

Financial Statements of

EHP GUARDIAN FUND

Year ended December 31, 2018



KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818

INDEPENDENT AUDITORS' REPORT

To the Unitholders of EHP Guardian Fund

Opinion

We have audited the financial statements of EHP Guardian Fund (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of comprehensive income (loss) for the year then ended
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 29, 2019

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Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 43,556,942	\$ 78,436,151
Financial assets at fair value through profit or loss (cost - \$37,088,912; 2017 - \$153,024,793) (note 4)	37,267,055	159,222,815
Receivable for investments sold (note 2)	3,199,791	11,853,405
Dividends receivable	97,630	324,083
Interest receivable	27,155	12,369
Other receivable	—	21,757
Expenses paid in advance	—	3,581
	84,148,573	249,874,161
Liabilities		
Financial liabilities at fair value through profit and loss (proceeds -\$19,690,633; 2017 - \$32,089,784) (note 4)	17,784,511	33,247,738
Bank margin	466,435	14,069,851
Redemptions payable	2,600	—
Payable for investments purchased (note 2)	3,123,939	15,296,227
Accounts payable and accrued liabilities	58,674	79,552
Management fees payable (note 6)	71,268	195,693
Dividends payable	30,258	71,533
Performance fees payable (note 6)	93,994	415,980
Interest payable	809	49,296
	21,632,488	63,425,870
Net assets attributable to holders of redeemable units (note 5)	\$ 62,516,085	\$ 186,448,291
Net assets attributable to holders of redeemable units per class and series:		
Class A - Initial Series	\$ 2,445,027	\$ 7,384,982
Class A - 2017 Series 1	1,628,107	1,759,035
Class A - 2017 Series 2	640,222	1,386,149
Class A - 2017 Series 3	317,790	739,185
Class A - 2017 Series 4	778,461	989,952
Class A - 2017 Series 5	418,060	454,406
Class A - 2017 Series 6	80,958	106,032
Class A - 2017 Series 7	753,228	1,103,283
Class A - 2017 Series 8	10,220	10,205
Class A - 2017 Series 9	28,519	29,659
Class A - 2017 Series 10	—	110,752
Class A - 2017 Series 11	47,979	150,701
Class A - 2017 Series 12	75,801	103,443
Class A - 2018 Series 1	245,845	—
Class A - 2018 Series 4	20,477	—
Class A - 2018 Series 5	17,421	—
Class A - 2018 Series 6	153,303	—
Class A - 2018 Series 7	50,945	—
Class A - 2018 Series 8	50,672	—
Class A - 2018 Series 12	75,822	—
Class E - Initial Series	142,848	391,957
Class F - Initial Series	42,856,711	40,240,623
Class F - 2017 Series 1	—	4,652,595
Class F - 2017 Series 2	—	6,986,792
Class F - 2017 Series 3	—	16,632,532
Class F - 2017 Series 4	—	5,730,433
Class F - 2017 Series 5	—	5,766,124
Class F - 2017 Series 6	—	8,470,672

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Statement of Financial Position (continued)

December 31, 2018, with comparative information for 2017

	2018	2017
Class F - 2017 Series 7	-	4,062,316
Class F - 2017 Series 8	-	26,233,730
Class F - 2017 Series 9	-	883,572
Class F - 2017 Series 10	-	2,335,193
Class F - 2017 Series 11	-	2,075,917
Class F - 2017 Series 12	-	2,963,858
Class F - 2018 Series 10	327,769	-
Class F - 2018 Series 11	517,064	-
Class F - 2018 Series 12	316,464	-
Class UA - Initial Series	1,252,818	467,111
Class UA - 2017 Series 2	-	125,798
Class UA - 2017 Series 3	-	656,494
Class UA - 2018 Series 1	136,570	-
Class UA - 2018 Series 10	548,723	-
Class UF - Initial Series	6,445,609	2,972,383
Class UF - 2017 Series 1	-	868,805
Class UF - 2017 Series 2	-	513,413
Class UF - 2017 Series 3	-	1,148,328
Class UF - 2017 Series 4	-	488,827
Class UF - 2017 Series 5	-	2,088,388
Class UF - 2017 Series 6	-	3,854,923
Class UF - 2017 Series 7	-	9,390,659
Class UF - 2017 Series 8	-	181,773
Class UF - 2017 Series 9	-	4,883,313
Class UF - 2017 Series 10	-	198,079
Class UF - 2017 Series 11	-	741,190
Class UF - 2017 Series 12	-	62,976
Class UF - 2018 Series 12	82,148	-
Class UJ - 2016 Series 10	-	12,295,517
Class W - Initial Series	102,799	-
Class W - 2017 Series 8	-	153,118
Class W - 2017 Series 11	-	100,686
Founder Class - Initial Series	974,050	2,951,469
Founder Class - 2017 Series 1	250,670	248,993
Founder Class - 2017 Series 4	303,984	301,950
Founder Class - 2018 Series 12	419,001	-
Total net assets attributable to holders of redeemable units	\$ 62,516,085	\$ 186,448,291

Net assets attributable to holders of redeemable units per units:

Class A - Initial Series	\$ 9.87	\$ 10.25
Class A - 2017 Series 1	9.09	9.47
Class A - 2017 Series 2	9.16	9.55
Class A - 2017 Series 3	9.16	9.55
Class A - 2017 Series 4	9.30	9.69
Class A - 2017 Series 5	9.36	9.75
Class A - 2017 Series 6	9.47	9.86
Class A - 2017 Series 7	9.50	9.88
Class A - 2017 Series 8	9.67	10.05
Class A - 2017 Series 9	9.65	10.04
Class A - 2017 Series 10	-	10.01
Class A - 2017 Series 11	9.64	10.03
Class A - 2017 Series 12	9.60	9.99
Class A - 2018 Series 1	9.62	-
Class A - 2018 Series 4	9.95	-
Class A - 2018 Series 5	9.99	-
Class A - 2018 Series 6	10.01	-
Class A - 2018 Series 7	10.01	-
Class A - 2018 Series 8	9.99	-

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Statement of Financial Position (continued)

December 31, 2018, with comparative information for 2017

	2018	2017
Class A - 2018 Series 12	10.01	—
Class E - Initial Series	11.32	11.44
Class F - Initial Series	10.25	10.54
Class F - 2017 Series 1	—	9.58
Class F - 2017 Series 2	—	9.64
Class F - 2017 Series 3	—	9.63
Class F - 2017 Series 4	—	9.75
Class F - 2017 Series 5	—	9.77
Class F - 2017 Series 6	—	9.90
Class F - 2017 Series 7	—	9.93
Class F - 2017 Series 8	—	10.03
Class F - 2017 Series 9	—	10.09
Class F - 2017 Series 10	—	10.05
Class F - 2017 Series 11	—	10.01
Class F - 2017 Series 12	—	10.00
Class F - 2018 Series 10	9.98	—
Class F - 2018 Series 11	9.98	—
Class F - 2018 Series 12	9.98	—
Class UA - Initial Series	12.60	12.00
Class UA - 2017 Series 2	—	12.08
Class UA - 2017 Series 3	—	12.09
Class UA - 2018 Series 1	13.12	—
Class UA - 2018 Series 10	13.62	—
Class UF - Initial Series	12.85	12.12
Class UF - 2017 Series 1	—	12.13
Class UF - 2017 Series 2	—	12.17
Class UF - 2017 Series 3	—	12.19
Class UF - 2017 Series 4	—	12.34
Class UF - 2017 Series 5	—	12.36
Class UF - 2017 Series 6	—	12.49
Class UF - 2017 Series 7	—	12.52
Class UF - 2017 Series 8	—	12.65
Class UF - 2017 Series 9	—	12.72
Class UF - 2017 Series 10	—	12.61
Class UF - 2017 Series 11	—	12.59
Class UF - 2017 Series 12	—	12.59
Class UF - 2018 Series 12	13.69	—
Class UJ - 2016 Series 10	—	12.12
Class W - Initial Series	9.71	—
Class W - 2017 Series 8	—	10.03
Class W - 2017 Series 11	—	10.01
Founder Class - Initial Series	10.46	10.79
Founder Class - 2017 Series 1	9.21	9.55
Founder Class - 2017 Series 4	9.41	9.75
Founder Class - 2018 Series 12	9.99	—

See accompanying notes to financial statements.

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

"Darryl DeMers" _____ Chief Financial Officer

EHP GUARDIAN FUND

Statement of Comprehensive Income (Loss)

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Income:		
Dividend	\$ 3,296,028	\$ 4,945,344
Interest for distribution purposes	431,197	158,169
Net foreign currency losses	(275,184)	(1,044,999)
Other income	68,092	21,757
Net realized gains (losses) on financial assets and liabilities at fair value through profit or loss	4,775,492	(2,579,375)
Net change in unrealized appreciation (depreciation) on financial assets and liabilities at fair value through profit or loss	(2,990,737)	3,027,416
	<u>5,304,888</u>	<u>4,528,312</u>
Operating expenses:		
Management fee (note 6)	1,504,540	1,916,942
Interest and stock loan fees	1,021,778	640,569
Commissions and other portfolio transaction costs	556,870	778,258
Dividend expense on investments sold short	409,500	719,041
Performance fee (note 6)	308,145	507,696
Withholding taxes	251,303	441,253
Administration fee	177,074	255,523
Other operating expenses	59,946	40,878
Audit fee	25,900	25,946
Legal fee	15,698	35,068
	<u>4,330,754</u>	<u>5,361,174</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>\$ 974,134</u>	<u>\$ (832,862)</u>

See accompanying notes to financial statements.

