



E D G E P O I N T

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**EdgePoint Canadian Portfolio**

**Semi-annual Financial Statements**

*For the period ended June 30, 2021*

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

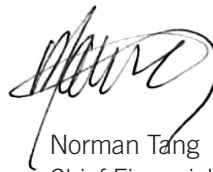
The accompanying semi-annual Financial Statements have been prepared by the Manager, EdgePoint Wealth Management Inc., on behalf of EdgePoint Canadian Portfolio (the "Fund"). Management is responsible for the information and representations contained in these semi-annual Financial Statements.

Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The semi-annual 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 semi-annual Financial Statements.

The Board of Directors is responsible for reviewing and approving the Fund's semi-annual 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 semi-annual Financial Statements have been reviewed and approved by the Board of Directors.



Patrick Farmer  
Chief Executive Officer and Director  
August 18, 2021



Norman Tang  
Chief Financial Officer  
August 18, 2021

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## NOTICE TO UNITHOLDERS

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

The Fund's independent auditor has not performed a review of these semi-annual Financial Statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

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# EdgePoint Canadian Portfolio

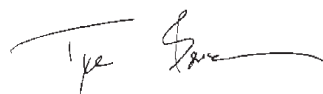
Statements of Financial Position (Unaudited)  
(in '000s except per unit amounts and number of units)  
As at June 30, 2021 and December 31, 2020

	2021	2020 (Audited)
<b>Assets</b>		
Investments at fair value* (Note 7)	\$ 2,190,585	\$ 1,630,657
Cash and cash equivalents	66,324	92,760
Receivable for units subscribed	4,912	2,338
Dividends receivable	2,809	2,452
Interest and other receivables	549	577
Foreign exchange forward contracts at fair value (Note 9)	478	1,677
Receivable for securities sold	436	23
<b>Total assets</b>	<b>\$ 2,266,093</b>	<b>\$ 1,730,484</b>
<b>Liabilities excluding net assets attributable to unitholders of redeemable units</b>		
Payable for units redeemed	\$ 2,266	\$ 3,637
Foreign exchange forward contracts at fair value (Note 9)	147	-
Payable for securities purchased	-	3,556
<b>Total liabilities</b>	<b>\$ 2,413</b>	<b>\$ 7,193</b>
<b>Net assets attributable to unitholders of redeemable units</b>	<b>\$ 2,263,680</b>	<b>\$ 1,723,291</b>
Net assets attributable to unitholders of redeemable units		
Series A	\$ 588,085	\$ 457,213
Series A(N)	310,620	247,447
Series B	3,461	6,286
Series B(N)	1,486	2,830
Series F	773,897	574,271
Series F(N)	279,745	209,603
Series I	306,282	225,641
Series I8	104	-
Number of units outstanding		
Series A	17,212,883	17,378,250
Series A(N)	9,044,569	9,364,718
Series B	100,020	235,611
Series B(N)	43,025	106,343
Series F	22,105,155	21,422,647
Series F(N)	7,967,939	7,799,213
Series I	8,206,330	7,933,387
Series I8	3,333	-
Net assets attributable to unitholders of redeemable units, per unit		
Series A	\$ 34.17	\$ 26.31
Series A(N)	34.34	26.42
Series B	34.61	26.68
Series B(N)	34.54	26.62
Series F	35.01	26.81
Series F(N)	35.11	26.87
Series I	37.32	28.44
Series I8	31.28	-

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

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

ON BEHALF OF THE BOARD:



Tye Bousada, Director



Geoff MacDonald, Director

## EdgePoint Canadian Portfolio

Statements of Comprehensive Income (Unaudited)  
(in '000s except per unit amounts)  
Periods ended June 30, 2021 and 2020

