EWING MORRIS INVESTMENT PARTNERS LTD.

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Dear Friends and Partners,

In Q3, our Funds continued to recover from the COVID-19 market sell-off in March. Despite the strong market recovery, volatility remains elevated and public confidence uncertain. Since it is impossible to predict short-term stock prices, we continue to focus our research and investment activity on identifying durable businesses run by capable leaders. We believe in the ability of our portfolio companies to grow their earnings over time, service their debt and adapt to future unforeseen conditions.

Investment Results:

	3 months	YTD[1]	1 year	3 years	5 years	Since Inception[2]
Flexible Fixed Income Fund	**5.0%**	**0.8%**	**2.3%**	**4.2%**	**--**	**6.9%**
iShares U.S. High Yield Bond Index ETF (CAD)	*2.8%*	*-3.4%*	*-0.7%*	*1.7%*	*--*	*5.7%*
Opportunities Fund	**5.0%**	**-30.4%**	**-26.5%**	**-8.7%**	**0.4%**	**3.8%**
S&P/TSX Composite Index	*4.7%*	*-3.1%*	*0.0%*	*4.3%*	*7.2%*	*6.1%*
Dark Horse	**14.9%**	**-4.7%**	**-6.2%**	**0.5%**	**1.9%**	**8.7%**
S&P/TSX Small Cap Index	*6.6%*	*-8.6%*	*-2.9%*	*-3.2%*	*4.5%*	*6.3%*
Canadian Small Cap Fund	**13.0%**	**-4.7%**	**2.7%**	**3.0%**	**9.4%**	**8.2%**
S&P/TSX Small Cap Index	*6.6%*	*-8.6%*	*-2.9%*	*-3.2%*	*4.5%*	*0.4%*

Flexible Fixed Income Fund

The third quarter saw a steady recovery in credit markets, with our Fund up 5.0%[3] over the course of the quarter. What was most striking to us over this period in the market was the continuation of extreme capital flows into investment grade corporate bonds. In this segment of the bond market, investors saw bond issuances that, by August, had already surpassed prior *annual* records. On the back of the optimistic assumption that the worst was behind us, and faith in the significant support of the central banks, strong capital inflows pushed yields in investment grade corporate bonds to all-time lows of 1.9% in August.[4] High yield bonds were similarly robust, but yields bottomed at 5.3%,[5] well above the all-time low of

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[1] January 1, 2020 to September 30, 2020.

[2] Returns are since inception of the respective Fund to September 30, 2020. See page 6 for Fund inceptions dates and full disclaimer details.

[3] Returns are based on the Ewing Morris Flexible Fixed Income Fund LP P Class, Master Series, net of fees and expenses.

[4] Investment Grade Bonds are represented by iShares Canadian Corporate Bond Index ETF. As of August 27, 2020. Source: Bloomberg.

[5] High yield bonds are represented by iShares US High Yield Bond Index ETF (CAD-Hedged). As of August 27, 2020. Source: Bloomberg.

4.8% set in 2014.[6] The fixed income asset class has clearly become an incredibly challenging space for investors from a return perspective.

Despite the challenging investment environment, the Flexible Fixed Income Fund delivered returns approaching 5%[7] in the third quarter. This has extended our outperformance relative to our high yield benchmark to more than 4%,[8] year-to-date. On the Canadian side, our investments in convertible debentures of Tricon Residential and Chemtrade Logistics provided a strong boost to returns.

South of the border, in July, we made a meaningful investment in the senior convertible bonds of J2 Global. We found that valuations were even more attractive than those offered in the March crisis. Most of you will recognize J2 Global as an important equity holding of the Opportunities Fund. We believe the credit is excellent with the company producing enough free cash flow to pay its debt down in four to five years and about one-third of its total debt covered by cash. Yet, despite these characteristics, the 2026 convertible bonds traded at a 20% discount to par and yielded in the low 6% range.[9] We view this convertible bond as an excellent deal even before factoring in the equity upside optionality.

