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**EdgePoint Global Portfolio**  
**Annual Management Report of Fund Performance**

*For the Period Ended December 31, 2009*

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This annual Management Report of Fund Performance (MRFP) contains financial highlights but does not contain the annual financial statements of the Fund. The annual financial statements are a separate document which has been included at the back of the MRFP. You can obtain a copy of the annual financial statements at your request, and at no cost, by calling toll-free 1-866-757-7207, by writing to us at EdgePoint Wealth Management Inc., 1000 Yonge Street, Suite 200, Toronto, ON, M4W 2K2, or by visiting our website at [www.edgepointwealth.com](http://www.edgepointwealth.com) or the SEDAR website, at [www.sedar.com](http://www.sedar.com).

Similarly, unitholders can obtain a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.

Every effort has been made to ensure that the information contained in this report is accurate as of December 31, 2009; however, the Fund cannot guarantee that accuracy or the completeness of this material. Please refer to the Fund's prospectus and audited annual financial statements for more information.

*For the Fund's current and historical net asset values per unit, please visit our website at [www.edgepointwealth.com](http://www.edgepointwealth.com).*

### **Caution regarding forward-looking statements**

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the above mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report on Fund Performance.

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## Management Discussion of Fund Performance

This management discussion of fund performance presents views of the portfolio management team about the significant factors and developments that have affected the Fund's performance and outlook.

Please read the caution regarding forward-looking statements located on the first page of this document.

## Investment Objectives and Strategies

The Fund seeks to provide long-term capital appreciation by investing primarily in global companies that have strong competitive positions, long-term growth prospects, and are run by strong management teams. We (the portfolio management team) acquire ownership stakes in these companies at prices below our assessment of each company's true value.

We are long-term investors with an investment horizon of greater than three years. We believe that the best way to buy a business at an attractive price is to have an idea that is not widely shared by others – what we refer to as a *proprietary insight*.

Our approach is deceptively simple. We buy good, undervalued businesses and hold them until the market fully recognizes their potential. Following this approach requires an ability to think independently and a commitment to embrace the thorough research that is required to uncover opportunities the market doesn't fully appreciate.

## Risk

We believe risk is best managed by applying in-depth thorough research to each investment idea in order to understand the risks of the individual business, and this is weighed against its return potential. We take a common sense approach to risk by assessing how much money can be lost and the probability of losing it. While this approach may seem overly simplistic, it provides vital clarity about the true investment risks.

There were no significant changes during the period that affected the overall level of risk associated with the Fund.

As discussed in the Prospectus, the overall risk of investing in the Fund remains moderate and is appropriate for investors with a long-term investment horizon. There are several types of risks that include, but are not limited to:

### Concentration risk

Concentration risk can occur by holding a small number of investments which may reduce the diversification and liquidity of the Fund. We invest with conviction, and as a result, the portfolio is concentrated in our best ideas. This concentration allows individual portfolio holdings to have a meaningful impact on returns. It also allows us to have more

in-depth knowledge about each company in our Fund, a key element in reducing the potential risk of an investment. As at December 31, 2009, EdgePoint Global Portfolio was diversified into 33 different business ideas.

### Currency risk

The Fund is valued in Canadian dollars however it invests in foreign securities that are denominated in foreign currencies. In order to reduce the impact of short-term currency fluctuations, we may employ currency hedging. Specifically, we may hedge a portion of our U.S. dollar exposure depending on our view of its relative value using purchasing power parity (PPP) as a guide.

As at December 31, 2009, the Fund's exposure to the U.S. dollar as a percentage of total net assets was approximately 81% of which approximately 6% was hedged.

## Results of Operations

### Investment Performance

For the 12-month period ended December 31, 2009, EdgePoint Global Portfolio, Series A returned 28.2% versus an increase of 11.1% (C\$) for its benchmark, the Morgan Stanley Capital International (MSCI) World Index. Please refer to the *Past performance* section for the performance of the other series. The performance of the other series offered by the Fund differs from Series A due largely to the varying level of expenses incurred by each series, as explained in the Prospectus.

