

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.

Results of Operations

During the six-month period ended June 30, 2009, we continued to build a diversified portfolio of companies representing our best investment ideas, increasing the total number of holdings to 60 from 49 at December 31, 2008.

Since the Fund was recently launched in November 2008, we continue to add new holdings as we construct it. Now that the Fund has been established, we don't expect to have further material increases in the number of holdings.

We have taken advantage of the Fund's market capitalization flexibility, finding attractive value in a number of smaller-sized companies. Because these types of companies can be less liquid, making it more difficult to establish larger positions, the Fund is less concentrated than we would expect it to be over the long term.

We continued to focus on businesses that will not only be "survivors" but can potentially grow in the face of what could be a very tough economy for the next three to five years. At the same time, we have stayed away from companies that have a material amount of leverage. We are not, however, filling the Fund with companies typically known as recession-resistant businesses such as pharmaceutical, or packaged-goods companies. Rather, we are finding better relative value elsewhere.

Portfolio transactions

The Fund was the beneficiary of positive cash flow during the period, which it was able to deploy into existing holdings as well as new investment ideas. However, given the strong performance we experienced in the first half of the year, a number of our holdings experienced strong returns – returns that we would normally expect to receive over a five-year period were delivered to us in just a few months. As a result, we sold some of these securities and earned a profit in these positions.

Capstone Mining Corp. is a great example of this. We purchased and sold the company within a few months – a rare event for the Fund given our long-term investment horizon. We found a small window of opportunity to invest in the company as the Street wasn't paying much attention to it. The majority of analysts were waiting for the merger with Sherwood Copper Corp. to be completed and combined financials to be released before doing their due diligence on the company. We liked the quality of its mines and its healthy balance sheet, and took advantage of the tremendous fear in the market, purchasing this company at significantly less than we felt it was worth. We sold the company after others began to recognize its value and the stock price more than doubled.

Other purchases included:

- Bonavista Energy Trust, a Calgary-based conventional oil and gas royalty trust
- Cogeco Inc., the fourth-largest cable company that operates in the cable and media sectors
- Hughes Communications Inc., provides broadband satellite products and services

During the period, Cineplex Galaxy Income Fund, Silvercorp Metals Inc. and The Brick Group Income Fund were also sold at a profit. Proceeds from the transactions were deployed into stronger investment ideas.

Sector exposure

Overall sector exposure shifted as a result of investment decisions as well as changes in stock prices. The Fund's exposure to companies in both the diversified financials and materials sectors decreased by approximately 3%, while its exposure to energy and insurance companies increased by 3.2% and 3.5% respectively. The cash level in the Fund declined from 10.7% to 6.2% as a result of investments into new and existing investment ideas.

These transactions were a result of the portfolio managers' "bottom-up" stock selection process. The Fund is constructed to be diversified by idea and sector allocation is 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 sector allocation is typically very different than the comparable index.

Income, fees and expenses

At June 30, 2009, both the annualized management expense ratio (MER) and the annualized MER before waivers or absorptions have decreased for all series of units of the Fund since December 31, 2008. 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.

Unitholder activity

During the period ended June 30, 2009, the Fund's net asset value increased to \$67,963,782 from \$4,390,208 at December 31, 2008. Of this increase, \$56,351,692 was as a result of net inflows to the Fund by unitholders.

Investment Performance

In the spirit of Canadian Securities Administrators' National Instrument 81-102, we do not believe in discussing investment performance until the Fund is at least one-year old. However, our objective of building wealth over time is to deliver investment results that are at or near the top of our peer group over a 10-year time frame. Please refer to the Past Performance section for the short-term performance of the Fund.

Recent Developments

We continue to maintain an emphasis on independent thought with a view to the long term.

We're excited about the long-term opportunities we are finding in the market to build wealth for our investors. However our excitement is partially tempered by the short-term challenges the global economy faces.

We have seen both a significant amount of fear and optimism in the recent period as investors try to anticipate what lies ahead. While we do have our views on such things, it is important to understand that these are simply opinions, not facts. We will always consider, for example, the impact of inflation or a prolonged recession on the businesses we own in order to ensure that we do not take on undue risk within the Fund. Having an idea about a business, which is not widely understood by others, and which is trading at a price that is less than it's worth, is the key to long-term investment success.

