



Ewing Morris Opportunities Fund LP

An investment partnership managed by Ewing Morris & Co. Investment Partners Ltd.

Investor Presentation February 2019

Ewing Morris & Co. Investment Partners Ltd.
1407 Yonge St., Suite 500 | M4T 1Y7 | Toronto ON
www.ewingmorris.com | 416.640.2791

STRICTLY PRIVATE AND CONFIDENTIAL

Who is Ewing Morris & Co.?

Our Firm

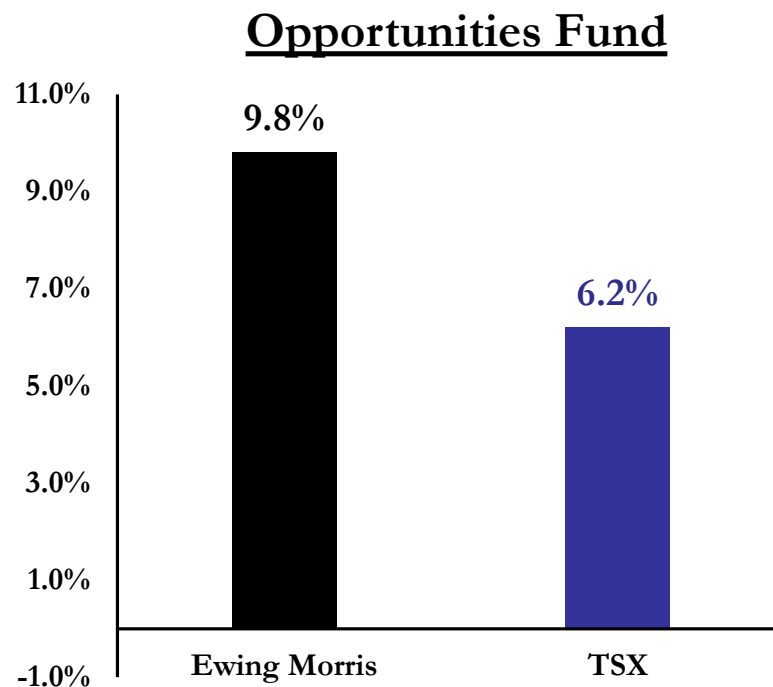
- ▶ Toronto-based; founded in 2011
- ▶ Manage \$338 million for individuals & institutions
- ▶ We are our biggest client (\$50mm)
- ▶ Partner-owned firm; no succession risk
- ▶ 6 investment professionals; 80 years of cumulative experience

Our Philosophy

- ▶ Capital preservation is top priority
- ▶ Target less competitive market niches (small cap stocks)
- ▶ Concentrated portfolio
- ▶ Business analysts, not traders

How Have We Done?

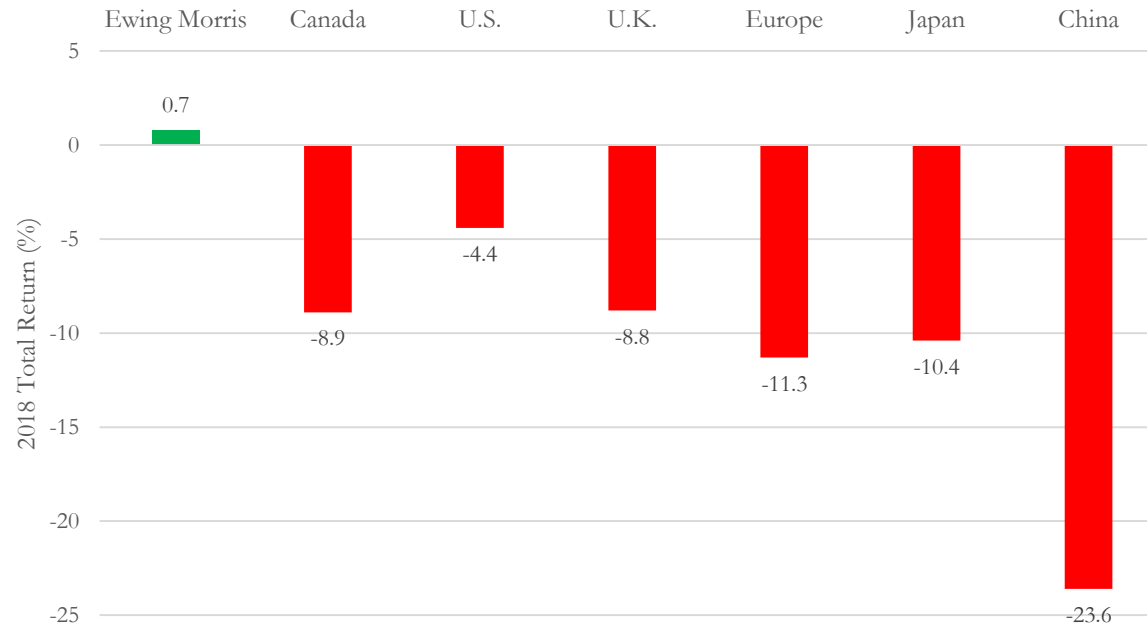
Net returns since inception of each Fund