EHP GUARDIAN FUND

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

Year ended December 31, 2018, with comparative information for 2017

	Net assets attributable to holders of redeemable units, beginning of year	Increase (decrease) in net assets attributable to holders of redeemable units	Unit transactions							Net assets attributable to holders of redeemable units, end of year
			Proceeds from redeemable units issued	Reinvestment of distributions to holders of redeemable units	Redemption of redeemable units	Return of capital	Transfer in/transfer out	Redesignation of redeemable units	Distributions of redeemable units	
2018										
Class A - Initial Series	\$ 7,384,982	\$ (70,029)	\$ -	\$ 110,501	\$ (3,883,987)	\$ (189,044)	\$ (907,396)	\$ -	\$ -	\$ 2,445,027
Class A - 2017 Series 1	1,759,035	719	-	67,085	(127,387)	(71,345)	-	-	-	1,628,107
Class A - 2017 Series 2	1,386,149	(7,395)	-	25,983	(710,578)	(40,411)	(13,526)	-	-	640,222
Class A - 2017 Series 3	739,185	(899)	-	23,402	(368,832)	(26,346)	(48,720)	-	-	317,790
Class A - 2017 Series 4	989,952	798	-	34,705	(207,599)	(39,395)	-	-	-	778,461
Class A - 2017 Series 5	454,406	58	-	6,451	(24,655)	(18,200)	-	-	-	418,060
Class A - 2017 Series 6	106,032	(74)	-	4,337	(25,000)	(4,337)	-	-	-	80,958
Class A - 2017 Series 7	1,103,283	(5,650)	-	26,682	(334,283)	(36,804)	-	-	-	753,228
Class A - 2017 Series 8	10,205	15	-	409	-	(409)	-	-	-	10,220
Class A - 2017 Series 9	29,659	29	-	-	-	(1,169)	-	-	-	28,519
Class A - 2017 Series 10	110,752	(1,323)	-	2,970	(99,797)	(3,049)	(9,553)	-	-	-
Class A - 2017 Series 11	150,701	(729)	-	4,051	(100,025)	(6,019)	-	-	-	47,979
Class A - 2017 Series 12	103,443	(363)	-	-	-	(3,666)	(23,613)	-	-	75,801
Class A - 2018 Series 1	-	386	247,831	7,322	-	(9,694)	-	-	-	245,845
Class A - 2018 Series 2	-	4,124	322,000	6,544	(323,604)	(9,064)	-	-	-	-
Class A - 2018 Series 4	-	927	50,000	1,417	(30,450)	(1,417)	-	-	-	20,477
Class A - 2018 Series 5	-	417	-	421	-	(421)	17,004	-	-	17,421
Class A - 2018 Series 6	-	6,012	298,350	3,178	(148,469)	(5,768)	-	-	-	153,303
Class A - 2018 Series 7	-	945	50,000	881	-	(881)	-	-	-	50,945
Class A - 2018 Series 8	-	672	50,000	704	-	(704)	-	-	-	50,672
Class A - 2018 Series 12	-	422	75,400	-	-	-	-	-	-	75,822
Class E - Initial Series	391,957	891	-	9,808	(250,000)	(9,808)	-	-	-	142,848
Class F - Initial Series	40,240,623	(516,841)	-	1,776,290	(89,721,774)	(2,876,983)	(17,004)	93,972,400	-	42,856,711
Class F - 2017 Series 1	4,652,595	-	-	3,929	-	(5,153)	-	(4,651,371)	-	-
Class F - 2017 Series 2	6,986,792	-	-	4,526	-	(7,689)	-	(6,983,629)	-	-
Class F - 2017 Series 3	16,632,532	-	-	12,345	-	(18,319)	-	(16,626,558)	-	-
Class F - 2017 Series 4	5,730,433	-	-	4,337	-	(6,234)	-	(5,728,536)	-	-
Class F - 2017 Series 5	5,766,124	-	-	3,612	-	(6,259)	-	(5,763,477)	-	-
Class F - 2017 Series 6	8,470,672	-	-	5,040	(14,880)	(9,080)	-	(8,451,752)	-	-
Class F - 2017 Series 7	4,062,316	-	-	2,302	-	(4,340)	-	(4,060,278)	-	-
Class F - 2017 Series 8	26,233,730	-	-	27,319	-	(27,750)	-	(26,233,299)	-	-
Class F - 2017 Series 9	883,572	-	-	662	-	(929)	-	(883,305)	-	-
Class F - 2017 Series 10	2,335,193	-	-	1,339	-	(2,464)	-	(2,334,068)	-	-
Class F - 2017 Series 11	2,075,917	-	-	1,899	-	(2,200)	-	(2,075,616)	-	-
Class F - 2017 Series 12	2,963,858	-	-	2,397	-	(3,146)	-	(2,963,109)	-	-
Class F - 2018 Series 1	-	(7,319)	1,545,210	23,868	(621,114)	(51,233)	288,486	(1,177,898)	-	-
Class F - 2018 Series 2	-	13,147	775,633	18,018	(212,223)	(22,496)	58,831	(630,910)	-	-
Class F - 2018 Series 3	-	14,868	567,800	10,996	(203,724)	(13,324)	9,553	(386,169)	-	-

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

Year ended December 31, 2018, with comparative information for 2017

	Net assets attributable to holders of redeemable units, beginning of year	Increase (decrease) in net assets attributable to holders of redeemable units	Unit transactions							Net assets attributable to holders of redeemable units, end of year
			Proceeds from redeemable units issued	Reinvestment of distributions to holders of redeemable units	Redemption of redeemable units	Return of capital	Transfer in/transfer out	Redesignation of redeemable units	Distributions of redeemable units	
2018										
Class F - 2018 Series 4	–	15,597	603,200	11,990	(230,303)	(13,925)	124,953	(511,512)	–	–
Class F - 2018 Series 5	–	18,224	719,050	11,972	(50,583)	(13,581)	78,572	(763,654)	–	–
Class F - 2018 Series 6	–	41,346	1,828,750	25,016	(277,569)	(28,175)	244,151	(1,833,519)	–	–
Class F - 2018 Series 7	–	22,272	1,110,170	8,829	(20,319)	(12,307)	73,259	(1,181,904)	–	–
Class F - 2018 Series 8	–	2,767	157,360	942	(5,011)	(1,785)	99,968	(254,241)	–	–
Class F - 2018 Series 9	–	2,201	475,705	1,350	–	(1,661)	–	(477,595)	–	–
Class F - 2018 Series 10	–	935	327,650	1,776	(25,250)	(2,377)	25,035	–	–	327,769
Class F - 2018 Series 11	–	(728)	519,100	503	–	(1,811)	–	–	–	517,064
Class F - 2018 Series 12	–	664	315,800	–	–	–	–	–	–	316,464
Class UA - Initial Series	467,111	77,512	–	15,792	(215,195)	(19,757)	–	927,355	–	1,252,818
Class UA - 2017 Series 2	125,798	4,083	–	4,432	–	(4,432)	–	(129,881)	–	–
Class UA - 2017 Series 3	656,494	21,675	–	23,119	–	(23,119)	–	(678,169)	–	–
Class UA - 2018 Series 1	–	13,490	123,080	5,076	–	(5,076)	–	–	–	136,570
Class UA - 2018 Series 5	–	4,150	115,155	2,064	–	(2,064)	–	(119,305)	–	–
Class UA - 2018 Series 10	–	31,543	517,180	3,709	–	(3,709)	–	–	–	548,723
Class UF - Initial Series	2,972,383	1,270,326	–	314,545	(23,987,262)	(773,262)	–	26,648,879	–	6,445,609
Class UF - 2017 Series 1	868,805	–	–	955	–	(955)	–	(868,805)	–	–
Class UF - 2017 Series 2	513,413	–	–	532	–	(562)	–	(513,383)	–	–
Class UF - 2017 Series 3	1,148,328	–	–	687	–	(1,257)	–	(1,147,758)	–	–
Class UF - 2017 Series 4	488,827	–	–	422	–	(529)	–	(488,720)	–	–
Class UF - 2017 Series 5	2,088,388	–	–	352	–	(2,253)	–	(2,086,487)	–	–
Class UF - 2017 Series 6	3,854,923	–	–	4,098	–	(4,116)	–	(3,854,905)	–	–
Class UF - 2017 Series 7	9,390,659	–	–	2,824	–	(10,000)	–	(9,383,483)	–	–
Class UF - 2017 Series 8	181,773	–	–	178	–	(192)	–	(181,759)	–	–
Class UF - 2017 Series 9	4,883,313	–	–	–	–	(5,119)	–	(4,878,194)	–	–
Class UF - 2017 Series 10	198,079	–	–	209	–	(209)	–	(198,079)	–	–
Class UF - 2017 Series 11	741,190	–	–	174	–	(785)	–	(740,579)	–	–
Class UF - 2017 Series 12	62,976	–	–	67	–	(67)	–	(62,976)	–	–
Class UF - 2018 Series 1	–	17,284	399,461	11,086	–	(13,114)	–	(414,717)	–	–
Class UF - 2018 Series 2	–	3,387	62,905	–	–	(1,813)	–	(64,479)	–	–
Class UF - 2018 Series 3	–	1,280	32,238	803	–	(803)	–	(33,518)	–	–
Class UF - 2018 Series 4	–	6,824	214,765	689	–	(4,555)	–	(217,723)	–	–
Class UF - 2018 Series 6	–	2,139	97,133	1,375	–	(1,375)	–	(99,272)	–	–
Class UF - 2018 Series 7	–	16,155	1,313,300	–	–	(13,641)	–	(1,315,814)	–	–
Class UF - 2018 Series 8	–	795	97,433	683	–	(683)	–	(98,228)	–	–
Class UF - 2018 Series 12	–	1,778	80,370	–	–	–	–	–	–	82,148

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

Year ended December 31, 2018, with comparative information for 2017

2018	Net assets attributable to holders of redeemable units, beginning of year	Increase (decrease) in net assets attributable to holders of redeemable units	Unit transactions							Net assets attributable to holders of redeemable units, end of year
			Proceeds from redeemable units issued	Reinvestment of distributions to holders of redeemable units	Redemption of redeemable units	Return of capital	Transfer in/transfer out	Redesignation of redeemable units	Distributions of redeemable units	
Class UJ - 2016 Series 10	12,295,517	(55,651)	–	192,534	(12,239,866)	(192,534)	–	–	–	–
Class W - Initial Series	–	(2,489)	–	6,306	(148,516)	(6,306)	–	253,804	–	102,799
Class W - 2017 Series 8	153,118	–	–	162	–	(162)	–	(153,118)	–	–
Class W - 2017 Series 11	100,686	–	–	107	–	(107)	–	(100,686)	–	–
Founder Class - Initial Series	2,951,469	19,389	–	68,841	(1,975,076)	(90,573)	–	–	–	974,050
Founder Class - 2017 Series 1	248,993	1,677	–	10,518	–	(10,518)	–	–	–	250,670
Founder Class - 2017 Series 4	301,950	2,034	–	12,490	–	(12,490)	–	–	–	303,984
Founder Class - 2018 Series 12	–	(333)	419,334	–	–	–	–	–	–	419,001
	\$ 186,448,291	\$ 974,134	\$ 13,511,363	\$ 2,982,937	\$ (136,583,331)	\$ (4,817,309)	\$ –	\$ –	\$ –	\$ 62,516,085

