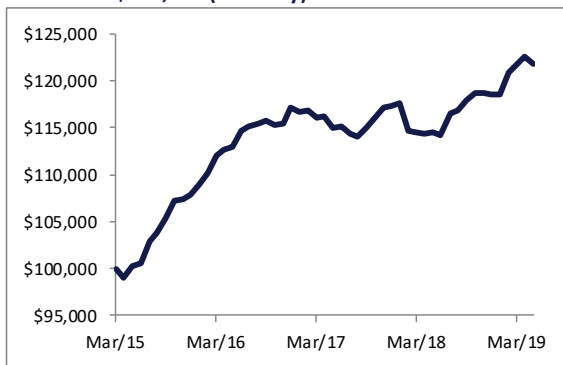


EHP Guardian Fund

Returns (Class F units, net of all fees and expenses)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	0.0%	2.0%	0.6%	0.7%	-0.6%								2.8%
2018	0.2%	-2.5%	-0.1%	-0.2%	0.1%	-0.2%	2.0%	0.4%	0.8%	0.7%	0.0%	-0.1%	1.0%
2017	-0.3%	0.1%	-0.6%	0.1%	-1.1%	0.1%	-0.6%	-0.3%	0.9%	0.9%	1.0%	0.1%	0.2%
2016	1.0%	1.2%	1.6%	0.6%	0.2%	1.6%	0.3%	0.3%	0.4%	-0.5%	0.2%	1.5%	8.7%
2015				-1.0%	1.2%	0.4%	2.2%	1.0%	1.4%	1.8%	0.1%	0.4%	7.8%

Growth of \$100,000 (monthly)



Risk/Reward Analysis

	Fund	AGG Bond	S&P TSX	S&P 500
Annualized Return	4.8%	2.4%	4.9%	9.3%
Annualized Std Dev.	3.1%	2.9%	9.2%	11.7%
Winning Months	74%	56%	62%	62%
Average Monthly Gain	0.8%	0.7%	2.0%	3.1%
Average Monthly Loss	-0.6%	-0.5%	-2.1%	-2.6%
Largest Drawdown	-2.8%	-3.3%	-14.3%	-9.3%
Sharpe Ratio	1.6	0.8	0.5	0.8
Fund Correlation		12.9%	13.2%	27.3%
Fund Beta		0.13	0.04	0.07
Net Exposure	63%			
Gross Exposure	106%			

Compound Returns (%)

	3 Mo	6 Mo	1 Yr	3 Yr	Incep.
Fund	0.8%	2.6%	6.4%	2.6%	4.8%

Commentary

The EHP Guardian Fund Class "F" units declined -0.6% for the month of May. The long side of the equity portfolio had small losses as stock markets globally rolled over, while shorts provided downside cushion. In terms of equity factors, value stocks were pummelled during the month in favour of low volatility and price momentum. Low vol stocks are benefiting from a renewed flight to defensive bond proxies, while in the case of momentum strategies, the outperformance came almost entirely from the short-side as the longer term downtrend for junkier stocks reasserted itself. Our Credit Momentum strategy had gains as we rotated out of high yield bonds and into defensive US 30-Yr Treasuries, which in turn benefitted from rapidly declining interest rates and market risk aversion.

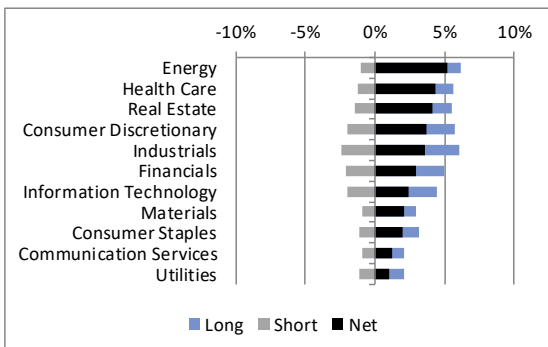
Equity markets globally sold off sharply in May, with most markets down 4-6%, and with many breaching key technical levels and closing on their lows for the month. Low quality, junkier stocks led the sell-off, along with cheap cyclical value stocks as it became increasingly clear that not only is the Trump trade war here to stay, but that tariffs will increasingly be used as a blunt instrument to attempt to achieve any and all policy goals. This new level of uncertainty was a surprise to a market that had come to believe that the trade war with China was coming to a close, not ratcheting higher into a new, and more damaging phase. You can certainly argue whether Trump is "making American great again", but there is no doubt that he is "making bonds great again", with the defensive U.S. long bond leaping almost 5% during the month. The market has quickly gone from discounting as many as three rate *hikes* for 2019, to now assuming at least two *cuts*, and a 90% chance of a move lower by the Fed. Trump has certainly made his desire for lower rates clear – could he force the Fed's hand with his latest moves on trade?

