

Financial Statements of

**EHP GUARDIAN  
INTERNATIONAL FUND**

Period ended June 30, 2018

### **Manager's comments on unaudited interim financial statements**

These interim financial statements of EHP Guardian International 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 GUARDIAN INTERNATIONAL FUND

## Statements of Financial Position

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

	2018	2017
<b>Assets</b>		
Cash and cash equivalents	\$ 4,442,269	\$ 3,280,354
Financial assets at fair value through profit or loss (cost - \$5,340,323; December 31, 2017 - \$3,485,786) (note 5)	5,412,570	3,551,953
Derivative assets	36,815	-
Receivable for investments sold (note 2)	408,996	-
Dividends receivable	6,334	3,245
Interest receivable	6,211	3,199
Organisation cost	3,129	3,475
Expenses paid in advance	1,718	-
	10,318,042	6,842,226
<b>Liabilities</b>		
Financial liabilities at fair value through profit and loss (proceeds - \$2,705,880; December 31, 2017 - \$1,408,125) (note 5)	2,732,070	1,431,867
Payable for investments purchased (note 2)	287,790	-
Accounts payable and accrued liabilities	15,809	1,119
Dividends payable	1,560	768
Interest payable	2,425	1,487
Management fees payable (note 7)	5,769	6,106
Performance fees payable (note 7)	546	5,659
	3,045,969	1,447,006
<b>Net assets attributable to holders of redeemable units (note 6)</b>	<b>\$ 7,272,073</b>	<b>\$ 5,395,220</b>

# EHP GUARDIAN INTERNATIONAL FUND

Statements of Financial Position (continued)

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

	2018	2017
Net assets attributable to holders of redeemable units per class and series:		
Class A - 2017 Series 11	\$ 150,929	151,647
Class A - 2018 Series 6	24,813	-
Class E - Initial Series	1,874,381	1,862,425
Class F - Initial Series	659,506	-
Class F - 2017 Series 10	-	1,025
Class F - 2017 Series 11	-	658,101
Class F - 2018 Series 1	104,340	-
Class F - 2018 Series 2	82,554	-
Class F - 2018 Series 3	681,288	-
Class F - 2018 Series 4	50,015	-
Class F - 2018 Series 5	85,045	-
Class UF - 2018 Series 1	243,567	-
Class UF - 2018 Series 5	65,092	-
Founder Class - Initial Series	2,720,519	-
Founder Class - 2017 Series 10	-	256,881
Founder Class - 2017 Series 11	-	405,542
Founder Class - 2017 Series 12	-	2,059,599
Founder Class - 2018 Series 5	530,024	-
<b>Total net assets attributable to holders of redeemable units</b>	<b>\$ 7,272,073</b>	<b>\$ 5,395,220</b>

Net assets attributable to holders of redeemable units per unit:

Class A - 2017 Series 11	10.06	10.11
Class A - 2018 Series 6	9.93	-
Class E - Initial Series	10.41	10.35
Class F - Initial Series	10.25	-
Class F - 2017 Series 10	-	10.25
Class F - 2017 Series 11	-	10.12
Class F - 2018 Series 1	9.98	-
Class F - 2018 Series 2	10.12	-
Class F - 2018 Series 3	10.07	-
Class F - 2018 Series 4	10.00	-
Class F - 2018 Series 5	9.95	-
Class UF - 2018 Series 1	13.17	-
Class UF - 2018 Series 5	13.02	-
Founder Class - Initial Series	10.27	-
Founder Class - 2017 Series 10	-	10.28
Founder Class - 2017 Series 11	-	10.14
Founder Class - 2017 Series 12	-	10.05
Founder Class - 2018 Series 5	9.91	-

See accompanying notes to financial statements.

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



Chief Financial Officer

# EHP GUARDIAN INTERNATIONAL FUND

## Statements of Comprehensive Income

For the six months period ended June 30, 2018 and period from October 2, 2017  
(commencement of operations) to December 31, 2017 (unaudited)

	2018	2017
Income:		
Dividend	\$ 81,105	\$ 10,291
Interest for distribution purposes	33,335	6,795
Net foreign currency losses	25,419	(21,622)
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)	22,330	91,987
Net change in unrealized appreciation on financial assets and liabilities at fair value through profit or loss (note 3)	11,990	42,425
	174,179	129,876
Operating expenses:		
Management fee (note 6)	30,911	6,106
Dividend expense on investments sold short	29,457	3,499
Commissions and other portfolio transaction costs	25,508	13,304
Interest and stock loan fees	23,259	5,385
Administration fees	18,487	13,750
Other fees	14,249	114
Withholding taxes	12,702	1,520
Audit fee	8,975	6,955
Legal fee	2,507	128
Performance fee (note 6)	1,303	5,659
Organisation costs	347	183
	167,705	56,603
Expenses absorbed by the Investment Manager (Note 6)	-	(20,947)
Increase in net assets attributable to holders of redeemable units (note 5)	\$ 6,474	\$ 94,220

See accompanying notes to financial statements.

# EHP GUARDIAN INTERNATIONAL FUND

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

For the six months period ended June 30, 2018 and period from October 2, 2017 (commencement of operations) to December 31, 2017 (unaudited)

2018	Net assets attributable to holders of redeemable units, beginning of period	Increase in net assets attributable to holders of redeemable units	Unit Transactions					Capital gains	Net assets attributable to holders of redeemable units, end of period
			Proceeds from redeemable units issued	Reinvestment of Distributions to holders of redeemable shares	Redemption of redeemable units	Redesignation of redeemable units	Distributions of redeemable shares		
Class A - 2017 Series 11	\$ 151,647	\$ (718)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,929
Class A - 2018 Series 6	-	(187)	25,000	-	-	-	-	-	24,813
Class E - Initial Series	1,862,425	11,956	-	-	-	-	-	-	1,874,381
Class F - Initial Series	-	421	-	-	-	659,085	-	-	659,506
Class F - 2017 Series 10	1,025	-	-	-	-	(1,025)	-	-	-
Class F - 2017 Series 11	658,101	-	-	-	-	(658,101)	-	-	-
Class F - 2018 Series 1	-	(13,154)	662,700	-	(545,206)	-	-	-	104,340
Class F - 2018 Series 2	-	603	89,566	-	(7,615)	-	-	-	82,554
Class F - 2018 Series 3	-	2,977	678,311	-	-	-	-	-	681,288
Class F - 2018 Series 4	-	15	50,000	-	-	-	-	-	50,015
Class F - 2018 Series 5	-	(424)	85,469	-	-	-	-	-	85,045
Class UF - 2018 Series 1	-	11,277	244,872	-	(12,582)	-	-	-	243,567
Class UF - 2018 Series 5	-	228	64,864	-	-	-	-	-	65,092
Founder Class - Initial Series	-	(1,544)	-	-	-	2,722,063	-	-	2,720,519
Founder Class - 2017 Series 10	256,881	-	-	-	-	(256,881)	-	-	-
Founder Class - 2017 Series 11	405,542	-	-	-	-	(405,542)	-	-	-
Founder Class - 2017 Series 12	2,059,599	-	-	-	-	(2,059,599)	-	-	-
Founder Class - 2018 Series 5	-	(4,976)	535,000	-	-	-	-	-	530,024
	\$ 5,395,220	\$ 6,474	\$ 2,435,782	\$ -	\$ (565,403)	\$ -	\$ -	\$ -	\$ 7,272,073

