



E D G E P O I N T

EdgePoint Monthly Income Portfolio

Financial Statements

*For the period from November 2, 2021 (commencement of operations)
to December 31, 2021*

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying Financial Statements have been prepared by the Manager, EdgePoint Wealth Management Inc., on behalf of EdgePoint Monthly Income Portfolio (the "Fund"). Management is responsible for the information and representations contained in these Financial Statements.

Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The Financial Statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts based on estimates and assumptions. The significant accounting policies that management believes are appropriate for the Fund are described in Note 3 of the Financial Statements.

KPMG LLP, the Fund's external auditor, has audited the Financial Statements in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the Financial Statements. Their report, as auditors, is set forth herein.

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



Patrick Farmer
Chief Executive Officer and Director
March 17, 2022



Norman Tang
Chief Financial Officer
March 17, 2022

Independent Auditors' Report

To the Unitholders of EdgePoint Monthly Income Portfolio

Opinion

We have audited the financial statements of EdgePoint Monthly Income Portfolio (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of comprehensive income for the period from November 2, 2021 to December 31, 2021
- the statement of changes in net assets attributable to unitholders of redeemable units for the period from November 2, 2021 to December 31, 2021
- the statement of cash flows for the period from November 2, 2021 to December 31, 2021
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its financial performance and its cash flows for the period from November 2, 2021 to December 31, 2021 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit

and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
March 17, 2022

EdgePoint Monthly Income Portfolio

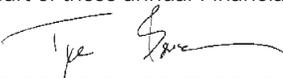
Statement of Financial Position
(in '000s except per unit amounts and number of units)
As at December 31, 2021

	2021
Assets	
Investments at fair value* (Note 6)	\$ 154,424
Receivable for units subscribed	3,762
Cash and cash equivalents	3,063
Interest and other receivables	1,053
Total assets	\$ 162,302
Liabilities excluding net assets attributable to unitholders of redeemable units	
Payable for securities purchased	\$ 3,525
Payable for units redeemed	343
Total liabilities	\$ 3,868
Net assets attributable to unitholders of redeemable units	\$ 158,434
Net assets attributable to unitholders of redeemable units	
Series A	\$ 21,634
Series A(N)	10,223
Series F	87,313
Series F(N)	38,830
Series I	434
Number of units outstanding	
Series A	2,159,540
Series A(N)	1,020,708
Series F	8,711,511
Series F(N)	3,874,292
Series I	43,246
Net assets attributable to unitholders of redeemable units, per unit	
Series A	\$ 10.02
Series A(N)	10.02
Series F	10.02
Series F(N)	10.02
Series I	10.03

*Cost of investments is reflected in the *Schedule of Investment Portfolio*.

The accompanying notes are an integral part of these annual Financial Statements.

ON BEHALF OF THE BOARD:



Tye Bousada, Director



Geoff MacDonald, Director

EdgePoint Monthly Income Portfolio

Statement of Comprehensive Income
(in '000s except per unit amounts)
Period from November 2, 2021 to December 31, 2021

	2021
Income:	
Interest for distribution purposes	\$ 300
Foreign currency gain on cash and other net assets	1
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:	
Net realized gain on investments	28
Change in unrealized gain on investments	165
Total income	\$ 494
Expenses:	
Management fees (Note 4)	\$ 28
Administration and transfer agent fees (Note 4)	12
Goods and Service Tax / Harmonized Sales Tax	4
Total expenses	44
Increase (decrease) in net assets attributable to unitholders of redeemable units	\$ 450
Increase (decrease) in net assets attributable to unitholders of redeemable units	
Series A	\$ 79
Series A(N)	34
Series F	263
Series F(N)	70
Series I	4
Increase (decrease) in net assets attributable to unitholders of redeemable units, per unit	
Series A	\$ 0.07
Series A(N)	0.07
Series F	0.06
Series F(N)	0.05
Series I	0.13

The accompanying notes are an integral part of these annual Financial Statements.

