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## **EdgePoint Global Growth & Income Portfolio**

### **Financial Statements**

*For the year ended December 31, 2018*

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying Financial Statements have been prepared by the Manager, EdgePoint Wealth Management Inc., on behalf of EdgePoint Global Growth and 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 7, 2019



Norman Tang  
Director of Finance, as Chief Financial Officer  
March 7, 2019

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## Independent Auditors' Report

To the Unitholders of EdgePoint Global Growth & Income Portfolio

### **Opinion**

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

- the statements of financial position as at December 31, 2018 and 2017
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to unitholders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- 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, 2018 and 2017, and its financial performance and its cash flows for the years then ended 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.

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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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Canada  
March 7, 2019

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# EdgePoint Global Growth & Income Portfolio

*Statements of Financial Position*  
(in '000s except per unit amounts and number of units)  
As at December 31, 2018 and 2017

	2018	2017
<b>Assets</b>		
Investments at fair value*	\$ 7,673,916	\$ 4,522,361
Cash and cash equivalents	704,241	430,850
Receivable for units subscribed	22,716	18,826
Interest and other receivables	21,927	13,557
Dividends receivable	3,406	2,343
Receivable for securities sold	280	15
Foreign exchange forward contracts at fair value	-	13,466
<b>Total assets</b>	<b>\$ 8,426,486</b>	<b>\$ 5,001,418</b>
<b>Liabilities excluding net assets attributable to unitholders of redeemable units</b>		
Foreign exchange forward contracts at fair value	\$ 53,853	\$ -
Payable for securities purchased	43,435	3,870
Payable for units redeemed	10,651	2,405
Accrued liabilities	-	209
<b>Total liabilities</b>	<b>107,939</b>	<b>6,484</b>
<b>Net assets attributable to unitholders of redeemable units</b>	<b>\$ 8,318,547</b>	<b>\$ 4,994,934</b>
Net assets attributable to unitholders of redeemable units		
Series A	\$ 3,127,130	\$ 1,970,217
Series A(N)	1,499,935	886,340
Series B	171,705	170,858
Series B(N)	72,389	77,951
Series F	2,347,403	1,337,245
Series F(N)	1,022,018	501,511
Series I	77,967	50,812
Number of units outstanding		
Series A	141,196,222	84,341,454
Series A(N)	67,580,822	37,853,109
Series B	7,749,482	7,330,981
Series B(N)	3,273,892	3,349,591
Series F	105,319,019	56,873,680
Series F(N)	45,307,064	21,080,323
Series I	3,433,865	2,123,245
Net assets attributable to unitholders of redeemable units, per unit		
Series A	\$ 22.15	\$ 23.36
Series A(N)	22.19	23.42
Series B	22.16	23.31
Series B(N)	22.11	23.27
Series F	22.29	23.51
Series F(N)	22.56	23.79
Series I	22.71	23.93

\*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 Global Growth & Income Portfolio

Statements of Comprehensive Income  
(in '000s except per unit amounts)  
Years ended December 31, 2018 and 2017

	2018	2017
<b>Income:</b>		
Interest for distribution purposes	\$ 98,388	\$ 50,341
Dividends	69,332	33,326
Income from securities lending	247	–
Foreign currency gain (loss) on cash and other net assets	1,802	(2,095)
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	401,685	298,034
Net realized gain (loss) on foreign exchange forward contracts	(17,188)	40,643
Change in unrealized appreciation (depreciation) on investments and derivatives	(635,546)	106,575
	<u>\$ (81,280)</u>	<u>\$ 526,824</u>
<b>Expenses:</b>		
Management fees (Note 4)	\$ 92,382	\$ 52,433
Goods and Service Tax / Harmonized Sales Tax	10,470	5,996
Foreign withholding tax	7,544	4,321
Administration and transfer agent fees (Note 4)	3,475	1,917
Transaction costs	3,347	1,970
Custody fees	436	137
Unitholder reporting	121	119
Filing fees	160	71
Fund accounting	78	60
Audit fees	56	47
Independent Review Committee fees	19	20
Legal fees	14	15
Total expenses	<u>\$ 118,102</u>	<u>\$ 67,106</u>
Increase (decrease) in net assets attributable to unitholders of redeemable units	<u>\$(199,382)</u>	<u>\$ 459,718</u>
Increase (decrease) in net assets attributable to unitholders of redeemable units		
Series A	\$ (83,643)	\$ 180,394
Series A(N)	(40,905)	80,879
Series B	(2,826)	18,734
Series B(N)	(715)	8,249
Series F	(46,111)	118,110
Series F(N)	(24,621)	46,214
Series I	(561)	5,127
Series O	–	2,011
Increase (decrease) in net assets attributable to unitholders of redeemable units, per unit		
Series A	\$ (0.75)	\$ 2.69
Series A(N)	(0.77)	2.72
Series B	(0.38)	2.60
Series B(N)	(0.22)	2.65
Series F	(0.57)	2.96
Series F(N)	(0.74)	3.01
Series I	(0.20)	3.12
Series O	–	1.21

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

**EdgePoint Global Growth & Income Portfolio**

*Statements of Changes in Net Assets Attributable to Unitholders  
of Redeemable Units (in '000s except number of units)  
Years ended December 31, 2018 and 2017*