Returns as of January 31, 2019. Past returns are not indicative of future performance. Fund returns are net of all fees and expenses. Inception date for the Opportunities Fund LP was September 9, 2011. The net return of the TSX is since the inception date of the Opportunities Fund. The benchmark return is represented by the S&P/TSX Total Return Index. We have listed this fund as it is representative of a widely known & followed Canadian equity benchmark

How did we do in 2018?

Opportunities Fund LP



Returns as of December 31, 2018. Past returns are not indicative of future performance. Inception date for the Opportunities Fund LP was September 9, 2011. The Opportunities Fund returns reflect Class A –Master Series. Benchmark Source: Bloomberg; S&P/TSX, S&P 500, FTSE 100, Euro Stoxx50, Nikkei and Shenzhen indice.

What Makes Us Different?

Where do we play? How do we win?

- ▶ Unique portfolio composition
 - Small/mid cap focus
 - Focused portfolio
 - Flexible mandate
 - ▶ Deep research (Boyd example)
 - ▶ Fund size advantage
 - ▶ Integrated debt/equity team
-

How Do We Do It?

Unique "Playbook" investment strategy used to classify each investment and help maintain a disciplined investment approach

Great Businesses <i>= Good Economics</i>	Great Capital Allocators <i>= People</i>
Broken Businesses <i>= Poor Economics</i>	Cheap Assets <i>= Price</i>

Case Study – Mattel

Messy Situation

- ▶ Lost Disney license in 2014
- ▶ Toys “R” Us bankruptcy (2017)/liquidation (2018)
- ▶ Four CEOs in three years

Credit Market Perspective: Scared

- ▶ Long bonds (due 2041) trade at ~80% of face value
- ▶ Bonds downgraded to junk in Q4 2017
- ▶ Leverage is high vs. trailing EBITDA

Equity Market Perspective: Optimistic

- ▶ Market believes in the turnaround

Ewing Morris Perspective: They’re both wrong

Data source: Capital IQ

Why Now?

Opportunities Fund

- ▶ We anticipate positive catalysts across a number of investments in the next 12-18 months
- ▶ Maintain strong defensive position
 - Short book = 31% gross short*
 - Fixed income >20% of the portfolio*

*As of January 31, 2019

Key Terms

Alignment of interests	100% of John Ewing and Darcy Morris investable assets are invested in the Fund
Fees	Class A: 1.50% annual fee + profit allocation ⁽¹⁾ , 15-day redemption notice period Class MT: 1.25% annual fee + profit allocation ⁽¹⁾ , 12-month redemption notice period Class LT: 1.00% annual fee + profit allocation ⁽¹⁾ , 24-month redemption notice period
Perpetual High Water Mark	If an investor suffers a loss, the 20% profit allocation does not start accruing until after the previous losses have been recouped + 4% hurdle rate
Lockup provision	None
Liquidity	Monthly (2% early redemption fee payable to LP)
Reporting	Monthly investment statements and pricing Quarterly commentary Annual Limited Partners Meeting
Custodian/Prime Broker	TD Securities
Legal	Borden Ladner Gervais LLP
Auditors	PricewaterhouseCoopers LLP
Fund Administrator	SS&C Commonwealth Fund Services

(1) 20% of profits over a 4% hurdle rate.

