



*Continuous Offering*

*May 18, 2020*

# EdgePoint Portfolios

*Simplified Prospectus*

*Offering Series A Units, Series B Units, Series F Units, Series I Units, Series A(N) Units, Series B(N) Units and Series F(N) Units of:*

**EdgePoint Canadian Portfolio**  
**EdgePoint Global Portfolio**  
**EdgePoint Canadian Growth & Income Portfolio**  
**EdgePoint Global Growth & Income Portfolio**

*Offering Series A Units, Series F Units, Series I Units, Series A(N) Units, and Series F(N) Units of:*

**EdgePoint Income Portfolio**

*No securities regulatory authority has expressed an opinion about these units and it is an offense to claim otherwise.*

*These Funds and the securities of the Funds offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission.*

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## **INTRODUCTION**

This Simplified Prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor in the Funds listed on the cover of this document.

To make this document easier to read, we use the following terms throughout:

- **We, us, our, and EdgePoint** refer to **EdgePoint Wealth Management Inc.**
- **You** refers to an individual investor and everyone who invests or may invest in the Funds.
- **Fund or Funds** refers to all of our EdgePoint mutual funds offered to the public under a simplified prospectus.
- **Dealer** refers to both the dealer and the registered representative in your province or territory who advises you on your investments.
- **Registered plans** refer to RRSPs and RRIFFs each as defined under “*Optional services – Registered plans*” on page 16.
- **Prospectus** refers to this Simplified Prospectus.

This document consists of two parts. The first part, from pages 1 to 25, contains general information applicable to all of the Funds. The second part, from pages 26 to 43, contains specific information about each of the Funds described in this document.

Additional information about each Fund is available in the following documents:

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling toll-free at 1.866.757.7207 or from your Dealer. These documents are also available on the EdgePoint website at [www.edgepointwealth.com](http://www.edgepointwealth.com) or by e-mailing [info@edgepointwealth.com](mailto:info@edgepointwealth.com).

These documents and other information about the Funds are available on the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at [www.sedar.com](http://www.sedar.com).

## **WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?**

### **What is a mutual fund?**

A mutual fund is a pool of money contributed by people with similar investment objectives. A professional portfolio manager uses that money to buy securities, such as stocks, bonds, cash or a combination of these, depending on the fund’s investment objective. The portfolio manager makes all the decisions about which securities to buy, and when to buy and sell them. The value of an investment in a mutual fund is realized by redeeming the securities held.

In Canada, a mutual fund can be established either as a mutual fund trust or as a mutual fund corporation. Each of our Funds is structured as an open-ended mutual fund trust created pursuant to a declaration of trust under the laws of Ontario. EdgePoint Wealth Management Inc., as trustee, holds the property and investments of a Fund in trust. Each Fund has the ability to issue an unlimited number of units.

## **What are the risks of investing in a mutual fund?**

Mutual funds carry the risk that your investment may not perform as well as you hope, or expect, over a certain period of time. Mutual funds own different types of investments, such as stocks, bonds, cash and/or derivatives, depending upon the investment objective of the particular mutual fund. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units may go up or down on a daily basis, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

We do not guarantee that the full amount of your original investment in any of the Funds will be returned to you. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. See "*Purchases, switches, and redemptions*" on page 11.

The value of a Fund's investments can change for many reasons. Some of the specific risks that can affect the value of your investment in a Fund are set out below. You'll find the risks of investing in each Fund under that Fund's description in this Prospectus.

### ***Asset-backed securities and mortgage-backed securities risk***

Asset-backed securities are interests in pools of consumer or business loans. Mortgage-backed securities are interests in pools of residential or commercial mortgage loans. If there are changes in the market's perception of the issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the asset-backed securities or mortgage-backed securities may be affected. In the case of mortgage-backed securities, there is also a risk that there may be a drop in the interest rates charged on mortgages, a mortgagor may default in its obligations under a mortgage, or, there may be a drop in the value of the property secured by the mortgage. In the case of asset-backed securities, there is an additional risk associated with the assets underlying such securities, where a drop in the value of the underlying assets (e.g., receivables or other financial assets or interests) may also result in a drop in the value of the asset-backed securities.

### ***Concentration risk***

A Fund may concentrate its investments in securities of a small number of issuers. The result is that the securities in which it invests may not be diversified across many sectors or they may be concentrated in specific regions or countries. A Fund may also have a significant portion of its portfolio invested in the securities of a single issuer. A relatively high concentration of assets in a single or small number of investments may reduce the Fund's diversification and liquidity.

### ***Credit risk***

Credit risk is the risk that the government or company issuing a fixed-income security will be unable to make interest payments or pay back the original investment. Lower-rated debt securities issued by companies often have higher credit risk. Securities issued by well-established companies or by governments of developed countries tend to have lower credit risk. Funds that invest in companies with high credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

### ***Currency risk***

Each of the Funds is valued in Canadian dollars. When a Fund buys foreign securities, however, they are purchased with

foreign currencies that fluctuate in value against the Canadian dollar. While a Fund can benefit from changes in exchange rates, an unfavourable move may reduce, or even eliminate, any return on a foreign investment.

A Fund's ability to make distributions or process redemptions assumes the continuing free exchange of currencies in which a Fund is invested. However, certain foreign governments sometimes restrict the ability to exchange currencies.

#### ***Cyber security risk***

Cyber security risk is the risk of harm, loss and liability resulting from a failure or breach of an organization's information technology systems. In general, cyber security risks can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, equipment or systems, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber security risks have the ability to negatively impact the Funds and the securityholders of the Funds by, among other things, disrupting and impacting business operations, interfering with a Fund's ability to calculate its NAV, impeding trading by or in the Funds, potentially resulting in financial losses and causing violations of applicable privacy and other laws. While EdgePoint has established business continuity plans and risk management systems to address cyber security risks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Furthermore, a Fund cannot control the cyber security plans and systems put in place by its service providers or any other third party whose operations may affect the Fund or its securityholders. The Fund and its securityholders could be negatively impacted as a result.

#### ***Depository securities and receipts risk***

In some cases, rather than directly holding securities of non-Canadian and non-U.S. companies, a Fund may hold these securities through a depository security and receipt (an "ADR" – American Depository Receipt, a "GDR" – Global Depository Receipt, or an "EDR" – European Depository Receipt). A depository receipt is issued by a bank or trust company to evidence its ownership of securities of a non-local corporation to which it relates. The value of a depository receipt will not be equal to the value of the underlying non-local securities to which the depository receipt relates as a result of a number of factors. These factors include the fees and expenses associated with holding a depository receipt, the currency exchange relating to the conversion of foreign dividends and other foreign cash distributions into local currencies, and tax considerations such as withholding tax and different tax rates between jurisdictions. In addition, the rights of the Fund, as a holder of a depository receipt, may be different than the rights of holders of the underlying securities to which the depository receipt relates, and the market for a depository receipt may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the depository receipt and, as a consequence, the performance of the fund holding the depository receipt. As the terms and timing with respect to the depository for a depository receipt are not within the control of a Fund or its portfolio manager and if the portfolio manager chooses only to hold depository receipts rather than the underlying security, the Fund may be forced to dispose of the depository receipt, thereby eliminating its exposure to the non-local corporation, at a time not selected by the Fund's portfolio manager, which may result in losses to the Fund or the recognition of gain at an inopportune time.

#### ***Derivative risk***

The Funds may use derivatives as permitted by the Canadian securities regulatory authorities. A derivative is an investment whose value is based on the performance of other investments or on the movement of interest rates, exchange rates or market indices. Derivatives are often used for hedging against potential losses because of changes in interest or foreign exchange rates, for example. Derivatives also allow mutual funds to invest indirectly; for example, to invest in the returns of a stock or index without actually buying the stock or all the stocks in the index. This would be done where it is cheaper for the Fund to buy and sell the derivative or the derivative is considered safer.

Derivatives have their own special risks. Some of the common risks are:

- Using derivatives for hedging may not always work and it could limit a mutual fund's chance to make a gain;
- The price of a derivative may not accurately reflect the value of the underlying currency or security;
- There is no guarantee that a mutual fund can close a derivative contract when it wants. If an exchange imposes trading limits, it could also affect the ability of a mutual fund to close out its positions in derivatives. These

events could prevent a mutual fund from making a profit or limiting its losses;

- The other party to a derivative contract may not be able to fulfil its agreement to complete the transaction.

#### ***Emerging markets risk***

Securities markets in emerging market countries may be smaller than those in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Potential political instability and corruption, as well as lower standards of regulation for business practices, increase the possibility of fraud and other legal problems. Therefore, the value of Funds that invest in emerging markets may rise and fall substantially.

#### ***Equity market risk***

The value of a mutual fund that invests in equity securities will be affected by changes in the market price of those securities. The price of an equity security is affected by individual company developments and by general economic, political and financial conditions in those countries where the company is located or carries on business or where the security is listed for trading. This may include economic uncertainty, growing rise of anti-business sentiment, and national and international political circumstances.

#### ***Foreign market risk***

The value of foreign securities may be influenced by foreign government policies, lack of information about foreign companies, political or social instability and the possible levy of foreign withholding tax. There may be lower standards of government supervision and regulation in foreign financial markets. Foreign stock markets may also be less liquid and more volatile. In addition, the securities markets of many countries have at times in the past moved relatively independently of one another due to different economic, financial, political and social factors. This may reduce gains the mutual fund has derived from movements in a particular market. A mutual fund that holds foreign securities may have difficulty enforcing legal rights in jurisdictions outside Canada.

#### ***Income trust securities risk***

The Funds may invest in real estate, royalty, income and other investment trusts which are investment vehicles in the form of trusts rather than corporations. To the extent that claims, whether in contract, in tort or as a result of tax or statutory liability, against an investment trust are not satisfied by the trust, investors in the investment trust, including the Funds investing in the trust, could be held liable for such obligations. Investment trusts generally seek to make this risk remote in the case of contract by including provisions in their agreements that the obligations of the investment trust will not be binding on investors personally. However, investment trusts could still have exposure to damage claims such as personal injury and environmental claims. Certain jurisdictions have enacted legislation to protect investors in investment trusts from the possibility of such liability.

Income trusts generally hold debt, equity or royalty interests in an underlying active business. To the extent that an underlying business is susceptible to industry risks, interest rate fluctuations, commodity prices and other economic factors, investment returns from an income trust and the price of an income trust may be similarly affected. Although distributions and returns are neither fixed nor guaranteed, income trusts are structured in part to provide a constant stream of income to investors. As a result, an investment in an income trust may be subject to interest rate risk.

#### ***Interest rate risk***

Changes in interest rates have an impact on a wide range of investments. When interest rates rise, the prices of fixed-rate bonds or other securities like treasury bills tend to fall. When interest rates fall, the prices of the fixed-rate bonds or treasury bills tend to rise. Fixed-income securities with longer terms to maturity are usually more sensitive to changes in interest rates. Changes in the prices of these securities will affect the Fund's price.

#### ***Large transaction risk***

Units of the Funds may be purchased in large quantities by an investor or by another investment product, such as another mutual fund managed by us or other investment fund. These types of investors may make large purchases or redemptions in a Fund, due to their substantial investment in a Fund. If these transactions are significant, they may impact the Fund's cash

flow and the Fund may be required to alter its current investment portfolio by buying or selling a large portion of its investments. When a large investor purchases units with cash, the Fund may temporarily have a higher than normal cash position, until the cash can be invested. When a large redemption is requested, the Fund may have to sell existing investments at unfavourable prices if it does not have enough cash on hand to fund the redemption. Both of these types of transactions can unfavourably impact a Fund's return.

### ***Liquidity***

Investors often describe the speed and ease with which an asset can be sold and converted into cash as its liquidity. Most of the securities owned by the Funds can usually be sold promptly and therefore can be described as relatively liquid. But a Fund may also invest in securities that are illiquid, which means they cannot be sold quickly or easily. Securities could be illiquid due to a number of factors:

- the size of the company;
- they have few shares outstanding;
- legal restrictions;
- the nature of the investment itself;
- settlement terms;
- the impact of political or economic events; or
- other reasons.

The liquidity of a security may also be affected in the event that an officer or director of the Manager or the Portfolio Manager is a director of an entity in which a Fund has invested, which may restrict the ability of the Fund to engage in transactions with respect to such security.

A Fund that has trouble selling a security can lose value or incur extra costs. In addition, illiquid securities may be more difficult to value accurately and may experience larger price changes. This can cause greater fluctuations in a Fund's value. There are restrictions on the amount of illiquid investments that a Fund may hold.

### ***Market disruptions***

Natural disasters, epidemic and pandemic outbreaks, public health emergencies, war, occupation, terrorism and related geopolitical risks may lead to increased market volatility and may have adverse effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers and can adversely affect securities and financial markets, inflation and other factors relating to a Fund, its service providers and its portfolio securities. These market conditions and volatility or illiquidity in capital markets may also adversely affect the prospects of a Fund and the value of its portfolio securities.

