



E D G E P O I N T

EdgePoint Global Portfolio

Semi-annual Financial Statements

Period from January 1, 2011 to June 30, 2011

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 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 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 Fund's interim Financial Statements, 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 28, 2011



Norman Tang
Director of Finance, as Chief Financial Officer
August 28, 2011

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.

EdgePoint Global Portfolio

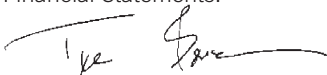
Statements of Net Assets (Unaudited)
As at June 30, 2011 and December 31, 2010


| | 2011 (Unaudited) | 2010 (Audited) |
|---|-----------------------|-----------------------|
| Assets | | |
| Investments, at fair value* | \$ 736,108,345 | \$ 541,337,464 |
| Cash and cash equivalents | 52,773,434 | 35,082,190 |
| Receivable for units subscribed | 2,007,608 | 1,517,789 |
| Accrued interest and dividends receivable | 634,879 | 347,016 |
| Other accounts receivable | 220 | 95,518 |
| | 791,524,486 | 578,379,977 |
| Liabilities | | |
| Payable for securities purchased | 1,961,657 | - |
| Payable for units redeemed | 260,723 | 293,378 |
| Accounts payable and accrued expenses | 1,217,213 | 495,036 |
| Net unrealized loss on foreign exchange forward contracts | 851,813 | 229,492 |
| | 4,291,406 | 1,017,906 |
| Net assets | \$ 787,233,080 | \$ 577,362,071 |
| Net assets, by series: | | |
| Series A | \$ 338,059,372 | \$ 261,172,171 |
| Series B | 130,083,985 | 95,720,057 |
| Series F | 71,433,903 | 52,336,029 |
| Series I | 86,268,625 | 62,167,010 |
| Series O | 4,720,376 | 1,863,174 |
| Series A(N) | 104,575,492 | 70,049,670 |
| Series B(N) | 36,504,676 | 25,140,361 |
| Series F(N) | 15,586,651 | 8,913,599 |
| | \$ 787,233,080 | \$ 577,362,071 |
| Number of units outstanding: | | |
| Series A | 21,816,073 | 17,456,100 |
| Series B | 8,442,682 | 6,426,062 |
| Series F | 4,551,936 | 3,474,403 |
| Series I | 5,465,309 | 4,125,792 |
| Series O | 415,824 | 171,886 |
| Series A(N) | 6,740,380 | 4,679,980 |
| Series B(N) | 2,357,435 | 1,680,901 |
| Series F(N) | 993,678 | 592,164 |
| Net assets per unit: | | |
| Series A | \$ 15.50 | \$ 14.96 |
| Series B | 15.41 | 14.90 |
| Series F | 15.69 | 15.06 |
| Series I | 15.78 | 15.07 |
| Series O | 11.35 | 10.84 |
| Series A(N) | 15.51 | 14.97 |
| Series B(N) | 15.48 | 14.96 |
| Series F(N) | 15.69 | 15.05 |

*Cost of investments is reflected in the *Statement of Investments*.

See accompanying notes to interim Financial Statements.

On behalf of the Board:


Tye Bousada, Director


Geoff MacDonald, Director

EdgePoint Global Portfolio

Statements of Operations (Unaudited)
Periods ended June 30, 2011 and June 30, 2010