As we've been highlighting in recent letters, one of our concerns was that the market bounce in Q1 was predicated at least in part on the prospect of improving global economic numbers. That prospect suddenly appears less likely, with globally weaker retail sales, industrial production and ISM numbers. Recession fears have re-emerged with the yield curve inverting at the short end once again, along with weakness in economically sensitive commodities tied to global growth (copper, oil). With GDP estimates being cut and slowing earnings growth, it is increasingly difficult to find a lot of positives as the risk of a negative feedback loop emerges. It's perhaps no wonder that long-suffering value stocks hit fresh lows for the cycle in terms of relative performance.

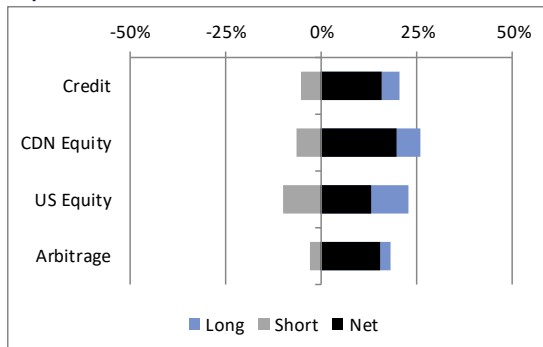
We entered May with our funds fully "risk on", however, as the month progressed we reduced fund beta as a number of our tactical indicators were triggered. High yield was the first "risky" asset to go, leading equity markets as it often does, and we enter June with a full weight to negatively correlated U.S. long bonds. Our equity exposure is also lower with the U.S. risk-off, although Canada remains "risk on" for now. Whether we fully de-risk as we did in Q3 of 2018 will depend on where markets go from here, as global indices currently sit squarely at our key risk triggers. Sentiment has soured and the economic outlook is uninspiring, however, we make no predictions for the path forward as we remain subject to the potential willingness of central banks to intervene and step in as needed, once again providing a backstop for risk assets. As always, we are happy to follow our process, reduce risk and move to sidelines to protect gains until we get a more complete picture of how things unfold.

Fund Structure

Sector Allocations % of NAV



Capital Allocations % of NAV



Canadian Equity - Top 10 Longs

Summit Industrial Income REIT	1.0%
Alimentation Couche-Tard Inc	0.9%
Extendicare Inc	0.9%
Restaurant Brands Internationa	0.8%
Granite Real Estate Investment	0.8%
Gildan Activewear Inc	0.8%
TC Energy Corp	0.8%
Sienna Senior Living Inc	0.8%
Canadian Imperial Bank of Comm	0.8%
Badger Daylighting Ltd	0.8%

U.S. Equity - Top 10 Longs

Waste Management Inc	0.5%
Eli Lilly & Co	0.5%
Union Pacific Corp	0.5%
Amgen Inc	0.5%
Motorola Solutions Inc	0.5%
Merck & Co Inc	0.5%
Cracker Barrel Old Country Sto	0.5%
EPR Properties	0.5%
Genuine Parts Co	0.5%
CenturyLink Inc	0.5%

Fund Information

The Fund constructs a long/short portfolio of equities and income-producing securities by buying quality, high yielding, rising stocks and shorting overvalued, declining, volatile stocks. The Fund actively hedges equity and interest rate risk to preserve capital in declining markets or rising interest rate environments. The Fund emphasizes a disciplined process of stock selection, risk control and liquidity. The Fund targets annual returns of 6-8% inclusive of its cash distribution and net of all fees.

Portfolio Managers:	Jason Mann, Ian Fairbrother, James Park	Fund Risk Rating:	Low to Medium
Fund Structure:	Mutual Fund Trust	High Water Mark:	Yes, Perpetual
RSP Eligible:	Yes	Fund Administrator:	SS&C Commonwealth
Redemptions:	Weekly, 0 days notice	Prime Brokers:	Bank of Nova Scotia, CIBC
Reporting Frequency:	Weekly	Legal / Auditors:	McMillan LLP / KPMG LLP

DISCLAIMER: Performance returns refer to initial series of Class "F" Units, and are net of all fees and certain operating expenses. Partial year returns are unaudited. Returns are annualized and since inception unless otherwise noted. Statistics are calculated using monthly returns unless otherwise noted. Allocations are represented as percentages of net assets. Index statistics use total return indices. The composition of the Funds' portfolio could differ significantly from the index due to the investment strategy employed, and includes differences such as use of credit strategies, use of equal weight positions, use of short positions, varying fund net exposure, varying currency exposure, and investing in small capitalization stocks. Please see "Investment Strategies" in the Confidential Offering Memorandum for more details. Fund Risk Rating is defined in the "Risk Factors" section of the Offering Memorandum. This presentation is not an offer to sell nor a solicitation of an offer to purchase interests of the Funds. The Manager reserves the right to change any terms of the offering at any time. Offers and sales of interests in the Funds will be made only pursuant to an offering memorandum, complete documentation of the relevant Fund and in accordance with the applicable securities laws, and this presentation is qualified in its entirety by reference to such documentation, including the Risk Factors and Potential Conflicts of Interest disclosure set forth therein.

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