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					Capital gains	Net assets attributable to holders of redeemable units, end of period
			Proceeds from redeemable units issued	Reinvestment of Distributions to holders of redeemable shares	Redemption of redeemable units	Redesignation of redeemable units	Distributions of redeemable shares		
Class A - 2017 Series 11	\$ -	\$ 1,647	\$ 150,000	\$ 1,088	\$ -	\$ -	\$ (69)	\$ (1,019)	151,647
Class E - Initial Series	-	62,425	1,800,000	41,258	-	-	(2,629)	(38,629)	1,862,425
Class F - 2017 Series 10	-	25	1,000	16	-	-	(1)	(15)	1,025
Class F - 2017 Series 11	-	8,101	650,000	5,354	-	-	(341)	(5,013)	658,101
Founder Class - 2017 Series 10	-	6,881	250,000	4,548	-	-	(290)	(4,258)	256,881
Founder Class - 2017 Series 11	-	5,542	400,000	3,663	-	-	(233)	(3,430)	405,542
Founder Class - 2017 Series 12	-	9,599	2,050,000	6,344	-	-	(404)	(5,940)	2,059,599
	\$ -	\$ 94,220	\$ 5,301,000	\$ 62,271	\$ -	\$ -	\$ (3,967)	\$ (58,304)	\$ 5,395,220

See accompanying notes to financial statements.

# EHP GUARDIAN INTERNATIONAL FUND

## Statements of Cash Flows

For the six months period ended June 30, 2018 and period from October 2, 2017  
(commencement of operations) to December 31, 2017 (unaudited)

	2018	2017
Cash flow from operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 6,474	\$ 94,220
Adjustments for:		
Net realized gains on financial assets and liabilities at fair value through profit or loss (note 3)	(22,330)	(91,987)
Net change in unrealized appreciation on financial assets and liabilities at fair value through profit or loss (note 3)	(11,990)	(42,425)
	(27,846)	(40,192)
Change in non-cash balances:		
Purchases of investments	(15,058,449)	(8,630,744)
Cost of investments purchased to cover short positions	(13,069,508)	(3,571,164)
Proceeds from sale of investments	13,071,846	5,189,354
Proceeds from investments sold short	14,371,996	5,026,880
Net increase in dividends receivable	(3,089)	(3,245)
Net increase in interest receivable	(3,012)	(3,199)
Net (increase) decrease in organisation cost	346	(3,475)
Net increase in expenses paid in advance	(1,718)	-
Net increase in accounts payable and accrued liabilities	14,690	1,119
Net increase in dividends payable	792	768
Net increase in interest payable	938	1,487
Net increase (decrease) in management fees payable (note 7)	(337)	6,106
Net increase (decrease) in performance fees payable (note 7)	(5,113)	5,659
Net cash used in operating activities	(708,464)	(2,020,646)
Cash flows from financing activities:		
Proceeds from issuance of redeemable units (note 5)	2,435,782	5,301,000
Payment on redemption of redeemable units (note 5)	(565,403)	-
Net cash provided by financing activities	1,870,379	5,301,000
Net increase in cash	1,161,915	3,280,354
Cash, beginning of period	3,280,354	-
Cash, end of period	\$ 4,442,269	\$ 3,280,354
Supplemental cash flow information:		
Interest paid	\$ 10,590	\$ 1,518
Interest received	30,323	3,596
Dividends received, net of withholding taxes	65,314	5,526
Dividends paid	28,665	2,731

See accompanying notes to financial statements.

# EHP GUARDIAN INTERNATIONAL FUND

## Schedule of Investments

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
<b>Investments - long</b>				
Australian equities:				
400	Aristocrat Leisure Ltd.	\$ 9,211	\$ 12,022	0.16
400	BHP Billiton Ltd.	11,109	13,193	0.18
1,000	Carsales.com Ltd.	14,293	14,707	0.20
2,300	Charter Hall Group	13,398	14,586	0.20
1,000	Computershare Ltd.	16,584	17,926	0.25
100	CSL Ltd.	15,288	18,736	0.26
2,900	CSR Ltd.	15,361	12,947	0.18
1,600	Elders Ltd.	12,391	13,166	0.18
3,100	Inghams Group Ltd.	11,348	11,518	0.16
1,800	Insurance Australia Group	13,246	14,934	0.21
4,100	Medibank Private Ltd.	12,445	11,645	0.16
2,900	NIB Holdings Ltd.	16,874	16,163	0.22
6,100	Nine Entertainment Co., Holdings	10,648	14,715	0.20
12,200	NRW Holdings Ltd.	16,854	20,114	0.28
300	Perpetual Ltd.	12,151	12,139	0.17
1,900	Qantas Airways Ltd.	10,859	11,384	0.16
200	Rio Tinto Ltd.	15,026	16,232	0.22
1,500	Sandfire Resources NL	11,088	13,364	0.18
1,300	Smartgroup Corp Ltd.	14,220	14,756	0.20
2,600	Whitehaven Coal Ltd.	11,374	14,617	0.20
500	Woolworths Ltd.	13,747	14,843	0.20
	Total Australian equities	277,515	303,707	4.17
Danish equities:				
290	DFDS A/S	22,456	24,335	0.33
390	Topdanmark A/S	23,143	22,445	0.31
	Total Danish equities	45,599	46,780	0.64
European equities:				
70	Allianz SE	20,856	19,017	0.26
70	Altea	21,829	21,861	0.30
250	Amadeus IT Holding SA Class A	22,979	25,936	0.36
410	ASR Nederland NV	21,967	22,010	0.30
930	Assicurazioni Generali	22,857	20,509	0.28
150	BASF SE	20,737	18,856	0.26
450	BE SEmiconductor Industries	22,191	16,008	0.22
530	Bolsas Y Mercados Espanoles	23,071	23,002	0.32
170	Cancom SE	23,799	22,828	0.31
280	Carl Zeiss Meditec AG	23,382	25,116	0.35
50	Christian Dior SE	23,631	27,486	0.38
50	Continental AG	16,981	15,005	0.21
170	Covestro AG	21,421	19,938	0.27
10	Dassault Aviation SA	25,171	25,046	0.34
510	Deutsche Lufthansa	21,092	16,123	0.22
360	Deutsche Post AG	20,799	15,453	0.21
130	Diasorin SPA	14,555	19,492	0.27
130	Eramet	25,523	22,484	0.31
1,090	ERG SPA	27,216	31,331	0.43
280	Euronext NV	22,920	23,398	0.32
230	Faurecia	23,078	21,574	0.30
170	Ferrari NV	25,931	30,394	0.42
960	Fiat Chrysler Automobiles NV	24,065	24,065	0.33
1,260	Forfarmers NV	23,042	21,541	0.30
320	Gaztransport Et Techniga SA	23,453	25,782	0.35



# EHP GUARDIAN INTERNATIONAL FUND

Schedule of Investments (continued)

