EWING
MORRIS
INVESTMENT PARTNERS LTD.

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Annual Report to Limited Partners as of December 31, 2014

Investment Results

Year	**Ewing Morris LP Class A**	S&P/TSX Index with Dividends Included	S&P 500 Index with Dividends Included, priced in Canadian Dollars
2011	**6.3**	(2.5)	7.8
2012	**11.5**	7.2	13.4
2013	**16.2**	13.0	30.3
2014	**(1.7)**	8.8	12.3
Total (Cumulative)	**35.4**	28.4	78.8
Total (Annualized)	**9.5**	7.8	19.9

Note: 2011 data is from September 9th, the date the Ewing Morris LP began investment operations. Results are net of all fees and expense.

In 2014, the Class A Master Series of the Partnership returned negative 1.7% net of all fees and expenses. Your personal results may differ depending on date of investment but all Limited Partners experienced a negative return for the period. This means you are probably disappointed with the 2014 result from Ewing Morris….we are too.

For context, during 2014 the S&P/TSX Composite Index increased 8.8% and the S&P 500, in Canadian dollars, gained 12.3%. It is important to remember that our Partnership has a flexible mandate and our investment portfolio is very different from each of these indices. While there are no perfect benchmarks, these indices have the advantage of being widely followed and reasonably reflect common investment alternatives for Limited Partners.

Lessons from 2014

Oil

The greatest contributing reason for the negative return in 2014 was the impact of declining oil prices. As we wrote in our letter dated December 31, 2014:

> The cause of our market value decline in 2014 is mainly attributed to the rapid and severe drop in the price of oil. During the 35% price decline from $108[1] to $70 per barrel, our oil hedge was effective in adding +0.7% to the Partnership results. However, when oil

[1] WTI in USD

> prices reached $70 per barrel we removed the hedge entirely. As you may have seen, oil ended the past year at $52.87.
>
> The bulk of our oil exposure is concentrated in two companies: Canadian Natural Resources and Total Energy Services. The average decline in stock market prices in the fourth quarter for those two stocks has been -27%. All told, including some smaller holdings, the portion of our long portfolio invested in the energy sector is currently 23% of Partnership assets and the market impact on the fund for the year (2014) has been -5.5%.
>
> Amid the recent turmoil, it is important to remember that a core strategy at Ewing Morris is to seek out and invest alongside people that have a proven track record of compounding capital, people we call Great Capital Allocators. It happens that we are invested with two Great Capital Allocators that operate in the energy industry, namely Murray Edwards at Canadian Natural Resources and Dan Halyk at Total Energy.
>
> In the long-term the quality of people with a proven record of capital allocation and a record of prudent balance sheet management will trump the volatility of the commodity price. The inherent cyclicality of commodity prices is what provides Great Capital Allocators with additional opportunities. We realize this may be cold comfort in the short term where the commodity price dominates the stock performance and eclipses management capabilities.

We have learned that, no matter how highly we regard an individual company or management team, it was imprudent of us to have a large portion of Partnership assets exposed to highly cyclical commodity businesses.

The time to invest in commodities is in cyclical downturns following a large price correction. We cannot predict the timing but we are confident that the tides will shift again in the energy space. At some point in the cycle, oil companies will be forced to stop producing at uneconomic prices, consumer demand will rise, and we will experience a rebound in the commodity price. When that happens we are confident that our holdings of energy-related companies, led by managers we regard as Great Capital Allocators, will have taken advantage of the down cycle to improve their competitive positions by some combination of lowering costs, buying assets or making acquisitions.

Our Broken Business short positions

A 5-year bull market in the US general stock market, which we describe as nothing less than exuberant, had a negative impact on the profitability of our short portfolio. While our Broken Business model thesis remains in place, our expectation that the market would come to recognize this largely failed to materialize in the year just ended. Over time we expect this thesis to bear fruit but the cost of getting there has caused us to reappraise our tactics.

Our Investment Performance

Since inception, our annualized net returns are 9.5%, which is just shy of our goal of achieving between 10-15% annualized net returns over time. As we write, annualized net returns since inception again exceed 10%. It should be noted that many investment firms show returns gross of fees, which we believe is misleading.

If you buy the same stocks as other people, you will inevitably get the same outcome. That means that if you want a different (presumably better) outcome, you have to own different stocks than others. However, when you own different stocks your results can no longer be expected to match broad market indices in every period (i.e. quarter or year). In order to achieve superior results, you must be willing to accept periods when your returns differ substantially from broad market indices.

We believe our results have been achieved with minimal risk as 32% of the Partnership's net assets have been held in cash, on average, since inception.

Investment Overview – Constellation Software

In light of the negative drag on results from our energy-related and short investments, the balance of the portfolio performed well. One such example is Constellation Software. When we make an investment in a Great Capital Allocator, like Constellation, we are willing to pay what we consider to be "fair" value for the assets today with the expectation that management can grow value at 15+% annually for many years to come. We expect our return to match the increase in business value over time.

When we invested in Constellation in 2011 we were paying about 12x pre-tax operating income, a little less than our assessment of fair value for the underlying portfolio of software businesses. Management, led by Mark Leonard, had historically compounded per share value in excess of 30% annually through successful acquisitions. We weren't convinced they could sustain that elevated pace but we were confident they could deliver annual value increases in excess of 15%.

Since then we have learned not to underestimate this team. They have managed to grow operating income by 30% annually since mid-2011 without issuing a single share and with a miniscule increase in debt. Independent of the market, we should have expected Constellation's share price to increase by an equivalent amount.