| | 2011 | 2010 |
|---|----------------------|------------------------|
| Income: | | |
| Dividends | \$ 3,912,003 | \$ 1,881,169 |
| Interest | 542,341 | 31,102 |
| | 4,454,344 | 1,912,271 |
| Less foreign withholding taxes | 392,555 | 139,329 |
| | 4,061,789 | 1,772,942 |
| Expenses: | | |
| Management fees (Note 3) | 5,402,979 | 3,115,361 |
| Administration and transfer agent fees | 568,712 | 322,159 |
| Fund accounting | 39,281 | 34,470 |
| Filing fees | 33,652 | 45,085 |
| Audit fees | 22,695 | 42,923 |
| Custody fees | 16,706 | 10,904 |
| Unitholder reporting | 14,528 | 15,919 |
| Independent Review Committee fees | 4,995 | 4,276 |
| Legal fees | 467 | 16,883 |
| Goods and Services Tax/Harmonized Sales Tax | 683,617 | 176,859 |
| Total expenses | 6,787,632 | 3,784,839 |
| Less: expenses absorbed by the Manager (Note 3) | - | 6,208 |
| Net expenses | 6,787,632 | 3,778,631 |
| Net investment income (loss) | (2,725,843) | (2,005,689) |
| Net realized and unrealized gain (loss) and transaction costs: | | |
| Net realized gain (loss) on sale of investments and foreign exchange | 33,160,953 | 4,090,702 |
| Net change in unrealized appreciation (depreciation) of investments | (12,137,187) | (33,527,797) |
| Transaction costs | (417,628) | (364,881) |
| | 20,606,138 | (29,801,976) |
| Increase (decrease) in net assets from operations | \$ 17,880,295 | \$ (31,807,665) |
| Increase (decrease) in net assets from operations, by series: | | |
| Series A | \$ 7,843,963 | \$ (18,896,583) |
| Series B | 2,620,303 | (6,696,715) |
| Series F | 1,942,541 | (3,148,960) |
| Series I | 2,616,566 | (3,005,095) |
| Series O | 29,068 | (60,312) |
| Series A(N) | 1,909,618 | - |
| Series B(N) | 650,291 | - |
| Series F(N) | 267,945 | - |
| Increase (decrease) in net assets from operations, per unit: | | |
| Series A | \$ 0.39 | \$ (1.12) |
| Series B | 0.35 | (1.15) |
| Series F | 0.48 | (1.18) |
| Series I | 0.51 | (1.02) |
| Series O | 0.09 | (0.69) |
| Series A(N) | 0.33 | - |
| Series B(N) | 0.31 | - |
| Series F(N) | 0.33 | - |

See accompanying notes to interim Financial Statements.

EdgePoint Global Portfolio
*Statements of Changes in Net Assets (Unaudited)
 Periods ended June 30, 2011 and June 30, 2010*

| | Series A | | Series B | | Series F | |
|---|----------------|---------------|---------------|---------------|---------------|---------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Net assets, beginning of period | \$ 261,172,171 | \$195,193,933 | \$ 95,720,057 | \$ 65,597,664 | \$ 52,336,029 | \$ 28,418,048 |
| Increase (decrease) in net assets from operations | 7,843,963 | (18,896,583) | 2,620,303 | (6,696,715) | 1,942,541 | (3,148,960) |
| Capital transactions: | | | | | | |
| Proceeds from issue of units | 83,837,622 | 86,771,648 | 33,945,604 | 30,484,697 | 24,938,518 | 21,195,071 |
| Payments on redemption of units | (14,794,384) | (9,170,876) | (2,201,979) | (1,078,852) | (7,783,185) | (3,443,525) |
| | 69,043,238 | 77,600,772 | 31,743,625 | 29,405,845 | 17,155,333 | 17,751,546 |
| Increase (decrease) in net assets | 76,887,201 | 58,704,189 | 34,363,928 | 22,709,130 | 19,097,874 | 14,602,586 |
| Net assets, end of period | \$ 338,059,372 | \$253,898,122 | \$130,083,985 | \$88,306,794 | \$ 71,433,903 | \$ 43,020,634 |

Units issued and outstanding:

| | | | | | | |
|---|------------|------------|-----------|-----------|-----------|-----------|
| Balance, beginning of period | 17,456,100 | 14,009,967 | 6,426,062 | 4,717,619 | 3,474,403 | 2,015,692 |
| Units issued for cash, including reinvested distributions | 5,300,634 | 6,072,287 | 2,157,846 | 2,141,550 | 1,562,602 | 1,458,273 |
| Units redeemed | (940,661) | (645,646) | (141,226) | (76,369) | (485,069) | (239,477) |
| Balance, end of period | 21,816,073 | 19,436,608 | 8,442,682 | 6,782,800 | 4,551,936 | 3,234,488 |

| | Series I | | Series O | | Series A(N) | |
|---|---------------|---------------|--------------|------------|----------------|------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Net assets, beginning of period | \$ 62,167,010 | \$ 31,161,128 | \$ 1,863,174 | \$ 741,649 | \$ 70,049,670 | \$ - |
| Increase (decrease) in net assets from operations | 2,616,566 | (3,005,095) | 29,068 | (60,312) | 1,909,618 | - |
| Capital transactions: | | | | | | |
| Proceeds from issue of units | 23,952,172 | 18,626,600 | 2,852,087 | 237,009 | 36,232,419 | - |
| Payments on redemption of units | (2,467,123) | (553,524) | (23,953) | (6,423) | (3,616,215) | - |
| | 21,485,049 | 18,073,076 | 2,828,134 | 230,586 | 32,616,204 | - |
| Increase (decrease) in net assets | 24,101,615 | 15,067,981 | 2,857,202 | 170,274 | 34,525,822 | - |
| Net assets, end of period | \$ 86,268,625 | \$ 46,229,109 | \$ 4,720,376 | \$ 911,923 | \$ 104,575,492 | \$ - |