	Series A		Series A(N)		Series B	
	2018	2017	2018	2017	2018	2017
Net assets attributable to unitholders of redeemable units, beginning of year	\$ 1,970,217	\$ 1,292,922	\$ 886,340	\$ 556,843	\$ 170,858	\$ 191,873
Increase (decrease) in net assets attributable to unitholders of redeemable units	(83,643)	180,394	(40,905)	80,879	(2,826)	18,734
Redeemable unit transactions:						
Proceeds from issue of redeemable units	1,683,029	816,813	841,602	341,369	86,806	45,087
Reinvestment of distributions to unitholders of redeemable units	122,083	116,860	60,780	53,967	5,527	8,507
Redemption of redeemable units	(438,411)	(315,534)	(184,573)	(90,742)	(82,575)	(83,880)
Distributions to Unitholders of Redeemable Units						
Net investment income	(7,018)	(1,756)	(5,021)	(1,610)	(43)	(2)
Capital gains	(119,127)	(119,482)	(58,288)	(54,366)	(6,042)	(9,461)
Net increase (decrease) in net assets attributable to unitholders of redeemable units	1,156,913	677,295	613,595	329,497	847	(21,015)
Net assets attributable to unitholders of redeemable units at end of year	\$ 3,127,130	\$ 1,970,217	\$ 1,499,935	\$ 886,340	\$ 171,705	\$ 170,858
Redeemable units issued and outstanding:						
Balance, beginning of year	84,341,454	58,208,174	37,853,109	25,001,432	7,330,981	8,696,553
Redeemable units issued for cash, including reinvested distributions	75,064,924	39,568,193	37,391,341	16,700,492	3,837,496	2,285,515
Redeemable units redeemed	(18,210,156)	(13,434,913)	(7,663,628)	(3,848,815)	(3,418,995)	(3,651,087)
Balance, end of year	141,196,222	84,341,454	67,580,822	37,853,109	7,749,482	7,330,981

	Series B(N)		Series F		Series F(N)	
	2018	2017	2018	2017	2018	2017
Net assets attributable to unitholders of redeemable units, beginning of year	\$ 77,951	\$ 74,511	\$ 1,337,245	\$ 612,957	\$ 501,511	\$ 254,553
Increase (decrease) in net assets attributable to unitholders of redeemable units	(715)	8,249	(46,111)	118,110	(24,621)	46,214
Redeemable unit transactions:						
Proceeds from issue of redeemable units	25,884	25,336	1,328,703	721,389	649,999	255,499
Reinvestment of distributions to unitholders of redeemable units	2,541	4,152	97,300	77,410	42,165	30,079
Redemption of redeemable units	(30,550)	(29,693)	(250,697)	(99,138)	(94,617)	(49,002)
Distributions to Unitholders of Redeemable Units						
Net investment income	(66)	(39)	(25,734)	(10,902)	(11,570)	(4,443)
Capital gains	(2,656)	(4,565)	(93,303)	(82,581)	(40,849)	(31,389)
Net increase (decrease) in net assets attributable to unitholders of redeemable units	(5,562)	3,440	1,010,158	724,288	520,507	246,958
Net assets attributable to unitholders of redeemable units at end of year	\$ 72,389	\$ 77,951	\$ 2,347,403	\$ 1,337,245	\$ 1,022,018	\$ 501,511
Redeemable units issued and outstanding:						
Balance, beginning of year	3,349,591	3,374,379	56,873,680	27,398,844	21,080,323	11,246,692
Redeemable units issued for cash, including reinvested distributions	1,189,653	1,261,007	58,825,196	33,614,012	28,106,006	11,862,488
Redeemable units redeemed	(1,265,352)	(1,285,795)	(10,379,857)	(4,139,176)	(3,879,265)	(2,028,857)
Balance, end of year	3,273,892	3,349,591	105,319,019	56,873,680	45,307,064	21,080,323

## EdgePoint Global Growth & Income Portfolio

Statements of Changes in Net Assets Attributable to Unitholders  
of Redeemable Units (in '000s except number of units)  
Years ended December 31, 2018 and 2017

	Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net assets attributable to unitholders of redeemable units, beginning of year	\$ 50,812	\$ 24,993	\$ -	\$ 33,334	\$ 4,994,934	\$ 3,041,986
Increase (decrease) in net assets attributable to unitholders of redeemable units	(561)	5,127	-	2,011	(199,382)	459,718
Redeemable unit transactions:						
Proceeds from issue of redeemable units	34,155	23,027	-	337	4,650,178	2,228,857
Reinvestment of distributions to unitholders of redeemable units	4,378	3,712	-	76	334,774	294,763
Redemption of redeemable units	(6,155)	(2,098)	-	(35,669)	(1,087,578)	(705,756)
Distributions to Unitholders of Redeemable Units						
Net investment income	(1,464)	(788)	-	(89)	(50,916)	(19,629)
Capital gains	(3,198)	(3,161)	-	-	(323,463)	(305,005)
Net increase (decrease) in net assets attributable to unitholders of redeemable units	27,155	25,819	-	(33,334)	3,323,613	1,952,948
Net assets attributable to unitholders of redeemable units at end of year	\$ 77,967	\$ 50,812	\$ -	\$ -	\$ 8,318,547	\$ 4,994,934
Redeemable units issued and outstanding:						
Balance, beginning of year	2,123,245	1,098,502	-	1,862,393		
Redeemable units issued for cash, including reinvested distributions	1,569,950	1,108,901	-	22,744		
Redeemable units redeemed	(259,330)	(84,158)	-	(1,885,137)		
Balance, end of year	3,433,865	2,123,245	-	-		

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

**EdgePoint Global Growth & Income Portfolio***Statement of Cash Flows (in '000s)  
Years ended December 31, 2018 and 2017*

	2018	2017
<b>Cash flows from (used by) operating activities</b>		
Increase (decrease) in net assets attributable to unitholders of redeemable units	\$ (199,382)	\$ 459,718
Adjustments for:		
Foreign currency (gain) loss on cash and other net assets	(1,802)	2,095
Net realized (gain) loss on investments and derivatives	(401,685)	(298,034)
Net realized (gain) loss on foreign exchange forward contracts	17,188	(40,643)
Change in unrealized (appreciation) depreciation on investments and derivatives	635,546	(106,575)
(Increase) decrease in interest and other receivable	(8,370)	(5,304)
(Increase) decrease in dividends receivable	(1,063)	(213)
Increase (decrease) in accrued liabilities	(209)	(1,965)
Purchases of investments	(5,469,695)	(2,736,363)
Proceeds from the sales of investments	2,190,898	1,312,158
Proceeds from (to) settlement of foreign exchange forward contracts	(17,188)	40,643
Net cash generated from (used by) operating activities	\$ (3,255,762)	\$ (1,374,483)
<b>Cash flows from (used by) financing activities</b>		
Distributions to unitholders of redeemable units, net of reinvested distributions	\$ (39,605)	\$ (29,871)
Proceeds from redeemable units issued	4,646,288	2,222,868
Amount paid on redemption of redeemable units	(1,079,332)	(706,117)
Net cash generated from (used by) financing activities	\$ 3,527,351	\$ 1,486,880
Net increase (decrease) in cash and cash equivalents	\$ 271,589	\$ 112,397
Foreign currency gain (loss) on cash and other net assets	1,802	(2,095)
Cash and cash equivalents, beginning of year	430,850	320,548
Cash and cash equivalents, end of year	\$ 704,241	\$ 430,850
Cash and cash equivalents comprise:		
Cash at bank	\$ 629,283	\$ 430,850
Short-term investments	74,958	–
	\$ 704,241	\$ 430,850
Interest received, net of withholding tax	\$ 89,973	\$ 45,028
Dividends received, net of withholding tax	\$ 60,770	\$ 28,801