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
9,780	Green REIT PLC	22,640	22,213	0.31
130	Hannover Rueck SE	22,808	21,307	0.29
370	Kaufman & Broad SA	22,827	22,929	0.32
210	KBC Groep NV	22,659	21,309	0.29
750	Koninklijke Ahold Delhaize N	22,659	23,601	0.32
390	Koninklijke Philips Electronis NV	20,485	21,801	0.30
690	M6-Metropole Television	21,808	18,139	0.25
260	Neste OYJ	23,994	26,814	0.37
400	NSI NV	21,574	22,038	0.30
720	Peugeot SA	21,947	21,574	0.30
390	Plastic Omnium	22,409	21,672	0.30
950	Repsol SA	22,380	24,442	0.34
1,200	Repsol SA - RTS	-	895	0.01
170	Safran SA	23,866	27,146	0.37
370	Sligro Food Group NV	22,794	25,495	0.35
90	Sopra Steria Group	23,783	24,116	0.33
400	Talanx AG	22,151	19,202	0.26
540	Tieto OYJ	23,280	23,005	0.32
280	Total SA	20,717	22,435	0.31
470	UPM-Kymmene OYJ	22,026	22,086	0.30
150	Vidrala SA	21,144	18,784	0.26
170	Vinci SA	21,846	21,487	0.30
140	Warehouses De Pauw SCA	21,801	23,290	0.32
550	Zeal Network SE	22,659	22,537	0.31
	Total European equities	1,076,803	1,072,572	14.75
	Great Britain equities:			
1,630	A.G. Barr PLC	19,346	19,425	0.27
570	Admiral Group PLC	19,248	18,861	0.26
830	Anglo American PLC	24,781	24,402	0.34
2,510	Aviva PLC	22,593	21,945	0.30
8,300	Centrica PLC	21,809	22,698	0.31
2,490	Costain Group PLC	20,022	19,005	0.26
1,290	Dart Group PLC	19,205	17,399	0.24
2,810	Direct Line Insurance Group	19,167	16,715	0.23
3,650	Evraz PLC	27,502	32,190	0.44
400	Fevertree Drinks PLC	19,613	23,523	0.32
3,620	Forterra PLC	19,282	19,247	0.26
510	Games Workshop Group PLC	21,665	26,541	0.36
5,780	Genel Energy PLC	14,850	27,222	0.37
760	Glaxosmithkline PLC	19,072	20,168	0.28
750	Go-Ahead Group PLC	22,087	20,660	0.28
5,440	Hays PLC	17,942	17,609	0.24
1,350	IG Group Holdings PLC	19,913	20,163	0.28
1,980	International Consolidated Airline DI	21,582	22,806	0.31
240	Intertek Group PLC	21,200	23,797	0.33
2,120	Jupiter Fund Management	19,942	16,402	0.23
4,520	Legal & General Group PLC	20,862	20,857	0.29
210	Next PLC	18,325	22,039	0.30
3,720	Numis Corporation PLC	26,064	26,716	0.37
1,990	Pagegroup PLC	18,862	19,452	0.27
440	Persimmon PLC	20,276	19,334	0.27
9,570	Primary Health Properties	19,050	19,357	0.27
1,980	Redrow PLC	21,144	18,307	0.25

# EHP GUARDIAN INTERNATIONAL FUND

Schedule of Investments (continued)

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
10,610	Renewables Infrastructure GR	19,822	20,246	0.28
240	Rightmove PLC	19,069	22,107	0.30
2,480	Royal Mail PLC	21,371	21,743	0.30
1,280	Savills PLC	21,260	19,318	0.27
15,270	Sirius Real Estate Ltd.	16,409	16,529	0.23
890	Smith & Nephew PLC	20,478	21,583	0.30
2,460	Softcat PLC	24,486	32,688	0.45
2,290	SSP Group PLC	25,792	25,197	0.35
5,970	Taylor Wimpey PLC	20,197	18,527	0.25
5,230	Tesco PLC	22,417	23,289	0.32
320	The Berkeley Group Holdings	21,600	21,011	0.29
5,970	Watkin Jones PLC	19,851	21,230	0.29
570	WH Smith PLC	20,284	19,766	0.27
	Total Great Britain equities	828,440	860,074	11.83
	Japanese equities			
600	Aeon Co Ltd.	15,672	16,862	0.23
600	Aeon Financial Service Co Ltd.	17,149	16,819	0.23
200	Alfresa Holdings Corp.	6,149	6,178	0.08
200	Amano Corp.	6,236	6,209	0.09
400	Arcs Co Ltd.	13,966	14,325	0.20
900	Asahi Kasei Corp	16,075	15,027	0.21
700	Astellas Pharma Inc.	13,765	14,020	0.19
200	Canon Inc.	8,987	8,611	0.12
400	Capcom Co Ltd.	12,175	12,949	0.18
600	Dai-ichi Life Holdings Inc.	14,674	14,059	0.19
400	Daikyo Inc.	12,123	11,502	0.16
200	Daiwa House Industry Co. Ltd.	9,309	8,955	0.12
200	Denka Co Ltd.	9,800	8,763	0.12
1,000	DKS Co Ltd.	11,166	8,917	0.12
900	ES-CON Japan Ltd.	7,028	6,937	0.10
700	Financial Products Group Co.	12,118	11,862	0.16
600	Haseko Corp.	11,498	10,893	0.15
1,000	Hitachi Ltd.	9,598	9,268	0.13
100	Horiba Ltd.	9,356	9,190	0.13
1,000	Inter Action Corp.	14,814	17,751	0.24
700	Investors Cloud Co Ltd.	15,681	15,182	0.21
600	Japan Exchange Group Inc.	14,540	14,649	0.20
1,000	Jeol Ltd.	13,409	13,530	0.19
1,200	JXTG Holdings Inc.	9,131	10,960	0.15
1,000	K S Holdings Corp.	15,112	13,649	0.19
1,000	Kajima Corp.	12,322	10,174	0.14
200	Kaken Pharmaceutical Co Ltd.	14,901	13,494	0.19
200	Kh Neochem Co Ltd.	7,798	7,957	0.11
200	Kirin Holdings Co Ltd.	6,506	7,027	0.10
1,300	Kitanotatsujin Corp.	8,438	12,255	0.17
200	Kobe Bussan Co Ltd.	12,416	12,949	0.18
600	Komeda Holdings Co Ltd.	14,868	15,503	0.21
200	Kumagai Gumi Co Ltd.	8,656	9,226	0.13
100	Kusuri No Aoki Holdings Co L	8,985	8,739	0.12
600	Kyowa Hakko Kirin Co Ltd.	16,456	15,887	0.22
1,300	Leopalace21 Corp.	12,490	9,357	0.13
500	Lintec Corp.	18,781	19,062	0.26
900	Marvelous Inc.	10,232	9,744	0.13

# EHP GUARDIAN INTERNATIONAL FUND

Schedule of Investments (continued)