While we provide these results due to the disclosure requirements of this report, we measure investment success over periods of ten years or more and believe it takes considerable skill to consistently add value over the long term. We don't believe any meaningful conclusions can be drawn based on a short time period of only one year.

### Meaningful contributors to investment results:

Research In Motion Ltd.  
Interface Inc.  
International Game Technology  
International Rectifier Corp.  
Harman Intl. Industries

As a group, these companies contributed approximately 15% to overall portfolio performance.

### Meaningful detractors from investment results:

AMN Healthcare Services Inc.  
Ryanair Holdings PLC  
Pool Corp.  
Connaught PLC  
GameStop Corp.

As a group, these companies detracted approximately 3% from overall portfolio performance. With the exception of

GameStop (discussed below), we continue to hold these companies as we still believe in our original thesis and their long-term value.

### **Portfolio transactions**

#### Businesses purchased

Over the past year, the Fund was the beneficiary of positive net cash flows, which it was able to deploy into existing holdings as well as new investment ideas. We avoided investing in the obvious “safety” businesses, as well as businesses that needed the economy to grow in order to propel them. Instead, we invested in businesses that would not only be “survivors” but could potentially grow in the face of what could be a very tough economy for the next three to five years.

Two examples of such businesses include TravelSky Technology Ltd. and AMN Healthcare.

TravelSky was added to the Fund in the first quarter of 2009. It is the sole domestic provider of information technology solutions to China’s air travel industry. It operates the computer reservation system and inventory control system used by all Chinese airlines as well as the only automated passenger processing system in use at Chinese airports. TravelSky can best be described as a monopoly toll bridge that takes payment from passengers flying into or within China. Very simply, it is a nice business with large profit margins requiring very little capital to run the business. We continue to be happy owners of TravelSky even though its share price has doubled, as we believe the future potential cash flows of the business continue to make TravelSky a very attractive investment.

AMN Healthcare was initially purchased in 2008 and we continued to add to our position in 2009. It is an example of a business that built value during the year, however, its share price lagged as the markets rebounded. AMN is the largest healthcare staffing company in the United States. It is the leader in travel nurse placement as well as temporary physician staffing and physician permanent placement services.

In 2009, AMN’s business was impacted by lower demand from hospitals for temporary nurses, a result of the weak economic environment. Although its share price is still at approximately the same level as where we started buying it, we are more excited about the business today. AMN has materially increased its market share, it dramatically improved its balance sheet throughout the year, and it has been the beneficiary of a cost-cutting trend at hospitals.

#### Businesses sold

We generally sell a stake in a business for one of two reasons. First, our thesis about the business is deemed to be no longer valid. Second, there is a constant culling process whereby we

continuously strive to upgrade the quality of the portfolio with better ideas.

In 2009, we sold businesses in the portfolio for both reasons. Both categories are listed below with positions listed under each category:

#### Change in thesis:

##### GameStop Corp.

GameStop is the world’s largest video game distributor. Our thesis was that the company would continue to expand its footprint around the world and that its sales per store would continue to grow. At the time of purchase, the market was concerned that video games were on the verge of being distributed entirely via the internet. In our judgment, this concern was unfounded. Where we believe our judgment was off, however, was on pricing power. At the time of investment, we believed that GameStop would be able to withstand competitive pricing pressure from stores such as Toys “R” Us or Wal-Mart however we became increasingly concerned that this may not be the case. As such, we sold our position. This cost the portfolio approximately 0.32%.

##### Moody’s Corp.

At the time of purchase, it was well known that rating agencies were facing legal threats linked to their role in the boom and bust in structured finance. What gave us great comfort was the fact that rating agencies had always been protected under the First Amendment (freedom of speech). However, in September 2009, an order issued by a U.S. judge stating that ratings on notes sold privately to a “select” group of investors were not “matters of public concern” and therefore not deserving of the traditional broad protection under the First Amendment. One of the key risks that we had identified had changed. As a result, we exited the position. Although we consider the investment to be a mistake because our original thesis was incorrect, Moody’s contributed positively to portfolio performance for the year.

