

Management's Discussion & Analysis of

CYMBRIA CORPORATION

**Three months and nine months ended
September 30, 2018**

CYMBRIA®

Management's Discussion and Analysis ("MD&A") provides a review of Cymbria Corporation's ("Cymbria") unaudited financial results for the three months ended September 30, 2018 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the statements of financial position, statements of comprehensive income, statements of changes in equity, and statements of cash flows of Cymbria. As such, this MD&A should be read in conjunction with the unaudited condensed interim financial statements and notes thereto included in this report. The MD&A and the unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") to provide information about Cymbria.

The following MD&A is the responsibility of management and is dated November 6, 2018. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit Committee, comprised exclusively of independent directors. The Audit Committee has reviewed and recommended approval of the MD&A by the Board of Directors. The Board of Directors has approved this disclosure.

The unaudited condensed interim financial statements may be included at the back of the MD&A. You can obtain a free copy of the interim or annual Financial Statements by calling 1.866.757.7207, writing to EdgePoint Investment Group Inc., 150 Bloor St. W., Suite 500, Toronto, ON, M5S 2X9, or visiting our website at www.cymbria.com or the SEDAR website at www.sedar.com.

Please refer to Cymbria's Annual Information Form and the 2017 annual Financial Statements for more information which can be found on the SEDAR website at www.sedar.com. For Cymbria's current and historical net asset values per share, please visit www.cymbria.com.

Caution regarding forward-looking statements

This report may contain forward-looking statements about Cymbria, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," or negative versions thereof and similar expressions.

This report may also contain backward-looking statements that are more definitive in nature that include words such as "last year," "before we were born" and "our encyclopaedias say." We like to think we're pretty good at predicting what happened in the past so feel free to take most of these statements as truths.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties, and assumptions about Cymbria and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by Cymbria. Any number of important factors could contribute to these differences, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the abovementioned list of important factors is not exhaustive but is super exhausting to read, let's be honest! We encourage you to consider these and other factors carefully before making any investment decisions, and urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that Cymbria has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next MD&A.

Management's Discussion and Analysis

The following presents the views of EdgePoint Investment Group Inc. (the "Manager") concerning significant factors and developments that have affected Cymbria's performance and outlook.

Please read the aforementioned caution regarding forward-looking statements.

Where we refer to the purchase or sale of businesses in this report, we are referring to Cymbria's purchase or sale of shares in a company. We use the term businesses as it more closely aligns with the portfolio management team's view that the investment is in a business and not simply ownership of stock.

Non-IFRS measures

Cymbria prepares and releases audited annual financial statements and unaudited interim financial statements in accordance with IFRS. In this MD&A, as a complement to results provided in accordance with IFRS, Cymbria discloses certain financial measures not recognized under IFRS and that do not have standard meanings prescribed by IFRS (collectively the "non-IFRS measures"). These non-IFRS measures are further described below. Cymbria has presented such non-IFRS measures, because we believe they are relevant measures of the ability to evaluate Cymbria's performance. These non-IFRS measures should not be construed as alternatives to net comprehensive income (loss) determined in accordance with IFRS as indicators of Cymbria's performance.

- Adjusted Net Asset Value ("aNAV") – represents the fair value of the net assets of Cymbria, which differs from IFRS Shareholders' Equity because it does not take into account the deferred income tax liability on the unrealized gain on investments and the deferred tax benefits associated with any realized losses on investments. The calculation of aNAV has not changed since the inception of Cymbria.

Net asset value calculations are different across companies and shareholders of Cymbria should be cautioned that its aNAV may not be comparable to other companies. Cymbria still believes aNAV is an important measure because it is the basis on which the Manager evaluates Cymbria's performance. The difference between aNAV and shareholders' equity is the deferred income tax liability. Deferred income taxes can differ from actual income taxes paid in the future due to fluctuations in investment prices and changes to income tax rates. In addition, \$29.6 million of the \$43.3 million deferred income tax liability relates to Cymbria's investment in EdgePoint. The manager is compensated through the management fee that is based on Cymbria's aNAV calculation, not shareholders' equity. Below is a reconciliation of aNAV to shareholders' equity.