We do our best to approach investing in these turbulent markets with a sense of measured confidence. We will continue to invest behind our convictions irrespective of the noise in the market.

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.

As compensation 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 unitholders are negotiated and paid directly by the Series I 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

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 six-month period ended June 30, 2009 and the period from inception to December 31, 2008. The inception date for the Fund, and all of the Fund's Series A, B, F and I, is November 17, 2008. This information is derived from the Fund's financial statements.

The Fund's Net Assets per Unit (\$) (Note 1)

	Series A		Series B		Series F		Series I	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Net Assets, beginning of the period *	10.41	10.00	10.38	10.00	10.40	10.00	10.41	10.00
Increase (decrease) from operations:								
Total revenue	0.23	0.10	0.23	0.11	0.22	0.13	0.17	0.08
Total expenses	(0.16)	(0.03)	(0.17)	(0.03)	(0.07)	(0.02)	-	-
Realized gains (losses) for the period	0.22	(0.07)	0.22	(0.07)	0.18	(0.05)	0.02	(0.18)
Unrealized gains (losses) for the period	2.41	1.81	2.63	2.23	2.23	1.76	(0.31)	0.51
Total increase (decrease) from operations	2.70	1.81	2.91	2.24	2.56	1.82	(0.12)	0.41
Distributions to Unitholders:								
From income (excluding dividends)	-	-	-	-	-	-	-	-
From dividends	-	-	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-
Total distributions to Unitholders	-	-	-	-	-	-	-	-
Net Assets, end of the period	12.76	10.41	12.71	10.38	12.82	10.40	13.06	10.41

* for December 31, 2008, represents initial Net Assets

Notes

1. Net Assets per Unit is calculated as follows:

- (a) The financial information presented in the Net Assets per Unit table is derived from the Fund's unaudited interim and 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.
- (b) 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.
- (c) Distributions per Unit of a series are based on the number of units outstanding for the series on the record dates for the distributions. When any distributions are paid, they are reinvested.

Financial Highlights (continued)**Ratios and Supplemental Data** (Note 2)

	Series A		Series B		Series F		Series I	
	2009	2008	2009	2008	2009	2008	2009	2008
Total net asset value (\$000's)	44,209	2,221	19,726	802	4,026	1,328	3	39
Number of units outstanding (000's)	3,454	212	1,547	77	313	127	1	4
Management expense ratio (note 3) ~	2.67%	2.80%	2.91%	3.01%	1.28%	1.75%	-	-
Management expense ratio before waivers or absorptions ~	2.79%	14.00%	2.91%	15.77%	1.28%	10.50%	-	-
Net asset value per unit	\$12.80	\$10.49	\$12.75	\$10.45	\$12.85	\$10.47	\$13.10	\$10.49

Fund Level Ratios

	2009	2008
Trading expense ratio (note 4) ~	0.70%	5.04%
Portfolio turnover rate (note 5) ~	7.98%	1.79%

~ annualized

Notes

- 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 June 30, 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 waivers 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 turnover 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 are negotiated and paid directly by the unitholders, not by the Fund.

For the period ended June 30, 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	Trailing Commissions	Portfolio Advisor and other fees*
Series A	7%	52%	41%
Series B	0%	23%	77%
Series F	0%	0%	100%
Series I	0%	0%	100%

*includes general and administrative expenses and profits

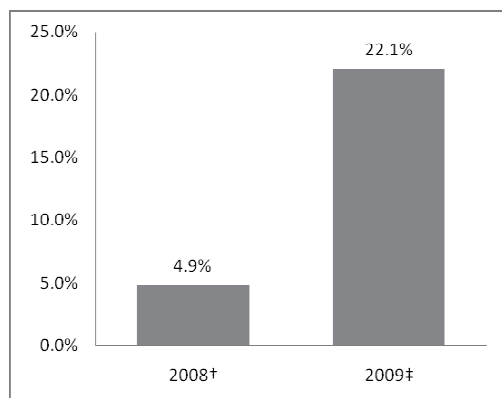
Past Performance

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 that would have reduced returns. It is important to note that the past performance of the Fund does not tell you how the Fund will perform in the future.

