



**AMENDED AND RESTATED SIMPLIFIED PROSPECTUS**  
dated January 1, 2019 amending and restating the Simplified Prospectus dated August 10, 2018

**Offering Class A, Class UA, Class F, Class UF and Class I Units**

**ALTERNATIVE FUNDS**

**EHP Guardian Alternative Fund**

**EHP Advantage Alternative Fund**

**EHP Guardian International Alternative Fund**

**EHP Advantage International Alternative Fund**

**EHP Select Alternative Fund**

**EHP Global Arbitrage Alternative Fund**

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. The Funds and the units of the Funds offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registrations.

Dated January 1, 2019

## TABLE OF CONTENTS

PART A: GENERAL DISCLOSURE .....	1
INTRODUCTION .....	1
WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND? .....	2
ORGANIZATION AND MANAGEMENT OF THE FUNDS.....	14
PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS .....	16
OPTIONAL SERVICES .....	21
FEES AND EXPENSES.....	22
DEALER COMPENSATION .....	26
INCOME TAX CONSIDERATIONS FOR INVESTORS .....	27
WHAT ARE YOUR LEGAL RIGHTS?.....	32
PART B: SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT.....	33
EHP GUARDIAN ALTERNATIVE FUND .....	35
EHP ADVANTAGE ALTERNATIVE FUND .....	41
EHP GUARDIAN INTERNATIONAL ALTERNATIVE FUND.....	48
EHP ADVANTAGE INTERNATIONAL ALTERNATIVE FUND.....	55
EHP SELECT ALTERNATIVE FUND.....	62
EHP GLOBAL ARBITRAGE ALTERNATIVE FUND .....	68

## PART A: GENERAL DISCLOSURE

### INTRODUCTION

To make this document easier to read, we use the following terms throughout:

- **We, us, our, Manager and EHP** refer to **EHP Funds Inc.** in its capacity as trustee, manager and portfolio manager of the Funds.
- **You** refers to an individual investor and everyone who invests or may invest in the Funds.
- **Fund or Funds** refers to one or more of our EHP mutual funds that are offered to the public under this Simplified Prospectus listed on the cover. The Funds are mutual funds which are subject to National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (“**NI 81-101**”) and National Instrument 81-102 *Investment Funds* (“**NI 81-102**”).
- **Dealer** refers to both the dealer and the registered representative in your province or territory who advises you on your investments.
- **Registered plans** refer to RRSPs, RRIFs, TFSAs, RESPs and DPSPs, each as defined under “*Taxation of Unitholders – Registered Plans*” section of this Simplified Prospectus.
- **Prospectus** refers to this Simplified Prospectus.

This document contains selected important information to help you make an informed investment decision about investing in the Funds and to help you understand your rights as an investor. This document is divided into two parts.

- **Part A**, from pages 1 through 32, contains general information applicable to all of the Funds.
- **Part B**, from pages 33 through 67, contains specific information about each of the Funds described in this document.

Additional information about each Fund is available in the following documents:

- the Annual Information Form;
- the most recently filed fund facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after those annual management reports of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. These documents are available at your request, and at no cost, by calling us toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted), by e-mailing us at [info@ehpfunds.com](mailto:info@ehpfunds.com) or by contacting your Dealer.

These documents and other information about the Funds are available on our website at [www.ehpfunds.com](http://www.ehpfunds.com) and are also available at [www.sedar.com](http://www.sedar.com).

## **WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?**

### **What is a Mutual Fund?**

A mutual fund is an investment vehicle that pools money contributed by people with similar investment objectives and invests in a portfolio of securities to be managed by a professional investment manager. Investing in a mutual fund allows investors to hold a larger variety of securities than most investors could hold individually. By investing in a mutual fund, investors often increase their ability to diversify their investment portfolios. Unitholders share a mutual fund's income, common expenses, gains and losses in proportion to their interest in the mutual fund.

The value of an investment in a mutual fund is primarily realized through distributions paid by the mutual fund to its investors and through redeeming securities of the mutual fund.

Each Fund is organized as an open-ended unit trust governed by the laws of the Province of Ontario and established under a single Master Declaration of Trust. In this document, we refer to the securities issued by each Fund as “**units**”. Each Fund is a separate mutual fund with a specific investment objective and is specifically referable to a separate portfolio of investments. Each Fund currently offers five classes of units (each, a “**class**” and together, “**classes**”) but may, in the future, offer additional classes of units without notification to, or approval of, investors. Each class of units is intended for a different investor and may entail different fees. The owner of a unit is referred to as a “**unitholder**”. The different classes of units available under this Simplified Prospectus are described under the section entitled “*Purchases, Switches, Reclassifications and Redemptions*”.

### **What are the risks of investing in a mutual fund generally?**

As an investor, there is always a risk you could lose money. Mutual funds are no exception, but the degree of risk varies considerably from one mutual fund to the next. As a general rule, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

Mutual funds own different types of investments, depending upon their investment objectives. These can include stocks, bonds, securities of other mutual funds and/or exchange-traded funds, called “**underlying funds**”, cash and cash equivalents like treasury bills and derivatives. There is no guarantee that a mutual fund will be able to achieve its investment objective. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the net asset value (“**NAV**”) of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The full amount of your original investment in any of the Funds is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. It is possible to lose money by investing in a mutual fund.

Under exceptional circumstances, a mutual fund may suspend redemptions. For more information, please refer to the section entitled “*Purchases, Switches, Reclassifications and Redemptions*” for further details.

Each Fund offered under this Simplified Prospectus is an “alternative mutual fund” pursuant to NI 81-102 as it may, among other things, borrow cash up to a maximum of 50% of its NAV, sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its NAV, and use leverage up to

300% of its NAV. For more information regarding the risks associated with these strategies, please see “Concentration Risk”, “Derivatives Risk”, “Leverage Risk” and “Short Selling Risk” below.

### **What are the specific investment risks of investing in a mutual fund?**

Mutual funds are subject to a variety of risk factors depending on their investment objectives. Set out below in alphabetical order is a general description of the specific risks of investing in the Funds. To find out which of these risks apply to an investment in a particular Fund, please refer to “*What are the Risks of Investing in the Fund?*” for each individual Fund described in Part B. Not all risks apply to all Funds, and the following does not purport to be a complete summary of all the risks associated with an investment in the Funds. Prospective unitholders should read this entire Prospectus and consult with their own advisors before deciding to subscribe.

#### *Arbitrage Risk*

Employing arbitrage involves the risk that anticipated opportunities may not play out as planned, resulting in potentially reduced returns or losses to the Fund as it unwinds failed trades.

#### *Concentration Risk*

A Fund may concentrate its investments in securities of a small number of issuers, sectors or countries. A relatively high concentration of assets in a small number of investments may reduce the diversification of the Fund’s portfolio. The Fund may be unable to satisfy redemption requests if it cannot sell these investments in a timely and orderly manner. The Fund’s performance may be more volatile due to the impact of the changes in value of these investments on the Fund.

The Funds may be subject to increased concentration risk as each Fund is permitted to invest up to 20% of its net asset value in the securities of a single issuer. For more information please refer to the “**Investment Strategies**” section in Part B of this Simplified Prospectus.

#### *Convertible Securities Risk*

Convertible securities are fixed-income securities, preferred stocks or other securities that are convertible into common stock or other securities. The market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security’s market value, however, tends to reflect the market price of the issuer’s common stock when that price approaches or exceeds the convertible security’s “conversion price”. The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock.

In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company’s common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer’s convertible securities generally entail less risk than its common stock but more risk than its senior debt obligations.

#### *Counterparty Risk*

A Fund may enter into customized derivative transactions that are subject to the risk of credit failure or the inability of, or refusal by, the counterparty to perform its obligations with respect to such customized derivative transactions, which could subject the Fund to substantial losses.

#### *Credit Risk*

An issuer of a bond or other fixed income investment may not be able to pay interest or to repay the principal at maturity. The risk of this occurring is greater with some issuers than with others. For example, the risk of default is quite low for most government and high quality corporate securities. Where this risk is considered

greater, the interest rate paid by the issuer is generally higher than for an issuer where this risk is considered to be lower. This risk could increase or decline during the term of the fixed income investment.

Companies and governments that borrow money, as well as their debt securities, may be rated by specialized rating agencies. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value. Other factors can also influence a debt security's market value, such as the level of liquidity of the security or a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security and the underlying assets, if any. Lower rated debt instruments such as an instrument that has a credit rating below investment grade or may not be rated at all (sometimes referred to as "high yield"), generally offer a better yield than higher-grade debt instruments, but have the potential for substantial loss as compared to higher grade instruments.

#### *Currency Risk*

The NAV of most mutual funds are calculated in Canadian dollars, other than that of the Class UA and Class UF units which is calculated in U.S. dollars. Foreign investments are generally purchased in currencies other than Canadian dollars. When foreign investments are purchased in a currency other than Canadian dollars, the value of those foreign investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency. If the Canadian dollar rises in value relative to the other currency but the value of the foreign investment otherwise remains constant, the value of the investment in Canadian dollars will have fallen. Similarly, if the value of the Canadian dollar has fallen relative to the foreign currency, the value of the mutual fund's investment will have increased.

Movements in the exchange rate between the U.S. dollar and the Canadian dollar could increase or reduce the value of the Class UA and Class UF units when translated to Canadian dollars. While we seek to hedge this exposure for the Class UA and Class UF units, any such hedging may not fully offset this risk. The costs and gains/losses of such hedging transactions will accrue solely to the Class UA and Class UF units and will be reflected in the net asset value per Class UA and Class UF unit. Investors should note that there is no segregation of liability between classes of Units. Unitholders are therefore exposed to the risk that hedging transactions undertaken with respect to one class, in this case the Class UA and Class UF units, may unfavorably impact the net asset value of another class.

Some mutual funds may use derivatives such as options, futures, forward contracts, swaps and customized types of derivatives to hedge against losses caused by changes in exchange rates. Please see the "**Investment Strategies**" section of each of the Fund descriptions in Part B of this Simplified Prospectus.

#### *Cyber Security Risk*

With the increased use of technology in the course of business, the Funds are susceptible to operational, information security and related risks. Generally, cyber security incidents can result from deliberate attacks or unintentional events that threaten the integrity, confidentiality or availability of the Funds' information resources. A cyber security incident includes, but is not limited to, gaining unauthorized access to the Funds' electronic systems (e.g., through hacking or malicious software) to corrupt data, disrupt business operations or steal confidential or sensitive information, or may involve denial of service attacks which may cause system failures and disrupt business operations. Failures or breaches of the electronic systems of the Funds, EHP, other service providers (e.g., transfer agent, custodian, sub-custodians and prime brokers) or the issuers of securities in which the Funds invest have the ability to cause disruptions and negatively impact the Funds' business operations. These disruptions could potentially result in financial losses, interference with the Funds' ability to calculate their NAV's, impediments to trading, inability of the Funds to process transactions including redeeming units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or compensation or additional compliance costs associated with corrective measures. Similar adverse consequences could result from cyber security incidents affecting the issuers of securities in which the Funds invest and counterparties with which the Funds engage in transactions.

In addition, substantial costs may be incurred to prevent any cyber security incidents in the future. While the Funds have established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems and there is no guarantee that such efforts will succeed. Furthermore, the Funds cannot control the cyber security plans and systems of the Funds' service providers or issuers of securities in which a Fund invests.

#### *Derivatives Risk*

The Funds may use derivative instruments to help them achieve their investment objectives. These investments usually take the form of a contract between two parties where the value of the payments required under the contract is derived from an agreed source, such as the market price (or value) of an asset (which could be, for example, currency or stocks) or from an economic indicator (such as a stock market index or a specified interest rate). Derivatives are not a direct investment in the underlying asset itself. If a Fund uses derivatives, applicable securities laws require that the Fund hold enough assets or cash to cover its commitments in the derivative contracts. This limits the amount of losses that could result from the use of derivatives.

The Funds may generally use four types of derivatives: options, forwards, futures and swaps. An option gives the holder the right, but not the obligation, to buy or sell the underlying interest at an agreed price within a certain time period. A call option gives the holder the right to buy; a put option gives the holder the right to sell. A forward is a commitment to buy or sell the underlying interest for an agreed price on a future date. A future is similar to a forward, except that futures are traded on exchanges. A swap is a commitment to exchange one set of payments for another set of payments.

Some derivatives are settled by one party's delivery of the underlying interest to the other party; others are settled by a cash payment representing the value of the contract.

The Funds are expected to use derivatives for hedging and non-hedging purposes as described below and within its investment objectives and strategies as set out in Part B of this Simplified Prospectus.

The use of derivatives carries several risks:

- There is no guarantee that a hedging strategy will be effective or achieve the intended effect.
- There is no guarantee that a market will exist for some derivatives, which could prevent a Fund from selling or exiting the derivatives at the appropriate time. Therefore, the Fund may be unable to realize its profits or limit its losses.
- It is possible that the other party to the derivative contract will not meet its obligations under the contract. To minimize this risk, EHP monitors all of the Funds' derivative transactions regularly to ensure that the credit rating of the contract counterparty or its guarantor will generally be at least as high as the minimum approved credit rating required under NI 81-102.
- When entering into a derivative contract, a Fund may be required to deposit funds with the contract counterparty. If the counterparty goes bankrupt, or if the counterparty is unable or unwilling to perform its obligations in respect of the Fund, the Fund could lose these deposits.
- The Fund may use derivatives to reduce certain risks associated with investments in foreign markets, currencies or specific securities. Using derivatives for these purposes is called hedging. Hedging may not be effective in preventing losses. Hedging may also reduce the opportunity for gain if the value of the hedged investment rises, because the derivative could incur an offsetting loss. Hedging may also be costly or difficult to implement.

- Securities and commodities exchanges could set daily trading limits on options and futures. This could prevent a Fund or the counterparty from carrying out its obligations under a derivative contract.

#### *Developed Countries Investments Risk*

Investments in a developed country may subject certain Funds to regulatory, political, currency, security, economic and other risks associated with developed countries. Developed countries generally tend to rely on services sectors (e.g., the financial services sector) as the primary means of economic growth. A prolonged slowdown in the services sectors is likely to have a negative impact on economies of certain developed countries, although individual developed country economies can be impacted by slowdowns in other sectors. In the past, certain developed countries have been targets of terrorism. Acts of terrorism in developed countries or against their interests may cause uncertainty in the financial markets and adversely affect the performance of the issuers to which certain Funds have exposure. Heavy regulation of certain markets, including labour and product markets, may have an adverse effect on certain issuers. Such regulations may negatively affect economic growth or cause prolonged periods of recession. Many developed countries are heavily indebted and face rising healthcare and retirement expenses. In addition, price fluctuations of certain commodities and regulations impacting the import of commodities may negatively affect developed country economies.

#### *Equity Investment Risk*

Companies issue equity securities, or stocks, to help pay for their operations and to finance future growth. Stocks carry several risks and a number of factors may cause the price of a stock to fall. These include specific developments relating to the company, stock market conditions where the company's securities trade and general economic, financial and political conditions in the countries where the company operates. Since a Fund's unit price is based on the value of its investments, an overall decline in the value of the stocks it holds will reduce the value of the Fund and, therefore, the value of your investment. However, if the price of the stocks in the portfolio increases, your investment will be worth more. Equity funds generally tend to be more volatile than fixed income funds, and the value of their units can vary widely.

Funds that invest in limited partnership units or trust units, such as oil and gas royalty trusts, real estate investment trusts and income trusts, will have varying degrees of risk depending on the sector and the underlying asset or business and may therefore be susceptible to risks associated with the industry in which the underlying business operates, to changes in business cycles, commodity prices, and to interest rate fluctuations and other economic factors.

#### *European Investments Risk*

Investing in European countries may expose certain Funds to the economic and political risks associated with Europe in general and the specific European countries in which it invests. The economies and markets of European countries are often closely connected and interdependent, and events in one country in Europe can have an adverse impact on other European countries. Certain Funds may make investments in securities of issuers that are domiciled in, or have significant operations in, member countries of the European Union. The European Union requires compliance by member countries with restrictions on inflation rates, deficits, interest rates and debt levels, as well as fiscal and monetary controls, each of which may significantly affect every country in Europe, including those countries that are not members of the European Union. Changes in imports or exports, changes in governmental or European Union regulations on trade, changes in the exchange rate of the euro (the common currency of certain European Union countries), the default or threat of default by a European Union member country on its sovereign debt, and/or an economic recession in a European Union member country may have a significant adverse effect on the economies of European Union member countries and their trading partners. The European financial markets have experienced volatility and adverse trends in recent years due to concerns about economic downturns or rising government debt levels in several European countries, including, but not limited to, Greece, Ireland, Italy, Portugal, Spain and Ukraine. These events have adversely affected the exchange rate of the euro and may continue to significantly affect other

European countries. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not produce the desired results, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and other entities of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the euro and/or withdraw from the European Union. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far reaching, including in the United Kingdom, which is a significant market in the global economy. In a referendum held on June 23, 2016, the United Kingdom, resolved to leave the European Union. The referendum may introduce significant new uncertainties and instability in the financial markets as the United Kingdom negotiates its exit from the European Union. Finally, the occurrence of terrorist incidents throughout Europe also could impact financial markets. The impact of these events is not clear but could be significant and far-reaching and adversely affect the value of certain Funds. The investments of certain Funds could be negatively impacted by any economic or political instability in any European country.

#### *Exchange-Traded Fund Risk*

The Funds may from time to time invest in exchange-traded funds (“ETFs”) which qualify as index participation units under NI 81-102. An index ETF will seek to provide returns similar to the performance of a particular market index. An index ETF may not be able to achieve the same return as its benchmark market index due to differences in the actual weights of securities held in the ETF versus the weights in the relevant index, and due to the operating and management expenses of, and taxes payable by the ETF.

While investment in an ETF generally presents the same risks as investment in a conventional mutual fund that has the same investment objectives and strategies, it also carries the following additional risks, which do not apply to investment in conventional mutual funds:

- The performance of an ETF may be significantly different from the performance of the index, assets, or financial measure that the ETF is seeking to track. There are several reasons that this might occur, including that ETF securities may trade at a premium or a discount to their NAV or that ETFs may employ complex strategies, such as leverage, making tracking with accuracy difficult.
- An active trading market for ETF securities may fail to develop or fail to be maintained.
- There is no assurance that the ETF will continue to meet the listing requirements of the exchange on which its securities are listed for trading.