Units issued and outstanding:

| | | | | | | |
|---|-----------|-----------|---------|--------|-----------|---|
| Balance, beginning of period | 4,125,792 | 2,213,783 | 171,886 | 73,369 | 4,679,980 | - |
| Units issued for cash, including reinvested distributions | 1,493,528 | 1,286,710 | 246,044 | 22,388 | 2,290,209 | - |
| Units redeemed | (154,011) | (38,006) | (2,106) | (610) | (229,809) | - |
| Balance, end of period | 5,465,309 | 3,462,487 | 415,824 | 95,147 | 6,740,380 | - |

EdgePoint Global Portfolio*Statements of Changes in Net Assets (Unaudited)
Periods ended June 30, 2011 and June 30, 2010*

| | Series B(N) | | Series F(N) | | Total | |
|---|---------------|------|---------------|------|----------------|----------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Net assets, beginning of period | \$ 25,140,361 | \$ – | \$ 8,913,599 | \$ – | \$ 577,362,071 | \$ 321,112,422 |
| Increase (decrease) in net assets from operations | 650,291 | – | 267,945 | – | 17,880,295 | (31,807,665) |
| Capital transactions: | | | | | | |
| Proceeds from issue of units | 11,299,776 | – | 7,227,256 | – | 224,285,454 | 157,315,025 |
| Payments on redemption of units | (585,752) | – | (822,149) | – | (32,294,740) | (14,253,200) |
| | 10,714,024 | – | 6,405,107 | – | 191,990,714 | 143,061,825 |
| Increase (decrease) in net assets | 11,364,315 | – | 6,673,052 | – | 209,871,009 | 111,254,160 |
| Net assets, end of period | \$ 36,504,676 | \$ – | \$ 15,586,651 | \$ – | \$ 787,233,080 | \$ 432,366,582 |
| Units issued and outstanding: | | | | | | |
| Balance, beginning of period | 1,680,901 | – | 592,164 | – | | |
| Units issued for cash, including reinvested distributions | 713,762 | – | 452,703 | – | | |
| Units redeemed | (37,228) | – | (51,189) | – | | |
| Balance, end of period | 2,357,435 | – | 993,678 | – | | |

See accompanying notes to interim Financial Statements.