### ***Regulatory risk***

Some industries, such as financial services, health care, and telecommunications are heavily regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding. The value of a mutual fund that buys these investments may rise and fall substantially due to changes in these factors.

### ***Repurchase and reverse repurchase risk***

From time to time, some of the Funds may enter into repurchase transactions and reverse repurchase transactions to the extent permitted by the Canadian securities regulatory authorities. Under a repurchase transaction, a mutual fund agrees to sell securities for cash, while at the same time assuming an obligation to repurchase the same securities for cash, usually at a higher price and at a later date. A reverse repurchase transaction is a transaction in which the mutual fund buys securities for cash and simultaneously agrees to resell the same securities for cash, usually at a higher price and at a later date. The counter party to these types of transactions may default under the agreement or go bankrupt. Should this occur in a reverse repurchase transaction and the market value of the security drops, the Fund may be unable to sell the security at the

purchase price plus interest. Should this occur in a repurchase transaction, the Fund may suffer a loss if the value of the security it sold or loaned has increased more than the value of the cash or collateral the Funds holds.

To minimize these risks, the Funds require the counter party to the transaction to put up collateral. The value of the collateral must be at least 102% of the market value of the security sold or loaned, or 102% of the cash paid for the security, as applicable. The collateral held by the Fund may consist only of cash, qualified securities or securities that can be immediately converted into identical securities to those on loan. Collateral is checked and reset daily. The Fund's total exposure to any one borrower is limited to 10% of the total value of the Fund's assets.

#### ***Securities lending risk***

Securities lending involves lending, for a fee, portfolio securities held by a Fund for a set period of time to willing, qualified borrowers who have posted collateral. In lending its securities, a Fund is subject to the risk that the borrower may not fulfill its obligations leaving the Fund holding collateral worth less than the securities it has lent, resulting in a loss to the Fund. To limit this risk, a Fund must hold collateral worth no less than 102% of the value of the loaned securities and the amount of collateral is adjusted daily to ensure this level is maintained. The collateral may only consist of cash, qualified securities or securities that can be immediately converted into identical securities to those that have been loaned. A Fund cannot lend more than 50% of the total value of its assets through securities lending or repurchase transactions.

#### ***Series risk***

Mutual funds sometimes issue different series of units of the same mutual fund. Each series has its own fees and expenses, which the mutual fund tracks separately. However, if one series is unable to meet its financial obligations, the other series are legally responsible for making up the difference.

#### ***Short selling risk***

The Funds may engage in a limited amount of short selling. A short sale is a transaction in which a Fund sells, on the open market, securities that it has borrowed from a lender for this purpose. At a later date, the Fund must repurchase the securities on the open market and return them to the lender. In the interim, the Fund must pay compensation to the lender for the loan of the securities and provide collateral to the lender for the loan.

Short selling involves certain risks:

- There is no assurance that the borrowed securities will decline in value during the period of the short sale by more than the compensation paid to the lender, and securities sold short may instead increase in value
- The Fund may experience difficulties in purchasing and returning borrowed securities if a liquid market for the securities does not exist at that time
- A lender may require the Fund to return borrowed securities at any time. This may require the Fund to purchase such securities on the open market at an inopportune time
- The lender from whom the Fund has borrowed securities, or the prime broker who is used to facilitate short selling, may become insolvent and the Fund may lose the collateral it has deposited with the lender and/or the prime broker



## **ORGANIZATION AND MANAGEMENT OF EDGEPOINT PORTFOLIOS**

<p><b>Manager</b> EdgePoint Wealth Management Inc. 150 Bloor Street West, Suite 500 Toronto, Ontario M5S 2X9</p>	<p>The Manager is responsible for the undertaking and affairs of the Funds, providing or arranging for the Funds' day-to-day administration and promoting sales of the Funds' units through financial advisors in each province and territory of Canada. We may engage third parties to perform certain services on our behalf.</p> <p>Each Fund that invests in an underlying fund managed by us will not vote any of the securities it holds in the underlying fund. However, we may arrange for you to vote your share of those securities.</p>
<p><b>Trustee</b> EdgePoint Wealth Management Inc. Toronto, Ontario</p>	<p>The Funds are organized as mutual fund trusts. The trustee of each Fund controls and has authority over each Fund's investments and cash on behalf of Unitholders.</p>
<p><b>Portfolio Manager</b> EdgePoint Investment Group Inc. Toronto, Ontario</p>	<p>The Portfolio Manager provides investment advice and portfolio management services for each of the Funds. The Portfolio Manager is not independent of the Manager and Trustee of the Funds.</p>
<p><b>Registrar</b> CIBC Mellon Global Securities Services Company Toronto, Ontario</p>	<p>The Registrar keeps a record of the owners of units of each Fund, processes purchases, switch and redemption orders, issues investor account statements and trade confirmations and issues annual tax reporting information. The Registrar is independent of EdgePoint.</p>
<p><b>Auditors</b> KPMG LLP Toronto, Ontario</p>	<p>The Auditors conduct an annual audit of the financial statements of each of the Funds in accordance with Canadian generally accepted auditing standards. KPMG LLP is an independent chartered professional accounting firm in accordance with ethical requirements that are relevant to the audit of financial statements in Canada.</p> <p>Unitholder approval is not required for a change of the Auditor provided the independent review committee has approved such a change and you receive at least 60 days' notice prior to the change of Auditor.</p>
<p><b>Custodian</b> CIBC Mellon Trust Company Toronto, Ontario</p>	<p>The Custodian holds each Fund's investments and cash on behalf of the Fund and carries out settlement of portfolio transactions. CIBC Mellon Trust Company is independent of EdgePoint.</p>
<p><b>Securities Lending Agent</b> CIBC Mellon Trust Company The Bank of New York Mellon Toronto, Ontario</p>	<p>The securities lending agent acts as agent for securities lending transactions. The securities lending agent is independent of the Manager and the Funds.</p>

<b>Independent Review Committee</b>	<p>The Independent Review Committee (“IRC”) is comprised of three individuals who are independent of EdgePoint. The IRC reviews all conflict of interest matters referred to it by EdgePoint and makes recommendations on whether a course of action achieves a fair and reasonable result for each Fund.</p> <p>The IRC conducts regular assessments of its members and provides reports, at least annually, to the Funds and to their unitholders with respect to its functions. The report prepared by the IRC will be available on the Funds’ website at <a href="http://www.edgepointwealth.com">www.edgepointwealth.com</a>, or by unitholder request and at no cost by e-mailing <a href="mailto:info@edgepointwealth.com">info@edgepointwealth.com</a>.</p> <p>The IRC may also approve a Fund’s reorganization with, or transfer of assets to, another Fund managed by the Manager, or an affiliate. In such circumstances, the approval of Unitholders will not be required if Unitholders are sent a notice at least 60 days before the effective date of any such transaction.</p> <p>Additional information about the IRC, including the names of the members, is available in the Annual Information Form.</p>
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## **PURCHASES, SWITCHES AND REDEMPTIONS**

### **Series of units and purchase options**

Each Fund offers series A units (“Series A Units”), series F units (“Series F Units”), series I units (“Series I Units”), series A(N) units (“Series A(N) Units”), and series F(N) units (“Series F(N) Units”).

Each series of units is intended for different kinds of investors and has different sales charges and expenses associated with it as set forth below. Please also see “Fees and expenses” on page 17 and “Dealer compensation” on page 22 for further information on these fees and charges.

Series A(N) Units, and Series F(N) Units have the same characteristics as Series A Units, and Series F Units, respectively, except that those units with the “N” designation are intended only for investors resident in the provinces and territories of Canada that have not harmonized their provincial sales tax (the “Non-Participating Jurisdictions”) with the federal Goods and Services Tax (“GST”), creating a harmonized sales tax (“HST”). Non-Participating Jurisdictions currently include Alberta, Manitoba, Northwest Territories, Nunavut, British Columbia, Saskatchewan and Yukon Territory.

If you become a resident in a Non-Participating Jurisdiction, you may, by instructing your investment advisor, switch your Units to the corresponding non-HST series (for which only the federal GST, which is currently 5%, will be applied to the operating expenses of the series, where applicable). If the jurisdiction in which you are resident de-harmonizes its provincial sales tax with the GST and becomes a Non-Participating Jurisdiction, we will sell or switch your Units in accordance with the instructions from your investment advisor. In the absence of instructions, we may automatically switch your Units to the corresponding non-HST series. If the Non-Participating Jurisdiction in which you are a resident harmonizes its provincial sales tax with the GST to create an HST, or if at any time you no longer reside in a Non-Participating Jurisdiction, we will sell or switch your Units in accordance with the instructions from your investment advisor. In the absence of instructions, we may automatically switch your non-HST Units to the corresponding HST series.

#### **Series A:**

Series A Units are available to all investors on only a

front-end sales charge basis. With the front-end sales charge option, you negotiate and pay your Dealer a sales charge of up to 5% of the amount invested at the time you purchase Series A Units of a Fund.

#### **Series B:**

Series B Units have a low-load redemption fee schedule. The redemption fee starts at 3% in the first year and decreases each year over a three-year period. You do not pay a sales charge to your Dealer when you buy Series B Units.. See “Fees and expenses” on page 17 for the redemption fee schedule. If you choose the low-load sales charge, you may not sell your Series B Units without paying a redemption fee until the beginning of the fourth year.

As you do not pay any sales charges to your Dealer when you buy Series B Units, our costs to distribute these units are higher. We pay a commission to your Dealer at the time of purchase and, as a result, they have higher management fees. However, following the completion of the low-load sales charge fee schedule, Series B Units will be automatically switched, at no cost, to Series A Units of the same Fund, which offer a lower management fee. This automatic switch will generally result in a larger portion of the management fee being payable to your Dealer at the rates indicated under “Trailing commission” on page 22.

If you hold Series B Units, your reinvested distributions will be used to purchase additional Series B Units of the Fund, but those reinvested units will not be subject to the low-load sales charge. See “Distribution policy” on page 28.

As at January 1, 2019, the distribution of Series B Units was discontinued and no new purchases, including through automatic investment plans and switches into Series B Units, will be accepted, unless permitted by the Manager at its sole discretion. Unitholders who purchased Series B Units of a Fund prior to January 1, 2019 will be able to continue to hold such Units until such Units are automatically switched to Series A Units of such Fund in accordance with their low-load schedule as described above.

#### **Series F:**

Series F Units are available to investors who are participants in a fee-for-service or wrap account program sponsored by certain registered dealers.

Series F Units can be purchased under this Prospectus only through your investment advisor who has obtained the consent of EdgePoint to offer Series F Units. Participation in the offering of Series F Units by a dealer organization is subject to the terms and conditions relating to the distribution of Series F Units, including the requirement of your investment advisor to notify EdgePoint if you are no longer enrolled in the fee-for-

service or wrap account program.

If EdgePoint is notified that you no longer meet the eligibility criteria, we will sell or switch your Series F Units in accordance with the instructions from your investment advisor. In the absence of instructions, we may automatically switch your Series F Units into Series A Units.

When you purchase Series F Units, you pay an amount to your Dealer directly, as specified in your fee-for-service arrangement. Alternatively, an investment advisory fee plus any applicable taxes may be paid by redeeming some of the units you own of the Fund. Where such an arrangement exists, an EdgePoint Investment Advisory Fee Agreement signed by your Dealer is provided to EdgePoint. The annual fee is indicated in the agreement and is calculated daily and paid quarterly (including applicable taxes for remittance to Canada Revenue Agency ("CRA")) to your Dealer. If all of a unitholder's Series F Units are redeemed during the quarter, EdgePoint will withhold any fees owing on the redemption amount. The quarterly payment frequency in which fees are redeemed and remitted to your Dealer is subject to change at the discretion of EdgePoint.

**Series I:**

Series I Units are special purpose securities not sold to the general public. Series I Units are available to large investors with necessary minimum investments who have entered into a Series I Subscription Agreement with EdgePoint or for employees of EdgePoint or service providers to EdgePoint. We may vary the minimum investments for institutional accounts that are expected to grow their investment significantly within a period of time acceptable to EdgePoint or for employees of EdgePoint or service providers to EdgePoint. No management fees, advisory fees, or operating expenses are charged to the Fund with respect to Series I Units. Instead, each Series I investor negotiates a separate management fee paid directly to us. However, the management fee charged for Series I Units will not exceed 1.70% for the EdgePoint Canadian Growth & Income Portfolio and EdgePoint Global Growth and Income Portfolio, 1.80% for the EdgePoint Canadian Portfolio and EdgePoint Global Portfolio, or 1.42% for the EdgePoint Income Portfolio. No upfront sales commissions are applicable on the sale of Series I Units.