EHP GUARDIAN FUND

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

Year ended December 31, 2018, with comparative information for 2017

	Net assets attributable to holders of redeemable units, beginning of year	Increase (decrease) in net assets attributable to holders of redeemable units	Unit transactions							Net assets attributable to holders of redeemable units, end of year
			Proceeds from redeemable units issued	Reinvestment of distributions to holders of redeemable units	Redemption of redeemable units	Return of capital	Transfer in/transfer out	Redesignation of redeemable units	Distributions of redeemable units	
2017										
Class A - Initial Series	\$ 5,486,221	\$ (125,926)	\$ —	\$ 206,633	\$ (2,427,515)	\$ (385,617)	\$ (291,449)	\$ 4,935,485	\$ (12,850)	\$ 7,384,982
Class A - 2016 Series 10	1,010,477	—	—	851	—	(873)	—	(1,010,455)	—	—
Class A - 2016 Series 11	2,483,608	—	—	743	—	(2,111)	—	(2,482,240)	—	—
Class A - 2016 Series 12	1,443,867	—	—	159	—	(1,232)	—	(1,442,794)	—	—
Class A - 2017 Series 1	—	(33,235)	3,206,800	72,840	(974,538)	(106,990)	(399,007)	—	(6,835)	1,759,035
Class A - 2017 Series 2	—	(9,640)	1,407,670	40,776	—	(52,546)	—	—	(111)	1,386,149
Class A - 2017 Series 3	—	(8,315)	1,057,980	31,118	(307,588)	(33,438)	—	—	(572)	739,185
Class A - 2017 Series 4	—	2,656	991,694	27,079	—	(30,161)	—	—	(1,316)	989,952
Class A - 2017 Series 5	—	803	482,000	4,577	(20,000)	(12,560)	—	—	(414)	454,406
Class A - 2017 Series 6	—	1,032	105,000	2,523	—	(2,031)	—	—	(492)	106,032
Class A - 2017 Series 7	—	17,027	1,090,190	16,579	—	(12,397)	—	—	(8,116)	1,103,283
Class A - 2017 Series 8	—	205	10,000	153	—	(56)	—	—	(97)	10,205
Class A - 2017 Series 9	—	457	29,550	—	—	(130)	—	—	(218)	29,659
Class A - 2017 Series 10	—	976	109,850	843	—	(452)	—	—	(465)	110,752
Class A - 2017 Series 11	—	1,202	149,750	506	—	(184)	—	—	(573)	150,701
Class A - 2017 Series 12	—	80	103,424	—	—	(23)	—	—	(38)	103,443
Class E - Initial Series	3,458,435	(23,567)	25,000	69,791	(3,067,911)	(67,336)	—	—	(2,455)	391,957
Class F - Initial Series	31,315,561	(43,275)	30,520	1,192,863	(7,594,842)	(1,783,363)	—	17,175,322	(52,163)	40,240,623
Class F - 2016 Series 10	4,935,370	—	—	3,365	—	(4,253)	—	(4,934,482)	—	—
Class F - 2016 Series 11	6,348,571	—	—	3,614	—	(5,387)	—	(6,346,798)	—	—
Class F - 2016 Series 12	5,895,086	—	—	4,028	—	(5,026)	—	(5,894,088)	—	—
Class F - 2017 Series 1	—	(9,786)	5,711,740	183,657	(1,005,520)	(224,671)	—	—	(2,825)	4,652,595
Class F - 2017 Series 2	—	14,344	7,902,738	188,230	(827,823)	(279,473)	—	—	(11,224)	6,986,792
Class F - 2017 Series 3	—	27,678	17,341,534	406,437	(971,892)	(569,179)	425,750	—	(27,796)	16,632,532
Class F - 2017 Series 4	—	58,843	8,549,475	189,458	(2,822,738)	(211,301)	—	—	(33,304)	5,730,433
Class F - 2017 Series 5	—	80,061	6,559,395	130,387	(935,480)	(138,282)	109,720	—	(39,677)	5,766,124
Class F - 2017 Series 6	—	132,700	8,828,552	117,119	(402,244)	(141,852)	—	—	(63,603)	8,470,672
Class F - 2017 Series 7	—	80,935	5,042,675	59,725	(1,062,306)	(51,048)	31,041	—	(38,706)	4,062,316
Class F - 2017 Series 8	—	601,215	25,638,952	407,869	—	(127,725)	—	—	(286,581)	26,233,730
Class F - 2017 Series 9	—	21,231	1,167,565	9,681	(302,340)	(2,445)	—	—	(10,120)	883,572
Class F - 2017 Series 10	—	24,561	2,195,780	10,835	(2,016)	(6,204)	123,945	—	(11,708)	2,335,193
Class F - 2017 Series 11	—	14,934	2,062,282	8,990	—	(3,171)	—	—	(7,118)	2,075,917
Class F - 2017 Series 12	—	4,539	2,959,799	1,919	—	(236)	—	—	(2,163)	2,963,858
Class UA - Initial Series	—	(33,569)	—	17,151	—	(21,297)	—	504,826	—	467,111
Class UA - 2016 Series 9	33,382	—	—	—	—	(29)	—	(33,353)	—	—
Class UA - 2016 Series 11	202,373	—	—	171	—	(171)	—	(202,373)	—	—

EHP GUARDIAN FUND

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

Year ended December 31, 2018, with comparative information for 2017

	Net assets attributable to holders of redeemable units, beginning of year	Increase (decrease) in net assets attributable to holders of redeemable units	Unit transactions						Net assets attributable to holders of redeemable units, end of year	
			Proceeds from redeemable units issued	Reinvestment of distributions to holders of redeemable units	Redemption of redeemable units	Return of capital	Transfer in/transfer out	Redesignation of redeemable units		Distributions of redeemable units
2017										
Class UA - 2016 Series 12	269,150	–	–	173	–	(230)	–	(269,093)	–	–
Class UA - 2017 Series 2	–	(4,432)	130,232	5,136	–	(5,084)	–	–	(54)	125,798
Class UA - 2017 Series 3	–	(43,949)	700,448	24,295	–	(24,300)	–	–	–	656,494
Class UF - Initial Series	779,722	(214,692)	–	121,351	(418,045)	(134,866)	–	2,852,125	(13,212)	2,972,383
Class UF - 2016 Series 10	1,869,693	–	–	1,553	–	(1,612)	–	(1,869,634)	–	–
Class UF - 2016 Series 11	724,702	–	–	529	–	(615)	–	(724,616)	–	–
Class UF - 2016 Series 12	257,977	–	–	75	–	(220)	–	(257,832)	–	–
Class UF - 2017 Series 1	–	(467,748)	6,207,200	35,674	(4,739,935)	(162,424)	–	–	(3,962)	868,805
Class UF - 2017 Series 2	–	(17,629)	577,797	18,589	(45,005)	(18,419)	–	–	(1,920)	513,413
Class UF - 2017 Series 3	–	(81,803)	1,434,503	25,709	(186,044)	(38,255)	–	–	(5,782)	1,148,328
Class UF - 2017 Series 4	–	(23,171)	515,145	12,780	–	(11,826)	–	–	(4,101)	488,827
Class UF - 2017 Series 5	–	(154,163)	2,294,186	9,139	–	(44,469)	–	–	(16,305)	2,088,388
Class UF - 2017 Series 6	–	(142,308)	3,997,715	83,566	–	(42,382)	–	–	(41,668)	3,854,923
Class UF - 2017 Series 7	–	79,750	9,500,355	84,064	(88,336)	(69,040)	–	–	(116,134)	9,390,659
Class UF - 2017 Series 8	–	3,084	178,902	2,774	–	(388)	–	–	(2,599)	181,773
Class UF - 2017 Series 9	–	275,825	4,635,569	153,752	–	–	–	–	(181,833)	4,883,313
Class UF - 2017 Series 10	–	1,572	196,507	1,539	–	(248)	–	–	(1,291)	198,079
Class UF - 2017 Series 11	–	(4,098)	748,459	821	–	(152)	–	–	(3,840)	741,190
Class UF - 2017 Series 12	–	(1,354)	64,330	74	–	–	–	–	(74)	62,976
Class UJ - 2016 Series 10	13,590,244	(783,349)	–	573,061	(511,215)	(519,982)	–	–	(53,242)	12,295,517
Class W - 2017 Series 8	–	3,118	150,000	2,418	–	(932)	–	–	(1,486)	153,118
Class W - 2017 Series 11	–	686	100,000	592	–	(265)	–	–	(327)	100,686
Founder Class - Initial Series	5,010,330	(57,310)	–	132,143	(1,965,629)	(166,205)	–	–	(1,860)	2,951,469
Founder Class - 2017 Series 1	–	(1,007)	250,000	10,323	–	(8,752)	–	–	(1,571)	248,993
Founder Class - 2017 Series 4	–	1,950	300,000	9,479	–	(8,550)	–	–	(929)	301,950
	\$ 85,114,769	\$ (832,862)	\$ 134,741,263	\$ 4,720,279	\$ (30,678,962)	\$ (5,542,466)	\$ –	\$ –	\$ (1,073,730)	\$ 186,448,291

See accompanying notes to financial statements.

EHP GUARDIAN FUND

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 974,134	\$ (832,862)
Adjustments for:		
Net realized gains (losses) on financial assets and liabilities at fair value through profit or loss	(4,775,492)	2,579,375
Net change in unrealized depreciation (appreciation) on financial assets and liabilities at fair value through profit or loss	2,990,737	(3,027,416)
	(810,621)	(1,280,903)
Change in non-cash balances:		
Purchases of investments	(444,939,446)	(900,279,695)
Cost of investments purchased to cover short positions	(224,150,645)	(447,280,796)
Proceeds from sale of investments	548,984,031	807,291,276
Proceeds from investments sold short	224,864,674	453,333,047
Net decrease (increase) in dividends receivable	226,453	(111,935)
Net increase in interest receivable	(14,786)	(7,347)
Net decrease (increase) in other receivable	21,757	(21,757)
Net increase (decrease) in expenses paid in advance	3,581	(3,581)
Net increase (decrease) in accounts payable and accrued liabilities	(20,878)	14,462
Net increase (decrease) in management fees payable (note 6)	(124,425)	106,998
Net increase (decrease) in dividends payable	(41,275)	65,211
Net increase (decrease) in performance fees payable (note 6)	(321,986)	138,757
Net decrease in distribution payable	-	(1,916)
Net increase (decrease) in interest payable	(48,487)	49,296
Net cash provided by (used in) operating activities	103,627,947	(87,988,883)
Cash flows from financing activities:		
Proceeds from issuance of redeemable units (note 5)	13,511,363	134,741,695
Payment on redemption of redeemable units (note 5)	(136,580,731)	(30,683,462)
Distributions to holders of redeemable units	(1,834,372)	(1,895,917)
Net cash provided by (used in) financing activities	(124,903,740)	102,162,316
Increase (decrease) in cash and cash equivalents	(21,275,793)	14,173,433
Cash and cash equivalents, beginning of year	64,366,300	50,192,867
Cash and cash equivalents, end of year	\$ 43,090,507	\$ 64,366,300
Supplemental cash flow information:		
Interest paid	\$ 439,579	\$ 170,435
Interest received	416,411	150,822
Dividends received, net of withholding taxes	3,271,178	4,392,156
Dividends paid	450,775	653,830

See accompanying notes to financial statements.