| Number of shares/units | Security | Average cost | Fair value | % of net assets |
|------------------------|--|-----------------------|-----------------------|-----------------|
| Equities | | | | |
| 599,350 | WellPoint, Inc. | \$ 34,241,790 | \$ 45,521,863 | 5.78 |
| 1,561,500 | Ryanair Holdings PLC, ADR | 45,872,499 | 44,150,920 | 5.61 |
| 1,540,700 | Wells Fargo & Co. | 43,637,415 | 41,675,878 | 5.29 |
| 1,797,600 | The Progressive Corp. | 32,770,512 | 37,027,818 | 4.70 |
| 2,174,150 | International Game Technology | 37,534,995 | 36,879,850 | 4.69 |
| 1,339,700 | International Rectifier Corp. | 29,251,326 | 36,148,400 | 4.59 |
| 1,310,800 | Nalco Holding Co. | 34,975,671 | 35,115,793 | 4.46 |
| 738,100 | Altera Corp. | 21,898,308 | 32,991,249 | 4.19 |
| 589,900 | Kinetic Concepts, Inc. | 21,842,767 | 32,795,293 | 4.17 |
| 1,531,600 | Western Union Co. | 27,439,915 | 29,569,449 | 3.76 |
| 1,946,800 | Cisco Systems, Inc. | 37,950,924 | 29,287,328 | 3.72 |
| 1,282,900 | Knoll, Inc. | 19,137,936 | 24,842,215 | 3.16 |
| 595,400 | Willis Group Holdings PLC | 17,211,895 | 23,581,278 | 3.00 |
| 589,900 | JPMorgan Chase & Company | 25,616,903 | 23,272,427 | 2.96 |
| 780,750 | Pool Corp. | 15,850,015 | 22,406,743 | 2.85 |
| 479,930 | Gerresheimer AG | 18,376,066 | 22,128,698 | 2.81 |
| 2,392,200 | AMN Healthcare Services Inc. | 18,470,380 | 19,170,450 | 2.44 |
| 527,700 | Alere Inc. | 19,138,102 | 18,640,511 | 2.37 |
| 308,100 | Kabel Deutschland Holding AG | 15,981,460 | 18,295,581 | 2.32 |
| 619,150 | Research in Motion Limited | 37,486,941 | 17,219,675 | 2.19 |
| 401,900 | Hamamatsu Photonics K.K. | 12,619,258 | 16,603,375 | 2.11 |
| 1,370,900 | WPP PLC | 16,715,069 | 16,569,078 | 2.10 |
| 956,250 | Merit Medical Systems Inc. | 14,733,696 | 16,561,955 | 2.10 |
| 670,800 | Team Inc. | 11,919,797 | 15,596,389 | 1.98 |
| 3,133,300 | Grafton Group PLC | 13,802,622 | 14,692,759 | 1.87 |
| 575,000 | The Bank of New York Mellon Corp. | 17,569,838 | 14,200,748 | 1.80 |
| 434,600 | Takata Corp. | 12,715,103 | 12,752,479 | 1.62 |
| 1,382,700 | Shuffle Master, Inc. | 13,737,031 | 12,467,328 | 1.58 |
| 355,900 | HORIBA, Ltd. | 10,054,652 | 11,026,196 | 1.40 |
| 322,627 | SemGroup Corp. Class 'A' | 8,006,168 | 7,980,349 | 1.01 |
| 450,200 | EXFO Inc. | 1,746,983 | 3,304,468 | 0.42 |
| 4,479,300 | Travelsky Technology Limited 'H' | 2,334,756 | 2,703,400 | 0.34 |
| | | 690,640,793 | 735,179,943 | 93.39 |
| | Derivatives (Note 10) | 2,755,788 | 928,402 | 0.12 |
| | Adjustment for transaction costs | (1,029,852) | – | – |
| | Total investments | \$ 692,366,729 | \$ 736,108,345 | 93.51 |
| | Foreign exchange forward contracts | | | |
| | Foreign exchange forward contract to buy CDN 18,062,515 for JPY 1,513,999,999 with an exchange rate of 0.0011930, maturing September 07, 2011 | – | (72,699) | (0.01) |
| | Foreign exchange forward contract to buy CDN 3,274,248 for JPY 278,000,000 with an exchange rate of 0.011778, maturing October 04, 2011 | – | (58,320) | (0.01) |
| | Foreign exchange forward contract to buy CDN 9,567,430 for JPY 846,000,000 with an exchange rate of 0.011309, maturing October 11, 2011 | – | (576,722) | (0.07) |
| | Foreign exchange forward contract to buy CDN 4,582,420 for JPY 394,999,999 with an exchange rate of 0.011601, maturing August 02, 2011 | – | (144,072) | (0.02) |
| | | – | (851,813) | (0.11) |
| | Other assets, less liabilities | | 51,976,548 | 6.60 |
| | Net assets | | 787,233,080 | 100.00 |

See accompanying notes to interim Financial Statements.

1. The Fund:

- (a) EdgePoint Global 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 Fund's manager ("Manager") and trustee, and EdgePoint Investment Group 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. On August 3, 2010, the Fund began offering Series A(N), Series B(N) and Series F(N) units.
- (b) The Fund's authorized capital consists of an unlimited number of units and series without par value. The number of outstanding units of each series 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 who has signed an agreement with EdgePoint. Series A(N), Series B(N) and Series F(N) units have the same requirements except they are available only to investors residing in provinces that have not harmonized their provincial sales taxes with the federal Goods and Services Tax. 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 with EdgePoint.
- (c) To establish Series O units of the Fund, EdgePoint made an initial investment. As at June 30, 2011, EdgePoint held Series O units of the Fund with an aggregate market value of \$2,368 (December 31, 2010: \$8,986).
- (d) The Financial Statements include the *Statement of Investments* at June 30, 2011, the *Statements of Net Assets* at June 30, 2011 and December 31, 2010, and the *Statements of Operations* and the *Statements of Changes in Net Assets* for the periods ended June 30, 2011 and June 30, 2010 (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 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 their fair value. Investments

in securities listed on a public securities exchange or traded on an over-the-counter market are valued at their closing bid price. Securities with no available closing bid price are valued at their last sale or close price. Securities for which a closing bid price, last sale or close price are unavailable, or securities for which market quotations are unreliable or not reflective of all available material information, are valued at their 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 acquisition date, are deemed held for trading and are recorded at amortized cost, which approximates their fair value.