Notwithstanding this performance in earnings it has been accompanied by a dramatic run up in valuation. The stock now trades at 22x pre-tax operating income, a premium to our assessment of fair value. We think part of the reason for the premium is that many Canadian investors, fleeing the energy sector, have gravitated towards stable businesses with dividends (like Constellation). We have recently chosen to reduce our holdings and Constellation now represents a smaller, albeit still meaningful, investment in the portfolio.

Current Portfolio

The current positioning of the portfolio is outlined in the table below:

Ewing Morris Playbook	# of Investments	% of Portfolio
Great Business	6	25
Great Capital Allocator	6	28
Cheap Asset	15	34
Total Longs	**27**	**87**
Broken Business	5	(8)
Hedge/Arbitrage	2	(7)
Total Shorts	**7**	**(15)**
Unrestricted Cash		13
Cash From Shorts		15
Total Cash		**28**
Net Investment		**72**
Total		**100**

The Partnership currently has 87% of net assets invested in 27 long positions which leaves 13% of unrestricted cash. The ten largest investments represent about 55% of assets. This is offset by 7 short positions that account for 15% of net assets. As a reminder, when we short a company, we sell the stock at what we feel is a high price, and then set aside (i.e. restrict) the cash proceeds to repurchase the stock at a lower price in the future.

This means that today we have 28% of total assets in cash but only 13% of that is available for investment. The unrestricted cash level today is sufficient to take advantage of investment opportunities quickly when they arise. With 28% of total assets in cash our net exposure to the market is 72%.

The division of our portfolio among categories is largely determined by availability of ideas with capital divided roughly equally among Great Businesses, Great Capital Allocators and Cheap Assets. The Partnership's investments were 70% in Canada over the period and we continue to allocate a large percentage of assets in smaller capitalization companies where we can take advantage of our relatively smaller pool of capital. The median market capitalization of our long companies is $400 million.

Our efforts remain focused on uncovering attractive investment opportunities and not market trends. We are constantly working to improve the portfolio by finding new opportunities that offer similar return potential with less risk or superior return potential with similar risk.

Global Approach
An important development in the last year was our efforts to look beyond North America for investment ideas. At December 31, 2013 we had about 10% of the Partnership invested in two U.S.-

listed companies and less than 1% invested in a small, U.K.-listed software company. Today, U.S.-listed companies have similar representation (2 companies representing 7% of assets) but we now have six investments in companies listed outside North America that collectively represent 20% of assets.

Outside North America we look for companies that operate in industries with which we are familiar (software, distribution, real estate), operating in Commonwealth countries that have common language, legal systems and culture as Canada. Thus far we have made investments in Australia, New Zealand and the U.K. and John visited all three countries in 2014 as part of our research process.

These investments introduce additional currency risk to the portfolio. In the case of Australia and New Zealand, the currencies historically move in line with the Canadian dollar since all three are commodity-driven export economies. Consequently, we have chosen not to hedge these currencies. In the case of the U.S. and U.K., currency moves can be large thus we have hedged exposure to these currencies.

At the same time, we continue to comb the investment landscape at home. The market for smaller, non-resource Canadian-listed companies is very inefficient because it is small and there are relatively few well-trained analysts studying these businesses. Canada represents 70% of Partnership assets and will remain our primary focus for the foreseeable future.

Our Goal

The fundamental measure of our success will be the wealth we create for our Limited Partners over the long term. This will be a direct result of our goal, not our guarantee, to compound your investment over a reasonable timeframe while minimizing the risk of permanent loss.

We will undertake not to take excessive risks and will continue to sustain our personal level of investment on the same terms as our clients. We will focus our professional efforts entirely towards achieving investment success on behalf of our Limited Partners.

An appropriate timeframe for measurement is at least three and preferably five years. More importantly, the time period should include a variety of market conditions. For instance, a three-year period including 2008 and 2009 (which had large positive and negative market returns) is a much more useful measurement period than the current six year period from 2009-2015 in which the market only advanced upwards. For context, the S&P 500 Total Return Index, in Canadian dollars, has compounded at almost 20% over the past four years, which is high in a historical context and cannot continue indefinitely.

Conclusion

Ewing Morris & Co. continues to grow and the Partnership now has net assets of $88,000,000 and a strong foundation of 73 Limited Partners and 158 Trust investors. Currently no single outside investor accounts for more than 13% of the Partnership assets.

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Our corporate balance sheet remains strong with enough retained capital to withstand any prolonged market downturn as well as finance growth initiatives for the firm. The biggest potential spending requirement for Ewing Morris is for talented people and we remain in a position to hire.

We were delighted to welcome Alexander Ryzhikov to our team as an investment analyst this past year. He is a wonderful investor that is well-read, analytical and commercially-minded. His responsibilities will only grow along with the firm.

While it was a disappointing year for returns, we did not suffer permanent capital impairment and several of our largest holdings have great potential for growth in the years ahead. We remain confident in our ability to generate above-average returns over time.

In creating our firm and structuring the Ewing Morris Opportunities Fund LP, our guiding principle has been to build the firm of which we would want to be clients. It remains too soon to give any serious weight to the Partnership's investment track record, but if you believe in our approach, then being aboard in the early stages of our firm's existence is likely to offer the greatest return over time.

If you have any questions or comments or there is anything in this letter that is unclear, please do not hesitate to contact us.

Cordially,

John Ewing

Darcy Morris

John Ewing
Co-Founder

Darcy Morris
Co-Founder