



EdgePoint Global Growth & Income Portfolio

Semi-Annual Financial Statements

Period from January 1, 2010 to June 30, 2010

Management's responsibility for financial reporting

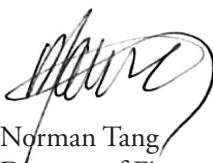
The accompanying interim financial statements have been prepared by the Manager, EdgePoint Wealth Management Inc., on behalf of EdgePoint Global Growth & Income Portfolio (the "Fund"). Management is responsible for the information and representations contained in these financial statements.

Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and assumptions. The significant accounting policies that management believes are appropriate for the Fund are described in note 2 to the interim financial statements.

The Board of Directors is responsible for reviewing and approving the interim financial statements of the Fund, overseeing management's performance of its financial reporting responsibilities and engaging the independent auditors. The Board of Directors is composed of senior management of the Manager. For all series of units of the Fund, the interim financial statements have been reviewed and approved by the Board of Directors.



Patrick Farmer
Chief Executive Officer and Director
August 24, 2010



Norman Tang
Director of Finance, as Chief Financial Officer
August 24, 2010

Notice to Unitholders

EdgePoint Wealth Management Inc., the Manager of the Fund, appoints independent auditors to audit the Fund's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.

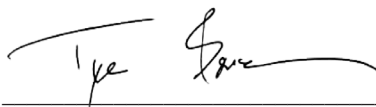
The Fund's independent auditor has not performed a review of these Interim Financial Statements in accordance with the standards established by the Canadian Institute of Chartered Accountants.

	2010 (unaudited)	2009 (audited)
Assets		
Investments at fair value*	\$ 168,455,596	\$ 113,164,488
Net unrealized gain on foreign exchange forward contract	–	148,672
Cash and cash equivalents	6,773,943	9,793,406
Receivable for securities sold	902,719	–
Receivable for units subscribed	970,152	465,903
Accrued interest and dividends receivable	647,108	260,707
Other accounts receivable	9,314	27,235
	177,758,832	123,860,411
Liabilities		
Payable for securities purchased	2,341,761	1,628,956
Payable for units redeemed	70,402	19,580
Accounts payable and accrued expenses	300,115	116,984
Net unrealized loss on foreign exchange forward contracts	798,072	–
	3,510,350	1,765,520
Net assets	\$ 174,248,482	\$ 122,094,891
Net assets, by series:		
Series A	\$ 110,312,691	\$ 77,377,020
Series B	52,065,768	37,004,528
Series F	10,098,260	6,327,921
Series I	588,185	871,552
Series O	1,183,578	513,870
Net assets	\$ 174,248,482	\$ 122,094,891
Number of units outstanding:		
Series A	8,713,425	5,911,342
Series B	4,124,249	2,834,624
Series F	798,881	484,543
Series I	45,575	65,340
Series O	119,125	50,092
Net assets per unit:		
Series A	\$ 12.66	\$ 13.09
Series B	12.62	13.05
Series F	12.64	13.06
Series I	12.91	13.34
Series O	9.94	10.26

*Cost of investments is reflected on the statement of investments.

See accompanying notes to interim financial statements.

ON BEHALF OF THE BOARD:



Tye Bousada, Director



Geoff MacDonald, Director

	2010	2009
Income:		
Dividends	\$ 630,533	\$ 234,176
Interest	1,358,789	232,093
	1,989,322	466,269
Less foreign withholding taxes	43,529	19,870
	1,945,793	446,399
Expenses:		
Management fees (note 3)	1,297,202	247,068
Administration and transfer agent fees	134,080	70,498
Fund accounting	30,511	21,025
Filing fees	17,434	1,442
Audit	16,597	8,968
Unitholder reporting	6,893	4,005
Legal fees	6,528	739
Custody	6,082	9,502
Independent review committee fees	1,653	1,749
Bank charges	-	-
Goods and services tax/harmonized sales tax	74,362	18,178
	1,591,342	383,174
Less expenses absorbed by the Manager (note 3)	615	3,312
	1,590,727	379,862
Net investment income	355,066	66,537
Net realized and unrealized gain (loss) and transaction costs:		
Net realized gain (loss) on sale of investments and foreign exchange	1,734,621	577,069
Net change in unrealized appreciation/(depreciation) of investments	(9,320,794)	6,001,729
Transaction costs	(104,302)	(68,442)
	(7,690,475)	6,510,356
Increase/(decrease) in net assets from operations	\$ (7,335,409)	\$ 6,576,893
Increase/(decrease) in net assets from operations, by series:		
Series A	\$ (4,643,349)	\$ 4,148,661
Series B	(2,218,345)	2,094,834
Series F	(415,390)	335,541
Series I	(11,075)	(2,143)
Series O	(47,250)	-
Increase/(decrease) in net assets from operations, per unit:		
Series A	\$ (0.64)	\$ 2.40
Series B	(0.63)	2.79
Series F	(0.64)	2.55
Series I	(0.17)	(1.63)
Series O	(0.45)	-

See accompanying notes to interim financial statements.