Appendix

Portfolio Manager



John Ewing, CFA

- ▶ Chief Investment Officer and Opportunities Fund Portfolio Manager
- ▶ Co-founded Ewing Morris & Co. Investment Partners in June 2011
- ▶ Former V.P. and Director of Research at Burgundy Asset Management
- ▶ Honours BSc(Eng), University of Guelph, 2005:
 - Minor in Business Administration
 - President's Trophy as Guelph's top student-athlete in 2005
- ▶ Investment Committee, University of Guelph

Experienced Team

Investment Team

<u>Investment Partner</u>	<u>Background</u>	<u>Industry Experience</u>	<u>Investment Partner</u>	<u>Background</u>	<u>Industry Experience</u>
John Ewing	Burgundy	12 years	Randy Steuart	Norrep, Marret	13 years
Darcy Morris	Burgundy	12 years	Alex Ryzhikov	Burgundy	9 years
Lee Matheson	Broadview, AIC	16 years	Anthony Hammill	Broadview, AIC	20 years

Advisory Board

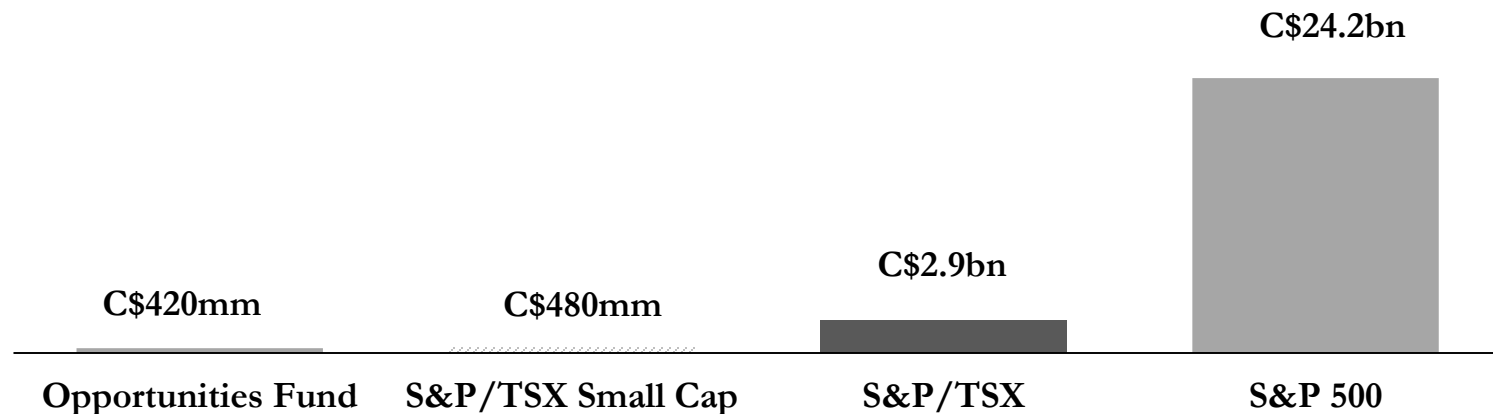
Martin Connell, O.C.	Former CEO & Chair of Conwest Energy, Co-Founder of Ace Bakery	Rosamond Ivey	Head of JRS Investments	Harry Rosen, O.C.	Founder of Harry Rosen, Inc.
Ira Gluskin	Co-Founder of Gluskin Sheff	John MacIntyre	Founder & Principal of Birch Hill Private Equity	Bill Stedman	Former CEO of Pembina Pipeline, former CEO of ENTx Capital
Linda Haynes, O.C.	Co-Founder of Ace Bakery	David Peterson, O.ONT.	Chair of Cassels Brock, former Premier of Ontario	David Wilson	Former Vice-Chairman of Scotiabank, former Head of Ontario Securities Commission

Size Advantage

Focused on overlooked and undervalued small capitalization companies

The median market capitalization of the Opportunities Fund is C\$420 million

Median Market Capitalization



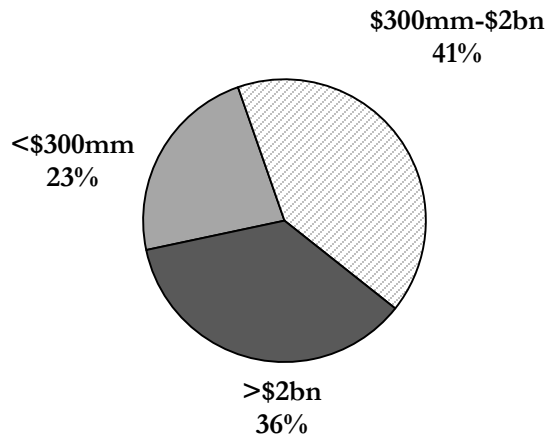
Source: Capital IQ, December 31, 2018. We have listed these indices because they are representative of widely known & followed North American equity benchmarks.