	2021	2020
<b>Income:</b>		
Dividends	\$ 15,472	\$ 17,691
Interest for distribution purposes	1,059	112
Income from securities lending (Note 12)	4	4
Foreign currency gain (loss) on cash and other net assets	(1,267)	(231)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain (loss) on investments	59,545	(9,452)
Net realized gain (loss) on foreign exchange forward contracts	3,794	(10,865)
Change in unrealized gain (loss) on investments	457,678	(410,691)
	<u>\$ 536,285</u>	<u>\$ (413,432)</u>
<b>Expenses:</b>		
Management fees (Note 4)	\$ 10,809	\$ 9,097
Goods and Service Tax / Harmonized Sales Tax	1,210	1,015
Transaction costs	702	931
Administration and transfer agent fees (Note 4)	402	351
Foreign withholding tax	166	135
Filing fees	64	67
Fund accounting	28	23
Custody fees	20	17
Audit fees	8	11
Unitholder reporting	6	7
Independent Review Committee fees	2	2
Total expenses	<u>\$ 13,417</u>	<u>\$ 11,656</u>
Management fee rebates (Note 4)	\$ (137)	\$ (132)
Net expenses	<u>\$ 13,280</u>	<u>\$ 11,524</u>
Increase (decrease) in net assets attributable to unitholders of redeemable units	<u>\$ 523,005</u>	<u>\$ (424,956)</u>
Increase (decrease) in net assets attributable to unitholders of redeemable units		
Series A	\$ 134,901	\$ (116,063)
Series A(N)	72,418	(64,112)
Series B	1,238	(3,428)
Series B(N)	541	(1,139)
Series F	177,968	(144,281)
Series F(N)	64,452	(49,748)
Series I	71,483	(46,185)
Series I8	4	-
Increase (decrease) in net assets attributable to unitholders of redeemable units, per unit		
Series A	\$ 7.86	\$ (6.14)
Series A(N)	7.92	(6.21)
Series B	8.00	(7.20)
Series B(N)	8.05	(6.69)
Series F	8.21	(6.13)
Series F(N)	8.23	(6.12)
Series I	8.86	(5.95)
Series I8	1.33	-

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

## EdgePoint Canadian Portfolio

Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units (Unaudited) (in '000s except per unit amounts)  
Periods ended June 30, 2021 and 2020

	Series A		Series A(N)		Series B	
	2021	2020	2021	2020	2021	2020
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 457,213	\$ 529,236	\$ 247,447	\$ 292,721	\$ 6,286	\$ 16,765
Increase (decrease) in net assets attributable to unitholders of redeemable units	134,901	(116,063)	72,418	(64,112)	1,238	(3,428)
Redeemable unit transactions:						
Proceeds from issue of redeemable units	56,598	46,370	25,432	17,475	88	406
Reinvestment of distributions to unitholders of redeemable units	62	42	35	26	–	–
Redemption of redeemable units	(60,627)	(61,351)	(34,677)	(29,403)	(4,151)	(5,525)
Distributions to Unitholders of Redeemable Units						
Net investment income	(62)	(57)	(35)	(38)	–	–
Net increase (decrease) in net assets attributable to unitholders of redeemable units	130,872	(131,059)	63,173	(76,052)	(2,825)	(8,547)
Net assets attributable to unitholders of redeemable units at end of period	\$ 588,085	\$ 398,177	\$ 310,620	\$ 216,669	\$ 3,461	\$ 8,218
Redeemable units issued and outstanding:						
Balance, beginning of period	17,378,250	19,172,133	9,364,718	10,576,554	235,611	597,341
Redeemable units issued for cash, including reinvested distributions	1,876,071	2,057,612	834,938	768,001	3,141	17,289
Redeemable units redeemed	(2,041,438)	(2,684,406)	(1,155,087)	(1,287,614)	(138,732)	(237,610)
Balance, end of period	17,212,883	18,545,339	9,044,569	10,056,941	100,020	377,020

	Series B(N)		Series F		Series F(N)	
	2021	2020	2021	2020	2021	2020
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 2,830	\$ 5,703	\$ 574,271	\$ 658,915	\$ 209,603	\$ 228,262
Increase (decrease) in net assets attributable to unitholders of redeemable units	541	(1,139)	177,968	(144,281)	64,452	(49,748)
Redeemable unit transactions:						
Proceeds from issue of redeemable units	21	240	111,584	88,550	38,921	28,626
Reinvestment of distributions to unitholders of redeemable units	–	–	47	31	11	7
Redemption of redeemable units	(1,906)	(1,567)	(89,926)	(103,089)	(33,231)	(28,852)
Distributions to Unitholders of Redeemable Units						
Net investment income	–	–	(47)	(45)	(11)	(9)
Net increase (decrease) in net assets attributable to unitholders of redeemable units	(1,344)	(2,466)	199,626	(158,834)	70,142	(49,976)
Net assets attributable to unitholders of redeemable units at end of period	\$ 1,486	\$ 3,237	\$ 773,897	\$ 500,081	\$ 279,745	\$ 178,286
Redeemable units issued and outstanding:						
Balance, beginning of period	106,343	204,078	21,422,647	23,556,733	7,799,213	8,136,364
Redeemable units issued for cash, including reinvested distributions	737	11,718	3,611,132	3,938,189	1,256,484	1,261,637
Redeemable units redeemed	(64,055)	(66,823)	(2,928,624)	(4,641,277)	(1,087,758)	(1,277,547)
Balance, end of period	43,025	148,973	22,105,155	22,853,645	7,967,939	8,120,454