#### *Exchange-Traded Notes Risk*

The Funds may invest in exchange-traded notes. The return on these notes is typically linked to the performance of an underlying interest such as an industry, market sector or currency. Exchange-traded notes are unsecured debt obligations of an issuer. The payment of any amount due on the exchange-traded notes is subject to the credit risk of the issuer. In addition, any decline in the issuer’s credit rating (or in the market’s view of the issuer’s creditworthiness) may adversely affect the market value of the exchange traded note. Lastly, the exchange-traded notes may not achieve the same performance as the underlying interest, due to the fees and expenses associated with the exchange-traded notes and the difficulty of replicating the underlying interest.

#### *Fixed Income Investment Risk*

Certain general investment risks can affect fixed income investments in a manner similar to equity investments. For example, specific developments relating to a company and general financial, political and economic (other than interest rate) conditions in the country in which the company operates. For government fixed income investments, general economic, financial and political conditions may affect the value of

government securities. Since a Fund's unit price is based on the value of its investments, an overall decline in the value of its fixed income investments will reduce the value of the Fund and therefore, the value of your investment. However, your investment will be worth more if the value of the fixed income investments in the portfolio increases.

Investment in certain Funds should be made with an understanding that the value of the underlying debt securities will be affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. The value of the bonds held by certain Funds will be affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness.

#### *Foreign Investment Risk*

The value of an investment in a foreign company or government may depend on general global economic factors or specific economic and political factors relating to the country or countries in which the foreign issuer operates. The regulatory environment in some foreign countries may be less stringent than in Canada, including legal and financial reporting requirements. In other words, depending on the country in which a foreign investment is made, there may be more or less information available with respect to foreign companies. Some foreign stock markets may also have lower trading volumes and have sharper price corrections than in other countries. Some or all of these factors could make a foreign investment more volatile than a Canadian investment.

Certain countries may also have foreign investment or exchange laws that make it difficult to sell an investment or may impose withholding or other taxes that could reduce the return on the investment. Different financial, political and social factors could hurt the value of foreign investments. As a result, mutual funds that specialize in foreign investments may experience larger and more frequent price changes in the short term.

#### *Fund of Fund Risk*

The Funds may invest directly in, or obtain exposure to, other mutual funds and/or ETFs as part of their investment strategy. Consequently, these Funds are also subject to the risk of the underlying funds. If an underlying fund suspends redemptions, a Fund that invests in the underlying fund may be unable to value part of its portfolio and may be unable to redeem its investment in the underlying fund, which may have an adverse impact on the Fund's ability to satisfy redemption requests from its unitholders.

#### *High Portfolio Turnover Risk*

The investment techniques and strategies utilized by the Fund, including investments made on a shorter-term basis or in derivative instruments or instruments with a maturity of one year or less at the time of acquisition, may result in frequent portfolio trading and high portfolio turnover. High portfolio turnover rates will cause the Fund to incur higher levels of brokerage fees and commissions, which may reduce performance, and may cause higher levels of current tax liability to unitholders in the Fund.

#### *High Yield Security Risk*

Funds may be subject to high yield securities risk. High yield securities risk is the risk that securities that are rated below investment grade (below "BBB-" by S&P or by Fitch Rating Service Inc., or below "Baa3" by Moody's® Investor's Services, Inc.) or are unrated at the time of purchase may be more volatile than higher rated securities of similar maturity. High yield securities may also be subject to greater levels of credit or default risk than higher-rated securities. The value of high-yield securities can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated securities. In particular, high yield securities are often issued by smaller, less creditworthy

companies or by highly leveraged firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.

#### *Illiquidity Risk*

A mutual fund may hold up to 15% or more of its net assets in illiquid securities. A security is illiquid if it cannot be sold at an amount that at least approximates the amount at which the security is valued. Illiquidity can occur (a) if the securities have sale restrictions; (b) if the securities do not trade through normal market facilities; (c) if there is simply a shortage of buyers; or (d) for other reasons. In highly volatile markets, such as in periods of sudden interest rate changes or severe market disruptions, securities that were previously liquid may suddenly and unexpectedly become illiquid. Illiquid securities are more difficult to sell, and a mutual fund may be forced to accept a discounted price.

Some high-yield debt securities, which may include but are not limited to security types commonly known as high-yield bonds, floating rate debt instruments and floating rate loans, as well as some fixed-income securities issued by corporations and governments in emerging market economies, may be more illiquid in times of market stress or sharp declines. In addition, the liquidity of individual securities may vary widely over time. Illiquidity in these instruments may take the form of wider bid/ask spreads (i.e., significant differences in the prices at which sellers are willing to sell and buyers are willing to buy that same security). Illiquidity may take the form of extended periods for trade settlement and delivery of securities. In some circumstances of illiquidity, it may be more difficult to establish a fair market value for particular securities, which could result in losses to a fund that has invested in these securities.

#### *Interest Rate Risk*

Mutual funds that invest in fixed income securities, such as bonds, and money market instruments, are sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates. Certain types of fixed income securities permit issuers to repay principal before the security's maturity date. There is a risk that an issuer will exercise this prepayment right after interest rates have fallen and the Funds that hold these fixed income securities will receive payments of principal before the expected maturity date of the security and may need to reinvest these proceeds in securities that have lower interest rates.

Changing interest rates can also indirectly impact the share prices of equity securities. When interest rates are high, it may cost a company more to fund its operations or pay down existing debt. This can impair a company's profitability and earnings growth potential, which can negatively impact its share price. Conversely, lower interest rates can make financing for a company cheaper, which can potentially increase its earnings growth potential. Interest rates can also impact the demand for goods and services that a company provides by impacting overall economic activity as described above.

#### *IPO and New Issue Risk*

"IPOs" or "New Issues" are initial public offerings of equity securities. "SEOs" are seasoned (i.e., secondary) equity offerings of equity securities. Securities issued in IPOs are subject to many of the same risks as investing in companies with smaller market capitalizations (see "Small Company Risk"). Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in IPOs or SEOs may be highly volatile or may decline shortly after the initial public offering or seasoned equity offering.

#### *Lack of Operating History Risk*

The Funds are newly-formed investment vehicles with a short operating history and earnings record. The Funds have a limited history of business operations and have nominal assets. There is no assurance that the Funds will be able to successfully achieve their investment objective or operate profitably over the short or

long-term. Investors will have to rely on the expertise and good faith of EHP to carry on the business of the Funds.

#### *Large Transaction Risk*

If a unitholder has significant holdings in a Fund, the Fund is subject to the risk that such large unitholder may request a significant purchase or redemption of units of the Fund, which may impact the cash flow of a Fund. Large purchases and redemptions may result in: (a) the Fund maintaining an abnormally high cash balance; (b) large sales of portfolio securities impacting market value; (c) increased transaction costs (e.g., commissions); (d) significant changes to the composition of the Fund's portfolio; (e) purchase and/or sale of investments at unfavourable prices; and/or (f) capital gains being realized which may increase taxable distributions to investors. If this should occur, the returns of investors (including other mutual funds) that invest in the Fund may be adversely affected.

#### *Legislation Risk*

Securities, tax or other regulators make changes to legislation, rules, and administrative practice. Those changes may have an adverse impact on the value of a mutual fund.

#### *Leverage Risk*

When the Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times. The Fund is subject to a gross aggregate exposure limit of three times its net asset value which is measured on a daily basis and described in further detail within the "**Investment Objectives**" section in Part B of this Simplified Prospectus. This will operate to limit the extent to which the Fund is leveraged.

#### *Market Risk*

Market risk is the risk of being invested in the equity and fixed income markets. The market value of a Fund's investments will rise and fall based on specific company developments and broader equity or fixed income market conditions. Market value will also vary with changes in the general economic, political, social and financial conditions in countries where the investments are based.

#### *Model and Data Risk*

Given the complexity of the investments and strategies of the Funds, the Portfolio Manager relies heavily on quantitative models and information and data supplied by third parties ("Models and Data"). Models and Data are used to construct sets of transactions and investments, to provide risk management insights, and to assist in hedging the Fund's investments. When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose the Fund to potential risks. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful. Some of the models used by the Portfolio Manager for the Fund are predictive in nature. The use of predictive models has inherent risks. Because predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the supplied historical data. The Fund bears the risk that the quantitative models used by the Portfolio Manager will not be successful in selecting investments or in determining the weighting of investment positions that will enable the Fund to achieve its investment objective. All models rely on correct data inputs. If incorrect market data is entered into even a well-founded model, the resulting information will be incorrect. However, even if market data is input correctly, "model

prices” will often differ substantially from market prices, especially for instruments with complex characteristics, such as derivative instruments.

#### *Multiple Classes Risk*

The Funds are available in more than one class of units. Each class has its own fees and expenses, which are tracked separately. Those expenses will be deducted in calculating the unit value for that class, thereby reducing its unit value. If one class is unable to pay its expenses or liabilities, the assets of the other class will be used to pay those expenses or liabilities. As a result, the unit price of the other classes may also be reduced. Please refer to sections entitled “*Purchases, Switches, Reclassifications and Redemptions*” and “*Fees and Expenses*” for more information regarding each class and how their unit value is calculated.

#### *Nature of Units Risk*

Securities such as the units share certain attributes common to both equity securities and debt instruments. As holders of units, unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The units represent an undivided fractional interest in a Fund. The unitholders will not take part in the management or control of a Fund’s business, which is the sole responsibility of EHP. EHP will have wide latitude in making investment decisions. In certain circumstances, EHP also has the right to dissolve a Fund. The unitholders have certain limited voting rights, including the right to amend the Master Declaration of Trust under certain circumstances, but do not have any authority or power to act for or bind a Fund. EHP may require a unitholder, at any time, to withdraw, in whole or in part, for a Fund.

#### *Performance Fee Risk*

To the extent described in this Simplified Prospectus, EHP receives a performance fee in respect of certain classes of units based upon the appreciation, if any, in the daily NAV of the class of units of a Fund during a calendar quarter over and above the prior highwater mark. However, the performance fee theoretically may create an incentive for EHP to make investments that are riskier than would be the case if such fee did not exist. In addition, because the performance fee is calculated on a basis that includes unrealized appreciation of a Fund’s assets, it may be greater than if such compensation were based solely on realized gains.

#### *Portfolio Manager Risk*

A mutual fund is dependent on its portfolio manager or sub-advisor to select its investments. A balanced fund or an asset allocation fund is also dependent on its portfolio manager or sub-advisor to decide what proportion of the mutual fund’s assets to invest in each asset class. Mutual funds are subject to the risk that poor security selection or asset allocation decisions will cause a mutual fund to underperform relative to its benchmark or other mutual funds with similar investment objectives.

#### *Potential Conflicts of Interest Risk*

EHP is required to satisfy a standard of care in exercising its duties with the Funds. However, neither EHP nor its directors, officers, or employees are required to devote all or any specified portion of their time to their responsibilities relating to the Funds. Certain inherent conflicts of interest arise from the fact that EHP and its affiliates may carry on investment activities for other clients (including investment funds sponsored by EHP and its affiliates) or on a proprietary basis in which the Fund will have no interest. Future investment activities by EHP, including the establishment of other investment funds, may give rise to additional conflicts of interest.

The Manager and its affiliates may also engage in the promotion, management or investment management of any other fund or trust or engage in other activities. In addition, directors, officers and employees of EHP may act as partners, directors or officers of other entities that provide services to other investment funds or clients.

The Manager has discretion regarding the selection of the broker-dealers and other intermediaries with and through which a Fund executes and clears portfolio transactions, the commissions and fees payable and the prices at which investments are bought and sold. Some allocations may be based in part on the provision of or payment for other products or services (including but not limited to investment research) to a Fund, EHP or affiliated persons (“**soft-dollars**”). Such services may not be used for the direct or exclusive benefit of a Fund and may reduce the overhead and administrative expenses otherwise payable.

#### *Regulatory and Legal Risk*

Some industries, such as telecommunications and financial services, are heavily regulated by governments and in some cases depend on government funding and favourable decisions made by those governments. Investments in such industries may be substantially affected by changes in government policy, regulation or deregulation, ownership restrictions, funding and the imposition of stricter operating conditions. The value of the securities of issuers in regulated industries may change substantially based on these factors.

#### *Securities Lending, Repurchase and Reverse Repurchase Transaction Risk*

The Funds may enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102. In a securities lending transaction, a Fund lends its portfolio securities through an authorized agent to another party (a “**counterparty**”) in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, a Fund sells its portfolio securities for cash through an authorized agent while at the same time it assumes an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, a Fund buys portfolio securities for cash while at the same time it agrees to resell the same securities for cash (usually at a higher price) at a later date. We have set out below some of the general risks associated with securities lending, repurchase and reverse repurchase transactions:

- When entering into securities lending, repurchase and reverse repurchase transactions, a Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.
- When recovering its investment on a default, a Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.
- Similarly, a Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

#### *Short Selling Risk*

Certain mutual funds are permitted to engage in a limited amount of short selling. A short sale is a transaction in which a mutual fund sells, on the open market, securities that it has borrowed from a lender for this purpose. At a later date, the mutual fund purchases identical securities on the open market and returns them to the lender. In the interim, the mutual fund must pay compensation to the lender for the loan of the securities and provide collateral to the lender for the loan. The Fund is permitted to sell securities short up to a maximum of 50% of its net asset value as described in further detail within the “**Investment Objectives**” section in Part B of this Simplified Prospectus. Short selling involves certain risks:

- There is no assurance that the borrowed securities will decline in value during the period of the short sale by more than the compensation paid to the lender, and securities sold short may instead increase in value.
- The Fund may experience difficulties in purchasing and returning borrowed securities if a liquid market for the securities does not exist at that time.
- A lender may require the Fund to return borrowed securities at any time. This may require the Fund to purchase such securities on the open market at an inopportune time.
- The lender from whom the Fund has borrowed securities, or the prime broker who is used to facilitate short selling, may become insolvent and the Fund may lose the collateral it has deposited with the lender and/or the prime broker.

#### *Small Company Risk*

A mutual fund may make investments in equities and, sometimes, fixed-income securities issued by smaller capitalization companies. These investments are generally riskier than investments in larger companies for several reasons. Smaller companies are often relatively new and may not have an extensive track record. This lack of history makes it difficult for the market to place a proper value on these companies. Some of these companies do not have extensive financial resources and, as a result, they may be unable to react to events in an optimal manner. In addition, securities issued by smaller companies are sometimes less liquid, meaning there is less demand for the securities in the marketplace at a price deemed fair by sellers.

#### *SPAC Risk*

The Fund may invest in stock, warrants, and other securities of special purpose acquisition companies (“SPACs”) or similar special purpose entities that pool funds to seek potential acquisition opportunities. Unless and until an acquisition is completed, a SPAC generally invests its assets (less a portion retained to cover expenses) in U.S. Government securities, money market fund securities and cash; if an acquisition that meets the requirements for the SPAC is not completed within a pre-established period of time, the invested funds are returned to the entity’s shareholders. Because SPACs and similar entities are in essence blank check companies without an operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity’s management to identify and complete a profitable acquisition. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices. In addition, these securities, which are typically traded in the over-the-counter market, may be considered illiquid and/or be subject to restrictions on resale.

#### *Taxation of a Fund Risk*

Under special rules contained in the *Income Tax Act* (Canada) (the “**Tax Act**”), trusts that constitute “SIFT trusts” (as defined in the Tax Act) will generally be precluded from deducting certain amounts that would otherwise be deducted for tax purposes if they were paid or became payable to unitholders in a particular taxation year. If a Fund were found to be a “SIFT trust”, the amounts available to be distributed by the Fund to its unitholders could be materially reduced.

If a Fund ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Income Tax Considerations for Investors” would be materially and adversely different in certain respects. More generally, there can be no assurance that income tax laws and the treatment of a Fund will not be changed in a manner which adversely affects unitholders and such Fund.

#### *Trust Loss Restriction Rule Risk*

A Fund may be subject to loss restriction rules (the “**Loss Restriction Rules**”) contained in the Tax Act unless the Fund qualifies as an “investment fund” as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that unitholders hold only fixed (and not discretionary) interests in the Fund. If a Fund experiences a “loss restriction event” (i) the Fund will be

deemed to have a year-end for tax purposes (which would result in an allocation of the Fund’s net income and net realized capital gains at such time to unitholders so that the Fund is not liable for income tax under Part I of the Tax Act on such amounts), and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward losses will be restricted. Generally, a Fund will have a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the Tax Act.

*U.S. Foreign Account Tax Compliance Act Risk*

In March 2010, the U.S. enacted the Foreign Account Tax Compliance Act (“**FATCA**”), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement (“**IGA**”) which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30% U.S. withholding tax under U.S. tax law (the “**FATCA Tax**”) for Canadian entities such as the Funds, provided that (i) the Funds comply with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. Each Fund will endeavor to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, unitholders of a particular Fund are required to provide identity and residency and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of Specified U.S. Persons or certain non-U.S. entities controlled by Specified U.S. Persons, such information and certain financial information (for example, account balances) will be provided by the Fund to the Canada Revenue Agency (the “**CRA**”) and from the CRA to the U.S. Internal Revenue Service (“**IRS**”). However, a Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of a Fund would reduce the Fund’s distributable cash flow and net asset value.