**Series A(N):**

Series A(N) Units are available only to investors resident in Non-Participating Jurisdictions. Series A(N) Units are available only on a front-end sales charge basis. With the front-end sales charge option, you negotiate and pay your Dealer a sales charge of up to 5% of the amount invested at the time you purchase Series A(N) Units of a Fund.

**Series B(N):**

Series B(N) Units can only be held by investors resident in Non-Participating Jurisdictions on a low-load sales charge basis. For the low-load sales charge, the redemption fee starts at 3% in the first year and decreases each year over a three-year period. You do not pay a sales charge to your Dealer when you buy Series B(N) Units. See "Fees and expenses" on page 17 for the redemption fee schedule. If you choose the low-load sales charge, you may not sell your Series B(N) Units without paying a redemption fee until the beginning of the fourth year.

As you do not pay any sales charges to your Dealer when you buy Series B(N) Units, our costs to distribute these units are higher. We pay a commission to your Dealer at the time of purchase and as a result, they have higher management fees. However, following the completion of the low-load sales charge fee schedule, Series B(N) Units will be automatically switched, at no cost, to Series A(N) Units of the same Fund, which offer a lower management fee. This automatic switch will generally result in a larger portion of the management fee being payable by EdgePoint to your Dealer at the rates indicated under "Trailing commissions" on page 22.

If you hold Series B(N) Units, your reinvested distributions will be used to purchase additional Series B(N) Units of the Fund, but those reinvested units will not be subject to the low-load sales charge. See "Distribution policy" on page 28.

As at January 1, 2019, the distribution of Series B(N) Units was discontinued and no new purchases, including through automatic investment plans and switches into Series B(N) Units, will be accepted, unless permitted by the Manager at its sole discretion. Unitholders who purchased Series B(N) Units of a Fund prior to January 1, 2019 will be able to continue to hold such Units until such Units are automatically switched to Series A(N) Units of such Fund in accordance with their low-load schedule as described above.

**Series F(N):**

Series F(N) Units are available only to investors that meet the following criteria: (i) you are a resident of a Non-Participating Jurisdiction; and (ii) you are a participant in a fee-for-service or wrap account program sponsored by certain registered dealers.

Series F(N) Units can be purchased under this Prospectus only through your investment advisor who has obtained the consent of EdgePoint to offer Series F(N) Units. Participation in the offering of Series F(N) Units by a dealer organization is subject to the terms and conditions relating to the distribution of Series F(N) Units including the requirement of your investment

advisor to notify EdgePoint if you are no longer enrolled in the fee-for-service or wrap account program.

If EdgePoint is notified that you no longer meet the eligibility criteria, we will sell or switch your Series F(N) Units in accordance with the instructions from your investment advisor. In the absence of instructions, we may automatically switch your Series F(N) Units into Series A(N) Units.

When you purchase Series F(N) Units, you pay an amount to your Dealer directly, as specified in your fee-for-service arrangement. Alternatively, an investment advisory fee and any applicable taxes may be paid by redeeming some of the units you own of the Fund. Where such an arrangement exists, an EdgePoint Investment Advisory Fee Agreement signed by your Dealer is provided to EdgePoint. The annual fee, is indicated in the agreement, calculated daily and paid quarterly (including applicable taxes for remittance to CRA) to your Dealer. If all of a unitholder's Series F(N) Units are redeemed during the quarter, EdgePoint will withhold any fees owing on the redemption amount. The quarterly payment frequency in which fees are redeemed and remitted to your Dealer is subject to change at the discretion of EdgePoint.

The choice of different purchase options described above affects the amount of compensation paid by us to your Dealer.

## **Purchases**

You can invest in the Funds through different accounts we offer, such as the registered plans described under "Optional services" on page 16. You can also invest in the Funds through accounts or plans offered by other financial institutions. Ask your Dealer for details.

Units of the Funds are distributed by representatives of registered dealers authorized and approved by EdgePoint at its sole discretion. You may purchase units by sending the purchase amount to your Dealer.

The Funds are offered only in Canadian-dollar currency.

### ***The price of a unit***

The net asset value per unit ("NAV per Unit") of each series of units of each Fund is calculated after the close of business on each trading day. A "trading day" is any day the Toronto Stock Exchange ("TSX") is open for trading or such other day as EdgePoint determines appropriate. On each trading day we calculate a separate NAV per Unit for each series of units of each Fund based on the market value of its proportionate share of the assets of the Fund, less any

liabilities of the Fund allocated to that series of units, divided by the total number of units of that series held by Fund investors. The NAV per Unit will fluctuate with the value of the Fund's investments.

### ***Processing purchase orders***

Your order must be in the proper form and include all necessary supporting documents. Your Dealer is responsible for sending your order to us by courier, priority post or telecommunications facility without cost to you. If we receive your order to buy before 4:00 p.m. Toronto time on a trading day, your issue price will be based on the NAV per Unit calculated on the current trading day. If we receive your order after that time, your issue price will be as of the next trading day. If the TSX's trading hours are shortened or changed for other regulatory reasons, we may change the 4:00 p.m. deadline. Your Dealer or EdgePoint will send you a confirmation of your order once we process it. With systematic investment or withdrawal plans, you will receive a confirmation for your first order only.

For wire order purchases, if we do not receive payment within three business days of processing your purchase order for units of a Fund, we will redeem your units on the next business day. If the proceeds are greater than the payment you owe, the Fund will keep the difference. If the proceeds are less than the payment you owe, we will pay the difference to the Fund on your behalf and collect this payment from your Dealer, who may collect the amount from you.

We have the right to accept or reject your order within one business day of receiving it. If we accept your order, you will receive a written confirmation. If we reject your order, we will return any money you have sent to us without interest.

A fee of \$25 may be charged on NSF (non-sufficient funds) cheques.

### ***Minimum investments***

The initial investment in any of the Funds must be at least \$20,000. The minimum investment is applied at both the Fund/series and account level. In any one account, the \$20,000 minimum may not be shared across multiple Funds or series, nor can it be spread across multiple accounts.

The minimum initial investment is subject to change at the discretion of EdgePoint. Previously stated minimums may be grandfathered in certain cases. Each additional investment must be at least \$1,000 per Fund and is subject to change at EdgePoint's discretion. For pre-authorized chequing plans, EdgePoint accepts orders subject to a minimum of \$150 per Fund provided that the investor has at least \$20,000 invested in the Fund See "Optional services – Pre-authorized

*chequing plan*" on page 16.

The Funds do not issue certificates for units purchased.

## Switches

### **Switches between Funds**

You can switch from one Fund to another Fund through your Dealer. Certain switches are permitted between units of a Fund into the same series of units of another Fund. When you switch units of one Fund for units of another Fund you are actually redeeming units in the first Fund and buying units in the second Fund. For tax purposes, this is a disposition and you will realize a capital gain or loss. See *"Income tax considerations for investors"* on page 23.

If we receive your order to switch before 4:00 p.m. Toronto time on a trading day, your redemption price and issue price will be based on the NAVs calculated on the current trading day. If we receive your order after that time, your redemption price and issue price will be based on the NAV per Unit calculated as of the next trading day.

If you are switching Series B Units/Series B(N) Units of a Fund you purchased for Series B Units/Series B(N) Units of another Fund, the new units will be subject to the same redemption fee schedule. We use the original cost of your old units to calculate the redemption fee applicable to your new units.

We recommend that you only switch units bought under the same purchase option, as this will avoid unnecessary additional redemption fees.

If you switch Series B Units/Series B(N) Units into any other series of units prior to the expiry of the three year redemption fee schedule, you will have to pay the applicable redemption fee.

### **Switches between series of the same fund**

You may switch Series A Units/Series A(N) Units or Series B Units/Series B(N) Units into Series F Units/Series F(N) Units, or Series I Units of the same Fund if you are eligible for the Series F Units/Series F(N) Units, or Series I Units. However, before switching any Series B Units/Series B(N) Units into Series F Units/Series F(N) Units, or Series I Units of the same Fund, you will have to pay the applicable redemption fee.

If you cease to be eligible to hold Series F Units/Series F(N) Units, we may switch your Series F Units/Series F(N) Units into Series A Units/Series A(N) Units of the same Fund after giving you 30

days' prior notice, unless you notify us during the notice period, and we agree, that you are once again eligible to hold Series F Units/Series F(N) Units. When switching to Series A Units/Series A(N) Units, your Dealer may charge you a front-end sales charge.

The discontinuation of sales of Series B Units/Series B(N) Units of each Fund effective January 1, 2019 will not affect a unitholder's ability to switch to another series of the same Fund.

If you switch Series B Units/Series B(N) Units into any other series of the same Fund prior to the expiry of the three year redemption fee schedule, you will have to pay the applicable redemption fee.

Switches between Series B Units/Series B(N) units will continue to be processed if you become a resident of, or are no longer residing in, a Non-Participating Jurisdiction.

A switch between series of the same Fund is a redesignation of Units and is not a disposition for tax purposes. See *"Income tax considerations for investors"* on page 23.

### **Switch fees**

Your Dealer may charge you a negotiable switch fee of up to a maximum of 2% of the amount being switched for the time, advice and processing costs involved in a switch.

## Redemptions

You can redeem your units for cash at any time. Your Dealer will forward your redemption order to us on the same day your Dealer receives it from you.

### **Processing redemptions**

If we receive your redemption order before 4:00 p.m. Toronto time on any trading day, your redemption price will be based on the applicable NAV per Unit on that date. Otherwise, your redemption price will be based on the applicable NAV per Unit on the next trading day. We will forward payment to you within three business days of the day on which the units are redeemed, provided that the necessary documents have been received and the original payments for the units to be redeemed have cleared the Canadian banking system.

If we do not receive all of the documentation we need from you to complete the redemption order within 10 business days of the trade date, we must repurchase your units. If the purchase price is more than the redemption price for the units your Dealer will be responsible for paying this difference and the associated costs. Your Dealer may require you to reimburse the amount paid.

A signature guarantee is required if the proceeds of the redemption exceed \$25,000 or if they are going to a different payee. A signature guarantee may also be required if the proceeds are being sent to a different address, unless the payee or address is the registered dealer or another financial institution in trust for the payee.

If at any time the aggregate net asset value of your units of a series of a Fund becomes less than \$10,000, we may require that all your units of that series of that Fund be redeemed after we provide you with at least 30 days' written notice.

We reserve the right to redeem, without notice, all of the units that you hold in a series of a Fund if your investment in that Fund falls below \$5,000 as a result of a partial redemption of your units. We also intend to observe all redemption policies that may be implemented from time to time by industry participants such as FundSERV, the provider of the transaction system used by mutual funds in Canada.

On the redemption of units of a Fund by an investor, the Fund may make a distribution of capital gains to the investor. The amount of such capital gains distribution will be excluded from the proceeds of disposition of the investor's units for the purposes of computing the investor's capital gain and will not exceed the gain that had accrued on the investor's units.

If you hold your units in a non-registered account, you may realize a capital gain or loss when your units are sold. Capital gains are taxable. For a discussion of the tax consequences, see *"Income tax considerations for investors"* on page 23.

### **Redemption suspensions**

Securities regulations allow us to temporarily suspend your right to sell your Fund units and postpone payment of your sale proceeds when:

- Normal trading is suspended on any exchange on which securities or derivatives that make up more than 50% of the Fund's value or its underlying market exposure are traded and there is no other exchange that is a reasonable alternative; or
- Securities regulators give us permission.

While your right to sell units is suspended, we will not accept orders to buy units of a Fund. You may withdraw your redemption order before the end of the suspension period. Otherwise, we'll redeem your units at the next price calculated after the suspension period.

## **Redemption fees**

### **Redeeming Series B Units/Series B(N) Units**

If you hold Series B Units/Series B(N) Units and, under certain circumstances, sell or switch those Series B Units/Series B(N) Units within three years of purchasing them, you will be required to pay the applicable low-load sales charge, which will be deducted from the proceeds of your transaction.

Your Series B Units/Series B(N) Units will be sold in the order of purchase, with your oldest units being sold first. For purposes of calculating the order of selling units, both the purchased units and units issued on the reinvestment of distributions on such purchased units are deemed to be issued on the same date. At the time of redemption, the purchased units of a Fund outstanding at that time are deemed in priority to the reinvested units of such Fund deemed issued on the same date.

Any applicable low-load sales charges will be deducted from your redemption proceeds when you redeem your Series B Units/Series B(N) Units for cash or transfer them out of the Funds.

You pay no low-load sales charge on:

- Series B Units/Series B(N) Units you hold for three years or more;
- Series B Units/Series B(N) Units you receive from reinvested distributions; or
- Series B Units/Series B(N) Units you switch from one Fund to Series B Units/Series B(N) Units of another Fund.