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

# EdgePoint Global Growth & Income Portfolio

Schedule of Investment Portfolio  
(in '000s except number of shares/units)  
As at December 31, 2018

Number of shares/units	Security	Average cost	Fair value	% of net assets
<b>Equities</b>				
<b>Banks</b>				
4,349,792	Wells Fargo & Co.	\$ 274,669	\$ 273,639	3.29%
		<u>274,669</u>	<u>273,639</u>	<u>3.29%</u>
<b>Communication Services</b>				
35,970,276	Bharti Infratel Limited	204,234	182,176	2.19%
2,239,828	Sogou Inc.	26,293	16,054	0.19%
360,000	Trilogy International Partners Inc., warrants due 07/02/22	–	4	0.00%
		<u>230,527</u>	<u>198,234</u>	<u>2.38%</u>
<b>Consumer Discretionary</b>				
8,089,489	Subaru Corp.	320,647	237,793	2.86%
1,297,262	Cie Financiere Richemont SA	139,132	113,516	1.36%
2,702,405	Aramark	120,462	106,880	1.28%
4,824,314	Mattel Inc.	87,992	65,796	0.79%
284,138	Dine Brands Global, Inc.	18,518	26,121	0.31%
472,683	Salvatore Ferragamo SpA	15,491	13,053	0.16%
108,083	Delticom AG	5,693	1,214	0.01%
		<u>707,935</u>	<u>564,373</u>	<u>6.77%</u>
<b>Consumer Staples</b>				
3,178,234	Shiseido Co. Ltd.	144,409	272,833	3.28%
824,905	PriceSmart Inc.	83,149	66,556	0.80%
489,912	Kweichow Moutai Co Ltd.	64,456	57,476	0.69%
		<u>292,014</u>	<u>396,865</u>	<u>4.77%</u>
<b>Diversified Financials</b>				
537	Berkshire Hathaway Inc.	183,184	224,332	2.70%
1,348,612	Affiliated Managers Group Inc.	245,383	179,399	2.16%
1,564,089	Oaktree Capital Group LLC	84,592	84,878	1.02%
158,032	Berkshire Hathaway Inc.	32,606	44,051	0.53%
2,331,105	Alignvest Acquisition II Corp.	15,147	15,541	0.19%
580,584	Crown Capital Partners Inc.	4,876	6,038	0.07%
777,035	Alignvest Acquisition II Corp., warrants due 2022/07/04	394	311	0.00%
149,999	Dundee Corp., warrants due 2019/06/30	–	3	0.00%
		<u>566,182</u>	<u>554,553</u>	<u>6.67%</u>
<b>Energy</b>				
7,407,860	PrairieSky Royalty Ltd.	188,025	130,897	1.57%
1,533,835	Black Stone Minerals LP	32,831	32,415	0.39%
3,790,208	Western Energy Services Corp.	4,684	1,706	0.02%
739,569	National Energy Services Reunited Corp.	548	1,141	0.01%
		<u>226,088</u>	<u>166,159</u>	<u>1.99%</u>
<b>Health Care</b>				
666,231	Genmab AS	130,424	148,996	1.79%
5,011,173	Swedish Orphan Biovitrum AB	113,767	148,975	1.79%
1,171,709	Shionogi & Co. Ltd.	78,479	91,521	1.10%
		<u>322,670</u>	<u>389,492</u>	<u>4.68%</u>
<b>Industrials</b>				
2,834,407	CSX Corp.	197,792	240,414	2.89%
4,605,595	Flowserve Corp.	264,448	239,053	2.87%
1,512,400	Middleby Corp.	227,202	212,109	2.55%
1,173,183	WABCO Holdings Inc.	153,263	171,919	2.07%
8,964,918	Mitsubishi Electric Corp.	171,665	135,839	1.63%
6,397,377	Kubota Corp.	130,005	124,426	1.50%
1,617,893	Generac Holdings Inc.	79,283	109,775	1.32%
828,400	WESCO International Inc.	59,713	54,285	0.65%
3,580,341	Grafton Group PLC	38,881	40,060	0.48%
		<u>1,322,252</u>	<u>1,327,880</u>	<u>15.96%</u>

## EdgePoint Global Growth & Income Portfolio

Schedule of Investments Portfolio (Continued)  
(in '000s except number of shares/units)  
As at December 31, 2018