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
1,300	Matsui Securities Co Ltd.	15,197	16,325	0.22
1,400	MCJ Co Ltd.	12,501	14,061	0.19
100	Meitec Corp.	7,334	6,308	0.09
600	Minebea Mitsumi Inc.	15,292	13,333	0.18
1,300	Mitsubishi Chemical Holdings	16,689	14,296	0.20
600	Mitsui & Co Ltd.	13,957	13,145	0.18
4,000	Mizuho Financial Group Inc.	9,221	8,846	0.12
600	Net One Systems Co Ltd.	12,523	13,554	0.19
200	Nifco Inc.	8,877	8,135	0.11
100	Nippon Gas Co Ltd.	6,315	7,660	0.11
500	Nojima Corp.	15,698	14,603	0.20
200	Open House Co Ltd.	14,419	15,558	0.21
700	Panasonic Corp.	12,870	12,397	0.17
1,300	Penta-Ocean Construction Co	11,981	11,438	0.16
500	QOL Co Ltd.	13,090	12,285	0.17
600	Samty Co Ltd.	13,947	14,443	0.20
400	Shinoken Group Co Ltd.	6,691	7,997	0.11
200	Ship Healthcare Holdings Inc.	9,088	9,913	0.14
600	Showa Corp.	13,714	12,949	0.18
1,800	Sumitomo Mitsui Construction	15,943	16,457	0.23
200	Sumitomo Mitsui Financial GR	11,215	10,212	0.14
700	Sun Frontier Fudousan Co Ltd.	11,102	10,882	0.15
200	Taisei Corp.	14,190	14,491	0.20
200	Terumo Corp.	11,997	15,060	0.21
200	T-Gaia Corp.	7,426	6,712	0.09
1,000	Tocalo Co Ltd.	14,406	13,743	0.19
1,000	Tokai Holdings Corp.	13,245	12,712	0.17
200	Tokio Marine Holdings Inc.	11,642	12,316	0.17
200	Tokyo Century Corp.	11,139	14,894	0.20
700	Tokyu Construction Co Ltd.	9,813	8,940	0.12
500	Toshiba Plant Systems & Service	13,654	15,024	0.21
100	Toyota Motor Corp.	8,696	8,502	0.12
200	TS Tech Co Ltd.	10,560	10,969	0.15
200	UBE Industries Ltd.	7,621	6,828	0.09
200	Yamaha Motor Co Ltd.	7,498	6,607	0.09
1,300	Yotai Refractories Co Ltd.	11,553	10,467	0.14
200	Zenkoku Hosho Co Ltd.	10,812	11,929	0.16
	Total Japanese equities	884,296	882,432	12.14
	New Zealand equities:			
4,400	Air New Zealand Ltd.	12,641	12,433	0.17
2,500	Contact Energy Ltd.	12,971	13,016	0.18
5,100	Mercury NZ Ltd.	15,074	15,296	0.21
2,300	Summerset Group Holdings Ltd.	14,364	15,659	0.22
	Total New Zealand equities	55,050	56,404	0.78
	Norwegian equities			
2,600	Leroy Seafood Group ASA	21,790	23,007	0.32
360	Salmar ASA	21,387	19,840	0.27
810	Telenor ASA	22,714	21,831	0.30
	Total Norwegian equities	65,891	64,678	0.89

# EHP GUARDIAN INTERNATIONAL FUND

Schedule of Investments (continued)

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
Swedish equities:				
2,740	Ahlsell AB	21,890	21,261	0.29
340	Avanza Bank Holding AB	22,056	22,963	0.32
990	Axfood AB	23,096	25,045	0.34
500	Boliden AB	23,102	21,333	0.29
1,850	Dustin Group AB	21,798	21,920	0.30
520	Electrolux AB Series B	20,620	15,575	0.21
1,530	Granges AB	24,584	26,350	0.36
470	Lifco AB Class B	22,577	22,013	0.30
1,550	Mycronic AB	22,636	22,803	0.31
200	Nolato AB Class B	16,694	21,231	0.29
1,400	Tele2 AB Class B	23,020	21,645	0.30
	Total Swedish equities	242,073	242,139	3.31
Swiss equities:				
320	Galenica AG	22,534	22,360	0.31
130	HBM Healthcare Investments Class A	22,752	27,096	0.37
490	Logitech International SA	23,238	28,370	0.39
210	Novartis AG	22,010	20,961	0.29
20	Partners Group Holding AG	17,758	19,292	0.27
20	Swisscom AG	12,652	11,753	0.16
1,260	Tornos Holding AG	21,218	18,795	0.26
	Total Swiss equities	142,162	148,627	2.05
United States equities:				
7,100	iShares Barclays 20+ Year Treasury Bond ETF	1,143,001	1,134,970	15.61
	Total United States equities	1,143,001	1,134,970	15.61
Canadian equities:				
24,400	Canaccord Genuity Acquisition	71,984	78,080	1.07
8,900	Enbridge Income Fund Holdings Inc.	273,741	286,936	3.95
10,300	Newsun Resources Ltd.	45,814	47,071	0.65
33,000	Raging River Exploration Inc.	187,954	188,100	2.59
	Total Canadian equities	579,493	600,187	8.26
Total investments - long		\$ 5,340,323	\$ 5,412,570	74.43

# EHP GUARDIAN INTERNATIONAL FUND

Schedule of Investments (continued)

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
<b>Investments - short</b>				
Australian equities:				
(500)	ALS Ltd.	\$ (3,546)	\$ (3,667)	(0.05)
(1,000)	AMP Ltd.	(4,669)	(3,463)	(0.05)
(500)	APA Group	(4,041)	(4,790)	(0.07)
(600)	Boral Ltd.	(3,682)	(3,811)	(0.05)
(200)	Brickworks Ltd.	(2,913)	(3,043)	(0.04)
(200)	Credit Corp. Group Ltd.	(3,946)	(3,515)	(0.05)
(100)	Domino's Pizza Enterprises	(4,333)	(5,079)	(0.07)
(1,200)	Eclix Group Ltd.	(4,322)	(3,700)	(0.05)
(700)	GPT Group	(3,445)	(3,445)	(0.05)
(500)	Graincorp Ltd.-A	(3,890)	(3,735)	(0.05)
(800)	Independence Group NI	(3,747)	(4,000)	(0.06)
(400)	Iress Ltd.	(3,835)	(4,684)	(0.06)
(1,200)	Myob Group Ltd.	(3,731)	(3,373)	(0.05)
(500)	Oil SEArch Ltd.	(3,686)	(4,328)	(0.06)
(400)	Origin Energy Ltd.	(3,509)	(3,902)	(0.05)
(400)	QBE Insurance Group Ltd.	(3,922)	(3,790)	(0.05)
(1,000)	Scentre Group	(3,974)	(4,270)	(0.06)
(700)	Star Entertainment Grp Ltd.	(3,639)	(3,357)	(0.05)
(800)	Tabcorp Holdings Ltd.	(3,372)	(3,470)	(0.05)
(1,000)	Tassal Group Ltd.	(3,773)	(4,017)	(0.06)
(300)	Transurban Group	(3,467)	(3,493)	(0.05)
(300)	Webjet Ltd.	(3,269)	(3,925)	(0.05)
(200)	Worleyparsons Ltd.	(2,861)	(3,400)	(0.05)
	Total Australian equities	(85,572)	(88,257)	(1.23)
Danish equities:				
(60)	ALK-Abello A/S	(10,610)	(13,174)	(0.18)
	Total Danish equities	(10,610)	(13,174)	(0.18)
European equities:				
(70)	Acciona SA	(6,887)	(7,619)	(0.10)
(60)	Adidas AG	(17,891)	(17,214)	(0.24)
(70)	Anheuser-Busch Inbev SA/NV	(8,644)	(9,292)	(0.13)
(1,850)	Banco Bilbao Vizcaya Argentaria SA	(18,186)	(17,245)	(0.24)
(4,320)	Banco BPM SPA	(16,541)	(16,654)	(0.23)
(390)	Bekaert NV	(18,563)	(16,639)	(0.23)
(1,540)	Binckbank NV	(10,602)	(11,474)	(0.16)
(290)	Buzzi Unicem SPA	(9,656)	(9,342)	(0.13)
(460)	Carmila	(16,811)	(16,837)	(0.23)
(330)	Casino Guichard Perrachon	(17,984)	(16,839)	(0.23)
(1,060)	Caverion Corp.	(10,228)	(9,907)	(0.14)
(1,220)	CNH Industrial NV	(17,887)	(17,030)	(0.23)
(330)	DBV Technologies SA	(17,901)	(16,794)	(0.23)
(780)	Elior Group	(15,421)	(14,795)	(0.20)
(970)	Encavis AG	(9,692)	(9,304)	(0.13)
(2,350)	Enel SPA	(17,582)	(17,156)	(0.24)
(1,220)	Europcar Groupe SA	(16,975)	(16,729)	(0.23)
(460)	Fugro NV	(9,245)	(8,778)	(0.12)
(130)	Galapagos NV	(16,920)	(15,749)	(0.22)
(400)	Glanbia PLC	(8,685)	(9,761)	(0.13)
(870)	Greenyard NV	(17,027)	(16,449)	(0.23)
(1,060)	Iberdrola SA	(10,377)	(10,776)	(0.15)
(90)	Iliad SA	(18,953)	(18,695)	(0.26)