## EdgePoint Canadian Portfolio

Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units (Unaudited) (in '000s except per unit amounts)  
Periods ended June 30, 2021 and 2020

	Series I		Series I8		Total	
	2021	2020	2021	2021	2020	2020
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 225,641	\$ 222,321	\$ –	\$ 1,723,291	\$ 1,953,923	
Increase (decrease) in net assets attributable to unitholders of redeemable units	71,483	(46,185)	4	523,005	(424,956)	
Redeemable unit transactions:						
Proceeds from issue of redeemable units	41,534	35,536	100	274,278	217,203	
Reinvestment of distributions to unitholders of redeemable units	–	–	–	155	106	
Redemption of redeemable units	(32,376)	(26,751)	–	(256,894)	(256,538)	
Distributions to Unitholders of Redeemable Units						
Net investment income	–	–	–	(155)	(149)	
Net increase (decrease) in net assets attributable to unitholders of redeemable units	80,641	(37,400)	104	540,389	(464,334)	
Net assets attributable to unitholders of redeemable units at end of period	\$ 306,282	\$ 184,921	\$ 104	\$ 2,263,680	\$ 1,489,589	
Redeemable units issued and outstanding:						
Balance, beginning of period	7,933,387	7,493,971	–			
Redeemable units issued for cash, including reinvested distributions	1,268,208	1,579,085	3,333			
Redeemable units redeemed	(995,265)	(1,144,219)	–			
Balance, end of period	8,206,330	7,928,837	3,333			

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

	2021	2020
<b>Cash flows from (used by) operating activities</b>		
Increase/(decrease) in net assets attributable to unitholders of redeemable units	\$ 523,005	\$ (424,956)
Adjustments for:		
Foreign currency (gain) loss on cash and other net assets	1,267	231
Net realized (gain) loss on investments and derivatives	(59,545)	9,452
Net realized (gain) loss on foreign exchange forward contracts	(3,794)	10,865
Change in unrealized (gain) loss on investments and derivatives	(457,678)	410,691
(Increase) decrease in interest and other receivable	28	79
(Increase) decrease in dividends receivable	(357)	1,343
Purchases of investments	(352,078)	(380,070)
Proceeds from the sales of investments	306,750	425,108
Proceeds from (to) settlement of foreign exchange forward contracts	3,794	(10,865)
Net cash generated from (used by) operating activities	\$ (38,608)	\$ 63,608
<b>Cash flows from (used by) financing activities</b>		
Distributions to unitholders of redeemable units, net of reinvested distributions	\$ –	\$ (43)
Proceeds from redeemable units issued	271,704	220,947
Amount paid on redemption of redeemable units	(258,265)	(254,928)
Net cash generated from (used by) financing activities	\$ 13,439	\$ (34,024)
Net increase (decrease) in cash and cash equivalents	\$ (25,169)	\$ 29,584
Foreign currency gain (loss) on cash and other net assets	(1,267)	(231)
Cash and cash equivalents, beginning of period	92,760	33,590
Cash and cash equivalents, end of period	\$ 66,324	\$ 62,943
Cash and cash equivalents comprise:		
Cash at bank	\$ 66,324	\$ 62,943
	\$ 66,324	\$ 62,943
Interest received, net of withholding tax	\$ 1,087	\$ 191
Dividends received, net of withholding tax	\$ 14,949	\$ 18,899

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

# EdgePoint Canadian Portfolio

Schedule of Investment Portfolio (Unaudited)  
(in '000s except number of shares/units)  
As at June 30, 2021