	Sep. 30, 2018 ('000s)	Dec. 31, 2017 ('000s)
aNAV	\$1,167,587	\$1,059,071
Less: Deferred income tax liability	(43,347)	(43,538)
Shareholders' equity	\$1,124,240	\$1,015,533

- Management Expense Ratio ("MER") – represents the total management fees and operating expenses paid by each class

of Cymbria, including applicable sales taxes and interest, and excluding corporate income taxes, commissions and other portfolio transaction costs, as a percentage of the average daily aNAV of Cymbria on an annualized basis.

- Adjusted net asset value per share – represents the aNAV of Cymbria by class divided by the respective number of shares in that class. Below is a reconciliation of adjusted net asset value per share to shareholders' equity per share.

Class A	Sep. 30, 2018	Dec. 31, 2017
Adjusted net asset value per share	\$ 49.76	\$ 45.18
Less: Deferred income tax liability	(1.81)	(1.85)
Shareholders' equity per share	\$ 47.95	\$ 43.33

Class J	Sep. 30, 2018	Dec. 31, 2017
Adjusted net asset value per share	\$ 54.85	\$ 49.68
Less: Deferred income tax liability	(2.11)	(2.06)
Shareholders' equity per share	\$ 52.74	\$ 47.62

Readers are cautioned not to view non-IFRS measures as alternatives to financial measures calculated in accordance with IFRS.

Our business

Cymbria is an investment corporation that trades on the Toronto Stock Exchange. As at September 30, 2018, Cymbria invested in a collection of 46 different business ideas, including a 20.7% ownership stake in EdgePoint Wealth Management Inc. ("EdgePoint").

Measuring our results

We've made meaningful progress toward our goal of building long-term wealth for shareholders. The cumulative return of Cymbria's Class A aNAV since inception is 397.6% and the cumulative return of Cymbria's Class A shareholders' equity since inception is 348.0%.

We measure our investment results using Cymbria's aNAV rather than its stock price or shareholders' equity, as we feel this more closely reflects how our Investment team adds value. For instance, fluctuations in Cymbria's share price are not always consistent with the movements of its aNAV and can change based on numerous factors, some of which are independent of Cymbria's aNAV. Cymbria's shareholders' equity differs from aNAV because of accounting differences primarily related to deferred income taxes. Cymbria's aNAV includes a provision for current corporate income taxes, but excludes a provision for future taxes on unrealized capital gains and losses. Shareholders' equity includes both. Deferred tax does not impact the amount of capital that Cymbria has invested to earn a return. Therefore, when we measure our investment performance, we measure against the full amount of capital that was available to us to invest which is represented by aNAV. We are required to calculate aNAV daily and Cymbria's Class A aNAV is posted daily to our website.

Measuring Cymbria's worth

Cymbria's stock price has swung between a 14.2% discount and a 33.5% premium to aNAV since inception.

The publicly traded portion of Cymbria's portfolio consists of a collection of quality businesses we believe are trading for less than their true value. We try to buy businesses that can materially grow their cash flows over time and where we're not being asked to pay for that growth today. This should translate into healthy share-price appreciation.

To help investors make intelligent decisions about their investment in Cymbria, we post its aNAV daily to our website. Some have suggested that doing so encourages short-term thinking. We tend to agree. Cymbria's aNAV is different from its worth. The aNAV represents the value of its holdings at today's prices, not tomorrow's worth. Not everyone uses Cymbria's aNAV as a guidepost, nor does posting it ensure that the stock will ever trade at that figure. Cymbria has traded within a wide band and people are free to ignore the guideposts.

Since we have no control over Cymbria's share price and don't know what's in the heads of sellers day-to-day, we also have no way of determining if there will be shareholders willing to sell at material discounts to aNAV (either knowingly or unknowingly). If Cymbria's stock price lags its aNAV, we also believe in buying back shares, as doing so at an attractive discount makes sense for our shareholders. Should these opportunities exist over the next decade, our share repurchases should greatly enhance Cymbria's value for remaining shareholders. This will occur at the expense of those willing to sell to us at a discount. If we're right about the value of the businesses inside Cymbria's portfolio over time, our share repurchases will prove to be one of our better investments. Please see "Non-IFRS measures" for a discussion on aNAV.

Recent developments

For many investors, the perception of negative events is often much more dramatic than reality. Content that can evoke your fears gets your attention. That's the hook and that's the goal of many content creators. Armed with the fact that the S&P 500 Index historically since the 1980s has experienced an average drawdown of approximately 14% every year, there should be no drama the next time the market declines. The drawdowns should be looked at as a constant, something that has taken place every year and should be expected to occur.