2010	Series A	Series B	Series F	Series I	Series O	Total
Net assets, January 1, 2010	\$ 77,377,020	\$ 37,004,528	\$ 6,327,921	\$ 871,552	\$ 513,870	\$ 122,094,891
Increase in net assets from operations	(4,643,349)	(2,218,345)	(415,390)	(11,075)	(47,250)	(7,335,409)
Capital transactions:						
Proceeds from issue of units	42,166,083	17,774,687	4,669,283	140,761	721,958	65,472,772
Reinvested distributions	148,341	25,817	57,044	9,118	11,477	251,797
Payments on redemption of units	(4,584,746)	(494,607)	(481,421)	(411,128)	(5,000)	(5,976,902)
	37,729,678	17,305,897	4,244,906	(261,249)	728,435	59,747,667
Distributions to unitholders:	(150,658)	(26,312)	(59,177)	(11,043)	(11,477)	(258,667)
Increase in net assets	32,935,671	15,061,240	3,770,339	(283,367)	669,708	52,153,591
Net assets, June 30, 2010	\$ 110,312,691	\$ 52,065,768	\$ 10,098,260	\$ 588,185	\$ 1,183,578	\$ 174,248,482
Units issued and outstanding:						
Balance, January 1, 2010	5,911,342	2,834,624	484,543	65,340	50,092	
Units issued for cash, including reinvested distributions	3,142,742	1,347,234	350,672	10,723	69,498	
Units redeemed	(340,659)	(57,609)	(36,334)	(30,488)	(465)	
Balance, June 30, 2010	8,713,425	4,124,249	798,881	45,575	119,125	
2009	Series A	Series B	Series F	Series I	Series O	Total
Net assets, January 1, 2009	\$ 4,961,387	\$ 1,042,893	\$ 475,259	\$ 38,970	\$ –	\$ 6,518,509
Increase in net assets from operations	4,148,661	2,094,834	335,541	(2,143)	–	6,576,893
Capital transactions:						
Proceeds from issue of units	28,833,807	14,989,250	2,480,311	–	–	46,303,368
Payments on redemption of units	(1,041,773)	(92,100)	(44,838)	(34,371)	–	(1,213,082)
	27,792,034	14,897,150	2,435,473	(34,371)	–	45,090,286
Increase in net assets	31,940,695	16,991,984	2,771,014	(36,514)	–	51,667,179
Net assets, June 30, 2009	\$ 36,902,082	\$ 18,034,877	\$ 3,246,273	\$ 2,456	\$ –	\$ 58,185,688
Units issued and outstanding:						
Balance, January 1, 2009	479,030	100,655	45,811	3,750	–	
Units issued for cash, including reinvested distributions	2,633,915	1,385,786	222,592	–	–	
Units redeemed	(90,752)	(8,715)	(4,381)	(3,552)	–	
Balance, June 30, 2009	3,022,193	1,477,726	264,022	198	–	

See accompanying notes to interim financial statements.

Number of Shares/Units	Security	Average Cost (\$)	Fair Value (\$)	% of Net Assets
Equities				
292,000	Ryanair Holdings PLC	8,501,250	8,369,484	4.79
344,700	The Progressive Corp.	6,006,635	6,842,535	3.93
123,100	Research in Motion Ltd.	8,259,653	6,427,558	3.69
306,900	International Rectifier Corp.	5,782,210	6,056,380	3.48
357,300	International Game Technology	6,461,552	5,948,433	3.41
113,600	WellPoint Inc.	6,099,405	5,894,181	3.38
175,200	Willis Group Holdings Ltd.	4,973,905	5,582,754	3.20
330,100	Western Union Co.	5,921,507	5,219,069	3.00
126,000	Kinetic Concepts Inc.	4,364,538	4,878,118	2.80
126,500	Thomson Reuters Corp.	4,435,728	4,819,650	2.77
205,050	Pool Corp.	4,098,474	4,766,177	2.74
166,600	Wells Fargo & Co.	4,871,723	4,515,499	2.59
383,200	Interface Inc. 'A'	2,232,985	4,364,150	2.50
141,700	Inverness Medical Innovations Inc.	5,297,912	3,999,888	2.30
139,800	Altera Corp.	3,592,559	3,676,451	2.11
976,700	Grafton Group PLC	4,274,689	3,630,940	2.08
430,800	AMN Healthcare Services Inc.	3,853,415	3,417,017	1.96
149,000	Cisco Systems Inc.	3,513,995	3,365,393	1.93
223,500	Team Inc.	3,890,180	3,092,843	1.77
218,600	Knoll Inc.	2,759,107	3,080,669	1.77
116,400	Hughes Communications Inc.	2,315,772	2,984,552	1.71
74,100	JPMorgan Chase & Co.	3,324,027	2,875,084	1.65
93,500	Horiba Ltd.	2,776,852	2,678,667	1.54
88,500	Hamamatsu Photonics K.K.	2,426,141	2,647,327	1.52
89,390	FirstService Corp., 7.00%, cumulative preference shares, Series 1	1,740,617	2,232,285	1.28
55,650	Harman International Industries Inc.	1,317,692	1,763,847	1.01
91,200	Grupo Televisa SA, ADR	1,670,101	1,682,728	0.97
305,800	EXFO Inc.	1,181,816	1,681,900	0.97
38,600	Gerresheimer AG	1,335,928	1,317,996	0.76
65,300	Tognum AG	1,274,477	1,302,731	0.75
63,600	Colony Financial Inc.	1,360,191	1,139,761	0.65
312,200	Advanced Analogic Technologies Inc.	1,160,428	1,056,072	0.61
553,500	Travelsky Technology Ltd. 'H'	403,606	480,915	0.28
30,500	Grupo Aeroportuario del Centro Norte S.A.B. de C.V.	402,254	409,129	0.23
250,000	The Brick Group Income Fund warrants, May 27, 2014	28,750	292,500	0.17
66,000	Connaught PLC	384,765	120,352	0.07
264,000	Mega Brands Inc. warrants, March 30, 2015	34,320	36,960	0.02
		122,329,159	122,649,995	70.39