Number of shares/units	Security	Average cost	Fair value	% of net assets
<b>Equities</b>				
<b>Banks</b>				
882,814	Toronto-Dominion Bank	\$ 47,786	\$ 76,690	3.39%
		47,786	76,690	3.39%
<b>Consumer Discretionary</b>				
2,679,730	AutoCanada Inc.	40,189	133,826	5.91%
1,197,548	Restaurant Brands International Inc.	70,584	95,648	4.23%
4,072,395	Uni-Select Inc.	42,969	66,828	2.95%
954,586	Gildan Activewear Inc.	32,867	43,663	1.93%
629,992	Mattel Inc.	11,040	15,697	0.69%
178,694	Subaru Corp.	6,803	4,370	0.19%
		204,452	360,032	15.90%
<b>Diversified Financials</b>				
1,407,711	Onex Corp.	79,156	126,708	5.60%
8,240,103	Element Fleet Management Corp.	63,238	119,152	5.26%
1,479,197	Brookfield Asset Management Inc., class A	58,008	93,544	4.13%
1,189,153	Guardian Capital Group Ltd., class A	24,640	38,766	1.71%
1,777,335	Fairfax India Holdings Corp.	28,622	29,699	1.31%
7,959,643	Westaim Corp.	20,460	21,252	0.94%
73,149	Affiliated Managers Group Inc.	8,899	13,983	0.62%
3,384,729	Urbana Corp., non-voting A	4,841	11,339	0.50%
899,573	Crown Capital Partners Inc.	8,575	5,110	0.23%
47,700	Guardian Capital Group Ltd.	1,195	1,795	0.08%
270,840	Urbana Corp.	340	921	0.04%
10,201	Brookfield Asset Management Reinsurance Partners Ltd.	704	668	0.03%
		298,678	462,937	20.45%
<b>Energy</b>				
6,421,164	PrairieSky Royalty Ltd.	153,878	96,381	4.26%
1,850,768	Tourmaline Oil Corp.	20,896	65,573	2.90%
10,675,051	Advantage Energy Ltd.	33,336	54,016	2.38%
26,537,275	CES Energy Solutions Corp.	115,289	51,217	2.26%
5,770,565	Computer Modelling Group Ltd.	44,436	29,486	1.30%
4,195,336	Tervita Corp.	12,043	22,067	0.97%
5,260,357	Pulse Seismic Inc.	14,015	10,468	0.46%
1,852,587	Total Energy Services Inc.	15,741	8,337	0.37%
7,935,498	Essential Energy Services Ltd.	9,677	3,333	0.15%
2,829,896	Rising Star Resources Ltd.	3,302	3,113	0.14%
1,750,000	Star Valley Drilling Ltd., subscription receipts	1,750	1,313	0.06%
1,777,777	Altura Energy Inc.	600	400	0.02%
		424,963	345,704	15.27%
<b>Health Care</b>				
5,276,727	Knight Therapeutics Inc.	28,352	27,703	1.22%
1,527,564	Dentalcorp Holdings Ltd.	21,386	25,144	1.11%
324,349	Koninklijke Philips NV	21,279	19,923	0.88%
312,230	Amryt Pharma Ltd.	13,813	4,695	0.21%
1,350,323	Novelion Therapeutics Inc.	–	385	0.02%
		84,830	77,850	3.44%
<b>Industrials</b>				
2,195,223	ATS Automation Tooling Systems Inc.	29,972	78,106	3.45%
1,226,367	Badger Infrastructure Solutions Ltd.	40,463	46,136	2.04%
2,166,666	MDA Ltd.	12,731	33,107	1.46%
312,985	Canadian Pacific Railway Ltd.	29,278	29,834	1.32%
395,333	Kubota Corp.	8,236	9,912	0.44%
49,974	K-Bro Linen Inc.	2,126	2,166	0.10%
		122,806	199,261	8.81%



## EdgePoint Canadian Portfolio

Schedule of Investment Portfolio (Unaudited)  
(in '000s except number of shares/units)  
As at June 30, 2021