**In addition, there can be no assurance that applicable laws, or other legislation, legal and statutory rights will not be changed in a manner which adversely affects a Fund or its unitholders. There can be no assurance that income tax, securities, and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the distributions received by the Fund or by the unitholders.**

**ORGANIZATION AND MANAGEMENT OF THE FUNDS**

<p><b><i>Manager</i></b>  EHP Funds Inc. 45 Hazelton Ave, Suite B Toronto, Ontario M5R 2E3</p>	<p>The Manager is a corporation incorporated under the laws of Ontario, with its office in Toronto, Ontario. As Manager, we manage the overall business and operations of the Funds, including such matters as administration services and fund accounting.</p>
<p><b><i>Trustee</i></b>  EHP Funds Inc. Toronto, Ontario</p>	<p>The Funds are organized as unit trusts. When you invest in a Fund, you are buying units of the trust. The Trustee holds the actual title to the cash and securities owned by each Fund on your behalf.</p>
<p><b><i>Portfolio Manager</i></b>  EHP Funds Inc. Toronto, Ontario</p>	<p>As Portfolio Manager, we are responsible for portfolio management and advisory services for the Funds.  The Portfolio Manager makes the purchase and sale decisions for securities in a Fund’s portfolio.</p>

<p><b><i>Custodian</i></b></p> <p>CIBC Toronto, Ontario</p> <p>The Bank of Nova Scotia Toronto, Ontario</p>	<p>The Custodian has physical custody of the Funds' property. Each Fund has a single custodian, as identified in the Annual Information Form.</p>
<p><b><i>Securities Lending Agent</i></b></p> <p>CIBC Toronto, Ontario</p>	<p>The Securities Lending Agent(s) arranges and administers loans of a Fund's portfolio securities for a fee to qualified borrowers who have posted collateral.</p>
<p><b><i>Administrator and Registrar</i></b></p> <p>SGGG Fund Services Inc. Toronto, Ontario</p>	<p>The Administrator provides administrative services to the Funds, including maintaining the accounting records of the Funds, fund valuation and net asset value calculation and financial reporting services. The Registrar keeps track of the owners of units of each of the Funds, processes purchases, reclassification and redemption orders, maintains the unit register, issues investor account statements and trade confirmations and issues annual tax reporting information. The Manager continues to be responsible for the services provided by the Administrator.</p>
<p><b><i>Auditor</i></b></p> <p>KPMG LLP Toronto, Ontario</p>	<p>The Auditor is responsible for auditing the annual financial statements of the Funds.</p>
<p><b><i>Independent Review Committee</i></b></p>	<p>The Independent Review Committee (the "IRC") will provide independent oversight of conflict of interest matters that may arise between EHP and the Funds. Among other things, the IRC prepares an annual report of its activities for unitholders of the Funds which will be available on our website at <a href="http://www.ehpfunds.com">www.ehpfunds.com</a> or upon request by any unitholder, at no cost, by calling toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted) or emailing <a href="mailto:info@ehpfunds.com">info@ehpfunds.com</a>. The members of the IRC are independent of EHP. Additional information concerning the IRC, including the names of the members, is available in the Funds' Annual Information Form.</p>

<b><i>Fund of Funds</i></b>	A Fund (the “ <b>Top Fund</b> ”) may invest in other mutual funds, including mutual funds managed by us (the “ <b>underlying funds</b> ”). Where we are the manager of both a Top Fund and an underlying fund, we will not vote the securities of the underlying fund held directly by the Top Fund. Instead, in our sole discretion, we may arrange either for such securities to be voted, by the beneficial unitholders of the applicable Top Fund, or, for the beneficial owners of the applicable Top Fund to direct us with respect to the exercise of voting rights attached to securities of an underlying fund managed by EHP.
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## **PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS**

### **Description of Units**

Each Fund is permitted to issue an unlimited number of classes and may issue an unlimited number of units of each class. Each Fund has created Class A, Class UA, Class F, Class UF and Class I units.

The classes are subject to their respective minimum investment requirements, as detailed below under “Purchases”. The Fund is also only available with confirmation that your IIROC-registered dealer has signed an agreement with us authorizing the dealer to sell such units of a Fund.

In addition to the minimum investment requirements, the following describes the suggested class suitability (your financial advisor can best assist you with determining the right class for you) and any further class eligibility requirements you must meet to qualify to purchase the class.

- *Class A units:* Available to all investors.
- *Class UA units:* Denominated in U.S. dollars and available to all investors.
- *Class F units:* Available to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset-based fee rather than commissions on each transaction or, at the discretion of EHP, any other investor for whom EHP does not incur distribution costs.
- *Class UF units:* Denominated in U.S. dollars and available to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset-based fee rather than commissions on each transaction or, at the discretion of EHP, any other investor for whom EHP does not incur distribution costs.
- *Class I units:* Available to institutional investors or to other investors on a case-by-case basis, all at the discretion of EHP. Also available to certain of our employees and employees of affiliated entities and, at our discretion, to former employees and to relatives of current and former employees.

If you cease to satisfy criteria for holding units of a particular class, EHP may reclassify your units as such number of units of another class of the same Fund that you are eligible to hold having an aggregate equivalent net asset value.

### **Fund Eligibility Requirements**

Investors are only permitted to purchase units of a Fund if their IIROC-registered dealer has entered into an agreement with us authorizing the dealer to sell such units of a Fund.

## How We Price a Fund's Units

Each Fund's net asset value is calculated at the close of regular trading, normally 4:00 p.m. (Eastern Time), on a day the Toronto Stock Exchange ("TSX") is open (a "Valuation Day").

The net asset value of each Fund will be calculated in Canadian dollars. The Class A, Class F and Class I Units of each Fund are denominated in Canadian dollars. The Class UA and Class UF Units of each Fund are denominated in U.S. dollars, and the returns of the Class UA and Class UF Units are generally hedged back to the Canadian dollar. The returns on the Class UA and Class UF Units will differ from the returns on the Class A and Class F Units, respectively, because the effect and costs associated with employing the hedging strategy. The Funds may not be able to fully hedge the Canadian dollar exposure back to U.S. dollars in respect of Class UA and Class UF Units, where applicable, at all times. Holders of Class UA and Class UF Units who exchange those units for units of another class will do so at the prevailing Canadian/U.S. dollar exchange rate.

The Funds' units are divided into the Class A, Class UA, Class F, Class UF and Class I Units. Each class is divided into units of equal value. When you invest in a Fund, you are purchasing units of a specific class of the Fund.

A separate net asset value per unit is calculated for each class of units (the "Unit Price"). The Unit Price is the price used for all purchases, switches, reclassifications and redemptions of units of that class (including purchases made on the reinvestment of distributions). The price at which units are issued or redeemed is based on the next applicable Unit Price determined after the receipt of the purchase or redemption order.

Here is how we calculate the Unit Price of each class of each of the Funds:

- We take the fair value of all the investments and other assets allocated to the class.
- We then subtract the liabilities allocated to that class. This gives us the net asset value for the class.
- We divide this amount by the total number of units of the class that investors in a Fund are holding. That gives us the Unit Price for the class.

Although the purchases and redemptions of units are recorded on a class basis, the assets attributable to all of the class of a Fund are pooled to create one fund for investment purposes.

Each class pays its proportionate share of fund costs in addition to its management fee and performance fee. The difference in fund costs, management fees and performance fees between each class means that each class has a different Unit Price.

Any purchase, switch, reclassification or redemption instruction received after 4:00 p.m. (Eastern Time) on a Valuation Day will be processed on the next Valuation Day.

As Manager, we are responsible for determining the net asset value of the Funds. However, we may delegate some or all of the responsibility in relation to such determination to the Administrator.

You can get the net asset value of the Funds or the Unit Price of a class of a Fund, at no cost, by sending an email to [info@ehpfunds.com](mailto:info@ehpfunds.com), on EHP's website at [www.ehpfunds.com](http://www.ehpfunds.com), by calling toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted) or by asking your Dealer.

## Purchases

You may purchase any class of units of the Funds through an IIROC registered dealer that has entered into a distribution agreement with us to sell the Funds. See "*Description of Units*" for a description of each class of units offered by the Funds. The issue price of units is based on the Unit Price for that particular class.

The minimum initial investment in Class A and Class F units of each Fund is \$2,000, while the minimum initial investment in Class I units is \$500,000. The minimum initial investment in Class UA and Class UF units of each Fund is US\$2,000. The minimum subsequent investment in each Fund is \$500 or US\$500, as applicable, unless you buy through a pre-authorized contribution plan, in which case, the minimum subsequent investment is \$50 or US\$50, as applicable, per Fund. **These minimum investment amounts may be adjusted or waived in the discretion of EHP.**

If we receive your purchase order before 4:00 p.m. (Eastern time) on a Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

Please contact your dealer to find out how to place an order. Please note that dealers may establish cut-off times for receiving purchase orders so that they may be properly processed prior to the 4:00 p.m. (Eastern Time) deadline on the applicable Valuation Day. When you submit money with a purchase order, the money will be held in our trust account and any interest the money earns before it is invested in the Funds is credited to the Funds, not to your account.

We must receive the appropriate documentation and payment in full within two business days of receiving your purchase order in order to process a purchase order. If a Fund does not receive payment in full within the required time, we will sell the units that you bought. If we sell them for more than you paid, the Fund will keep the difference. If we sell them for less than you paid, we will bill you for the difference plus any costs or interest. We do not issue certificates when you purchase a Fund. We are entitled to reject any purchase order, but we can only do so within one business day of receiving it. If we reject an order, we will return immediately to your dealer any monies we have received from you in connection with that order.

At EHP's sole discretion, a Fund may suspend new subscriptions of the fund units.

Please see "*Fees and Expenses*" and "*Dealer Compensation*" for more information on the fees and expenses and dealer compensation applicable to each class.

## **Redemptions**

If we receive your redemption order before 4:00 p.m. (Eastern Time) on any Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

The latest we will send you your money will be two business days after the Valuation Day used to process your sell order. Required documentation may include a written order to sell with your signature, guaranteed by an acceptable guarantor. If you redeem through your Dealer, they will advise you what documents they require. Any interest earned on the proceeds of an order to redeem before you receive the money will be credited to the Funds, not to your account. Redemption proceeds are paid in the applicable currency that the class of units is denominated.

Under exceptional circumstances we may be unable to process your redemption order. This would most likely occur if market trading has been suspended on stock exchanges, options exchanges or futures exchanges on which more than 50% by value of a Fund's assets are listed and if a Fund's portfolio securities cannot be traded on any other exchange that represents a reasonably practical alternative. During these periods units will also not be issued, switched or reclassified.

The Funds may postpone a redemption payment during any period which redemption rights are suspended in the circumstances described above as required by securities legislation or with the approval of the applicable securities regulatory authorities.

There are no redemption fees for the Funds, except as described under “*Short-Term Trading Fee*”.

### **Switches between Funds**

You may switch all or part of your investment in a class of units of a Fund to units of the same class of another Fund. This is called a switch.

If we receive your switch order before 4:00 p.m. (Eastern Time) on any Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

The Class UA and Class UF Units of each Fund are denominated in U.S. dollars, and the returns of the Class UA and Class UF Units are generally hedged back to the Canadian dollar. Holders of Class UA and Class UF Units who exchange those units for units of another class will do so at the prevailing Canadian/U.S dollar exchange rate.

You may have to pay a fee to your Dealer to effect such a switch. You negotiate the fee with your investment professional. See “*Fees and Expenses*” for details.

A switch will be a disposition for tax purposes and may give rise to a taxable gain or loss. Please see “*Income Tax Considerations for Investors*” for details.

### **Reclassifications between Classes of the Same Fund**

You may reclassify all or part of your investment from one class of units to another class of units of the same Fund, as long as you are eligible to hold that class of units. This is called a reclassification.

If we receive your reclassification order before 4:00 p.m. (Eastern Time) on any Valuation Day, we will process your order at the Unit Price calculated later that day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

You may have to pay a fee to your Dealer to effect such a reclassification. You negotiate the fee with your investment professional. See “*Fees and Expenses*” for details.

The value of your investment, less any fees, will be the same immediately after the reclassification. You may, however, own a different number of units because each class may have a different Unit Price. Reclassifying units from one class to another class of the same fund is generally not a disposition for tax purposes. However, a conversion of Class UA and Class UF Units into a class of units that is denominated in Canadian dollars will likely result in a disposition for tax purposes. Please see “*Income Tax Considerations for Investors*” for details.

### **Short-Term Trading**

We have adopted policies and procedures to detect and deter inappropriate and excessive short-term trading.

Inappropriate short-term trading in units of a Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with our long-term investment decisions.

In order to protect the interest of the majority of unitholders in a Fund and to discourage inappropriate short-term trading in a Fund, investors may be subject to a short-term trading fee. If an investor redeems units of a Fund within 90 days of purchasing such units, the Fund may deduct and retain, for the benefit of the remaining unitholders in the Fund, two percent (2%) of the net asset value of the units of the particular class of a Fund being redeemed.

We also consider excessive short-term trading as a combination of purchases and redemptions, including switches between EHP Funds, that occurs with such frequency within a 30-day period that we believe is detrimental to a Fund's investors.

Inappropriate short-term trading may harm Fund investors who do not engage in these activities by diluting the NAV of a Fund's units as a result of the market timing activities of other investors. Inappropriate and excessive short-term trading may cause the Fund to carry an abnormally high cash balance and/or high portfolio turnover rate, both of which may reduce the Fund's returns.

We may take such additional action as we consider appropriate to prevent further similar activity by you. These actions may include the delivery of a warning to you, placing you or your account(s) on a watch list to monitor your trading activity and the subsequent rejection of further purchases by you if you continue to attempt such trading activity and/or closure of your account.

In determining whether a short-term trade is inappropriate or excessive, we will consider relevant factors, including the following:

- *bona fide* changes in investor circumstances or intentions;
- unanticipated financial emergencies;
- the nature of the Fund;
- past trading patterns;
- unusual market circumstances; and
- an assessment of harm to the Fund or to us.

The short-term trading fee will not apply in certain circumstances, such as:

- redemptions of units by another fund managed by EHP;
- redemptions of units purchased by the reinvestment of distributions;
- for systematic withdrawal plans;
- switch between EHP Funds (unless we consider it to be part of excessive short-term trading);
- reclassification of units from one class to another class of the same Fund;
- redemptions initiated by EHP or where redemption notice requirements have been established by EHP;
- redemptions of units to pay management fees, administration fees, operating expenses, fund costs and/or advisor fees with respect to Class I units; or
- in the absolute discretion of EHP.

## OPTIONAL SERVICES

### Pre-authorized Contribution Plan

You can make regular purchases of units of the Funds through a Pre-authorized Contribution Plan (“PAC”). You can invest weekly, bi-weekly or monthly. You can set up a PAC by contacting your Dealer. There is no administrative charge for this service.

When you enroll in a PAC, your Dealer will send you a complete copy of the Fund’s or other EHP Funds’ current Fund Facts, along with a PAC form agreement as described below. Upon request, you will also be provided with a copy of the Fund’s simplified prospectus.

You will not receive the Fund Facts when you make any subsequent purchases under the PAC unless you request this at the time of your initial investment, or subsequently send a request. You can get copies of these documents at [www.ehpfunds.com](http://www.ehpfunds.com) or at [www.sedar.com](http://www.sedar.com), from your Dealer, or by e-mailing us at [info@ehpfunds.com](mailto:info@ehpfunds.com). We will only send you an updated copy of the Fund Facts annually upon renewal and any amendments if you have requested them.

You have a statutory right to withdraw from an initial purchase of the Fund under the PAC plan, but you do not have a statutory right to withdraw from subsequent purchases of the Fund under the PAC. However, you will continue to have all other statutory rights under securities law, including a right of action for damages or rescission in the event any Fund Facts or document incorporated by reference in any renewal simplified prospectus contains any misrepresentation, whether or not you have requested the Fund Facts.

You may change or terminate your PAC at any time before a scheduled investment date as long as we receive at least ten (10) business days’ notice.

The Canadian Payments Association has implemented Rule H1, which is intended to protect consumers from unauthorized debits. On PAC enrolment by your Dealer, you must be given the form or disclosure that describes the PAC terms and conditions and investors’ rights. By enrolling in a PAC, you are deemed to

- redemptions of units by another fund managed by EHP;
- waive any pre-notification requirements;
- authorize us to debit your bank account;
- authorize us to accept changes from your registered dealer or financial advisor;
- agree to release your financial institution of all liability if your request to stop a PAC is not respected, except where the financial institution is grossly negligent;
- agree that a limited amount of your information will be shared with the financial institution for the purpose of administering your PAC;
- agree that you are fully liable for any charges incurred if the debits cannot be made due to insufficient funds or any other reason for which you may be held accountable; and
- be aware that you have rights and that you can change your instructions at any time, on ten (10) days’ advance notice to us and that you can find out more about your right to cancel a pre-authorized debit agreement by contacting your financial institution or by visiting [www.cdnpay.ca](http://www.cdnpay.ca).

### Registered Plans

You can open certain registered plans through your Dealer. The following plans are eligible to invest in the Funds (collectively referred to as “registered plans”):

- registered retirement savings plans (“RRSPs”), including
  - locked-in retirement accounts (“LIRAs”),
  - locked-in retirement savings plans (“LRSPs”),
  - restricted locked-in savings plans (“RLSPs”),
- registered retirement income funds (“RRIFs”), including
  - life income funds (“LIFs”),
  - locked-in retirement income funds (“LRIFs”),
  - prescribed retirement income funds (“PRIFs”),
  - restricted life income funds (“RLIFs”),
- tax-free savings accounts (“TFSA”),
- registered education savings plans (“RESPs”), and
- deferred profit-sharing plans (“DPSPs”).

We do not permit units of the Fund to be held within RDSPs. Please see the “Fund Eligibility Requirements” section for more information.

**FEES AND EXPENSES**

The table below lists the fees and expenses that you may have to pay if you invest in a Fund. You may have to pay some of these fees and expenses directly. A Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in a Fund.