EdgePoint Monthly Income Portfolio

Statements of Changes in Net Assets Attributable to Unitholders
of Redeemable Units (in '000s except number of units)
Period from November 2, 2021 to December 31, 2021

	Series A 2021	Series A(N) 2021	Series F 2021	Series F(N) 2021	Series I 2021	Total 2021
Net assets attributable to unitholders of redeemable units, beginning of period	\$ –	\$ –	\$ –	\$ –	\$ –	–
Increase (decrease) in net assets attributable to unitholders of redeemable units	79	34	263	70	4	450
Redeemable unit transactions:						
Proceeds from issue of redeemable units	21,730	10,198	88,368	38,814	430	159,540
Reinvestment of distributions to unitholders of redeemable units	14	7	72	16	1	110
Redemption of redeemable units	(174)	(8)	(1,313)	(29)	–	(1,524)
Distributions to Unitholders of Redeemable Units						
Net investment income	(12)	(7)	(66)	(36)	(1)	(122)
Capital gains	(3)	(1)	(11)	(5)	–	(20)
Net increase (decrease) in net assets attributable to unitholders of redeemable units	21,634	10,223	87,313	38,830	434	158,434
Net assets attributable to unitholders of redeemable units at end of period	\$ 21,634	\$ 10,223	\$ 87,313	\$ 38,830	\$ 434	\$ 158,434
Redeemable units issued and outstanding:						
Balance, beginning of period	–	–	–	–	–	–
Redeemable units issued for cash, including reinvested distributions	2,176,941	1,021,557	8,842,523	3,877,225	43,246	
Redeemable units redeemed	(17,401)	(849)	(131,012)	(2,933)	–	
Balance, end of period	2,159,540	1,020,708	8,711,511	3,874,292	43,246	

The accompanying notes are an integral part of these annual Financial Statements.

EdgePoint Monthly Income Portfolio

Statement of Cash Flows (in '000s)
Period from November 2, 2021 to December 31, 2021

	2021
Cash flows from (used by) operating activities	
Increase/(decrease) in net assets attributable to unitholders of redeemable units	\$ 450
Adjustments for:	
Foreign currency (gain) loss on cash and other net assets	(1)
Net realized (gain) loss on investments	(28)
Change in unrealized (gain) loss on investments	(165)
(Increase) decrease in interest and other receivable	(1,053)
Purchases of investments	(152,020)
Proceeds from the sales of investments	1,314
Net cash generated from (used by) operating activities	\$ (151,503)
Cash flows from (used by) financing activities	
Distributions to unitholders of redeemable units, net of reinvested distributions	\$ (32)
Proceeds from redeemable units issued	155,778
Amount paid on redemption of redeemable units	(1,181)
Net cash generated from (used by) financing activities	\$ 154,565
Net increase (decrease) in cash and cash equivalents	\$ 3,062
Foreign currency gain (loss) on cash and other net assets	1
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	\$ 3,063
Cash and cash equivalents comprise:	
Cash at bank	\$ 1,064
Short-term investments	1,999
	\$ 3,063
Interest received, net of withholding tax	\$ 316

The accompanying notes are an integral part of these annual Financial Statements.

EdgePoint Monthly Income Portfolio

Schedule of Investment Portfolio
(in '000s except number of shares/units)
As at December 31, 2021