EHP GUARDIAN FUND

Schedule of Investments

December 31, 2018

Number of shares/ par value/ contract	Description	Cost	Carrying value	% of net assets
Investments - long				
Canadian equities:				
123,400	Agellan Commercial REIT	\$ 1,751,812	\$ 1,741,174	2.79
55,700	Aimia Inc 4.50% Preferred	1,216,803	1,364,650	2.18
6,800	Alimentation Couche-Tard Inc., Class B	425,307	461,788	0.74
4,500	Bank of Montreal	469,306	401,355	0.64
3,500	BCE Inc.	186,179	188,755	0.30
6,700	Brookfield Renewable Partners LP	265,817	236,845	0.38
52,600	Canaccord Genuity Growth Corp.	168,959	184,100	0.29
4,800	Canadian Apartment Properties REIT	216,613	212,640	0.34
4,400	Canadian Imperial Bank of Commerce	523,980	447,392	0.72
3,800	Canadian National Railway Co.	409,283	384,218	0.61
700	Canadian Pacific Railway Ltd.	180,533	169,568	0.27
1,200	Canadian Tire Corporation Ltd., Class A	199,262	171,288	0.27
32,000	Cannabis Strategies Acquisitions Class A	443,787	475,840	0.76
15,700	Capital Power Corp.	432,370	417,463	0.67
80,100	Cardinal Energy Ltd.	249,198	177,822	0.28
1,700	CGI Group Inc.	134,582	141,950	0.23
3,200	Chartwell Retirement Residences REIT	47,918	43,744	0.07
29,700	Chorus Aviation Inc.	220,714	167,508	0.27
100	Constellation Software Inc.	87,360	87,386	0.14
181,400	Cortex Business Solutions Inc.	810,858	810,858	1.30
10,700	Crombie REIT	138,510	133,964	0.21
5,700	Domtar Corp.	343,208	273,030	0.44
18,500	Dream Global REIT	197,335	220,150	0.35
586,600	ECN Capital Corp.	2,040,517	2,023,770	3.24
6,100	Enghouse Systems Ltd.	402,380	405,101	0.65
51,800	Extendicare Inc.	401,391	328,930	0.53
8,700	Genworth MI Canada Inc.	338,995	349,740	0.56
500	George Weston Ltd.	48,395	45,025	0.07
11,100	Gibson Energy Inc.	226,020	207,348	0.33
2,400	Gildan Activewear Inc.	97,030	99,456	0.16
3,300	Granite REIT	173,957	175,593	0.28
10,900	Great-West Lifeco Inc.	317,684	307,162	0.49
2,100	H&R REIT	44,305	43,365	0.07
15,400	Inter Pipeline Ltd.	398,500	297,836	0.48
16,200	Intertape Polymer Group Inc.	274,846	274,104	0.44
4,200	Keyera Corp.	132,341	108,402	0.17
12,300	Labrador Iron Ore Royalty Corp.	321,644	298,152	0.48
3,200	Magna International Inc., Class A	208,377	198,304	0.32
10,200	Maxar Technologies Ltd.	181,508	166,362	0.27
26,200	Medical Facilities Corp.	386,338	394,048	0.63
2,900	Methanex Corp.	245,568	190,414	0.30
8,400	Metro Inc., Class A	376,418	397,656	0.64
6,500	MTY Food Group Inc.	418,197	394,160	0.63
4,300	National Bank of Canada	263,908	241,015	0.39
40,300	Neo Performance Materials Inc.	607,470	620,620	0.99
238,500	Nevsun Resources Ltd.	1,428,615	1,428,615	2.29
8,300	Norbord Inc.	356,889	301,290	0.48
5,500	Northview Apartment REIT	140,291	134,640	0.22

EHP GUARDIAN FUND

Schedule of Investments (continued)

December 31, 2018

Number of shares/ par value/ contract	Description	Cost	Carrying value	% of net assets
2,900	Open Text Corp.	127,003	129,050	0.21
9,200	Pembina Pipeline Corp.	402,882	372,692	0.60
7,100	Power Corporation of Canada	210,587	174,163	0.28
26,500	Quantum International Income Corp.	—	—	—
1,200	Royal Bank of Canada	121,004	112,128	0.18
25,900	Sienna Senior Living Inc.	453,638	407,666	0.65
47,700	Summit Industrial Income REIT	434,089	456,012	0.73
96,900	Surge Energy Inc.	129,739	142,443	0.23
3,600	Telus Corp.	168,430	162,900	0.26
14,800	The North West Company Inc.	441,253	465,016	0.74
1,400	Westshore Terminals Investment Corp.	35,893	28,812	0.05
	Total Canadian equities	21,475,796	20,795,478	33.29
	Canadian warrants:			
407,750	Alignvest Acquisition II Corp., Warrants \$11.50 04JUL21	153,737	163,100	0.26
192,450	Cannabis Strategies Acquisition Corp. Class A, Warrants \$11.50 04JUL21	349,732	721,688	1.15
	Total Canadian warrants	503,469	884,788	1.41
	Canadian options:			
1,786	MEG Energy Corp. CALL \$8.00 18JAN19	187,530	121,448	0.19
	Canadian bonds:			
2,414,400	Hydro One Ltd., 4% 30SEP27	587,602	770,194	1.23
	United States equities:			
300	Accenture PLC, Class A	62,988	57,722	0.09
5,100	Adient PLC	158,845	104,802	0.17
2,100	AFLAC Inc.	123,369	130,550	0.21
600	Air Products and Chemicals Inc.	123,080	131,033	0.21
2,200	American Financial Group Inc.	274,886	271,762	0.43
400	Amgen Inc.	89,449	106,251	0.17
600	Anthem Inc.	168,818	215,015	0.34
600	Apple Inc.	146,498	129,142	0.21
900	Archer-Daniels-Midland Co.	58,473	50,313	0.08
800	Automatic Data Processing Inc.	105,088	143,131	0.23
13,900	Avista Corp.	813,668	805,699	1.29
3,800	Bank OZK	124,720	118,376	0.19
1,700	Best Buy Company Inc.	157,286	122,849	0.20
500	Broadridge Financial Solutions Inc.	73,611	65,667	0.11
4,800	Centerpoint Energy Inc.	167,550	184,895	0.30
800	Chemed Corp.	330,993	309,228	0.49
1,200	Chevron Corp.	174,251	178,133	0.28
600	Cincinnati Financial Corp.	59,606	63,384	0.10
3,900	Cisco Systems Inc.	182,315	230,583	0.37
300	CME Group Inc., Class A	63,147	77,007	0.12

EHP GUARDIAN FUND

Schedule of Investments (continued)

December 31, 2018

Number of shares/ par value/ contract	Description	Cost	Carrying value	% of net assets
600	Comerica Inc.	75,750	56,237	0.09
1,200	Cracker Barrel Old Country Store Inc.	241,151	261,755	0.42
400	Darden Restaurants Inc.	56,110	54,504	0.09
1,600	Delta Air Lines Inc.	118,345	108,942	0.17
3,300	Duke Realty Corp.	121,625	116,624	0.19
2,500	Eastman Chemical Co.	337,968	249,396	0.40
1,200	Eaton Corporation PLC	123,983	112,424	0.18
900	Eli Lilly & Co.	113,924	142,110	0.23
4,200	Exelon Corp.	224,876	258,464	0.41
2,400	Exxon Mobil Corp.	257,936	223,309	0.36
65,549	Far Point Acquisition Corp.	861,113	902,466	1.44
900	First American Financial Corp.	61,690	54,820	0.09
5,100	Ford Motor Co.	72,422	53,236	0.09
2,800	Garmin Ltd.	213,674	241,920	0.39
14,000	General Electric Co.	142,653	144,610	0.23
1,300	Gilead Sciences Inc.	121,329	110,954	0.18
2,400	HollyFrontier Corp.	155,500	167,408	0.27
1,100	Hormel Foods Corp.	62,055	64,061	0.10
7,700	Host Hotels & Resorts Inc.	206,653	175,146	0.28
600	Humana Inc.	231,390	234,541	0.38
3,800	Huntington Bancshares Inc.	73,097	61,806	0.10
500	Ingersoll-Rand PLC	59,156	62,242	0.10
1,600	International Business Machines Corp.	317,657	248,164	0.40
400	Jack Henry & Associates Inc.	71,910	69,055	0.11
400	Johnson & Johnson Inc.	64,461	70,435	0.11
800	Kellogg Co.	67,322	62,232	0.10
700	Kohls Corp.	68,019	63,365	0.10
1,800	Lamar Advertising Co., Class A	177,824	169,913	0.27
1,500	Life Storage Inc.	185,472	190,327	0.30
2,400	LyondellBasell Industries NV, Class A	324,268	272,332	0.44
2,200	Marathon Petroleum Corp.	208,060	177,142	0.28
5,800	Medical Properties Trust Inc.	125,606	127,259	0.20
1,200	Motorola Solutions Inc.	168,702	188,366	0.30
600	MSC Industrial Direct Co., Class C	67,241	62,974	0.10
900	NextEra Energy Inc.	180,881	213,460	0.34
1,800	Occidental Pete Corp.	158,298	150,755	0.24
1,200	OGE Energy Corp.	62,331	64,170	0.10
6,400	Old Republic International Corp.	173,940	179,634	0.29
1,300	Omega Healthcare Investors Inc.	60,635	62,351	0.10
600	Omnicom Group Inc.	59,252	59,962	0.10
3,200	Oneok Inc.	238,617	235,567	0.38
500	Packaging Corporation of America	69,433	56,941	0.09
2,600	Paychex Inc.	203,533	231,133	0.37
1,400	PBF Energy Inc., Class A	78,209	62,410	0.10
4,200	Pfizer Inc.	186,646	250,154	0.40
2,100	Phillips 66 Co.	234,542	246,859	0.39
1,600	Public Service Enterprise Group Inc.	107,926	113,636	0.18
2,400	Quest Diagnostics Inc.	315,451	272,693	0.44

EHP GUARDIAN FUND

Schedule of Investments (continued)

December 31, 2018

Number of shares/ par value/ contract	Description	Cost	Carrying value	% of net assets
1,500	Rayonier Inc.	74,303	56,675	0.09
700	Republic Services Inc.	66,503	68,857	0.11
2,900	Signet Jewelers Ltd.	120,552	125,715	0.20
600	Simon Property Group Inc.	140,132	137,533	0.22
900	Suntrust Banks Inc.	76,317	61,943	0.10
6,700	Tailored Brands Inc.	125,643	124,699	0.20
1,800	Target Corp.	200,492	162,324	0.26
2,600	TE Connectivity Ltd.	309,167	268,313	0.43
5,200	The Chemours Co.	192,810	200,232	0.32
1,400	Union Pacific Corp.	259,820	264,061	0.42
600	UnitedHealth Group Inc.	199,078	203,955	0.33
1,800	Valero Energy Corp.	176,170	184,134	0.29
3,200	Verizon Communications Inc.	216,347	245,479	0.39
1,800	Waste Management Inc.	199,486	218,568	0.35
1,300	Watsco Inc.	283,869	246,813	0.39
10,100	Western Union Co.	259,267	235,112	0.38
600	Zoetis Inc., Class A	67,282	70,032	0.11
	Total United States equities	14,334,515	14,128,251	22.60
	United States futures:			
63	US Long Bond Future MAR19	–	566,896	0.91
Total investments - long		\$ 37,088,912	\$ 37,267,055	59.63
	Investments - short			
	Canadian equities:			
(7,500)	AltaGas Ltd.	\$ (128,253)	\$ (104,250)	(0.17)
(10,000)	Altus Group Ltd.	(296,313)	(236,700)	(0.38)
(9,700)	Artis REIT	(85,976)	(89,628)	(0.14)
(3,300)	Atco Ltd., Class I	(127,069)	(127,413)	(0.20)
(14,700)	ATS Automation Tooling System Inc.	(251,373)	(211,533)	(0.34)
(13,000)	Aurora Cannabis Inc.	(101,168)	(88,140)	(0.14)
(21,300)	Blackberry Ltd.	(283,108)	(206,823)	(0.33)
(6,200)	Boardwalk REIT	(283,525)	(234,422)	(0.37)
(14,400)	Boralex Inc., Class A	(290,114)	(242,496)	(0.39)
(4,900)	Brookfield Asset Management Inc., Class A	(262,149)	(256,368)	(0.41)
(1,900)	Brookfield Infrastructure Partners LP	(84,623)	(89,585)	(0.14)
(1,100)	Brookfield Property Partners	(28,584)	(24,222)	(0.04)
(3,300)	BRP Inc.	(129,036)	(116,622)	(0.19)
(8,400)	Canadian Western Bank	(261,186)	(218,736)	(0.35)
(4,800)	Cineplex Inc.	(114,721)	(122,112)	(0.20)
(3,000)	Colliers International Group Inc.	(257,780)	(225,870)	(0.36)
(5,300)	Cott Corp.	(105,633)	(100,753)	(0.16)
(4,600)	Dollarama Inc.	(202,812)	(149,362)	(0.24)
(11,400)	Dream Office REIT	(278,679)	(254,106)	(0.41)
(36,800)	Element Fleet Management Corp.	(270,699)	(254,288)	(0.41)
(4,100)	Empire Company Ltd., Class A	(102,311)	(118,203)	(0.19)
(400)	Fairfax Financial Holdings Ltd.	(276,000)	(240,392)	(0.38)
(7,900)	Finning International Inc.	(227,721)	(188,020)	(0.30)