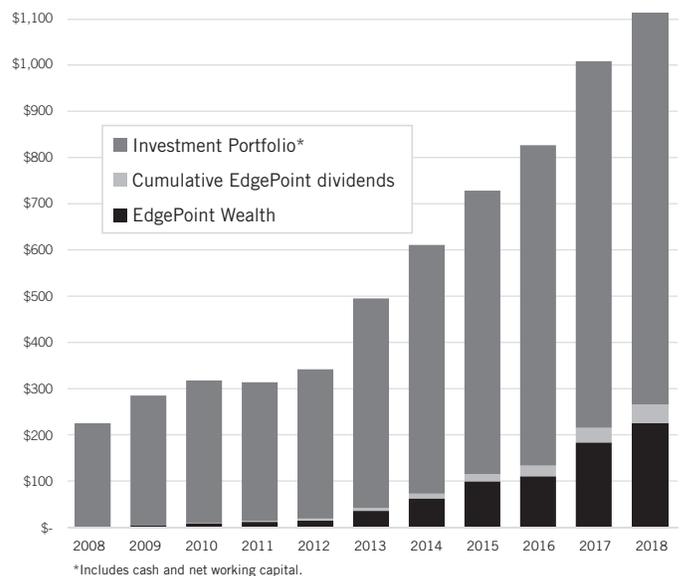
An overly dramatic worldview, combined with investors' tendency to think things are worse than they actually are, can also be described as the gift that keeps giving. In order to be successful at investing you need insight into an investment that others don't share. For instance, you must form your own idea on how a business is poised to grow in the future, to the surprise of others today. When we find this uncommon or unique idea, we call it our "proprietary view".

We've added six businesses to Cymbria this quarter. In each situation there was either fear, uncertainty or an overly dramatic view about a short-term issue, causing pessimism about a company's long-term future. Market drama continues to be a key factor in helping us grow wealth over the long term.

Overall performance

For the nine months ended September 30, 2018, Cymbria's shareholders' equity increased 10.7% (shareholders' equity increase for the nine months ended September 30, 2017: 14.1%). As at September 30, 2018, Cymbria's shareholders' equity increased to \$1,124 million, compared to \$1,015 million as at December 31, 2017. The increase in shareholders' equity is largely attributable to stock selection, which is discussed in the *Investment performance* section of this report.

Shareholders' equity ('000)



Summary of investment portfolio

To protect shareholders' interests and the manager's proprietary investment ideas, we only disclose Cymbria's top 15 positions on a quarterly basis because of the frequency and timing of these quarterly reports. We will disclose Cymbria's full portfolio on an annual basis. Please see Cymbria's 2017 Annual Report for the last published Schedule of Investments.

Top 15 securities	Fair value ('000s)	% of shareholders' equity
EdgePoint Wealth Management Inc.	\$ 223,087	19.1%
Shiseido Co. Ltd.	48,688	4.2%
Flowserve Corp.	46,220	4.0%
Berkshire Hathaway Inc.	43,867	3.8%
Wells Fargo & Co.	42,981	3.7%
CSX Corp.	42,352	3.6%
TE Connectivity Ltd.	41,744	3.6%
Middleby Corp.	37,822	3.2%
Subaru Corp.	34,930	3.0%
Echelon Financial Holdings Inc.	30,550	2.6%
Fidelity National Information Services Inc.	28,299	2.4%
WABCO Holdings Inc.	26,249	2.3%
Mitsubishi Electric Corp.	25,758	2.2%
Affiliated Managers Group Inc.	25,407	2.2%
WESCO International Inc.	24,922	2.1%
Total	\$ 722,876	61.9%

Investment performance

Cymbria's investment performance can be attributed to its investment in a portfolio of securities and EdgePoint.

Portfolio of securities

While we provide these results to fulfill the disclosure requirement of this report, we measure investment success over periods of 10 years or more, and believe it takes considerable skill to consistently add value over the long term. With a long-term view, it would not add a significant amount of value to discuss every business that is owned in the portfolio, including those that have had short-term fluctuations in value. However, in this section we will discuss the investments that we believe would be of interest to shareholders and highlight any material changes to the businesses we own, if any.