### **Short-term trading**

Short-term trading in units of the Funds can have an adverse effect on the Funds. Such trading can increase brokerage and other administrative costs of the Funds and interfere with the long-term investment decisions of the Portfolio Manager thereby affecting other investors in the Funds.

We have adopted certain restrictions to deter short-term trading. For example, if you redeem or switch within 90 days of purchase, or if we determine that inappropriate or excessive short-term trading has occurred, we reserve the right to charge a short-term trading fee of up to 5% of the NAV of the units you switch, on top of any redemption or switch fees that may apply. See *"Fees and expenses"* on page 17. Inappropriate or excessive short-term trading is a combination of purchases and redemptions, including switches between the Funds, which occur so frequently that the Manager

believes the trading is detrimental to Fund investors. Each additional switch counts as a new purchase for this purpose. While EdgePoint attempts to monitor, detect and deter inappropriate and excessive short-term trading, we cannot ensure that such trading activity will be completely eliminated.

The short-term trading fees will not apply in the case of certain transactions. These include the following types of redemptions or switches:

- Relating to optional plans, such as pre-authorized chequing plans, systematic withdrawal plans;
- Initiated by us (including as part of a fund reorganization or merger) or by a Fund or another investment fund or by a segregated fund or another investment product which has been approved by us;
- That are a result of a special circumstance, such as the death of a unitholder or a hardship situation, subject to our discretion; or
- Relating to units received on the reinvestment of distributions.

We may reassess what is adverse short-term trading in the Funds at any time and may charge or exempt transactions from these fees at our discretion.

## **OPTIONAL SERVICES**

### ***Registered plans***

The Funds are eligible for deferred tax plans registered under the *Income Tax Act* (Canada) (the "Tax Act").

EdgePoint offers registered retirement savings plans ("RRSPs") and registered retirement income funds ("RRIFs"). EdgePoint does not charge an annual administration fee to open, maintain, or close a plan.

You can also hold your units in self-directed registered plans that you set up with other financial institutions. You may be charged a fee for these plans. You should consult your tax advisor for more information about the tax implications of registered plans.

### ***Systematic withdrawal plan***

If you own units of a Fund with a total net asset value of \$25,000 or more, you may establish a systematic withdrawal plan. The \$25,000 minimum amount is subject to change at EdgePoint's discretion. Your units

will be redeemed automatically to provide you with weekly, bi-weekly (every other week), semi-monthly, monthly, bi-monthly (every other month), quarterly, semi-annual, or annual payments. If your regular withdrawals exceed your reinvested distributions and net capital appreciation, such withdrawals will eventually consume your entire account. We may change or discontinue this service at any time.

### ***Pre-authorized chequing plan***

If you hold at least \$20,000 in a Fund with us, you are eligible for our pre-authorized chequing plan. The \$20,000 minimum amount is subject to change at EdgePoint's discretion. You may wish to buy units of the same Fund or of one or more other Funds at regular intervals by authorizing us to deduct a specified dollar amount from your bank account. This is called a pre-authorized chequing plan or "PAC" and it helps you to take advantage of dollar-cost averaging. Dollar-cost averaging means that by investing the same amount at regular intervals during any given period, you will buy fewer units when the price is high and more when the price is low. It is an easy way to average out the cost of your investments. Your Dealer may offer a similar plan.

There is no charge by EdgePoint for a PAC other than the applicable sales charges associated with the series of the Funds in which you choose to invest.

To qualify for a PAC, you must contribute at least \$150 per Fund, and have at least \$20,000 already invested in the Fund in which you are contributing. You must tell us how to invest your contributions. You may choose to invest weekly, bi-weekly, monthly, bi-monthly, quarterly, semi-annually or annually, and must provide an imprinted void cheque. Ask your Dealer for an authorization form to start the plan.



## **FEES AND EXPENSES**

This table lists the fees and expenses that you may have to pay if you invest in the Funds. You may have to pay some of these fees and expenses directly. The Funds may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Funds.

### **Fees and expenses payable by the Funds**

Management fees: Each series of units of a Fund (other than Series I Units) pays us a management fee for providing investment advisory and portfolio management services, which comprise investment selection, analysis and monitoring, including business travel to corporate head offices, other associated due diligence costs, portfolio construction and risk management, broker analysis, selection and monitoring, trading expertise, and could include financing services related to commissions and trailing commissions for distribution of the Funds. Any overhead and operating expenses incurred by us in providing these services but not related to the Funds' daily operations are also covered by the management fee. The fee is calculated and accrued daily and paid monthly. The annual management fee for each series is as follows:

<b><u>Funds:</u></b>	<b><u>Annual Management Fee:</u></b>			
	<b>Series A</b>	<b>Series B</b>	<b>Series F</b>	<b>Series I</b>
EdgePoint Canadian Portfolio	1.80%	2.00%	0.80%	n/a
EdgePoint Global Portfolio	1.80%	2.00%	0.80%	n/a
EdgePoint Canadian Growth & Income Portfolio	1.70%	1.90%	0.70%	n/a
EdgePoint Global Growth & Income Portfolio	1.70%	1.90%	0.70%	n/a
EdgePoint Income Portfolio	1.42%	n/a	0.67%	n/a
	<b>Series A(N)</b>	<b>Series B(N)</b>	<b>Series F(N)</b>	
EdgePoint Canadian Portfolio	1.80%	2.00%	0.80%	
EdgePoint Global Portfolio	1.80%	2.00%	0.80%	
EdgePoint Canadian Growth & Income Portfolio	1.70%	1.90%	0.70%	
EdgePoint Global Growth & Income Portfolio	1.70%	1.90%	0.70%	
EdgePoint Income Portfolio	1.42%	n/a	0.67%	

For Series A, Series B and Series F, HST will be applied to these management fees at a blended rate that ranges from 13%–15% depending on the province of residence. The HST includes both a provincial sales tax and the federal GST.

For Series A(N), Series B(N) and Series F(N), only GST will be applied to these management fees as the investors in these series must reside in Non-Participating Jurisdictions.

No management fees are charged to a Fund for Series I Units. Instead, each investor and their Dealer will negotiate a separate management fee, which is payable directly to us. However, the management fee charged for Series I Units will not exceed 1.70% for the EdgePoint Canadian Growth & Income Portfolio and EdgePoint Global Growth and Income Portfolio, 1.80% for the EdgePoint Canadian Portfolio and EdgePoint Global Portfolio, or 1.42% for the EdgePoint Income Portfolio. For Series I Units, GST or HST will be applied to these fees at the appropriate rate depending on the province of residence. The HST includes both a provincial sales tax and federal GST.

Management fee distributions:

We may authorize a reduction in the management fee which we charge with respect to any individual investor's units in a Fund. The level of reduction in the management fee rate is negotiable between the investor and EdgePoint and criteria for eligibility will be at our discretion. To effect such a reduction, we will reduce the management fee charged to the Fund with respect to the particular investor's units and the Fund will pay a corresponding amount to the investor as a special distribution (a "management fee distribution").

Management fee distributions are paid first out of the net income and net realized capital gains and thereafter out of capital.

10-year Partner Program (fee reductions):

EdgePoint offers a 10-year Partner Program that is designed to reward long-term investors by offering a fee reduction to unitholders holding units of a qualifying series who have been invested in one or more Funds for ten or more consecutive years. The fee reduction is offered as a reduction in the management fee (in the form of a management fee distribution that is reinvested in additional units of the Fund(s) that you hold).

To effect such a reduction, EdgePoint will reduce the management fee charged to the Fund with respect to the investor's units and the Fund will pay a corresponding amount to the investor as a management fee distribution. The reduction is applied to the management fee applicable to Series A, Series A(N), Series F and Series F(N) of a Fund net of trailing commissions paid to your financial advisor (if applicable).

Fee reductions for eligible accounts invested in Series I Units will be separately negotiated with the investor as management fees are negotiable and paid directly to us and not charged to the Fund.

Fee reductions are not paid to Series B Units/Series B(N) Units as these units are automatically switched to Series A Units/Series A(N) Units respectively at the completion of the low-load sales charge fee schedule in the fourth year.

The highlights of 10-year Partner Program:

- If you have been a long-term investor for ten or more consecutive years, you will receive a fee reduction based on the total assets that you have invested in EdgePoint Funds (excluding any Series B Units/Series B(N) Units and Series I Units) at the relevant time
- The reduction is applied to all Funds held at the investor account level, however the rebate does not apply at a household level
- All management fee distributions are reinvested in additional units of the applicable series of the Fund(s) that you hold
- All fee reductions are calculated and paid at least annually following the calendar year you become eligible. The management fee distribution will not be paid to accounts that have been closed or units that have been redeemed prior to the fee rebate payment date

The reduction is not negotiable and is paid at EdgePoint's discretion. The program may be revised or terminated at any time.

While we use our best efforts to ensure that all qualifying accounts are captured, due to the nature of account openings and closings, account switches, advisor or dealer switches, dealer mergers, or other similar events, we can't guarantee all eligible accounts will be captured. Please contact your financial advisor if you believe that you have an eligible account and have not received the reduction.

Further information on our 10-year Partner Program can be found at

www.edgepointwealth.com.

**Operating expenses:** Each series of a Fund pays its own operating expenses and its share of the Fund's operating expenses common to all series. Operating expenses include legal fees, custodian and safekeeping fees, audit fees, administrative and operating costs, including trustee fees, taxes, registrar and transfer agency fees, unitholder servicing costs, the costs of preparing and distributing annual and semi-annual reports, prospectuses, statements and investor communications, regulatory filing fees, the fees and expenses payable in connection with the IRC, interest and other general operating expenses that could include allocated salaries, overhead and other costs directly related to the Fund's operations incurred by us. IRC members each receive \$13,000 per annum (except the chairperson who receives \$18,000 per annum) plus \$1,000 per meeting for acting in such capacity and are also reimbursed for expenses in connection with performing their duties. These fees and expense reimbursements are allocated across the Funds in a manner that is deemed fair and reasonable.

Each series will bear separately any expense item that can be specifically attributed to such series. Expenses specific to a series include items such as filing fees and unitholder servicing costs. Each series pays its own expenses. We may waive or absorb any of these expenses.

EdgePoint has agreed with Series I Unitholders that no operating expenses (other than brokerage commissions, taxes, counterparty fees, fees and expenses of the IRC or extraordinary items) will be charged to that series of a Fund. As a result, the Series I NAV will not be reduced by such expenses.

Each Fund may have costs associated with portfolio transactions, including brokerage commissions to purchase and sell portfolio securities and research and execution costs, if any. Although these costs are paid for by the Fund (and therefore indirectly by unitholders) they are not considered to be operating expenses of a Fund and are not currently included in the Fund's management expense ratio ("MER"). These costs are disclosed as a percentage of the Fund's daily average net assets and in each Fund's management report of fund performance as a ratio called the Trading Expense Ratio.

**Underlying fund fees and expenses:** There are fees and expenses payable by the underlying funds in addition to the fees and expenses payable by Funds that invest in underlying funds. Management fees are reduced by the aggregate amount of the management fees indirectly paid on the underlying funds. Consequently, there will be no duplication of management fees as a result of an investment in a Fund rather than direct investments in the underlying funds. No management fees payable by a Fund which, to a reasonable investor, would duplicate a fee payable by the underlying funds for the same service will be charged. No sales or redemption fees are payable by a Fund for investing in underlying EdgePoint-managed funds or in relation to its purchases or redemptions of securities of underlying mutual funds, that to a reasonable investor, would duplicate a fee payable by an investor in the Fund.

## **Fees and expenses payable directly by you**

**Sales charges:** When you purchase Series A Units/Series A(N) Units under the front-end sales charge option, your Dealer may charge a maximum commission of 5% (5.26% of the net amount invested at the time you purchase Series A Units/Series A(N) Units of a Fund).

*Front-end sales charge*

You pay no sales charge to your Dealer when you purchase Series F Units/Series F(N) Units, or Series I Units of a Fund.

**Redemption fees:** No front-end sales charge was paid on the original investment in Series B Units/Series B(N) Units. You will pay a redemption fee if you sell them within three years of purchasing them. The redemption fee rate is charged as a percentage of the original purchase price of the Series B Units/Series B(N) Units.

*Low-load sales charge*

The table below shows the redemption fee schedule:

<u>Series B Units/Series B(N) Units sold:</u>	<u>Redemption fee rate:</u>
Within one (1) year of the purchase date	3.0%
Within two (2) years of the purchase date	2.5%
Within three (3) years of the purchase date	2.0%
Thereafter	0.0%

**Investment advisory fee:** When you purchase Series F, or F(N) Units, you negotiate and may pay your Dealer an investment advisory fee, plus any applicable taxes for the on-going advice and financial services you receive. This fee is paid by redeeming some of the units you own of the Fund. Where there are insufficient units to redeem and remit the investment advisory fee for that Fund, EdgePoint may redeem units, as applicable, of another Fund in the same account or another EdgePoint account.