<b>Fees and Expenses Payable by the Fund</b>	
<b>Management Fees</b>	<p>The Manager receives a management fee payable by each Fund for providing its services to the Funds. The management fee varies for each class of units. The management fee is calculated and accrued daily based on a percentage of the net asset value of the class of units of each Fund, plus applicable taxes, and is payable on the last day of each calendar month.</p> <p>As shown below, the annual management fees vary by class. You should make a specific request through your Dealer to purchase any applicable lower-fee class you may be eligible to purchase, or to switch your existing units to any applicable lower-fee class you may be eligible to purchase.</p> <ul style="list-style-type: none"> <li>• Class A units: 1.90% per annum</li> <li>• Class UA units: 1.90% per annum</li> <li>• Class F units: 0.90% per annum</li> <li>• Class UF units: 0.90% per annum</li> <li>• Class I units: Negotiated by the investor and paid directly by the investor. The management fee rate would not exceed the management fee payable on Class A units of a Fund.</li> </ul> <p>The management fees for Class I units of the Funds are negotiable by you and payable directly to us. Parties related to us and our employees and employees of our affiliates may be charged no fees or fees that are lower than those available to</p>

	<p>other investors. For Class I units, this fee can be paid (1) by cheque/wire or by the redemption of Class I units you hold, if (i) you have a minimum of \$5,000,000 invested in Class I units and (ii) you hold your units outside of a registered plan; or (2) by the redemption of Class I units you hold, if you have less than \$5,000,000 invested in Class I units.</p> <p>In consideration of the management fee, EHP will provide investment management, clerical, administrative and operational services to the Funds, including: determining and implementing investment policies, practices, fundamental objectives, and investment strategies applicable to each Fund; receiving and processing all subscriptions and redemptions; ensuring each Fund complies with regulatory requirements and filings; offering units of each Fund for sale to prospective purchasers; conducting foreign exchange transactions; purchase, retain, sell and call and put options, futures contracts, or other similar financial instruments; daily operations and usual and ordinary office services; unitholder relations and communications; appointing or changing the auditor of each Fund; banking; establish each Fund’s operating expense budget and authorizing payment of expenses; authorizing contractual arrangements; recordkeeping; and allocating between each class of each Fund the net asset value of the Fund, any distribution of the Fund, the net assets of the Fund, the Fund’s property, any liabilities of the Fund, and any other items. The Manager may delegate the foregoing to third parties if it believes it is in the best interests of unitholders.</p>
<b>Performance Fees</b>	<p>The Manager receives a performance fee in respect of each class of units of a Fund. The Fund will pay EHP a performance fee each calendar quarter (a “Performance Fee Determination Period”) equal to 15% of the Net Profit (as defined below) of each of the applicable class units subject to the High Watermark (as defined below). The performance fee will be calculated and accrued for each class on a daily basis during each Performance Fee Determination Period and, with respect to an intra-quarter redemption of units of a class, on the relevant redemption date.</p> <p>Net Profit means, in respect of any class of units of a Fund for any Performance Fee Determination Period, the amount calculated by deducting the initial NAV per unit of the class for that Performance Fee Determination Period from the closing NAV per unit of such class for that Performance Fee Determination Period and multiplying the resulting amount by the total number of the units of such class outstanding at the close of business on the last business day in that Performance Fee Determination Period (and, with respect to an intra-quarter redemption, on the relevant redemption date).</p> <p>No performance fee shall be paid in respect of a class unless the class NAV per unit exceeds the highest NAV per unit in respect of which a performance fee has been previously paid for that class (the “High Watermark”) and, in such circumstances, a performance fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark.</p> <p>Investors in Class I units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the investor that is different than the one described in this table or no performance fee at all.</p>

<p><b>Operating Expenses</b></p>	<p>Each Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by EHP.</p> <p>Operating expenses include, but are not limited to, brokerage commissions and fees (if applicable), taxes, audit and legal fees, fees of the members of the IRC, costs and fees in connection with the operation of the IRC (including the costs of holding meetings, and fees and expenses of any advisers engaged by the IRC), safekeeping and custodial fees, interest expenses, operating, administrative and systems costs, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses, annual information forms and fund facts. Operating expenses and other costs of a Fund are subject to applicable taxes including HST.</p> <p>Each Fund also pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each member of the IRC, other than the Chair, is paid, as compensation for his services, \$6,000 (plus applicable taxes or other deductions) per annum. The Chair is paid \$8,000 (plus applicable taxes or other deductions) per annum.</p> <p>Management expense ratios (“MERs”) are calculated separately for each class of units of a Fund and include that classes management fees and/or operating expenses.</p> <p>Each Fund also pays its own brokerage commissions for portfolio transactions and related transaction fees. These expenses are not included in a Fund’s MER but are, for tax purposes, added to the cost base or subtracted from the sale proceeds of its portfolio investments. These expenses constitute part of a Fund’s trading expense ratio (“TER”). Both the MER and the TER are disclosed in the Fund’s annual and semi-annual Management Report of Fund Performance.</p>
<p><b>Fund-on-fund fees and expenses</b></p>	<p>When a Top Fund invests in an underlying fund, the underlying fund may pay a management and performance fee and other expenses in addition to the fees and expenses payable by the Top Fund. The fees and expenses of the underlying fund will have an impact on the management expense ratio of a Top Fund that invests in such underlying fund as the Top Fund is required, in determining its management expense ratio, to take into account the expenses incurred by the Top Fund that are attributable to its investment in the underlying fund. However, the Top Fund will not pay a management or performance fee that, to a reasonable person, would duplicate a fee payable by the underlying fund(s) for the same service. In addition, the Top Fund will not pay any sales charges, redemption fees or short-term trading fees for its purchase or redemption of units of any underlying fund that is an EHP Fund, or that, in respect of the other underlying funds, to a reasonable person, would duplicate a fee payable by an investor in any underlying fund.</p>
<p><b>Fees and Expenses Payable Directly by You</b></p>	
<p><b>Class I Units Management Fees and Performance Fees</b></p>	<p>Unitholders of Class I units pay, directly to EHP, a negotiated management fee based on the net asset value of the Class I units of a Fund you own, which will not exceed a management fee rate of 1.90%. There may be no management fee at all for Class I units. This fee will be set out in an agreement between you and EHP.</p> <p>Unitholders of Class I units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the unitholder that is different</p>

	than the one described above or no performance fee at all. The performance fee for Class I units will be paid directly to EHP.
<b>Sales Commissions</b>	Your Dealer may charge you a sales commission of up to 5% based on the net asset value of the applicable class of units of a Fund you acquire when you buy Class A and Class UA units. You may negotiate the amount with your Dealer. There are no sales commissions for Class F, Class UF and Class I units.
<b>Switch and Reclassification Fees</b>	Your Dealer may charge you a switch fee or a reclassification fee, as applicable, of up to 2% based on the net asset value of the applicable class of units of a Fund you switch or reclassify. You may negotiate the amount with your Dealer. Dealers' fees for switches and reclassifications are paid by redeeming units held by you.  See <i>"Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan"</i> section of this Simplified Prospectus.
<b>Redemption Fees</b>	The Funds do not charge a redemption fee. However, a Fund may charge a short-term trading fee if you redeem your units within 90 days of buying them. Please see <i>"Short-Term Trading Fee"</i> section of this Simplified Prospectus.
<b>Short-Term Trading Fee</b>	A fee of 2% of the amount redeemed may be charged if you redeem units of a Fund within 90 days of purchasing such units and/or your trading is part of a pattern of short-term trading that we believe is detrimental to Fund investors. For a description of EHP's policy on short-term trading please see the disclosure under the subheading <i>"Short-Term Trading Fee"</i> under the heading <i>"Fund Governance"</i> in the Annual Information Form.  The short-term trading fees charged will be paid directly to a Fund, and is designed to deter excessive trading and offset its associated costs. For the purposes of determining whether the fee applies, we will consider the units that were held the longest to be units which are redeemed first. At EHP's discretion, the fee will not apply in certain circumstances, such as: <ul style="list-style-type: none"> <li>• redemptions of units by another EHP Fund;</li> <li>• redemptions of units purchased by the reinvestment of distributions;</li> <li>• switch between EHP Funds (unless we consider it to be part of excessive short-term trading);</li> <li>• reclassification of units from one class to another class of the same Fund;</li> <li>• redemptions initiated by EHP or where redemption notice requirements have been established by EHP; or</li> <li>• in the absolute discretion of EHP.</li> </ul>
<b>Pre-Authorized Contribution Plan Fees</b>	Your Dealer may charge you an administrative fee for this service. You may negotiate the amount with your Dealer.
<b>Registered Tax Plan Fees</b>	Your Dealer may charge you a fee for this service. You may negotiate the amount with your Dealer.

## Impact of Sales Commissions

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in a Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.

Sales commissions may apply when you purchase Class A and Class UA units of a Fund. The sales commissions may be negotiated between you and the Dealer. There are no sales commissions payable on Class F, Class UF or Class I units of the Funds.

	Sales Charge At Time of Purchase	Redemption Fee <sup>1</sup> Before End Of:			
		1 Year <sup>1</sup>	3 Years	5 Years	10 Years
Sales Charge Option	Up to \$50	Nil	Nil	Nil	Nil

<sup>1</sup>There is no redemption fee. However, a short-term trading fee may apply only if you redeem your units within 90 days of purchasing them.

## DEALER COMPENSATION

Your Dealer may receive three types of compensation – sales commissions, trailing commissions and switch/reclassification fees.

**Sales Commissions** – You pay this commission to your Dealer at the time of purchase of Class A and Class UA units of a Fund. The maximum sales commission you may pay is 5% based on the net asset value of the applicable class of units of the Fund you acquire. You may negotiate this amount with your Dealer. There are no sales commissions payable to your Dealer for Class F, Class UF and Class I units of the Funds. Please see “*Purchases, Switches, Reclassifications and Redemptions*” section of this Simplified Prospectus for further details.

**Trailing Commissions** – For Class A and Class UA units of a Fund, we pay dealers an ongoing annual service fee known as a “trailing commission,” based on the total value of Class A and Class UA units held in your account with the dealer. There are no trailing commissions paid on Class F, Class UF and Class I units of the Funds. The trailing commissions are paid quarterly at a current annual rate of up to 1.00% of the value of the Class A and Class UA units held by clients of the dealer. In circumstances where EHP Fund securities are purchased through discount brokerage accounts, we may also pay trailing commissions to the discount broker.

**Switch/Reclassification Fees** – You may pay the switch fee or reclassification fee, as applicable, to your Dealer at the time of switching your investment from one EHP Fund to another EHP Fund or reclassifying from one class of units to another class of units in the same Fund. The maximum switch/reclassification fee you may pay is 2% based on the net asset value of the applicable class of units of the Fund being switched or reclassified. You may negotiate this amount with your Dealer. Dealers’ fees for switches and reclassifications are paid by redeeming units held by you. See “*Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan*” section of this Simplified Prospectus.

## Other Kinds of Dealer Compensation

We may provide a broad range of marketing support programs to dealers which include research materials on the Funds and pre-approved advertising copy relating to the Funds. We may also provide advertising programs for the Funds which may indirectly benefit your Dealer, and in some cases, may share with your Dealer the cost of local advertising and marketing activities (including investor conferences and seminars). The cost sharing is on a case-by-case basis and will not exceed 50% of the total direct costs incurred by your

Dealer. We may reimburse dealers for the registration fees of financial advisors attending certain conferences, seminars and courses organized and presented by third parties. We also may reimburse dealers and certain industry associations for up to 10% of the total direct costs they incur for other kinds of conferences, seminars and courses they organize and present. We may organize and present, at our expense, educational conferences and seminars for financial advisors and provide to financial advisors nonmonetary benefits of a promotional nature and of minimal value.

It is important for you to know that all of the amounts described above are paid by us, not the Funds, and only in accordance with the our policies and the rules set out in National Instrument 81-105 *Mutual Fund Sales Practices*.

## **INCOME TAX CONSIDERATIONS FOR INVESTORS**

The following is a general summary, at the time of filing, of certain of the principal Canadian federal income tax considerations generally applicable to you as an investor in units of a Fund offered under this Simplified Prospectus. This summary assumes you are an individual (other than a trust) who, for purposes of the Tax Act, (i) is a resident of Canada, (ii) deals at arm's length and is not affiliated with the Funds, and (iii) holds units as capital property.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, an understanding of the current published administrative and assessing practices of the CRA and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the “**Tax Proposals**”). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. However, there can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary assumes that none of the issuers of securities held by a particular Fund will be a foreign affiliate of the Fund or any unitholder of the Fund, or a non-resident trust that is not an “exempt foreign trust” as defined in section 94 of the Tax Act. This summary also assumes that no Fund will be (i) a “SIFT trust” for the purposes of the Tax Act, (ii) a “financial institution” for purposes of the Tax Act, or (iii) required to include any amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act.

**This summary is not exhaustive of all possible Canadian federal tax considerations applicable to you in respect of an investment in units of a Fund and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire units. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Accordingly, you are urged to consult with your own tax advisors for advice with respect to the income tax consequences of an investment in units, based on your particular circumstances.**

### *Tax Status of the Funds*

This summary is based on the assumptions that (i) each Fund will qualify, at all times, as a “mutual fund trust” within the meaning of the Tax Act and will elect under the Tax Act to be a “mutual fund trust” from the date it was established, (ii) each Fund will not be maintained primarily for the benefit of non-residents, and (iii) not more than 50% (based on fair market value) of the units of a particular Fund will be held by non-residents of Canada or by partnerships that are not Canadian partnerships as defined in the Tax Act, or by any combination of such partnerships and non-residents.

In order to continue to qualify as a “mutual fund trust”, a Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of units. If a

Fund does not qualify as a “mutual fund trust” at all times, the income tax considerations described below could be materially and adversely different.

### *Taxation of the Funds*

In each taxation year, a particular Fund will be subject to tax under Part I of the Tax Act on its net income, including the taxable portion of any net capital gains, if any, that is not paid or made payable to unitholders in that year. Provided a Fund distributes all of its net taxable income and its net capital gains to its unitholders on an annual basis, it should not be liable for any income tax under Part I of the Tax Act.

Each Fund is required to include, in computing its income for each taxation year, the taxable portion of any net capital gains, any dividends received by it in that taxation year and all interest that accrues to it during the year, or which becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. In computing its income, each Fund will take into account any loss carry-forwards, any capital gains refund and all deductible expenses, including management fees.

Gains and losses realized by a Fund on the disposition of securities will generally be reported as capital gains and capital losses. Each Fund will elect under subsection 39(4) of the Tax Act so that all gains or losses realized on the disposition of securities that are “Canadian securities” (as defined in the Tax Act) will be deemed to be capital gains or losses to the Fund. Generally, gains and losses realized by a Fund from derivative securities and in respect of short sales of securities (other than Canadian securities) will be treated as income and losses of the Fund, except where a derivative is used to hedge securities held on capital account provided there is sufficient linkage and subject to the detailed rules in the Tax Act. Whether gains or losses realized by a Fund in respect of a particular security (other than a Canadian security) are on income or capital account will depend largely on factual considerations.

Losses incurred by a Fund in a taxation year cannot be allocated to unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act.

A Fund’s portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, the Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

A Fund may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent such foreign tax paid by a particular Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its income for purposes of the Tax Act, subject to the detailed provisions of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such foreign source income and has not been deducted in computing the Fund’s income, the Fund may generally designate a portion of its foreign source income in respect of its unitholders so that such income, and a portion of the foreign tax paid by the Fund, may be regarded as foreign source income of, and foreign tax paid by, the unitholders for the purposes of the foreign tax credit provisions of the Tax Act.

A Fund may be subject to alternative minimum tax in any taxation year throughout which the Fund is not a “mutual fund trust” for purposes of the Tax Act.

A Fund may be subject to the “suspended loss” rules contained in the Tax Act, which would generally apply where a Fund disposes of property and subsequently reacquires the property or acquires an identical property within the time period that begins 30 days before the disposition and ends 30 days following the disposition, and the Fund continues to own the reacquired or newly-acquired property following that period. Where the

“suspended loss” rules apply, any losses arising from the initial disposition of property would be denied, but may be realized at a future point in time in accordance with the rules in the Tax Act.

A Fund may be subject to the “straddle loss” rules contained in the Tax Act, which generally defer the realization of any loss on the disposition of a “position” to the extent of any unrealized gain on an offsetting “position”. For the purposes of these rules, a “position” held by a Fund includes any interest in actively traded personal properties such as commodities, derivatives, and certain debt obligations. An offsetting “position” is any similar interest that has the effect of eliminating all or substantially all of the Fund’s risk of loss and opportunity for gain in respect of the underlying “position”. These rules are subject to various exceptions set out in the Tax Act.

## **Taxation of Unitholders**

### *Units Held in a Registered Plan*

If you hold units of a particular Fund in a TFSA, RRSP, RRIF or RESP (each, a “**Registered Plan**” and collectively, “**Registered Plans**”), distributions from the Fund and capital gains from a redemption (or other disposition) of units in respect of the Registered Plan are generally not subject to tax under the Tax Act until withdrawals are made from the Registered Plan (however, withdrawals from a TFSA are generally not subject to tax).

Notwithstanding the foregoing, if the units of a particular Fund are “prohibited investments” (as defined in the Tax Act) for your Registered Plan, you—as the holder of the TFSA or the RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as the case may be— may be subject to a penalty tax as set out in the Tax Act. The units of a particular Fund will be a “prohibited investment” for your Registered Plan, if you (i) do not deal at arm’s length with the particular Fund for purposes of the Tax Act, or (ii) have a “significant interest”, as defined in the Tax Act, in the particular Fund. Generally, you will not have a significant interest in a Fund unless you own interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which you do not deal at arm’s length. In addition, your units will not be a “prohibited investment” if such units are “excluded property” as defined in the Tax Act for a Registered Plan.

You should consult with your own tax advisors to determine whether units of a particular Fund would be a “prohibited investment” for your Registered Plan, based on your particular circumstances.

### *Units Not Held in a Registered Plan*

If you hold units of a Fund outside a Registered Plan, you will generally be required to include in computing your income for a taxation year the portion of the net income of the Fund, including the taxable portion of any capital gains, if any, paid (or payable) to you by the Fund in that taxation year, whether such amounts are paid in cash or automatically reinvested in additional units.

Generally, any distributions to you in excess of your share of the net income and net capital gains of a Fund in a taxation year are a return of capital and will not be taxable to you, but will reduce the adjusted cost base of your units. To the extent that the adjusted cost base of your units would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by you and your adjusted cost base will be nil immediately thereafter. The non-taxable portion of any net capital gains of a Fund that is distributed to you will not be taxable and will not, provided the appropriate designations are made by the Fund, reduce the adjusted cost base of your units.

The higher the portfolio turnover rate of a Fund in a year, the greater the chance that an amount will be declared payable or paid in respect of your units of the Fund prior to the end of the year. However, there is

not necessarily a relationship between a high turnover rate of a Fund's portfolio and the performance of the Fund.

Provided that appropriate designations are made by a particular Fund, such portion of (i) the taxable portion of any net capital gains of the Fund, and (ii) the taxable dividends received by the Fund on shares of taxable Canadian corporations as are paid or become payable to you will effectively retain their character and be treated as such in your hands. The gross-up and dividend tax credit rules contained in the Tax Act will apply to such amounts that are designated as taxable dividends from taxable Canadian corporations. If the particular Fund makes the appropriate designation, you may be entitled to claim a foreign tax credit in accordance with the provisions of, and subject to the general limitations under, the Tax Act for a portion of the foreign tax paid by the Fund in respect of income from foreign sources.

The net asset value per unit of a particular Fund at the time you acquire units may reflect income and gains of the Fund that have accrued prior to that time. Accordingly, if you acquire units, particularly late in a calendar year, you may become taxable on the income or gains of the Fund that accrued before those units were acquired by you.

We will provide you with prescribed information in the form required by the Tax Act to assist you in preparing your tax return.

Upon the redemption (or other disposition) of a unit of a particular class of units of a Fund, including on a redemption of units to pay any applicable switch or reclassification fees, you will realize a capital gain (or capital loss) to the extent that your proceeds of disposition (i.e., the amount you receive for that unit) exceed (or are less than) your adjusted cost base of the unit and any reasonable costs of disposition. Your adjusted cost base of a single unit of a particular class of units of a Fund at any particular time will generally be the average cost of all such units held by you at that time. For the purpose of determining the adjusted cost base of your units of a particular class of units of a Fund, when units are acquired, including on the reinvestment of distributions, the cost of the newly acquired units will generally be averaged with the adjusted cost base of all such units owned by you as capital property immediately before that time.

One-half of any capital gain realized by you in a taxation year on the disposition of units will be included in your income for that taxation year and one-half of any capital loss realized by you must be deducted from the taxable portion of any capital gains realized in that taxation year. One-half of any unused capital losses may be deducted by you against the taxable portion of any capital gains arising in the three immediately preceding taxation years or in subsequent taxation years, subject to the rules in the Tax Act.