#### Successes:

Due to share price appreciation, the following businesses were sold as they were no longer as attractive as other ideas in the portfolio:

1. American Express Co.
2. CME Group Inc.
3. DCC Plc.
4. Grupo Modelo S.A. de C.V.
5. HEICO Corp.
6. Misumi Group Inc.
7. Schindler Holding AG
8. WPP Plc.

Proceeds from the sale of these positions were redeployed into existing positions or new positions during the year.

**Portfolio composition**

Sector allocation: Overall sector exposure shifted as a result of investment decisions as well as changes in stock prices. The Fund's holdings in industrial companies increased by approximately 6% as a result of new companies purchased in this sector. Changes were a result of the individual merits we found in each investment idea.

There were no other meaningful changes to Fund's sector or geographic composition.

These transactions were a result of the portfolio managers' "bottom-up" stock selection process. The Fund is constructed to be diversified by idea. Its sector and geographic allocations are simply a by-product of the investment process. We focus on the individual merits of each business when constructing a portfolio and ensure the Fund is diversified by business idea. We do not construct the Fund with an index or benchmark in mind. As a result, the Fund's composition is typically very different than its benchmark index.

**Income, fees and expenses**

The management expense ratio (MER), both before and after waivers or absorptions, decreased significantly for all series of units of the Fund since December 31, 2008. The decrease in the MER before waivers is largely a result of the Fund being in operation over the full year as opposed to over a very short period of time in 2008. The requirement to annualize the MER in the prior year resulted in the presentation of an artificially high MER that was not representative of the actual costs of the Fund. A component of the decrease in the MER was a result of the growth of the Fund. Many of the operating expenses of the Fund are fixed costs which were shared among a growing number of investors in the Fund. Our goal is to be amongst the lowest cost funds in our distribution channel. In a very short period of time, we have made significant progress towards achieving our goal. We continue to focus on providing unitholders with the best investment results possible. This focus requires us to be vigilant in minimizing the direct and indirect costs and expenses that are ultimately borne by unitholders. Please refer to the *Financial Highlights* section for more information about the MER for all of the series of units.

As the Fund was in operation for a short period of time in 2008, a discussion about the period-over-period change in any specific income or expense line item would not be meaningful.

**Unitholder activity**

During the period ended December 31, 2009, the Fund's Net Asset Value increased to \$321.5 million from \$28.6 million at December 31, 2008. Of this increase, \$256.4 million is as a result of net inflows to the Fund by unitholders and \$36.5 million is attributed to operations.

**Recent Developments**

We continue to believe that the economic environment may be tougher for longer than most people expect. Given this, we believe it is important to focus on businesses with strong growth prospects that are independent of global economic growth.

Today, optimism and pessimism in the market place appear to be in balance. What is beneficial about this "balanced situation" is that we have the opportunity to buy growth companies without paying for that growth today. We have strived to build a portfolio of companies with a blend of growth and value. Looking forward, we are encouraged by the prospects facing the businesses in your portfolio.

In summary, we are attempting to approach investing in these turbulent markets with a sense of measured confidence. We will not deviate from EdgePoint's deceptively simple investment approach. We will continue to invest behind our convictions and remain focused on our goal of building wealth for you over the long term.

**Adoption of new accounting standards and future changes in accounting policies**

On January 1, 2009, the Fund adopted the amendments to the Canadian Institute of Chartered Accountants Handbook Section 3862, "Financial Instruments – Disclosures" (CICA 3862). The amendments require additional disclosures regarding the inputs that are used to determine the fair value of financial instruments and can be found in Note 2 of the Annual Financial Statements. The amendments to CICA 3862 had no impact to the valuation of the Fund's portfolio investments.