The fee is calculated daily and paid quarterly (including applicable taxes for remittance to CRA) to your Dealer under the terms of the Investment Advisory Fee Agreement for Series F / Series F(N). If all units are redeemed part way through a quarter, EdgePoint will withhold any fees owing from the redemption amount. The quarterly payment frequency in which fees are redeemed and remitted to your Dealer is subject to change at the discretion of EdgePoint. Where there is a complete account redemption or switch out of this arrangement, EdgePoint will deduct from the redemption proceeds or account, as applicable, without further notice to the investor, any outstanding amounts owing to the Dealer plus applicable tax. EdgePoint will remit the advisory fee and applicable tax collected to the Dealer at the time of the redemption or switch out of this fee arrangement.

For Series F / Series F(N), you may not pay an investment advisory fee, instead you could pay an amount to your Dealer directly, as specified in your fee-for-service arrangement.

**Switch fee:** You may have to pay your Dealer a switch fee of up to 2% of the net asset value of the units being switched. You can negotiate this fee with your Dealer. If you are switching from Series B Units/Series B(N) Units of one Fund to Series B Units/Series B(N) Units of a different Fund you pay no redemption fee, but you may have to pay a redemption fee when you sell the new units. We calculate the redemption fee based on the cost of the original Series B Units/Series B(N) Units and the date you bought the original Series B Units/Series B(N) Units.

**Short-term trading fee:** A Fund may charge you a short-term trading fee of up to 5% if you sell or switch units within 90 calendar days of purchasing them. The Fund deducts the fee from the value of the units you are selling or switching, subject to certain exceptions. This fee is in addition to any other redemption fees.

**Registered plan fee:** None

**Systematic withdrawal plan fee:** None

**Pre-authorized chequing plan fee:** None

**NSF cheque fee:** \$25.00 may apply.

**Wire transfer fee:** \$25.00 may apply.

**Other fees and expenses:** None other than as specified in this chart.

## Impact of sales charges

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in the Fund, if you held that investment for one, three, five or 10 years and redeemed immediately before the end of that period. It also assumes that:

- the sales charge under the front-end sales charge option is 5%; and
- the redemption fee under the low-load sales charge option applies only if you sell your units before the low-load sales charge schedule has expired.

	<b>At time of Purchase</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
<b><i>Front-end sales charge option</i></b>					
All Funds	\$50.00	–	–	–	–
<b><i>Low-load sales charge option</i></b>					
All Funds	–	\$30.00	\$20.00	–	–
<b><i>No load option</i></b>					
All Funds	n/a	n/a	n/a	n/a	n/a

Series A Units/Series A(N) Units can be purchased only through the front-end sales charge option. Series B Units/Series B(N) Units can only be purchased through the low-load sales charge option. Series F Units/Series F(N) Units, and Series I Units can be purchased only through the no-load option.

As at January 1, 2019, the distribution of Series B Units and Series B(N) Units of each Fund was discontinued and no new purchases, including through automatic investment plans and switches into Series B Units and Series B(N) Units, will be accepted, unless permitted by the Manager at its sole discretion.

## **DEALER COMPENSATION**

### **Sales commissions**

If you buy Series A Units/Series A(N) Units, you may pay your Dealer a sales commission at the time of purchase. The maximum amount of the commission is 5% of the amount you invest. The sales commission is negotiable with your Dealer.

We paid your Dealer a sales commission of 2% of the original purchase amount you invest in Series B Units/Series B(N) Units. If you redeem Series B Units/Series B(N) Units within three years of purchasing them, you pay a redemption fee. The fee is a percentage of what you paid for the units and it declines each year that you hold the units. See “Fees and expenses” on page 17.

No sales commission is payable on purchases of Series F Units/Series F(N) Units or Series I Units. Purchasers of Series F Units/Series F(N) Units will generally be required to pay their Dealers a fee under a “fee-for-service”, wrap program, or an investment advisory fee.

Sales charges are not paid when you switch units but a switch fee of up to 2% of the amount you switch may be charged by your Dealer (except in the case of an automatic switch of Series B Units/Series B(N) Units immediately following the completion of their low-load sales charge schedule).

We pay no commission or other compensation to dealers for distribution of Series F Units/Series F(N) Units, or Series I Units of the Funds.

### **Trailing commission**

With the exception of EdgePoint Income Portfolio, for Series A Units/Series A(N) Units and Series B Units/Series B(N) Units, we currently pay a per annum trailing commission to your Dealer of 1.00% and 0.50%, respectively, on the value of your units for as long as you hold the units with that Dealer. For EdgePoint Income Portfolio, we currently pay a per annum trailing commission to your Dealer of 0.75% for Series A Units/Series A(N) units. We may pay reduced trailing commissions to Dealers who provide a reduced level of financial services to their clients. We pay no trailing commissions on Series F/F(N) Units, or Series I Units of the Funds. When you purchase Series F or F(N) Units, you pay an amount to your Dealer directly, as specified in your fee-for-service arrangement. Alternatively, where an EdgePoint Investment Advisory Fee Agreement for Series F/F(N) exists, an investment advisory fee (including applicable taxes for remittance

to CRA) is paid to your Dealer by redeeming some of the units you own of the Fund.

### **Investment advisory fee**

When you purchase Series F or F(N) Units, you negotiate and may pay your Dealer an investment advisory fee, plus any applicable taxes for the on-going advice you receive. This fee is paid by redeeming some of the units you own of the Fund. The fee is calculated daily and paid quarterly to your Dealer (including applicable taxes for remittance to CRA) under the terms of the Investment Advisory Fee Agreement for Series F/F(N). The quarterly payment frequency in which fees are redeemed and remitted to your Dealer is subject to change at the discretion of EdgePoint.

For Series F, and F(N), you may not pay an investment advisory fee, instead you could pay an amount to your Dealer directly, as specified in your fee-for-service arrangement.

### **Other kinds of dealer compensation**

We may assist dealers with certain of their direct costs associated with marketing mutual funds and providing educational investor conferences and seminars about mutual funds. We may pay dealers a portion of the costs of educational conferences, seminars, or courses that provide information about financial planning, investing in securities, mutual fund industry matters or mutual funds generally. We may provide dealers with marketing materials about the Funds, other investment literature and permitted network system support. We may provide dealers non-monetary benefits of a promotional nature and of minimal value and we may engage in business promotion activities that could result in dealers receiving non-monetary benefits. We review the assistance we will provide under these programs on an individual basis.

We may change the terms and conditions of these trailing commissions and programs, or may stop them, at any time.

### **Dealer compensation from management fees**

We paid dealers approximately 37% of the total management fees we earned on all of the Funds in our most recently completed financial year in the form of trailing commissions. No amounts were paid to dealers for marketing, fund promotion or educational activities.

## **INCOME TAX CONSIDERATIONS FOR INVESTORS**

This information is a general summary of how investing in the Funds can affect your taxes. It assumes that you are an individual Canadian resident, you deal at arm's length with, and are not affiliated with, the Funds and you hold your units as capital property. This summary is not meant to be tax advice and may not cover all of the tax consequences that apply. You should consult your tax advisor for details about your individual situation.

### **How your investment can earn money**

Funds earn money in the form of income and capital gains. Income includes the interest and dividends that a Fund earns on its investments and income from certain derivatives. Capital gains are earned when a Fund sells investments for more than their cost for tax purposes. A Fund may realize capital losses if it sells investments for less than cost.

Every year each Fund distributes to unitholders enough of its net income and net realized capital gains to ensure that the Fund does not have to pay income tax on its income. In effect, the Fund flows all of its taxable income to unitholders and it is treated as if you earned your share of it directly. A Fund may also distribute an amount in excess of your share of its net income and net realized capital gains – these excess amounts are returns of capital. The size of the distribution (other than management fee distributions) you receive on a series of units of a Fund is generally in proportion to the number of units of that series that you own.

The unit price of a Fund may include income and/or capital gains that the Fund has earned or realized, but has not yet distributed. If you buy units of a Fund just before a distribution date (such as late in the year in the case of many of the Funds), you will receive and be taxable on the entire taxable portion of that distribution, even though the Fund may have earned the income or realized the gains relating to the distribution before you owned the units.

The higher a Fund's portfolio turnover rate, the greater the chance the Fund will make distributions of capital gains. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

In the description of each Fund, we explain our distribution policy.

## **Some tax considerations for non-registered accounts**

### ***Distributions from the Funds***

If you hold your units in a non-registered account, your share of the distributions of the Fund's net income and net taxable capital gains are considered income to you for tax purposes whether you receive the distributions in cash or we reinvest them for you. Distributions include management fee distributions and distributions paid to you when you redeem units. The amount of any reinvested distributions is added to the Adjusted Cost Base ("ACB") of your units to reduce the capital gain or increase the capital loss when you later redeem, thereby ensuring that you do not pay tax on this amount again.

To the extent that the Funds so designate, taxable dividends from taxable Canadian corporations, capital gains and foreign source income of the Funds will retain their character in the hands of unitholders for tax purposes.

Capital gains distributions will be treated as capital gains realized by you, one-half of which will generally be included in your income as a taxable capital gain. Dividends from taxable Canadian corporations will be eligible for the gross-up and dividend tax credit including, where applicable, the enhanced gross-up and dividend tax credit applicable to eligible dividends. A Fund may make designations with respect to foreign source income so you may be able to claim any foreign tax credits allocated to you by the Fund. If distributions paid to you exceed your share of the Fund's income or capital gains, the excess will be treated as a return of capital. You will not be taxed on a return of capital, but it will reduce the ACB of your units of that series. If the ACB of your units is reduced to less than zero, you will be deemed to realize a capital gain to the extent of the negative amount of the ACB. Upon a deemed capital gain from a negative ACB, the ACB will be reset to nil.

### ***Redeeming your units***

You must also include in computing your income, one-half of any capital gains you realize from redeeming your units. You will have a capital gain if your sale proceeds are more than the ACB of your units and any reasonable costs of disposition. You will have a capital loss if your sale proceeds are less than the ACB of your units and any reasonable costs of disposition. You may only use any capital losses you realize to offset capital gains, subject to the rules in the Tax Act. The amount of capital gains of a Fund, if any, distributed to you when you redeem units, will reduce the amount of your capital gain on those units.

If you dispose of units of a Fund and you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired units of the same Fund, within 30 days before or after you dispose of your units, which are considered to be substituted property, any capital loss you realize may be deemed to be a superficial loss. If so, you will not be able to recognize the capital loss and it will be added to the ACB of the units which are substituted property.

### ***Calculating adjusted cost base (ACB)***

Your capital gain or loss for tax purposes is the difference between the amount you receive when you sell or switch your units and the ACB of those units.

You are responsible for keeping a record of your investment's ACB. The aggregate ACB of your units of a particular series of a Fund is made up of:

- the amount you paid to purchase your initial investment including any sales charges, **plus**
- the amount you paid for any additional investments including any sales charges, **plus**
- the amount of distributions (including management fee distributions) reinvested in additional units, **minus**
- any return of capital distributions, **minus**
- the ACB of any previous unit redemptions.

The ACB per unit of a series is equal to the aggregate ACB of all units you own of that series divided by the total number of units you own of that series.

### ***Switching between Funds and series***

For tax purposes, switching units of a Fund for another Fund is the same as redeeming the units for cash and then reinvesting in units of the other Fund. The same rules that apply to redeeming your units also apply to switching between Funds.

A switch of units from one series for units of another series of the same Fund, however, is not a disposition for tax purposes and no capital gain or capital loss will be realized.

### ***Series I Units***

Any management fees paid by you to us on Series I

Units are generally not deductible for tax purposes. You should consult your tax or financial advisor for more information.

### ***Alternative minimum tax***

Depending on your personal tax situation, under certain circumstances you may be subject to alternative minimum taxes. You should consult your tax or financial advisor for more information.

## **Units held in a registered account**

The units of the Funds are, or are expected to be, at all material times, qualified investments under the Tax Act for RRSPs, RRIFs, tax-free savings accounts ("TFSA's"), registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs"), and deferred profit sharing plans (collectively, "registered accounts"). A unit of a Fund will generally not be a "prohibited investment" for a TFSA, a RRSP, a RRIF, a RESP or a RDSP, unless the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as applicable, (i) does not deal at arm's length with the Fund for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Fund. Holders, annuitants, or subscribers should consult their own tax advisors with respect to whether units of the Funds would be prohibited investments.

If you hold units of a Fund in a registered account (for example, RRSPs and RRIFs), you pay no tax on distributions from the Fund on those units as long as you do not make a withdrawal from the plan.

When you redeem units of a Fund or switch units of one Fund to another Fund, you do not pay tax on any capital gains that your registered account realizes as long as you leave the proceeds in the account. When you withdraw money from a registered plan it will generally be subject to tax at your marginal tax rate. Withdrawals from a TFSA, however, are generally not subject to tax. The amount you receive on withdrawal will be reduced by any applicable tax withholdings.