Number of shares/units	Security	Average cost	Fair value	% of net assets
	<b>Information Technology</b>			
43,003	Constellation Software Inc.	\$ 37,888	\$ 80,734	3.57%
332,983	Topicus.com Inc.	18,468	29,985	1.32%
605,761	Optiva Inc.	28,330	16,295	0.72%
		84,686	127,014	5.61%
	<b>Insurance</b>			
185,952	Fairfax Financial Holdings Ltd.	99,060	101,084	4.47%
416,092	Vienna Insurance Group	12,082	14,158	0.63%
11,106	Manulife Financial Corp.	267	271	0.01%
		111,409	115,513	5.11%
	<b>Materials</b>			
7,143,315	Osisko Gold Royalties Ltd.	93,859	121,365	5.36%
3,460,424	Altius Minerals Corp.	41,037	58,931	2.60%
180,848	Berry Global Group Inc.	9,626	14,621	0.65%
55,167	Franco-Nevada Corp.	5,046	9,924	0.44%
		149,568	204,841	9.05%
	<b>Real Estate</b>			
3,560,964	Artis Real Estate Investment Trust	30,468	39,918	1.76%
342,999	Mainstreet Equity Corp.	12,996	35,727	1.58%
833,334	Boardwalk Real Estate Investment Trust	21,101	34,067	1.51%
1,275,389	Dream Unlimited Corp.	18,173	33,772	1.49%
		82,738	143,484	6.34%
	<b>Utilities</b>			
4,379,217	TransAlta Corporation	50,277	54,083	2.39%
358,432	Superior Plus Corp.	5,106	5,473	0.24%
		55,383	59,556	2.63%
	<b>Total Equities</b>	\$ 1,667,299	\$ 2,172,882	96.00%
	<b>Face Value (\$'000s)</b>			
	<b>Fixed Income</b>			
10,000,000	Optiva Inc., Secured PIK Toggle Debentures, 9.75% due 2025/07/20	13,571	13,131	0.58%
2,000,000	Uni Select Inc., 6.00%, due 2026/12/18	2,000	3,003	0.13%
624,600	Constellation Software Inc., 8.40%, floating rate note, due 2040/03/31	708	846	0.04%
490,057	Aegerion Pharmaceuticals Inc., 5.00%, due 2025/04/01	640	723	0.03%
	<b>Total Fixed Income</b>	\$ 16,919	\$ 17,703	0.78%
	Adjustment for transaction costs	(1,690)		
	<b>Total Investments</b>	\$ 1,682,528	\$ 2,190,585	96.78%
	<b>Foreign exchange forward contracts (Note 9)</b>		\$ 331	0.01%
	Other assets, less liabilities		\$ 72,764	3.21%
	<b>Net assets attributable to unitholders of redeemable units</b>		\$ 2,263,680	100.00%

## 1. The Fund:

(a) EdgePoint Canadian Portfolio (the “Fund”) is an open-ended mutual fund trust created on November 10, 2008 by declaration of trust under the laws of the Province of Ontario. EdgePoint Wealth Management Inc. (“EdgePoint”) is the Fund’s manager (“Manager”) and trustee, and EdgePoint Investment Group Inc. is the Investment Advisor. The Fund commenced operations on November 17, 2008 with four series of units: Series A, Series B, Series F and Series I. On August 3, 2010, the Fund began offering Series A(N), Series B(N) and Series F(N) units. On January 1, 2019, the Fund closed Series B and Series B(N) units from new purchases. On June 1, 2021, the Fund began offering Series I8 units.

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 long-term capital appreciation by investing primarily in Canadian companies that the portfolio management team believes have strong competitive positions, long-term growth prospects and are run by competent management teams. The portfolio management team endeavours to acquire ownership stakes in these companies at prices below its assessment of each company’s true value.

(b) The Fund’s authorized capital consists of an unlimited number of units and series without par value. The number of outstanding units of each series is disclosed in the *Statements of Financial Position*. Series A and Series B units are available to retail investors. Series F units are available to all investors who participate in fee-based programs through an investment dealer who has signed an agreement with EdgePoint. Series A(N), Series B(N) and Series F(N) units have the same requirements except they are available only to investors residing in provinces that have not harmonized their provincial sales taxes with the federal Goods and Services Tax. Series I and Series I8 units are 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 August 18, 2021.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments and derivatives, 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 7 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 and derivatives are identical to those used in measuring its net asset value (“NAV”) for transactions with unitholders.

(a) Changes in significant accounting policies:

The accounting policies applied by the Fund in these financial statements are the same as those applied by the Fund in its annual audited financial statements for the year ended December 31, 2020, which were prepared in accordance with IFRS. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**3. Significant accounting policies (continued):**

## (b) Financial instruments:

Financial instruments include financial assets and liabilities such as debt and equity securities, derivatives, 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 at 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 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 and derivative financial assets and liabilities 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 investments 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, payable for securities purchased and accrued liabilities. 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.

## (c) 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

**3. Significant accounting policies (continued):**

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.

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

**(e) 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 an 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*.

**(f) 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.

**(g) 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 *Statements 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*.

**(h) 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 June 30, 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 annual 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 June 30, 2021 amounted to \$9.1 million (June 30, 2020: \$10.4 million), with nil in outstanding accrued fees due to the Manager at June 30, 2021 (December 31, 2020: nil). Management fees for Series I and Series I8 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.

