

April 1, 2013

*“Volatility To Come Back For Extended Periods” – Barron’s, March 22*  
*“Stock Market Volatility In April Coming, Here’s Why” – Forbes, March 26*

Dear partners and friends,

### Investment Update

The Ewing Morris Opportunities Fund LP is currently invested in twenty-four (fifteen long, nine short) understandable and largely unrelated businesses. As of March 31, 2013 the Partnership has returned approximately 20% net of all fees and expenses, since inception on September 9, 2011.

### Commentary

Open the business section or visit the website of your favorite news publication and you will see headlines focusing on short-term events and volatility. When it comes to investing it is little surprise that people are conditioned to associate short-term volatility with risk.

A common solution that we have seen suggested by financial advisors is to switch your investments from stocks into private investments like real estate or infrastructure funds. This strategy tends to calm nervous investors because private investments are usually less volatile than stocks. This thinking doesn’t make sense. ***The reason private investments are less volatile is because they are priced infrequently.*** The underlying risk of an investment has nothing to do with how often it is priced.

Let’s look at the example of Suncor, the largest energy company in Canada. If you owned the stock throughout 2012 (we didn’t), you made about 13%. If you looked at the stock price daily, the high occurred at \$36.23 and the low occurred at \$26.94, a difference of more than \$9 per share. But if you only looked at the stock price quarterly - the end of March, June, September and December - then your ride was a lot smoother. The high was just \$32.57 (lower than \$36.23) and the low was only \$29.08 (higher than \$26.94) for a range of just \$3.50 per share. Restraining yourself from checking stock prices every day will reduce the volatility you experience but it won’t change your return nor will it change your risk because ***in both cases you own the exact same business.***

If you want to minimize *volatility*, we recommend avoiding looking at the market through the lens of the daily news headlines and checking prices less frequently. But if you want to minimize *risk* you should invest in a portfolio of unrelated, understandable companies, pay appropriate prices and avoid leverage. This describes our approach at Ewing Morris.

### Miscellaneous

PricewaterhouseCoopers have completed their audit of the Fund’s 2012 financial statements. The financials, along with our Annual Letter to Limited Partners, have been mailed and should be received within a week. Please let us know if you have not already received your T5013 tax slips in

the mail.

The Partnership remains open to new limited partners and we continue to believe that joining us in the early stages of our existence is likely to offer the greatest return over time. If you are aware of anyone that may be interested in learning more about our firm, we would welcome the opportunity to speak with them.

If you have any questions at all please let us know.

Cordially,

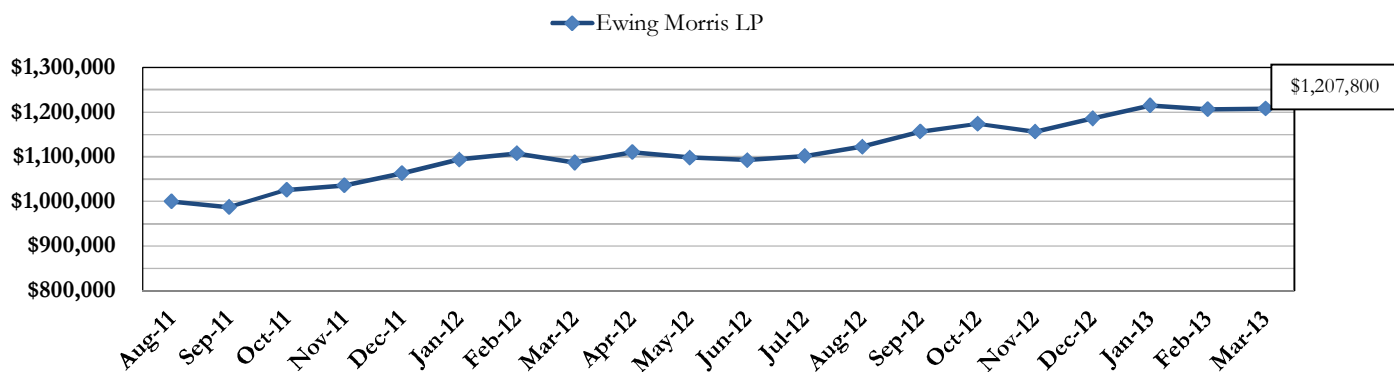


John Ewing  
Co-Founder



Darcy Morris  
Co-Founder

Growth of \$1 million invested since inception\* as of March 31, 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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*This letter does not constitute an offer to sell or the solicitation of an offer to buy any interest in the Ewing Morris Opportunities 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 are only available to investors who meet legal requirements for investor suitability and sophistication.*