# EHP GUARDIAN INTERNATIONAL FUND

Schedule of Investments (continued)

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
(770)	Infrastrutture Wireless Ital	(7,679)	(7,805)	(0.11)
(730)	Leonardo SPA	(10,261)	(9,485)	(0.13)
(230)	Metsu OYJ	(9,658)	(10,130)	(0.14)
(1,520)	Nokia OYJ	(10,995)	(11,500)	(0.16)
(340)	OCI NV	(10,708)	(12,069)	(0.17)
(420)	Orange Belgium	(10,187)	(9,320)	(0.13)
(970)	Origin Enterprises PLC	(8,027)	(9,185)	(0.13)
(870)	Rexel SA	(17,484)	(16,443)	(0.23)
(5,100)	Salini Impregilo SPA	(16,947)	(17,469)	(0.24)
(490)	SES	(10,256)	(11,799)	(0.16)
(570)	Siemens Gamesa Renewable Ene	(10,775)	(10,064)	(0.14)
(620)	Spie SA	(17,600)	(16,537)	(0.23)
(150)	Takeaway.com NV	(10,901)	(13,167)	(0.18)
(440)	Tarkett	(18,379)	(16,665)	(0.23)
(730)	Tenaris SA	(16,589)	(17,606)	(0.24)
(530)	Thyssenkrupp AG	(17,934)	(16,934)	(0.23)
(420)	Tikkurila OYJ	(9,520)	(9,475)	(0.13)
(1,610)	Tom Tailor Holding SE	(17,174)	(17,382)	(0.24)
(3,920)	Tubacex SA	(17,434)	(17,115)	(0.24)
(3,360)	UBI Banca	(18,227)	(16,975)	(0.23)
(770)	UniCredit SPA	(17,160)	(16,894)	(0.23)
(180)	Vilmorin & Cie	(15,741)	(15,967)	(0.22)
(60)	Virbac SA	(10,764)	(10,755)	(0.15)
(200)	Wereldhave NV	(10,556)	(10,331)	(0.14)
(230)	Zalando SE	(16,449)	(16,897)	(0.23)
	Total European equities	(666,063)	(659,047)	(9.09)
	Great Britain equities:			
(450)	Aggreko PLC	(6,028)	(5,277)	(0.07)
(920)	Arrow Global Group PLC	(5,652)	(3,862)	(0.05)
(50)	ASOS PLC	(5,689)	(5,293)	(0.07)
(1,180)	Balfour Beatty PLC	(5,568)	(5,807)	(0.08)
(1,620)	BCA Marketplace PLC	(5,357)	(6,182)	(0.09)
(1,480)	Brown (N) Group PLC	(5,193)	(4,347)	(0.06)
(1,230)	Capital & Counties Propertie	(5,843)	(6,130)	(0.08)
(130)	Clarkson PLC	(5,829)	(5,187)	(0.07)
(330)	CVS Group PLC	(6,389)	(6,514)	(0.09)
(640)	Dairy Crest Group PLC	(5,874)	(5,451)	(0.07)
(760)	Essentra PLC	(6,433)	(6,333)	(0.09)
(890)	Glencore PLC	(5,693)	(5,589)	(0.08)
(1,700)	Greencore Group PILC	(5,420)	(5,482)	(0.08)
(610)	Greene King PLC	(5,473)	(6,091)	(0.08)
(250)	Hill & Smith Holdings PLC	(5,345)	(6,414)	(0.09)
(600)	Investec PLC	(5,683)	(5,600)	(0.08)
(1,100)	Kingfisher PLC	(5,763)	(5,667)	(0.08)
(570)	Lancashire Holdings Ltd.	(5,718)	(5,606)	(0.08)
(510)	Mediclinic International PLC	(5,141)	(4,659)	(0.06)
(1,520)	Melrose Industries PLC	(5,709)	(5,608)	(0.08)
(990)	Merlin Entertainments PLC	(5,954)	(6,641)	(0.09)
(1,210)	Mitchells & Butlers PLC	(5,461)	(5,466)	(0.08)
(1,720)	NCC Group PLC	(5,691)	(6,111)	(0.08)
(420)	Pearson PLC	(5,180)	(6,448)	(0.09)
(490)	Provident Financial PLC	(5,485)	(5,098)	(0.07)
(1,390)	PZ Cussons PLC	(7,061)	(5,435)	(0.07)
(420)	RPC Group PLC	(5,877)	(5,451)	(0.07)
(550)	Sanne Group PLC	(6,975)	(6,431)	(0.09)
(420)	Smart Metering Systems PLC	(5,510)	(5,668)	(0.08)
(670)	Sophos Group PLC	(5,253)	(7,427)	(0.10)

# EHP GUARDIAN INTERNATIONAL FUND

Schedule of Investments (continued)