Number of Shares/Units	Security	Average Cost (\$)	Fair Value (\$)	% of Net Assets
Face Value (\$)	Fixed Income			
3,900,000	Calfrac Holdings LP, 7.75%, February 15, 2015	3,899,090	3,990,057	2.30
3,565,000	Hughes Network Systems, LLC/HNS Finance Corp., 9.50%, April 15, 2014	3,887,616	3,799,229	2.18
2,975,000	Cogeco Cable Inc., 5.95%, June 9, 2014	3,079,389	3,204,135	1.84
2,965,000	Molson Coors Capital Finance ULC, 5%, September 22, 2015	2,999,530	3,118,884	1.79
2,400,000	Videotron Ltee., 9.125%, April 15, 2018	2,720,984	2,778,741	1.59
2,350,000	Rogers Cable Inc., 7.25%, December 15, 2011	2,529,650	2,520,422	1.45
2,345,000	Inverness Medical Innovations Inc., 9.00%, March 15, 2016	2,487,086	2,499,072	1.43
2,136,400	The Brick Group Income Fund, 12.00%, May 30, 2014	2,071,398	2,286,375	1.31
2,041,000	Bear Stearns Cos LLC, 5.45%, November 12, 2014	2,155,521	2,190,442	1.26
1,600,000	Corus Entertainment Inc., 7.25%, February 10, 2017	1,612,000	1,665,056	0.96
1,560,500	Newalta Inc., 7.00%, November 30, 2012	1,577,013	1,615,118	0.93
1,421,000	Toromont Industries Ltd., 4.92%, October 13, 2015	1,300,627	1,473,392	0.85
1,375,000	Videotron Ltee., 6.875%, January 15, 2014	1,435,247	1,472,864	0.85
1,215,000	Loblaw Companies Ltd., 7.10%, June 1, 2016	1,288,057	1,412,729	0.81
1,250,000	DundeeWealth Inc., 5.10%, September 25, 2014	1,249,950	1,277,438	0.73
1,147,000	Shaw Communications Inc., 6.15%, May 9, 2016	1,191,856	1,249,714	0.72
1,200,000	Talisman Energy Inc., 4.44%, January 27, 2011	1,233,480	1,219,848	0.70
1,025,000	Interface Inc., 11.375%, November 1, 2013	1,164,559	1,195,601	0.69
900,000	Bellatrix Exploration Ltd. convertible debentures, 4.75%, April 30, 2015	900,000	855,000	0.49
750,000	American Express Canada, 4.30%, November 12, 2010	766,660	756,983	0.43
611,000	Sotheby's convertible debentures, 3.125%, June 15, 2013	621,173	627,573	0.36
550,000	Shaw Communications Inc., 6.50%, June 2, 2014	565,895	604,599	0.35
530,000	Daylight Resources Trust, 6.25%, December 31, 2014	530,000	553,850	0.32
505,000	Rogers Wireless Inc., 7.625%, December 15, 2011	536,164	544,299	0.31
400,000	BMW Canada Inc., 3.22%, March 28, 2013	399,956	403,576	0.23
375,000	Boardwalk REIT, 5.31%, January 23, 2012	362,438	387,626	0.22
330,000	Mega Brands Inc., 10.00%, January 28, 2015	295,680	332,970	0.19
210,000	Daylight Energy Ltd., convertible debentures, 10.00%, December 31, 2013, Series C	237,563	234,486	0.13
219,300	Intact Financial Corp., 5.41%, September 3, 2019	219,199	227,083	0.13
205,000	Loblaw Companies Ltd., 4.85%, May 8, 2014	211,068	216,257	0.12
182,000	Shaw Communications Inc., 6.10%, November 16, 2012	179,882	194,853	0.11
150,000	Shaw Communications Inc., 7.50%, November 20, 2013	157,995	169,319	0.10
150,000	Rogers Communications Inc., 5.80%, May 26, 2016	149,651	162,683	0.09
125,000	Manitoba Telecom Service, 6.65%, May 11, 2016	124,938	139,048	0.08

