APRIL 2019

EHP Advantage International Fund

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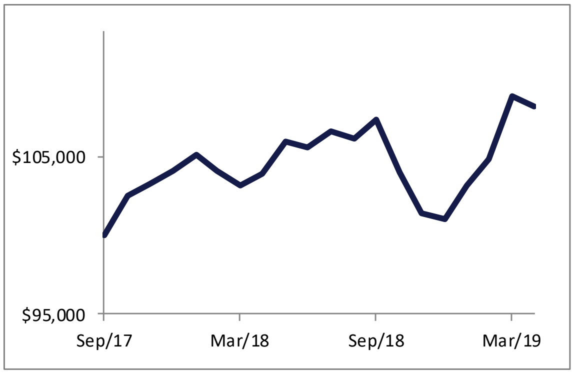
Returns (Class F units, net of all fees and expenses)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	2.1%	1.7%	3.8%	-0.5%									7.1%
2018	1.1%	-1.0%	-0.9%	0.8%	2.0%	-0.4%	1.0%	-0.4%	1.1%	-3.1%	-2.5%	-0.4%	-2.9%
2017										2.6%	0.7%	0.8%	4.1%

Growth of $100,000 (weekly)



Risk/Reward Analysis

	Fund	MSCI EAFE
Annualized Return	5.1%	3.4%
Annualized Std Deviation	5.9%	11.3%
Winning Months	58%	53%
Average Monthly Gain	1.6%	2.8%
Average Monthly Loss	-1.2%	-2.4%
Largest Drawdown	-5.9%	-12.4%
Sharpe Ratio	0.9	0.3
Fund Correlation		63.0%
Fund Beta		0.31
Net Exposure	100%	
Gross Exposure	185%	

Compound Returns (%)

	1 Mo	3 Mo	6 Mo	1 Yr	Incep.
Fund	-0.5%	4.9%	4.0%	4.1%	5.1%

Commentary

The EHP Advantage International Fund Class “F” units declined -0.5% for the month of April. Most regions had gains on the long side of the portfolio, but were more than offset by losses from shorts as the stocks that had been in a downtrend reversed higher, particularly in Europe, as these lower quality equities responded to “less bad” economic numbers. From a factor perspective, it was a bit of an unusual month in that both deep value and expensive growth stocks outperformed, while more defensive low volatility and momentum stocks lost ground. Our Credit Momentum strategy had gains as high yield debt continued its uninterrupted rally from the December lows.

Equity markets continued the strong start to the year with all major indices once again higher in April, with most now having recouped the losses suffered during 2018. Despite broad strength globally, it is U.S markets that have been the stand out, having posted the best start to a year for stocks in 30+ years and far outstripping EAFE and EM markets. In our view, markets have discounted a pending improvement in global growth data, backstopped by dovish central banks everywhere. Investors have decided to set aside the twin concerns of a pending recession or a pickup in inflation, in favour of an outlook best characterized as “good enough”. By all measures, we appear to find ourselves in another “goldilocks” environment marked by manageable inflation and moderate growth, particularly in the U.S. Outside of North America, particularly Europe, not all is rosy as growth remains elusive, but even so there appears a willingness to shrug off worries on the belief that the data won’t deteriorate from here.

Despite value factors providing positive returns in April, growth stocks have once again reasserted themselves as technology stocks led the market higher. With interest rates stable and markets less volatile, and with accommodative central banks, it’s a fertile backdrop for increased risk taking and willingness to buy increasingly expensive stocks (again). While the rally in the first quarter had been somewhat defensive, in an encouraging sign, economically sensitive cyclicals (industrials, discretionary and materials) have recently begun to outperform, suggesting a less cautious economic outlook than previously feared. This emerging sector rotation has come at the expense of defensive stocks (REIT’s, telecoms, utilities), which in turn has hurt momentum strategies that now need to switch gears to reflect the new trends in place. Energy is a good example of a sector that has been heavily shorted for many quarters due to poor price momentum, and was subject to sharp gains and forced short-covering in April.

While we are happy to see cyclical value stocks start to pick up the baton from defensive stocks, we do worry that unless the global economic numbers move from being just “less bad” to “reaccelerating”, this rotation may be short-lived as has been the case a number of times in the last few years. We’ll rely on our process of risk management if that unfavorable scenario plays out, but in the meantime we enter May with our tactical indicators at the higher end of their risk ranges, and with the funds reflecting the cyclical rotation with rising allocations to energy, financials, industrials and discretionary sectors.

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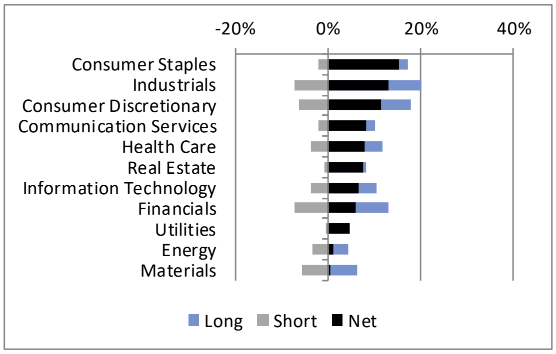
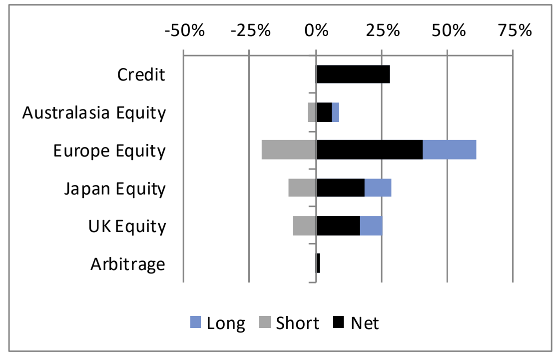
Fund Structure

Sector Allocations % of NAV



Capital Allocations % of NAV



Top 10 Equity Longs

Hermes International	1.6%
SAP SE	1.2%
Christian Dior SE	1.1%
Allianz SE	1.1%
MTU Aero Engines AG	1.1%
Swisscom AG	1.1%
Amadeus IT Group SA	1.0%
Coloplast A/S	1.0%
Coca-Cola European Partners PL	1.0%
Euronext NV	1.0%

Top 10 Equity Shorts

ALK-Abello A/S	-0.4%
Euronav NV	-0.4%
BW LPG Ltd	-0.4%
Ontex Group NV	-0.3%
EFG International AG	-0.3%
AIXTRON SE	-0.3%
Tarkett SA	-0.3%
Commerzbank AG	-0.3%
BPER Banca	-0.3%
Odfjell Drilling Ltd	-0.3%

Fund Information

The Fund constructs a long/short portfolio of International equities and credit by buying undervalued, rising, stable stocks and shorting overvalued, declining, volatile stocks. The Fund actively gears down risk in declining markets and tilts toward more defensive stocks and strategies to preserve capital. The Fund emphasizes a disciplined process of stock selection, risk control and liquidity. The Fund targets annual returns of 10-12% net of all fees.

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

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