You should be careful to not contribute more to your registered account than that allowed under the Tax Act or you may be required to pay a penalty.

## **Tax statements**

If you hold your units in a non-registered account, we will issue a T3 tax slip to you each year that shows you how much income (including management fee distributions), capital gains and return of capital, if any, the Fund distributed to you. Keep detailed records of the purchase costs, sale charges and distributions related to your investments so you can calculate the ACB. We suggest you consult a tax advisor to help you



with these calculations.

If you hold your investment in a registered plan, we will issue T4 slips to you for any withdrawals you make from your plan. You will also receive contribution receipts for any amounts you contributed to your registered plan.

## **Tax Reporting Obligations**

There are due diligence and reporting obligations in the Tax Act which were enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement. Certain unitholders may be requested to provide information to a Fund or their registered dealer relating to their citizenship, residency and, if applicable, a U.S. federal tax identification number (“TIN”) or such information relating to controlling persons in the case of certain entities. If a unitholder is a U.S. person (including a U.S. citizen) or if a unitholder does not provide the requested information, Part XVIII of the Tax Act generally requires information about the unitholder’s investments to be reported to the CRA, unless the investments are held within a registered account. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

Canada has signed the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (“CRS”) which provides for the implementation of the automatic exchange of tax information applicable to residents other than of Canada or the United States. Under the CRS, unitholders will be required to provide certain information including their tax identification numbers for the purpose of such information exchange unless their investment is held within a registered account. The CRA is expected to provide that information to countries that are party to the CRS.

Each Fund will provide information to the CRA in respect of its unitholders in accordance with the Canada-United States Enhanced Tax Information Exchange Agreement and the CRS.

## **WHAT ARE YOUR LEGAL RIGHTS?**

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order. Securities legislation in some provinces and territories also allows you to cancel an agreement to buy your securities and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits. For more information, refer to the securities legislation of your province or territory or consult your lawyer.

## **SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT**

At EdgePoint, we believe there is a limit (capacity) to the amount of money we can manage, while preserving the integrity of our investment approach. As a commitment to our existing clients, we may close the Funds to new clients or new purchases, or increase required minimum investment amounts, on a Fund-by-Fund basis, in advance of any potential capacity constraints. Please note that individual series within a Fund may be assigned different closure dates.

You will find detailed descriptions of each Fund in this Prospectus to help you make investment decisions. Following is what each Fund description tells you:

### **Fund details**

This is a summary of some basic information about the Fund, such as when it was started and the type of units it offers. All of the Funds are eligible for registered accounts such as RRSPs and RRIFs.

### **What does the Fund invest in?**

This section describes the Fund's fundamental investment objective and the strategies the Portfolio Manager uses in trying to achieve those objectives, including how the Portfolio Manager chooses investments and manages the portfolio.

#### ***Investment objective***

This section tells you the goals for the Fund and the types of securities the Fund can invest in.

A Fund's fundamental investment objective cannot be changed unless approval from a majority of unitholders is received who vote at a special meeting called for that purpose.

#### ***Investment strategy***

Unlike many other mutual fund companies, which offer multiple investment styles and disciplines, EdgePoint has a single investment approach for all of its Funds.

We are long-term investors in businesses. We view a stock as an ownership interest in a high-quality business and endeavour to acquire these ownership stakes at prices below our assessment of their true

worth. 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 strive to develop proprietary insights around businesses we understand. We focus on companies that have strong competitive positions and defensible barriers to entry, strong long-term growth prospects, and are run by competent management teams. These holdings generally reflect our views looking out more than five years. We firmly believe that focusing on longer periods enables us to develop proprietary views not reflected in the current stock price.

Our investment approach is deceptively simple. We aim to buy good, undervalued businesses and hold them until the market fully recognizes their potential. Following this approach requires an ability to think independently and a commitment to embrace the thorough research required to uncover opportunities the market does not fully appreciate.

We will generally sell a security for one of two reasons. The first reason is if our investment thesis about a business is no longer valid. If we can no longer stand behind our thesis, we will sell our position. The second reason is a result of the constant culling process that takes place where we are continuously striving to upgrade the quality of the portfolio with better ideas.

#### ***Investments in derivative instruments***

The Funds may use derivative instruments, including debt-like securities, futures contracts, forward contracts, warrants, options, or options on futures and swaps. A derivative is an investment whose value is based on the performance of other investments or on the movement of interest rates, exchange rates or market indices. A futures contract is an agreement made today to buy or sell an asset at a future date for a specific price, set through a commodity exchange; a forward contract is an agreement similar to a future contract except that its price is not set on an exchange. A warrant is a certificate that gives you the right to buy shares at a specified price within a specified period of time. An option gives the buyer the right to buy or sell an asset for a specific price for a certain period, the seller usually receives cash, or premium, for agreeing to give an option to the buyer. A swap is an agreement between parties to exchange payments, which are usually calculated differently for the parties, based on an underlying investment. Derivatives are often used for hedging against potential losses due to changes in interest rates or foreign exchange rates, as an example. There are many different kinds of derivatives, but they

usually take the form of an agreement or security, where the price, value or payment obligations are derived from, or based on, an underlying asset. Derivatives can be an important component of sound portfolio management and can help a Fund to achieve its investment objective.

**Investing in underlying funds**

The Funds may invest in underlying funds, including mutual funds managed by the Manager or one of our affiliates or associates. In selecting underlying funds, we assess a variety of criteria, including:

- management style;
- investment performance and consistency;
- risk tolerance levels;
- calibre of reporting procedures; and
- quality of the manager and/or Portfolio Manager.

We review and monitor the performance of the underlying funds in which we invest. The review process consists of an assessment of the underlying funds. Factors such as adherence to stated investment mandate, returns, risk-adjusted return measures, assets, investment management process, style, consistency and continued portfolio fit may be considered. This process may result in suggested revisions to weightings of the underlying funds, the inclusion of new underlying funds or the removal of one or more underlying funds.

**Short-Selling**

The Funds may engage in short selling pursuant to the rules set out in NI 81-102. The Fund may engage in short selling as a complement to the Fund’s current primary discipline of buying securities with the expectation that they will appreciate in market value. For more information on short-selling, see “What are the risks of investing in a mutual fund?” on page 4.

**What are the risks of investing in the Fund?**

**Risk classification methodology**

The risk ratings referred to in this section help you decide, along with your financial advisor, whether a Fund is right for you. This information is only a guide.

We view risk as the potential for permanent loss of capital over an investment horizon of greater than five years and believe the investment approach is the

greatest mechanism for controlling risk. We don’t view volatility as risk. In fact, we believe volatility is the friend of the investor who understands the value of a business and we try to capitalize on volatility rather than avoid it. Investing in concentrated portfolios of high quality businesses where you have a proprietary view of how that business can be bigger in the future and where you’re not paying full value for that growth is an important way of controlling risk.

However, in an effort to standardize risk classification methodology and increase comparability across funds, we are required to assign an investment risk level for each Fund determined in accordance with the Canadian Securities Administrators (CSA) standardized risk classification methodology, which is based on the historical volatility of the Fund as measured by the 10-year standard deviation of the returns of the Fund.

If a Fund does not have a 10-year return history, we calculate the investment risk by using the actual return history of the Fund (if any), and imputing the return history of one or more reference indices for the remainder of the 10-year period. For EdgePoint Income Portfolio, the reference index consists of 70% ICE BofAML Canada Broad Market Index and 15% MSCI World Index, and 15% S&P/TSX Composite Index.

We assign a risk rating category that is at, or higher than, the applicable rating indicated by the standard deviation ranges in the CSA’s standardized risk classification methodology, as outlined in the table below.

**CSA standard deviation ranges and risk ratings**

Standard deviation range	Risk rating
0 to less than 6	Low
6 to less than 11	Low to Medium
11 to less than 16	Medium
16 to less than 20	Medium to High
20 or greater	High

It is important to note that other types of risk, both measurable and non-measurable, may exist. It is also important to note that a Fund’s historical volatility may not be indicative of its future volatility.

We may exercise our discretion and assign a Fund a higher risk classification than indicated by the 10-year annualized standard deviation and the prescribed ranges if we believe that the Fund may be subject to other foreseeable risks that the 10-year annualized standard deviation does not reflect.

The methodology used to determine the risk rating of the Funds for purposes of disclosure in this Simplified Prospectus is the same approach used to determine the risk rating for purposes of disclosure in the Fund Facts Documents, and is reviewed at least annually. The methodology that we use to identify the

investment risk level of Funds is available to investors at no cost by calling us toll free at 866.757.7207, by sending an email to [info@edgepointwealth.com](mailto:info@edgepointwealth.com) or by writing to the Manager at 150 Bloor Street West, Suite 500, Toronto, Ontario, M5S 2X9.

### **Who should invest in this Fund?**

This section can help you decide if the Fund might be suitable for your portfolio. It is meant as a general guide only. For advice about your portfolio, you should consult your financial advisor.

### **Distribution policy**

This section tells you when you can expect to receive distributions of income and capital gains from the Fund. We may choose to pay distributions at other times, including capital gains when you redeem units. For more information on how distributions can affect your taxes, see *"Income tax considerations for investors"* on page 23.

### **Fund expenses indirectly borne by investors**

This section provides an example of the share of expenses of a Fund indirectly borne by investors of the Fund based on certain assumptions.

## **FUND-SPECIFIC INFORMATION**

### **EDGEPOINT CANADIAN PORTFOLIO**

<b>FUND DETAILS</b>	
<b>Type of Fund</b>	Canadian Equity Fund
<b>Inception date</b>	EdgePoint Canadian Portfolio was created on November 10, 2008. The Series A Units, Series B Units, Series F Units and Series I Units have been offered since November 17, 2008. The Series A(N) Units, Series B(N) Units and Series F(N) Units have been offered since August 3, 2010.
<b>Securities offered</b>	Series A Units, Series B Units, Series F Units, Series I Units, Series A(N) Units, Series B(N) Units and Series F(N) Units of a mutual fund trust
<b>Registered plan status</b>	Units are qualified investments for RRSPs, RRIFs, RDSPs, RESPs, DPSPs and TFSA's
<b>Annual management fee</b>	Series A Units – 1.80%  Series B Units – 2.00%  Series F Units – 0.80% Series  I Units – negotiated and paid by each Series I Unitholder Series  A(N) Units – 1.80%  Series B(N) Units – 2.00%  Series F(N) Units – 0.80%
<b>Portfolio Manager</b>	EdgePoint Investment Group Inc.

### **WHAT DOES THE FUND INVEST IN?**

#### ***INVESTMENT OBJECTIVE***

The Fund's objective is to provide long-term capital appreciation by investing primarily in Canadian equity securities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### ***INVESTMENT STRATEGIES***

To achieve its investment objective, the Portfolio Manager invests in companies with strong competitive positions, defensible barriers to entry, long-term growth prospects and competent management teams. The Portfolio Manager acquires ownership stakes in these companies at prices below its assessment of their true worth.

The Fund may hold significant cash, cash equivalents

or fixed-income positions pending investment or when the Portfolio Manager considers it desirable as a result of market conditions.

The Portfolio Manager may choose to use derivatives, such as options, forward contracts, and other permitted derivatives for hedging purposes as long as the use of these derivatives is consistent with the Fund's objective and is permitted by law.

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations.

The Fund may engage in securities lending from time to time with the objective of earning additional income and enhancing performance, in a manner consistent with its investment approach and as permitted by applicable securities legislation.

## **EDGEPOINT CANADIAN PORTFOLIO**

The Fund may also invest in foreign securities, which will vary from time to time. Foreign securities are not typically expected to exceed 15% of the Fund's net assets at the time of purchase.

The Fund may enter into repurchase agreements in conjunction with the Fund's other investment strategies and in a manner considered most appropriate to achieve the Fund's objective and enhance the Fund's returns.

While no fixed percentage of the Fund's net assets is dedicated to investing in the securities of other mutual funds, the Fund may invest up to 10% of its investments in securities of other mutual funds, including mutual funds managed by us or one of our affiliates or associates.

For a more detailed description of the investment approach, see "*Specific information about each of the mutual funds described in this document – What does the Fund invest in? – Investment strategy*" starting on page 26.

### **WHAT ARE THE RISKS OF INVESTING IN THIS FUND?**

Because the Fund invests in equity securities, its value is affected by stock prices, which can rise and fall in a short period of time. The risks of this Fund are as follows. For an explanation of each risk, see "*What are the risks of investing in a mutual fund*" starting on page 4.