In general terms, net income of a Fund paid or payable to you that is designated as net realized taxable capital gains, taxable Canadian dividends or taxable capital gains realized on the disposition of units may increase your potential liability for alternative minimum tax.

A reclassification of units of a Fund should not generally be considered to give rise to a taxable disposition for the purposes of the Tax Act. However, a reclassification of Class UA and Class UF Units into a class of units denominated in Canadian dollars will likely result in a disposition for tax purposes and consequently may result in a capital gain or capital loss to a taxable unitholder.

By contrast, an exchange or "switch" of units of one Fund for units of another Fund will constitute a taxable disposition for purposes of the Tax Act for proceeds of disposition equal to the fair market value of the units being exchanged at the time of the switch.

Management fees and performance fees paid directly to EHP by holders of Class I units will generally not be deductible by those unitholders.

### *Calculating the Adjusted Cost Base of a Unit of a Fund*

You must separately compute the adjusted cost base in respect of each class of units of a Fund that you own. The adjusted cost base in respect of any class of units of a Fund that you own must be calculated in Canadian dollars.

The total adjusted cost of your units of a particular class of units of a Fund (the “subject class”) is generally equal to:

- the total of all amounts you paid to purchase those units, including any sales charges paid by you at the time of purchase;

plus

- the adjusted cost base of any units of another class of units of the Fund that you hold that were reclassified as units of the subject class;

plus

- the fair market value of units of the subject class that were acquired on an exchange or “switch” of units of another Fund (as at the time of the “switch”);

plus

- the amount of any reinvested distributions in respect of units of the subject class;

less

- the return of capital component of distributions paid to you in respect of your units of the subject class; and

less

- the adjusted cost base of any of your units of the subject class that have been redeemed.

The adjusted cost base of a single unit of a subject class is the total adjusted cost base of units of the subject class held by you divided by the number of units of the subject class that you hold at the relevant time.

### **Tax Reporting**

Generally, you will be required to provide your financial advisor with information related to your citizenship, tax residence and, if applicable, your foreign tax identification number. If you are identified as a U.S. citizen (including a U.S. citizen living in Canada), U.S. resident, or a foreign tax resident, details of your investment in the Fund will generally be reported to the CRA unless units are held inside a registered plan. The CRA may provide the information to the relevant foreign tax authorities under exchange of information treaties or other agreements.

### **International Tax Reporting**

On December 15, 2016, Part XIX of the Tax Act was enacted, which came into force on July 1, 2017, and which implemented the Organization for Economic Co-operation and Development Common Reporting Standard. Pursuant to Part XIX of the Tax Act, “Canadian financial institutions” that are not “non-reporting financial institutions” (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the “controlling persons” of which are resident in a foreign country and to report required information to the CRA. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities

of the foreign country in which the account holders or such controlling persons are resident, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, unitholders are required to provide certain information regarding their investment in a Fund for the purpose of such information exchange (which information exchange is expected to occur beginning in May 2018), unless the investment is held within certain Registered Plans.

### **U.S. Foreign Account Tax Compliance Act**

In March 2010, the U.S. enacted FATCA, which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an IGA, which establishes a framework for cooperation and information sharing between the two countries and may provide relief from the FATCA Tax for Canadian entities, such as a Fund, provided that (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. Each Fund will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, holders of units of a Fund are required to provide identity and residency and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of “Specified U.S. Persons” or certain non-U.S. entities controlled by “Specified U.S. Persons”, will be provided, along with certain financial information (for example, account balances), by the Fund to the CRA and from the CRA to the IRS. A Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation.

### **Eligibility for Investment**

Provided that a Fund qualifies as a “mutual fund trust” for purposes of the Tax Act, units of the Fund offered hereby will be “qualified investments” under the Tax Act for Registered Plans.

### **WHAT ARE YOUR LEGAL RIGHTS?**

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy securities of a mutual fund and get your money back, or to make a claim for damages, if (i) the Fund Facts are not sent or delivered to you within the time required under securities legislation, or (ii) the simplified prospectus, annual information form, Fund Facts or financial statements misrepresent any facts about the mutual fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

## **PART B: SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT**

This Part provides specific descriptions of each of the Funds in this Simplified Prospectus. This introduction explains most of the terms and assumptions which appear in the Fund descriptions and information common to the Funds, so that we do not have to repeat that information for each Fund.

### **Fund Details**

This is a summary of some basic information about each of the Funds, such as when it was started, the type of fund that the Fund is best characterized as, the nature of the securities offered by the Fund, and whether the Fund is eligible as an investment for Registered Plans, such as RRSPs, TFSA's, RESPs, etc.

### **What do the Funds invest in?**

This section describes a Fund's fundamental investment objectives and the principal investment strategies the Portfolio Manager uses in trying to achieve those objectives. It also describes the types of securities the Fund can invest in and how the Portfolio Manager chooses the investments and manages the portfolio.

### **What are the risks of investing in the Funds?**

This section explains some of the risks of investing in a Fund. Please refer to "*What are the specific investment risks of investing in a mutual fund?*" section of this Simplified Prospectus for a description of each risk factor.

### **Investment Risk Classification Methodology**

The methodology used to determine the investment risk level of each of the Funds for purposes of disclosure in this Simplified Prospectus is the historical volatility risk as measured by the standard deviation of fund performance, which is the standard methodology outlined in Appendix F *Investment Risk Classification Methodology* to NI 81-102.

The investment risk level for a Fund with at least 10 years of performance history will be based on such Fund's historical volatility, as measured by its 10-year standard deviation of performance. The investment risk level for a Fund with less than 10 years of performance history will be based on the historical volatility of a reference index that reasonably approximates such Fund's historical performance, as measured by the reference index's 10-year standard deviation of performance.

However, EHP recognizes that other types of risk, both measurable and non-measurable, may exist and we remind you that the historical performance of a Fund (or a reference index used as its proxy) may not be indicative of future returns and that the historical volatility of such Fund (or a reference index used as its proxy) may not be indicative of its future volatility.

The risk rating categories of this methodology are:

- **Low (standard deviation range of 0 to less than 6)** - for funds with a level of risk that is typically associated with investments in Canadian fixed-income funds and in money market funds;
- **Low to Medium (standard deviation range of 6 to less than 11)** - for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;

- **Medium (standard deviation range of 11 to less than 16)** - for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/ or international equity securities;
- **Medium to High (standard deviation range of 16 to less than 20)** - for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and
- **High (standard deviation range of 20 or greater)** - for funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The investment risk level of the Funds is determined when the fund is first created and is reviewed annually. The methodology that EHP uses to identify the investment risk level of the Funds is available on request, at no cost, by calling toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted) or by writing to us at c/o EHP Funds, 45 Hazelton Avenue, Suite B, Toronto, Ontario M5R 2E3.

### **Who should invest in these Funds?**

The information is our assessment of the type of investor and the type of portfolio for which the Funds would be most suitable. In this section, we state what type of investor should consider an investment in a Fund having regard to that investor's objectives, i.e., whether the investor is looking to grow their capital over the long term as opposed to an investor who is investing to receive current income; whether an investor should be in a non-registered account; and whether the investor is looking to invest in a specific region or industry. In addition to stating the type of investor for whom an investment in a Fund is suitable, we have also stated the degree of risk tolerance that an investor requires to invest in each Fund.

### **Distribution Policy**

This section explains when the Funds will make distributions. You earn money from a Fund when the Fund distributes amounts to you out of interest, dividend and other income earned and capital gains realized on their underlying investments. Mutual fund trusts may make distributions that are treated as ordinary income, dividend income, capital gains, foreign source income or non-taxable amounts (including returns of capital).

### **Fund Expenses indirectly borne by investors**

The information below is intended to help investors compare the cost of investing in this Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

## EHP GUARDIAN ALTERNATIVE FUND

### FUND DETAILS

Type of Fund	North American Absolute Return
Date Fund Started:	August 10, 2018
Classes Offered	Classes A, UA, F, UF and I
Nature of Securities Offered:	Units of a mutual fund trust
Registered Plan Eligibility:	Eligible for Registered Plans
Annual Management Fee	Class A: 1.90% Class UA: 1.90% Class F: 0.90% Class UF: 0.90% Class I: negotiated and paid by each class I unitholder
Performance Fee	15% of performance above the perpetual high-water mark

### WHAT DOES THE FUND INVEST IN?

#### Investment Objective

The investment objective of the EHP Guardian Alternative Fund (the “**Fund**”) is to provide a positive total return, regardless of market conditions or general market direction, with low correlation to North American equity markets. The Fund will use alternative investment strategies including equity long/short, equity market neutral and credit long/short, by investing in North American equities, fixed income ETFs, equity ETFs and treasury futures derivative contracts as a part of implementing these strategies. The Fund will engage in physical short sales and/or borrowing for investment purposes.

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the “**Investment Strategies**” section of this Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

#### Investment Strategies

To achieve the investment objective, the Fund will seek to invest long and short in a diversified portfolio of North American equity and credit securities of issuers of varying sizes of market capitalization. The Fund will utilize predominantly diversified quantitative and systematic investment methodologies which are based upon researched, repeatable and process-driven methodologies. Each investment strategy will generally be supported by systematic models and quantitative fundamental analysis. The Portfolio Manager will also seek to preserve capital and mitigate risk through the application of a proprietary “risk-gearing” methodology which reduces the Fund risk during times of market stress, as well as through other risk management tools.

The equity investment strategies utilized by the Fund include:

- Fundamental Long/Short: The stock selection process is based on determining the relative attractiveness of stocks within a universe of equities utilizing a set of pre-defined factors to forecast returns. Factors utilized include dividend and/or interest income, valuation metrics, earnings revisions, measures of growth, measures of price volatility, stock and sector momentum and macro-economics;
- Systematic Strategies: These rules-based strategies seek to capture alpha through capturing forecasted movements in securities, such as measurements of “trend” and “volatility”;
- Long Positions: Investing in equity securities where the Portfolio Manager believes that the security is undervalued;
- Short Positions: Short selling of securities, which the Portfolio Manager believes are overvalued and/or have deteriorating fundamentals. Short sales may also be employed as hedges against some component of risk related to one or more of the Fund’s long positions, and;
- Pairs Trading: Buying and selling shares of two companies in an attempt to gain from the convergence of the relative value differences between them.

The credit investment strategies employed by the Fund include:

- Systematic Strategies: These rules-based strategies seek to capture alpha through capturing forecasted movements in securities, such as measurements of “trend” and “volatility”;
- Long Positions: Investing long in securities of issuers identified as attractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures; and
- Short Positions: Short selling of securities of issuers identified as unattractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures.

The Fund may invest up to 50% of its net asset value in ETFs managed by non-affiliated managers. The ETFs selected by the Portfolio Manager will invest primarily in fixed income securities, and will be selected on the basis that they help the Fund to achieve its investment objective by using the same strategies that the Fund uses when investing directly in those securities, but doing so in a manner that is more efficient than investing directly in the securities. The Fund intends to maintain net market exposure below 75%, with a range typically between -25% and 65%, and gross exposure below 175% with a range typically between 100% and 150%. The Fund is generally intended to have a low correlation to the equity, bond and credit markets. The Fund may invest up to 100% or more of its net assets in foreign securities.

The Fund may, directly or indirectly through investments in other investment funds, use derivative instruments. The Fund will employ a flexible approach to its use of derivative instruments and has the ability to opportunistically use options, swaps, futures and forward contracts for hedging or non-hedging purposes under different market conditions. The Fund may use derivative instruments where the underlying interest of the derivative is an exchange-traded fund.

The Fund, when taking a “short” position, may sell an instrument that it does not own and would then borrow to meet its settlement obligations. The Fund may also take “short” positions in futures, forwards or swaps. A “short” position will benefit from a decrease in price of the underlying instrument and will lose value if the price of the underlying instrument increases. A “long” position will benefit from an increase in price of the security and will lose value if the price of the security decreases.

The Fund is an “alternative mutual fund” pursuant to NI 81-102 as the Fund may borrow cash up to a maximum of 50% of its NAV and to sell securities short, whereby the aggregate market value of securities

sold short will be limited to 50% of its NAV. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 50% of its NAV. The Fund may also use derivatives as described below.

The Fund may invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government; securities issued by a clearing corporation; securities issued by an investment fund that if the purchase is made in accordance with the requirements of section 2.5 of NI 81-102; index participation units issued by an investment fund; or an equity security if the purchase is made by a fixed portfolio investment fund in accordance with its investment objectives.

Through the use of cash borrowing, short selling, or specific derivatives, the Fund's aggregate leverage will not exceed 300% of the Fund's NAV. The Fund's aggregate exposure is calculated as the sum of the following: (i) the aggregate value of the Fund's outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short by the Fund; and (iii) the aggregate notional amount of the Fund's specified derivative positions minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief,

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund's portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

The Fund may use derivatives such as futures, currency forwards, options and swaps for "**hedging**" purposes to reduce the Fund's exposure to changes in securities prices, interest rates, exchange rates or other risks including to hedge against movements of the Canadian dollar relative to the U.S. dollar for the Class UA and Class UF units. Derivatives may also be used for "**non-hedging**" purposes, which may include the following: (i) as substitute investments for stocks or a stock market; (ii) to gain exposure to other currencies; (iii) to seek to generate additional income; or (iv) for any other purpose that is consistent with the Fund's investment objectives. Additionally, pursuant to NI 81-102, the Fund may deal with counterparties without a designated rating and the Fund may enter into over the counter derivative transactions with a wider variety of counterparties. The Fund will be permitted to exceed the 10% of NAV mark-to-market limit on specified derivatives exposure to a single counterparty, only if either: (i) the specified derivative is a clear specified derivative; or (ii) the counterparty has a designated rating (generally, a rating of "A" or higher for the counterparty's long-term debt).

For more information on derivatives used by the Fund for hedging and non-hedging purposes as at the last day of the applicable financial reporting period, please refer to the Fund's most recent financial statements. Please also refer to the explanation of risks that accompany the use of derivatives under "**Currency Risk**"

and “**Derivatives Risk**” in the “**What are the Risks of Investing in a Mutual Fund?**” section of this Simplified Prospectus.

Approval of securityholders of Class UA and Class UF units will be obtained before the currency hedging strategy of Class UA and Class UF is changed; however, the Manager may make changes to its currency hedging methodology (i.e., the way in which it implements its currency hedging strategy) without obtaining securityholder approval.

The Fund may hold a portion of its net assets in securities of other investment funds, including ETFs, which may be managed by us, in accordance with its investment objectives. For more information see the “**Fund of Funds**” disclosure under “**Fees and Expenses**” section of this Simplified Prospectus.

Depending on market conditions, the portfolio managers’ investment styles may result in a higher portfolio turnover rate than less actively managed funds. Although generally the higher a fund’s portfolio turnover rate, the higher its trading expenses. The higher the portfolio turnover rate the greater the probability that you will receive a distribution of capital gains from the Fund, which may be taxable if you hold the Fund outside a registered plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

The Fund may engage in short selling as long as:

- the aggregate market value of the securities of the issuer sold short by the Fund, other than government securities sold short, does not exceed 10% of the NAV, and.
- the aggregate market value of all the securities sold short by the Fund does not exceeds 50% of NAV.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short, and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund’s the ability to borrow and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under “**Derivatives Risk**”, “**Short Selling Risk**” and “**Leverage Risk**” in the “**What are the Risks of Investing in a Mutual Fund?**” section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in National Instrument 81-106 *Investment Fund Continuous Disclosure* (“**NI 81-106**”). Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a “material change” if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Manager may actively trade the Fund’s investments. This can increase trading costs, which lower the Fund’s returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

## **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

Please see “*What are the specific investment risks of investing in a mutual fund?*” section of this Simplified Prospectus for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk

- Developed Countries Investment Risk
- Equity Investment Risk
- Exchange Traded Fund Risk
- Exchange-Traded Note Risk
- High Portfolio Turnover Risk
- High Yield Risk
- Interest Rate Risk
- IPO and New Issue Risk
- Lack of Operating History Risk
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Model and Data Risk
- Multiple Classes Risk
- Nature of Units Risk
- Portfolio Manager Risk
- Potential Conflicts of Interest Risk
- Performance Fee Risk
- Regulatory and Legal Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Short Selling Risk
- Taxation of a Fund Risk
- Trust Loss Restriction Rule Risk
- U.S. Foreign Account Tax Compliance Risk

## WHO SHOULD INVEST IN THIS FUND

This Fund may be right for you if:

- you are looking for a low correlation, absolute-return portfolio of alternative investment strategies to hold as part of your balanced portfolio;
- want a medium-term or longer investment; and
- can tolerate a low to medium level of risk.

This Fund is not suitable for investors who are investing for the short term or who are not willing to accept periodic volatility.

## INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as Low to Medium.

The risk rating of "low to medium" assigned to the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fund, as measured by the 10-year standard deviation of the returns of the Fund. Since the Fund is new, we calculate the investment risk level using a reference index that is reasonably expected to approximate, the standard deviation of the Fund.

Here are the investment risk rating categories:

- **Low** – for Funds with a level of risk that is typically associated with investments in money market funds and/or Canadian fixed-income funds;
- **Low to Medium** – for Funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;
- **Medium** – for Funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- **Medium to High** – for Funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and

- **High** – for Funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The following is a description of the reference index used for the Fund since it has less than 10 years of performance history. The Fund uses a blend of:

- **75% of the Hedge Fund Research Index (HFRI) Equity Market Neutral Index:** The HFRI Equity Market Neutral Index is comprised of hedge funds where the managers employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. These can include both Factor-based and Statistical Arbitrage/Trading strategies.
- **25% of the Hedge Fund Research Index (HFRI) Relative Value Index:** The HFRI Relative Value Index is comprised of hedge funds where the managers employ a variety of fundamental and quantitative techniques to establish investment theses across a broad range of equity, fixed-income, derivative and other security types.

**There may be times when we believe this methodology produces a result that does not reflect the Fund’s risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category.**

You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the sub-heading “**Who Should Invest in this Fund?**” and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by contacting us toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted) or at [info@ehpfunds.com](mailto:info@ehpfunds.com).

## **DISTRIBUTION POLICY**

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 31). All annual distributions paid on Class A, Class UA, Class F, Class UF and Class I units will be automatically reinvested in additional units of the class on which they are paid.

## **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

The following information is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. The management fees and fund costs described under the “**Fees and Expenses**” are generally paid out of the Fund’s assets and constitute the MER of the Fund, which reduces the investment return on your units. The fees and expenses which you pay directly, and which are not included in the Fund’s MER, are described in the “**Fees and Expenses Payable Directly by You**” section in this document.