Effective January 1, 2011, the Fund will be required to report its financial results using International Financial Reporting Standards (IFRS). Based on our current analysis, we do not believe that there will be any material impact on the net asset value used for unitholder purchases, switches, or redemptions. However, for financial statement reporting purposes the Fund's units are considered to be puttable financial instruments as a unitholder can redeem their units at anytime. Puttable financial instruments are classified as a liability unless they meet certain criteria under IAS 32 Financial Instruments: Disclosure and Presentation. Due to the multi-class structure of the Fund, it is unlikely that the units will meet the criteria. As a result, upon the adoption of IFRS, all series of units will likely be reclassified from equity to liabilities. This should have no impact to net asset value, as the same net assets will be attributed to each unit. The reclassification of the units to liabilities will likely require amendments to the Fund's Declaration of Trust as well as to certain other agreements, such as the Management

Agreement, which make reference to Net Asset Value or liabilities. The amendments will ensure that for the purposes of the agreements the value of the units will be excluded from liabilities before any calculations are performed.

Another potential impact of adopting IFRS relates to the recording of future income taxes. Under current Canadian GAAP, the Fund is able to recognize the tax effects of distributions before the distribution is recognized. As a result, the Fund is not required to recognize future income taxes because it is assumed that the Fund will continue to make its annual distributions to unitholders and any income or capital gains will be taxed in the hands of the unitholders as opposed to the Fund. IAS 12 Income Taxes prohibits this treatment and upon adoption of IFRS, the Fund may be required to record a future income tax provision. However, the International Accounting Standards Board has published an exposure draft that proposes a similar treatment to Canadian GAAP. The issue is currently unresolved and we will continue to monitor it and evaluate the impact. The future tax provision will be recorded for financial statement purposes only and should not have a material impact to the net asset value used for unitholder purchases, switches, or redemptions.

### ***Harmonization of Sales Taxes***

The Ontario government (along with the British Columbia government) recently announced plans to harmonize provincial sales taxes with the federal Goods and Services Tax (GST). This new harmonized sales tax (HST) will be effective July 1, 2010 and will generally use the same rules and tax base as the GST. This will have a significant impact to the unitholders of the Fund (and to investors across the entire industry) as the majority of the Fund's expenses were previously not subject to Ontario's 8% provincial sales tax. The new HST will effectively increase the sales tax paid by the Fund from 5% to 13%. In a time when studies have shown that the general population is not saving enough for their retirements, we do not believe that increasing the sales taxes applied to mutual funds by 160% is in the best interests of investors.

The HST will add at least 0.14% (or 14 basis points) to the Fund's MER on an annualized basis, and over time will make sales taxes the second largest expense that the Fund will pay. The Ontario government has been releasing additional details over the past few months on how the HST will be implemented in each province along with certain transaction specific details. As the time writing, we have not seen any details specific to investment funds, however, it seems unlikely that the Ontario government will exempt mutual funds from the HST. As investors, we are deeply disappointed. As the details surrounding the implementation of the HST for investment funds has not been finalized at the time of writing,

we are monitoring the situation closely and will determine the Fund's course of action once the details become clearer.

### **Related Parties**

#### ***Manager***

The Fund is managed by EdgePoint Wealth Management Inc. ("EdgePoint") who is responsible for the day-to-day operations of the Fund. As the manager, EdgePoint also provides (or arranges for) investment management; distribution, marketing and promotion of the Fund; transfer agency services; and unitholder reporting and servicing. These services are in the normal course of operations and are charged at the rate agreed to by the parties.

In return for providing these management services, EdgePoint receives a monthly management fee based on the daily average net asset value of each series of the Fund (see *Management Fees*). In addition, EdgePoint is entitled to be reimbursed by the Fund for certain operating expenses. The management fees payable by Series I and Series O unitholders are negotiated and paid directly by the Series I and Series O unitholders. The operating expenses for Series I unitholders are the responsibility of EdgePoint.

#### ***Investment Advisor***

EdgePoint Investment Management Inc. ("Investment Advisor") is the portfolio advisor to the Fund. The Investment Advisor is entitled to be reimbursed by EdgePoint for certain operating expenses associated with its advisory services to the Fund.

#### ***Independent Review Committee***

EdgePoint has an appointed Independent Review Committee ("IRC") established under the Canadian Securities Administrators' National Instrument 81-107, which consists of three independent members. The mandate of the IRC is to review, and provide input on, EdgePoint's written policies and procedures that pertain to conflict of interest matters with respect to the Funds managed by EdgePoint. Additional information about the IRC is available in the Simplified Prospectus and Annual Information Form of the Fund. The members of the IRC receive fees and reimbursement of expenses for services provided to the Fund.