#### Primary risks:

- concentration risk
- currency risk
- equity market risk
- foreign market risk
- regulatory risk

#### Secondary risks:

- credit risk
- derivative risk
- emerging markets risk
- income trust security risk
- large transaction risk
- liquidity risk
- market disruptions risk
- repurchase and reverse repurchase agreement risk
- securities lending risk
- series risk
- short selling risk

### **WHO SHOULD INVEST IN THIS FUND?**

The Fund is suitable for investors seeking capital growth over the long term, and who have an investment horizon of at least five years. Based on the Manager's assessment of the portfolio risk, the Fund is for investors willing to accept medium investment risk. However, the Fund could be used in a portfolio whose overall investment risk may be lower or higher than this individual part. Please see "*Specific information about each of the mutual funds described in this document – What are the risks of investing in the Fund?*" on page 27 for a description of how we classify this Fund's investment risk.

### **DISTRIBUTION POLICY**

The Fund distributes any net income and net capital gains annually in December of each year and may, at the Manager's discretion, pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund unless instructed otherwise. There is no sales charge incurred on receipt of the distributions.

### **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

The Fund pays its own operating expenses out of fund assets, which reduces the Fund's investment return on your securities. For those Funds having more than one series of units, the expenses of each series are tracked separately.

The chart allows you to compare the cost of investing in the Fund with the cost of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in Series A, A(N), B, B(N), F or F(N) Units in the Fund
- earned a total annual return of 5%, which may be different from the series' actual return in any given year and is only used for illustrative purposes as required by the securities regulators

## **EDGEPOINT CANADIAN PORTFOLIO**

- paid the same management expense ratio each year as you did in the Fund's last completed financial year, which may be different from the actual management expense ratio in any given year and is only used for illustrative purposes as required by the securities regulators.

<b>Expenses payable over</b>	<b>One year</b>	<b>Three years</b>	<b>Five years</b>	<b>10 years</b>
Series A	\$21.83	\$68.83	\$120.64	\$274.61
Series A(N)	\$20.09	\$63.33	\$111.01	\$252.69
Series B	\$24.81	\$78.20	\$137.06	\$311.99
Series B(N)	\$22.76	\$71.74	\$125.74	\$286.21
Series F	\$10.05	\$31.67	\$55.50	\$126.34
Series F(N)	\$9.33	\$29.40	\$51.54	\$117.32

Since management fees are negotiated separately by each investor in Series I, Series I Units are not presented in the chart above because the expenses payable over the various time periods would be specific to each investor.

See "*Fees and expenses*" on page 17 for more information about the cost of investing in the Fund.

## **EDGEPOINT GLOBAL PORTFOLIO**

### **FUND DETAILS**

<b>Type of Fund</b>	Global Equity Fund
<b>Inception date</b>	EdgePoint Global Portfolio was created on November 10, 2008. The Series A Units, Series B Units, Series F Units and Series I Units have been offered since November 17, 2008. The Series A(N) Units, Series B(N) Units and Series F(N) Units have been offered since August 3, 2010.
<b>Securities offered</b>	Series A Units, Series B Units, Series F Units, Series I Units, Series A(N) Units, Series B(N) Units and Series F(N) Units of a mutual fund trust
<b>Registered plan status</b>	Units are qualified investments for RRSPs, RRIFs, RDSPs, RESPs, DPSPs and TFSA's
<b>Annual management fee</b>	Series A Units – 1.80%  Series B Units – 2.00%  Series F Units – 0.80% Series  I Units – negotiated and paid by each Series I Unitholder Series  A(N) Units – 1.80%  Series B(N) Units – 2.00%  Series F(N) Units – 0.80%
<b>Portfolio Manager</b>	EdgePoint Investment Group Inc.

### **WHAT DOES THE FUND INVEST IN?**

#### ***INVESTMENT OBJECTIVE***

The Fund's objective is to provide long-term capital appreciation by investing primarily in global equity securities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### ***INVESTMENT STRATEGIES***

To achieve its investment objective, the Portfolio Manager invests in companies with strong competitive positions, defensible barriers to entry, long-term growth prospects and competent management teams. The Portfolio Manager acquires ownership stakes in

these companies at prices below its assessment of their true worth.

The Fund may hold significant cash, cash equivalents or fixed-income positions pending investment or when the Portfolio Manager considers it desirable as a result of market conditions.

The Portfolio Manager may choose to use derivatives, such as options, forward contracts, and other permitted derivatives for hedging purposes as long as the use of these derivatives is consistent with the Fund's objective and is permitted by law.

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations.



## **EDGEPOINT GLOBAL PORTFOLIO**

The Fund may engage in securities lending from time to time with the objective of earning additional income and enhancing performance, in a manner consistent with its investment approach and as permitted by applicable securities legislation.

The Fund may enter into repurchase agreements in conjunction with the Fund's other investment strategies and in a manner considered most appropriate to achieve the Fund's objective and enhance the Fund's returns.

While no fixed percentage of the Fund's net assets is dedicated to investing in the securities of other mutual funds, the Fund may invest up to 10% of its investments in securities of other mutual funds, including mutual funds managed by us or one of our affiliates or associates.

For a more detailed description of the investment approach, see "*Specific information about each of the mutual funds described in this document – What does the Fund invest in? – Investment strategy*" starting on page 26.

### **WHAT ARE THE RISKS OF INVESTING IN THIS FUND?**

Because the Fund invests in equity securities, its value is affected by stock prices, which can rise and fall in a short period of time. The risks of this Fund are as follows. For an explanation of each risk, see "*What are the risks of investing in a mutual fund*" starting on page 4.

#### Primary risks:

- currency risk
- concentration risk
- equity market risk
- foreign market risk
- regulatory risk

#### Secondary risks:

- emerging markets risk
- credit risk
- derivative risk
- large transaction risk
- liquidity risk
- market disruptions risk
- repurchase and reverse repurchase agreement risk
- securities lending risk
- series risk
- depository securities and receipts risk
- short selling risk

### **WHO SHOULD INVEST IN THIS FUND?**

The Fund is suitable for investors seeking capital growth over the long term, and who have an investment horizon of at least five years. Based on the Manager's assessment of the portfolio risk, the Fund is for investors willing to accept medium investment risk. However, the Fund could be used in a portfolio whose overall investment risk may be lower or higher than this individual part. Please see "*Specific information about each of the mutual funds described in this document – What are the risks of investing in the Fund?*" on page 27 for a description of how we classify this Fund's investment risk.

### **DISTRIBUTION POLICY**

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund unless instructed otherwise. There is no sales charge incurred on receipt of the distributions.

### **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

The Fund pays its own operating expenses out of fund assets, which reduces the Fund's investment return on your securities. For those Funds having more than one series of units, the expenses of each series are tracked separately.

The chart allows you to compare the cost of investing in the Fund with the cost of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in Series A, A(N), B, B(N), F or F(N) Units in the Fund
- earned a total annual return of 5%, which may be different from the series' actual return in any given year and is only used for illustrative purposes as required by the securities regulators
- paid the same management expense ratio each year as you did in the Fund's last completed financial year, which may be different from the actual management

## **EDGEPOINT GLOBAL PORTFOLIO**

expense ratio in any given year and is only used for illustrative purposes as required by the securities regulators.

<b>Expenses payable over</b>	<b>One year</b>	<b>Three years</b>	<b>Five years</b>	<b>10 years</b>
Series A	\$21.63	\$68.18	\$119.51	\$272.03
Series A(N)	\$20.09	\$63.33	\$111.01	\$252.69
Series B	\$24.40	\$76.91	\$134.80	\$306.84
Series B(N)	\$22.65	\$71.41	\$125.17	\$284.92
Series F	\$9.94	\$31.34	\$54.94	\$125.06
Series F(N)	\$9.23	\$29.08	\$50.97	\$116.03

Since management fees are negotiated separately by each investor in Series I, Series I Units are not presented in the chart above because the expenses payable over the various time periods would be specific to each investor.

See “*Fees and expenses*” on page 17 for more information about the cost of investing in the Fund.

## **EDGEPOINT CANADIAN GROWTH & INCOME PORTFOLIO**

### **FUND DETAILS**

<b>Type of Fund</b>	Canadian Equity Balanced Fund
<b>Inception date</b>	EdgePoint Canadian Growth & Income Portfolio was created on November 10, 2008. The Series A Units, Series B Units, Series F Units and Series I Units have been offered since November 17, 2008. The Series A(N) Units, Series B(N) Units and Series F(N) Units have been offered since August 3, 2010.
<b>Securities offered</b>	Series A Units, Series B Units, Series F Units, Series I Units, Series A(N) Units, Series B(N) Units and Series F(N) Units of a mutual fund trust
<b>Registered plan status</b>	Units are qualified investments for RRSPs, RRIFs, RDSPs, RESPs, DPSPs and TFSA's
<b>Annual management fee</b>	Series A Units – 1.70%  Series B Units – 1.90%  Series F Units – 0.70%  Series I Units – negotiated and paid by each Series I Unitholder  Series A(N) Units – 1.70%  Series B(N) Units – 1.90%  Series F(N) Units – 0.70%
<b>Portfolio Manager</b>	EdgePoint Investment Group Inc.

## **WHAT DOES THE FUND INVEST IN?**

### ***INVESTMENT OBJECTIVE***

The Fund's objective is to provide a combination of long-term capital appreciation and income generation by investing primarily in Canadian equity and fixed-income securities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

### ***INVESTMENT STRATEGIES***

To achieve its investment objective, the Portfolio Manager invests in companies with strong competitive positions, defensible barriers to entry, long-term

growth prospects and competent management teams. The Portfolio Manager acquires ownership stakes in these companies at prices below its assessment of their true worth.

The fixed-income approach seeks securities that provide an attractive return through coupon payments and capital appreciation while focusing on the borrower's (bond issuer's) ability to meet its debt obligations, through the payment of periodic coupons and the return of the principal at maturity.

The Fund may hold significant cash, cash equivalents or fixed-income positions pending investment or when the Portfolio Manager considers it desirable as a result of market conditions.

The Portfolio Manager may choose to use derivatives, such as options, forward contracts, and other permitted

## **EDGEPOINT CANADIAN GROWTH & INCOME PORTFOLIO**

derivatives for hedging purposes as long as the use of these derivatives is consistent with the Fund's objective and is permitted by law.

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations.

The Fund may engage in securities lending from time to time with the objective of earning additional income and enhancing performance, in a manner consistent with its investment approach and as permitted by applicable securities legislation.

The Fund may enter into repurchase agreements in conjunction with the Fund's other investment strategies and in a manner considered most appropriate to achieve the Fund's objective and enhance the Fund's returns.

The Fund may also invest in foreign securities, which will vary from time to time. Equity securities of foreign issuers are not typically expected to exceed 20% of the net assets of the Fund at the time of purchase.

While no fixed percentage of the Fund's net assets is dedicated to investing in the securities of other mutual funds, the Fund may invest up to 10% of its investments in securities of other mutual funds, including mutual funds managed by us or one of our affiliates or associates.

The Fund may also invest in asset-backed or mortgage-backed securities. Investments in such securities, which will vary from time to time, are not typically expected to constitute a significant portion of the net assets of the Fund at the time of purchase.

For a more detailed description of the investment approach, see "*Specific information about each of the mutual funds described in this document – What does the Fund invest in? – Investment strategy*" starting on page 26.

### **WHAT ARE THE RISKS OF INVESTING IN THIS FUND?**

Because the Fund invests in equity securities, its value is affected by stock prices, which can rise and fall in a short period of time. The risks of this Fund are as follows. For an explanation of each risk, see "*What are the risks of investing in a mutual fund*" starting on page 4.

Primary risks:

- credit risk

- currency risk
- equity market risk
- foreign market risk
- interest rate risk
- concentration risk
- regulatory risk

Secondary risks:

- asset-backed and mortgage-backed securities risk
- derivative risk
- emerging markets risk
- income trust security risk
- large transaction risk
- liquidity risk
- market disruptions risk
- repurchase and reverse repurchase agreement risk
- securities lending risk
- series risk
- short selling risk

### **WHO SHOULD INVEST IN THIS FUND?**

The Fund is suitable for investors who are seeking a combination of capital appreciation and income generation over the long term, and who have an investment horizon of at least five years. Based on the Manager's assessment of the portfolio risk, the Fund is for investors willing to accept low to medium investment risk. However, the Fund could be used in a portfolio whose overall investment risk may be lower or higher than this individual part. Please see "*Specific Information about each of the mutual funds described in this document – What are the risks of investing in the Fund?*" on page 27 for a description of how we classify this Fund's investment risk.

### **DISTRIBUTION POLICY**

The Fund distributes any net income quarterly each year and net capital gains annually and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund unless instructed otherwise. No sales charge is incurred on receipt of the distributions.

### **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

The Fund pays its own operating expenses out of fund assets, which reduces the Fund's investment return on your securities. For those Funds having more than one

## **EDGEPOINT CANADIAN GROWTH & INCOME PORTFOLIO**

series of units, the expenses of each series are tracked separately.