There is no table provided of Fund expenses indirectly borne by investors for the Funds because the Fund is new. See the “**Fees and Expenses**” section in this document for more information about the cost of investing in the Fund.

## EHP ADVANTAGE ALTERNATIVE FUND

### FUND DETAILS

Type of Fund	North American Long/Short
Date Fund Started:	August 10, 2018
Classes Offered	Classes A, UA, F, UF and I
Nature of Securities Offered:	Units of a mutual fund trust
Registered Plan Eligibility:	Eligible for Registered Plans
Annual Management Fee	Class A: 1.90% Class UA: 1.90% Class F: 0.90% Class UF: 0.90% Class I: negotiated and paid by each class I unitholder
Performance Fee	15% of performance above the perpetual high-water mark

### WHAT DOES THE FUND INVEST IN?

#### Investment Objective

The investment objective of the EHP Advantage Alternative Fund (the “**Fund**”) is to generate superior risk adjusted investment returns over the long-term by utilizing a multi-strategy approach consisting of diversified quantitative and systematic investment strategies. The Fund will use alternative investment strategies including equity long/short, equity market neutral and credit long/short, by investing in North American equities, fixed income ETFs, equity ETFs and treasury futures derivative contracts as a part of implementing these strategies. The Fund will engage in physical short sales and/or borrowing for investment purposes. The Fund will also seek to preserve capital and mitigate risk through the application of portfolio and risk management tools.

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the “**Investment Strategies**” section of this Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

#### Investment Strategies

To achieve the investment objective, the Fund will seek to invest long and short in a diversified portfolio of North American equity and credit securities of issuers of varying sizes of market capitalization. The Fund will utilize predominantly diversified quantitative and systematic investment methodologies which are based upon researched, repeatable and process-driven methodologies. Each investment strategy will generally be supported by systematic models and quantitative fundamental analysis. The Portfolio Manager will also seek to preserve capital and mitigate risk through the application of a proprietary “risk-gearing” methodology which reduces the Fund risk during times of market stress, as well as through other risk management tools.

The equity investment strategies utilized by the Fund include:

- **Fundamental Long/Short:** The stock selection process is based on determining the relative attractiveness of stocks within a universe of equities utilizing a set of pre-defined factors to forecast returns. Factors utilized include dividend and/or interest income, valuation metrics, earnings revisions, measures of growth, measures of price volatility, stock and sector momentum and macro-economics;
- **Systematic Strategies:** These rules-based strategies seek to capture alpha through capturing forecasted movements in securities, such as measurements of “trend” and “volatility”;
- **Long Positions:** Investing in equity securities where the Portfolio Manager believes that the security is undervalued;
- **Short Positions:** Short selling of securities, which the Portfolio Manager believes are overvalued and/or have deteriorating fundamentals. Short sales may also be employed as hedges against some component of risk related to one or more of the Fund’s long positions; and
- **Pairs Trading:** Buying and selling shares of two companies in an attempt to gain from the convergence of the relative value differences between them.

The credit investment strategies employed by the Fund include:

- **Systematic Strategies:** These rules-based strategies seek to capture alpha through capturing forecasted movements in securities, such as measurements of “trend” and “volatility”;
- **Long Positions:** Investing long in securities of issuers identified as attractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures; and
- **Short Positions:** Short selling of securities of issuers identified as unattractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures.

The Fund may invest up to 50% of its net asset value, long or short, in ETFs managed by non-affiliated managers. The ETFs selected by the Portfolio Manager will invest primarily in fixed income securities, and will be selected on the basis that they help the Fund to achieve its investment objective by using the same strategies that the Fund uses when investing directly in those securities, but doing so in a manner that is more efficient than investing directly in the securities. The Fund intends to maintain net market exposure below 110%, with a range typically between 75% and 100%, and gross exposure below 200% with a range typically between 150% and 175%. The Fund is generally intended to have less than 60% correlation to the equity, bond and credit markets. The Fund may invest up to 100% or more of its net assets in foreign securities.

The Fund may, directly or indirectly through investments in other investment funds, use derivative instruments. The Fund will employ a flexible approach to its use of derivative instruments and has the ability to opportunistically use options, swaps, futures and forward contracts for hedging or non-hedging purposes under different market conditions. The Fund may use derivative instruments where the underlying interest of the derivative is an exchange-traded fund.

The Fund, when taking a “short” position, may sell an instrument that it does not own and would then borrow to meet its settlement obligations. The Fund may also take “short” positions in futures, forwards or swaps. A “short” position will benefit from a decrease in price of the underlying instrument and will lose value if the price of the underlying instrument increases. A “long” position will benefit from an increase in price of the security and will lose value if the price of the security decreases.

The Fund is an “alternative mutual fund” pursuant to NI 81-102 as the Fund may borrow cash up to a maximum of 50% of its NAV and to sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its NAV. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 50% of its NAV. The Fund may also use derivatives as described below.

The Fund may invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government; securities issued by a clearing corporation; securities issued by an investment fund that if the purchase is made in accordance with the requirements of section 2.5 of NI 81-102; index participation units issued by an investment fund; or an equity security if the purchase is made by a fixed portfolio investment fund in accordance with its investment objectives.

Through the use of cash borrowing, short selling, or specific derivatives, the Fund’s aggregate leverage will not exceed 300% of the Fund’s NAV. The Fund’s aggregate exposure is calculated as the sum of the following: (i) the aggregate value of the Fund’s outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short by the Fund; and (iii) the aggregate notional amount of the Fund’s specified derivative positions minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief,

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund’s portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

The Fund may use derivatives such as futures, currency forwards, options and swaps for “**hedging**” purposes to reduce the Fund’s exposure to changes in securities prices, interest rates, exchange rates or other risks including to hedge against movements of the Canadian dollar relative to the U.S. dollar for the Class UA and Class UF units. Derivatives may also be used for “**non-hedging**” purposes, which may include the following: (i) as substitute investments for stocks or a stock market; (ii) to gain exposure to other currencies; (iii) to seek to generate additional income; or (iv) for any other purpose that is consistent with the Fund’s investment objectives. Additionally, pursuant to NI 81-102, the Fund may deal with counterparties without a designated rating and the Fund may enter into over the counter derivative transactions with a wider variety of counterparties. The Fund will be permitted to exceed the 10% of NAV mark-to-market limit on specified derivatives exposure to a single counterparty, only if either: (i) the specified derivative is a clear specified derivative; or (ii) the counterparty has a designated rating (generally, a rating of “A” or higher for the counterparty’s long-term debt).

For more information on derivatives used by the Fund for hedging and non-hedging purposes as at the last day of the applicable financial reporting period, please refer to the Fund's most recent financial statements. Please also refer to the explanation of risks that accompany the use of derivatives under "**Currency Risk**" and "**Derivatives Risk**" in the "**What are the Risks of Investing in a Mutual Fund?**" section of this Simplified Prospectus.

Approval of securityholders of Class UA and Class UF units will be obtained before the currency hedging strategy of Class UA and Class UF is changed; however, the Manager may make changes to its currency hedging methodology (i.e., the way in which it implements its currency hedging strategy) without obtaining securityholder approval.

The Fund may hold a portion of its net assets in securities of other investment funds, including ETFs, which may be managed by us, in accordance with its investment objectives. For more information see the "**Fund of Funds**" disclosure under "**Fees and Expenses**" section of this Simplified Prospectus.

Depending on market conditions, the portfolio managers' investment styles may result in a higher portfolio turnover rate than less actively managed funds. Although generally the higher a fund's portfolio turnover rate, the higher its trading expenses. The higher the portfolio turnover rate the greater the probability that you will receive a distribution of capital gains from the Fund, which may be taxable if you hold the Fund outside a registered plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

The Fund may engage in short selling as long as:

- the aggregate market value of all securities of any particular issuer sold short by the Fund, other than government securities sold short, will not exceed 10% of the total net assets of the Fund; and
- the aggregate market value of all securities sold short by the Fund will not exceed 50% of the total net assets of the Fund.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short, and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "**Derivatives Risk**", "**Short Selling Risk**" and "**Leverage Risk**" in the "**What are the Risks of Investing in a Mutual Fund?**" section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Manager may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

## **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

Please see "*What are the specific investment risks of investing in a mutual fund?*" section of this Simplified Prospectus for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Counterparty Risk
- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Equity Investment Risk
- Exchange Traded Fund Risk
- Exchange-Traded Note Risk
- High Portfolio Turnover Risk
- High Yield Risk
- Interest Rate Risk
- IPO and New Issue Risk
- Lack of Operating History Risk
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Model and Data Risk
- Multiple Classes Risk
- Nature of Units Risk
- Portfolio Manager Risk
- Potential Conflicts of Interest Risk
- Performance Fee Risk
- Regulatory and Legal Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Short Selling Risk
- Taxation of a Fund Risk
- Trust Loss Restriction Rule Risk
- U.S. Foreign Account Tax Compliance Risk

## WHO SHOULD INVEST IN THIS FUND

This Fund may be right for you if:

- you are looking for a low to medium risk, diversified portfolio of alternative investment strategies to hold as part of your balanced portfolio;
- want a medium-term or longer investment; and
- can tolerate a low to medium level of risk.

This Fund is not suitable for investors who are investing for the short term or who are not willing to accept periodic volatility.

## INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as Low to Medium.

The risk rating of "low to medium" assigned to the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fund, as measured by the 10-year standard deviation of the returns of the Fund. Since the Fund is new, we calculate the investment risk level using a reference index that is reasonably expected to approximate, the standard deviation of the Fund.

Here are the investment risk rating categories:

- **Low** – for Funds with a level of risk that is typically associated with investments in money market funds and/or Canadian fixed-income funds;
- **Low to Medium** – for Funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;
- **Medium** – for Funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;

- **Medium to High** – for Funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- **High** – for Funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The following is a description of the reference index used for the Fund since it has less than 10 years of performance history. The Fund uses a blend of:

- **75% of the Hedge Fund Research Index (HFRI) Equity Hedge Index:** The HFRI Equity Hedge Index is comprised of hedge funds where the managers maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios.
- **25% of the Hedge Fund Research Index (HFRI) Relative Value Index:** The HFRI Relative Value Index is comprised of hedge funds where the managers employ a variety of fundamental and quantitative techniques to establish investment theses across a broad range of equity, fixed-income, derivative and other security types.

**There may be times when we believe this methodology produces a result that does not reflect the Fund’s risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category.**

You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the sub-heading “**Who Should Invest in this Fund?**” and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by contacting us toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted) or at [info@ehpfunds.com](mailto:info@ehpfunds.com).

## **DISTRIBUTION POLICY**

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 31). All annual distributions paid on Class A, Class UA, Class F, Class UF and Class I units will be automatically reinvested in additional units of the class on which they are paid.

## **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

The following information is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. The management fees and fund costs described under the “**Fees and Expenses**” are generally paid out of the Fund’s assets and constitute the MER of the Fund, which reduces the investment return on your units. The fees and expenses which you pay directly, and which are not included in the Fund’s MER, are described in the “**Fees and Expenses Payable Directly by You**” section in this document.

There is no table provided of Fund expenses indirectly borne by investors for the Funds because the Fund is new. See the “**Fees and Expenses**” section in this document for more information about the cost of investing in the Fund.

## EHP GUARDIAN INTERNATIONAL ALTERNATIVE FUND

### FUND DETAILS

Type of Fund	International Absolute Return
Date Fund Started:	August 10, 2018
Classes Offered	Classes A, UA, F, UF and I
Nature of Securities Offered:	Units of a mutual fund trust
Registered Plan Eligibility:	Eligible for Registered Plans
Annual Management Fee	Class A: 1.90% Class UA: 1.90% Class F: 0.90% Class UF: 0.90% Class I: negotiated and paid by each class I unitholder
Performance Fee	15% of performance above the perpetual high-water mark

### WHAT DOES THE FUND INVEST IN?

#### Investment Objective

The investment objective of the EHP Guardian International Alternative Fund (the “**Fund**”) is to provide a positive total return, regardless of market conditions or general market direction, with low correlation to international developed equity markets. The Fund will use alternative investment strategies including equity long/short, equity market neutral and credit long/short, by investing in international developed-market equities, fixed income ETFs, equity ETFs and treasury futures derivative contracts as a part of implementing these strategies. The Fund will engage in physical short sales and/or borrowing for investment purposes.

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the “**Investment Strategies**” section of this Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

#### Investment Strategies

To achieve the investment objective, the Fund will seek to invest long and short in a diversified portfolio of developed-market International equity and credit securities of issuers of varying sizes of market capitalization. The Fund will utilize predominantly diversified quantitative and systematic investment methodologies which are based upon researched, repeatable and process-driven methodologies. Each investment strategy will generally be supported by systematic models and quantitative fundamental analysis. The Portfolio Manager will also seek to preserve capital and mitigate risk through the application of a proprietary “risk-gearing” methodology which reduces the Fund risk during times of market stress, as well as through other risk management tools.

The equity investment strategies utilized by the Fund include:

- Fundamental Long/Short: The stock selection process is based on determining the relative attractiveness of stocks within a universe of equities utilizing a set of pre-defined factors to forecast returns. Factors utilized include dividend and/or interest income, valuation metrics, earnings revisions, measures of growth, measures of price volatility, stock and sector momentum and macro-economics;
- Systematic Strategies: These rules-based strategies seek to capture alpha through capturing forecasted movements in securities, such as measurements of “trend” and “volatility”;
- Long Positions: Investing in equity securities where the Portfolio Manager believes that the security is undervalued;
- Short Positions: Short selling of securities, which the Portfolio Manager believes are overvalued and/or have deteriorating fundamentals. Short sales may also be employed as hedges against some component of risk related to one or more of the Fund’s long positions; and
- Pairs Trading: Buying and selling shares of two companies in an attempt to gain from the convergence of the relative value differences between them.

The credit investment strategies employed by the Fund include:

- Systematic Strategies: These rules-based strategies seek to capture alpha through capturing forecasted movements in securities, such as measurements of “trend” and “volatility”;
- Long Positions: Investing long in securities of issuers identified as attractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures; and
- Short Positions: Short selling of securities of issuers identified as unattractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures.

The Fund may invest up to 50% of its net asset value, long or short, in ETFs managed by non-affiliated managers. The ETFs selected by the Portfolio Manager will invest primarily in fixed income securities, and will be selected on the basis that they help the Fund to achieve its investment objective by using the same strategies that the Fund uses when investing directly in those securities, but doing so in a manner that is more efficient than investing directly in the securities. The Fund intends to maintain net market exposure below 75%, with a range typically between -25% and 65%, and gross exposure below 175% with a range typically between 100% and 150%. The Fund is generally intended to have a low correlation to the equity, bond and credit markets. The Fund may invest up to 100% or more of its net assets in foreign securities.

The Fund may, directly or indirectly through investments in other investment funds, use derivative instruments. The Fund will employ a flexible approach to its use of derivative instruments and has the ability to opportunistically use options, swaps, futures and forward contracts for hedging or non-hedging purposes under different market conditions. The Fund may use derivative instruments where the underlying interest of the derivative is an exchange-traded fund.

The Fund, when taking a “short” position, may sell an instrument that it does not own and would then borrow to meet its settlement obligations. The Fund may also take “short” positions in futures, forwards or swaps. A “short” position will benefit from a decrease in price of the underlying instrument and will lose value if the price of the underlying instrument increases. A “long” position will benefit from an increase in price of the security and will lose value if the price of the security decreases.

The Fund is an “alternative mutual fund” pursuant to NI 81-102 as the Fund may borrow cash up to a maximum of 50% of its NAV and to sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its NAV. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 50% of its NAV. The Fund may also use derivatives as described below.

The Fund may invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government; securities issued by a clearing corporation; securities issued by an investment fund that if the purchase is made in accordance with the requirements of section 2.5 of NI 81-102; index participation units issued by an investment fund; or an equity security if the purchase is made by a fixed portfolio investment fund in accordance with its investment objectives.

Through the use of cash borrowing, short selling, or specific derivatives, the Fund’s aggregate leverage will not exceed 300% of the Fund’s NAV. The Fund’s aggregate exposure is calculated as the sum of the following: (i) the aggregate value of the Fund’s outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short by the Fund; and (iii) the aggregate notional amount of the Fund’s specified derivative positions minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief,

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund’s portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

The Fund may use derivatives such as futures, currency forwards, options and swaps for “**hedging**” purposes to reduce the Fund’s exposure to changes in securities prices, interest rates, exchange rates or other risks including to hedge against movements of the Canadian dollar relative to the U.S. dollar for the Class UA and Class UF units. Derivatives may also be used for “**non-hedging**” purposes, which may include the following: (i) as substitute investments for stocks or a stock market; (ii) to gain exposure to other currencies; (iii) to seek to generate additional income; or (iv) for any other purpose that is consistent with the Fund’s investment objectives. Additionally, pursuant to NI 81-102, the Fund may deal with counterparties without a designated rating and the Fund may enter into over the counter derivative transactions with a wider variety of counterparties. The Fund will be permitted to exceed the 10% of NAV mark-to-market limit on specified derivatives exposure to a single counterparty, only if either: (i) the specified derivative is a clear specified derivative; or (ii) the counterparty has a designated rating (generally, a rating of “A” or higher for the counterparty’s long-term debt).

For more information on derivatives used by the Fund for hedging and non-hedging purposes as at the last day of the applicable financial reporting period, please refer to the Fund’s most recent financial statements. Please also refer to the explanation of risks that accompany the use of derivatives under “**Currency Risk**” and “**Derivatives Risk**” in the “**What are the Risks of Investing in a Mutual Fund?**” section of this Simplified Prospectus.

Approval of securityholders of Class UA and Class UF units will be obtained before the currency hedging strategy of Class UA and Class UF is changed; however, the Manager may make changes to its currency hedging methodology (i.e., the way in which it implements its currency hedging strategy) without obtaining securityholder approval.

The Fund may hold a portion of its net assets in securities of other investment funds, including ETFs, which may be managed by us, in accordance with its investment objectives. For more information see the “**Fund of Funds**” disclosure under “**Fees and Expenses**” section of this Simplified Prospectus.