(c) Valuation of foreign exchange contracts:

The Fund may enter into foreign exchange contracts for hedging purposes or to establish 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 the closing of a contract, the gain or loss is included in the net realized gain (loss) on the 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 of less than 90 days and are carried at cost, which approximates their fair value.

(e) Other assets and liabilities:

All trade receivables and other accounts receivable are designated as receivables. They are recorded at amortized cost, which approximates their fair value. Similarly, all trade payables and accrued expenses are designated as financial liabilities and are recorded at amortized cost, which approximates their fair value.

(f) Investment transactions and income recognition:

All income, net realized and unrealized appreciation, foreign exchange and transaction costs are attributable to investments and derivatives deemed held for trading. Investment transactions are accounted for on the trade date; that is, on the day 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 the proceeds of the disposition less their average cost. The unrealized appreciation of investments represents the difference between their average cost and their 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 accrued basis.

2. Significant accounting policies (continued):

Income and realized and unrealized capital gains (losses) are distributed among 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:

Transaction 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 is 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. Proceeds from the sale 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 investment transactions and, accordingly, are included in the net realized gain (loss) on the sale of investments and foreign exchange, or in the net change in the unrealized appreciation of investments.

(i) Capital management:

The Manager manages the Fund's capital, which consists of the Fund's net assets, 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 *Statements of Operations* represents the net increase (decrease) in the net assets from operations for each series for the period divided by the average units outstanding for each series for the period.

(k) Future changes in accounting policies:

On January 12, 2011, the Canadian Accounting Standards Board published amendments to the Canadian Institute of Chartered Accountants ("CICA") Handbook that provide a two-year deferral of the transition to International Financial Reporting Standards ("IFRS") by investment companies. For fiscal years beginning on or after January 1, 2013, investment companies, including the Fund, will be required to implement IFRS for interim and annual financial statements. Until this date, the

Fund will continue to apply the accounting standards in Part V of the CICA Handbook.

Based on the Manager's current evaluation of the differences between GAAP and IFRS, the Manager does not expect that net assets attributable to unitholders or the 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: Presentation*, for the Fund to continue to classify the units as equity, they must meet certain specific criteria. Due to the Fund's multi-class structure, it is unlikely that the units will meet the criteria as it is currently written. As such, 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 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 and not the Fund. These fees will not exceed the Fund's Series A management fees.

| | |
|-------------|-------|
| Series A | 1.80% |
| Series B | 2.00% |
| Series F | 0.80% |
| Series A(N) | 1.80% |
| Series B(N) | 2.00% |
| Series F(N) | 0.80% |

(b) In addition to management fees, the Fund is responsible for paying all expenses relating to its operations. These expenses 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, investor servicing costs, and costs of reports and prospectuses. Each series is responsible for paying the operating expenses specifically attributed to that series. Except for interest and bank charges paid or

3. Management fees and expenses (continued):

payable directly by the Fund, the Manager incurs such expenses on the Fund's behalf and is then reimbursed by the Fund for such expenses. The Fund's common operating expenses are allocated among series based on the average number of unitholders or the average daily net assets of each series depending on the operating expense. All Series I operating expenses are EdgePoint's responsibility.

(c) At its sole discretion, EdgePoint may waive management fees or absorb the Fund's expenses. Absorbed expenses, if any, are shown on the *Statements of Operations*. 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 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 are paid or payable to unitholders. Such distributed income is taxable in the hands of 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 the Fund's future tax assets; however, 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, 2010, the Fund had capital losses of nil (2009: nil).

5. Brokerage commissions:

Commissions paid to brokers in connection with portfolio transactions are disclosed in the Fund's *Statements of Operations*. Brokerage business is allocated based on which broker can deliver to the Fund 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 that may or may not be used by EdgePoint in its investment decision-making process. As at June 30, 2011, EdgePoint had commission-sharing or "soft dollar" arrangements with certain brokers in which they paid for third-party services. These services represent less than 1% of total brokerage commissions paid by the Fund. Other proprietary research services are offered on a "bundled" basis with transaction execution. As a result, EdgePoint is not able to reasonably ascertain the value of these investment research services.