Number of shares/units	Security	Average cost	Fair value	% of net assets
<b>Information Technology</b>				
2,092,137	TE Connectivity Ltd.	\$ 198,389	\$ 216,013	2.60%
1,443,911	Fidelity National Information Services Inc.	201,328	202,149	2.43%
141,427	Constellation Software Inc.	103,831	123,587	1.49%
1,378,933	EchoStar Corp.	72,393	69,126	0.83%
461,036	Ubiquiti Networks Inc.	25,720	62,569	0.75%
331,859	Digi International Inc.	3,122	4,571	0.06%
		604,783	678,015	8.16%
<b>Insurance</b>				
173,554	Fairfax Financial Holdings Ltd.	117,320	104,302	1.25%
4,269,173	Manulife Financial Corp.	89,285	82,694	1.00%
2,429,286	T&D Holdings Inc.	50,090	38,700	0.47%
		256,695	225,696	2.72%
<b>Materials</b>				
1,859,596	Crown Holdings Inc.	106,547	105,535	1.27%
		106,547	105,535	1.27%
<b>Real Estate</b>				
4,019,239	Realty Holdings Corp.	159,272	80,550	0.97%
1,701,535	Grand City Properties SA	43,489	50,436	0.61%
1,049,124	Seritage Growth Properties	52,495	46,305	0.56%
353,641	Granite Real Estate Investment Trust	12,585	18,817	0.23%
636,069	Slate Retail REIT	7,224	7,474	0.09%
		275,065	203,582	2.46%
<b>Preferred Shares</b>				
592,000	Kinder Morgan Canada Ltd., 5.25%, preferred, series 1	14,800	12,994	0.16%
487,571	Dundee Corp., 7.50%, preferred, series 5	11,422	7,850	0.10%
151,650	Seritage Growth Properties, 7.00%, Preferred, series A	4,800	4,555	0.05%
107,595	GMP Capital Inc., 3.611%, preferred, series B	1,265	1,119	0.01%
28,522	Element Financial Corp., 6.50%, preferred, series G	692	616	0.01%
26,830	Dundee Corp., 5.688%, preferred, series 2	424	297	0.00%
		33,403	27,431	0.33%
<b>Total Equities</b>		\$ 5,218,830	\$ 5,111,454	61.45%

Face Value (\$)	Fixed Income			
75,939,300	Alimentation Couche-Tard Inc., 3.319%, due 2019/11/01	\$ 77,443	\$ 76,349	0.92%
73,987,000	Royal Bank of Canada, 2.35%, due 2019/12/09	73,924	73,954	0.89%
72,064,200	CI Financial Corp., 2.645%, due 2020/12/07	72,020	71,572	0.86%
65,720,300	Enbridge Inc. Callable, 3.16%, due 2021/03/11	66,175	65,863	0.79%
65,041,000	SNC-Lavalin Group Inc., 2.689%, due 2020/11/24	65,135	64,527	0.78%
58,305,000	Wells Fargo Canada Corp., 2.944%, due 2019/07/25	58,481	58,487	0.70%
57,440,700	SNC-Lavalin Group Inc., 6.19%, due 2019/07/03	61,466	58,440	0.70%
56,183,000	Brookfield Asset Management Inc., 3.95%, due 2019/04/09	56,789	56,411	0.68%
54,600,000	Wells Fargo Canada Corp., 3.04%, due 2021/01/29	54,689	54,855	0.66%
52,065,000	The Bank of Nova Scotia, 2.462%, due 2019/03/14	52,287	52,105	0.63%
40,823,000	Mattel Inc. Callable, 6.75%, due 2025/12/31	51,251	49,863	0.60%
51,676,300	Element Financial Corp. Conv., 4.25% due 2020/06/30	47,152	49,777	0.60%
47,899,000	Element Financial Corp. Conv., 5.125%, due 2019/06/30	47,341	47,699	0.57%
47,500,000	Millar Western Forest Products Ltd. Callable, 9.50%, due 2023/06/20	47,500	47,690	0.57%
45,619,000	Intact Financial Corp., 5.41%, due 2019/09/03	46,945	46,494	0.56%
34,000,000	First Eagle Holdings, Inc. 1st Lien Term Loan B	44,432	45,866	0.55%
45,000,000	Toronto-Dominion Bank, 2.045%, due 2021/03/08	44,201	44,427	0.53%
31,959,100	Seitel Inc., 9.50%, due 2019/04/15	37,177	43,631	0.52%
33,854,400	Constellation Software Inc., 8.10%, floating rate note, due 2040/03/31	38,637	42,277	0.51%
42,750,000	Bank of Montreal 2.27%, due 2022/07/11	41,673	41,944	0.50%
29,649,000	Unilever Capital Corp. Callable, 2.20%, due 2022/05/05	40,336	39,120	0.47%
39,055,000	Brookfield Infrastructure Finance ULC Callable, 3.452%, due 2022/03/11	39,219	39,066	0.47%
37,800,000	Bank of Montreal, 2.84%, due 2020/06/04	37,979	37,959	0.46%

**EdgePoint Global Growth & Income Portfolio**
*Schedule of Investment Portfolio (Continued)*
*(in '000s except number of shares/units)*
*As at December 31, 2018*

