

**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 equity holdings to 31 from 23 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 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, telecommunications, 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.

Interface Inc. is an example of a high-quality company that was added to the Fund during the period. It is the world's leading producer of modular carpet, which has a major advantage over traditional carpet in terms of ease of replacement. The company's stock price fell considerably on economic concerns as well as investors' lack of appetite for any companies with debt on their balance sheets. We felt the company was financially sound and that their debt load was manageable.

Other new positions, in addition to those mentioned elsewhere in this document, include:

- CME Group Inc., which owns the Chicago Mercantile Exchange and the Chicago Board of Trade
- Travelsky Technology, a company whose primary product is a system for electronically purchasing airline tickets

During the period, WPP PLC and Taiwan Semiconductor Manufacturing Co. Ltd. were 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 industrial holdings increased during the period to 18.4% from 13.4% at the end of 2008. This was a result of a number of new companies that

were purchased in this sector. Misumi Group is an example of a company that offered attractive value. The Fund's exposure to media companies declined due to the sale of WPP PLC. There were no other significant changes to the overall sector exposure.

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 a 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 \$160,609,277 from \$28,614,586 at December 31, 2008. Of this increase, \$111,820,563 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.

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 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
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Net Assets, beginning of the period *</b>	10.97	10.00	10.96	10.00	11.19	10.00	11.00	10.00
<b>Increase (decrease) from operations:</b>								
Total revenue	0.12	0.03	0.12	0.03	0.11	0.04	0.15	0.02
Total expenses	(0.15)	(0.03)	(1.17)	(0.04)	(0.06)	(0.02)	–	(0.00)
Realized gains (losses) for the period	0.24	0.02	0.28	0.00	0.19	(0.01)	0.43	(0.18)
Unrealized gains (losses) for the period	2.47	0.46	3.02	0.59	2.17	0.25	2.73	1.16
<b>Total increase (decrease) from operations</b>	2.68	0.48	3.25	0.58	2.41	0.26	3.31	1.00
<b>Distributions to Unitholders:</b>								
From income (excluding dividends)	–	–	–	–	–	–	–	–
From dividends	–	–	–	–	–	–	–	–
From capital gains	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–
<b>Total distributions to Unitholders</b>	–	–	–	–	–	–	–	–
<b>Net Assets, end of the period</b>	13.00	10.97	12.98	10.96	13.38	11.19	13.23	11.00

\* for December 31, 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 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.
- 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.
- 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)	102,174	15,461	29,344	1,994	22,509	11,118	6,583	42
Number of units outstanding (000's)	7,838	1,400	2,255	181	1,682	987	498	4
Management expense ratio (note 3) ~	2.62%	2.80%	2.87%	3.01%	1.07%	1.75%	-	-
Management expense ratio before waivers or absorptions ~	2.62%	7.02%	3.04%	8.36%	1.07%	4.24%	-	-
Net asset value per unit	\$13.04	\$11.04	\$13.01	\$11.03	\$13.38	\$11.27	\$13.23	\$11.07

## Fund Level Ratios

	2009	2008
Trading expense ratio (note 4) ~	0.55%	4.53%
Portfolio turnover rate (note 5) ~	16.23%	0.04%

~ 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	0%	52%	48%
Series B	8%	24%	68%
Series F	0%	0%	100%
Series I	0%	0%	100%