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
(1,420)	Spire Healthcare Group PLC	(5,790)	(6,173)	(0.08)
(440)	Standard Chartered PLC	(5,822)	(5,286)	(0.07)
(151)	The Weir Group PLC	(5,340)	(5,239)	(0.07)
(250)	Travis Perkins PLC	(5,569)	(6,169)	(0.08)
(240)	Ultra Electronics Hldgs PLC	(5,677)	(6,869)	(0.09)
(490)	United Utilities Group PLC	(6,368)	(6,487)	(0.09)
(460)	Vedanta Resources PLC	(5,989)	(5,161)	(0.07)
	Total Great Britain equities	(212,802)	(212,659)	(2.90)
	Japanese equities:			
(200)	Adastra Co Ltd.	(3,591)	(3,332)	(0.05)
(900)	Aiful Corp.	(3,880)	(3,693)	(0.05)
(200)	Asics Corp.	(4,186)	(4,442)	(0.06)
(100)	Benesse Holdings Inc.	(4,724)	(4,660)	(0.06)
(100)	Calbee Inc.	(4,092)	(4,939)	(0.07)
(1,000)	Clarion Co Ltd.	(3,678)	(3,534)	(0.05)
(300)	CMK Corp.	(2,862)	(2,512)	(0.03)
(200)	Credit Saison Co Ltd.	(4,312)	(4,136)	(0.06)
(200)	Daio Paper Corp.	(3,230)	(3,657)	(0.05)
(200)	Furukawa Co Ltd.	(5,129)	(3,897)	(0.05)
(100)	Fuso Chemical Co Ltd.	(3,335)	(3,390)	(0.05)
(200)	Heiwa Corp.	(5,320)	(6,342)	(0.09)
(100)	Hitachi Capital Corp.	(3,350)	(3,396)	(0.05)
(200)	Hitachi Chemical Co Ltd.	(5,566)	(5,301)	(0.07)
(300)	Hitachi Metals Ltd.	(4,823)	(4,091)	(0.06)
(600)	Hokuetsu Kishu Paper Co Ltd.	(4,388)	(4,055)	(0.06)
(200)	Hokuriku Electric Power Co	(2,384)	(2,640)	(0.04)
(200)	Internet Initiative Japan	(5,296)	(5,282)	(0.07)
(100)	ITO En Ltd.	(5,128)	(6,083)	(0.08)
(300)	IYO Bank Ltd./The	(2,706)	(2,604)	(0.04)
(100)	Japan Petroleum Exploration	(3,103)	(3,431)	(0.05)
(300)	Kadokawa Dwango Corp.	(4,259)	(4,358)	(0.06)
(200)	Kansai Paint Co Ltd.	(5,354)	(5,459)	(0.08)
(200)	Kawasaki Kisen Kaisha Ltd.	(5,769)	(4,855)	(0.07)
(200)	Keikyu Corp.	(4,389)	(4,307)	(0.06)
(100)	Kewpie Corp.	(3,051)	(3,312)	(0.05)
(100)	Kikkoman Corp.	(5,514)	(6,629)	(0.09)
(200)	Kobe Steel Ltd.	(2,546)	(2,405)	(0.03)
(400)	Kyushu Financial Group Inc.	(2,669)	(2,538)	(0.03)
(500)	Lifull Co Ltd.	(4,844)	(4,346)	(0.06)
(100)	Line Corp.	(5,097)	(5,472)	(0.08)
(100)	Megachips Corp.	(3,862)	(3,505)	(0.05)
(100)	Mitsubishi Estate Co Ltd.	(2,297)	(2,297)	(0.03)
(200)	Mitsubishi Logistics Corp.	(5,685)	(5,675)	(0.08)
(200)	Mitsui Engineer & Shipbuild	(3,466)	(3,446)	(0.05)
(100)	Mitsui Fudosan Co. Ltd.	(3,134)	(3,171)	(0.04)
(100)	Mitsui Osk Lines Ltd.	(3,876)	(3,164)	(0.04)
(100)	Nippon Chemi-Con Corp.	(3,590)	(5,117)	(0.07)
(100)	Nippon Electric Glass Co Ltd.	(3,835)	(3,652)	(0.05)
(100)	Nippon Paint Holdings Co Ltd.	(4,378)	(5,656)	(0.08)
(100)	Nippon Paper Industries Co.	(2,208)	(2,097)	(0.03)
(300)	Nippon Sheet Glass Co Ltd.	(3,193)	(3,792)	(0.05)
(200)	Nippon Yusen KK	(5,561)	(5,215)	(0.07)
(400)	Nomura Holdings Inc.	(2,694)	(2,553)	(0.04)
(900)	North Pacific Bank Ltd.	(3,758)	(3,959)	(0.05)
(200)	Ono Pharmaceutical Co Ltd.	(6,125)	(6,159)	(0.08)
(100)	Pacific Metals Co Ltd.	(3,505)	(4,832)	(0.07)

# EHP GUARDIAN INTERNATIONAL FUND

Schedule of Investments (continued)

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
(200)	Persol Holdings Co Ltd.	(5,589)	(5,860)	(0.08)
(300)	Rakuten Inc.	(2,828)	(2,666)	(0.04)
(200)	Ricoh Co Ltd.	(2,382)	(2,410)	(0.03)
(200)	Saizeriya Co Ltd.	(5,924)	(6,012)	(0.08)
(100)	Sakata Seed Corp.	(4,628)	(4,969)	(0.07)
(200)	Sanden Holdings Corp.	(4,008)	(3,425)	(0.05)
(100)	Sapporo Holdings Ltd.	(3,301)	(3,292)	(0.05)
(200)	Seibu Holdings Inc.	(4,256)	(4,430)	(0.06)
(200)	Shinkawa Ltd.	(2,300)	(2,028)	(0.03)
(200)	Shinsei Bank Ltd.	(4,011)	(4,046)	(0.06)
(200)	Sumida Corp.	(2,861)	(2,960)	(0.04)
(200)	Takara Bio Inc.	(4,834)	(5,490)	(0.08)
(300)	The Chugoku Bank Ltd.	(4,723)	(3,988)	(0.05)
(600)	The Hachijuni Bank Ltd.	(3,511)	(3,372)	(0.05)
(200)	The Hiroshima Bank Ltd.	(1,899)	(1,750)	(0.02)
(100)	TOA Corp.	(2,931)	(3,376)	(0.05)
(200)	Topcon Corp.	(5,091)	(4,506)	(0.06)
(1,000)	Toshiba Corp.	(3,624)	(3,949)	(0.05)
(200)	Toyo Seikan Group Holdings	(4,242)	(4,615)	(0.06)
(200)	UACJ Corp.	(5,972)	(5,663)	(0.08)
(100)	Unizo Holdings Co Ltd.	(2,704)	(2,449)	(0.03)
(200)	Vector Inc.	(5,231)	(5,436)	(0.07)
	Total Japanese equities	(276,592)	(280,080)	(3.87)
	New Zealand equities:			
(600)	Auckland International Airport Ltd.	(3,488)	(3,621)	(0.05)
	Total New Zealand equities	(3,488)	(3,621)	(0.05)
	Norwegian equities:			
(4,140)	Europris ASA	(16,957)	(16,255)	(0.22)
(1,530)	Protector Forsikring ASA	(16,711)	(16,381)	(0.23)
(820)	Sbanken ASA	(9,767)	(11,318)	(0.16)
(270)	Schibsted ASA-CI A	(10,341)	(10,779)	(0.15)
(510)	Subsea 7 SA	(9,640)	(10,719)	(0.15)
(2,690)	Wallenius Wilhelmsen Logistic	(16,999)	(16,482)	(0.23)
(1,560)	XXL ASA	(16,843)	(16,601)	(0.23)
	Total Norwegian equities	(97,258)	(98,535)	(1.37)
	Swedish equities:			
(1,090)	Bonava AB Class B Shares	(17,235)	(16,820)	(0.23)
(1,470)	Byggmax Group AB	(9,747)	(8,417)	(0.12)
(4,100)	Cloetta AB Class B Shares	(17,631)	(16,362)	(0.22)
(1,280)	Ericsson LM Class B Shares	(10,940)	(13,016)	(0.18)
(2,200)	New Wave Group AB Class B Shares	(16,754)	(16,958)	(0.23)
(1,330)	Nordea Bank AB	(17,115)	(16,848)	(0.23)
(350)	Oriflame Holding AG	(15,749)	(14,841)	(0.20)
(2,080)	Ratos AB Class B Shares	(9,064)	(9,150)	(0.13)
(1,450)	Scandic Hotels Group AB	(16,961)	(16,446)	(0.23)
(1,160)	Svenska Handelsbanken Class A Shares	(18,033)	(16,957)	(0.23)
	Total Swedish equities	(149,229)	(145,815)	(2.00)



# EHP GUARDIAN INTERNATIONAL FUND

Schedule of Investments (continued)

June 30, 2018 (unaudited)