These are the investments that had the most meaningful positive impact on shareholders' equity during the quarter:

- Flowserve Corp.

Flowserve is an American multinational corporation and one of the largest suppliers of industrial machinery such as pumps and valves. They sell these parts into harsh environments where they need to operate at very high rates, which results in half of the business to be repair and maintenance. This is the more stable and also a very attractive aspect of the overall business. We are optimistic about the new management team and their initiative to improve the profitability of the company. Flowserve's strong performance during the quarter was driven by an increase in demand expectations. We first added the business to Cymbria in December 2014. The stock was up 35% during the quarter. Cymbria's unrealized gain in the business increased by \$11.7 million.

- Swedish Orphan Biovitrum AB

Swedish Orphan Biovitrum is an international specialty biopharmaceutical company dedicated to rare diseases. We first added the business to Cymbria in March 2017. The big opportunity we saw was their drugs for the treatment of hemophilia A & B. Swedish Orphan Biovitrum's Elocta and Alprolis have longer duration of action leading to fewer treatments for patients. The reason for the positive performance over the quarter is due to the business continuing to exceed expectations. The stock was up 33% during the quarter. Cymbria's unrealized gain in the business increased by \$0.4 million and during the quarter Cymbria sold part of its position realizing a gain of \$6.3 million.

- Middleby Corp.

Middleby Corp. is a leading global equipment manufacturer for commercial cooking and food preparation, industrial food processing and premium residential kitchens. Among the company's over 50 brands, it holds top positions across almost all of its product categories. We first purchased Middleby in Cymbria in March of 2018. The company benefits from the restaurant industry being competitive and the constant demand for innovation and efficiencies. Restaurant purchases are driven by return-on-investment and Middleby can take advantage of the need for automation, menu flexibility, speed (both serving and cooking) and energy efficiency. The company's management also has an excellent track record of improving shareholder

value through acquiring and integrating smaller companies into Middleby's infrastructure. The business has seen increased performance due to a recovery in its commercial equipment sales and positive signs within its new distribution channels. The stock was up 22% during the quarter. Cymbria's unrealized gain in the business increased by \$6.8 million.

Conversely, the following investments had the most meaningful negative impact on shareholders' equity during the period:

- Bharti Infratel Ltd.

Bharti is the largest Indian mobile tower company. The original purchase occurred in March 2017 based on expectations of increased revenue from the rise of Indian mobile phone data usage. The stock price appreciated by 30% in three months and we exited the business as we didn't see much more room to grow. About half a year later, the price dropped and we reinvested in the business as we believed we could again buy into a strong company at a price below its true worth. Over the quarter, Bharti's stock price was dragged down with a general malaise in the Indian stock market. Our thesis remains intact. The stock was down 11% during the quarter and Cymbria's unrealized loss increased by \$4.1 million.

- PrairieSky Royalty Ltd.

PrairieSky Royalty Ltd. is an oil and gas royalty company that was added to Cymbria in May of 2014. PrairieSky reported two consecutive disappointing quarters which has weighed down on the price of the stock. It's been a volatile name in the energy sector and we have continued to use this volatility to our advantage by increasing our position in the business. It is our belief that the fundamentals of the business are far stronger than what is implied in the equity price. Continued improvement during quarterly results should highlight this over time. We believe our thesis is intact and are confident that over time the market will recognize this. The stock was down 13% during the quarter and Cymbria's unrealized loss increased by \$3.1 million.

Portfolio turnover

During the three months ended September 30, 2018, we purchased stakes in six new businesses. Below are the two most significant additions by weight in Cymbria:

- Intercontinental Exchange, Inc.

Intercontinental Exchange (ICE) is the leading operator of global exchanges, clearing houses and provider of data and listings services. ICE customers rely heavily on their exchanges to invest, trade and manage risk across global financial and commodity markets. In addition to their exchange platforms, ICE also offers proprietary financial data sourced directly from ICE futures and securities exchanges and their global fixed income markets.