**4. Related party transactions (continued):**

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

**(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 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 June 30, 2021, allocated costs totaled \$0.1 million (June 30, 2020: \$0.1 million). 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 and Series I8 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, 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, 2020, the Fund has capital losses available for carry forward of \$7.5 million (December 15, 2019: nil) and non-capital losses of nil (December 15, 2019: 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 at the most recent taxation year end of December 15, 2020, the Fund had suspended losses of \$4.6 million (December 15, 2019: \$1.5 million).

**6. Brokerage commissions and soft dollars:**

Commissions paid to brokers in connection with portfolio transactions are disclosed in the Fund's *Statements of Comprehensive Income*. Brokerage business is allocated in good faith based on which broker can deliver to the Fund the best results in relation to order execution and research services utilized. Subject to these criteria, EdgePoint may allocate business to brokers that provide or pay for, in addition to transaction execution, investment research, statistical or other similar services. The ascertainable "soft dollar" value received as a percentage of total brokerage commissions paid during the periods ended June 30, 2021 and 2020, is disclosed below.

	2021	2020
Soft dollar relationships	3	4
Percentage of total transaction costs	7%	4%

Other proprietary research services are offered on a "bundled" basis with transaction execution. As a result, EdgePoint is not able to reasonably ascertain the value of these investment research services.



**7. Fair value measurement:**

The Fund's investments and derivative financial instruments are carried at fair value. In the opinion of the Manager, the fair values of financial instruments other than investments, derivative financial instruments 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 for the asset or liability that are not based on observable market data (unobservable inputs).

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) Equities**

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3. The Fund holds four private equity investments that have been classified as Level 3. The fair value of these investments has been determined using the most recent Offering Memorandum price or the most recent secondary transaction of identical securities and evaluated for impairment in the interim.

**(b) Fixed income**

Fixed income includes primarily corporate bonds, which are valued using models with inputs including 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.

**(c) Derivative assets and liabilities**

Derivative assets and liabilities consist of foreign exchange forward contracts and equity call options. Foreign exchange forward contracts are valued primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency or index, interest rates, and future dividend yields. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2. Equity options are valued primarily on the number of contracts, the difference between the strike price and the forward market rate for the underlying equity/index, interest rate, dividends and volatility of the underlying equity/ index. Counterparty credit risk is managed through the use of collateral and a Credit Support Annex, when available.

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 June 30, 2021 ('000s)				
	Level 1	Level 2	Level 3	Total
Equities	\$ 2,134,965	\$ 33,107	\$ 4,810	\$ 2,172,882
Fixed income	–	4,572	13,131	17,703
Foreign exchange forward contracts	–	478	–	478
Foreign exchange forward contracts	–	(147)	–	(147)
<b>Total</b>	<b>\$ 2,134,965</b>	<b>\$ 38,010</b>	<b>\$ 17,941</b>	<b>\$ 2,190,916</b>

Assets (liabilities) at fair value as at December 31, 2020 ('000s)				
	Level 1	Level 2	Level 3	Total
Equities	\$ 1,592,643	–	\$ 20,520	\$ 1,613,163
Fixed income	–	4,161	13,333	17,494
Foreign exchange forward contracts	–	1,677	–	1,677
<b>Total</b>	<b>\$ 1,592,643</b>	<b>\$ 5,838</b>	<b>\$ 33,853</b>	<b>\$ 1,632,334</b>

For the period ended June 30, 2021, the net change in value for financial instruments classified as FVTPL is a \$521.0 million loss (June 30, 2020: \$431.0 million loss).

During the period ended June 30, 2021 there were two transfers between levels (June 30, 2020: none). MDA Ltd. was transferred from Level 3 to Level 2 in April 2021 after its public offering of shares on the Toronto Stock Exchange.

The following tables reconcile the Fund's Level 3 fair value measurement of financial instruments as at June 30, 2021 and December 31, 2020.

**7. Fair value measurement (continued):**

June 30, 2021 ('000s)	Equities	Fixed income
Balance at beginning of period	\$ 20,520	\$ 13,333
Investment purchases during the period	-	-
Investment dispositions during the period	(9,858)	-
Transfer In (Out)	(13,000)	-
Realized gain/loss	501	-
Change in unrealized gain (loss) in value of investments	6,647	(202)
Balance at end of period	\$ 4,810	\$ 13,131

December 31, 2020 ('000s)	Equities	Fixed income
Balance at beginning of year	\$ 8,633	\$ 21,900
Investment purchases during the year	13,433	13,572
Investment dispositions during the year	(1,935)	-
Transfer In (Out)	1,238	(21,900)
Realized gain/loss	(118)	-
Change in unrealized gain (loss) in value of investments	(731)	(239)
Balance at end of year	\$ 20,520	\$ 13,333

The total change in unrealized gain/loss for Level 3 assets held as at June 30, 2021 is \$6.4 million gain (December 31, 2020: \$1.0 million loss).