Flexibility Advantage

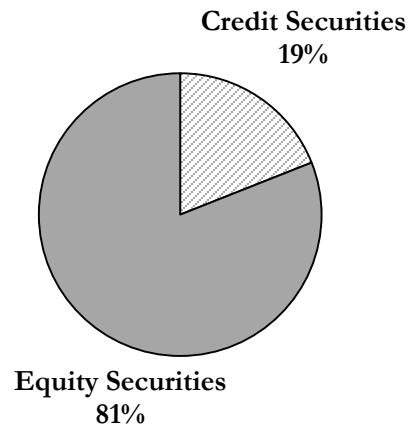
Unconstrained from traditionally rigid and inflexible investment mandates

Opportunities Fund portfolio

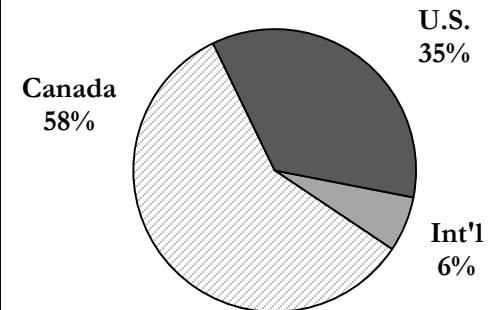
**Market Capitalization
Breakdown⁽¹⁾**



**Capital Structure
Breakdown⁽²⁾**



**Geographic
Breakdown⁽³⁾**



(1) Market capitalization breakdown of equity positions

(2) In terms of gross exposure, December 31, 2018.

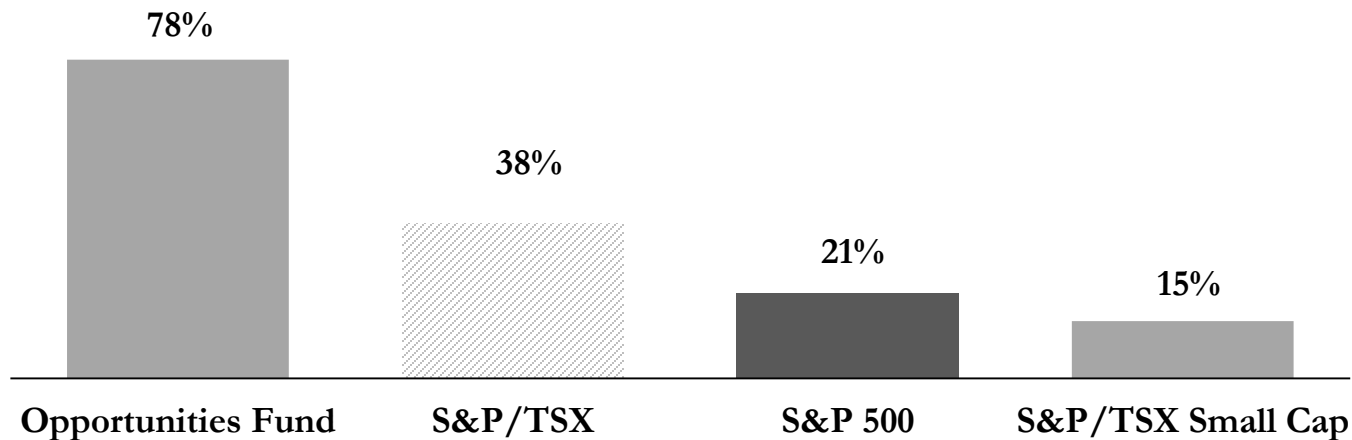
(3) In terms of net exposure [gross long – gross short], December 31, 2018.

Focus Advantage

Meaningful holdings in highest conviction investments

The Top 10 investments account for 78% of the Opportunities Fund portfolio*

Top 10 Investments*



*Breakdown of Top 10 Investments provided later in presentation. We have listed these indices because they are representative of widely known & followed North American equity benchmarks.

Source: S&P Dow Jones Indices as of December 31, 2018.

Contact Us

Darcy Morris	CEO & Investor Relations	darcymorris@ewingmorris.com 416.406.4802
--------------	--------------------------	--

John Ewing	Portfolio Manager	johnewing@ewingmorris.com 416.640.2792
------------	-------------------	--

William Jones	Investor Relations	williamjones@ewingmorris.com 416.317.0050
---------------	--------------------	--

Disclaimer

This document does not constitute an offer to sell units of the Ewing Morris Opportunities Fund LP. Units of the Ewing Morris Opportunities Fund LP are only available to investors who meet investor suitability and sophistication requirements. The Fund has a flexible investment mandate. Therefore, the composition of the Fund is materially different than major indices.