Number of shares/par value	Description	Cost	Carrying Value	% of net assets
Swiss equities:				
(160)	AMS AG	(18,112)	(15,652)	(0.22)
(860)	Credit Suisse Group AG	(17,572)	(17,047)	(0.23)
(260)	Lafargeholcim Ltd.	(17,001)	(16,678)	(0.23)
(50)	Mobimo Holding AG	(16,221)	(16,242)	(0.22)
(130)	PSP Swiss Property AG	(15,618)	(15,858)	(0.22)
(70)	Rieter Holding AG	(16,124)	(15,917)	(0.22)
(50)	U-Blox Holding AG	(12,930)	(13,053)	(0.18)
(840)	UBS Group AG	(17,470)	(17,068)	(0.23)
	Total Swiss equities	(131,048)	(127,515)	(1.75)
United States equities:				
(6,000)	iShares Barclays 1-3 Year Treasury ETF	(639,402)	(656,939)	(9.01)
	Total United States equities	(639,402)	(656,939)	(9.01)
Canadian equities:				
(34,400)	Baytex Energy Corp.	(152,847)	(150,328)	(2.07)
(6,300)	Enbridge Inc.	(280,969)	(296,100)	(4.05)
	Total Canadian equities	(433,816)	(446,428)	(6.12)
Total investments - short		\$ (2,705,880)	\$ (2,732,070)	(37.57)
Total investments - long		\$ 5,340,323	\$ 5,412,570	74.43
Total investments - short		(2,705,880)	(2,732,070)	(37.57)
Canadian warrants:				
14,500	Alignvest Acquisition II Corp., Warrants \$11.50 04JUL21	7,985	7,830	0.11
34,100	Cannabis Strategies Acquisition Corp., Class A Warrants \$11.50 21DEC25	20,472	28,985	0.40
	Total Canadian warrants	28,457	36,815	0.51
Total investments - warrants		\$ 28,457	\$ 36,815	0.51
Total investments owned		<u>\$ 2,662,900</u>	2,717,315	37.37
Other assets, net			4,554,758	62.63
Net assets			\$ 7,272,073	100.00

See accompanying notes to financial statements.

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements

Period ended June 30, 2018 (unaudited)

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## 1. General information:

The EHP Guardian International Fund (the "Fund") is an open-ended investment trust established under the laws of the Province of Ontario pursuant to a trust agreement made as of August 28, 2017 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, consisting of interest and dividend income and capital gain appreciation. The Investment Manager plans to generate these returns by utilizing predominantly a long/short equity strategy, consisting of diversified qualitative, quantitative and systematic investment strategies. The Fund will also seek to preserve capital and mitigate risk through the application of both portfolio and risk management tools. In order to achieve the above-stated objectives, the Fund will invest by employing diversified strategies.

## 2. Significant accounting policies:

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

### (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.

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 2. Significant accounting policies (continued):

### (b) Approval of the financial statements:

The financial statements were approved by the Investment Manager and authorized for issue on August 29, 2018.

### (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) in fair value on financial assets and liabilities at FVTPL.

### (d) Financial assets and financial 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.

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 2. Significant accounting policies (continued):

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.

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.

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 2. Significant accounting policies (continued):

### (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.

### (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 offset 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 consist of cash on deposit and short-term deposits with terms to maturity of less than three months at acquisition.

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 2. Significant accounting policies (continued):

- (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.

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 among 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.

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 2. Significant accounting policies (continued):

### (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. Refer to note 7 for further detail on soft dollar arrangements.

### (m) Taxation:

The Fund qualifies as a unit trust under the provisions of the Income Tax Act (Canada) (the "Tax Act") 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.

As at June 30, 2018, the Fund had non-capital loss carryforwards of nil (December 31, 2017 - nil).

### (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 GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

### 3. Net gains (losses) on financial assets and financial liabilities at FVTPL:

The Fund's classification of financial assets and liabilities at FVTPL is described in note 2. The following tables present the net gains (losses) on financial assets and liabilities at FVTPL for the periods ended June 30, 2018 and December 31, 2017:

2018	Derivatives	Financial assets and financial liabilities	Total
Financial assets at FVTPL			
Net realized gains	-	\$ 17,602	\$ 17,602
Net change in unrealized gains	8,358	6,080	14,438
	8,358	23,682	32,040
Financial liabilities at FVTPL			
Net realized gains	-	4,728	4,728
Net change in unrealized losses	-	(2,448)	(2,448)
	-	2,280	2,280
<b>Total</b>	<b>\$ 8,358</b>	<b>\$ 25,962</b>	<b>\$ 34,320</b>

2017	Derivatives	Financial assets and financial liabilities	Total
Financial assets at FVTPL			
Net realized gains	\$ -	\$ 44,388	\$ 44,388
Net change in unrealized gains	-	66,167	66,167
	-	110,555	110,555
Financial liabilities at FVTPL			
Net realized gains	-	47,599	47,599
Net change in unrealized losses	-	(23,742)	(23,742)
	-	23,857	23,857
<b>Total</b>	<b>\$ -</b>	<b>\$ 134,412</b>	<b>\$ 134,412</b>



# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (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.

2018

Description	Maturity date	Strike price	Notional amount
Warrants:			
Alignvest Acquisition II Corp. Cannabis Strategies	July 4, 2021	\$ 11.50	\$ 166,750
Acquisition Corp., Class A	December 21, 2025	11.50	392,150

The Fund did not hold investments in Warrants as at December 31, 2017.

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 GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 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 price risk, foreign exchange risk and interest rate risk).

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

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

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

#### 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:

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 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 the Fund had no significant investments in debt instruments. For derivatives, please 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 the Bank of Nova Scotia (the "Prime Broker"). Bankruptcy or insolvency of the Prime Broker may cause the Fund's rights with respect to cash and cash equivalents held by the Prime Broker to be delayed or limited. The Fund monitors its risk by monitoring the credit quality and financial position of the Prime Broker. At the date of the approval of the financial statements, the credit rating for the Prime Broker was A+ (December 31, 2017 – A+).

The Fund has provided the Prime Broker with a general lien over the financial assets held in custody as security for the Prime Brokers' 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 \$10,313,195 (December 31, 2017 - \$6,838,751). The Fund's cash investments are held by highly creditworthy financial institutions.

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 5. Financial risk management (continued):

### (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.

### (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.

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 5. Financial risk management (continued):

### (a) Price risk:

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

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

The Fund is primarily exposed to price risk 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 \$268,050 (December 31, 2017 - \$212,009).

The Fund is also exposed to price risk through the concentration of its investment portfolio, and manages this risk through daily monitoring of the portfolio to comply with the investment strategies outlined in the Fund's Offering Memorandum.

### (b) Foreign exchange risk:

The Fund holds both monetary and non-monetary assets denominated or traded in currencies other than the 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 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.

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

## 5. Financial risk management (continued):

<b>2018:</b>		
	Currency	% of
	exposure	net assets
Australian Dollar	\$ 431	0.01
Swiss Franc	(5,459)	(0.08)
Danish Kroner	(1,607)	(0.02)
European Euro	(68,271)	(0.94)
Great British Pounds	20,766	0.29
Japanese Yen	(46,285)	(0.64)
Norwegian Kronar	(17,469)	(0.24)
New Zealand Dollars	1,744	0.02
Swedish Kronar	4,422	0.06
United States Dollar	365,566	5.03

<b>2017:</b>		
	Currency	% of
	exposure	net assets
Australian Dollar	\$ 2,777	0.05
Swiss Franc	(392)	(0.01)
Danish Kroner	778	0.01
European Euro	(1,482)	(0.03)
Great British Pounds	537	0.01
Japanese Yen	29,817	0.55
Norwegian Kronar	(6,515)	(0.12)
New Zealand Dollars	708	0.01
Swedish Kronar	(1,633)	(0.03)
United States Dollar	12,476	0.23

As of June 30, 2018, had the value of the CAD strengthened or weakened by 5% in relation to the listed currencies, all other variables held constant, net assets would have decreased or increased by approximately \$12,692 (December 31, 2017 - \$1,853) approximately 0.17% (December 31, 2017 - 0.03%) of total net assets.