ICE has a strong history of strategic acquisitions that have allowed for continued growth and expense synergies across their platforms. Our thesis with ICE revolves around two main ideas. Our first idea stems from ICE's ability to benefit from increased market volatility. Every time a derivative contract or security is traded or settled through one of the ICE exchanges and clearinghouses, ICE earns a small fee. Our second idea with ICE is their data services business, which directly complements their core trading business. Currently their data offerings generate around 30%

to 40% of their overall revenues and is expected to grow at 5% to 6% organically. This expected growth is in larger part a result of the growing global demand for financial data services and ICE's strategic acquisitions which should result in further expense synergies and margin expansion. We believe these advances will allow for ICE to continue to grow their business, improve margins and drive shareholder value. As at September 30, 2018, the weight of the business in Cymbria represents 1.5% of shareholders' equity.

- AutoCanada Inc.

AutoCanada is a North American automobile dealership group. The overarching thesis is that we believe the industry could benefit from a professionally run conglomerate rolling up the Mom and Pop dealerships which are having trouble finding buyers. AutoCanada should be able to run them efficiently and earn good returns on capital. Recently new management has taken over, who we believe is very much aligned with us. Insiders have purchased over \$7 million in stock since the new management team took over. As at September 30, 2018, the weight of the business in Cymbria represents 1.3% of shareholders' equity.

We generally sell a stake in a business for one of two reasons. First, if our thesis about the business is deemed no longer valid. Second, there is a constant culling process whereby we continuously strive to upgrade the quality of Cymbria's portfolio with better ideas.

During the three months ended September 30, 2018, we sold our stakes completely in five businesses. Below are the most significant sells based on the amount of realized gains and losses:

- Unilever N.V.

Unilever is a transnational consumer goods company. We first purchased a stake in the business in February 2017 as the stock price dropped with the sell-off in safety names after the U.S. election. Our thesis was that the penetration rate in Emerging Markets for packaged goods and foods would continue to grow if life continues to get incrementally better. Approximately 40% of the business had margins that were lower than they should have been. The former CFO of Nestle joined the business as CEO and was improving the business at a very measured pace. During the holding period, 3G made a takeover offer. Changes that were going to happen over the next decade, started happening very quickly and our valuation was reached, which is why we exited the position.

The holding period return was 34.6% and Cymbria realized a gain on the sale of the business of \$6.8 million during the quarter.

- Wabtec Corp.

Wabtec manufactures products for locomotives, freight cars and passenger transit vehicles. We first purchased the business in March 2016. Wabtec was a very high quality company for over a decade with a lot of organic growth. It was in our watchlist for many years. We were able to buy it in March 2016 as a result of the slowdown in freight rail, which caused the stock price to drop. Half of their business is aftermarket so as long as a transit system is running, replacement parts are needed, which makes the business very appealing. The company was very innovative,

having filed over 450 patents over the last five years. The holding period return was 33.3% and Cymbria realized a gain on the sale of \$7.3 million during the quarter. We exited the position in the business as the valuation was reached.

Cymbria had portfolio turnover rates of 30.8% for the nine months ended September 30, 2018 and 35.7% for the year ended December 31, 2017. Portfolio turnover rate is calculated based on the lesser of purchases or proceeds of sales of securities during the period divided by the average value of Cymbria securities during that time. Cymbria's portfolio turnover rate indicates how frequently Cymbria's portfolio advisor traded its portfolio of investments. A portfolio turnover rate of 100% is equivalent to Cymbria buying and selling all of the securities in its portfolio once in the course of a year. The higher the portfolio turnover rate in a year, the greater the trading costs payable and chance of taxable capital gains during that year. A high turnover rate isn't necessarily related to Cymbria's performance.

Investment in EdgePoint

Cymbria's original \$509,585 investment in EdgePoint represents a 20.7% ownership share as at September 30, 2018. Cymbria has received \$43.4 million in dividends from EdgePoint since inception and its value in Cymbria has increased to \$223.1 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio.

In the five-year period ending December 31, 2017, assets under management increased from \$2.6 billion to \$18.9 billion. Notwithstanding the return of negative market volatility and an increase to investment minimums from \$15,000 to \$20,000 for all of its Portfolios, strong net sales at EdgePoint during the year helped assets under management grow from \$18.9 billion to \$25.6 billion as at September 30, 2018.