Number of shares/units	Security	Average cost	Fair value	% of net assets
Face Value (\$)	Fixed Income			
5,500,000	Sienna Senior Living Inc., Series A, Callable, 3.109%, due 2024/11/04	\$ 5,651	\$ 5,641	3.56%
4,100,000	Canadian Pacific Railway Company, Callable, 2.540%, due 2028/02/28	4,144	4,170	2.63%
4,000,000	Bell Canada Inc., Callable, 2.900%, due 2026/08/12	4,122	4,121	2.60%
4,145,000	Dollarama Inc., Callable, 1.871%, due 2026/07/08	4,111	4,106	2.59%
3,800,000	The Toronto-Dominion Bank, 3.226%, due 2024/07/24	3,951	3,965	2.50%
3,850,000	Thomson Reuters Corporation, Callable, 2.239%, due 2025/05/14	3,882	3,891	2.46%
3,934,000	Stantec Inc., Callable, 2.048%, due 2027/10/08	3,851	3,858	2.44%
3,500,000	Brookfield Asset Management Inc., Callable, 4.820%, due 2026/01/28	3,846	3,842	2.43%
3,545,000	TELUS Corporation, Callable, 3.750%, due 2026/03/10	3,767	3,764	2.38%
3,693,000	Government of Canada, 1.500%, due 2031/06/01	3,698	3,719	2.35%
3,425,000	Choice Properties Real Estate Investment Trust, Series F, Callable, 4.055%, due 2025/11/24	3,657	3,657	2.31%
3,650,000	Government of Canada, 0.500%, due 2023/11/01	3,620	3,620	2.29%
3,500,000	Apple Inc., Callable, 2.513%, due 2024/08/19	3,587	3,586	2.26%
3,240,000	Transcontinental Inc., Callable, 2.280%, due 2026/07/13	3,209	3,226	2.04%
2,985,000	TMX Group Limited, Callable, 4.461%, due 2023/10/03	3,134	3,126	1.97%
2,920,000	Alimentation Couche-Tard Inc., Series 5, Callable, 3.600%, due 2025/06/02	3,075	3,071	1.94%
2,500,000	Government of Canada, 2.000%, due 2028/06/01	2,592	2,611	1.65%
2,485,000	Granite REIT Holdings Limited Partnership, Series 4, Callable, 3.062%, due 2027/06/04	2,579	2,583	1.63%
2,347,000	Government of Canada, 2.000%, due 2051/12/01	2,366	2,526	1.59%
2,460,000	Intact Financial Corporation, 1.207%, due 2024/05/21	2,437	2,437	1.54%
2,250,000	Ford Credit Canada Company, 2.766%, due 2022/06/22	2,260	2,260	1.43%
2,145,000	The Walt Disney Company, 2.758%, due 2024/10/07	2,208	2,206	1.39%
2,110,000	Wells Fargo & Company, Callable, 3.184%, due 2024/02/08	2,180	2,174	1.37%
2,095,000	CI Financial Corporation, Callable, 3.215%, due 2024/07/22	2,164	2,168	1.37%
2,150,000	Government of Canada, 1.250%, due 2030/06/01	2,145	2,134	1.35%
2,000,000	Loblaw Companies Limited, Callable, 3.918%, due 2024/06/10	2,104	2,102	1.33%
1,650,000	Fairfax India Holdings Corporation, Callable, 5.000%, due 2028/02/26	2,092	2,088	1.32%
2,000,000	Choice Properties Real Estate Investment Trust, Series J, Callable, 3.546%, due 2025/01/10	2,091	2,087	1.32%
2,000,000	Granite REIT Holdings Limited Partnership, Series 3, Callable, 3.873%, due 2023/11/30	2,080	2,078	1.31%
1,660,000	Cinemark USA Inc., Callable, 5.250%, due 2028/07/15	2,072	2,051	1.29%
2,000,000	BMW Canada Inc., Series V, 2.410%, due 2023/11/27	2,034	2,037	1.29%
2,000,000	Enbridge Inc., Callable, 2.440%, due 2025/06/02	2,031	2,029	1.28%
1,990,000	PepsiCo Inc., Callable, 2.150%, due 2024/05/06	2,022	2,019	1.27%
1,925,000	McDonald's Corporation, Callable, 3.125%, due 2025/03/04	2,007	2,004	1.26%
2,000,000	Canadian Pacific Railway Company, 1.589%, due 2023/11/24	2,000	2,003	1.26%
2,000,000	BMW Canada Inc., Series V, 0.990%, due 2025/01/14	1,960	1,956	1.24%
1,800,000	Government of Canada, 2.250%, due 2029/06/01	1,930	1,921	1.21%
1,800,000	Dream Industrial Real Estate Investment Trust, Callable, 2.539%, due 2026/12/07	1,813	1,819	1.15%
1,500,000	Reliance Limited Partnership, Callable, 3.836%, due 2025/03/15	1,572	1,574	0.99%
1,700,000	Government of Canada, 0.500%, due 2030/12/01	1,588	1,574	0.99%
1,500,000	Royal Bank of Canada, 2.333%, due 2023/12/05	1,530	1,529	0.97%
1,455,000	Loblaw Companies Limited, Callable, 4.860%, due 2023/09/12	1,533	1,526	0.96%
1,404,000	Intact Financial Corporation, Callable, 3.770%, due 2026/03/02	1,493	1,501	0.95%
1,400,000	Dollarama Inc., Callable, 3.550%, due 2023/11/06	1,448	1,449	0.91%
1,335,000	Bell Canada Inc., Callable, 3.550%, due 2026/03/02	1,410	1,407	0.89%
1,300,000	Brookfield Asset Management Inc., Callable, 5.040%, due 2024/03/08	1,386	1,382	0.87%
1,261,000	SNC-Lavalin Group Inc., Series 6, Callable, 3.800%, due 2024/08/19	1,298	1,294	0.82%
1,195,000	Fairfax Financial Holdings Limited, 4.950%, due 2025/03/03	1,299	1,293	0.82%
1,170,000	Ford Credit Canada Company, 4.460%, due 2024/11/13	1,222	1,219	0.77%
1,160,000	Alimentation Couche-Tard Inc., Series 3, 3.899%, due 2022/11/01	1,192	1,187	0.75%
1,180,000	Canadian Natural Resources Limited, 1.450%, due 2023/11/16	1,178	1,176	0.74%
1,000,000	Royal Bank of Canada, 4.930%, due 2025/07/16	1,115	1,113	0.70%
1,100,000	Secure Energy Services Inc., Callable, 7.250%, due 2026/12/30	1,122	1,113	0.70%
1,000,000	Fairfax Financial Holdings Limited, Callable, 4.700%, due 2026/12/16	1,088	1,089	0.69%

