LionGuard Capital Management Inc.
1010 Sherbrooke Street West, Suite 1800
Montréal (Québec) Canada H3A 2R7
www.lionguardcapital.com

LIONGUARD OPPORTUNITIES FUND LP
QUARTERLY REPORT – JUNE 2015

Dear Friends and Investors,

During the quarter ended June 30, 2015, LionGuard Opportunities Fund LP ("Fund") had a positive net after fees return of 5.83% (based on Class S units). This compares favorably to the S&P/TSX Total Return Index ("Index"), which was down by 1.63% during the same time frame.

Since inception on October 1, 2014, the Fund had a positive net after fees return of 18.30% versus the Index, which was down by 0.57%. Note that Index returns are provided for illustration purposes only and it is best to judge Fund's performance on an absolute basis.

One of the distinctive features of our Fund is its ability to hold sizable cash levels. Most investment funds, as per their offering documents, are required to be fully invested at all times. In our view optionality of using cash when market opportunities present themselves is of great benefit to sensible investors with long-term investment horizon. If history is an indication of the future, then we can expect to see recurrence of events when stock market participants, as a group, award market prices to publicly traded businesses that are largely different from those businesses' intrinsic values.

There are two main challenges with this business operation: 1). predictability of irrational behavior by market participants cannot be forecasted and 2). intrinsic value calculation has to be at least "nearly accurate".

Since first challenge cannot be overcome with any reasonable degree of certainty, optimal investor behavior, in our opinion, should be to hold sizable levels of cash at practically all times and to utilize them solely when significant opportunities present themselves.

Second challenge entails an in-depth understanding of underlying companies' operations, which takes time to accomplish and in some cases simply cannot be obtained without specialized expertise in the subject matter. Even with most diligent preparation and proper expertise, results may prove less than satisfactory when businesses have outside factors, which have little predictive ability and which at the same time have material impact on the "true value" of the business. Optimal investor behavior to address this challenge is to narrow investment operations to businesses, which can be properly evaluated given one's circle of competence and which do not have identifiable factor(s) that can materially derail intrinsic value calculation. In other words, rational investor should limit their investment operations to companies with limited distribution of intrinsic values outcomes, under varying set of assumptions.

Based on discussion above, cash can be viewed as an investment instrument with its own set of utility enhancing characteristics. Discounting such future benefits to present time, at a rate corresponding to foregone benefits of cash usage in interim, may indicate that today's cash balances are actually worth more than what one's statement may indicate.

During the quarter, some of our biggest gains came from positions in Tucows, Nobilis Health and Western Forest Products. On the flip side, our detractors included EnWave and Terra Firma. Some comments on these companies' operations should provide greater clarity on how we operate.

Tucows Inc. ("Tucows") operates two types of businesses. First is a domain names business, similar to that of "Go Daddy" (note that Go Daddy went public earlier this year). Domain names business has been generating excellent cash flow, which the company has been using to finance growth of their second business, Ting. Ting is a mobile virtual network operator (MVNO), in other words a low cost provider of cell phone services, in the U.S. Ting is growing very fast organically, which translates into margin expansion and excellent profitability metrics for the company. Management of Tucows is very savvy and found ways to leverage their existing infrastructure in the domain names business to efficiently launch and operate Ting. Certainly creating differentiation in MVNO space is not an easy task and the way Ting is approaching this challenge is by focusing on excellent customer service. Latest consumer reports indicate that Ting is at the top of the consumer ratings. Altogether, we believe that Ting will continue gaining market share and management will continue to find creative ways to efficiently allocate excess capital. Any surplus of capital has been used to buy back shares, a practice which we applaud.

Nobilis Health Corp ("Nobilis") owns and operates outpatient surgery centers across the U.S. In addition to well-managed healthcare operations, they also own a marketing company, which has been very efficient in increasing occupancy rate at their centers. Management has successfully engineered several acquisitions and subsequently succeeded in increasing throughput at the newly acquired centers. In our opinion, putting a great marketing machine on top of established foot-print of OSC's, is a good business model. Given big number of stand-alone OSC's within their same geographic area where Nobilis operates, we would not be surprised to see more accretive M&A activity from the company.

Western Forest Products ("Western Forest") is a forestry company based on Vancouver. Western Forest has a good foot print of sawmills located alongside British Columbia coast. One differentiating aspect of this company, is their ability to quickly switch between species of wood, to address changing market conditions. As a result, they can ship product to address the needs of both Asian (in particular Japanese and Chinese) and North American markets. This characteristic allows for better optimization of returns on capital employed into the business. The Company is run by savvy management team and it generates good amount of free cash flow. Returns on assets and returns on equity metrics are impressive. Lastly they pay sizable (at currently 3.7%) dividend yield, which in our opinion is sustainable.

EnWave Corporation ("EnWave") is engaged in development and commercialization of dehydration technology for the application in food, pharmaceuticals and other areas. Their patented Radian Energy Vacuum (REVT) dehydration technology provides for materially better solution than freeze drying alternative by achieving faster, cheaper and much better quality outcome. Although EnWave is still in early innings of global adaptation of its technology, we are starting to see orders from highly sophistical customers (Hormel Foods, Natural Nutrition, world`s leading coffee chain etc.) and their pipeline of new orders is highly robust. We also welcome recent addition of Mr. John Budreski as Executive Chairman and agree with the company`s business model focused on creating stream of perpetual revenues.

Terra Firma Capital Corporation ("Terra Firma") is a real estate finance company that offers property owners customized debt and equity solutions. Over years of operating in Greater Toronto Area (GTA), Terra Firma has been able to generate internal rates of return on originations exceeding 15%, with practically no losses to speak of. Key differentiating aspect of their operating model is their ability to syndicate, on a no recourse basis, portion of loans to high net worth individuals. This materially de-risks the portfolio and increases IRR to equity holders. Following on years of profitable and prudent lending in the GTA, Terra Firma is now looking to expand its operations in the United States. To that end, at the end of last year, they added to their team Mr. Glenn Watchorn. Prior to Terra Firma, Mr. Watchorn was a Co Chief Operating Officer of Tricon Capital Group Inc., a North American residential real estate investment company where he was responsible for investment strategy and for the sourcing, underwriting and management of investments in the U.S. and Canada. We believe that there is a big market for Terra Firma in the U.S. and that Glenn is the right individual to prudently address it.

May you have any questions, feel free to contact us at any time.

Yours sincerely,

Andrey Omelchak, CFA, FRM, MSc
President & Chief Investment Officer
LionGuard Capital Management Inc.

Erik Ross, DMS, FCSI
SVP, Head of Trading & Operations
LionGuard Capital Management Inc.