EHP GUARDIAN FUND

Schedule of Investments (continued)

December 31, 2018

Number of shares/ par value/ contract	Description	Cost	Carrying value	% of net assets
(8,700)	First Capital Realty Inc.	(174,062)	(163,995)	(0.26)
(2,400)	First Quantum Minerals Ltd.	(35,757)	(26,496)	(0.04)
(11,600)	Hudson's Bay Co.	(115,230)	(84,564)	(0.14)
(41,900)	Husky Energy Inc.	(767,605)	(591,209)	(0.95)
(700)	Industrial Alliance Insurance and Financial Services Inc.	(30,347)	(30,499)	(0.05)
(20,900)	Innervex Renewable Energy Inc.	(278,670)	(262,086)	(0.42)
(2,400)	Interfor Corp.	(35,135)	(34,608)	(0.06)
(6,400)	Kelt Exploration Ltd.	(33,912)	(29,696)	(0.05)
(4,000)	Kinaxis Inc.	(269,866)	(263,600)	(0.42)
(2,700)	Linamar Corp.	(143,039)	(122,310)	(0.20)
(1,700)	Loblaw Companies Ltd.	(105,199)	(103,887)	(0.17)
(6,300)	Lundin Mining Corp.	(39,138)	(35,532)	(0.06)
(7,800)	Martinrea International Inc.	(88,284)	(84,708)	(0.14)
(3,500)	Onex Corp.	(316,400)	(260,225)	(0.42)
(28,800)	Paramount Resources Ltd., Class A	(307,033)	(206,784)	(0.33)
(1,800)	Prairiesky Royalty Ltd.	(30,165)	(31,806)	(0.05)
(3,400)	Premium Brands Holdings Corp.	(303,324)	(254,524)	(0.41)
(3,400)	Ritchie Bros Auctioneers Inc.	(149,879)	(151,844)	(0.24)
(20,300)	Savaria Corp.	(249,808)	(265,118)	(0.42)
(24,000)	Seven Generations Energy Inc.	(335,612)	(267,360)	(0.43)
(10,100)	Shaw Communications Inc., Class B	(251,554)	(249,571)	(0.40)
(1,800)	Shawcor Ltd.	(30,939)	(29,844)	(0.05)
(600)	Shopify Inc., Class A	(113,107)	(113,274)	(0.18)
(13,000)	Sierra Wireless Inc.	(249,858)	(238,290)	(0.38)
(4,500)	Sleep Country Canada Holdings Inc.	(98,803)	(89,865)	(0.14)
(6,000)	SNC-Lavalin Group Inc.	(315,969)	(275,520)	(0.44)
(6,100)	Spin Master Corp.	(265,399)	(234,179)	(0.37)
(2,200)	Stantec Inc.	(67,874)	(65,802)	(0.11)
(38,400)	Transalta Corp.	(247,837)	(214,656)	(0.34)
(25,000)	Tricon Capital Group Inc.	(267,846)	(242,250)	(0.39)
	Total Canadian equities	(10,166,484)	(8,924,146)	(14.30)
	Canadian options:			
(1,786)	MEG Energy Corp. PUT \$8.00 18JAN19	(110,732)	(107,160)	(0.17)
	United States equities:			
(1,400)	Activision Blizzard Inc.	(87,248)	(88,963)	(0.14)
(1,100)	Aecom Technology Corp.	(45,907)	(39,775)	(0.06)
(700)	Alarm.com Holdings Inc.	(42,625)	(49,544)	(0.08)
(1,400)	Albermarle Corp.	(166,613)	(147,227)	(0.24)
(300)	Alexion Pharmaceuticals Inc.	(46,805)	(39,854)	(0.06)
(2,500)	Allegheny Technologies Inc.	(78,752)	(74,263)	(0.12)
(6,500)	Allscripts Healthcare Solutions Inc.	(87,695)	(85,500)	(0.14)
(2,800)	American Axle & Manufacturing Holdings Inc.	(40,246)	(42,409)	(0.07)
(900)	Aqua America Inc.	(39,823)	(41,987)	(0.07)
(5,200)	Arconic Inc.	(138,950)	(119,628)	(0.19)
(2,300)	Avis Budget Group Inc.	(99,835)	(70,550)	(0.11)
(700)	Belden Inc.	(54,229)	(39,897)	(0.06)
(3,800)	Brighthouse Financial Inc.	(204,783)	(158,042)	(0.25)

EHP GUARDIAN FUND

Schedule of Investments (continued)

December 31, 2018

Number of shares/ par value/ contract	Description	Cost	Carrying value	% of net assets
(1,000)	Brink's Co.	(81,210)	(88,215)	(0.14)
(2,200)	C&J Energy Services Ltd.	(43,634)	(40,526)	(0.06)
(900)	CBOE Holdings Inc.	(124,116)	(120,140)	(0.19)
(100)	Charter Communications Inc., Class A	(40,621)	(38,884)	(0.06)
(1,100)	Coherent, Inc.	(193,325)	(158,665)	(0.25)
(10,000)	Corcept Therapeutics Inc.	(176,771)	(182,297)	(0.29)
(6,900)	Darling International Inc.	(162,481)	(181,146)	(0.29)
(2,300)	Diplomat Pharmacy Inc.	(45,531)	(42,242)	(0.07)
(4,600)	Dish Network Corp., Class A	(190,297)	(156,729)	(0.25)
(800)	Dr. Horton Inc.	(37,923)	(37,835)	(0.06)
(600)	Dycom Industries Inc.	(58,599)	(44,243)	(0.07)
(3,100)	Edgewell Personal Care Inc.	(177,097)	(157,989)	(0.25)
(600)	Edison International	(44,443)	(46,478)	(0.07)
(100)	Equinix Inc.	(53,724)	(48,107)	(0.08)
(6,800)	Exelixis Inc.	(162,811)	(182,510)	(0.29)
(3,100)	First Solar Inc.	(179,707)	(179,583)	(0.29)
(1,600)	Flowserve Corp.	(93,280)	(83,005)	(0.13)
(500)	Fox Factory Holding Corp.	(41,824)	(40,164)	(0.06)
(400)	Goldman Sachs Group Inc.	(88,619)	(91,176)	(0.15)
(2,200)	Granite Construction Inc.	(139,222)	(120,917)	(0.19)
(10,900)	Gulfport Energy Corp.	(137,923)	(97,418)	(0.16)
(800)	Healthcare Services Inc.	(43,338)	(43,860)	(0.07)
(4,000)	Ichor Holdings Ltd.	(84,996)	(88,965)	(0.14)
(2,800)	II-VI Inc.	(139,961)	(124,017)	(0.20)
(2,100)	Incyte Corp.	(191,012)	(182,214)	(0.29)
(400)	Inevity Corp.	(50,631)	(45,678)	(0.07)
(600)	Interactive Brokers Group Inc., Class A	(42,979)	(44,742)	(0.07)
(400)	iRobot Corp.	(47,833)	(45,705)	(0.07)
(400)	John Bean Technologies Corp.	(36,895)	(39,194)	(0.06)
(400)	Lending Tree Inc.	(130,039)	(119,844)	(0.19)
(3,300)	LGI Homes Inc.	(185,235)	(203,619)	(0.33)
(1,300)	LKQ Corp.	(42,648)	(42,093)	(0.07)
(700)	Lumentum Holdings Inc.	(36,926)	(40,126)	(0.06)
(15,998)	Luxfer Holdings PLC	(372,859)	(384,850)	(0.62)
(8,300)	Mattel Inc.	(150,279)	(113,140)	(0.18)
(7,300)	Maxlinear Inc.	(175,223)	(175,311)	(0.28)
(1,400)	Medicines Co.	(50,341)	(36,563)	(0.06)
(2,600)	Mercury Computer Systems Inc.	(166,278)	(167,771)	(0.27)
(1,800)	Monster Beverage Corp.	(131,818)	(120,889)	(0.19)
(1,100)	Mylan Inc.	(40,089)	(41,126)	(0.07)
(1,000)	Myriad Genetics Inc.	(39,622)	(39,666)	(0.06)
(1,900)	Nektar Therapeutics	(95,582)	(85,217)	(0.14)
(4,000)	NetScout Systems Inc.	(133,800)	(128,973)	(0.21)
(1,200)	NiSource Inc.	(40,282)	(41,508)	(0.07)
(10,100)	Now Inc.	(171,864)	(160,416)	(0.26)
(2,700)	NRG Energy Inc.	(114,348)	(145,892)	(0.23)
(7,700)	Patterson-UTI Energy Inc.	(145,809)	(108,744)	(0.17)
(1,400)	Penn National Gaming Inc.	(40,737)	(35,971)	(0.06)
(4,100)	PG&E Corp.	(135,758)	(132,868)	(0.21)

EHP GUARDIAN FUND

Schedule of Investments (continued)

December 31, 2018

Number of shares/ par value/ contract	Description	Cost	Carrying value	% of net assets
(700)	Pinnacle Financial Partners	(52,725)	(44,032)	(0.07)
(1,500)	PNM Resources Inc.	(84,783)	(84,101)	(0.13)
(2,100)	Prestige Brands Holdings Inc.	(94,616)	(88,485)	(0.14)
(4,200)	QEP Resources Inc.	(51,430)	(32,265)	(0.05)
(1,900)	Realogy Holdings Corp.	(39,811)	(38,059)	(0.06)
(100)	Regeneron Pharmaceuticals Inc.	(45,121)	(50,964)	(0.08)
(300)	Rogers Corp.	(41,113)	(40,550)	(0.06)
(400)	SBA Communications Corp.	(88,789)	(88,360)	(0.14)
(600)	Signature Bank	(95,754)	(84,171)	(0.13)
(1,300)	Skechers USA Inc., Class A	(39,965)	(40,603)	(0.06)
(13,600)	SLM Corp.	(183,449)	(154,210)	(0.25)
(5,300)	Spectrum Pharmaceuticals Inc.	(92,779)	(63,279)	(0.10)
(1,200)	Sprouts Farmers Market Inc.	(38,184)	(38,495)	(0.06)
(2,400)	Stericycle Inc.	(167,147)	(120,152)	(0.19)
(7,200)	Sterling Bancorp	(195,776)	(162,201)	(0.26)
(800)	Stifel Financial Inc.	(50,538)	(45,214)	(0.07)
(500)	SVB Financial Group	(142,401)	(129,573)	(0.21)
(2,800)	Synaptics Inc.	(142,840)	(142,165)	(0.23)
(500)	Tabula Rasa Healthcare Inc.	(43,240)	(43,500)	(0.07)
(2,200)	Tempur-Sealy International Inc.	(138,749)	(124,279)	(0.20)
(5,000)	The Hain Celestial Group Inc.	(174,840)	(108,205)	(0.17)
(1,200)	Tivity Health Inc.	(52,921)	(40,624)	(0.06)
(2,100)	Treehouse Foods Inc.	(131,538)	(145,307)	(0.23)
(3,400)	Tri Pointe Homes Inc.	(53,677)	(50,708)	(0.08)
(1,000)	Trimble Navigation Ltd.	(46,814)	(44,906)	(0.07)
(600)	TripAdvisor Inc.	(37,989)	(44,161)	(0.07)
(9,300)	Triumph Group Inc.	(213,528)	(145,933)	(0.23)
(1,800)	U.S. Concrete Inc.	(92,822)	(86,651)	(0.14)
(3,400)	Under Armour Inc., Class C	(76,236)	(75,017)	(0.12)
(300)	United Rentals Inc.	(40,026)	(41,971)	(0.07)
(1,600)	Viasat Inc.	(134,862)	(128,700)	(0.21)
(2,500)	World Fuel Services ORD	(85,103)	(73,035)	(0.12)
	Total United States equities		(8,674,746)	(13.82)
	United States future contracts:			
(40)	US 2-Year T-Note Future MAR 18	—	(78,459)	(0.13)
Total investments - short		\$ (19,690,633)	\$ (17,784,511)	(28.42)
Total investments - long		\$ 37,088,912	\$ 37,267,055	59.63
Total investments - short		(19,690,633)	(17,784,511)	(28.42)
Total investments owned		<u>\$ 17,398,279</u>	19,482,544	31.21
Other assets, net			43,033,541	68.79
Net assets (note 5)			\$ 62,516,085	100.00

See accompanying notes to financial statements.