EdgePoint Monthly Income Portfolio

Schedule of Investment Portfolio (Continued)
(in '000s except number of shares/units)
As at December 31, 2021

Number of shares/units	Security	Average cost	Fair value	% of net assets
1,000,000	Bruce Power Limited Partnership, Callable, 3.969%, due 2026/06/23	1,075	1,076	0.68%
1,000,000	Intact Financial Corporation, Callable, 3.691%, due 2025/03/24	1,056	1,057	0.67%
1,000,000	CI Financial Corporation, Callable, 3.759%, due 2025/05/26	1,055	1,054	0.67%
1,000,000	The Walt Disney Company, 3.057%, due 2027/03/30	1,039	1,038	0.66%
1,000,000	Tenaz Energy Corporation, 2.997%, due 2024/12/11	1,036	1,034	0.65%
1,020,000	Summit Industrial Income REIT, Series A, Callable, 2.150%, due 2025/09/17	1,021	1,021	0.64%
1,000,000	Bell Canada Inc., Callable, 2.700%, due 2024/02/27	1,020	1,021	0.64%
1,000,000	Manulife Bank of Canada, 2.378%, due 2024/11/19	1,021	1,020	0.64%
1,000,000	Penske Truck Leasing Canada Inc., Callable, 2.700%, due 2024/09/30	1,019	1,020	0.64%
1,000,000	Ventas Canada Finance Limited, Series D, Callable, 2.550%, due 2023/03/15	1,013	1,012	0.64%
940,000	Fairfax Financial Holdings Limited, Callable, 4.230%, due 2029/06/14	1,007	1,009	0.64%
1,000,000	Government of Canada, 1.500%, due 2031/12/01	1,000	1,002	0.63%
1,000,000	Government of Canada, 1.000%, due 2027/06/01	992	987	0.62%
965,000	Bank of America Corporation, Variable, Callable, 2.604%, due 2023/03/15	972	969	0.61%
920,000	Gibson Energy Inc., Callable, 2.450%, due 2025/07/14	930	931	0.59%
900,000	Rogers Communications Inc., Variable, Callable, 5.000%, due 2081/12/17	900	914	0.58%
800,000	Ventas Canada Finance Limited, Callable, 2.450%, due 2027/01/04	798	805	0.51%
630,000	Enbridge Inc., 1.600%, due 2026/10/04	783	786	0.50%
800,000	Vesta Energy Corporation, Callable, 10.000%, due 2025/10/15	776	780	0.49%
695,000	CI Financial Corporation, Callable, 3.904%, due 2027/09/27	736	741	0.47%
700,000	Nestle Holdings Inc., Callable, 2.192%, due 2029/01/26	709	710	0.45%
610,000	Suncor Energy Inc., Callable, 3.000%, due 2026/09/14	632	632	0.40%
610,000	Manulife Bank of Canada, 2.844%, due 2023/01/12	623	621	0.39%
500,000	Ventas Canada Finance Limited, Series B, Callable, 4.125%, due 2024/09/30	526	527	0.33%
500,000	TELUS Corporation, Callable, 3.750%, due 2025/01/17	525	525	0.33%
500,000	Wells Fargo & Company, 2.509%, due 2023/10/27	509	509	0.32%
500,000	Government of Canada, 0.250%, due 2024/04/01	491	492	0.31%
400,000	Enbridge Inc., Callable, 3.200%, due 2027/06/08	415	416	0.26%
360,000	Alimentation Couche-Tard Inc., Callable, 3.056%, due 2024/07/26	373	371	0.23%
160,000	Sienna Senior Living Inc., Series C, Callable, 2.820%, due 2027/03/31	161	162	0.10%
100,000	Ford Credit Canada Company, 2.710%, due 2022/02/23	100	100	0.06%
	Total Fixed Income	\$ 154,259	\$ 154,424	97.47%
	Adjustment for transaction costs	–		
	Total Investments	\$ 154,259	\$ 154,424	97.47%
	Other assets, less liabilities		4,010	2.53%
	Net assets attributable to unitholders of redeemable units		\$ 158,434	100.00%