With the assistance of a third-party valuator, Cymbria's stake in EdgePoint was revalued in June 2018 at a range of \$223.1 million to \$246.3 million. For financial statement purposes, EdgePoint is valued at \$223.1 million, a 20% increase from EdgePoint's previous \$185.9 million valuation. The discounted cash flow model used for the valuation has a specific set of assumptions of which the significant ones are outlined in Note 10 to the financial statements. The range noted above changes only the discount rate in the valuation. In reality, the possible results for EdgePoint can vary far outside of this range. To highlight how wide a range could be without going to extremes, please refer to the sensitivity analysis in Note 10 of the financial statements. A change to any one or all of the assumptions can have a material impact on the valuation of EdgePoint as highlighted in Note 10.

A new sensitivity was added to the analysis in Note 10 to the financial statements for Portfolio Management expenses. EdgePoint has a sub-advisory agreement with the Manager to provide investment advisory services to all of EdgePoint's portfolios. The Manager believes the fees associated with these agreements are below market reflecting common ownership interests among the Manager and EdgePoint. These lower fees, which benefit Cymbria's shareholders as an owner of EdgePoint, will continue so long as the common ownership interests continue. Cymbria's carrying value for its interest in EdgePoint, however, assumes an

arms-length relationship among the parties and incorporates an estimate of a higher market rate for such services. Further details are provided in Note 10 to the financial statements.

We spend a considerable amount of time on the assumptions that go into the base cash flow model to determine the \$223.1 million valuation and believe that this represents fair market value as at September 30, 2018. However, valuing a business like EdgePoint is an imperfect science and depending on actual results there could be considerable variance both positively or negatively from today's value.

Financial review

This section discusses the significant changes in Cymbria's financial performance, financial condition and cash flows for the three months and nine months ended September 30, 2018 compared to those for the same periods ended September 30, 2017 and as at December 31, 2017.

This section should be read in conjunction with Cymbria's audited financial statements and corresponding notes thereto.

Financial performance

	Three months ended Sep. 30,		Nine months ended Sep. 30,	
	2018	2017	2018	2017
	('000s)	('000s)	('000s)	('000s)
Income				
Net realized gain on investments	\$ 36,651	\$ 21,629	\$ 114,004	\$ 63,719
Change in unrealized gain (loss) on investments	(8,473)	(5,128)	(2,202)	55,975
Dividend and interest income	7,506	1,968	21,108	12,972
Foreign currency gain (loss) on hedging	1,873	4,168	(115)	8,805
Foreign currency gain (loss), excluding hedging	(155)	(131)	24	(194)
Total income	\$ 37,402	\$ 22,506	\$ 132,819	\$ 141,277
Expenses				
Management fees	\$ 1,899	\$ 1,622	\$ 5,532	\$ 4,775
Withholding taxes, HST, and transaction costs	994	612	2,862	2,292
Other expenses	678	375	1,927	1,367
Total expenses	\$ 3,571	\$ 2,609	\$ 10,321	\$ 8,434
Profit (loss) for the period before taxes	\$ 33,831	\$ 19,897	\$ 122,498	\$ 132,843
Income taxes (recovery)	3,762	2,345	13,791	16,031
Net comprehensive income	\$ 30,069	\$ 17,552	\$ 108,707	\$ 116,812

(a) Net realized gain on investments

During the three months ended September 30, 2018, the realized gain on investments of \$31.8 million is largely attributable to gains from the sale of shares of Wabtec Corp. of \$7.3 million, Unilever N.V. of \$6.8 million, The Sherwin-Williams Co. of \$6.5 million, Swedish Orphan Biovitrum AB of \$6.3 million, and Generac Holdings Inc. of \$5.9 million. Fluctuations in investment values are not comparable to prior periods due to the different composition of the investment portfolio from period to period. Highlights of the most significant contributors

to Cymbria's performance are discussed in the *Investment performance* section.

(b) Change in unrealized gain (loss) on investments

The change in unrealized gain (loss) on investments is a \$8.5 million loss during the three months ended September 30, 2018. This is a result of fluctuations in the value of investments during the period. The largest changes in unrealized gain (loss) during the period were a gain of \$11.7 million from Flowserve Corp., a gain of \$6.8 million from Middleby Corp., a loss of \$6.1 million from Unilever N.V. and a loss of \$5.4 million from Wabtec Corp. Inc. Both Wabtec Corp. and Unilever N.V. were sold during the quarter. Readers should be aware that Cymbria can experience both a change in unrealized loss and a realized gain on an investment during a period if a business is sold during the period for greater than its book value.