#### ***Other***

EdgePoint provided start-up investment capital to this Fund and sufficient initial capital to each series in the Fund to permit that series to be valued on a daily basis. EdgePoint's investment in the Fund is recorded at the Net Asset Value per Unit of each series, as applicable. From time to time, EdgePoint may provide the initial capital required on the introduction of a new series of the Fund.

**Financial Highlights****For the period ended December 31, 2009**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended December 31, 2009 and the period from inception to December 31, 2008. The inception date for Series A, B, F and I of the Fund is November 17, 2008. The inception date for Series O is September 1, 2009. This information is derived from the Fund's financial statements.

	Series A		Series B	
	2009	2008	2009	2008
<b>The Fund's Net Assets per Unit (\$) (note 1)</b>				
<b>Net Assets, beginning of the period *</b>	\$ 10.97	\$ 10.00	\$ 10.96	\$ 10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.17	0.03	0.17	0.03
Total expenses	(0.31)	(0.03)	(0.35)	(0.04)
Realized gains (losses) for the period	0.81	0.02	0.84	0.00
Unrealized gains (losses) for the period	2.23	0.46	2.36	0.59
<b>Total increase (decrease) from operations</b>	<b>2.90</b>	<b>0.48</b>	<b>3.02</b>	<b>0.58</b>
<b>Distributions to Unitholders:</b>				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
From capital gains	(0.20)	-	(0.18)	-
Return of capital	-	-	-	-
<b>Total distributions to Unitholders</b>	<b>(0.20)</b>	<b>-</b>	<b>(0.18)</b>	<b>-</b>
<b>Net Assets, end of the period</b>	<b>\$ 13.93</b>	<b>\$ 10.97</b>	<b>\$ 13.90</b>	<b>\$ 10.96</b>
<b>Ratios and Supplemental Data (note 2)</b>				
Total net asset value (\$000's)	195,449	15,461	65,673	1,994
Number of units outstanding (000's)	14,009	1,400	4,718	181
Management expense ratio (note 3) -	2.35%	2.80%	2.60%	3.01%
Management expense ratio before waivers or absorptions -	2.35%	7.02%	2.64%	8.36%
Net asset value per unit	\$ 13.95	\$ 11.04	\$ 13.92	\$ 11.03

- 2008 annualized

\* for 2008, represents initial Net Assets

**Notes**

1. Net Assets per Unit is calculated as follows:

- The financial information presented in the Net Assets per Unit table is derived from the Fund's audited annual financial statements. The Net Assets per Unit presented in the financial statements (the "GAAP Net Assets") differs from the net asset value calculated for fund pricing purposes (the "NAV"). An explanation of the differences can be found in the notes to the financial statements.
- Net Assets per Unit of a series is based on the number of units outstanding for that series at the relevant time. The Increase (Decrease) from Operations per Unit of a series is based on the weighted average number of units outstanding for that series during the period. Therefore, the beginning of period Net Assets plus the increase (decrease) from operations will not sum to the end of period Net Assets.
- Distributions per Unit of a series are based on the number of units outstanding for the series on the record dates for the distributions. Distributions were both paid in cash and reinvested in additional units at the option of the unitholder.

2. The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's Pricing Net Asset Values (the "NAV") and is provided as at December 31, 2009 and December 31, 2008.

3. The management expense ratio ("MER") is calculated as the total management fees and operating expenses paid by each series of the Fund, including GST and interest and excluding commissions and other portfolio transaction costs, as a percentage of the average daily Net Asset Value of each series of the Fund on an annualized basis. Any management fee distributions paid by a series of the fund that effectively reduced management fees payable by some unitholders are not deducted from expenses to determine the overall MER of that series.

The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. The MERs of the Fund are shown both with and without the waiver and absorptions.

