EWING MORRIS
INVESTMENT PARTNERS LTD.

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January 3, 2019

Dear Friends and Partners,

Investment Update

We have now completed our seventh full-year of investment operations. The following table summarizes our investment performance, net of all fees and expenses, as well as the performance of well-known and widely-followed investment alternatives.

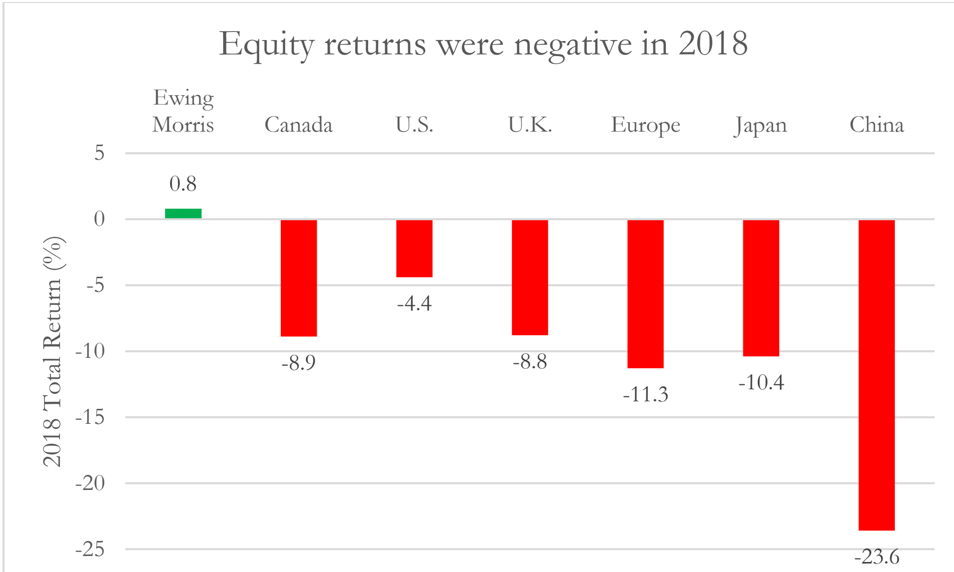
Year	**Ewing Morris Opportunities LP Class A**[1]	S&P 500 Index with Dividends Included	S&P/TSX Index with Dividends Included
2018	**0.8%**	-4.4%	-8.9%
Since Inception (Annualized)	**9.3%**	13.5%	5.1%
	Ewing Morris Flexible Fixed Income LP Class P[2]	iShares U.S. High Yield Bond Index ETF (CAD-Hedged)[3]	iShares Canadian Corporate Bond Index ETF[3]
2018	**4.7%**	-3.6%	0.3%
Since Inception (Annualized)	**8.9%**	6.1%	2.3%

The true investment challenge is to perform well in difficult times and 2018 certainly qualifies as "difficult times". This past year is one that most investors would like to forget. But before you do, let us review our results and our outlook for 2019. As a reminder, we will provide more detailed analysis of 2018 results in our Annual Letter, along with your audited financial statements, which will be distributed in March 2019.