Number of Shares/Units	Security	Average Cost (\$)	Fair Value (\$)	% of Net Assets
Face Value (\$)	Fixed Income (continued)			
90,000	Shaw Communications Inc., 5.70%, March 2, 2017	85,275	95,447	0.05
55,000	Bell Canada Inc., 6.25%, April 12, 2012	56,705	58,643	0.03
28,758	TimberWest Forest Trust debenture, 9.00%, February 11, 2014	28,762	37,170	0.02
24,400	Firstservice Corp., 6.50%, December 31, 2014	26,052	26,650	0.02
		44,338,109	45,597,232	26.17
	Derivatives (Note 10)	288,884	208,369	0.12
	Adjustment for transaction costs	(223,184)	–	–
	Total Investments	\$ 166,732,968	168,455,596	96.68
	Foreign exchange forward contracts			
	Foreign exchange forward contract to buy CDN 1,620,308 for JPY 150,000,000, with an exchange rate of 0.0108, maturing July 15, 2010	–	(184,446)	(0.12)
	Foreign exchange forward contract to buy CDN 3,088,185 for JPY 270,000,000, with an exchange rate of 0.0114, maturing September 9, 2010	–	(164,438)	(0.09)
	Foreign exchange forward contract to buy CDN 1,421,210 for USD 1,400,000, with an exchange rate of 1.0152, maturing July 6, 2010	–	(67,998)	(0.04)
	Foreign exchange forward contract to buy CDN 5,558,494 for USD 5,475,000, with an exchange rate of 1.0153, maturing July 28, 2010	–	(266,113)	(0.15)
	Foreign exchange forward contract to buy CDN 2,965,895 for USD 2,885,000, with an exchange rate of 1.0280, maturing August 19, 2010	–	(103,673)	(0.06)
	Foreign exchange forward contract to buy CDN 8,166,375 for USD 7,650,000, with an exchange rate of 1.0675, maturing August 23, 2010	–	26,801	0.02
	Foreign exchange forward contract to buy CDN 4,093,635 for USD 3,900,000, with an exchange rate of 1.0497, maturing September 30, 2010	–	(57,231)	(0.03)
	Foreign exchange forward contract to buy U.S. 1,400,000 for CDN 1,470,490, with an exchange rate of 0.9521, maturing July 6, 2010	–	19,026	0.01
		–	(798,072)	(0.46)
	Other assets less liabilities		6,590,958	3.78
	Net assets		\$ 174,248,482	100.00

See accompanying notes to financial statements.

1. The Fund

- (a) EdgePoint Global Growth & Income Portfolio (the "Fund") is an open-ended mutual fund trust created on November 10, 2008 by declaration of trust under the laws of the Province of Ontario. EdgePoint Wealth Management Inc. ("EdgePoint") is the manager ("Manager") and trustee of the Fund and EdgePoint Investment Management Inc. is the investment advisor. The Fund commenced operations on November 17, 2008 with four series of units: Series A, Series B, Series F and Series I. On September 1, 2009, the Fund began offering Series O units.
- (b) The authorized capital of the Fund consists of an unlimited number of units and series without par value. The number of units of each series outstanding is disclosed in the statements of net assets. Series A and Series B units are available to retail investors. Series F units are available to all investors who participate in fee-based programs through an investment dealer and whose investment dealer has signed an agreement with EdgePoint. Series I and Series O units are for investors who meet minimum investment thresholds and have entered into a Series I Subscription Agreement or a Series O Subscription Agreement, respectively, with EdgePoint.
- (c) To establish the Series O units of the Fund, EdgePoint made an initial investment. As at June 30, 2010, EdgePoint held Series O units of the Fund with a market value of \$2,030 (December 31, 2009 - \$2,076).
- (d) The financial statements include the statement of investments at June 30, 2010 and the statements of net assets at June 30, 2010 and December 31, 2009 and the statement of operations and the statements of changes in net assets for the period ended June 30, 2010 and June 30, 2009 (the "financial statements").