Period-by-period returns

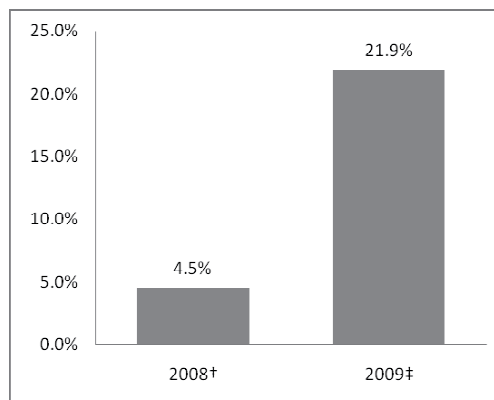
The following bar charts show you how the Fund's return changes from period to period. They indicate the percentage change in an investment in Series A, Series B, Series F and Series I units from the first day to the last day of each financial year shown, as applicable. The differing performance between the Series is due largely to the varying levels of expenses charged to each Series as explained in the Prospectus and the Interim Financial Statements.

Series A



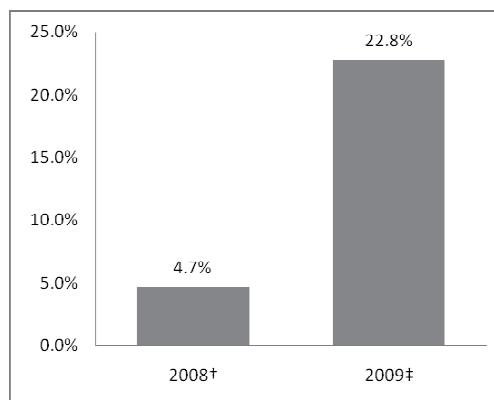
†Inception to December 31, 2008, ‡January 1, 2009 - June 30, 2009

Series B



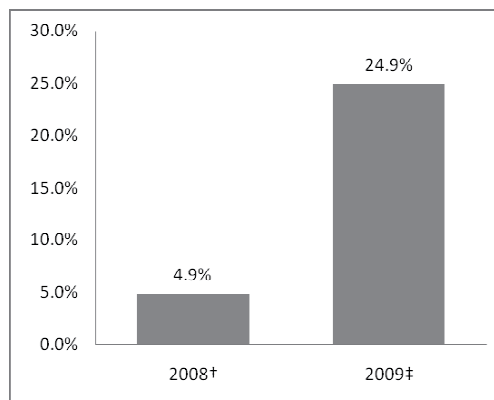
†Inception to December 31, 2008, ‡January 1, 2009 - June 30, 2009

Series F



†Inception to December 31, 2008, ‡January 1, 2009 - June 30, 2009

Series I



†Inception to December 31, 2008, ‡January 1, 2009 - June 30, 2009

Summary of Investment Portfolio

As at June 30, 2009

Top 25 Positions
Security Name (% of Fund)

1	Canadian Imperial Bank of Commerce	6.08%
2	Tim Hortons Inc.	6.06%
3	Power Corp. of Canada	4.47%
4	Onex Corp.	4.47%
5	Research In Motion Ltd.	4.19%
6	Intact Financial Corp.	3.62%
7	Bank of Nova Scotia	3.49%
8	Thomson Reuters Corp.	3.47%
9	Cogeco Inc.	2.72%
10	ATCO Ltd.	2.59%
11	Boralex Power Income Fund	2.40%
12	Calfrac Well Services Ltd.	2.40%
13	Royal Bank of Canada	2.39%
14	Zargon Energy Trust	2.33%
15	Newalta Inc.	2.13%
16	Toromont Industries Ltd.	1.96%
17	The Progressive Corp.	1.94%
18	Exfo Electro-Optical Engineering Inc.	1.92%
19	BCE Inc.	1.77%
20	Hughes Communications Inc.	1.74%
21	Corus Entertainment Inc.	1.71%
22	International Royalty Corp.	1.69%
23	International Rectifier Corp.	1.63%
24	Neo Material Technologies Inc.	1.62%
25	Akita Drilling Ltd.	1.53%
Total		70.32%

Sector Exposure
Sector (% of Fund)

Energy	12.83%
Banks	11.96%
Media	10.18%
Information Technology	10.07%
Insurance	10.03%
Consumer Discretionary†	8.10%
Industrials	7.24%
Diversified Financials	7.17%
Cash & Cash Equiv.	6.20%
Materials	5.05%
Utilities	4.98%
Real Estate	2.14%
Telecommunication Services	1.77%
Health Care	1.20%
Corporate Bonds	1.05%
Total	100.00%

†excludes media companies

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.