1. The Fund:

EdgePoint Monthly Income Portfolio (the “Fund”) is an open-ended mutual fund trust created on October 26, 2021 by declaration of trust under the laws of the Province of Ontario. EdgePoint Wealth Management Inc. (“EdgePoint”) is the Fund’s manager (“Manager”) and trustee, and EdgePoint Investment Group Inc. is the Investment Advisor. The Fund commenced operations on November 2, 2021 with five series of units: Series A, Series A(N), Series F, Series F(N) and Series I.

The registered office of the Manager is located at 150 Bloor St. W., Suite 500, Toronto, Ontario, M5S 2X9, Canada.

The investment objective of the Fund is to provide a combination of income and capital appreciation over the medium-to-long term by investing primarily in high-quality Canadian fixed-income securities. The portfolio management team invests in high-quality Canadian fixed income securities that it believes will provide a return through coupon payments, interest and capital appreciation while focusing on the borrower’s ability to meet its debt obligations, through the period payment of coupons and the return of principal at maturity.

The Fund’s authorized capital consists of an unlimited number of units and series without par value. The number of outstanding units of each series is disclosed in the Statements of Financial Position. Series A units are available to retail investors. Series F units are available to all investors who participate in fee- based programs through an investment dealer who has signed an agreement with EdgePoint. Series A(N) and Series F(N) units have the same requirements, except they are available only to investors residing in provinces that have not harmonized their provincial sales taxes with the federal Goods and Services Tax. Series I is for investors who meet minimum investment thresholds and have entered into a Series I Subscription Agreement with EdgePoint.

2. Basis of preparation:**(a) Statement of compliance:**

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (“IFRS”).

The financial statements were authorized for issue by the Manager on March 17, 2022.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments, which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Fund’s functional currency.

(d) Use of estimates and judgment:

The preparation of financial statements, in conformity with IFRS, requires the Manager to make judgments, estimates and assumptions that affect the application of

accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. The determination of the fair value of these instruments is the area with the most significant accounting judgments and estimates the Fund has made in preparing financial statements. See note 6 for more information on the fair value measurement of the Fund’s financial statements.

The COVID-19 pandemic has cast additional uncertainty on the assumptions used by the Manager in making its judgments and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Fund in future periods. Given that the full extent of the impact that COVID-19 will have on the global economy and the Fund’s operations is uncertain and not predictable at this time, there is a higher level of uncertainty with respect to the Manager’s judgments and estimates.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The Fund’s accounting policies for measuring the fair value of its investments are identical to those used in measuring its net asset value (“NAV”) for transactions with unitholders.

(a) Financial instruments:

Financial instruments include financial assets and cash and other receivables and payables. The Fund classifies and measures financial instruments in accordance with IFRS 9, Financial Instruments. Upon initial recognition, financial assets and financial liabilities are classified as fair value through profit or loss (“FVTPL”), fair value through other comprehensive income or amortized cost based on the Manager’s assessment of the business model within which the financial asset is managed and the financial asset’s contractual cash flow characteristics.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives

3. Significant accounting policies (continued):

and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

Upon initial recognition, financial instruments classified as FVTPL are initially recognized on the trade date at fair value. Other financial assets and other financial liabilities are recognized on the date on which they are originated at fair value. All financial assets and liabilities are recognized in the *Statements of Financial Position* when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive the cash flows from the instrument has expired or the Fund has transferred substantially all risk and rewards of ownership.

