

### WHY PARTNER WITH EDGEPOINT?

EdgePoint was established to grow wealth for our investors.

- We follow a time-tested approach to delivering strong long-term investment returns
- We work hard to form meaningful relationships with our financial advisors as we believe informed investors and advisors make better decisions
- We believe investors are best served by investment-led companies
- We understand the importance of low fees

### EDGEPOINT INVESTMENT APPROACH

Our approach is deceptively simple. We buy high-quality, undervalued businesses and hold them until the market fully recognizes their potential. This 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.

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*. We focus on companies that have strong competitive positions and defensible barriers to entry, strong long-term growth prospects, and are run by trustworthy and competent management teams.

### PORTFOLIO CHARACTERISTICS

- Concentrated, yet diversified by business idea
- Low turnover
- Number of holdings  
Equity: 60  
Fixed Income (unique issuers): 32
- Weighted-ave. market cap (equity)<sup>1</sup>: \$11.8B

### SUITABLE FOR INVESTORS WHO:

- Have a minimum investment horizon of three to five years
- Want a combination of capital growth and income generation over the long-term
- Seek investments in Canadian companies
- Are willing to accept a low-to-moderate amount of risk

### PORTFOLIO MANAGERS

#### Tye Bousada, CFA

Investment experience since 1996

#### Geoff MacDonald, CFA

Investment experience since 1994

### PORTFOLIO INFORMATION (Series A)

|                        |  |
|------------------------|--|
| Inception              | November 17, 2008  |
| MER                    | 2.25%<br><small>See page 2 for current expenses</small>  |
| Category               | Canadian Equity Balanced   |
| Min. Investment        | \$15,000   |
| Distribution Frequency | Income paid quarterly<br>Capital gains paid annually   |
| Risk Profile           | <input type="checkbox"/> LOW <input checked="" type="checkbox"/> MED <input type="checkbox"/> HIGH |

### PORTFOLIO CODES

| Series | Type      | Fund Code |
|--------|-----------|-----------|
| A      | Front end | EDG188    |
| B      | Low load  | EDG388    |
| F      | Fee based | EDG588    |

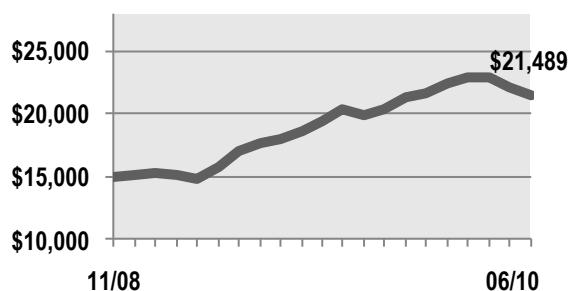
### PORTFOLIO

| Top 10 Holdings  | Company Description   | Market <sup>2</sup> Cap Size | % of Portfolio |
|--|---|------------------------------|----------------|
| Tim Hortons Inc.   | Canada's leading quick service restaurant, Tim Hortons operates a chain of coffee and donut stores across the country and in the U.S.   | Medium                       | 4.14%          |
| Research In Motion Ltd.  | Maker of the Blackberry device, Research In Motion provides wireless hardware, software and services across the globe   | Large                        | 4.11%          |
| Thomson Reuters Corp.  | A leading provider of financial data and business news, Thomson Reuters also provides electronic information and services to the legal, financial services, tax and accounting, scientific, health care and media markets | Large                        | 3.71%          |
| Bank of Nova Scotia  | One of Canada's big five banks with over 1000 branches domestically and 1400 offices worldwide, Bank of Nova Scotia provides retail, corporate and investment banking services  | Large                        | 3.54%          |
| Onex Corp.   | Largely a private equity firm with investments across a wide range of industries, Onex has approximately \$10 billion in assets under management  | Medium                       | 3.35%          |
| Shoppers Drug Mart Corp.   | Shoppers is Canada's only nationwide drugstore chain. It offers pharmacy services, health information, and beauty products.   | Medium                       | 2.83%          |
| Canadian Imperial Bank of Commerce                                   | One of Canada's big five banks with over 1000 branches, CIBC offers a range of consumer and business services   | Large                        | 2.63%          |
| ATS Automation Tooling Systems Inc.                                  | Manufacturer of automated production and manufacturing equipment used by a variety of industries. ATS also makes products (i.e. solar panels) that generate photovoltaic energy.  | Small                        | 2.32%          |
| Hughes Network Systems, LLC/HNS Finance Corp., 9.50%, due 2014/04/15 | Provides satellite-based networks and services for businesses, governments and consumers  | Corporate Bond               | 2.16%          |
| Calfrac Holdings LP, 7.75%, due 2015/02/15                           | An oil and gas services company that provides specialized well site solutions to exploration and production companies. Their services are designed to help oil and gas companies extract more from their wells.           | Corporate Bond               | 2.10%          |
| <b>% of Portfolio</b>  |   |                              | <b>30.89%</b>  |