Year in review

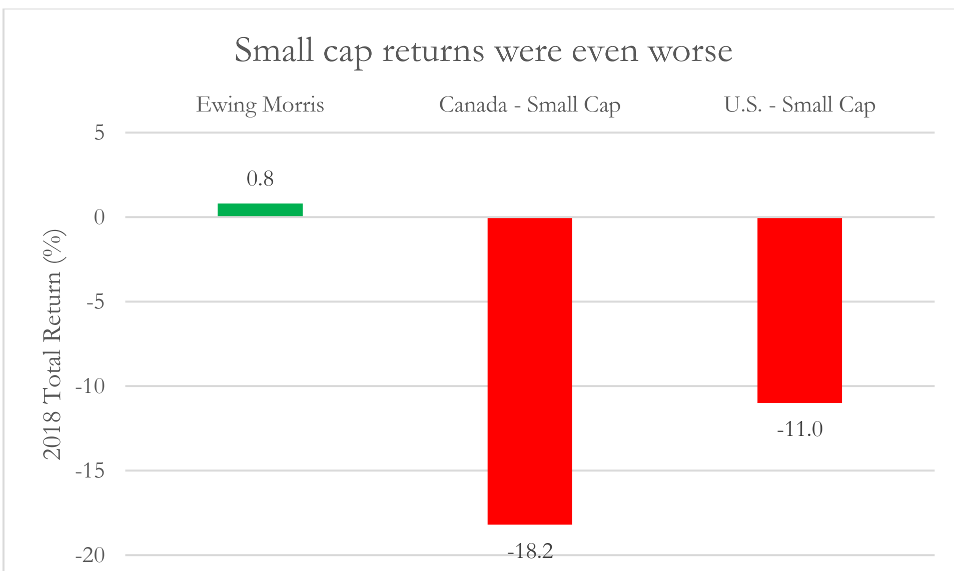
Opportunities Fund
Our investment objective is to generate above-average returns over time without taking excessive downside risk. Therefore, our modest gain in 2018 should be understood within the context of exceedingly negative returns for stocks of all stripes:

[1] Results are estimates as of December 31, 2018 and are net of all fees and expenses. Fund inception was September 9th, 2011.
[2] Results are estimates as of December 31, 2018 and are net of all fees and expenses. Fund inception was February 1st, 2016.
[3] Note: Low-cost, index tracking funds; representative of an individual's opportunity cost in fixed income.



Source: Bloomberg; S&P/TSX, S&P 500, FTSE 100, Euro Stoxx 50, Nikkei and Shenzen indices

In fact, smaller companies (our specialty) performed even worse:



Source: Bloomberg; S&P/TSX Small Cap and Russell 2000

We avoided this small cap market carnage because the composition of our equity portfolios look nothing like broad equity benchmarks. The biggest contributor to returns was WesternOne, which was sold to United Rentals in October. This was a strong example of how the Ewing Morris team can work together to unlock value for shareholders - we were the largest shareholder, largest bondholder and had board representation. We will detail the WesternOne case study in our Annual Letter.

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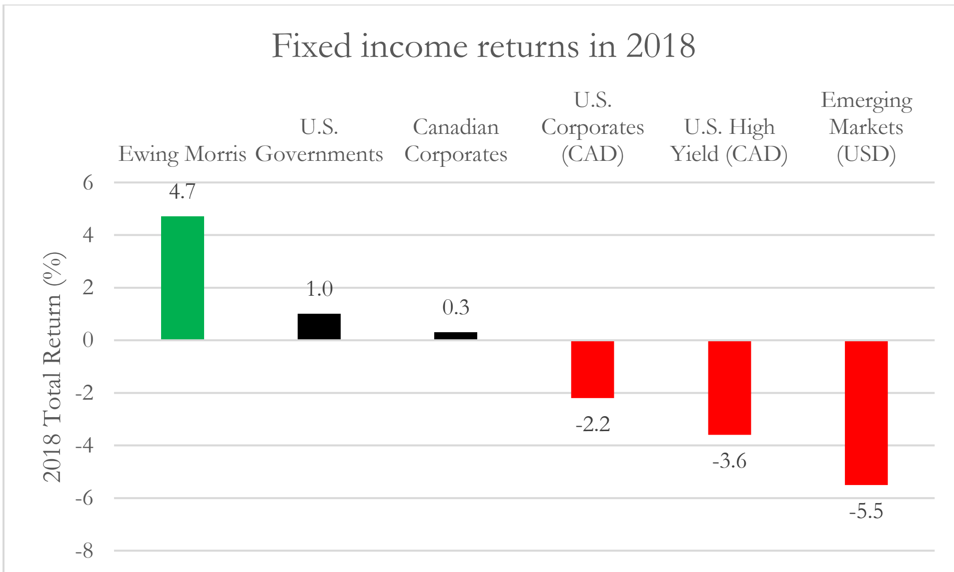
Flexible Fixed Income Fund

Most people own bonds to generate income and provide stability to counterbalance their equity investments. Given those objectives, 2018 was an exceedingly disappointing year for fixed income investors with most sub-categories of bonds posting negative returns in 2018:



Source: Bloomberg; IEF, XCB, LQDH, EMB, XHY

A rare bright spot in this sea of darkness was the Ewing Morris Flexible Fixed Income Fund LP which returned positive 4.7% in 2018, more than 800 basis points above its high yield benchmark which declined by 3.6%. Our focus on attractive, often overlooked situations, along with our use of uncommon risk management tools like equity hedging, combined to deliver this rare positive outcome.