## Financial Highlights (continued)

	Series F		Series I		Series O	
	2009	2008	2009	2008	2009	2008
<b>The Fund's Net Assets per Unit (\$)</b> <i>(note 1)</i>						
<b>Net Assets, beginning of the period *</b>	\$ 11.19	\$ 10.00	\$ 11.00	\$ 10.00	\$ 10.00	\$ -
<b>Increase (decrease) from operations:</b>						
Total revenue	0.18	0.04	0.15	0.02	0.05	-
Total expenses	(0.14)	(0.02)	-	-	(0.01)	-
Realized gains (losses) for the period	0.66	(0.01)	0.96	(0.18)	0.26	-
Unrealized gains (losses) for the period	2.63	0.25	1.32	1.16	(0.15)	-
<b>Total increase (decrease) from operations</b>	<b>3.33</b>	<b>0.26</b>	<b>2.43</b>	<b>1.00</b>	<b>0.15</b>	<b>-</b>
<b>Distributions to Unitholders:</b>						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	(0.51)	-	(0.42)	-	(0.13)	-
Return of capital	-	-	-	-	-	-
<b>Total distributions to Unitholders</b>	<b>(0.51)</b>	<b>-</b>	<b>(0.42)</b>	<b>-</b>	<b>(0.13)</b>	<b>-</b>
<b>Net Assets, end of the period</b>	<b>\$ 14.10</b>	<b>\$ 11.19</b>	<b>\$ 14.08</b>	<b>\$ 11.00</b>	<b>\$ 10.11</b>	<b>\$ -</b>

Ratios and Supplemental Data *(note 2)*

Total net asset value (\$000's)	28,461	11,118	31,208	42	743	-
Number of units outstanding (000's)	2,016	987	2,214	4	73	-
Management expense ratio <i>(note 3) -</i>	1.10%	1.75%	-	-	0.19%	-
Management expense ratio before waivers or absorptions -	1.10%	4.24%	-	-	0.19%	-
Net asset value per unit	\$ 14.12	\$ 11.27	\$ 14.10	\$ 11.07	\$ 10.12	\$ -

- 2008 and Series O annualized

\*for Series F and I, 2008 represents initial Net Assets. For Series O, 2009 represents initial Net Assets.

## Fund Level Ratios

	2009	2008
Trading expense ratio <i>(note 4) -</i>	0.36%	4.53%
Portfolio turnover rate <i>(note 5) -</i>	37.58%	0.04%

- 2008 annualized

1. Net Assets per Unit is calculated as follows:

- The financial information presented in the Net Assets per Unit table is derived from the Fund's audited annual financial statements. The Net Assets per Unit presented in the financial statements (the "GAAP Net Assets") differs from the net asset value calculated for fund pricing purposes (the "NAV"). An explanation of the differences can be found in the notes to the financial statements.
  - Net Assets per Unit of a series is based on the number of units outstanding for that series at the relevant time. The Increase (Decrease) from Operations per Unit of a series is based on the weighted average number of units outstanding for that series during the period. Therefore, the beginning of period Net Assets plus the increase (decrease) from operations will not sum to the end of period Net Assets.
  - Distributions per Unit of a series are based on the number of units outstanding for the series on the record dates for the distributions. Distributions were both paid in cash and reinvested in additional units at the option of the unitholder.
- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's Pricing Net Asset Values (the "NAV") and is provided as at December 31, 2009 and December 31, 2008.
  - The management expense ratio ("MER") is calculated as the total management fees and operating expenses paid by each series of the Fund, including GST and interest and excluding commissions and other portfolio transaction costs, as a percentage of the average daily Net Asset Value of each series of the Fund on an annualized basis. Any management fee distributions paid by a series of the fund that effectively reduced management fees payable by some unitholders are not deducted from expenses to determine the overall MER of that series.  
The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. The MERs of the Fund are shown both with and without the waiver and absorptions.
  - The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value of the Fund. The trading expense ratio is calculated at the Fund level and applies to all series of the Fund.
  - Portfolio turnover rate is calculated at the Fund level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period.  
The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turn-over rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

### Management Fees

As compensation for the services provided, EdgePoint, the manager of the Fund, receives a monthly management fee based on the daily average Net Asset Value of Series A, Series B and Series F. Management fees for Series I and Series O are negotiated and paid directly by the unitholders, not by the Fund.

