

April 30, 2013

If you want a really great sled ride, you pick a long hill. It's the same in investing. You look for whatever models cause the equivalent of long hills. – Charlie Munger

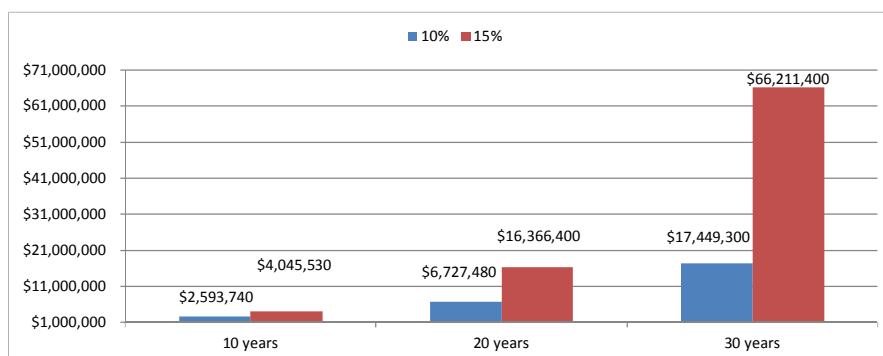
Dear partners and friends,

Investment Update

The Ewing Morris Opportunities Fund is currently invested in twenty-seven (sixteen long, eleven short) understandable and largely unrelated businesses. As of April 30, 2013 the Partnership has returned approximately 18% net of all fees and expenses, since inception on September 9, 2011. Volatility of prices is no deterrent to invest, only a reminder that the path to above average growth is seldom a straight line. As an investor in the Ewing Morris Opportunities Fund we trust you share our view that returns are best considered and measured over time.

Commentary

The key to creating wealth is to compound your money at high rates *for a long time*. Consider the following compounded returns of a \$1,000,000 investment at 10% and 15% for 10, 20 and 30 years:



For investments that one intends to hold for many years, sometimes even decades, one needs to look for businesses where the likelihood of change remains relatively low. These are entrenched companies with established advantages in industries that are unlikely to be disrupted by technological change or obsolescence. These businesses are scarce and opportunities to buy them at an attractive price are rare. The greatest business model that we are aware of is an unregulated monopoly.

One example of a business that fits the above criteria is 407 International Inc., an open access toll highway with unregulated pricing power surrounded by a growing population just north of Canada's largest city, Toronto. Since opening in 2000, the annual operating profit has increased 15% annually from \$90 to \$490 million. The likelihood of someone building a competing highway is low, political intervention is unlikely and, from an investment perspective, we believe that this asset is likely to exist *for a long time*.

Another example is Maple Leafs Sports and Entertainment Ltd. (MLSE) which owns the Toronto Maple Leafs and the Toronto Raptors sports franchises, the Air Canada Centre and BMO Field as well as specialty television networks. MLSE's portfolio of assets command significant pricing power for their limited supply of highly sought after live entertainment content. Recently, the Toronto Maple Leafs made the playoffs for the first time in 9 years and sold out tickets to the first round at a *75% price increase*. It is likely that, win or lose, Torontonians will continue to support the Leafs and Raptors *for a long time*.

When you do get a chance to purchase great businesses at attractive prices you want to invest a meaningful amount of money and you want to be a very reluctant seller. If you can buy-and-hold an asset that compounds for 20 years at 15% per year and then pay one 25% capital gain tax at the end, you will have compounded at an after-tax rate of 13.5%. In contrast, if you made a series of 1-year investments that grew at the same 15%, paying capital gains annually, your compounded return would only be 11.3% per year. The difference of 2.2% over 20 years doesn't sound like much but the buy-and-hold investment is worth *50% more*, after tax.

We currently own four "Great Businesses" and four "Great Capital Allocators" that collectively represent over 70% of the Fund. We think all eight are capable of increasing value over a ten-plus year period of time at an average of 15% annually. There has been zero turnover to-date among the eight and we will continue to be reluctant sellers of these investments.

Miscellaneous

The family of limited partners continues to grow and we are pleased to welcome two new partners into the Fund this month.

We would like to thank our recent intern Robert Kaptyn for a job well done during the winter term. We now welcome Vanessa Piacente to our team as a summer intern. Vanessa is studying commerce at the University of Guelph and plans to graduate in 2014.

As always, please do not hesitate to contact us if you have any questions about this letter or our method of operation.

Go Leafs Go,

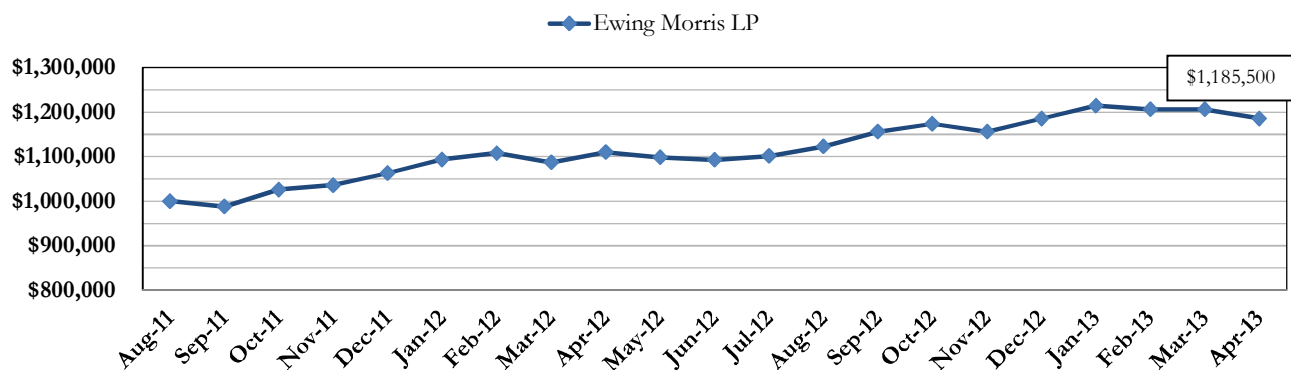


John Ewing
Co-Founder



Darcy Morris
Co-Founder

Growth of \$1 million invested since inception* as of April 30, 2013



*September 11, 2011

About the Ewing Morris Opportunities Fund LP:

The Ewing Morris Opportunities Fund LP was established by John Ewing and Darcy Morris in September 2011 to achieve preservation and growth of capital through superior securities selection. The Partnership invests in securities that are inefficiently priced based on a number of factors. The Partnership is focused on North American-based small-capitalization companies.

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