Depending on market conditions, the portfolio managers’ investment styles may result in a higher portfolio turnover rate than less actively managed funds. Although generally the higher a fund’s portfolio turnover rate, the higher its trading expenses. The higher the portfolio turnover rate the greater the probability that you will receive a distribution of capital gains from the Fund, which may be taxable if you hold the Fund outside a registered plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

The Fund may engage in short selling as long as:

- the aggregate market value of all securities of any particular issuer sold short by the Fund, other than government securities sold short, will not exceed 10% of the total net assets of the Fund; and
- the aggregate market value of all securities sold short by the Fund will not exceed 50% of the total net assets of the Fund.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short, and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund’s investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under “**Derivatives Risk**”, “**Short Selling Risk**”, and “**Leverage Risk**” in the “**What are the Risks of Investing in a Mutual Fund?**” section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a “material change” if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Manager may actively trade the Fund’s investments. This can increase trading costs, which lower the Fund’s returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

## **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

Please see “*What are the specific investment risks of investing in a mutual fund?*” section of this Simplified Prospectus for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Counterparty Risk
- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Equity Investment Risk
- European Markets Risk
- Exchange Traded Fund Risk
- Exchange-Traded Note Risk
- Foreign Investment Risk
- High Portfolio Turnover Risk
- High Yield Risk
- Interest Rate Risk
- IPO and New Issue Risk
- Lack of Operating History Risk
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Model and Data Risk
- Multiple Classes Risk
- Nature of Units Risk
- Portfolio Manager Risk
- Potential Conflicts of Interest Risk
- Performance Fee Risk
- Regulatory and Legal Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Short Selling Risk
- Taxation of a Fund Risk
- Trust Loss Restriction Rule Risk
- U.S. Foreign Account Tax Compliance Risk

## WHO SHOULD INVEST IN THIS FUND

This Fund may be right for you if:

- you are looking for a low correlation, absolute-return portfolio of alternative investment strategies to hold as part of your balanced portfolio;
- want exposure to developed international equity markets;
- want a medium-term or longer investment; and
- can tolerate a low to medium level of risk.

This fund is not suitable for investors who are investing for the short term or who are not willing to accept periodic volatility.

## INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as Low to Medium.

The risk rating of "low to medium" assigned to the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fund, as measured by the 10-year standard deviation of the returns of the Fund. Since the Fund is new, we calculate the investment risk level using a reference index that is reasonably expected to approximate, the standard deviation of the Fund.

Here are the investment risk rating categories:

- **Low** – for Funds with a level of risk that is typically associated with investments in money market funds and/or Canadian fixed-income funds;
- **Low to Medium** – for Funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;

- **Medium** – for Funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- **Medium to High** – for Funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- **High** – for Funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The following is a description of the reference index used for the Fund since it has less than 10 years of performance history. The Fund uses a blend of:

- **75% of the Hedge Fund Research Index (HFRI) Equity Market Neutral Index:** The HFRI Equity Market Neutral Index is comprised of hedge funds where the managers employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. These can include both Factor-based and Statistical Arbitrage/Trading strategies.
- **25% of the Hedge Fund Research Index (HFRI) Relative Value Index:** The HFRI Relative Value Index is comprised of hedge funds where the managers employ a variety of fundamental and quantitative techniques to establish investment theses across a broad range of equity, fixed-income, derivative and other security types.

**There may be times when we believe this methodology produces a result that does not reflect the Fund’s risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category.**

You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the sub-heading “**Who Should Invest in this Fund?**” and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by contacting us toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted) or at [info@ehpfunds.com](mailto:info@ehpfunds.com).

## **DISTRIBUTION POLICY**

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 31). All annual distributions paid on Class A, Class UA, Class F, Class UF and Class I units will be automatically reinvested in additional units of the class on which they are paid.

## **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

The following information is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. The management fees and fund costs described under the “**Fees and Expenses**” are generally paid out of the Fund’s assets and constitute the MER of the Fund, which reduces the investment return on your units. The fees and expenses which you pay directly, and which are not included in the Fund’s MER, are described in the “**Fees and Expenses Payable Directly by You**” section in this document.

There is no table provided of Fund expenses indirectly borne by investors for the Funds because the Fund is new. See the “**Fees and Expenses**” section in this document for more information about the cost of investing in the Fund.

## EHP ADVANTAGE INTERNATIONAL ALTERNATIVE FUND

### FUND DETAILS

Type of Fund	International Long/Short
Date Fund Started:	August 10, 2018
Classes Offered	Classes A, UA, F, UF and I
Nature of Securities Offered:	Units of a mutual fund trust
Registered Plan Eligibility:	Eligible for Registered Plans
Annual Management Fee	Class A: 1.90% Class UA: 1.90% Class F: 0.90% Class UF: 0.90% Class I: negotiated and paid by each class I unitholder
Performance Fee	15% of performance above the perpetual high-water mark

### WHAT DOES THE FUND INVEST IN?

#### Investment Objective

The investment objective of the EHP Advantage International Alternative Fund (the “**Fund**”) is to generate superior risk adjusted investment returns over the long-term by utilizing a multi-strategy approach consisting of diversified quantitative and systematic investment strategies. The Fund will use alternative investment strategies including equity long/short, equity market neutral and credit long/short, by investing in international developed-market equities, fixed income ETFs, equity ETFs and treasury futures derivative contracts as a part of implementing these strategies. The Fund will engage in physical short sales and/or borrowing for investment purposes. The Fund will also seek to preserve capital and mitigate risk through the application of portfolio and risk management tools.

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the “**Investment Strategies**” section of this Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

#### Investment Strategies

To achieve the investment objective, the Fund will seek to invest long and short in a diversified portfolio of developed-market International equity and credit securities of issuers of varying sizes of market capitalization. The Fund will utilize predominantly diversified quantitative and systematic investment methodologies which are based upon researched, repeatable and process-driven methodologies. Each investment strategy will generally be supported by systematic models and quantitative fundamental analysis. The Portfolio Manager will also seek to preserve capital and mitigate risk through the application of a

proprietary “risk-gearing” methodology which reduces the Fund risk during times of market stress, as well as through other risk management tools.

The equity investment strategies utilized by the Fund include:

- Fundamental Long/Short: The stock selection process is based on determining the relative attractiveness of stocks within a universe of equities utilizing a set of pre-defined factors to forecast returns. Factors utilized include dividend and/or interest income, valuation metrics, earnings revisions, measures of growth, measures of price volatility, stock and sector momentum and macro-economics;
- Systematic Strategies: These rules-based strategies seek to capture alpha through capturing forecasted movements in securities, such as measurements of “trend” and “volatility”;
- Long Positions: Investing in equity securities where the Portfolio Manager believes that the security is undervalued;
- Short Positions: Short selling of securities, which the Portfolio Manager believes are overvalued and/or have deteriorating fundamentals. Short sales may also be employed as hedges against some component of risk related to one or more of the Fund’s long positions; and
- Pairs Trading: Buying and selling shares of two companies in an attempt to gain from the convergence of the relative value differences between them.

The credit investment strategies employed by the Fund include:

- Systematic Strategies: These rules-based strategies seek to capture alpha through capturing forecasted movements in securities, such as measurements of “trend” and “volatility”;
- Long Positions: Investing long in securities of issuers identified as attractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures; and
- Short Positions: Short selling of securities of issuers identified as unattractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures.

The Fund may invest up to 50% of its net asset value, long or short, in ETFs managed by non-affiliated managers. The ETFs selected by the Portfolio Manager will invest primarily in fixed income securities, and will be selected on the basis that they help the Fund to achieve its investment objective by using the same strategies that the Fund uses when investing directly in those securities, but doing so in a manner that is more efficient than investing directly in the securities. The Fund intends to maintain net market exposure below 110%, with a range typically between 75% and 100%, and gross exposure below 200% with a range typically between 150% and 175%. The Fund is generally intended to have less than 60% correlation to the equity, bond and credit markets. The Fund may invest up to 100% or more of its net assets in foreign securities.

The Fund may, directly or indirectly through investments in other investment funds, use derivative instruments. The Fund will employ a flexible approach to its use of derivative instruments and has the ability to opportunistically use options, swaps, futures and forward contracts for hedging or non-hedging purposes under different market conditions. The Fund may use derivative instruments where the underlying interest of the derivative is an exchange-traded fund.

The Fund, when taking a “short” position, may sell an instrument that it does not own and would then borrow to meet its settlement obligations. The Fund may also take “short” positions in futures, forwards or swaps.

A “short” position will benefit from a decrease in price of the underlying instrument and will lose value if the price of the underlying instrument increases. A “long” position will benefit from an increase in price of the security and will lose value if the price of the security decreases.

The Fund is an “alternative mutual fund” pursuant to NI 81-102 as the Fund may borrow cash up to a maximum of 50% of its NAV and to sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its NAV. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 50% of its NAV. The Fund may also use derivatives as described below.

The Fund may invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government; securities issued by a clearing corporation; securities issued by an investment fund that if the purchase is made in accordance with the requirements of section 2.5 of NI 81-102; index participation units issued by an investment fund; or an equity security if the purchase is made by a fixed portfolio investment fund in accordance with its investment objectives.

Through the use of cash borrowing, short selling, or specific derivatives, the Fund’s aggregate leverage will not exceed 300% of the Fund’s NAV. The Fund’s aggregate exposure is calculated as the sum of the following: (i) the aggregate value of the Fund’s outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short by the Fund; and (iii) the aggregate notional amount of the Fund’s specified derivative positions minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief,

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund’s portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

The Fund may use derivatives such as futures, currency forwards, options and swaps for “**hedging**” purposes to reduce the Fund’s exposure to changes in securities prices, interest rates, exchange rates or other risks including to hedge against movements of the Canadian dollar relative to the U.S. dollar for the Class UA and Class UF units. Derivatives may also be used for “**non-hedging**” purposes, which may include the following: (i) as substitute investments for stocks or a stock market; (ii) to gain exposure to other currencies; (iii) to seek to generate additional income; or (iv) for any other purpose that is consistent with the Fund’s investment objectives. Additionally, pursuant to NI 81-102, the Fund may deal with counterparties without a designated rating and the Fund may enter into over the counter derivative transactions with a wider variety of counterparties. The Fund will be permitted to exceed the 10% of NAV mark-to-market limit on specified derivatives exposure to a single counterparty, only if either: (i) the specified derivative is a clear specified

derivative; or (ii) the counterparty has a designated rating (generally, a rating of “A” or higher for the counterparty’s long-term debt).

For more information on derivatives used by the Fund for hedging and non-hedging purposes as at the last day of the applicable financial reporting period, please refer to the Fund’s most recent financial statements. Please also refer to the explanation of risks that accompany the use of derivatives under “**Currency Risk**” and “**Derivatives Risk**” in the “**What are the Risks of Investing in a Mutual Fund?**” section of this Simplified Prospectus.

Approval of securityholders of Class UA and Class UF units will be obtained before the currency hedging strategy of Class UA and Class UF is changed; however, the Manager may make changes to its currency hedging methodology (i.e., the way in which it implements its currency hedging strategy) without obtaining securityholder approval.

The Fund may hold a portion of its net assets in securities of other investment funds, including ETFs, which may be managed by us, in accordance with its investment objectives. For more information see the “**Fund of Funds**” disclosure under “**Fees and Expenses**” section of this Simplified Prospectus.

Depending on market conditions, the portfolio managers’ investment styles may result in a higher portfolio turnover rate than less actively managed funds. Although generally the higher a fund’s portfolio turnover rate, the higher its trading expenses. The higher the portfolio turnover rate the greater the probability that you will receive a distribution of capital gains from the Fund, which may be taxable if you hold the Fund outside a registered plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

The Fund may engage in short selling as long as:

- the aggregate market value of all securities of any particular issuer sold short by the Fund, other than government securities sold short, will not exceed 10% of the total net assets of the Fund; and
- the aggregate market value of all securities sold short by the Fund will not exceed 50% of the total net assets of the Fund.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short, and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund’s investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under “**Derivatives Risk**”, “**Short Selling Risk**” and “**Leverage Risk**” in the “**What are the Risks of Investing in a Mutual Fund?**” section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a “material change” if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Manager may actively trade the Fund’s investments. This can increase trading costs, which lower the Fund’s returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

## **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

Please see “*What are the specific investment risks of investing in a mutual fund?*” section of this Simplified Prospectus for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Counterparty Risk
- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Equity Investment Risk
- European Markets Risk
- Exchange Traded Fund Risk
- Exchange-Traded Note Risk
- Foreign Investment Risk
- High Portfolio Turnover Risk
- High Yield Risk
- Interest Rate Risk
- IPO and New Issue Risk
- Lack of Operating History Risk
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Model and Data Risk
- Multiple Classes Risk
- Nature of Units Risk
- Portfolio Manager Risk
- Potential Conflicts of Interest Risk
- Performance Fee Risk
- Regulatory and Legal Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Short Selling Risk
- Taxation of a Fund Risk
- Trust Loss Restriction Rule Risk
- U.S. Foreign Account Tax Compliance Risk

## WHO SHOULD INVEST IN THIS FUND

This Fund may be right for you if:

- you are looking for a low to medium risk, diversified portfolio of alternative investment strategies to hold as part of your balanced portfolio;
- want exposure to developed international equity markets;
- want a medium-term or longer investment; and
- can tolerate a low to medium level of risk.

This fund is not suitable for investors who are investing for the short term or who are not willing to accept periodic volatility.

## INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund’s risk as Low to Medium.

The risk rating of “low to medium” assigned to the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fund, as measured by the 10-year standard deviation of the returns of the Fund. Since the Fund is new, we calculate the investment risk level using a reference index that is reasonably expected to approximate, the standard deviation of the Fund.

Here are the investment risk rating categories:

- **Low** – for Funds with a level of risk that is typically associated with investments in money market funds and/or Canadian fixed-income funds;
- **Low to Medium** – for Funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;

- **Medium** – for Funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- **Medium to High** – for Funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- **High** – for Funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The following is a description of the reference index used for the Fund since it has less than 10 years of performance history. The Fund uses a blend of:

- **75% of the Hedge Fund Research Index (HFRI) Equity Hedge Index:** The HFRI Equity Hedge Index is comprised of hedge funds where the managers maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios.
- **25% of the Hedge Fund Research Index (HFRI) Relative Value Index:** The HFRI Relative Value Index is comprised of hedge funds where the managers employ a variety of fundamental and quantitative techniques to establish investment theses across a broad range of equity, fixed-income, derivative and other security types.

**There may be times when we believe this methodology produces a result that does not reflect the Fund’s risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category.**

You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the sub-heading “**Who Should Invest in this Fund?**” and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by contacting us toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted) or at [info@chpfunds.com](mailto:info@chpfunds.com).

## **DISTRIBUTION POLICY**

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 31). All annual distributions paid on Class A, Class UA, Class F, Class UF and Class I units will be automatically reinvested in additional units of the class on which they are paid.

## **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

The following information is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. The management fees and fund costs described under the “**Fees and Expenses**” are generally paid out of the Fund’s assets and constitute the MER of the Fund, which reduces the investment return on your units. The fees and expenses which you pay directly, and which are not included

in the Fund's MER, are described in the "**Fees and Expenses Payable Directly by You**" section in this document.

There is no table provided of Fund expenses indirectly borne by investors for the Funds because the Fund is new. See the "**Fees and Expenses**" section in this document for more information about the cost of investing in the Fund.

## EHP SELECT ALTERNATIVE FUND

### FUND DETAILS

Type of Fund	Canadian Equity Long/Short
Date Fund Started:	August 10, 2018
Classes Offered	Classes A, UA, F, UF and I
Nature of Securities Offered:	Units of a mutual fund trust
Registered Plan Eligibility:	Eligible for Registered Plans
Annual Management Fee	Class A: 1.90% Class UA: 1.90% Class F: 0.90% Class UF: 0.90% Class I: negotiated and paid by each class I unitholder
Performance Fee	15% of performance above the perpetual high-water mark

### WHAT DOES THE FUND INVEST IN?

#### Investment Objective

The investment objective of the EHP Select Alternative Fund (the “**Fund**”) is to provide a better risk-adjusted return than the S&P TSX Composite Index, regardless of market conditions or general market direction. The Fund targets a volatility that is approximately equal to the S&P TSX Composite Index, but with lower correlation to the index and with lower peak-to-trough drawdowns. The Fund will use an equity long/short alternative investment strategy, by investing in Canadian equities and ETFs as a part of implementing this strategy. The Fund will engage in physical short sales and/or borrowing for investment purposes.

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the “**Investment Strategies**” section of this Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

#### Investment Strategies

To achieve the investment objective, the Fund will seek to invest in a long/short portfolio of Canadian equities of varying sizes of market capitalization. The Fund will utilize predominantly diversified quantitative and systematic investment methodologies which are based upon researched, repeatable and process-driven methodologies. Each investment strategy will generally be supported by systematic models and quantitative fundamental analysis. The Portfolio Manager will also seek to preserve capital and mitigate risk through the application of a proprietary “risk-gearing” methodology which reduces the Fund risk during times of market stress, as well as through other risk management tools.

The equity investment strategies utilized by the Fund include:

- Fundamental Long/Short: The stock selection process is based on determining the relative attractiveness of stocks within a universe of equities utilizing a set of pre-defined factors to forecast returns. Factors utilized include dividend and/or interest income, valuation metrics, earnings revisions, measures of growth, measures of price volatility, stock and sector momentum and macro-economics;
- Systematic Strategies: These rules-based strategies seek to capture alpha through capturing forecasted movements in securities, such as measurements of “trend” and “volatility”;
- Long Positions: Investing in equity securities where the Portfolio Manager believes that the security is undervalued;
- Short Positions: Short selling of securities, which the Portfolio Manager believes are overvalued and/or have deteriorating fundamentals. Short sales may also be employed as hedges against some component of risk related to one or more of the Fund’s long positions; and
- Pairs Trading: Buying and selling shares of two companies in an attempt to gain from the convergence of the relative value differences between them.

The Fund may invest up to 50% of its net asset value in ETFs, long or short, managed by non-affiliated managers. The ETFs selected by the Portfolio Manager will invest primarily in equity securities, and will be selected on the basis that they help the Fund to achieve its investment objective by using the same strategies that the Fund uses when investing directly in those securities, but doing so in a manner that is more efficient than investing directly in the securities. The Fund intends to maintain net market exposure below 105%, with a range typically between 50% and 100%, and gross exposure below 200% with a range typically between 130% and 170%. The Fund is generally intended to have less than 75% correlation to the S&P TSX Composite Index.

The Fund may, directly or indirectly through investments in other investment funds, use derivative instruments. The Fund will employ a flexible approach to its use of derivative instruments and has the ability to opportunistically use options, swaps, futures and forward contracts for hedging or non-hedging purposes under different market conditions. The Fund may use derivative instruments where the underlying interest of the derivative is an exchange-traded fund.

The Fund, when taking a “short” position, may sell an instrument that it does not own and would then borrow to meet its settlement obligations. The Fund may also take “short” positions in futures, forwards or swaps. A “short” position will benefit from a decrease in price of the underlying instrument and will lose value if the price of the underlying instrument increases. A “long” position will benefit from an increase in price of the security and will lose value if the price of the security decreases.