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the *Statements of Comprehensive Income* in the period in which they occur. The cost of investments is based on the weighted average cost of investments and excludes commissions and other portfolio transaction costs, which are separately reported in the *Statements of Comprehensive Income*. Realized gains and losses on disposition, including foreign exchange gains or losses on such investments, are determined based on the cost of investments. Gains and losses arising from changes in the fair value of the investments are included in the *Statements of Comprehensive Income* for the period in which they arise. The Fund's investments are classified as FVTPL.

Financial assets at amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of financial assets at

amortized cost is at amortized cost using the effective interest method, less any impairment losses. The Fund classifies cash and cash equivalents, receivable for units subscribed, interest and other receivables, receivable for securities sold and dividends receivable as financial assets at amortized cost. Cash and cash equivalents are cash on deposit and short-term notes with maturities of less than 90 days.

Other financial liabilities at amortized cost are initially measured on the date on which they are originated at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Fund derecognizes a financial liability when its contractual obligations are discharged, canceled or expire. The Fund's financial liabilities at amortized cost are comprised of payables for units redeemed and payable for securities purchased. Due to the short-term nature of these financial liabilities, their carrying values approximate fair values.

Transaction costs included in the initial carrying amount of financial instruments at FVTPL are expensed as incurred.

Financial assets and financial liabilities are offset and the net amount presented in the *Statements of Financial Position* only when the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(b) Redeemable units:

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Fund has multiple classes of redeemable units that do not have identical features and therefore, do not qualify as equity under IAS 32, Financial Instruments. The redeemable units, which are classified as financial liabilities and measured at the redemption amount, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Fund's valuation policies at each redemption date.

(c) Foreign currency:

The Fund's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses relating to cash and other financial assets and liabilities are presented as 'Foreign currency gain (loss) on cash and other net assets' and

3. Significant accounting policies (continued):

those relating to investments are presented within 'Net realized gain on investments' and 'Change in unrealized gain (loss) on investments' in the *Statements of Comprehensive Income*.

(d) Income recognition:

Interest income for distribution purposes from investments in fixed income and short-term investments represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not use the effective interest method to amortize premiums paid or discounts received on the purchase of fixed-income securities. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments. Income from the securities lending program is recognized net of agent fees and is included in 'Income from securities lending' in the *Statements of Comprehensive Income*.

(e) Increase (decrease) in net assets attributable to unitholders of redeemable units, per unit:

Increase (decrease) in net assets attributable to unitholders of redeemable units, per unit in the *Statements of Comprehensive Income* represents the net increase (decrease) in the net assets from operations for each series for the period divided by the weighted average units outstanding for each series for the period.

(f) Taxation:

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the *Statement of Financial Position* as a deferred income tax asset.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the *Statements of Comprehensive Income*.

(g) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended December 31, 2021, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statements of the Fund.

4. Related party transactions:

(a) Management fees:

EdgePoint, the Manager, appoints the Investment Advisor and provides, or oversees the provision of, investment advisory and portfolio management services, distribution and administrative services to the Fund, 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; and 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 the Investment Advisor or the Manager in providing these services, but not related to the Funds' daily operations, are also covered by the management fee. In consideration for the services provided, EdgePoint receives a monthly management fee based on the daily average net assets of each series. The management fee differs among series of units, as outlined in the table below. The Fund pays EdgePoint an aggregate management fee. The Investment Advisor is compensated for their services out of the management fee without any further cost to the Fund. Total management fees for the period ended December 31, 2021 amounted to \$28 thousand, with nil in outstanding accrued fees due to the Manager at December 31, 2021. Management fees for Series I units are negotiated and paid directly by the investor and not the Fund. These fees will not exceed the Fund's Series A management fees.

The management fee is tiered and is determined with reference to the daily average yield to maturity of the FTSE Canada Universe Bond Index ("Reference Rate"). The fee is a percentage of the series value and is determined at the beginning of each calendar quarter based on the Reference Rate for the preceding calendar quarter. The applicable management fee rate is outlined in the table below.