Number of shares/units	Security	Average cost	Fair value	% of net assets
35,916,800	Aegerion Pharmaceuticals Inc. Conv., 2.00%, due 2019/08/15	\$ 38,819	\$ 37,204	0.45%
28,351,200	Realogy Group LLC / Realogy Co-Issuer Corp. Callable, 5.25%, due 2021/12/01	37,113	36,818	0.44%
36,399,000	The Bank of Nova Scotia, 2.40%, due 2019/10/28	36,424	36,414	0.44%
25,782,000	Wells Fargo & Co. Callable, floating rate, due 2022/02/11	34,632	34,985	0.42%
26,158,000	L Brands Inc., 6.694%, due 2027/01/15	32,387	33,390	0.40%
32,946,000	Tidewater Midstream and Infrastructure Ltd. Callable, 6.75%, due 2022/12/19	32,778	32,685	0.39%
31,540,000	Bell Canada Inc. Callable, 3.00%, due 2022/10/03	31,240	31,272	0.38%
30,000,000	Toronto-Dominion Bank, 2.447%, due 2019/04/02	30,110	30,025	0.36%
21,969,000	Pershing Square Holdings Ltd., 5.50%, due 2022/07/15	28,018	29,979	0.36%
27,000,000	Bank of Montreal 2.89%, due 2023/06/20	26,615	26,985	0.32%
20,721,200	Hertz Corp. Callable, 7.625%, due 2022/06/01	26,285	26,733	0.32%
19,425,000	American International Group Inc., 2.30%, due 2019/07/16	26,055	26,413	0.32%
26,482,800	EnerCare Solutions Inc. Callable, 3.38%, due 2022/02/21	26,760	26,373	0.32%
25,974,300	Granite REIT Holdings L.P. 3.788%, due 2021/07/05	26,589	26,257	0.31%
19,378,864	Sally Beauty Term Loan B Callable, 3.80411%, due 2024/07/05	24,804	25,265	0.31%
25,002,000	MCAP Commercial LP, 5.00%, due 2022/12/14	24,973	24,940	0.30%
26,617,000	CES Energy Solutions Corp. Callable, 6.375%, due 2024/10/21	26,522	24,926	0.30%
18,923,574	Generac Power Systems Inc. 2018 New Term Loan, due 2023/05/31	24,372	24,866	0.30%
24,368,800	Aimia Inc., 5.60%, due 2019/05/17	23,008	24,689	0.30%
25,000,000	Dollarama Inc., Floating Rate, due 2021/11/01	25,000	24,680	0.30%
18,659,000	Era Group Inc. Callable, 7.75%, due 2022/12/15	23,854	24,582	0.29%
24,644,400	Dollarama Inc. Callable, 2.203%, due 2022/11/10	24,419	23,560	0.28%
22,500,000	Canadian Natural Resources Ltd., 2.60%, due 2019/12/03	22,545	22,451	0.27%
22,087,000	Enbridge Inc. Callable, 6.625%, due 2078/04/12	22,768	22,201	0.27%
21,359,000	EnerCare Solutions Inc. 4.60%, due 2020/02/03	21,858	21,704	0.26%
20,037,400	Fairfax Financial Holdings Ltd., 5.84%, due 2022/10/14	21,448	21,691	0.26%
19,925,000	Intact Financial Corp., 4.70%, due 2021/08/18	21,112	20,866	0.25%
19,881,000	Bell Canada, 3.25%, due 2020/06/17	20,274	20,015	0.24%
18,000,000	TMX Group Ltd., 4.461%, due 2023/10/03	19,435	19,021	0.23%
18,738,200	Morguard Corp., 4.013%, due 2020/11/18	18,878	18,837	0.23%
18,405,000	Saguaro Resources Ltd. Callable, 8.50%, due 2022/04/13	18,405	18,209	0.22%
18,131,000	Rogers Communications Inc., 2.80%, due 2019/03/13	18,299	18,148	0.22%
18,037,000	Finning International Inc., 2.84%, due 2021/09/29	18,035	17,985	0.22%
13,065,000	Realogy Group LLC, 4.50%, due 2019/04/15	15,184	17,814	0.21%
18,164,000	Dollarama Inc., 2.337%, due 2021/07/22	18,091	17,771	0.21%
12,768,000	American International Group Inc., 3.375%, due 2020/08/15	17,444	17,477	0.21%
17,279,000	Cominar Real Estate Investment Trust, 3.62%, due 2019/06/21	17,360	17,324	0.21%
13,231,000	Tervita Escrow Corp. Callable, 7.625%, due 2021/12/01	17,391	17,295	0.21%
16,380,000	Bank of America Corp. Callable, floating rate, due 2022/04/24	16,380	16,295	0.20%
13,214,700	SEACOR Holdings Inc., 2.50%, due 2027/12/15	16,315	15,980	0.19%
15,000,000	BMW Canada Inc., floating rate, due 2019/06/14	15,036	15,020	0.18%
15,100,000	SNC-Lavalin Group Inc., 2.2175%, due 2021/03/02	15,114	14,990	0.18%
14,600,000	Alimentation Couche-Tard Inc., 3.899%, due 2022/11/01	14,850	14,897	0.18%
15,000,000	BMW Canada Inc., 1.78%, due 2020/10/19	14,707	14,748	0.18%
14,100,000	Kraft Canada Inc., 2.70%, due 2020/07/06	14,110	14,062	0.17%
10,739,800	MagnaChip Semiconductor Corp. Callable, 6.625%, due 2021/07/15	13,020	13,122	0.16%
12,980,000	Morguard Corp., 4.333%, due 2022/09/15	13,023	13,017	0.16%
10,795,000	Realogy Group LLC / Realogy Co-Issuer Corp. Callable, 4.875%, due 2023/06/01	12,862	12,895	0.15%
12,868,500	Osisko Gold Royalties Ltd. Conv., 4.00%, due 2022/12/31	12,860	12,782	0.15%
12,670,000	Dollarama Inc. Callable 3.55%, due 2023/11/06	12,607	12,651	0.15%
8,994,200	Team Inc. Conv., 5.00%, due 2023/08/01	11,522	12,267	0.15%
12,770,000	Vesta Energy Corp. Callable, 8.125%, due 2023/07/24	12,770	12,198	0.15%
10,692,400	Fairfax Financial Holdings Ltd., 6.40%, due 2021/05/25	12,189	11,502	0.14%
8,500,000	JPMorgan Chase & Co., Callable, 5.30% Perpetual	11,338	11,488	0.14%
10,452,000	Cominar Real Estate Investment Trust, 4.25%, due 2021/12/08	10,427	10,402	0.12%
9,932,000	CI Investments Inc. 2.775%, due 2021/11/25	9,794	9,808	0.12%
6,970,000	CVS Health Corp., 4.125%, due 2021/05/15	9,790	9,633	0.12%
6,911,000	Anthem Inc., 3.70%, due 2021/08/15	9,468	9,504	0.11%

## EdgePoint Global Growth & Income Portfolio

Schedule of Investment Portfolio (Continued)  
(in '000s except number of shares/units)  
As at December 31, 2018