For the period ended December 31, 2009, a breakdown of the services received in consideration of the management fees as a percentage of the management fees is as follows:

	Absorbed Expenses	Distribution Costs	Portfolio Advisor and other fees*
Series A	0%	55%	45%
Series B	2%	25%	73%
Series F	1%	0%	99%
Series I	n/a	n/a	n/a
Series O	n/a	n/a	n/a

\*includes general and administrative expenses and profits

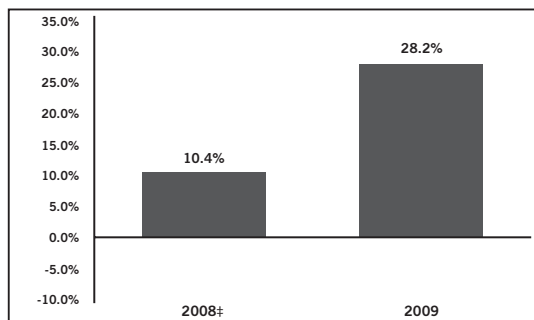
### Past Performance

This section shows the Fund's past performance. The past performance information shown includes changes in security value; assumes the reinvestment of all distributions (if any); and does not take into account sales, redemption, distribution or optional charges, or income taxes payable by any investor, which would have reduced returns. It is important to note that the past performance of the Fund is not an indication of how the Fund will perform in the future.

#### Period-by-period returns

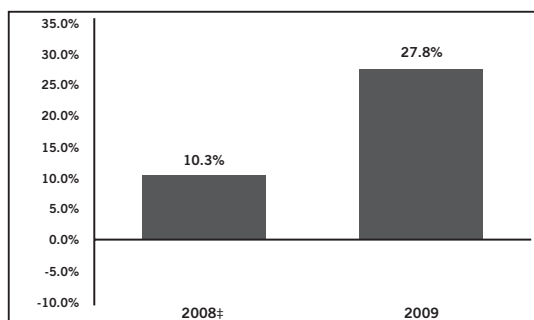
The following bar charts show you the Fund's performance for each of the periods shown, and illustrate how the Fund's performance changes from period to period. They indicate, on a percentage basis, how much an investment would have made or lost if you invested on the first day of each financial period and held that investment to the last day of each financial period, as applicable. The differing performance between the Series of units is due largely to the varying levels of expenses charged to each Series as explained in the Prospectus and the Financial Statements.

#### Series A



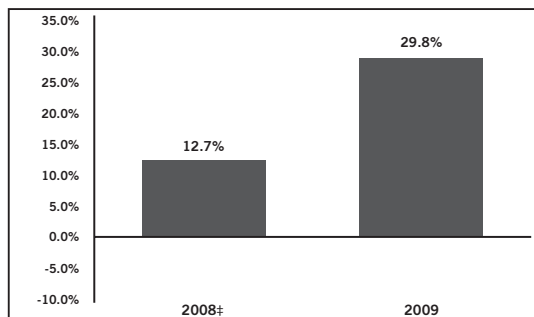
‡ Inception (November 17, 2008) to December 31, 2008

#### Series B



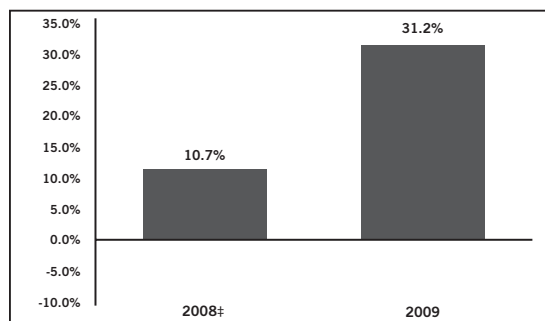
‡ Inception (November 17, 2008) to December 31, 2008