The chart allows you to compare the cost of investing in the Fund with the cost of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in Series A, A(N), B, B(N), F or F(N) Units in the Fund
- earned a total annual return of 5%, which may be different from the series' actual return in any given year and is only used for illustrative purposes as required by the securities regulators
- paid the same management expense ratio each year as you did in the Fund's last completed financial year, which may be different from the actual management expense ratio in any given year and is only used for illustrative purposes as required by the securities regulators.

<b>Expenses payable over</b>	<b>One year</b>	<b>Three years</b>	<b>Five years</b>	<b>10 Years</b>
Series A	\$20.71	\$65.27	\$114.41	\$260.43
Series A(N)	\$19.17	\$60.43	\$105.91	\$241.09
Series B	\$21.63	\$68.18	\$119.51	\$272.03
Series B(N)	\$20.09	\$63.33	\$111.01	\$252.69
Series F	\$24.40	\$76.91	\$134.80	\$306.84
Series F(N)	\$22.65	\$71.41	\$125.17	\$284.92

Since management fees are negotiated separately by each investor in Series I, Series I Units are not presented in the chart above because the expenses payable over the various time periods would be specific to each investor.

See *"Fees and expenses"* on page 17 for more information about the cost of investing in the Fund.

## **EDGEPOINT GLOBAL GROWTH & INCOME PORTFOLIO**

### **FUND DETAILS**

<b>Type of Fund</b>	Global Equity Balanced Fund
<b>Inception date</b>	EdgePoint Global Growth & Income Portfolio was created on November 10, 2008. The Series A Units, Series B Units, Series F Units and Series I Units have been offered since November 17, 2008. The Series A(N) Units, Series B(N) Units and Series F(N) Units have been offered since August 3, 2010.
<b>Securities offered</b>	Series A Units, Series B Units, Series F Units, Series I Units, Series A(N) Units, Series B(N) Units and Series F(N) Units of a mutual fund trust
<b>Registered plan status</b>	Units are qualified investments for RRSPs, RRIFFs, RDSPs, RESPs, DPSPs and TFSAs
<b>Annual management fee</b>	Series A Units – 1.70%  Series B Units – 1.90%  Series F Units – 0.70%  Series I Units – negotiated and paid by each Series I Unitholder  Series A(N) Units – 1.70%  Series B(N) Units – 1.90%  Series F(N) Units – 0.70%
<b>Portfolio Manager</b>	EdgePoint Investment Group Inc.

### **WHAT DOES THE FUND INVEST IN?**

#### ***INVESTMENT OBJECTIVE***

The Fund's objective is to provide a combination of long-term capital appreciation and income generation by investing primarily in global equity and fixed-income securities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### ***INVESTMENT STRATEGIES***

To achieve its investment objective, the Portfolio Manager invests in companies with strong competitive positions, defensible barriers to entry, long-term

growth prospects and competent management teams. The Portfolio Manager acquires ownership stakes in these companies at prices below its assessment of their true worth.

The fixed-income approach seeks securities that provide an attractive return through coupon payments and capital appreciation while focusing on the borrower's (bond issuer's) ability to meet its debt obligations, through the payment of periodic coupons and the return of the principal at maturity.

The Fund may hold significant cash, cash equivalents or fixed-income positions pending investment or when the Portfolio Manager considers it desirable as a result of market conditions.

The Portfolio Manager may choose to use derivatives, such as options, forward contracts, and other permitted derivatives for hedging purposes as long as the use of these derivatives is consistent with the Fund's objective and is permitted by law.

## **EDGEPOINT GLOBAL GROWTH & INCOME PORTFOLIO**

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations.

The Fund may engage in securities lending from time to time with the objective of earning additional income and enhancing performance, in a manner consistent with its investment approach and as permitted by applicable securities legislation.

The Fund may enter into repurchase agreements in conjunction with the Fund's other investment strategies and in a manner considered most appropriate to achieve the Fund's objective and enhance the Fund's returns.

While no fixed percentage of the Fund's net assets is dedicated to investing in the securities of other mutual funds, the Fund may invest up to 10% of its investments in securities of other mutual funds, including mutual funds managed by us or one of our affiliates or associates.

The Fund may also invest in asset-backed or mortgage backed securities. Investments in such securities, which will vary from time to time, are not typically expected to constitute a significant portion of the net assets of the Fund at the time of purchase.

For a more detailed description of the investment approach, see *"Specific information about each of the mutual funds described in this document – What does the Fund invest in? – Investment strategy"* starting on page 26.

### **WHAT ARE THE RISKS OF INVESTING IN THIS FUND?**

Because the Fund invests in equity securities, its value is affected by stock prices, which can rise and fall in a short period of time. The risks of this Fund are as follows. For an explanation of each risk, see *"What are the risks of investing in a mutual fund"* starting on page 4.

Primary risks:

- credit risk
- currency risk
- emerging markets risk
- equity market risk
- foreign market risk

- interest rate risk
- regulatory risk
- concentration risk

Secondary risks:

- asset-backed and mortgage-backed securities risk
- depository securities and receipts risk
- derivative risk
- large transaction risk
- liquidity risk
- market disruptions risk
- repurchase and reverse repurchase agreement risk
- securities lending risk
- series risk
- short selling risk

### **WHO SHOULD INVEST IN THIS FUND?**

The Fund is suitable for investors seeking a combination of capital growth and income generation over the long term, and who have an investment horizon of at least five years. Based on the Manager's assessment of the portfolio risk, the Fund is for investors willing to accept low to medium investment risk. However, the Fund could be used in a portfolio whose overall investment risk may be lower or higher than this individual part. Please see *"Specific information about each of the mutual funds described in this document – What are the risks of investing in the Fund?"* on page 27 for a description of how we classify this Fund's investment risk.

### **DISTRIBUTION POLICY**

The Fund distributes any net income quarterly each year and net capital gains annually and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund unless instructed otherwise. No sales charge is incurred on receipt of the distributions.

### **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

The Fund pays its own operating expenses out of fund assets, which reduces the Fund's investment return on your securities. For those Funds having more than one series of units, the expenses of each series are tracked separately.

The chart allows you to compare the cost of investing in the Fund with the cost of other mutual funds. It shows the cumulative expenses you would have paid over

## **EDGEPOINT GLOBAL GROWTH & INCOME PORTFOLIO**

various time periods if you:

- invested \$1,000 in Series A, A(N), B, B(N), F or F(N) Units in the Fund
- earned a total annual return of 5%, which may be different from the series' actual return in any given year and is only used for illustrative purposes as required by the securities regulators
- paid the same management expense ratio each year as you did in the Fund's last completed financial year, which may be different from the actual management expense ratio in any given year and is only used for illustrative purposes as required by the securities regulators.

<b>Expenses payable over</b>	<b>One year</b>	<b>Three years</b>	<b>Five years</b>	<b>Ten years</b>
Series A	\$20.50	\$64.63	\$113.28	\$257.85
Series A(N)	\$18.86	\$59.46	\$104.21	\$237.22
Series B	\$23.27	\$73.35	\$128.57	\$292.66
Series B(N)	\$21.42	\$67.53	\$118.37	\$269.45
Series F	\$8.82	\$27.79	\$48.71	\$110.87
Series F(N)	\$8.10	\$25.53	\$44.74	\$101.85

Since management fees are negotiated separately by each investor in Series I, Series I Units are not presented in the chart above because the expenses payable over the various time periods would be specific to each investor.

See *"Fees and expenses"* on page 17 for more information about the cost of investing in the Fund.



## **EDGEPOINT INCOME PORTFOLIO**

### **FUND DETAILS**

<b>Type of Fund</b>	Fixed Income Plus Fund
<b>Inception date</b>	EdgePoint Income Portfolio was created on May 18, 2020.
<b>Securities offered</b>	Series A Units, Series F Units, Series I Units, Series A(N) Units and Series F(N) Units of a mutual fund trust
<b>Registered plan status</b>	Units are qualified investments for RRSPs, RRIFs, RDSPs, RESPs, DPSPs and TFSA's
<b>Annual management fee</b>	Series A Units – 1.42%  Series F Units – 0.67%  Series I Units – negotiated and paid by each Series I Unitholder  Series A(N) Units – 1.42%  Series F(N) Units – 0.67%
<b>Portfolio Manager</b>	EdgePoint Investment Group Inc.

## **WHAT DOES THE FUND INVEST IN?**

### ***INVESTMENT OBJECTIVE***

The Fund's objective is to provide a combination of income generation and capital appreciation over the long term by investing primarily in fixed income and equity securities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

### ***INVESTMENT STRATEGIES***

To achieve its investment objective, the Portfolio Manager seeks fixed income securities that provide an attractive return through coupon payments, dividend payments, interest, and capital appreciation while focusing on the borrower's (bond issuer's) ability to meet its debt obligations, through the payment of periodic coupons and the return of the principal at maturity.

The equity approach seeks primarily dividend paying companies with strong competitive positions, defensible barriers to entry, long-term growth prospects and competent management teams. The Portfolio Manager acquires ownership stakes in these

companies at prices below the assessment of their true worth.

The Portfolio has no geographic restrictions, but a relatively equal weighting between Canadian and global equities is generally expected. However, this may at times vary significantly based on valuations and available opportunities.

The Fund may hold significant cash, cash equivalents or fixed-income positions pending investment or when the Portfolio Manager considers it desirable as a result of market conditions.

The Portfolio Manager may choose to use derivatives, such as options, forward contracts, and other permitted derivatives for hedging purposes as long as the use of these derivatives is consistent with the Fund's objective and is permitted by law.

## **EDGEPOINT INCOME PORTFOLIO**

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations.

The Fund may engage in securities lending from time to time with the objective of earning additional income and enhancing performance, in a manner consistent with its investment approach and as permitted by applicable securities legislation.

The Fund may enter into repurchase agreements in conjunction with the Fund's other investment strategies and in a manner considered most appropriate to achieve the Fund's objective and enhance the Fund's returns.

While no fixed percentage of the Fund's net assets is dedicated to investing in the securities of other mutual funds, the Fund may invest up to 10% of its investments in securities of other mutual funds, including mutual funds managed by us or one of our affiliates or associates.

The Fund may also invest in asset-backed or mortgage backed securities. Investments in such securities, which will vary from time to time, are not typically expected to constitute a significant portion of the net assets of the Fund at the time of purchase.

For a more detailed description of the investment approach, see *"Specific information about each of the mutual funds described in this document – What does the Fund invest in? – Investment strategy"* starting on page 26.

### **WHAT ARE THE RISKS OF INVESTING IN THIS FUND?**

Because the Fund invests in both fixed income securities and global equity securities, its value is affected by factors such as the general level of interest rates as well as stock prices, which can cause the Fund's value to rise and fall in a short period of time. The risks of this Fund are as follows. For an explanation of each risk, see *"What are the risks of investing in a mutual fund"* starting on page 4.

Primary risks:

- credit risk
- currency risk
- equity market risk
- foreign market risk
- interest rate risk
- regulatory risk

Secondary risks:

- asset-backed and mortgage-backed securities risk
- concentration risk
- depository securities and receipts risk
- derivative risk
- income trust security risk
- large transaction risk
- liquidity risk
- market disruption risk
- repurchase and reverse repurchase agreement risk
- securities lending risk
- series risk
- short selling risk

### **WHO SHOULD INVEST IN THIS FUND?**

The Fund is suitable for investors seeking a combination of income generation and capital appreciation over the long term, and who have an investment horizon of at least five years. Based on the Manager's assessment of the portfolio risk, the Fund is for investors willing to accept low investment risk. However, the Fund could be used in a portfolio whose overall investment risk may be lower or higher than this individual part. Please see *"Specific information about each of the mutual funds described in this document – What are the risks of investing in the Fund?"* on page 27 for a description of how we classify this Fund's investment risk.

### **DISTRIBUTION POLICY**

The Fund distributes any net income monthly each year and net capital gains annually and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund unless instructed otherwise. No sales charge is incurred on receipt of the distributions.

### **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

This information is not available because the Fund is new.

## **EdgePointPortfolios**

**EdgePoint Canadian Portfolio**  
**EdgePoint Global Portfolio**  
**EdgePoint Canadian Growth & Income Portfolio**  
**EdgePoint Global Growth & Income Portfolio**  
**EdgePoint Income Portfolio**

Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

You can get a copy of the documents at your request, and at no cost, by calling toll-free at 1.866.757.7207, e-mailing us at [info@edgepointwealth.com](mailto:info@edgepointwealth.com), or from your Dealer.

These documents and other information about the Funds, such as information circulars and material contracts are also available on the Manager's web site at [www.edgepointwealth.com](http://www.edgepointwealth.com) or at [www.sedar.com](http://www.sedar.com).

### MANAGER OF THE FUNDS:

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