6. Reconciliation of net asset value:

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 set out in the Fund's Simplified Prospectus and Annual Information Form and uses the last trade price to value investments traded in an active market. The Canadian Securities Administrators requires 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, 2011 | NAV | GAAP Net Assets |
|---------------|----------|--------------------|
| Series A | \$ 15.51 | \$ 15.50 |
| Series B | 15.42 | 15.41 |
| Series F | 15.70 | 15.69 |
| Series I | 15.79 | 15.78 |
| Series O | 11.36 | 11.35 |
| Series A(N) | 15.52 | 15.51 |
| Series B(N) | 15.49 | 15.48 |
| Series F(N) | 15.70 | 15.69 |

| December 31, 2010 | NAV | GAAP Net Assets |
|-------------------|----------|--------------------|
| Series A | \$ 14.97 | \$ 14.96 |
| Series B | 14.90 | 14.90 |
| Series F | 15.08 | 15.06 |
| Series I | 15.08 | 15.07 |
| Series O | 10.85 | 10.84 |
| Series A(N) | 14.98 | 14.97 |
| Series B(N) | 14.97 | 14.96 |
| Series F(N) | 15.07 | 15.05 |

7. Financial instruments:

Essentially, all of the Fund's assets and liabilities are financial instruments. These financial instruments comprise investments, net unrealized gains (losses) on foreign exchange forward contracts, cash and cash equivalents, trade receivables, other accounts receivable, trade payables and accrued expenses. Investments and foreign exchange contracts are recorded at their fair value based on the accounting policies described in note 2(b). All other financial instruments are carried at cost or amortized cost, which approximates their fair value.

8. Fair value measurements:

The Fund's hierarchy for disclosing the fair value of the Fund's investments is based on the inputs 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 inputs were used in valuing the Fund's investments and derivatives at fair values as at June 30, 2011 and December 31, 2010:

| June 30, 2011 | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Total |
|------------------------------------|--|---|-----------------------|
| Equities | \$ 735,179,943 | \$ – | \$ 735,179,943 |
| Options – long | 1,570 | 926,832 | 928,402 |
| Foreign exchange forward contracts | – | (851,813) | (851,813) |
| Total investments | \$ 735,181,513 | \$ 75,019 | \$ 735,256,532 |

| December 31, 2010 | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Total |
|------------------------------------|--|---|-----------------------|
| Equities | \$ 540,003,236 | \$ – | \$ 540,003,236 |
| Options – long | 1,334,228 | – | 1,334,228 |
| Foreign exchange forward contracts | – | (229,492) | (229,492) |
| Total investments | \$ 541,337,464 | \$ (229,492) | \$ 541,107,972 |

During the periods ended June 30, 2011 and December 31, 2010, no investments 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 daily 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 long-term capital appreciation by investing primarily in global companies that the portfolio management team believes have strong competitive positions, long-term growth prospects and are run by competent management teams. The portfolio management team acquires ownership stakes in these companies at prices below their assessment of each company's true value.

The 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 with competitive advantages 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 ensure that pre-trade and post-trade compliance rules are followed. The Governance and Oversight Committee conducts quarterly reviews to monitor portfolio activity for compliance with applicable rules.

(a) Market risk:**(i) Market price risk:**

Market price risk arises primarily from uncertainties about the future market prices of 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 Fund's most significant exposure to market price risk arises from its investment in equity securities. If equity prices for these securities had increased or decreased on their respective stock exchanges by 5% as at June 30, 2011, with all other variables held constant, the Fund's net assets would have increased or decreased, respectively, by approximately \$36.8 million or 4.7% of total net

9. Financial instrument risk (continued):

assets (December 31, 2010: \$27.0 million or 4.7% of total net assets). In practice, 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 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 following table indicates the currencies (excluding the Canadian dollar) to which the Fund's financial instruments had significant exposure. Period-end figures are in Canadian dollars and include the underlying principal of forward exchange contracts, if any:

| June 30, 2011: | | | | |
|------------------|-------------|-----------|----------------------------|-----------|
| Currency | Investments | Cash | Foreign exchange contracts | Total |
| | (\$'000s) | (\$'000s) | (\$'000s) | (\$'000s) |
| British pound | 16,569 | – | – | 16,569 |
| Euro | 55,117 | – | – | 55,117 |
| Hong Kong dollar | 2,703 | – | – | 2,703 |
| Japanese yen | 40,382 | – | (36,338) | 4,044 |
| U.S. dollar | 618,032 | 46,677 | – | 664,709 |
| | 732,803 | 46,677 | (36,338) | 743,142 |
| % of net assets | 93.1% | 5.9% | (4.6%) | 94.4% |

| December 31, 2010: | | | | |
|--------------------|-------------|-----------|----------------------------|-----------|
| Currency | Investments | Cash | Foreign exchange contracts | Total |
| | (\$'000s) | (\$'000s) | (\$'000s) | (\$'000s) |
| British pound | 11,417 | – | – | 11,417 |
| Euro | 41,911 | – | – | 41,911 |
| Hong Kong dollar | 3,097 | – | – | 3,097 |
| Japanese yen | 27,852 | – | (26,915) | 937 |
| U.S. dollar | 451,750 | 30,474 | – | 482,224 |
| | 536,027 | 30,474 | (26,915) | 539,586 |
| % of net assets | 92.8% | 5.3% | (4.7%) | 93.4% |

As at June 30, 2011, if the Canadian dollar had strengthened or weakened by 1% relative to all foreign currencies with all other variables held constant, the Fund's net assets would have increased or decreased, respectively, by approximately \$7.43 million or 0.9% of total net assets (December 31, 2010: \$5.40 million or 0.9% of total net assets). In practice, 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 market interest rates.

The majority of the Fund's financial assets are equity shares, which are not interest bearing. As the Fund's financial liabilities are primarily short-term in nature and generally not interest bearing, the Fund's exposure to interest rate risk is considered insignificant.

(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 main exposure to credit risk is 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 traded in an active market 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:

| Call options | Expiry date | Strike price | Number of contracts | Average cost | Fair value |
|--------------------|-------------|---------------|---------------------|--------------|---------------------|
| Research In Motion | Jan/115 CO | Jan. 24, 2012 | 115.00 | 1,628 | \$ 121,200 \$ 1,570 |
| | | | | | \$ 121,200 \$ 1,570 |

10. Schedule of derivatives (continued):

| Put options | Expiry date | Strike price | USD notional | Average cost | Fair value |
|-------------|---------------|--------------|---------------|--------------|------------|
| Japan-USD | | | | | |
| Mar/110 PO | Mar. 13, 2014 | 110.00 | 28,709,000 \$ | 352,869 | \$215,614 |
| Japan-USD | | | | | |
| Mar/110 PO | Mar. 13, 2014 | 110.00 | 28,709,000 | 358,470 | 215,614 |
| Japan-USD | | | | | |
| Aug/115 PO | Aug. 21, 2013 | 115.00 | 40,816,710 | 348,034 | 126,469 |
| Japan-USD | | | | | |
| Aug/115 PO | Aug. 21, 2013 | 115.00 | 43,019,725 | 348,034 | 133,294 |
| Japan-USD | | | | | |
| Jul/100 PO | Jul. 18, 2013 | 100.00 | 14,465,000 | 467,086 | 157,822 |
| Japan-USD | | | | | |
| Mar/125 PO | Mar. 29, 2013 | 125.00 | 30,602,856 | 162,414 | 29,394 |
| Japan-USD | | | | | |
| Mar/140 PO | Mar. 29, 2013 | 140.00 | 18,660,000 | 60,651 | 15,457 |
| Japan-USD | | | | | |
| Mar/125 PO | Mar. 29, 2013 | 125.00 | 15,805,000 | 121,334 | 15,181 |
| Japan-USD | | | | | |
| Mar/125 PO | Mar. 29, 2013 | 125.00 | 15,655,000 | 121,338 | 15,172 |
| Japan-USD | | | | | |
| Sep/100 PO | Sep. 27, 2011 | 100.00 | 7,520,000 | 235,024 | 2,524 |
| Japan-USD | | | | | |
| Sep/115 PO | Sep. 27, 2011 | 115.00 | 7,520,000 | 59,334 | 291 |
| | | | | | |
| | | | | \$2,634,588 | \$926,832 |

11. Comparative figures:

Certain 2010 comparative figures have been reclassified to conform with the financial statement presentation adopted in 2011.

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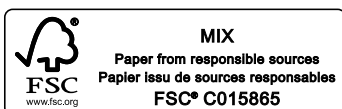
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