\*includes general and administrative expenses and profits

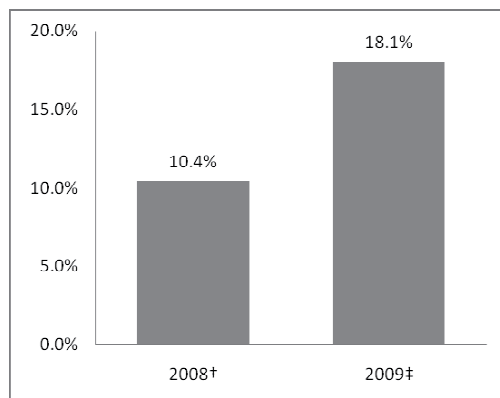
**Past Performance**

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**

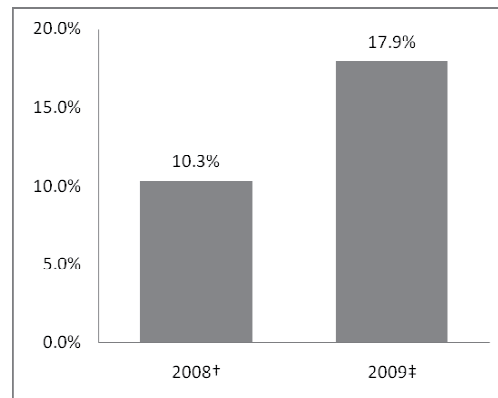
The following bar charts show you how the Fund's return changes from period to period. They indicate the percentage change in an investment in Series A, Series B, Series F and Series I units from the first day to the last day of each financial year shown, as applicable. The differing performance between 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**



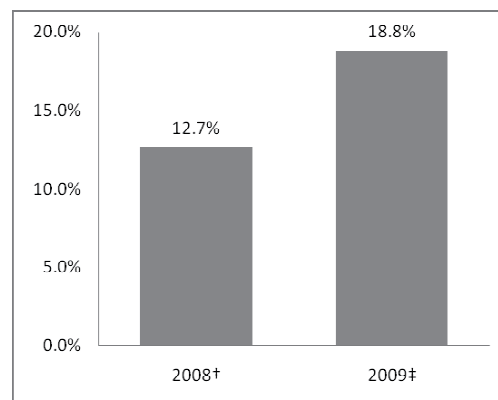
†Inception to December 31, 2008, ‡January 1, 2009 - June 30, 2009

**Series B**



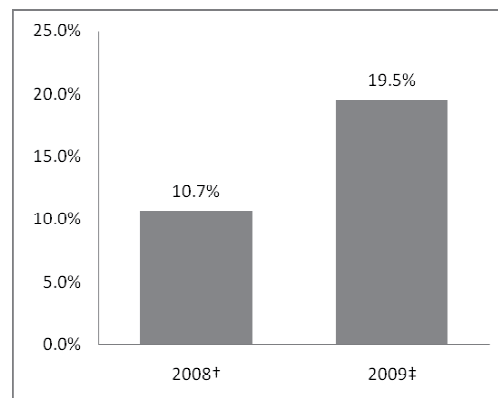
†Inception to December 31, 2008, ‡January 1, 2009 - June 30, 2009

**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	The Progressive Corp.	6.30%
2	Ryanair Holdings PLC	6.14%
3	International Rectifier Corp.	6.03%
4	Willis Group Holdings Ltd.	5.97%
5	International Game Technology	5.89%
6	WellPoint Inc.	5.68%
7	Grupo Televisa S.A. de C.V., ADR	5.59%
8	Hughes Communications Inc.	5.27%
9	Pool Corp.	4.88%
10	Kinetic Concepts Inc.	4.29%
11	Research In Motion Ltd.	4.13%
12	Moody's Corp.	3.87%
13	Harman Intl. Industries	3.25%
14	Mine Safety Appliances Co.	2.75%
15	Interface Inc.	2.50%
16	Grupo Modelo S.A.B. de C.V., Series C	2.42%
17	Grafton Group PLC	2.12%
18	Cisco Systems Inc.	2.00%
19	BorgWarner Inc.	1.93%
20	ASM Intl. NV*	1.88%
21	AMN Healthcare Services Inc.	1.74%
22	Schindler Holding AG	1.73%
23	American Express Co.	1.71%
24	DCC PLC	1.24%
25	Misumi Group Inc.	0.96%
<b>Total</b>		<b>90.26%</b>

\* debt instruments

**Sector Exposure****Sector (% of Fund)**

Information Technology	18.44%
Industrials	18.40%
Consumer Discretionary†	16.91%
Health Care	12.29%
Insurance	12.27%
Diversified Financials	6.05%
Media	5.59%
Cash & Cash Equiv.	5.36%
Consumer Staples	2.42%
Corporate Bonds	2.26%
<b>Total</b>	<b>100.00%</b>

† 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.