlement value and the fixed exercise price.

The following table details the Fund's investments in options:

June 30, 2018			
Description	Maturity date	Strike price	Notional amount
Options:			
Aurora Cannabis Inc. - Put	July 20, 2018	\$ 9.00	\$ 781,200
Aurora Cannabis Inc. - Call	July 20, 2018	9.00	(781,200)

The Fund did not hold any options as at December 31, 2017.

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.

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

4. Derivative financial instruments (continued):

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

June 30, 2018			
Description	Maturity date	Strike price	Notional amount
Warrants:			
Alignvest Acquisition II Corp.	July 4, 2021	\$ 11.50	\$ 738,300
Aequus Pharmaceuticals Inc.	March 13, 2019	0.45	375,188
Cannabis Strategies Acquisition Corp.	December 21, 2025	11.50	1,744,550
MedReleaf Corp.	January 31, 2020	34.50	776,250
The Hydropothecary Corp.	January 30, 2020	5.60	105,000

December 31, 2017			
Description	Maturity date	Strike price	Notional amount
Warrants:			
Aequus Pharmaceuticals Inc.	March 13, 2019	\$ 0.45	\$ 375,188
Alignvest Acquisition II Corp.	July 4, 2021	11.50	97,750

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.

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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.

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:

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:

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

5. Financial risk management (continued):

(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, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments. For derivatives, refer to note 4.

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. 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, 2017 - A-1).

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Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

5. Financial risk management (continued):

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, 2018, the fair value of financial assets subject to the general lien is \$41,655,151 (December 31, 2017 - \$45,305,592). 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 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 unitholders. The Fund did not withhold any redemptions or implement any suspension during 2018 or 2017.

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 it 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)

Period ended June 30, 2018 (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, 2018, 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 \$2,931,048 (December 31, 2017 - \$2,947,204).

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)

Period ended June 30, 2018 (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, 2018 and December 31, 2017 in CAD. 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.

2018:

United States dollar	Exposure		Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$	1,244,608	\$ 62,230
Total	\$	1,244,608	\$ 62,230
% of net assets attributable to holders of redeemable units		4.4	0.2

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

5. Financial risk management (continued):

2017:

United States dollar	Exposure		Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$	427,037	\$ 21,352
Investments at FVTPL		752,731	37,637
Total	\$	1,179,768	\$ 58,989
% of net assets attributable to holders of redeemable units		4.3	0.2

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.

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

5. Financial risk management (continued):

(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 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 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 warrants of \$189,863 (December 31, 2017 - \$5,590).

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

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (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)

Period ended June 30, 2018 (unaudited)

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

During the periods ended June 30, 2018 and 2017, the number of units issued, redeemed and outstanding was as follows:

June 30, 2018	Units, beginning of period	Issuance of units	Redemption of units	Redesignation of units	Units, end of period
Class A - Initial Series	66,648	-	-	5,117	71,765
Class A - 2017 Series 10	5,000	-	-	(5,000)	-
Class A - 2017 Series 11	2,500	-	-	(2,500)	-
Class E - Initial Series	349,045	27,033	-	-	376,078
Class F - Initial Series	490,456	-	(140,886)	277,336	626,906
Class F - 2017 Series 10	13,901	-	-	(13,901)	-
Class F - 2017 Series 11	394,515	-	-	(394,515)	-
Class F - 2017 Series 12	14,819	-	-	(14,819)	-
Class F - 2018 Series 1	-	24,288	(4,962)	-	19,326
Class F - 2018 Series 2	-	22,137	-	-	22,137
Class F - 2018 Series 3	-	126,223	(1,905)	-	124,318
Class F - 2018 Series 4	-	8,586	-	-	8,586
Class F - 2018 Series 5	-	11,380	-	-	11,380
Class F - 2018 Series 6	-	17,825	-	-	17,825
Class UA - Initial Series	21,800	-	-	-	21,800
Class UF - Initial Series	54,293	-	-	2,609	56,902
Class UF - 2017 Series 10	1,500	-	-	(1,500)	-
Class UF - 2017 Series 12	1,500	-	-	(1,500)	-
Founder Class - Initial Series	477,125	-	(9,874)	47,361	514,612
Founder Class - 2017 Series 10	59,019	-	-	(59,019)	-
Founder Class - 2018 Series 1	-	31,255	-	-	31,255

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Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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

June 30, 2017	Units, beginning of period	Issuance 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)

Period ended June 30, 2018 (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, 2018 and 2017 is calculated as follows:

Series	2018			2017		
	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	345	71,765	0.00	22,676	56,046	0.40
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	64,237	371,865	0.17	314,011	379,628	0.83
Class F - Initial Series	54,428	722,013	0.08	184,580	396,432	0.47
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 F - 2018 Series 1	(3,609)	18,568	(0.19)	-	-	-
Class F - 2018 Series 2	1,665	22,000	0.08	-	-	-
Class F - 2018 Series 3	31,931	117,695	0.27	-	-	-
Class F - 2018 Series 4	1,812	8,093	0.22	-	-	-
Class F - 2018 Series 5	1,710	10,583	0.16	-	-	-
Class F - 2018 Series 6	(2,745)	9,076	(0.30)	-	-	-
Class UA - Initial Series	14,270	21,800	0.65	(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	43,120	56,902	0.76	(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	13,990	519,056	0.03	210,468	475,774	0.44
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)
Founder Class - 2018 Series 1	(4,025)	29,781	(0.14)	-	-	-

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (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;
- 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; and
- 1/12 of 1.5% of the aggregate of the net asset value of the Founder Class and Class I units.

(b) Performance fee:

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

- (i) 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
- (ii) 10% of the amount by which the performance of each Founder series exceeds the previous high water mark.

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Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

7. Related party transactions (continued):

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.

(c) 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, 2018, 100.0000 of Class A Units and 100.0000 of Class F Units (December 31, 2017 - 100.0000 Class A Units and 100.0000 Class F Units, respectively) were held by the Investment Manager and 370,632.7000 of Class E Units and 20,091.3358 of Founder Units (December 31, 2017 - 349,045.2870 Class E Units and 20,091.3358 Founder Units, respectively) were owned by unitholders related to the Investment Manager.

EHP SELECT FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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, 2018 is approximately \$48,293 (2017 - \$57,000).

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 issuance 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 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.

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Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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

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.

The fund does not hold any ETFs as at June 30, 2018.

As at	ETF	Place of business	Fair value amounts	Proportion of interest owned
December 31, 2017	iShares Canadian S&P/TSX Capped Energy Index ETF	Canada	850,311	0.08%

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 24, 2018, which is the date the financial statements were available to be issued. For the period from July 1, 2018 to August 24, 2018, the Fund had subscriptions of \$1,879,711 and redemptions of \$660,902.