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reflect the following policies:

- (a) Accounting estimates:
The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.
- (b) Valuation of investments:
Investments are categorized as held-for-trading and are, therefore, recorded at fair value. Investments in securities listed on a public securities exchange or traded on an over-the-counter market are valued at the closing bid price. Securities with no available closing bid prices are valued at the last sale or close price. Securities for which a closing bid price, last sale or close price are, in the Manager's opinion, inaccurate, unavailable or securities for which market quotations are unreliable or not reflective of all available material information, are valued at their estimated fair value, as determined by the Manager using available sources of information and commonly accepted industry valuation techniques, including valuation models. Short-term investments, including short-term debt instruments maturing within less than 90 days from the date of acquisition, are deemed to be held-for-trading and are, therefore, stated at fair value, using amortized cost, which approximates fair value.
- (c) Valuation of foreign exchange contracts:
The Fund may enter into foreign exchange contracts for hedging purposes or to establish an exposure to a particular currency. Foreign exchange contracts are valued based on the difference between the contract forward rate and the forward bid rate (for currency held) or the forward ask rate (for currency sold short), on the valuation date. Upon closing of a contract, the gain or loss is included in net realized gain (loss) on sale of investments and foreign exchange.
- (d) Cash and cash equivalents:
Cash and cash equivalents are cash on deposit and short-term notes with maturities less than 90 days and are carried at cost, which approximates their fair value.
- (e) Other assets and liabilities:
Receivable for units subscribed, receivable for securities sold, accrued interest and dividends receivable, and other accounts receivable are designated as receivables and shown as other assets. They are recorded at amortized cost which approximates their fair value. Similarly, payable for securities purchased, payable for units redeemed, and accounts payable and accrued expenses are designated as financial liabilities and are reported at their amortized cost, which approximates their fair value.
- (f) Investment transactions and income recognition:
All income, net realized and unrealized appreciation or depreciation and foreign exchange, and transaction costs are attributable to investments and derivatives that are deemed held for trading. Investment transactions are accounted for on the trade date; that is, on the day that a buy or sell order is executed. The cost of investments represents the amount paid for each security, and is determined on an average cost basis, excluding transaction costs. Realized gains and losses on investment

transactions are computed as proceeds of disposition less their average cost. The unrealized appreciation or depreciation of investments represents the difference between their average cost and fair value at the period-end date. Dividend income, including stock dividends, is recorded on the ex dividend date along with withholding taxes on foreign dividends, if any. Interest income is recorded daily on an accrual basis.

Income and realized and unrealized capital gains (losses) are distributed amongst the different series of securities in proportion to the amount of equity invested in them. For management fees and expenses, refer to note 3.

(g) Transaction costs:

Transactions costs, such as brokerage commissions incurred in the purchase and sale of portfolio securities and other trade execution costs paid to external third parties, such as stamp duty and exchange fees, are recognized as expenses in the statements of operations based on trade date.

(h) Translation of foreign currencies:

The fair value of investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on each business day, except for the historical costs of investments, which are translated at the rate of exchange prevailing on the date of purchase. The proceeds from sales of investments, dividends, and interest income received in foreign currencies are translated into Canadian dollars at the approximate rates of exchange prevailing on the dates of such transactions. Gains and losses from transactions and the translation of foreign currencies are considered to be investment transactions and, accordingly, are included in the net realized gain or loss on sale of investments and foreign exchange, or in the net change in unrealized appreciation or depreciation of investments.

(i) Capital management:

The Manager manages the capital of the Fund, which consists of the net assets of the Fund, in accordance with the investment objectives set out in the Fund's simplified prospectus and annual information form.

(j) Increase/(decrease) in net assets from operations, per unit:

Increase/(decrease) in net assets from operations per unit in the statement of operations represents the net increase or decrease in the net assets from operations for the period for each series divided by the average units outstanding for each series during the period.

(k) Future changes in accounting policies:

The Canadian Accounting Standards Board has confirmed the plan to adopt the International Financial Reporting Standards ("IFRS") in 2011. All publicly accountable enterprises will be required to implement IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

Based on the Manager's current evaluation of the differences between Canadian GAAP and IFRS, the Manager does not expect that net assets attributable to unitholders or net asset value per unit will be impacted by the changeover to IFRS. Currently, the Manager expects that the impact of IFRS on the Fund's financial statements will result in additional disclosures and a potentially different presentation of unitholder interests and certain other items.

The Fund's units are puttable financial instruments. Under International Accounting Standards ("IAS") 32, Financial Instruments – Disclosure and Presentation, for the Fund to continue to classify the units as equity, the units must meet certain specific criteria. Due to the multi-class structure of the Fund, it is unlikely that the units will meet the criteria as it is currently written, and the units will be classified as a liability upon the adoption of IFRS. This will not impact the net asset value per unit used for unitholders' purchase, switch or redemption transactions and is considered a presentation difference only. Certain agreements that refer to net asset value may need to be amended to reflect new terminology that may be adopted; however, calculations for amounts, such as management fees, will remain the same.