We expect fixed income markets to be volatile in 2019 (more below). We welcome this volatility as it is usually the prelude to investment opportunity. As we make investments in more turbulent conditions, it would be reasonable to expect somewhat larger short-term fluctuations in our results compared to our history (as a reminder, our worst month since inception was just -0.3%). Despite the potential for larger short-term fluctuations, our capital preservation focus remains unchanged and we maintain our belief that a negative return over the course of a 12-month period, while unlikely, would be surprising.

Investment Opportunity - Leveraged Loan Market

We are excited about a recent addition to both portfolios; a short position on the leveraged loan market, an area we believe is at risk of implosion. Leveraged loans are loans typically made to heavily indebted companies owned by private equity firms. Loans pay a floating interest rate that moves with prevailing interest rates. The asset class has doubled in size over the past 5 years (surpassing the high yield bond market) as investors seek to benefit from generally rising rates. There have been recent warnings from both the Federal Reserve and International Monetary Fund about the declining credit quality of the asset class. Compounding the issue is that many of these loans are held in mutual funds that offer daily liquidity. This is a problem because loan trades often take weeks to settle. This mismatch creates substantial liquidity risk for investors looking to exit. We anticipate stress in this market and are well positioned to benefit from several short positions across both the Opportunities Fund and the Flexible Fixed Income Fund. We also anticipate that this stress will create some mouth-watering buying opportunities. We stand ready to take advantage of those, should they appear.

Outlook

Many investors are nervous, with good reason: political uncertainty, trade disputes and rising interest rates are among the most obvious. Another challenging year would not surprise us.

But before investors defer all investment decisions, they should recognize that successive years of negative returns are rare for stocks and unprecedented for high yield bonds. A strong recovery in 2019 would not surprise us either.

As we enter the new year, we remain primarily focused on uncovering compelling investment opportunities in companies that are undervalued, have an ability to withstand adversity (i.e. strong balance sheets and resistance to industry change) and that are run by management teams we trust. Our current collection of small and mid-sized companies continue to perform well and the recent sell-off has made valuations more attractive. If we can continue to identity such opportunities, then we believe our investment results will take care of themselves.

Miscellaneous

This is your annual reminder that 2018 RRSP contributions are due by the end of February 2018 (there is no deadline for TFSA contributions). The annual RRSP dollar limit is $26,230. We recently launched an RRSP-eligible version of our Flexible Fixed Income Fund. Please let us know if we can help facilitate your 2018 RRSP or TFSA investments for either fund.

PwC has begun their annual audit and we will deliver our comprehensive Annual Report to Limited Partners and final tax information by the end of March. Investors will receive their year-end investment statements within the first two weeks of January.

Lastly, our Annual Meeting will take place on Tuesday, April 9, 2019 at the Toronto Reference Library. We will host a comparable session in Calgary on Tuesday, April 2nd at the Petroleum Club. We look forward to seeing you there.

Yours sincerely,

John Ewing

John Ewing
Co-Founder

Darcy Morris

Darcy Morris
Co-Founder

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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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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. The Ewing Morris Funds have flexible investment mandates. Therefore, the Ewing Morris Fund's compositions are materially different than major indices listed. We have listed the above indices because they are representative of widely known and followed investment alternatives. The information contained herein reflects the views of Ewing Morris as of the date of publication. These views are subject to change without notice at any time subsequent to the date of issue. 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. While the information is believed to be reliable, no representation or warranty is made concerning the accuracy of any data presented. There can be no guarantee that any projection, forecast or opinion will be realized.