EHP GUARDIAN FUND

Notes to Financial Statements

Year ended December 31, 2018

1. General information:

The EHP Guardian Fund (the "Fund") is an open-ended investment trust established under the laws of the Province of Ontario pursuant to a trust agreement made as of March 19, 2015 and amended and restated as of June 25, 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, consisting of interest and dividend income and capital gain appreciation and to provide unitholders with monthly distributions. The Investment Manager plans to generate these returns by utilizing predominantly a long/short equity strategy, consisting of diversified qualitative, quantitative and systematic investment strategies. The Fund will also seek to preserve capital and mitigate risk through the application of both portfolio and risk management tools. In order to achieve the above-stated objectives, the Fund will invest by employing diversified strategies.

2. Significant accounting policies:

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

(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 FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

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 March 29, 2019.

(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 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 financial liabilities:

(i) Classification, recognition, derecognition and measurement:

For fiscal years beginning January 1, 2018, IFRS 9, Financial Instruments ("IFRS 9") has replaced International Accounting Standard 39, Financial Instruments - Recognition and Measurement ("IAS 39"). IFRS 9 introduces new classification and measurement requirements for financial instruments, including impairment on financial assets and hedge accounting.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

2. Significant accounting policies (continued):

This new standard requires assets to be classified based on the Fund's business model for managing the financial assets and contractual cash flow characteristics of the financial assets. The standard includes three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income, and FVTPL. It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. IFRS 9 has been applied retrospectively by the Fund and did not result in a change to the classification or measurement of financial instruments. There were no changes in the recognition or measurement of the Fund's financial instruments as a result of adopting IFRS 9, and consequently, there was no impact to net assets.

Upon transition to IFRS 9, the Fund's financial assets and financial liabilities were classified as FVTPL and some as amortized cost. This classification differs from the classification under the previous standard IAS 39, therefore there were classification differences (as per the paragraph below) but no measurement differences of certain financial assets and financial liabilities upon transition to IFRS 9.

Effective January 1, 2018, all financial assets that had previously been designated as FVTPL or that were classified as held-for-trading were reclassified as FVTPL. Derivative assets and derivative liabilities that were previously classified as held-for-trading financial instruments were reclassified as FVTPL. Financial assets that were previously classified as loans and receivables were reclassified as amortized cost. Financial liabilities that were previously classified as other financial liabilities were reclassified as amortized cost upon transition to IFRS 9. Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. The information presented for 2017 reflects requirements of IFRS 9.

The Fund classifies its investments in debt and equity securities, and derivatives, as financial assets or financial liabilities at FVTPL. The Fund classifies its investments at FVTPL based on the Fund's business model for managing those financial assets in accordance with the Fund's documented investment strategy. The portfolio of investments is managed and performance is evaluated on a fair value basis and the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

2. Significant accounting policies (continued):

Financial assets and financial liabilities are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. 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 at FVTPL are measured at fair value. Net realized and changes in unrealized gains and losses arising from changes in the fair value of the financial assets or financial liabilities at FVTPL category are presented in the statement of comprehensive income within net realized gains (losses) on financial assets and liabilities at FVTPL and net change in unrealized appreciation (depreciation) on financial assets and liabilities at FVTPL in the period in which they arise.

The Fund 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 Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

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

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

2. Significant accounting policies (continued):

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.

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

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

2. Significant accounting policies (continued):

(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.

(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 year for each class/series, respectively.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

2. Significant accounting policies (continued):

(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 6.

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

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

(l) Commissions and other portfolio transaction costs:

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

(m) Taxation:

The Fund qualifies as a 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.

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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

2. Significant accounting policies (continued):

As at December 31, 2018, the Fund had capital loss carryforwards of \$8,822 (2017 - \$626,641) and non-capital loss carryforwards of nil (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.

3. Derivative financial instruments:

The Fund holds the following derivative instruments:

Warrants:

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

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

2018:

Description	Maturity date	Strike price	Notional amount
Warrants:			
Alignvest Acquisition II Corp.	July 4, 2021	\$ 11.50	\$ 4,689,125
Cannabis Strategies Acquisition Corp.	December 21, 2025	11.50	2,213,175

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

3. Derivative financial instruments (continued):

2017:

Description	Maturity date	Strike price	Notional amount
Warrants:			
Alignvest Acquisition II Corp.	July 4, 2021	\$ 11.50	\$ 1,317,900

Futures:

The Fund may enter into various futures contracts as part of its investment strategy. Generally, a futures contract represents a firm commitment for the future purchase or sale of an asset at a specified price on a specified date. The Fund may use futures contracts to gain exposure to, or hedge against, changes in the value of equities, commodities, interest rates or foreign currencies. If market conditions move unexpectedly, the anticipated benefits of futures contracts may not be achieved and a loss may be realized. The use of futures contracts involves the risk of imperfect correlation in movements in the price of futures contracts and the underlying instruments.

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

2018:

Description	Maturity date	Notional amount	Amount in financial assets or liabilities
Futures:			
US Long Bond Future MAR 19	March 29, 2019	\$ 12,550,671	\$ 566,896
US 2-Year T-Note Future MAR 19	March 29, 2019	11,588,016	(78,459)

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

3. Derivative financial instruments (continued):

2017:

Description	Maturity date	Notional amount	Amount in financial assets or liabilities
Futures:			
S&P/TSX 60 Future MAR 18	March 16, 2018	\$ 4,978,480	\$ (14,920)
US 10-Year T-Note Future MAR 18	March 16, 2018	6,822,578	74,029
US 2-Year T-Note Future MAR 18	March 29, 2018	32,544,150	50,433

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.

Description	Maturity date	Strike price	Notional amount
Options:			
MEG Energy Corp.	January 18, 2019	\$ 8.00	\$ 1,428,800
MEG Energy Corp.	January 18, 2019	8.00	\$ (1,428,800)

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 FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. 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:

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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Financial risk management (continued):

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

(i) Credit risk:

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

The Fund's investments in debt instruments and related derivatives represent the main concentration of credit risk. The fair value of these financial instruments includes consideration of the creditworthiness of the issuer. As at December 31, 2018 and 2017, the Fund had no significant investments in debt instruments. For derivatives, refer to note 3.

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 and CIBC (the "Prime Brokers"). Bankruptcy or insolvency of the Prime Brokers may cause the Fund's rights with respect to cash and cash equivalents held by the Prime Brokers to be delayed or limited. The Fund monitors its risk by monitoring the credit quality and financial position of the Prime Brokers. At the date of the approval of the financial statements, the credit rating for the Bank of Nova Scotia was A+ (2017 - A+) and for CIBC, it was A+ (2017 - A+).

The Fund has provided the Prime Brokers 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 Brokers agreements. As at December 31, 2018, the fair value of financial assets subject to the general lien is \$85,298,713 (2017 - \$249,995,042). The Fund's cash investments are held by highly creditworthy financial institutions.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. 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 FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. 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 December 31, 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 \$1,871,325 (2017 - \$12,597,508).

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 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 December 31, 2018 and 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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Financial risk management (continued):

2018:

United States dollar	Exposure	Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$ 2,902,979	\$ 145,149
Investments at FVTPL	5,941,942	297,097
Total	\$ 8,844,921	\$ 442,246
% of net assets attributable to holders of redeemable units	14.1	0.7

2017:

United States dollar	Exposure	Impact on net assets attributable to holders of redeemable units
Cash and other receivables	\$ (31,992,726)	\$ (1,599,636)
Investments at FVTPL	73,229,468	3,661,473
Total	\$ 41,236,742	\$ 2,061,837
% of net assets attributable to holders of redeemable units	22.1	1.1

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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. 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 year-end date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the year-end date, valuation techniques will be applied to determine the fair value.

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

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Financial risk management (continued):

The fair value hierarchy has the following levels:

- Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs are unobservable inputs for the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

If an asset or liability classified as Level 1 subsequently ceases to be actively traded, it is transferred into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs; in which case, it is reclassified to Level 3. All transfers are recorded at fair value at the beginning of the year of the transfer.

All investments held by the Fund are classified as Level 1, except for warrants of \$163,100 which are classified as Level 2. In 2017, all investment held by the Fund were classified as Level 1, except for warrants of \$80,220 which were classified as Level 2.

