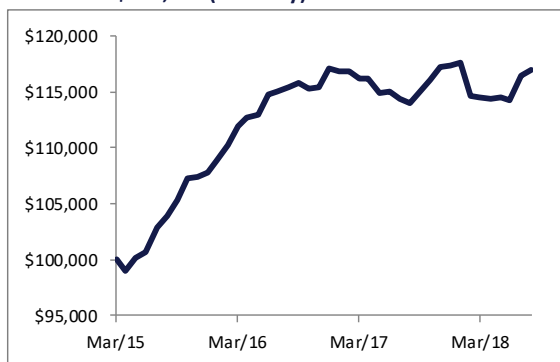


## EHP Guardian Fund

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

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

## Growth of \$100,000 (monthly)



## Compound Returns (%)

	3 Mo	6 Mo	1 Yr	3 Yr	Incep.
Fund	2.1%	2.0%	2.6%	4.0%	4.7%

## Risk/Reward Analysis

	Fund	AGG Bond	S&P TSX	S&P 500
Annualized Return	4.7%	1.2%	5.7%	12.7%
Annualized Std Dev.	3.2%	2.6%	12.2%	18.1%
Winning Months	73%	54%	63%	63%
Average Monthly Gain	0.8%	0.6%	1.7%	3.0%
Average Monthly Loss	-0.7%	-0.5%	-1.6%	-2.1%
Largest Drawdown	-2.8%	-3.3%	-14.3%	-7.6%
Sharpe Ratio	1.5	0.5	0.5	0.7
Fund Correlation		29.6%	12.3%	25.2%
Fund Beta		0.00	0.05	0.07
Net Exposure	46%			
Gross Exposure	139%			

## Source of Returns for Most Recent Month

Returns from Longs	1.5%
Returns from Shorts	-0.9%

## Commentary

The EHP Guardian Fund Class "F" units increased 0.4% for the month of August. Canadian strategies gained as dividend stocks moved higher during the month, while U.S. strategies declined slightly as another surge in higher beta growth stocks hurt the short side of the portfolio. Credit strategies had small gains as high yield debt pressed higher during the month.

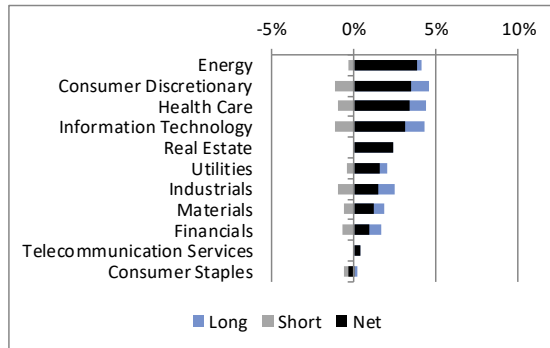
Globally, equity markets were mixed with strength in the U.S. and weakness in most other developed markets. Escalating trade tensions continue to pressure export-driven Canadian and European markets, while U.S. markets appear seemingly invincible despite growing trade concerns and the new threat of emerging market contagion. Trends remain elusive, with global equities, bonds and currencies continuing their choppy, sideways action, seemingly in a tug-of-war between strong U.S.-led earnings on one hand, and negative global macro headwinds on the other. Factors have been no less volatile, with a big rebound in momentum and growth stocks in August following a tough few months, while value and low volatility stocks resumed their underperformance. In an encouraging sign for the broader market, breadth widened out beyond tech and large caps, with small caps, defensives and industrial stocks outperforming, helping contribute to the market's move higher.