Number of shares/units	Security	Average cost	Fair value	% of net assets
6,800,000	CVS Health Corp., 2.125%, due 2021/06/01	\$ 8,841	\$ 8,962	0.11%
10,767,546	David's Bridal Inc. Term Loan, due 2019/10/11	10,109	8,826	0.11%
8,087,000	Rogers Communications Inc., 5.38%, due 2019/11/04	8,418	8,269	0.10%
8,313,000	Penske Truck Leasing Canada Inc. Callable, 2.85%, due 2022/12/07	8,328	8,162	0.10%
7,583,000	Reliance LP, 5.187%, due 2019/03/15	7,849	7,623	0.09%
7,403,000	Choice Properties Real Estate Investment Trust 3.01%, due 2022/03/21	7,353	7,322	0.09%
5,405,000	Frontdoor Inc., Callable, 6.75%, due 2026/08/15	6,941	7,028	0.08%
5,969,000	Cominar Real Estate Investment Trust, 4.941%, due 2020/07/27	6,114	6,064	0.07%
4,250,000	JPMorgan Chase & Co., Callable, 5.00% Perpetual	5,586	5,606	0.07%
4,051,900	Eastman Chemical Co., Callable, 2.70%, due 2020/01/15	5,578	5,492	0.07%
5,312,800	Canexus Corp. Conv. Callable, 6.00%, due 2020/12/31	5,320	5,339	0.06%
3,770,000	Alphabet Inc., 3.625%, due 2021/05/19	5,179	5,252	0.06%
5,161,000	Dollarama Inc., floating rate, due 2020/03/16	5,161	5,148	0.06%
5,000,000	Brookfield Infrastructure Finance ULC, 3.538%, 2020/10/30	5,090	5,051	0.06%
3,500,000	Automation Tooling Systems, 6.50%, due 2023/06/15	4,307	4,838	0.06%
3,684,000	Antero Resources Corp. Callable, 5.125%, due 2022/12/01	4,893	4,747	0.06%
3,535,000	Thermo Fisher Scientific Inc., 3.15%, due 2023/01/15	4,648	4,734	0.06%
3,229,000	Cleaver-Brooks Inc. Callable, 7.875%, due 2023/03/01	4,110	4,265	0.05%
3,000,000	Thermo Fisher Scientific Inc. 4.70%, due 2020/05/01	4,552	4,190	0.05%
2,934,200	Service Corp. International, 4.50%, due 2020/11/15	3,450	3,991	0.05%
3,876,400	Canexus Corp. Conv. Callable, 6.50%, due 2021/12/31	3,952	3,935	0.05%
2,555,000	CSX Corp. Callable, 4.25%, due 2021/06/01	3,618	3,567	0.04%
2,469,000	Anthem Inc., 2.25%, due 2019/08/15	3,230	3,353	0.04%
3,278,100	AutoCanada Inc., 5.625%, due 2021/05/25	3,319	3,161	0.04%
5,158,000	High Ridge Brands Co. Callable, 8.875%, due 2025/03/15	6,880	3,134	0.04%
2,350,000	Morguard Corp., 4.085%, due 2020/05/14	2,350	2,354	0.03%
1,687,000	Xilinx Inc., 3.00%, due 2021/03/15	2,069	2,296	0.03%
1,503,000	Anthem Inc., 2.50%, due 2020/11/21	1,911	2,025	0.02%
1,370,000	Colony Capital Inc. Conv., 5.00%, due 2023/04/15	1,628	1,647	0.02%
945,000	The Coca-Cola Co., 3.15%, due 2020/11/15	1,213	1,299	0.01%
1,121,000	Cominar Real Estate Investment Trust, 4.23%, due 2019/12/04	1,134	1,128	0.01%
795,700	Gran Tierra Energy Inc., 5.00%, due 2021/04/01	1,035	1,060	0.01%
	<b>Total Fixed Income</b>	\$ 2,553,904	\$ 2,557,355	30.74%
	<b>Options (Note 9)</b>	8,527	5,107	0.06%
	Adjustment for transaction costs	(3,843)		
	<b>Total Investments</b>	\$ 7,777,418	\$ 7,673,916	92.25%
	<b>Foreign exchange forward contracts (Note 10)</b>		\$ (53,853)	-0.65%
	Other assets, less liabilities		\$ 698,484	8.40%
	<b>Net assets attributable to unitholders of redeemable units</b>		\$ 8,318,547	100.00%

**1. The Fund:**

(a) EdgePoint Global Growth & Income Portfolio (the “Fund”) is an open-ended mutual fund trust created on November 10, 2008 by declaration of trust under the laws of the Province of Ontario. EdgePoint Wealth Management Inc. (“EdgePoint”) is the Fund’s manager (“Manager”) and trustee, and EdgePoint Investment Group Inc. is the Investment Advisor. The Fund commenced operations on November 17, 2008 with four series of units: Series A, Series B, Series F and Series I. On September 1, 2009, the Fund began offering Series O units. On August 3, 2010, the Fund began offering Series A(N), Series B(N) and Series F(N) units. On May 1, 2017, the Fund discontinued offering Series O units and closed the series. On January 1, 2019, the Fund closed Series B and Series B(N) units from new purchases.

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 long-term capital appreciation and income generation by investing primarily in global companies and fixed-income securities. The portfolio management team invests in companies that it 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 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 7, 2019.

(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.

**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 Fund adopted IFRS 9, *Financial Instruments*, on January 1, 2018. The nature and the effect of these changes are disclosed below. Although these amendments apply for the first time in 2018, they do not have a material impact on the financial statements of the Fund.

IFRS 9, *Financial Instruments*, deals with the recognition, derecognition, classification and measurement of financial instruments. IFRS 9 contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset’s contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal outstanding. All other financial assets are measured at fair value. The standard

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

eliminates the previous IAS 39, Financial Instruments: Recognition and Measurement (“IAS 39”) classification categories of held-to-maturity, available-for-sale, held-for-trading, and loans and receivables. The Fund’s financial instruments previously classified as:

- held-for-trading; are now classified as at fair value through profit or loss (“FVTPL”)
- designated as at FVTPL; are now classified as at FVTPL
- loans and receivables; are now classified as at amortized cost
- other financial liabilities; are now classified as at amortized cost

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund’s financial instruments as at January 1, 2018:

<b>Financial instrument</b>	<b>IAS 39</b>	<b>IFRS 9</b>
Investments	FVTPL	Fair value
Foreign exchange forward contracts	FVTPL	Fair value
Cash and cash equivalents	Amortized cost	Amortized cost
Receivable for units subscribed	Amortized cost	Amortized cost
Dividends receivable	Amortized cost	Amortized cost
Interest and other receivables	Amortized cost	Amortized cost
Receivable for securities sold	Amortized cost	Amortized cost
Payable for units redeemed	Amortized cost	Amortized cost
Payable for securities purchased	Amortized cost	Amortized cost
Accrued liabilities	Amortized cost	Amortized cost