Fee Tier	Reference Rate (%)	Management Fee Series A/A(N) Units (%)	Management Fee Series F/F(N) Units (%)
1	<0.76	0.67	0.07
2	0.76-1.75	0.70	0.10
3	1.76-2.50	0.80	0.20
4	2.51-3.00	0.90	0.30
5	3.01-3.50	1.00	0.40
6	3.51-4.00	1.10	0.50
7	>4.00	1.20	0.60

(b) Operating expenses

In addition to management fees, the Fund is responsible for paying all expenses relating to its operations. These expenses may include, but are not limited to: taxes, accounting, legal and audit fees, costs relating to the Fund's

4. Related party transactions (continued):

Independent Review Committee, trustee and custodial fees, portfolio transaction costs, administrative costs, investor servicing costs, costs of reports and prospectuses, and other general operating expenses that could include allocated salaries, overhead and other costs directly related to the Fund's operations and incurred by the Manager. For the period ended December 31, 2021, the allocated costs totaled less than \$1 thousand. Each series is responsible for paying the operating expenses specifically attributed to that series. Except for interest, bank charges, transaction costs, and withholding taxes paid or payable directly by the Fund, the Manager incurs such expenses on the Fund's behalf and is then reimbursed by the Fund for such expenses. The Fund's common operating expenses are allocated among series based on the average number of unitholders or the average daily net assets of each series, depending on the operating expense. All Series I operating expenses are EdgePoint's responsibility.

(c) Waived fees

At its sole discretion, EdgePoint may waive management fees or absorb the Fund's expenses. Absorbed expenses, if any, are shown on the *Statements of Comprehensive Income*. Such waivers and absorptions can be terminated at any time.

(d) Management fee rebates

From time to time, EdgePoint may reduce the effective management fee payable by some unitholders by reducing the management fee it charges to the Fund and directing the Fund to make distributions to these unitholders in amounts equal to the management fee reduction. Management fee rebates are automatically reinvested in additional units of the Fund and are shown on the *Statements of Comprehensive Income*.

5. Income taxes:

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

Temporary differences between the carrying value of assets and liabilities for accounting and income tax purposes give rise to deferred income tax assets and liabilities. The most significant temporary difference is that between the reported fair value of the Fund's investment portfolio and its adjusted cost base for income tax purposes. Since the Fund's distribution policy is to distribute all net realized capital gains, deferred tax liabilities with respect to unrealized capital gains and deferred tax assets with respect to unrealized capital losses will not be realized by the Fund and are therefore not recorded by the Fund. Unused realized capital losses represent the Fund's deferred tax assets; however, due to the uncertainty that they will be realized by offsetting future capital gains, no net tax benefit is recorded by the Fund.

As at the most recent taxation year end of December 15, 2021, the Fund had capital losses of nil and non-capital losses of nil.

A loss realized by the Fund on a disposition of capital property will be a suspended loss when the Fund acquires a substituted property that is identical or the same as the property sold within 30 days before and 30 days after the sale, and the Fund owns the substituted property 30 days after the original disposition. If a loss is suspended, the Fund cannot deduct the loss from the Fund's capital gains until the substituted property is sold and is not reacquired within 30 days before and after the sale. As of the most recent taxation year of December 15, 2021, the Fund had suspended losses of nil.

6. Fair value measurement:

The Fund's investments are carried at fair value. In the opinion of the Manager, the fair values of financial instruments other than investments and net assets attributable to unitholders of redeemable units approximate their carrying values, given their short-term nature.

IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., as derived from prices); and
- Level 3 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., as derived from prices); and

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

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

(a) Fixed income

Fixed income includes primarily corporate bonds, which are valued on the basis of quotes obtained from brokers and dealers or pricing services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The inputs that are used by pricing sources are observable such as interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's fixed income and short-term investments have been classified as Level 2.

6. Fair value measurement (continued):

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at the redemption amount. These financial instruments are classified as Level 2 in the fair value hierarchy because, while prices are available, there is no active market for these instruments.

The table below categorizes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is included. The amounts are based on the values recognized in the statement of financial position.

Assets (liabilities) at fair value as at December 31, 2021 ('000s)				
	Level 1	Level 2	Level 3	Total
Fixed income	\$ -	\$ 154,424	\$ -	\$ 154,424
Total	\$ -	\$ 154,424	\$ -	\$ 154,424

For the period ended December 31, 2021, the net change in value of financial instruments classified as at FVTPL is a \$190 thousand gain.

During the period ended December 31, 2021 there were no securities that transferred between levels.

7. Financial instrument risk:

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

Risk management

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. All investments present a risk of loss of capital. The portfolio management team takes a conservative approach to risk management by applying in- depth, thorough research to each investment idea in order to understand the risks of the individual business and weighs this against its return potential.