The Fund is an “alternative mutual fund” pursuant to NI 81-102 as the Fund may borrow cash up to a maximum of 50% of its NAV and to sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its NAV. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 50% of its NAV. The Fund may also use derivatives as described below.

The Fund may invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government; securities issued by a clearing corporation; securities issued by an investment fund that if the purchase is made in accordance with the requirements of section 2.5 of NI 81-102; index participation units issued by an investment fund; or an equity security if the purchase is made by a fixed portfolio investment fund in accordance with its investment objectives.

Through the use of cash borrowing, short selling, or specific derivatives, the Fund's aggregate leverage will not exceed 300% of the Fund's NAV. The Fund's aggregate exposure is calculated as the sum of the following: (i) the aggregate value of the Fund's outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short by the Fund; and (iii) the aggregate notional amount of the Fund's specified derivative positions minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief,

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund's portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

The Fund may use derivatives such as futures, currency forwards, options and swaps for "**hedging**" purposes to reduce the Fund's exposure to changes in securities prices, interest rates, exchange rates or other risks including to hedge against movements of the Canadian dollar relative to the U.S. dollar for the Class UA and Class UF units. Derivatives may also be used for "**non-hedging**" purposes, which may include the following: (i) as substitute investments for stocks or a stock market; (ii) to gain exposure to other currencies; (iii) to seek to generate additional income; or (iv) for any other purpose that is consistent with the Fund's investment objectives. Additionally, pursuant to NI 81-102, the Fund may deal with counterparties without a designated rating and the Fund may enter into over the counter derivative transactions with a wider variety of counterparties. The Fund will be permitted to exceed the 10% of NAV mark-to-market limit on specified derivatives exposure to a single counterparty, only if either: (i) the specified derivative is a clear specified derivative; or (ii) the counterparty has a designated rating (generally, a rating of "A" or higher for the counterparty's long-term debt).

For more information on derivatives used by the Fund for hedging and non-hedging purposes as at the last day of the applicable financial reporting period, please refer to the Fund's most recent financial statements. Please also refer to the explanation of risks that accompany the use of derivatives under "**Currency Risk**" and "**Derivatives Risk**" in the "**What are the Risks of Investing in a Mutual Fund?**" section of this Simplified Prospectus.

Approval of securityholders of Class UA and Class UF units will be obtained before the currency hedging strategy of Class UA and Class UF is changed; however, the Manager may make changes to its currency hedging methodology (i.e., the way in which it implements its currency hedging strategy) without obtaining securityholder approval.

The Fund may hold a portion of its net assets in securities of other investment funds, including ETFs, which may be managed by us, in accordance with its investment objectives. For more information see the "**Fund of Funds**" disclosure under "**Fees and Expenses**" section of this Simplified Prospectus.

Depending on market conditions, the portfolio managers' investment styles may result in a higher portfolio turnover rate than less actively managed funds. Although generally the higher a fund's portfolio turnover rate, the higher its trading expenses. The higher the portfolio turnover rate the greater the probability that you will receive a distribution of capital gains from the Fund, which may be taxable if you hold the Fund outside a registered plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

The Fund may engage in short selling as long as:

- the aggregate market value of all securities of any particular issuer sold short by the Fund, other than government securities sold short, will not exceed 10% of the total net assets of the Fund; and
- the aggregate market value of all securities sold short by the Fund will not exceed 50% of the total net assets of the Fund.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short, and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "**Derivatives Risk**", "**Short Selling Risk**" and "**Leverage Risk**" in the "**What are the Risks of Investing in a Mutual Fund?**" section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Manager may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

## **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

Please see "*What are the specific investment risks of investing in a mutual fund?*" section of this Simplified Prospectus for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Concentration Risk
- Counterparty Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Equity Investment Risk
- Exchange Traded Fund Risk
- Exchange-Traded Note Risk
- High Portfolio Turnover Risk
- Illiquidity Risk
- IPO and New Issue Risk
- Lack of Operating History Risk
- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Model and Data Risk
- Multiple Classes Risk
- Nature of Units Risk
- Portfolio Manager Risk
- Potential Conflicts of Interest Risk
- Performance Fee Risk
- Regulatory and Legal Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Short Selling Risk
- Taxation of a Fund Risk
- Trust Loss Restriction Rule Risk

- U.S. Foreign Account Tax Compliance Risk

## WHO SHOULD INVEST IN THIS FUND

This Fund may be right for you if:

- are looking for a medium risk, long/short portfolio of Canadian equities to hold as part of your balanced portfolio;
- want a medium-term or longer investment; and
- can tolerate a medium level of risk.

This fund is not suitable for investors who are investing for the short term or who are not willing to accept periodic volatility.

## INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as Medium.

The risk rating of "medium" assigned to the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fund, as measured by the 10-year standard deviation of the returns of the Fund. Since the Fund is new, we calculate the investment risk level using a reference index that is reasonably expected to approximate, the standard deviation of the Fund.

Here are the investment risk rating categories:

- **Low** – for Funds with a level of risk that is typically associated with investments in money market funds and/or Canadian fixed-income funds;
- **Low to Medium** – for Funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;
- **Medium** – for Funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- **Medium to High** – for Funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- **High** – for Funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The following is a description of the reference index used for the Fund since it has less than 10 years of performance history.

- **100% S&P TSX Composite:** The S&P TSX Composite Index is a capitalization-weighted index designed to measure market activity of stocks listed on the TSX.

**There may be times when we believe this methodology produces a result that does not reflect the Fund's risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category.**

You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the sub-heading “**Who Should Invest in this Fund?**” and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by contacting us toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted) or at [info@ehpfunds.com](mailto:info@ehpfunds.com).

## **DISTRIBUTION POLICY**

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 31). All annual distributions paid on Class A, Class UA, Class F, Class UF and Class I units will be automatically reinvested in additional units of the class on which they are paid.

## **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

The following information is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. The management fees and fund costs described under the “**Fees and Expenses**” are generally paid out of the Fund’s assets and constitute the MER of the Fund, which reduces the investment return on your units. The fees and expenses which you pay directly, and which are not included in the Fund’s MER, are described in the “**Fees and Expenses Payable Directly by You**” section in this document.

There is no table provided of Fund expenses indirectly borne by investors for the Funds because the Fund is new. See the “**Fees and Expenses**” section in this document for more information about the cost of investing in the Fund.

## EHP GLOBAL ARBITRAGE ALTERNATIVE FUND

### FUND DETAILS

Type of Fund	Diversified Arbitrage
Date Fund Started:	August 10, 2018
Classes Offered	Classes A, UA, F, UF and I
Nature of Securities Offered:	Units of a mutual fund trust
Registered Plan Eligibility:	Eligible for Registered Plans
Annual Management Fee	Class A: 1.90% Class UA: 1.90% Class F: 0.90% Class UF: 0.90% Class I: negotiated and paid by each class I unitholder
Performance Fee	15% of performance above the perpetual high-water mark

### WHAT DOES THE FUND INVEST IN?

#### Investment Objective

The investment objective of the EHP Global Arbitrage Alternative Fund (the “**Fund**”) is to provide a positive total return over a market cycle, regardless of market conditions or general market direction, with low correlation to equity markets. The Fund will use alternative investment strategies including merger arbitrage, equity long/short, convertible arbitrage and credit long/short, by investing in global developed-market equities, fixed income securities, convertible securities, fixed income ETFs, equity ETFs, Special Purpose Acquisition Corps (the “**SPACs**”) and treasury futures derivative contracts as a part of implementing these strategies. The Fund may invest up to 100% or more of its net assets in foreign equities. The Fund will engage in physical short sales and/or borrowing for investment purposes.

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the “**Investment Strategies**” section of this Prospectus or as otherwise permitted under applicable securities legislation.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

#### Investment Strategies

To achieve the investment objective, the Fund will seek to invest in a diversified portfolio of developed-market global equity and credit securities of issuers of varying sizes of market capitalization where there is an identified arbitrage opportunity. Examples of arbitrage strategies include:

##### *Merger Arbitrage:*

When engaging in merger arbitrage, the Fund buys shares of the “target” company in a proposed merger or other reorganization between two companies. If the consideration in the transaction

consists of stock of the acquirer, the Portfolio Manager will typically hedge the exposure to the acquirer by shorting the stock of the acquiring company.

*Convertible Arbitrage:*

When employing a convertible arbitrage strategy, the Fund invests in convertible securities that are trading at discounts to their fundamental values and attempts to mitigate the various risks associated with investing in such convertible securities. In some cases, convertible securities trade at premiums relative to their fundamental values; in such cases the Fund would short sell the respective convertible security and employ various hedging strategies to mitigate the various risks associated with being short the convertible security.

*Corporate Events:*

The Fund also employs other arbitrage and corporate event strategies when market opportunities arise. Examples of such investments can include distressed investments, SPACs, SEOs (Seasoned Equity Offerings), “price-pressure” trades, “dual-class” arbitrage and “closed-end fund” arbitrage among other strategies.

The Fund will utilize both qualitative and quantitative investment methodologies for determining attractive arbitrage opportunities. The Portfolio Manager will also seek to preserve capital and mitigate risk through the application of portfolio and risk management tools. The Fund may invest up to 50% of its net asset value in ETFs, long or short, managed by non-affiliated managers. The ETFs selected by the Portfolio Manager will invest primarily in equity securities, and will be selected on the basis that they help the Fund to achieve its investment objective by using the same strategies that the Fund uses when investing directly in those securities, but doing so in a manner that is more efficient than investing directly in the securities. The Fund intends to maintain net market exposure below 150%, with a range typically between 75% and 150%, and gross exposure below 250% with a range typically between 100% and 225%. The net and gross exposure ranges will fluctuate based in part on the available set of arbitrage opportunities available to the manager. The Fund is generally intended to have low correlation to the equity, bond and credit markets. The Fund may invest up to 100% or more of its net assets in foreign securities.

The Fund may, directly or indirectly through investments in other investment funds, use derivative instruments. The Fund will employ a flexible approach to its use of derivative instruments and has the ability to opportunistically use options, swaps, futures and forward contracts for hedging or non-hedging purposes under different market conditions. The Fund may use derivative instruments where the underlying interest of the derivative is an exchange-traded fund.

The Fund, when taking a “short” position, may sell an instrument that it does not own and would then borrow to meet its settlement obligations. The Fund may also take “short” positions in futures, forwards or swaps. A “short” position will benefit from a decrease in price of the underlying instrument and will lose value if the price of the underlying instrument increases. A “long” position will benefit from an increase in price of the security and will lose value if the price of the security decreases.

The Fund is an “alternative mutual fund” pursuant to NI 81-102 as the Fund may borrow cash up to a maximum of 50% of its NAV and to sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its NAV. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 50% of its NAV. The Fund may also use derivatives as described below.

The Fund may invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government; securities issued by a clearing corporation; securities issued by an investment fund that if the purchase is made in accordance with the requirements of section 2.5 of NI 81-102; index participation units issued by

an investment fund; or an equity security if the purchase is made by a fixed portfolio investment fund in accordance with its investment objectives.

Through the use of cash borrowing, short selling, or specific derivatives, the Fund's aggregate leverage will not exceed 300% of the Fund's NAV. The Fund's aggregate exposure is calculated as the sum of the following: (i) the aggregate value of the Fund's outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short by the Fund; and (iii) the aggregate notional amount of the Fund's specified derivative positions minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief,

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund's portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

The Fund may use derivatives such as futures, currency forwards, options and swaps for "**hedging**" purposes to reduce the Fund's exposure to changes in securities prices, interest rates, exchange rates or other risks including to hedge against movements of the Canadian dollar relative to the U.S. dollar for the Class UA and Class UF units. Derivatives may also be used for "**non-hedging**" purposes, which may include the following: (i) as substitute investments for stocks or a stock market; (ii) to gain exposure to other currencies; (iii) to seek to generate additional income; or (iv) for any other purpose that is consistent with the Fund's investment objectives. Additionally, pursuant to NI 81-102, the Fund may deal with counterparties without a designated rating and the Fund may enter into over the counter derivative transactions with a wider variety of counterparties. The Fund will be permitted to exceed the 10% of NAV mark-to-market limit on specified derivatives exposure to a single counterparty, only if either: (i) the specified derivative is a clear specified derivative; or (ii) the counterparty has a designated rating (generally, a rating of "A" or higher for the counterparty's long-term debt).

For more information on derivatives used by the Fund for hedging and non-hedging purposes as at the last day of the applicable financial reporting period, please refer to the Fund's most recent financial statements. Please also refer to the explanation of risks that accompany the use of derivatives under "**Currency Risk**" and "**Derivatives Risk**" in the "**What are the Risks of Investing in a Mutual Fund?**" section of this Simplified Prospectus.

Approval of securityholders of Class UA and Class UF units will be obtained before the currency hedging strategy of Class UA and Class UF is changed; however, the Manager may make changes to its currency hedging methodology (i.e., the way in which it implements its currency hedging strategy) without obtaining securityholder approval.

The Fund may hold a portion of its net assets in securities of other investment funds, including ETFs, which may be managed by us, in accordance with its investment objectives. For more information see the “**Fund of Funds**” disclosure under “**Fees and Expenses**” section of this Simplified Prospectus.

Depending on market conditions, the portfolio managers’ investment styles may result in a higher portfolio turnover rate than less actively managed funds. Although generally the higher a fund’s portfolio turnover rate, the higher its trading expenses. The higher the portfolio turnover rate the greater the probability that you will receive a distribution of capital gains from the Fund, which may be taxable if you hold the Fund outside a registered plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

The Fund may engage in short selling as long as:

- the aggregate market value of all securities of any particular issuer sold short by the Fund, other than government securities sold short, will not exceed 10% of the total net assets of the Fund; and
- the aggregate market value of all securities sold short by the Fund will not exceed 50% of the total net assets of the Fund.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund’s investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under “**Derivatives Risk**”, “**Short Selling Risk**” and “**Leverage Risk**” in the “**What are the Risks of Investing in a Mutual Fund?**” section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a “material change” if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

The Portfolio Manager may actively trade the Fund’s investments. This can increase trading costs, which lower the Fund’s returns. It also increases the possibility that you will receive distributions, which are taxable if you hold the Fund in a non-registered account.

## **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

Please see “*What are the specific investment risks of investing in a mutual fund?*” section of this Simplified Prospectus for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Arbitrage Risk
- Concentration Risk
- Convertible Securities Risk
- Counterparty Risk
- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Developed Countries Investment Risk
- Equity Investment Risk
- European Markets Risk
- Exchange Traded Fund Risk
- Exchange-Traded Note Risk
- Foreign Investment Risk
- High Portfolio Turnover Risk
- High Yield Risk
- Illiquidity Risk
- Interest Rate Risk
- IPO and New Issue Risk
- Lack of Operating History Risk

- Large Transaction Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Model and Data Risk
- Multiple Classes Risk
- Nature of Units Risk
- Portfolio Manager Risk
- Potential Conflicts of Interest Risk
- Performance Fee Risk
- Regulatory and Legal Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Short Selling Risk
- SPAC Risk
- Taxation of a Fund Risk
- Trust Loss Restriction Rule Risk
- U.S. Foreign Account Tax Compliance Risk

## WHO SHOULD INVEST IN THIS FUND

This Fund may be right for you if:

- are looking for a low to medium risk, diversified portfolio of alternative investment strategies to hold as part of your balanced portfolio;
- want exposure to arbitrage opportunities that have a low correlation to equity markets;
- want a medium-term or longer investment; and
- can tolerate a low to medium level of risk.

This fund is not suitable for investors who are investing for the short term or who are not willing to accept periodic volatility.

## INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated this Fund's risk as Low to Medium.

The risk rating of "low to medium" assigned to the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fund, as measured by the 10-year standard deviation of the returns of the Fund. Since the Fund is new, we calculate the investment risk level using a reference index that is reasonably expected to approximate, the standard deviation of the Fund.

Here are the investment risk rating categories:

- **Low** – for Funds with a level of risk that is typically associated with investments in money market funds and/or Canadian fixed-income funds;
- **Low to Medium** – for Funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;
- **Medium** – for Funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- **Medium to High** – for Funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- **High** – for Funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The following is a description of the reference index used for the Fund since it has less than 10 years of performance history. The Fund uses:

- **75% of the Hedge Fund Research Index (HFRI) Merger Arbitrage Index:** The HFRI Merger Arbitrage Index is comprised of hedge funds where the managers employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction. Merger Arbitrage involves primarily announced transactions, typically with limited or no exposure to situations which pre-, post-date or situations in which no formal announcement is expected to occur. Opportunities are frequently presented in cross border, collared and international transactions which incorporate multiple geographic regulatory institutions, with typically involve minimal exposure to corporate credits.
- **25% of the Hedge Fund Research Index (HFRI) Relative Value Fixed-Income Arbitrage Index:** The HFRI Relative Value Fixed-Income Arbitrage Index is comprised of hedge funds where the managers strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument. Strategies employ an investment process designed to isolate attractive opportunities between the price of a convertible security and the price of a non-convertible security, typically of the same issuer.

**There may be times when we believe this methodology produces a result that does not reflect the Fund’s risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category.**

You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the sub-heading “**Who Should Invest in this Fund?**” and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by contacting us toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted) or at [info@chpfunds.com](mailto:info@chpfunds.com).

## **DISTRIBUTION POLICY**

The Fund intends to distribute any net income and net capital gains at the end of each taxation year (normally December 31). All annual distributions paid on Class A, Class UA, Class F, Class UF and Class I units will be automatically reinvested in additional units of the class on which they are paid.

## **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

The following information is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. The management fees and fund costs described under the “**Fees and Expenses**” are generally paid out of the Fund’s assets and constitute the MER of the Fund, which reduces the investment return on your units. The fees and expenses which you pay directly, and which are not included in the Fund’s MER, are described in the “**Fees and Expenses Payable Directly by You**” section in this document.

There is no table provided of Fund expenses indirectly borne by investors for the Funds because the Fund is new. See the “**Fees and Expenses**” section in this document for more information about the cost of investing in the Fund.

Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts, Management Reports of Fund Performance and Financial Statements. These documents are incorporated by reference in this Simplified Prospectus, which means that they legally form part of this document just as if they were printed in it.

You can get a copy of these documents at your request, and at no cost, by calling toll-free at 1-833-360-3100 or at 416-360-0310 (collect calls are accepted), online at [www.ehpfunds.com](http://www.ehpfunds.com), or by email to [info@ehpfunds.com](mailto:info@ehpfunds.com).

These documents and other information about the Funds, such as material contracts and information circulars, are also available at [www.sedar.com](http://www.sedar.com).

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