3. Management Fees and Expenses

(a) EdgePoint, the Manager, provides investment management, distribution and administrative services to the Fund. In consideration for the services provided, EdgePoint receives a monthly management fee based on the daily average net assets of each series. The management fee differs among series of units, as outlined in the table below. The Fund pays EdgePoint an aggregate management fee. Management fees for Series I and Series O units are negotiated and paid directly by the investor, not by the Fund. These fees will not exceed the Series A management fees of the Fund.

Series A	1.70%
Series B	1.90%
Series F	0.70%

(b) In addition to management fees, the Fund is responsible for the payment of all expenses relating to its operations.

Operating expenses incurred by the Fund may include, but are not limited to: taxes, accounting, legal and audit fees, costs relating to the Fund's Independent Review Committee, trustee and custodial fees, portfolio transaction costs, administrative costs, excluding any salaries to the principal shareholders of the Manager, investor servicing costs, and costs of reports and prospectuses. Each series is responsible for the payment of operating expenses that can be specifically attributed to that series. Except for interest and bank charges which are paid or payable directly by the Fund, the Manager incurs such expenses on behalf of the Fund and is then reimbursed by the Fund for such expenses. Common operating expenses of the Fund are allocated amongst the series based on the average number of unitholders or the average daily net assets of each series, depending on the type of operating expenses being allocated. All operating expenses of Series I units are the responsibility of EdgePoint.

- (c) At its sole discretion, EdgePoint may waive management fees or absorb expenses of the Fund. The expenses absorbed are shown on the statements of operations, if any. Such waivers and absorptions can be terminated at any time.
- (d) From time to time, EdgePoint may reduce the effective management fee payable by some unitholders, by reducing the management fee it charges to the Fund and directing the Fund to make management fee distributions to these unitholders in amounts equal to the management fee reduction. Management fee distributions are automatically reinvested in additional units of the Fund and are accounted for as distributions for financial statement reporting purposes.

4. Income Taxes

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) and, accordingly, is not subject to income taxes on the portion of its net income, including net realized gains, which is paid or payable to unitholders. Such distributed income is taxable in the hands of the unitholders.

Temporary differences between the carrying value of assets and liabilities for accounting and income tax purposes give rise to future income tax assets and liabilities. The most significant temporary difference is that between the reported fair value of the Fund's investment portfolio and its adjusted cost base for income tax purposes. Since the Fund's distribution policy is to distribute all net realized capital gains, future tax liabilities with respect to unrealized capital gains and future tax assets with

respect to unrealized capital losses will not be realized by the Fund and are, therefore, not recorded by the Fund. Unused realized capital losses represent future tax assets to the Fund but due to the uncertainty that they will be realized by offsetting future capital gains, no net tax benefit is recorded by the Fund.

As at the most recent taxation year end of December 15, 2009, the Fund had capital losses of nil (2008 – nil) available, which may be carried forward indefinitely to reduce future net realized capital gains.

Upon the adoption of IFRS, it is unclear whether the Fund will be permitted to continue to recognize the tax effects of distributions before the distribution is recognized. Unlike Canadian GAAP, IAS 12, Income Taxes, prohibits this treatment; however, the IAS Board has published an exposure draft that proposes a similar treatment to Canadian GAAP. The issue is currently unresolved. Should the Fund be required to record future income taxes upon the adoption of IFRS, they will be recorded for financial statement purposes only and will not impact the net asset value per unit used for unitholders' purchases, switches or redemptions.

5. Brokerage Commissions

Commissions paid to brokers in connection with portfolio transactions are disclosed in the statements of operations of the Fund. Brokerage business is allocated to brokers based on an assessment as to which broker can deliver the Fund with the best results. Subject to these criteria, EdgePoint may allocate business to brokers that provide or pay for, in addition to transaction execution, investment research, statistical or other similar services which may or may not be used by EdgePoint in its investment decision-making process. As at June 30, 2010, EdgePoint has commission-sharing or "soft dollar" arrangements with certain brokers in which third party services were paid for by brokers. These services represent less than 0.5% of total brokerage commissions paid by the Fund. Other proprietary research services are offered on a "bundled" basis with transaction execution and, as a result, EdgePoint is not able to reasonably ascertain the value of these investment research services.

6. Reconciliation of Net Asset Value ("NAV")

Net assets reported in these financial statements are accounted for using GAAP ("GAAP Net Assets") and use the closing bid price for the fair value of investments traded in an active market. The net asset value ("NAV") for purposes of unitholders' purchases, switches and redemptions is calculated in accordance with the valuation rules, as set out in the Fund's simplified prospectus and

annual information form and uses last trade price to value investments traded in an active market. The Canadian Securities Administrators require reconciliation between NAV and GAAP Net Assets.