The potential impact of using reasonable alternative assumptions for valuing these Level 3 assets would not significantly increase or decrease the fair value as at June 30, 2021 and December 31, 2020.

**8. 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) Market price risk:**

Market price risk arises primarily from uncertainties about the future market prices of instruments held. Market price fluctuations may be caused by factors specific to an individual investment, or factors affecting all securities traded in a market or industry sector. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. The Fund's most significant exposure to market price risk arises from its investment in equity securities. The Fund's policy is to manage price risk through diversification and selection of investments within the investment guidelines outlined in the Declaration of Trust. Greater than 90% of the net assets attributable to unitholders of redeemable units are expected to be invested in equity securities. The Fund's policy also limits individual equity securities to no more than 10% of net assets attributable to unitholders of redeemable units.

If relevant benchmark indexes had increased or decreased by 5% as at June 30, 2021, with all other variables held constant, the Fund's net assets attributable to unitholders of redeemable units would have increased or decreased, respectively, by approximately \$108.6 million or 4.8% of total net assets attributable to unitholders of redeemable units (December 31, 2020: \$79.6 million or 4.6% of total net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**8. Financial instrument risk (continued):**

## (ii) Foreign currency risk:

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

June 30, 2021

Currency	Investments (\$'000s)	Cash (\$'000s)	Foreign exchange forward contracts (\$'000s)	Total (\$'000s)	% of net assets
Euro	34,082	–	–	34,082	1.51%
U.S. dollar	92,933	26,951	(87,704)	32,180	1.42%
Japanese yen	14,281	–	–	14,281	0.63%
	141,296	26,951	(87,704)	80,543	3.56%

December 31, 2020

Currency	Investments (\$'000s)	Cash (\$'000s)	Foreign exchange forward contracts (\$'000s)	Total (\$'000s)	% of net assets
Japanese yen	37,525	–	–	37,525	2.18%
Euro	14,425	–	–	14,425	0.84%
U.S. dollar	87,358	20,731	(95,765)	12,324	0.72%
	139,308	20,731	(95,765)	64,274	3.74%

As at June 30, 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 \$4.0 million or 0.2% of total net assets (December 31, 2020: \$3.2 million or 0.2% of total net assets).

In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (iii) Interest rate risk:

Interest rate risk 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 majority of the Fund's financial assets are equity shares, which are not interest bearing. As the

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

## (b) Counterparty credit risk:

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

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

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

## (c) Liquidity risk:

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

The Fund's most significant potential exposure to financial liabilities is the daily cash redemptions of redeemable units. The Fund's policy and the Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, including estimated redemptions of units, without incurring unacceptable losses or risking damage to the Fund's reputation. 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 that 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 tables below organize the Fund's financial liabilities into relevant maturity groupings based on the remaining



**8. Financial instrument risk (continued):**

period to the contractual maturity date. The amount in the tables are the contractual undiscounted cash flows.

June 30, 2021	On demand (\$'000s)	< 3 months (\$'000s)	Total (\$'000s)
Payable for units redeemed	2,266	–	2,266
Foreign exchange forward contracts	–	147	147

December 31, 2020	On demand (\$'000s)	< 3 months (\$'000s)	Total (\$'000s)
Payable for units redeemed	3,637	–	3,637
Payable for securities purchased	3,556	–	3,556

**(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.

**9. Schedule of foreign exchange forward contracts:**

June 30, 2021					
Settlement date	Currency to be delivered ('000s)	Currency to be received ('000s)	Contract price	Fair value ('000s)	
July 6, 2021	47,082 CAD	38,000 USD	0.8071	\$ 23	
July 6, 2021	38,000 CAD	47,560 USD	1.2516	455	
				478	
September 20, 2021	22,000 USD	27,185 CAD	1.2357	\$ (88)	
September 27, 2021	40,000 USD	49,560 CAD	1.2390	(26)	
October 19, 2021	8,750 USD	10,813 CAD	1.2357	(33)	
				(147)	
Total number of contracts:	5		Net fair value	\$ 331	

**11. Offsetting financial assets and financial liabilities:**

In the normal course of business, the Fund may enter into various netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The Fund has not offset any financial assets and financial liabilities in the statement of

financial position. The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting or similar agreement that covers similar financial instruments.