## EdgePoint Canadian Growth & Income Portfolio

| SECTOR                              | % of Portfolio |
|-------------------------------------|----------------|
| Corporate Bonds                     | 28.57%         |
| Energy                              | 10.69%         |
| Information Technology              | 9.58%          |
| Banks                               | 8.07%          |
| Media                               | 7.28%          |
| Industrials                         | 6.39%          |
| Insurance                           | 5.89%          |
| Consumer Discretionary <sup>3</sup> | 5.55%          |
| Diversified Financials              | 4.35%          |
| Cash & Cash Equiv.                  | 4.14%          |
| Consumer Staples                    | 2.83%          |
| Utilities                           | 2.72%          |
| Materials                           | 2.05%          |
| Health Care                         | 1.89%          |
| <b>Total</b>                        | <b>100.00</b>  |

### GROWTH OF \$15,000 (since inception<sup>4,5</sup>)



### INVESTMENT RESULTS<sup>5</sup>

|                                    | YTD  | 1-year | Since inception <sup>4</sup> | 2009  | 2008 <sup>6</sup> |
|------------------------------------|------|--------|------------------------------|-------|-------------------|
| <b>Portfolio</b>                   | 0.5% | 19.5%  | 24.9%                        | 40.4% | 1.5%              |
| <b>Benchmark Index<sup>7</sup></b> | 0.2% | 10.0%  | 15.7%                        | 23.1% | 3.2%              |

<sup>1</sup> In \$C, excludes fixed income and cash

<sup>2</sup> EdgePoint defines market capitalization as follows: small <\$1B, medium \$1-\$10B; large >\$10B in \$CAD

<sup>3</sup> Media companies shown separately

<sup>4</sup> Portfolio inception date is November 17, 2008

<sup>5</sup> For Series A

<sup>6</sup> Partial year return (Nov. 17, 2008—Dec 31, 2008)

<sup>7</sup> 60% S&P/TSX Index / 40% Merrill Lynch Canada Broad Market Index (\$C)

Source: Morningstar, Bloomberg

## EDG POINT OF VIEW

**Sector breakdown:** A sector chart is included only because the industry feels this helps explain portfolio diversification and risk. We believe risk is best managed by diversifying the portfolio by business idea and viewing risk as the potential for permanent loss of capital, rather than use traditional sector allocations.

**Risk profile box:** Risk is typically defined as standard deviation or volatility around an index. While we follow this methodology due to regulatory requirements and classify the portfolio as low-to-moderate risk, we view true risk as the potential for permanent loss of capital. By this measure, we believe portfolio risk is further reduced.

**Investment results:** We measure investment success over periods of ten years or more and believe it takes considerable skill to consistently add value over long-term periods. As such, we place little value in the short-term investment results shown in the table.

**MER:** We're required to show our MER of 2.25%, a historical figure which reflects 2009's expenses. Since this time, our expenses have been declining. As at June 30, 2010, the expenses charged to the portfolio were 2.06%.

**Low cost operation:** By having higher minimum investment requirements, a focused product offering and not engaging in expensive marketing campaigns, we're able to pass on savings to our investors in the form of lower MERs, ultimately resulting in higher investment returns.

**Portfolio:** We use the term "portfolio" rather than "fund" because we believe this better represents the diversification our products offer.

**Alignment:** Collectively, EdgePoint employees are the single-largest investors in EdgePoint investment products.

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