The difference between NAV and GAAP Net Assets on a per unit basis is as follows:

June 30, 2010	NAV	GAAP Net Assets
Series A	\$ 12.68	\$ 12.66
Series B	12.64	12.62
Series F	12.66	12.64
Series I	12.92	12.91
Series O	9.95	9.94

December 31, 2009	NAV	GAAP Net Assets
Series A	\$ 13.11	\$ 13.09
Series B	13.08	13.05
Series F	13.08	13.06
Series I	13.36	13.34
Series O	10.28	10.26

7. Financial Instruments

Essentially all of the assets and liabilities of the Fund are financial instruments. These financial instruments comprise investments, net unrealized gain/loss on foreign exchange forward contracts, receivable for securities sold, accrued interest and dividends receivable, receivable from units subscribed, other receivables, payable for securities purchased, payable for units redeemed, and accounts payable and accrued expenses. Investments and foreign exchange contracts are recorded at fair value based on the accounting policies described earlier. All other financial instruments are carried at cost or amortized cost, which, given their short-term nature, closely approximates their fair values.

8. Fair Value Measurements

The Fund's hierarchy used for disclosing the fair value of the Fund's investments based on the inputs used is summarized below:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

The following is a summary of the inputs used as at June 30, 2010 in valuing the Fund's investments and derivatives at fair values:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total
Equities	\$ 122,649,995	\$ –	\$ 122,649,995
Bonds	–	45,597,232	45,597,232
Foreign exchange forward contracts	–	(798,072)	(798,072)
Total investments	\$ 122,649,995	\$ 44,799,160	\$ 167,449,155
<u>Derivative liabilities</u>			
Options – short	\$ 208,369	\$ –	\$ 208,369

During the period ended June 30, 2010, there were no investments that were transferred between levels and the Fund held no Level 3 financial instruments.

9. Financial Instrument Risk

In the normal course of business, the Fund is exposed to a variety of financial risks: market risk (comprising market price risk, foreign currency risk and interest rate risk), counterparty credit risk and liquidity risk. The value of investments in the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, market and economic conditions, and factors specific to individual securities within the Fund. The level of risk depends on the Fund's investment objectives and the type of securities in which it invests.

Risk Management

The Fund seeks to provide a combination of long-term capital appreciation and income generation by investing primarily in global equity and fixed-income securities. The portfolio management team invests in companies that they believe have strong competitive positions, long-term growth prospects, and are run by strong management teams. The team acquires ownership stakes in these companies at prices below their assessment of each company's true value. The fixed-income approach includes an analysis of macro-economic factors affecting economic growth, as well as credit analysis to uncover relative value opportunities both within and across different sectors of the market.

The investment team takes a conservative approach to risk management by applying in depth thorough research to each investment idea in order to understand the risks of the individual business, and weighs this against its return potential.

Risk is further managed by investing in a diversified portfolio of companies. The team believes that investing in businesses that have competitive advantages in each of their respective industries is a more effective approach to diversification than focusing on traditional sector allocations. The team takes 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.

The Manager employs a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines and securities regulations. Monthly reviews by the Chief Compliance Officer and Chief Investment Officer are performed to ensure that pre-trade and post-trade compliance rules are followed. The Governance and Oversight Committee conducts reviews on a quarterly basis to monitor activity within the portfolio to ensure compliance with applicable rules.

(a) Market risk:

(i) Market price risk:

Market price risk arises primarily from uncertainties about future market prices of the instruments held. Market price fluctuations may be caused by factors specific to an individual investment, or factors affecting all securities traded in a market or industry sector. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. The most significant exposure to market price risk for the Fund arises from its investment in equity securities. If equity prices on the respective stock exchanges for these securities had increased or decreased by 5.0% as at June 30, 2010, with all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$6.13 million (approximately 3.5% of total net assets) (December 31, 2009 – \$4.42 million or 3.6% of total net assets). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Foreign currency risk:

Foreign currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's functional currency. The Fund is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates.

The table below indicates the currencies (excluding the Canadian dollar) to which the Fund had significant exposure on its financial instruments as at period end figures are in Canadian dollar terms and include the underlying principal of forward exchange contracts, if any:

June 30, 2010:				
Currency	Investments \$(000's)	Cash \$(000's)	Foreign exchange contracts \$(000's)	Total \$(000's)
British pound	120	(599)	–	(479)
Euro	6,252	64	–	6,316
Hong Kong dollar	481	–	–	481
Japanese yen	5,326	–	(5,057)	269
U.S. dollar	120,238	(182)	(21,184)	98,872
Total	132,417	(717)	(26,241)	105,459
% of Net Assets	76.0%	(0.4%)	(15.1%)	60.5%