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

5. 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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

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

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, Class W and Founders units or USD \$10 for Class UA, Class UF, Class UJ and Class UW 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 (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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

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

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

2018	Units, beginning of year	Issuance of units	Redemption of units	Distribution reinvestment	Redesignation of units	Units, end of year
Class A - Initial Series	720,286	–	(392,650)	11,153	(91,091)	247,698
Class A - 2017 Series 1	185,711	–	(13,916)	7,353	–	179,148
Class A - 2017 Series 2	145,194	–	(76,676)	2,823	(1,477)	69,864
Class A - 2017 Series 3	77,420	–	(40,057)	2,544	(5,231)	34,676
Class A - 2017 Series 4	102,161	–	(22,199)	3,717	–	83,679
Class A - 2017 Series 5	46,618	–	(2,644)	687	–	44,661
Class A - 2017 Series 6	10,756	–	(2,664)	456	–	8,548
Class A - 2017 Series 7	111,633	–	(35,114)	2,800	–	79,319
Class A - 2017 Series 8	1,015	–	–	42	–	1,057
Class A - 2017 Series 9	2,955	–	–	–	–	2,955
Class A - 2017 Series 10	11,068	–	(10,392)	308	(984)	–
Class A - 2017 Series 11	15,025	–	(10,469)	419	–	4,975
Class A - 2017 Series 12	10,356	–	–	–	(2,463)	7,893
Class A - 2018 Series 1	–	24,792	–	760	–	25,552
Class A - 2018 Series 2	–	32,176	(32,841)	665	–	–
Class A - 2018 Series 4	–	5,000	(3,085)	142	–	2,057
Class A - 2018 Series 5	–	–	–	43	1,700	1,743
Class A - 2018 Series 6	–	29,804	(14,804)	317	–	15,317
Class A - 2018 Series 7	–	5,000	–	88	–	5,088
Class A - 2018 Series 8	–	5,000	–	70	–	5,070
Class A - 2018 Series 12	–	7,577	–	–	–	7,577
Class E - Initial Series	34,253	–	(22,514)	879	–	12,618
Class F - Initial Series	3,817,696	85	(8,749,793)	173,553	8,941,009	4,182,550
Class F - 2017 Series 1	485,689	–	–	411	(486,090)	10
Class F - 2017 Series 2	724,680	–	–	470	(725,150)	–
Class F - 2017 Series 3	1,726,611	–	–	1,283	(1,727,894)	–
Class F - 2017 Series 4	587,602	–	–	445	(588,047)	–
Class F - 2017 Series 5	589,952	–	–	371	(590,323)	–
Class F - 2017 Series 6	855,768	–	(1,505)	511	(854,774)	–
Class F - 2017 Series 7	409,005	–	–	231	(409,236)	–
Class F - 2017 Series 8	2,615,454	–	–	2,727	(2,618,181)	–
Class F - 2017 Series 9	87,536	–	–	65	(87,601)	–
Class F - 2017 Series 10	232,249	–	–	134	(232,383)	–
Class F - 2017 Series 11	207,356	–	–	190	(207,546)	–
Class F - 2017 Series 12	296,524	–	–	241	(296,765)	–
Class F - 2018 Series 1	–	154,255	(64,340)	2,465	(92,380)	–
Class F - 2018 Series 2	–	78,177	(21,657)	1,847	(58,367)	–
Class F - 2018 Series 3	–	56,876	(20,335)	1,106	(37,647)	–
Class F - 2018 Series 4	–	60,315	(22,983)	1,206	(38,538)	–
Class F - 2018 Series 5	–	71,867	(5,042)	1,198	(68,023)	–
Class F - 2018 Series 6	–	182,762	(27,627)	2,499	(157,634)	–
Class F - 2018 Series 7	–	110,300	(1,995)	872	(109,177)	–
Class F - 2018 Series 8	–	15,730	(501)	94	(15,323)	–
Class F - 2018 Series 9	–	47,448	–	134	(47,582)	–
Class F - 2018 Series 10	–	32,670	(2,511)	177	2,502	32,838
Class F - 2018 Series 11	–	51,752	–	50	–	51,802
Class F - 2018 Series 12	–	31,724	–	–	–	31,724
Class UA - Initial Series	38,927	–	(18,297)	1,309	77,457	99,396
Class UA - 2017 Series 2	10,410	–	–	371	(10,781)	–
Class UA - 2017 Series 3	54,298	–	–	1,932	(56,230)	–

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

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

2018	Units, beginning of year	Issuance of units	Redemption of units	Distribution reinvestment	Redesignation of units	Units, end of year
Class UA - 2018 Series 1	–	10,000	–	409	–	10,409
Class UA - 2018 Series 5	–	9,000	–	158	(9,158)	–
Class UA - 2018 Series 10	–	40,000	–	280	–	40,280
Class UF - Initial Series	245,256	–	(1,969,923)	26,079	2,200,290	501,702
Class UF - 2017 Series 1	71,605	–	–	80	(71,685)	–
Class UF - 2017 Series 2	42,171	–	–	44	(42,215)	–
Class UF - 2017 Series 3	94,224	–	–	56	(94,280)	–
Class UF - 2017 Series 4	39,629	–	–	34	(39,663)	–
Class UF - 2017 Series 5	168,950	–	–	28	(168,978)	–
Class UF - 2017 Series 6	308,632	–	–	329	(308,961)	–
Class UF - 2017 Series 7	749,778	–	–	226	(750,004)	–
Class UF - 2017 Series 8	14,375	–	–	14	(14,389)	–
Class UF - 2017 Series 9	383,793	–	–	–	(383,793)	–
Class UF - 2017 Series 10	15,705	–	–	17	(15,722)	–
Class UF - 2017 Series 11	58,849	–	–	14	(58,863)	–
Class UF - 2017 Series 12	5,004	–	–	5	(5,009)	–
Class UF - 2018 Series 1	–	31,924	–	887	(32,811)	–
Class UF - 2018 Series 2	–	5,000	–	–	(5,000)	–
Class UF - 2018 Series 3	–	2,500	–	62	(2,562)	–
Class UF - 2018 Series 4	–	16,684	–	53	(16,737)	–
Class UF - 2018 Series 6	–	7,500	–	105	(7,605)	–
Class UF - 2018 Series 7	–	100,000	–	–	(100,000)	–
Class UF - 2018 Series 8	–	7,500	–	52	(7,552)	–
Class UF - 2018 Series 12	–	6,000	–	–	–	6,000
Class UJ - 2016 Series 10	1,014,176	–	(1,030,281)	16,105	–	–
Class W - Initial Series	–	1	(15,397)	649	25,339	10,592
Class W - 2017 Series 8	15,271	–	–	16	(15,287)	–
Class W - 2017 Series 11	10,059	–	–	11	(10,070)	–
Founder Class - Initial Series	273,504	–	(187,014)	6,589	–	93,079
Founder Class - 2017 Series 1	26,071	–	–	1,140	–	27,211
Founder Class - 2017 Series 4	30,972	–	–	1,326	–	32,298
Founder Class - 2018 Series 12	–	41,933	–	–	–	41,933

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EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

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

2017	Units, beginning of year	Issuance of units	Redemption of units	Distribution reinvestment	Redesignation of units	Units, end of year
Class A - Initial Series	508,237	—	(237,182)	19,900	429,331	720,286
Class A - 2016 Series 10	101,137	—	—	85	(101,222)	—
Class A - 2016 Series 11	244,656	—	—	73	(244,729)	—
Class A - 2016 Series 12	142,759	—	—	16	(142,775)	—
Class A - 2017 Series 1	—	321,684	(103,158)	7,591	(40,406)	185,711
Class A - 2017 Series 2	—	140,959	—	4,235	—	145,194
Class A - 2017 Series 3	—	106,555	(32,380)	3,245	—	77,420
Class A - 2017 Series 4	—	99,374	—	2,787	—	102,161
Class A - 2017 Series 5	—	48,213	(2,065)	470	—	46,618
Class A - 2017 Series 6	—	10,500	—	256	—	10,756
Class A - 2017 Series 7	—	109,952	—	1,681	—	111,633
Class A - 2017 Series 8	—	1,000	—	15	—	1,015
Class A - 2017 Series 9	—	2,955	—	—	—	2,955
Class A - 2017 Series 10	—	10,984	—	84	—	11,068
Class A - 2017 Series 11	—	14,975	—	50	—	15,025
Class A - 2017 Series 12	—	10,356	—	—	—	10,356
Class E - Initial Series	294,834	2,134	(268,777)	6,062	—	34,253
Class F - Initial Series	2,855,386	2,885	(720,186)	112,338	1,567,273	3,817,696
Class F - 2016 Series 10	492,838	—	—	336	(493,174)	—
Class F - 2016 Series 11	624,233	—	—	356	(624,589)	—
Class F - 2016 Series 12	582,422	—	—	398	(582,820)	—
Class F - 2017 Series 1	—	571,848	(105,174)	19,015	—	485,689
Class F - 2017 Series 2	—	791,227	(85,959)	19,412	—	724,680
Class F - 2017 Series 3	—	1,743,297	(101,597)	42,149	42,762	1,726,611
Class F - 2017 Series 4	—	858,453	(290,271)	19,420	—	587,602
Class F - 2017 Series 5	—	661,342	(95,915)	13,362	11,163	589,952
Class F - 2017 Series 6	—	884,654	(40,751)	11,865	—	855,768
Class F - 2017 Series 7	—	507,197	(107,337)	6,041	3,104	409,005
Class F - 2017 Series 8	—	2,574,629	—	40,825	—	2,615,454
Class F - 2017 Series 9	—	116,581	(30,007)	962	—	87,536
Class F - 2017 Series 10	—	219,013	(201)	1,079	12,358	232,249
Class F - 2017 Series 11	—	206,457	—	899	—	207,356
Class F - 2017 Series 12	—	296,332	—	192	—	296,524
Class UA - Initial Series	—	—	—	1,371	37,556	38,927
Class UA - 2016 Series 9	2,488	—	—	—	(2,488)	—
Class UA - 2016 Series 11	14,769	—	—	13	(14,782)	—
Class UA - 2016 Series 12	19,792	—	—	13	(19,805)	—
Class UA - 2017 Series 2	—	10,000	—	410	—	10,410
Class UA - 2017 Series 3	—	52,350	—	1,948	—	54,298
Class UF - Initial Series	57,932	—	(34,389)	9,626	212,087	245,256
Class UF - 2016 Series 10	138,942	—	—	116	(139,058)	—
Class UF - 2016 Series 11	53,018	—	—	39	(53,057)	—
Class UF - 2016 Series 12	18,959	—	—	6	(18,965)	—

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

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

2017	Units, beginning of year	Issuance of units	Redemption of units	Distribution reinvestment	Redesignation of units	Units, end of year
Class UF - 2017 Series 1	–	468,764	(400,007)	2,848	–	71,605
Class UF - 2017 Series 2	–	44,192	(3,503)	1,482	–	42,171
Class UF - 2017 Series 3	–	107,458	(15,279)	2,045	–	94,224
Class UF - 2017 Series 4	–	38,617	–	1,012	–	39,629
Class UF - 2017 Series 5	–	168,220	–	730	–	168,950
Class UF - 2017 Series 6	–	301,931	–	6,701	–	308,632
Class UF - 2017 Series 7	–	750,086	(7,064)	6,756	–	749,778
Class UF - 2017 Series 8	–	14,155	–	220	–	14,375
Class UF - 2017 Series 9	–	381,240	–	2,553	–	383,793
Class UF - 2017 Series 10	–	15,585	–	120	–	15,705
Class UF - 2017 Series 11	–	58,785	–	64	–	58,849
Class UF - 2017 Series 12	–	5,000	–	4	–	5,004
Class UJ - 2016 Series 10	1,009,254	–	(40,561)	45,483	–	1,014,176
Class W - 2017 Series 8	–	15,029	–	242	–	15,271
Class W - 2017 Series 11	–	10,000	–	59	–	10,059
Founder Class - Initial Series	444,362	–	(182,963)	12,105	–	273,504
Founder Class - 2017 Series 4	–	30,000	–	972	–	30,972

