

Ewing Morris Flexible Fixed Income Fund LP (the Fund) was established in February 2016. The objective of the Fund is to preserve capital for investors through a variety of market environments and achieve 5-7% stable net returns with lower price volatility compared to equity markets. The Fund is unique in its focus on the high yield bond market, utilization of low levels of leverage, and controlling risk through hedging individual bond holdings by shorting the equity of the same company.

**Strategy**

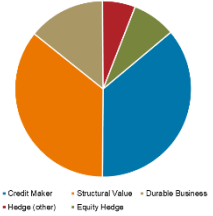
We describe our investment strategy using the analogy of a sport's playbook. A team with only one play can often be stopped, but a championship team will have perfected multiple plays so that they can score regardless of the opposition's strategy.

**Four Different Investment Plays**

- Durable Business** – businesses whose franchise or assets can survive no matter what happens. Assets may be indispensable, have a moat or little exposure to change;
- Credit Maker** – people or entities whose actions and influence over a company's capital strategy should lead to a favourable credit outcome;
- Structural Value** – a bond possessing significant protection through its contract or structural qualities; and
- Equity Hedge** – a direct, risk-reducing hedge where an issuer's equity is much more vulnerable to adverse events than the underlying bond position.

**Strategy Breakdown**

Credit Maker	32.6%
Structural Value	32.1%
Durable Business	12.7%
Hedge (Other)	-5.4%
Equity Hedge	-7.2%



**Summary Key Statistics**

Portfolio Yield	5.0%
Credit Spread (Corporates)	555bps
Average Issue Size	\$315m
Average % of Issue	1.35%
Ideas # / Long Exposure %	29 / 81.9%
Equity Hedges # / %	7 / -7.2%
Avg LTV / Avg Mkt Cap	40% / \$4.4bn

**Sector Exposure (Top 5)**

Technology	18.5%
Materials	16.1%
Utilities	14.5%
Industrials	9.9%
Fuel Distribution	9.1%

**Long**

18.5%
16.1%
14.5%
9.9%
9.1%

**Equity Hedges**

-0.1%
-0.5%
0.0%
-0.7%
0.0%

**Credit Sector, net (Avg Rating)**

AAA	0.0%
BBB	6.2%
BB	26.2%
B	32.0%
CCC	4.4%
Convertible / NR	22.9%
Preferred Equity	8.2%

**Geographic Allocation<sup>(1)</sup>**

	Country	Ccy
	Canada	73% 63%
	US	27% 37%

<sup>(1)</sup> FX risk is hedged

Performance Summary	Flexible Fixed Income Fund LP*	iShares U.S. High Yield Bond Index ETF (CAD-Hedged)	iShares Canada Corporate Bond Index ETF
1-Month	-0.4%	1.2%	-1.1%
Year-to-date	0.4%	-2.2%	5.7%
3-Year (Annualized)	3.8%	2.2%	4.6%
Since Inception (Annualized)	6.7%	5.9%	4.2%
Max Drawdown	14.8%	17.0%	7.4%
Duration	0.9	3.2	6.8
Volatility	7.9%	9.7%	5.9%
Sharpe Ratio**	0.8	0.6	0.7

\*Returns reflect Class P - Master Series, net of fees and expenses. \*\*Sharpe Ratio is a hypothetical measure of excess return. The Canada 3-month treasury bill rate is used as the risk-free rate of return in calculating Sharpe Ratio. Benchmark source: Bloomberg. Benchmark performance returns are since inception of the Ewing Morris Flexible Fixed Income Fund. Inception date of the Fund is February 1, 2016.

**Service Providers**

Prime Broker/Custodian	TD Securities
Legal Counsel	Borden Ladner Gervais/AUM Law
Auditor	PricewaterhouseCoopers
Fund Administrator	SS&C CommonWealth

**Fund Terms**

Management Fee (Class P)	0.75% per annum (paid monthly)
Incentive Fee (Class P)	20% profit allocation (paid annually)
Preferred Return (Class P)	5% (non-cumulative)
High Water Mark (Class P)	Yes, perpetual
Management Fee (Class T)	1.5% per annum (paid monthly)
Min. Investment	Accredited Investor Status
Subscriptions	Monthly
Redemptions	Monthly
Early Redemption Fee	Within 1 year

**General Information**

Total Firm AUM	\$323m
Strategy AUM	\$166m***
Inception Date	Feb 1, 2016

**Advisory Board**

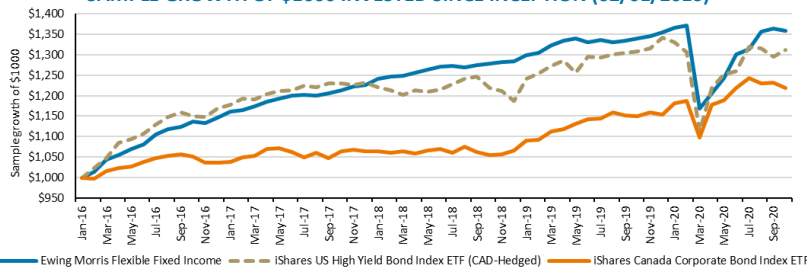
- Martin Connell
- Ira Gluskin
- Linda Haynes
- Rosamond Ivey
- John MacIntyre
- Hon. David Peterson
- Bill Stedman
- David Wilson

\*\*\*Includes all assets managed in accordance with the strategy and managed accounts.

**NET RETURNS SINCE INCEPTION (CAD)\***

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2020	0.9	0.4	-14.8	3.3	3.1	4.6	1.1	3.3	0.6	-0.4	---	---	0.4
2019	1.2	0.4	1.4	0.9	0.4	-0.7	0.4	-0.4	0.3	0.4	0.4	0.7	5.4
2018	1.2	0.5	0.1	0.6	0.6	0.6	0.2	-0.3	0.4	0.3	0.2	0.2	4.7
2017	1.5	0.3	0.7	1.0	0.7	0.5	0.3	-0.2	0.4	0.7	0.7	0.4	7.0
2016	---	1.4	3.0	1.1	1.4	0.9	2.3	1.1	0.6	1.1	-0.2	1.0	14.6

**SAMPLE GROWTH OF \$1000 INVESTED SINCE INCEPTION (02/01/2016)\***



\*Returns reflect Class P - Master Series, net of fees and expenses. Benchmark source: Capital IQ.

This letter does not constitute an offer to sell or the solicitation of an offer to buy any interest in the Ewing Morris Flexible Fixed Income Fund LP. Such an offer to sell or solicitation of an offer to buy interests may only be made by way of a definitive subscription agreement and is only available to investors who meet legal requirements for investor suitability and sophistication. The Fund has a flexible investment mandate. Therefore, the Fund's composition is materially different to major indices. We have listed the iShares U.S. High Yield Bond Index ETF and iShares Canada Corporate Bond Index ETF because they are representative of widely known and followed fixed income benchmarks. These benchmark indices are provided for information only and comparisons to benchmarks and indices have limitations. Investing in fixed income securities is the primary strategy for the Fund, however the Fund does not invest in all, or necessarily any, of the securities that compose the referenced benchmark indices, and the Fund's portfolio 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 Fund. 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. Past performance does not guarantee future results. The Sharpe Ratio is a form of hypothetical performance data. Unlike an actual performance record, simulated results do not represent actual performance and are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk. There are frequently differences between simulated performance results and the actual results subsequently achieved by the Fund. Returns are unaudited.

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