December 31, 2009:				
Currency	Investments \$(000's)	Cash \$(000's)	Foreign exchange contracts \$(000's)	Total \$(000's)
British pound	1,242	–	–	1,242
Euro	2,504	–	–	2,504
Hong Kong dollar	454	–	–	454
Japanese yen	944	–	–	944
U.S. dollar	85,712	140	(15,441)	70,411
Total	90,856	140	(15,441)	75,555
% of Net Assets	74.4%	0.1%	(12.6%)	61.9%

As at June 30, 2010, if the Canadian dollar had strengthened or weakened by 1.0% in relation to all foreign currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively, by approximately \$1.05 million (approximately 0.6% of total net assets) (December 31, 2009 - \$0.76 million or 0.6%

of total net assets). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Interest rate risk:

Interest rate risk arises from interest-bearing financial instruments where the values of those instruments fluctuate due to changes in levels of market interest rates. The majority of the Fund's financial assets are equity shares, which are not interest-bearing. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity:

June 30, 2010	Debt instrument	% of net assets	% of debt instruments
Less than 1 year	\$ 1,976,831	1.13	4.34
1 – 3 years	5,724,537	3.29	12.55
3 – 5 years	23,074,013	13.24	50.60
Greater than 5 years	14,821,851	8.51	32.51
	\$ 45,597,232	26.17	100.00

December 31, 2009	Debt instrument	% of net assets	% of debt instruments
Less than 1 year	\$ 15,150	0.01	0.06
1 – 3 years	4,444,536	3.64	17.96
3 – 5 years	11,917,395	9.77	48.15
Greater than 5 years	8,373,369	6.86	33.83
	\$ 24,750,450	20.28	100.00

At June 30, 2010, if the prevailing interest rates had risen or declined by 0.5%, assuming a parallel shift in the yield curve, with all other variables held constant, the net assets of the Fund would have decreased or increased, respectively, by approximately \$0.86 million (approximately 0.5% of total net assets) (December 31, 2009 – \$0.46 million or 0.3% of total net assets). The Fund's sensitivity to interest rate changes was established using the weighted average modified duration of 3.79 (December 31, 2009 - 3.74) years (based on the fixed income holdings in the Fund). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(b) Counterparty credit risk:

Counterparty credit risk is the risk that the counterparty to a financial instrument will fail to honour an obligation or commitment that it has entered into with the Fund.

The Fund's greatest concentration of credit risk is in its holdings of fixed-income debt instruments. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum credit risk of these investments is their carrying value at June 30, 2010.

At June 30, 2010, the Fund was invested in debt securities with the following credit ratings:

	% of net assets	% of debt instruments
A	2.05	7.85
BBB	14.10	53.86
BB	0.69	2.62
B	6.26	23.94
NR	3.07	11.73
	26.17	100.00

At December 31, 2009, the Fund was invested in debt securities with the following credit ratings:

	% of net assets	% of debt instruments
A	0.19	0.89
BBB	9.39	46.29
BB	0.38	1.89
B	6.06	29.91
NR	4.26	21.02
	20.28	100.00

The Fund also has exposure to credit risk from its trading of listed securities. It minimizes the concentration of credit risk by trading with a large number of brokers and counterparties on recognized and reputable exchanges. The risk of default is considered minimal as all transactions are settled and paid for upon delivery using approved brokers.

The Fund may enter into foreign exchange contracts to buy and sell currencies for the purpose of settling foreign securities transactions. These are short-term spot settlements carried out with counterparties with a credit rating of at least "A". The exposure to credit risk on these contracts is considered minimal as there are few contracts outstanding at any one time and the transactions are settled and paid for upon delivery.

(c) Liquidity risk:

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Aside from financial liabilities that arise from its normal investing activities, the Fund has no other significant financial liabilities.

The Fund's most significant potential exposure to financial liabilities is the daily cash redemptions of redeemable units. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that are traded in an active market and that can be readily sold). The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions. No such borrowing occurred during the period.

10. Schedule of Derivatives

Put Options	Expiry Date	Strike Price	Number of Shares	Average Cost	Fair Value
Japan-USD Sep/100 PO	Sept 27, 2010	100.00	2,852,000	\$ 89,134	\$ 47,789
Japan-USD Sep/115 PO	Sept 27, 2010	115.00	2,852,000	22,503	8,036
				\$111,637	\$ 55,825

Written Put Options	Expiry Date	Strike Price	Number of Shares	Average Cost	Fair Value
Japan-USD Mar/125 PO	Mar 29, 2013	125.00	6,000,000	\$ 46,061	\$ 34,675
Japan-USD Mar/125 PO	Mar 29, 2013	125.00	11,538,727	62,070	66,684
Japan-USD Mar/125 PO	Mar 29, 2013	125.00	5,940,000	46,039	34,328
Japan-USD Mar/140 PO	Mar 29, 2013	140.00	17,100,000	23,077	16,857
				\$177,247	\$152,544

11. Comparative Figures

Certain 2009 comparative figures have been reclassified to conform to the financial statement presentation adopted in 2010.

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