Risk is further managed by investing in a diversified portfolio of companies. The portfolio management team believes that investing in businesses with competitive advantages is a more effective approach to diversification than focusing on traditional sector allocations. The portfolio management team takes a common-sense approach to risk by assessing how much money can be lost and the probability of losing it. While this approach may seem overly simplistic, it provides vital clarity about the true investment risks.

The Manager employs a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines

and securities regulations. The Investment Governance and Oversight Committee of the Manager conducts quarterly reviews to monitor portfolio activity for compliance with applicable rules.

Risk factors

(a) Market risk:

The Fund's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following includes sensitivity analyses that show how the net assets attributable to unitholders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(i) Foreign currency risk:

Foreign currency risk arises from financial instruments denominated in a currency other than the Canadian dollar, which is the Fund's functional currency. The Fund is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. The Fund may enter into foreign exchange forward contracts to reduce its foreign currency exposure.

As the Fund's investments are denominated primarily in Canadian dollars, the Fund is not subject to significant foreign currency risk.

The following table indicates the currencies (excluding the Canadian dollar) to which the Fund's financial instruments had significant exposure. Period-end figures are in Canadian dollars and include the notional amount of forward exchange contracts, if any:

December 31, 2021					
Currency	Investments (\$'000s)	Cash (\$'000s)	Foreign exchange forward contracts (\$'000s)	Total (\$'000s)	% of net assets
U.S. dollar	4,925	-	-	4,925	3.11%
	4,925	-	-	4,925	3.11%

As at December 31, 2021, if the Canadian dollar had strengthened or weakened by 5% relative to all foreign currencies with all other variables held constant, the Fund's net assets would have decreased or increased, respectively, by approximately \$246 thousand or 0.2% of total net assets. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value, or future cash flows of financial instruments, will fluctuate as a result of changes in market interest rates.

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity:

7. Fair value measurement (continued):

December 31, 2021	Fixed Income ('000s)
Less than 1 year	\$ 3,547
1 to 3 years	57,333
3 to 5 years	56,525
Greater than 5 years	37,019
	\$ 154,424

As at December 31, 2021, if prevailing interest rates had risen or declined by 0.5%, assuming a parallel shift in the yield curve with all other variables held constant, the Fund's net assets would have decreased or increased, respectively, by approximately \$2,973 thousand or 1.9% of total net assets. The Fund's sensitivity to interest rate changes was established using the weighted-average modified duration of 3.85 years based on the Fund's fixed income holdings. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(b) Counterparty credit risk:

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

The Fund's main exposure to credit risk is in its holdings of fixed-income debt instruments. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum credit risk of these investments is their carrying value at December 31, 2021.

As at December 31, 2021, the Fund was invested in debt securities with the following credit ratings:

December 31, 2021	% of net assets	% of debt instruments
AA	12.99	13.32
A	6.88	7.06
BBB	14.49	14.90
BB	56.86	58.32
B	3.08	3.16
CCC	2.49	2.55
Unrated	0.68	0.69
	97.47	100.00

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

The Fund may enter into foreign exchange contracts to buy and sell currencies for the purpose of settling foreign securities transactions. These are short-term spot settlements carried out with counterparties with a credit rating of at least "A." The exposure to credit

risk on these contracts is considered minimal as there are few contracts outstanding at any one time and the transactions are settled and paid for upon delivery.

(c) Liquidity risk:

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

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

The Fund may invest in derivatives, debt securities and unlisted equity investments that are not traded in an active market. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at amounts which approximate their fair values, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer. In accordance with the Fund's policy, the Manager monitors the Fund's liquidity position on a daily basis.

The table below organize the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amount in the tables are the contractual undiscounted cash flows.

December 31, 2021	On demand (\$'000s)	< 3 months (\$'000s)	Total (\$'000s)
Payable for units redeemed	343	–	343
Payable for securities purchased	3,525	–	3,525

(d) Capital risk management:

Units issued and outstanding are considered to be the capital of the Fund. The Fund does not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements. Unitholders are entitled to require payment of the NAV per unit of that Fund for all or any of the units of such unitholder by giving written notice to the Manager. The written notice must be received no later than 4:00 p.m. (EST) on the valuation day upon which the units are to be redeemed. Additionally, the notice must be irrevocable, and the signature thereon, must be guaranteed by a Canadian chartered bank, a trust company or an investment dealer acceptable to the Manager. The units are redeemable for cash equal to a pro rata share of the Fund's series NAV.

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