Similarly, J2's 3.25% convertibles due in 2029 also caught our eye. These bonds traded down to the 102 and 103 range, which is where we made our purchases in this issue. Following the company's Q2 earnings, which beat expectations, both bonds have rallied 15-20% from their pre-earnings levels.[10]

With rates as low as they are, widening one's cognitive aperture to continually find good investments is going to become critical to producing quality results over time. This dynamic plays to our advantage as, since the very inception of the Fund, we have been generating returns from a variety of fixed income sources.

Going forward, we have positioned the Fund quite conservatively, with the Fund's net exposure at 60%, a historically low level. Due to this positioning, the portfolio carries a yield of 4.1%,[11] modestly lower than the high yield index. This is a level we are comfortable with and is justified by the broader opportunity set. Our portfolio positioning will allow us to be opportunistic in adding returns through periods of market weakness, while aiming to control risk amidst a very uncertain future economic path.

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[6] Source: Bloomberg.

[7] Returns are based on the Ewing Morris Flexible Fixed Income Fund LP P Class, Master Series, net of fees and expenses.

[8] Relative to the iShares US High Yield Bond Index ETF (CAD-Hedged). Returns for the Fund are based on the P Class, Master Series, net of fees and expenses. Year-to-date returns are from January 1, 2020 to September 30, 2020. Source: Bloomberg and Ewing Morris

[9] Source: Bloomberg.

[10] Source: Bloomberg. As of August 11, 2020.

[11] Yield to Worst. As of September 30, 2020.

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Opportunities Fund

Our letter in June outlined refinements to our process that align with our investment philosophy and will ensure our ability to position us well to overcome the underperformance experienced by our Limited Partners from January 2019 until June of 2020.

These adjustments are a result of an in-depth analysis of our track record since the inception of the firm. Our performance from September 2011 until December 2019 (9.2% vs 5.3% for the TSX).[12]

Here are the three key action items that emerged from the analysis:

1. Reduce exposure to Micro Caps
2. No new investments in Oil and Gas
3. Renewed focus on Compounders[13]

We have made significant progress in all three areas, and the current Fund positioning is reflective of these efforts.

Reduce exposure to Micro Caps:

Market Capitalization[14]	December 31, 2019	September 30, 2020
Mid and Large Caps	38%	62%
Small Caps	35%	26%
Micro Caps	28%	13%

Exposure to Oil and Gas:

Additionally, we have seen the weighting in Oil and Gas fall from 25.3% to 5.3%.

[12] S&P/TSX Composite Index as of September 30, 2020. Source: Capital IQ.
[13] A group of investments where the Manager's return expectations are anchored in its expectations for continued growth in the businesses' earnings power.
[14] Mid & Large Caps are defined as companies with market capitalization of >$2B; Small Caps are defined as companies with a market capitalization of between $2B and $250M; Micro Caps are defined as companies with a market capitalization of less than $250M. Market capitalization weights may vary.

Exposure to Compounders:

	December 31, 2019	September 30, 2020
Compounders	40%	81%
Cheap Assets	60%	19%

The increased weighting in Compounders is a result of finding six new investments in high quality businesses that also meet our valuation requirements. These companies are in a variety of industries and include an investment in Kadant Inc., which is discussed in more detail below.

Kadant Inc.

Kadant is a high-quality industrial business that sells mission-critical capital equipment, plus associated after-market parts, primarily to the pulp, paper and wood industries (i.e. cardboard, building products, tissue, etc.). Kadant's business follows the "razor/razorblade" model in which new equipment sales are profitable but the bulk of profit (~70%) is from selling recurring parts and consumables.

The company adds value for its customers by reducing their input costs, improving their product quality and reducing downtime; thereby creating sticky customer relationships and pricing power. This is reflected in Kadant's gross margins in excess of 40% and returns on capital greater than 50%.[15]

The company is run as a decentralized conglomerate with ~20 individual business units with a proven-track record of value-creating acquisitions and a very articulate set of acquisition criteria[16] with a great track record for capital allocation.

Our investment in Kadant is an example of our re-focus on high-quality Compounder businesses and small/mid capitalization companies. It is representative of our executing on our mandate shift towards Compounders.