The ISDA and similar master netting agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Fund or the counterparties. In addition, the Fund and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The collateral provided in respect of the below transactions is subject to the standard industry terms of ISDA's *Credit Support Annex*. This means that cash given as collateral can be pledged or sold during the term of the transaction but have to be returned on maturity of the transaction. The terms also give each counterparty the right to terminate the related transactions on the counterparty's failure to post collateral. Cash collateral pledged by the Fund is included in Cash and cash equivalents on the statement of financial position.

Type of financial instrument	Gross amounts of recognized financial assets and liabilities	Net amounts presented in the statement of financial position	Related amounts not offset in the statement of financial position		Net Amount
			Financial instruments	Cash collateral pledged	
Foreign exchange forward contracts – assets	478	478	–	–	478
Foreign exchange forward contracts – liabilities	(147)	(147)	–	–	(147)

Type of financial instrument	Gross amounts of recognized financial assets and liabilities	Net amounts presented in the statement of financial position	Related amounts not offset in the statement of financial position		Net Amount
			Financial instruments	Cash collateral pledged	
Foreign exchange forward contracts – assets	1,677	1,677	–	–	1,677
Foreign exchange forward contracts – liabilities	–	–	–	–	–

**12. Interests in Subsidiaries, Associates, and Unconsolidated Structured Entities:**

The Fund may invest in a subsidiary, associate, or unconsolidated structured entity as part of its investment strategy.

In determining whether the Fund has control or significant influence over an investment, the Fund assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns through the Fund and other entities managed by the Manager. In instances where the Fund has control over an investment, the Fund qualifies as an investment entity under IFRS 10 - Consolidated Financial statements, and therefore accounts for investments it controls at fair value through profit and loss. The Fund's primary purpose is defined by its investment

**12. Interests in Subsidiaries, Associates, and Unconsolidated Structured Entities (continued):**

objectives and uses the investment strategies available to it as defined in the Fund's prospectus to meet those objectives. The Fund also measures and evaluates the performance of any investment on a fair value basis. Investments over which Fund, or indirectly through the Manager, has control or significant influence are categorized as subsidiaries and associates, respectively.

The Fund's investments are susceptible to market price risk arising from uncertainty about future values of those investments. The maximum exposure to loss from investments is equal to the total fair value of the investment at any given point in time. The fair value of investments is included in the statements of financial position.

As at June 30, 2021 and December 31, 2020, the Fund had investments in the following subsidiaries, associates and unconsolidated structured entities.

June 30, 2021	Place of Business	Type	Ownership %
Pulse Seismic Inc.	Canada	Associate	9.8%

December 31, 2020	Place of Business	Type	Ownership %
Pulse Seismic Inc.	Canada	Associate	9.8%

**13. Securities lending:**

The Fund has entered into a securities lending program with its custodian. The aggregate market value of all securities

loaned by the Fund cannot exceed 50% of the assets of the Fund. The Fund will receive collateral of at least 102% of the value of securities on loan. Collateral will generally be comprised of federal, provincial, and sovereign debt, or debt issued or guaranteed by a financial institution, or corporate commercial paper, or convertible securities, and/or cash. All collateral has a term to maturity of 365 days or less and a designated rating from a designated rating organization and is in compliance with the credit rating requirements outlined in National Instrument 81-102.

Below is the market value of the securities loaned and collateral received as at June 30, 2021 and December 31, 2020.

	June 30, 2021 (\$'000s)	December 31, 2020 (\$'000s)
Securities loaned	–	2,360
Collateral (non-cash)	–	2,478

The table below shows a reconciliation of the gross amount generated from securities lending transactions of the Fund to the revenue from securities lending disclosed in the *Statements of Comprehensive Income*.

	June 30, 2021 (\$'000s)	June 30, 2020 (\$'000s)
Gross securities lending revenue	6	6
Agent fees – CIBC Mellon	(2)	(2)
Income from securities lending	4	4

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**EdgePoint Wealth Management Inc.**

150 Bloor Street West, Suite 500

Toronto, ON M5S 2X9

**Website:** [www.edgepointwealth.com](http://www.edgepointwealth.com)

**Email:** [info@edgepointwealth.com](mailto:info@edgepointwealth.com)

**Tel:** 416-963-9353 or Toll Free 1-866-757-7207

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