Despite lengthy underperformance and attractive relative multiples, value stocks continue to be weighed down as they remain a source of funds for investors chasing the hottest growth stories. There is no better example than the one in our own backyard where the cannabis stocks have again rocketed higher in recent weeks, fueled by M&A, and as a group defying any reasonable long term valuation paradigm. Investors seem increasingly willing to bet on the pure speculative momentum trade, presumably hoping to sell to the next buyer at a higher price. Trading volume typically accelerates with price momentum and these stocks haven't disappointed in that regard, with their entire market cap turning over every few weeks. Stock action like this is reminiscent of previous bubbles such as resource stocks in 2007 and tech stocks in 2000. Ultimately when the party ends, investors tend to move back to safe, stable and reasonably priced stocks while those left "holding the bag" will nurse losses in individual growth stocks that may never be recovered. Our job in the interim is to maintain a disciplined approach in spite of the hype, and stick to what works over the long run.

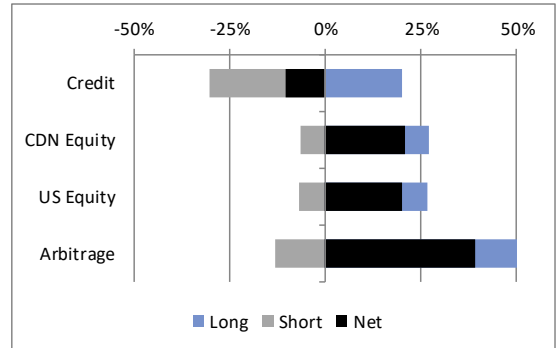
Our North American tactical indicators continuing to remain constructive, and we enter September at the higher end of our risk ranges. With the exception of U.S market, which is trading well above "risk off" levels, most other indices remain uncomfortably close to the levels that would have us reducing risk – a condition that has persisted for most of the year. We don't expect to see that change until there is some resolution on the geopolitical/trade front, with markets remaining range-bound, volatile, and unlikely to break out one way or the other. As always, we stay the course on our process, ready to adapt as the facts change.

## Fund Structure

## Sector Allocations % of NAV



## Capital Allocations % of NAV



## Canadian Equity - Top 10 Longs

Extendicare Inc	0.9%
Genworth MI Canada Inc	0.9%
Enghouse Systems Ltd	0.9%
Canadian Imperial Bank of Comm	0.8%
Husky Energy Inc	0.8%
WSP Global Inc	0.8%
Medical Facilities Corp	0.8%
Morneau Shepell Inc	0.8%
Sienna Senior Living Inc	0.8%
Dream Global Real Estate Inves	0.8%

## U.S. Equity - Top 10 Longs

Marathon Petroleum Corp	0.6%
Garmin Ltd	0.6%
Chemed Corp	0.6%
Paychex Inc	0.6%
Cisco Systems Inc	0.6%
American Financial Group Inc/O	0.6%
LyondellBasell Industries NV	0.6%
Phillips 66	0.6%
CenterPoint Energy Inc	0.6%
Pfizer Inc	0.6%

## Fund Information

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

Portfolio Managers:	Jason Mann, Ian Fairbrother
Fund Structure:	Mutual Fund Trust
RSP Eligible:	Yes
Fee Structure:	A, UA: 2% Mgmt Fee, 20% Perf Fee F, UF: 1% Mgmt Fee, 20% Perf Fee
Subscription Amounts:	\$25,000 Minimum
Subscriptions:	Weekly, Friday 4pm deadline
Redemptions:	Weekly, 1 day notice A/F, 2 day UA/UF

Fund Risk Rating:	Low to Medium
Reporting Frequency:	Weekly
Fund Codes:	\$CAD: EHP300A / EHP300F \$USD: EHP300UA / EHP300UF
High Water Mark:	Yes, Perpetual
Fund Administrator:	SS&C CommonWealth
Prime Brokers:	Bank of Nova Scotia, CIBC
Legal / Auditors:	McMillan LLP / KPMG LLP

EdgeHill Partners  
45 Hazelton Ave  
Suite B  
Toronto, Ontario  
M5R 2E3

(416) 360-0310  
[info@ehpfunds.com](mailto:info@ehpfunds.com)  
[www.ehpfunds.com](http://www.ehpfunds.com)

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