

July 3, 2015

*“But in the end, the spirit about compliance is as important or more so than words about compliance. I want the right words and I want the full range of internal controls. But I also have asked every Salomon employee to be his or her own compliance officer. After they first obey all rules, I then want employees to ask themselves whether they are willing to have any contemplated act appear the next day on the front page of their local paper, to be read by their spouses, children, and friends, with the reporting done by an informed and critical reporter. If they follow this test, they need not fear my other message to them: Lose money for the firm, and I will be understanding; lose a shred of reputation for the firm, and I will be ruthless.”* – Warren Buffett, opening statement before Subcommittee of the U.S. House of Representatives, 1991

Dear Friends and Partners,

### Investment Update

Since launching in September 2011, the Fund has returned approximately 44%, or 10% annually, as of June 30, 2015. For the first half of 2015 the Ewing Morris Opportunities Fund LP returned 6.5%, net of all fees and expenses.

### Commentary

Since our firm’s inception, our letters have communicated many of our investment philosophies and principles. Over that same time, an area of the broad financial industry that has received much publicity is the ever evolving, and increasingly challenging, regulatory landscape in which we operate. For example, JP Morgan has hired an additional 8,000 compliance personal since 2008 to handle this increased burden. We thought it would be useful to share with you how we think about compliance and our regulatory responsibilities, as well as highlight what this means for our Limited Partners.

The regulation of our financial markets has evolved rapidly over the past decade, driven by headline events such as Madoff, the US credit crisis, the London whale, and the Libor & FX scandals to name a few. Once distilled, common themes emerge among these major events and the subsequent regulator reactions around the globe. These include increased investor protection, systemic risk mitigation and enforcement. These themes are also very much the focus of our primary financial regulator, the Ontario Securities Commission (OSC), and subsequently a major focus for Ewing Morris.

### How do we navigate this regulatory environment?

We think about our regulatory approach using our guiding principle of building a firm of which we would want to be a Limited Partner. Our regulatory playbook consists of three plays that position us to stay on top of our regulatory fiduciary responsibilities.

- 1. Dedicated people** – Compliance is not an afterthought, it’s a focus. Currently two of the six full time people at Ewing Morris are dedicated to ensuring our operations are compliant with industry standards and regulatory requirements. We are also fortunate to have a former Chairman of the OSC sit on our Advisory Board. Furthermore, in the spirit of Warren Buffett’s

testimony, each person at Ewing Morris is tasked with being one's own personal compliance officer.

- 2. Diagnostic tools** – Timely access to pertinent regulatory information is essential. We conduct weekly monitoring of the regulatory websites to flag information that could potentially affect our business. A member of our team, Matt Irwin, also sits on an internal OSC Advisory Committee, gaining first hand access to how regulatory decisions affect industry participants and positively influencing policy for our firm and our Limited Partners. We partner with industry leaders in legal, tax, assurance and banking (Borden Ladner Gervais, PricewaterhouseCoopers, TD, Shimmerman Penn and Apex Fund Services) as well as various industry associations who provide supporting information. Lastly, negative newspaper headlines are often a leading indicator for what regulators will be targeting next. These resources, and others, help us stay prepared.
- 3. Internal controls** – A firm's internal controls must not be static. They must evolve with, and where possible in advance of, ever-changing regulations. On top of constantly testing our controls internally, we incorporate two external tests. Firstly, we have adopted an industry best practice by becoming compliant with the CFA Asset Manager Code of Professional Conduct. Secondly, we engage a third party partner, AUM Law, to provide a mock audit of our compliance and regulatory system every two years.

If we ever find ourselves to be in violation of our fiduciary regulatory and compliance responsibilities you will not learn about it in the newspapers. We will be pro-active and candid with all our Limited Partners, communicating both good news and bad.

As part of the Canadian regulator's focus on investor protection and transparency, they have introduced legislation to enhance investment statements. This legislation, called CRM2, rolls out in three phases over three years, with the second phase coming into effect by the end of 2015. Ewing Morris has been working with our business partners to prepare these statements in advance of year end. Limited Partners can expect to receive their new statements, communicating enhanced rate of return metrics and cash movement information, this August.

We think our framework for compliance with our regulatory responsibilities works. While we navigate the ever-changing regulatory landscape, you can rest assured we will invest in the appropriate resources to properly address the regulatory issues of the day. Today we feel comfortable we have the right resources in place to address the current and foreseeable landscape.

### Miscellaneous

We would like to welcome Perry Schultz to the team. Perry joined us in April and prior to that worked in an operational role at Leon Frazer Investment Counsel. His full-time presence will help strengthen operations at Ewing Morris.

This past spring the Ewing Morris team, and four investors, took a RV road trip to Omaha, Nebraska to attend Berkshire Hathaway's Annual General Meeting. In addition to teambuilding and learning, Alex Ryzhikov now holds the distinct honour of being the first in line for this historic 50<sup>th</sup>

AGM after lining up the night prior. The full story and the Omaha World Press newspaper article can be found on our blog ([blog.ewingmorris.com](http://blog.ewingmorris.com)).

The Ewing Morris Opportunities LP remains open to new investors. If you are aware of anyone that may be interested in learning more about our firm, we would be pleased to speak with them.

As always, please call us directly at 416-640-2791 if you have any further questions.

Cordially,

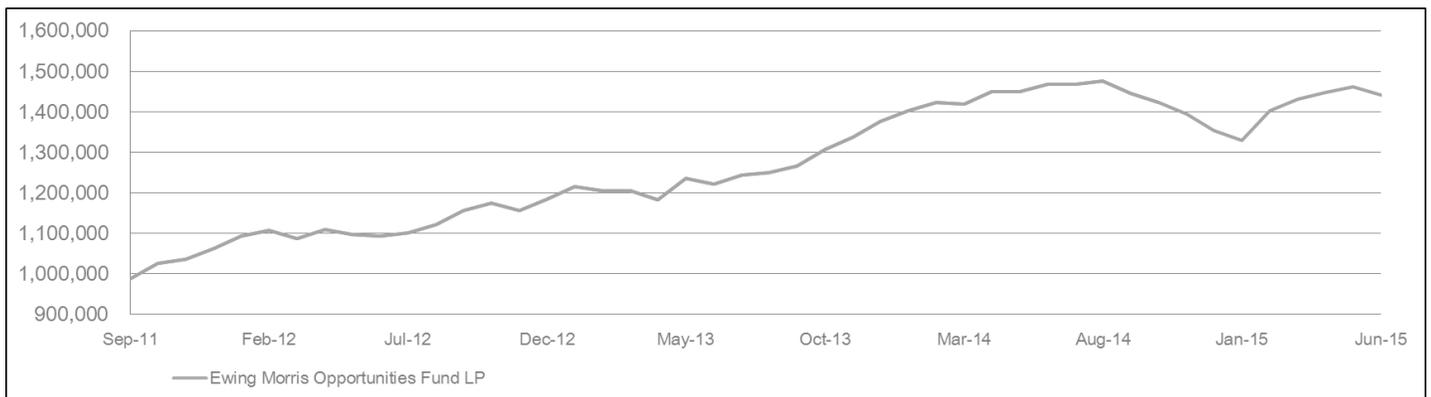


John Ewing  
Co-Founder



Darcy Morris  
Co-Founder

Growth of \$1,000,000 invested since inception\* of LP as of June 30, 2015



\*September 11, 2011, net of fees and expenses

**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.*