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

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

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the year ended December 31 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	\$ (70,029)	467,040	(0.15)	\$ (125,926)	914,015	(0.14)
Class A - 2017 Series 1	719	180,890	0.00	(33,235)	263,744	(0.13)
Class A - 2017 Series 2	(7,395)	101,800	(0.07)	(9,640)	136,052	(0.07)
Class A - 2017 Series 3	(899)	66,318	(0.01)	(8,315)	95,976	(0.09)
Class A - 2017 Series 4	798	99,413	0.01	2,656	98,587	0.03
Class A - 2017 Series 5	58	45,960	0.00	803	45,858	0.02
Class A - 2017 Series 6	(74)	10,931	(0.01)	1,032	10,375	0.10
Class A - 2017 Series 7	(5,650)	92,408	(0.06)	17,027	98,859	0.17
Class A - 2017 Series 8	15	1,037	0.01	205	1,008	0.20
Class A - 2017 Series 9	29	2,955	0.01	457	2,955	0.15
Class A - 2017 Series 10	(1,323)	10,506	(0.13)	976	10,937	0.09
Class A - 2017 Series 11	(729)	15,010	(0.05)	1,202	15,001	0.08
Class A - 2017 Series 12	(363)	9,310	(0.04)	80	3,872	0.02
Class A - 2018 Series 1	386	24,699	0.02	—	—	—
Class A - 2018 Series 2	4,124	24,407	0.17	—	—	—
Class A - 2018 Series 4	927	4,981	0.19	—	—	—
Class A - 2018 Series 5	417	1,723	0.24	—	—	—
Class A - 2018 Series 6	6,012	24,984	0.24	—	—	—
Class A - 2018 Series 7	945	5,048	0.19	—	—	—
Class A - 2018 Series 8	672	5,036	0.13	—	—	—
Class A - 2018 Series 12	422	5,208	0.08	—	—	—
Class E - Initial Series	891	24,372	0.04	(23,567)	154,422	(0.15)
Class F - Initial Series	(516,841)	7,467,909	(0.07)	(43,275)	4,210,006	(0.01)
Class F - 2017 Series 1	—	—	—	(9,786)	529,184	(0.02)
Class F - 2017 Series 2	—	—	—	14,344	747,864	0.02
Class F - 2017 Series 3	—	—	—	27,678	1,693,367	0.02
Class F - 2017 Series 4	—	—	—	58,843	759,779	0.08
Class F - 2017 Series 5	—	—	—	80,061	624,553	0.13
Class F - 2017 Series 6	—	—	—	132,700	844,426	0.16
Class F - 2017 Series 7	—	—	—	80,935	428,657	0.19
Class F - 2017 Series 8	—	—	—	601,215	2,488,267	0.24
Class F - 2017 Series 9	—	—	—	21,231	93,342	0.23
Class F - 2017 Series 10	—	—	—	24,561	182,257	0.13
Class F - 2017 Series 11	—	—	—	14,934	178,894	0.08
Class F - 2017 Series 12	—	—	—	4,539	140,146	0.03
Class F - 2018 Series 1	(7,319)	155,831	(0.05)	—	—	—
Class F - 2018 Series 2	13,147	77,096	0.17	—	—	—
Class F - 2018 Series 3	14,868	53,939	0.28	—	—	—
Class F - 2018 Series 4	15,597	65,672	0.24	—	—	—
Class F - 2018 Series 5	18,224	74,631	0.24	—	—	—
Class F - 2018 Series 6	41,346	190,109	0.22	—	—	—
Class F - 2018 Series 7	22,272	99,081	0.22	—	—	—
Class F - 2018 Series 8	2,767	21,498	0.13	—	—	—
Class F - 2018 Series 9	2,201	33,554	0.07	—	—	—
Class F - 2018 Series 10	935	26,824	0.03	—	—	—
Class F - 2018 Series 11	(728)	37,001	(0.02)	—	—	—
Class F - 2018 Series 12	664	20,458	0.03	—	—	—
Class A - 2017 Series 7	(5,650)	92,408	(0.06)	17,027	98,859	0.17
Class A - 2017 Series 8	15	1,037	0.01	205	1,008	0.20
Class A - 2017 Series 9	29	2,955	0.01	457	2,955	0.15

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

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

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 - 2017 Series 10	(1,323)	10,506	(0.13)	976	10,937	0.09
Class A - 2017 Series 11	(729)	15,010	(0.05)	1,202	15,001	0.08
Class A - 2017 Series 12	(363)	9,310	(0.04)	80	3,872	0.02
Class A - 2018 Series 1	386	24,699	0.02	—	—	—
Class A - 2018 Series 2	4,124	24,407	0.17	—	—	—
Class A - 2018 Series 4	927	4,981	0.19	—	—	—
Class A - 2018 Series 5	417	1,723	0.24	—	—	—
Class A - 2018 Series 6	6,012	24,984	0.24	—	—	—
Class A - 2018 Series 7	945	5,048	0.19	—	—	—
Class A - 2018 Series 8	672	5,036	0.13	—	—	—
Class A - 2018 Series 12	422	5,208	0.08	—	—	—
Class E - Initial Series	891	24,372	0.04	(23,567)	154,422	(0.15)
Class F - Initial Series	(516,841)	7,467,909	(0.07)	(43,275)	4,210,006	(0.01)
Class F - 2017 Series 1	—	—	—	(9,786)	529,184	(0.02)
Class F - 2017 Series 2	—	—	—	14,344	747,864	0.02
Class F - 2017 Series 3	—	—	—	27,678	1,693,367	0.02
Class F - 2017 Series 4	—	—	—	58,843	759,779	0.08
Class F - 2017 Series 5	—	—	—	80,061	624,553	0.13
Class F - 2017 Series 6	—	—	—	132,700	844,426	0.16
Class F - 2017 Series 7	—	—	—	80,935	428,657	0.19
Class F - 2017 Series 8	—	—	—	601,215	2,488,267	0.24
Class F - 2017 Series 9	—	—	—	21,231	93,342	0.23
Class F - 2017 Series 10	—	—	—	24,561	182,257	0.13
Class F - 2017 Series 11	—	—	—	14,934	178,894	0.08
Class F - 2017 Series 12	—	—	—	4,539	140,146	0.03
Class F - 2018 Series 1	(7,319)	155,831	(0.05)	—	—	—
Class F - 2018 Series 2	13,147	77,096	0.17	—	—	—
Class F - 2018 Series 3	14,868	53,939	0.28	—	—	—
Class F - 2018 Series 4	15,597	65,672	0.24	—	—	—
Class F - 2018 Series 5	18,224	74,631	0.24	—	—	—
Class F - 2018 Series 6	41,346	190,109	0.22	—	—	—
Class F - 2018 Series 7	22,272	99,081	0.22	—	—	—
Class F - 2018 Series 8	2,767	21,498	0.13	—	—	—
Class F - 2018 Series 9	2,201	33,554	0.07	—	—	—
Class F - 2018 Series 10	935	26,824	0.03	—	—	—
Class F - 2018 Series 11	(728)	37,001	(0.02)	—	—	—
Class F - 2018 Series 12	664	20,458	0.03	—	—	—
Class UA - Initial Series	77,512	43,543	1.78	(33,569)	38,231	(0.88)
Class UA - 2017 Series 2	4,083	10,583	0.39	(4,432)	10,204	(0.43)
Class UA - 2017 Series 3	21,675	55,200	0.39	(43,949)	53,315	(0.82)
Class UA - 2018 Series 1	13,490	10,221	1.32	—	—	—
Class UA - 2018 Series 5	4,150	9,072	0.46	—	—	—
Class UA - 2018 Series 10	31,543	40,140	0.79	—	—	—
Class UF - Initial Series	1,270,326	1,512,221	0.84	(214,692)	263,848	(0.81)
Class UF - 2017 Series 1	—	—	—	(467,748)	294,766	(1.59)
Class UF - 2017 Series 2	—	—	—	(17,629)	40,564	(0.43)
Class UF - 2017 Series 3	—	—	—	(81,803)	96,406	(0.85)
Class UF - 2017 Series 4	—	—	—	(23,171)	38,719	(0.60)
Class UF - 2017 Series 5	—	—	—	(154,163)	167,703	(0.92)
Class UF - 2017 Series 6	—	—	—	(142,308)	274,884	(0.52)
Class UF - 2017 Series 1	—	—	—	(467,748)	294,766	(1.59)
Class UF - 2017 Series 2	—	—	—	(17,629)	40,564	(0.43)

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

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

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 UF - 2017 Series 3	-	-	-	(81,803)	96,406	(0.85)
Class UF - 2017 Series 4	-	-	-	(23,171)	38,719	(0.60)
Class UF - 2017 Series 5	-	-	-	(154,163)	167,703	(0.92)
Class UF - 2017 Series 6	-	-	-	(142,308)	274,884	(0.52)
Class UF - 2017 Series 7	-	-	-	79,750	706,683	0.11
Class UF - 2017 Series 8	-	-	-	3,084	14,741	0.21
Class UF - 2017 Series 9	-	-	-	275,825	381,977	0.72
Class UF - 2017 Series 10	-	-	-	1,572	14,444	0.11
Class UF - 2017 Series 11	-	-	-	(4,098)	53,741	(0.08)
Class UF - 2017 Series 12	-	-	-	(1,354)	5,002	(0.27)
Class UF - 2018 Series 1	17,284	30,737	0.56	-	-	-
Class UF - 2018 Series 2	3,387	5,000	0.68	-	-	-
Class UF - 2018 Series 3	1,280	2,530	0.51	-	-	-
Class UF - 2018 Series 4	6,824	16,330	0.42	-	-	-
Class UF - 2018 Series 6	2,139	7,543	0.28	-	-	-
Class UF - 2018 Series 7	16,155	100,000	0.16	-	-	-
Class UF - 2018 Series 8	795	7,517	0.11	-	-	-
Class UF - 2018 Series 12	1,778	6,000	0.30	-	-	-
Class UJ - 2016 Series 10	(55,651)	1,006,058	(0.06)	(783,349)	1,007,617	(0.78)
Class W - Initial Series	(2,489)	16,665	(0.15)	-	-	-
Class W - 2017 Series 8	-	-	-	3,118	14,458	0.22
Class W - 2017 Series 11	-	-	-	686	10,030	0.07
Founder Class - Initial Series	19,389	229,148	0.08	(57,310)	380,189	(0.15)
Founder Class - 2017 Series 1	1,677	26,653	0.06	(1,007)	25,530	(0.04)
Founder Class - 2017 Series 4	2,034	31,649	0.06	1,950	30,484	0.06
Founder Class - 2018 Series 12	(333)	41,933	(0.01)	-	-	-

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

6. 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;
- (iii) 1/12 of 1.5% of the aggregate of the net asset value of the Founder, Class I and Class UI units; and
- (iv) 1/12 of 1.25% of the aggregate of the net asset value of the 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.
- (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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

6. Related party transactions (continued):

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 measured at the exchange amounts. As at December 31, 2018, 115.9824 of Class A units and 115.6684 of Class F units were held by the Investment Manager and 12,617.7588 of Class E units and 505.7439 of Founder units (2017 - 111.4433 of Class A units and 111.2857 of Class F units were held by the Investment Manager and 34,253.2927 of Class E units and 14,319.0149 of Founder units, respectively) were owned by unitholders related to the Investment Manager.

7. 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 year ended December 31, 2018 is approximately \$103,861 (2017 - \$141,682).

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

8. 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.

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. Please refer to the schedule of investments for the details of the Partnership's holdings of unconsolidated structured entities as at December 31, 2018.

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 Fund does not have any control or significant influence over these ETFs.

9. 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.

EHP GUARDIAN FUND

Notes to Financial Statements (continued)

Year ended December 31, 2018

10. Subsequent events:

The Fund has evaluated the effect of subsequent events on the Fund's financial statements through March 29, 2019, which is the date the financial statements were available to be issued. For the period from January 1, 2019 to March 8, 2019, the Fund had subscriptions of \$2,031,112 and redemptions of \$12,238,307.

11. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.