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 5. Financial risk management (continued):

### (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 financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the period-end date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the period-end date, valuation techniques will be applied to determine the fair value.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each period-end date. Valuation techniques used for non-standardized financial instruments include the use of comparable recent arm's-length transactions, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair value hierarchy has the following levels:

- Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 5. Financial risk management (continued):

- 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 \$36,815 (December 31, 2017 - \$nil).

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

## 6. Net assets attributable to redeemable units:

Redeemable units:

The Fund is authorized to issue an unlimited number of classes and series of units and an unlimited number of units in each such class or series. Each unit of a class or a series represents an undivided ownership interest in the net asset value of the Fund attributable to that class or series of units. Each unit of a particular series of a class has equal rights to each other unit of the same series with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with the Fund.

Subscriptions are accepted on a weekly basis, subject to applicable law and the Investment Manager's discretion to refuse a subscription in whole or in part. If a fully completed subscription agreement and subscription proceeds in cleared funds are delivered by the last business day of a week, a valuation date, and such subscription is accepted, the units subscribed for will be issued on the first business day of the next week. Units will be issued in series each month at an opening pricing net asset value for each new series of CAD \$10 for Class A, Class F and Founders units or USD \$10 for Class UA, Class UF and Class UJ units.



# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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

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 (a) any redemption charges payable, and (b) 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.

During the periods ended June 30, 2017 and December 31, 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 - 2017 Series 11	15,000	-	-	-	15,000
Class A - 2018 Series 6	-	2,500	-	-	2,500
Class E - Initial Series	180,000	-	-	-	180,000
Class F - Initial Series	-	-	-	64,332	64,332
Class F - 2017 Series 10	100	-	-	(100)	-
Class F - 2017 Series 11	65,000	-	-	(65,000)	-
Class F - 2018 Series 1	-	65,459	(55,000)	-	10,459
Class F - 2018 Series 2	-	8,917	(756)	-	8,161
Class F - 2018 Series 3	-	67,622	-	-	67,622
Class F - 2018 Series 4	-	5,000	-	-	5,000
Class F - 2018 Series 5	-	8,547	-	-	8,547
Class UF - 2018 Series 1	-	19,487	(987)	-	18,500
Class UF - 2018 Series 5	-	5,000	-	-	5,000
Founder Class - Initial Series	-	-	-	264,898	264,898
Founder Class - 2017 Series 10	25,000	-	-	(25,000)	-
Founder Class - 2017 Series 11	40,000	-	-	(40,000)	-
Founder Class - 2017 Series 12	205,000	-	-	(205,000)	-
Founder Class - 2018 Series 5	-	53,500	-	-	53,500

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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

December 31, 2017	Units, beginning of period	Issuance of units	Redemption of units	Redesignation of units	Units, end of period
Class A - 2017 Series 11	-	15,000	-	-	15,000
Class E - Initial Series	-	180,000	-	-	180,000
Class F - 2017 Series 10	-	100	-	-	100
Class F - 2017 Series 11	-	65,000	-	-	65,000
Founder Class - 2017 Series 10	-	25,000	-	-	25,000
Founder Class - 2017 Series 11	-	40,000	-	-	40,000
Founder Class - 2017 Series 12	-	205,000	-	-	205,000

During the periods ended June 30, 2018 and December 31, 2017, the number of units issued, redeemed and outstanding was as follows:

Series	2018			2017		
	Increase (decrease) per series	Weighted average units outstanding	Increase (decrease) per unit	Increase per series	Weighted average units outstanding	Increase per unit
Class A - 2017 Series 11	(718)	15,000	(0.05)	1,647	15,000	0.11
Class A - 2018 Series 6	(187)	2,500	(0.07)	-	-	-
Class E - Initial Series	11,956	180,000	0.07	62,425	180,000	0.35
Class F - Initial Series	421	64,332	0.01	-	-	-
Class F - 2017 Series 10	-	-	-	25	100	0.25
Class F - 2017 Series 11	-	-	-	8,101	65,000	0.12
Class F - 2018 Series 1	(13,154)	25,259	(0.52)	-	-	-
Class F - 2018 Series 2	603	7,863	0.08	-	-	-
Class F - 2018 Series 3	2,977	61,715	0.05	-	-	-
Class F - 2018 Series 4	15	5,000	0.00	-	-	-
Class F - 2018 Series 5	(424)	8,547	(0.05)	-	-	-
Class UF - 2018 Series 1	11,277	18,961	0.59	-	-	-
Class UF - 2018 Series 5	228	5,000	0.05	-	-	-
Founder Class - Initial Series	(1,544)	264,898	(0.01)	-	-	-
Founder Class - 2017 Series 10	-	-	-	6,881	25,000	0.28
Founder Class - 2017 Series 11	-	-	-	5,542	40,000	0.14
Founder Class - 2017 Series 12	-	-	-	9,599	205,000	0.05
Founder Class - 2018 Series 5	(4,976)	53,500	(0.09)	-	-	-

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 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:

- (i) 1/12 of 2.0% of the aggregate of the net asset value of the Class A and Class UA units;
- (ii) 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
- (iii) 1/12 of 1.5% of the aggregate of the net asset value of Class I and Class UI units.
- (iv) 1/12 of 1.25% of the aggregate of the net asset value of the Founder, Class W and Class UW units.

### (b) Performance fees:

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 UI, Class J, Class UJ, Class W and Class UW 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.

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

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 7. Related party transactions (continued):

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) 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. The Investment Manager has elected to absorb certain expenses of the Fund in 2018 and 2017. For the period ended June 30, 2018, the Investment Manager absorbed \$nil in audit fees and \$nil in administration fees. \$nil legal fees and \$nil other fees were absorbed in 2018 (December 31, 2017 - \$6,955 in audit fees \$13,750 in administration fees \$128 legal fees and \$114 other fees).

### (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 measured at the exchange amounts. As at June 30, 2018, 100.0000 (December 31, 2017 – 100.0000) of Class F units were held by the Investment Manager and 180,000.0000 (December 31, 2017 – 180,000.0000) of Class E units 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 commission for the period ended June 30, 2018 is \$1,437 (December 31, 2017 - \$Nil).

# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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## 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.

## 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 long position in ETFs is equal to the total fair value of the investment in those respective ETFs at any given point in time. The Fund did not have control or any significant influence on these ETFs and, the following, meet the definition of unconsolidated structures entities:

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As at	ETF	Place of business	Fair value amounts	Proportion of interest owned
June 30, 2018	iShares Barclays 20+ Year Treasury Bond ETF	United States	\$ 1,134,970	0.01%

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As at	ETF	Place of business	Fair value amounts	Proportion of interest owned
December 31, 2017	iShares JP Morgan Emerging Markets Bond Index ETF	United States	\$ 321,116	0.00%

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# EHP GUARDIAN INTERNATIONAL FUND

Notes to Financial Statements (continued)

Period ended June 30, 2018 (unaudited)

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

The Fund may invest in or hold a short position of 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. The maximum exposure to loss from interests in short positions can be unlimited.

The fair value of these ETFs, if any, are disclosed in investments in the statement of financial position and listed in the schedule of investments.

## **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 \$898,000 and redemptions of \$3,182,896.f