#### Series F



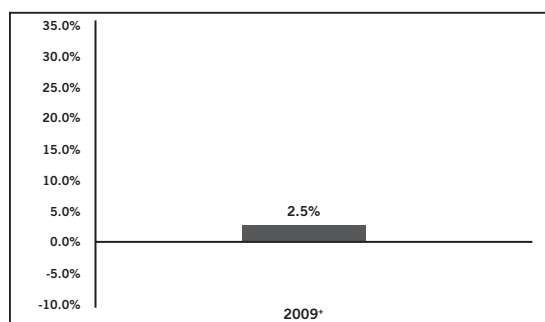
‡ Inception (November 17, 2008) to December 31, 2008

**Series I**



‡ Inception (November 17, 2008) to December 31, 2008

**Series O**



\*Inception (September 1, 2009) to December 31, 2009

**Benchmark**

The Fund uses the Morgan Stanley Capital International (MSCI) World Index as its benchmark for long-term performance comparisons. The MSCI World Index is a market-capitalization-weighted index comprised of equity securities available in developed markets globally. While the Fund uses this index as its broad-based performance benchmark, the Fund is not managed relative to the composition of the index. As a result, the Fund may, and likely will, experience periods when its performance does not mimic the performance of the index, either positively or negatively. Please see the Results of operations section of this report for a discussion of recent performance results.

**Annual compound returns**

The following table compares the Fund’s annual compound returns for Series A, Series B, Series F, Series I, and Series O units with the Canadian-dollar returns of the MSCI World Index for the periods shown ended December 31, 2009.

	Since inception (%)*	1-year (%)
Series A	36.3	28.2
Series B	35.9	27.8
Series F	40.4	29.8
Series I	39.5	31.2
MSCI World Index	18.6	11.1
Series O	2.5	n/a
MSCI World Index	4.6	n/a

\* Inception date is November 17, 2008 for all Series except for Series O, which was September 1, 2009

**Summary of Investment Portfolio**  
As at December 31, 2009**Top 25 Positions**

<b>Security Name (% of Fund)</b>	
1	International Rectifier Corp. 6.31%
2	The Progressive Corp. 5.98%
3	Ryanair Holdings PLC 5.96%
4	International Game Technology 5.94%
5	WellPoint Inc. 5.58%
6	Willis Group Holdings Ltd. 4.98%
7	Kinetic Concepts Inc. 4.55%
8	Pool Corp. 4.09%
9	Thomson Reuters Corp. 4.05%
10	Research In Motion Ltd. 4.03%
11	Grupo Televisa S.A. de C.V., ADR 4.01%
12	Interface Inc. 'A' 3.34%
13	Hughes Communications Inc. 3.32%
14	Wells Fargo & Co. 3.15%
15	Team Inc. 3.13%
16	Grafton Group PLC 2.68%
17	AMN Healthcare Services Inc. 2.54%
18	Harman Intl. Industries Inc. 2.39%
19	Inverness Medical Innovations Inc. 2.27%
20	JPMorgan Chase & Co. 2.07%
21	Cisco Systems Inc. 2.02%
22	BorgWarner Inc. 1.78%
23	Mine Safety Appliances Co. 1.71%
24	Connaught PLC 1.35%
25	Grupo Aeroportuario del Centro Norte S.A.B. de C.V. 1.18%
<b>Total</b>	<b>88.41%</b>

**Sector Exposure**

<b>Sector (% of Fund)</b>	
Industrials	19.36%
Information Technology	18.12%
Health Care	15.26%
Consumer Discretionary	15.01%
Insurance	10.96%
Media	8.06%
Cash & Cash Equiv.	7.66%
Banks	3.15%
Diversified Financials	2.07%
Corporate Bonds	0.21%
Energy	0.14%
<b>Total</b>	<b>100.00%</b>

The portfolio does not contain any short positions. The investment portfolio may change due to ongoing portfolio transactions of the investment fund. An updated listing is available on a quarterly basis.

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## EdgePoint Wealth Management Inc.

1000 Yonge Street, Suite 200

Toronto, ON M4W 2K2

Website: [www.edgepointwealth.com](http://www.edgepointwealth.com)

Email: [info@edgepointwealth.com](mailto:info@edgepointwealth.com)

Tel: 416-963-9353 or Toll Free 1-866-757-7207

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