There was no change in the recognition or measurement of these financial instruments. The Fund’s financial instruments previously measured at amortized cost meet the solely principal and interest criterion and accordingly, continue to be measured at amortized cost under IFRS 9. The Fund’s financial instruments previously measured at fair value continue to be measured at fair value under IFRS 9. Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively using the transitional provisions allowing the Fund to not restate comparative periods. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 but rather those of IAS 39. The assessment made by management on the date of initial application includes the determination of the business model within which a financial asset is held and the designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

(b) Financial instruments:

Financial instruments include financial assets and liabilities such as debt and equity securities, derivatives, cash and other receivables and payables. Effective January 1, 2018, 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 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.

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

Financial instruments classified as at FVTPL are subsequently measured at FVTPL 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 are 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 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 appreciation (depreciation) 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 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*.

**(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.

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

(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 December 31, 2018, 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:**

i. 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, 2018 amounted to \$92.4 million (December 31, 2017: \$52.4 million), with

nil in outstanding accrued fees due to the Manager at December 31, 2018 (December 31, 2017: \$0.1 million). 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.

Series A	1.70%
Series A(N)	1.70%
Series B	1.90%
Series B(N)	1.90%
Series F	0.70%
Series F(N)	0.70%

ii. 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 year ended December 31, 2018, allocated costs totaled \$0.7 million (December 31, 2017: \$0.7 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 operating expenses are EdgePoint's responsibility.

iii. 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.

iv. Management fee distributions

From time to time, EdgePoint may reduce the effective management fee payable by some unitholders by reducing the management fee it charges to the Fund and directing the Fund to make distributions to these unitholders in amounts equal to the management fee reduction. Management fee distributions are automatically reinvested in additional units of the Fund and are accounted for as distributions for financial statement reporting purposes.

**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, 2018, the Fund had capital losses of nil (December 15, 2017: nil) and non-capital losses of nil (December 15, 2017: 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, 2018, the Fund had suspended losses of \$245,734 (December 15, 2017: \$192,721).

**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 December 31, 2018 and 2017, is disclosed below.

	2018	2017
Soft dollar relationships	4	4
Percentage of total transaction costs	2%	3%

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.

(b) 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

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

investments have been classified as Level 2. The Fund holds three fixed income securities that have been classified as Level 3 because of a lack of observable inputs in the valuation. The fair value of these investments has been determined using the most recent quotes obtained from brokers.

(c) Derivative assets and liabilities

Derivative assets and liabilities consist of foreign exchange forward contracts and equity call option contracts. Foreign exchange forward contracts are valued primarily on the contracts 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.

All fair value measurements below are recurring.

Assets (liabilities) at fair value as at December 31, 2018 (\$'000s)				
	Level 1	Level 2	Level 3	Total
Equities	\$ 5,110,310	\$ 1,144	\$ -	\$ 5,111,454
Fixed income	-	2,539,255	18,100	2,557,355
Options	-	5,107	-	5,107
Foreign exchange forward contracts	-	(53,853)	-	(53,853)
<b>Total</b>	<b>\$ 5,110,310</b>	<b>\$ 2,491,653</b>	<b>\$ 18,100</b>	<b>\$ 7,620,063</b>

Assets (liabilities) at fair value as at December 31, 2017 (\$'000s)				
	Level 1	Level 2	Level 3	Total
Equities	\$ 2,964,404	\$ -	\$ -	\$ 2,964,404
Fixed income	-	1,545,089	8,146	1,553,235
Options	-	4,722	-	4,722
Foreign exchange forward contracts	-	13,466	-	13,466
<b>Total</b>	<b>\$ 2,964,404</b>	<b>\$ 1,563,277</b>	<b>\$ 8,146</b>	<b>\$ 4,535,827</b>

For the year ended December 31, 2018, the net change in value of financial instruments classified as at FVTPL is a \$251.0 million loss (December 31, 2017: \$445.3 million gain).

During the year ended December 31, 2018, there were no transfers between levels (December 31, 2017: nil).

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments as at December 31, 2018.

December 31, 2018		Fixed income (\$'000s)
Balance at beginning of year		\$ 8,146
Investment purchases during the year		11,255
Change in unrealized appreciation (depreciation) in value of investments		(1,301)
<b>Balance at end of year</b>		<b>18,100</b>

  

December 31, 2017		Fixed income (\$'000s)
Balance at beginning of year		\$ -
Transfers in		8,146
<b>Balance at end of year</b>		<b>\$ 8,146</b>

The total change in unrealized appreciation for Level 3 assets held as at December 31, 2018 was a \$1.3 million loss (December 31, 2017: nil).

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 December 31, 2018 (December 31, 2017: nil).

**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 result in the risk of loss of capital. The team takes a conservative approach to risk management by applying in-depth, thorough research to each investment idea in order to understand the risks of the individual business and weighs this against its return potential.

Risk is further managed by investing in a diversified portfolio of companies. The team believes that investing in businesses

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

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

The Manager employs a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines and securities regulations. The 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 within the Declaration of Trust. At least 40% 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 December 31, 2018, 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 \$255.6 million or 3.1% of total net assets attributable to unitholders of redeemable units (December 31, 2017: \$148.2 million or 3.0% of

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

(ii) Foreign currency risk:

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

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, 2018					
Currency	Investments (\$'000s)	Cash (\$'000s)	Foreign exchange forward contracts (\$'000s)	Total (\$'000s)	% of net assets
U.S. dollar	3,643,503	52,981	(1,200,082)	2,496,402	30.01%
Japanese Yen	901,112	-	(49,363)	851,749	10.24%
Indian Rupee	182,176	-	-	182,176	2.19%
Danish Krone	148,996	-	-	148,996	1.79%
Swedish Krona	148,975	2,303	-	151,278	1.82%
Swiss franc	113,516	-	-	113,516	1.36%
Euro	66,994	(281)	-	66,713	0.80%
China Renminbi	57,476	438	-	57,914	0.70%
British pound	40,060	-	-	40,060	0.48%
	5,302,808	55,441	(1,249,445)	4,108,804	49.39%
December 31, 2017					
Currency	Investments (\$'000s)	Cash (\$'000s)	Foreign exchange forward contracts (\$'000s)	Total (\$'000s)	% of net assets
U.S. dollar	2,297,825	7,654	(709,568)	1,595,911	31.94%
Japanese Yen	543,738	-	-	543,738	10.89%
Euro	288,761	-	-	288,761	5.78%
Swedish Krona	58,568	-	-	58,568	1.17%
British pound	29,306	-	-	29,306	0.59%
	3,218,198	7,654	(709,568)	2,516,284	50.37%

As at December 31, 2018, 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 \$205.4 million or 2.5% of total net assets (December 31, 2017: \$125.8 million or 2.5% 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):**

(iii) Interest rate risk:

Interest rate risk arises from interest-bearing financial instruments where the values of those instruments fluctuate due to changes in market interest rates.

The majority of the Fund's financial assets are equities, which are not interest bearing. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity:

December 31, 2018	Fixed Income ('000s)
Less than 1 year	\$ 788,270
1 to 3 years	805,646
3 to 5 years	676,416
Greater than 5 years	287,023
	<u>\$ 2,557,355</u>

December 31, 2017	Fixed Income ('000s)
Less than 1 year	\$ 419,828
1 to 3 years	479,358
3 to 5 years	472,025
Greater than 5 years	182,024
	<u>\$ 1,553,235</u>

As at December 31, 2018, 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 \$26.8 million or 0.3% of total net assets (December 31, 2017: \$19.4 million or 0.4% of total net assets). The Fund's sensitivity to interest rate changes was established using the weighted- average modified duration of 2.27 years based on the Fund's fixed-income holdings (December 31, 2017: 2.60). In practice, actual results may differ from this sensitivity.

(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, 2018.

As at December 31, 2018 and 2017, the Fund was invested in debt securities with the following credit ratings:

December 31, 2018	% of net assets	% of debt instruments
AA	4.86	15.81
A	3.88	12.63
BBB	12.48	40.62
BB	0.76	2.49
B	3.07	10.00
CCC	0.52	1.71
CC	0.04	0.12
Unrated	5.11	16.62
	<u>30.72</u>	<u>100.00</u>

December 31, 2017	% of net assets	% of debt instruments
AAA	0.61	1.95
AA	1.59	5.12
A	6.82	21.90
BBB	13.14	42.24
BB	2.35	7.57
B	2.27	7.31
CCC	0.74	2.41
Unrated	3.58	11.50
	<u>31.10</u>	<u>100.00</u>

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. 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.

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

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 tables 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, 2018	On demand (\$'000s)	< 3 months (\$'000s)	Total (\$'000s)
Payable for units redeemed	10,651	–	10,651
Payable for securities purchased	43,435	–	43,435
Foreign exchange forward contracts	–	53,853	53,853

December 31, 2017	On demand (\$'000s)	< 3 months (\$'000s)	Total (\$'000s)
Payable for units redeemed	2,405	–	2,405
Payable for securities purchased	3,870	–	3,870
Accrued liabilities	–	209	209

(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 options:**

December 31, 2018					
Call options	Expiry date	Strike price	Number of contracts	Average cost ('000s)	Fair value ('000s)
S&P 500 Index	June 28, 2022	3,000	14,057	\$ 756	\$ 2,816
EURO STOXX 50 Index	June 16, 2023	3,816	12,296,514	3,886	1,578
EURO STOXX Banks Index	February 17, 2023	142	3,420,347	1,293	232
EURO STOXX Banks Index	March 17, 2023	142	3,420,347	1,299	238
EURO STOXX Banks Index	April 21, 2023	142	3,420,347	1,293	243
				\$ 8,527	\$ 5,107

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

December 31, 2018				
Settlement date	Currency to be delivered ('000s)	Currency to be received ('000s)	Contract price	Fair value ('000s)
January 3, 2019	203,500 USD	259,758 CAD	1.2765	\$ (18,037)
January 8, 2019	31,000 USD	39,656 CAD	1.2792	(2,656)
January 15, 2019	3,959,866 JPY	44,900 CAD	0.0113	(4,463)
January 25, 2019	67,500 USD	87,574 CAD	1.2974	(4,513)
February 8, 2019	135,950 USD	177,746 CAD	1.3074	(7,665)
February 25, 2019	115,000 USD	152,019 CAD	1.3219	(4,765)
February 28, 2019	54,500 USD	72,540 CAD	1.3310	(1,757)
March 4, 2019	42,000 USD	55,251 CAD	1.3155	(2,001)
March 6, 2019	54,500 USD	72,744 CAD	1.3348	(1,544)
March 13, 2019	75,500 USD	100,442 CAD	1.3304	(2,456)
March 14, 2019	50,500 USD	66,000 CAD	1.3069	(2,824)
March 20, 2019	50,000 USD	66,963 CAD	1.3393	(1,172)
Total number of contracts:	12		Net fair value	\$ (53,853)

**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.

December 31, 2018 (\$'000s)					
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	–	–	–	730	–
Foreign exchange forward contracts – liabilities	(53,853)	(53,853)	–	36,320	(17,533)

**11. Offsetting financial assets and financial liabilities  
(continued):**

December 31, 2017 (\$'000s)

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	13,466	13,466	–	17,342	13,466
Foreign exchange forward contracts – liabilities	–	–	–	–	–

**12. 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 December 31, 2018 and 2017.

	December 31, 2018 (\$'000s)	December 31, 2017 (\$'000s)
Securities loaned	5,360	–
Collateral (non-cash)	5,771	–

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

	December 31, 2018 (\$'000s)	December 31, 2017 (\$'000s)
Gross securities lending revenue	329	–
Agent fees – CIBC Mellon	(82)	–
Income from securities lending	247	–

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