Going forward, the Fund is conservatively positioned with approximately 15% in unconstrained cash and an additional 7% in short positions. This gives us the ability to act opportunistically in periods of

[15] Source: Kadant Report Q2 2020 Results, July 2020.
[16] Source: Kadant Investor Presentation, August 2019. Criteria:

1. Provides highly engineered products with mission critical role in an industrial process.
2. Serves stable and attractive end markets.
3. Market leading position.
4. History of stable revenue and attractive margins with significant parts and consumables revenue.
5. Large installed base of customers.
6. IRR exceeds hurdle rate.

short-term negative volatility. We continue to favour our holdings to the broad market especially given that most markets are trading at, or near, historic levels with extremely rich valuations.

Despite a slower recovery to this point than the market, we remain steadfast and confident in the Fund’s ability to compound capital for our Partners. We believe the combination of higher quality companies trading at significant discount to the broader market should set Limited Partners in the Opportunities Fund up for attractive returns in the years to come.

Yours sincerely,

John Ewing
Co-Founder and CIO

Darcy Morris
Co-Founder and CEO

About Ewing Morris:

Ewing Morris & Co. Investment Partners Ltd. is a value driven Canadian investment firm established in September 2011 by John Ewing and Darcy Morris. Our aim is to achieve preservation and growth of capital for our Limited Partners by focusing on inefficient markets. We do this by relying on fundamental analysis, high conviction and the use of flexible capital. We manage strategies with a focus on small and mid-cap companies. We manage investments for individuals as well as charitable organizations, institutions and corporations.

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Inception date of the Opportunities Fund is September 9, 2011. Opportunities Fund returns reflect Class A – Master Series, net of fees and expenses. Inception date of the Dark Horse is April 3, 2009. Dark Horse returns reflect Class A – Master Series, net of fees and expenses. Inception date of the Canadian Small Cap strategy is May 1, 2015. As of November 1, 2019, returns are those of the Ewing Morris Canadian Small Cap Fund LP - Class O and are inclusive of fund expenses but gross of management and performance fees. Returns will be reduced by the management and performance fees, as applicable, and other expenses incurred in the management of this account and may vary by class depending on the fees and expenses attributable to the particular class. May 1, 2015 to October 31, 2019 returns are based on an initial separately managed account, which shared a similar investment objective and strategy as the Ewing Morris Canadian Small Cap Fund LP. On October 31, 2019, the managed account assets were transferred into the Ewing Morris Canadian Small Cap Fund LP. Inception date of the Flexible Fixed Income Fund is February 1, 2016. Flexible Fixed Income Fund returns reflect Class P - Master Series, net of fees and expenses. Where the performance period is longer than 12 months, the return is annualized. We have listed the iShares US High Yield Bond Index ETF (CAD-Hedged), iShares Canadian Corporate Bond Index ETF, S&P 500 Index, S&P/TSX Composite Index and the S&P/TSX Small Cap Index and benchmark indices as these are widely known and used benchmark indices for equity and fixed income markets. The Ewing Morris Funds have flexible investment mandates and thus these benchmark indices are provided for information only. Comparisons to benchmarks and indices have limitations. The Funds do not invest in all, or necessarily any, of the securities that compose the referenced benchmark indices, and the Fund portfolios may contain, among other things, options, short positions and other securities, concentrated levels of securities and may employ leverage not found in these indices. As a result, no market indices are directly comparable to the results of the Funds. Past performance does not guarantee future returns. This letter does not constitute an offer to sell units of any Ewing Morris Fund, collectively, "Ewing Morris Funds". Units of Ewing Morris Funds are only available to investors who meet investor suitability and sophistication requirements. While information prepared in this report is believed to be accurate, Ewing Morris & Co. Investment Partners Ltd. makes no warranty as to the completeness or accuracy nor can it accept responsibility for errors in the report. This report is not intended for public use or distribution. There can be no guarantee that any projection, forecast or opinion will be realized. All information provided is for informational purposes only and should not be construed as personal investment advice. Users of these materials are advised to conduct their own analysis prior to making any investment decision. Source: Capital IQ, Bloomberg and Ewing Morris. As of September 30, 2020.