Fluctuations in investment values are not comparable to prior periods due to the different composition of the investment portfolio from period to period. Highlights of the most significant contributors to Cymbria's performance are discussed in the *Investment performance* section.

(c) Dividend and interest income

Dividend and interest income is earned on the portfolio of public equities and the investment in EdgePoint. An important driver of wealth for Cymbria is the dividend from EdgePoint. During the three months ended September 30, 2018, EdgePoint paid a dividend of \$3.1 million. The total amount of dividends received in 2018 has increased by 92% compared to the same period in 2017. EdgePoint typically pays a dividend quarterly, which can be reinvested by Cymbria in its portfolio of securities or used to buy back Cymbria shares. Cymbria's portfolio of public equities is not managed with the intent to derive a certain amount of dividend or interest income. Therefore, it is typical that this type of income would fluctuate from period to period.

(d) Foreign currency gain (loss)

Cymbria is valued in Canadian dollars; however, it invests in securities denominated in foreign currencies. The foreign currency gains and losses of these securities are included in net realized and unrealized gain (loss) on investments. In order to reduce the impact of short-term fluctuations, we may employ currency hedging. Specifically, we may hedge all or a portion of our foreign currency exposure depending on our view of a currency's relative value and its associated risks. The Manager monitors and updates the degree of currency hedging based on a variety of economic factors, including the foreign currency's purchasing power parity versus the Canadian dollar. As at September 30, 2018, Cymbria's most significant foreign currency exposure was the U.S. dollar, which as a percentage of shareholders' equity was approximately 43%, and Cymbria hedged 13% of that exposure. Cymbria's investments in the Japanese Yen represent approximately 16% of shareholders' equity and Cymbria hedged 9% of that exposure. Cymbria did not have a hedge in place for its investment securities denominated in the Euro, Indian Rupee, Swedish krona, Swiss Franc, Danish krone, British pound or Chinese renminbi as we did not believe there was material currency risk with the investments. As a result of foreign currency hedging activities during the three months

ended September 30, 2018, Cymbria had a \$1.9 million net realized and unrealized gain from hedging activities. Excluding Cymbria's hedging positions, Cymbria did not have a significant gain or loss due to other fluctuations in foreign currencies during the period.

(e) Expenses and MER

The increase in management fees is due to the increase in aNAV over the corresponding period, on which the fee is based. Cymbria believes that the MER continues to be an important metric to evaluate the impact that fees and expenses have on Cymbria's investment performance. For the nine months ended September 30, 2018, the annualized MER was 1.15% for Class A shareholders and 0.69% for Class J shareholders, compared to 1.20% and 0.72% for the year ended December 31, 2017 for Class A and Class J shareholders, respectively.

Financial condition

	Sep. 30, 2018	Dec. 31, 2017
	('000s)	('000s)
Assets		
Investments	\$ 1,132,317	\$ 994,453
Cash and cash equivalents	39,773	68,223
Other assets	3,493	365
Total assets	\$ 1,175,583	\$ 1,063,041
Liabilities		
Foreign exchange forward contracts	\$ 1	\$ –
Income tax payable	4,630	2,186
Accrued liabilities and other payables	2,427	1,028
Deferred share unit plan	937	756
Deferred income tax liability	43,348	43,538
Total liabilities	\$ 51,343	\$ 47,508
Shareholders' equity	\$ 1,124,240	\$ 1,015,533

(a) Investments

Cymbria's investments as at September 30, 2018, primarily consists of a portfolio of equities of \$907.1 million and an investment in EdgePoint of \$223.1 million. The increase of \$137.9 million from December 31, 2017 is a result of net investment purchases of \$26.9 million, realized gains on the sale of investments of \$114.0 million, and a decrease in unrealized value of the portfolio of \$2.2 million. The Investment performance section of this MD&A discusses the significant changes in these investments. The Summary of investment portfolio highlights the top 15 investment positions of Cymbria.

(b) Cash and cash equivalents

Cymbria maintains cash and cash equivalents to purchase investments, pay expenses, and occasionally buy back shares. Cymbria does not distribute cash by issuing a dividend. Cash balances are monitored on a daily basis by the Manager, and the decrease of \$28.5 million from the end of 2017 is primarily due to the net purchase of investments in the portfolio of \$26.9 million during the nine months ended September 30, 2018. As at September 30, 2018, cash and cash equivalents was comprised entirely of cash held at the bank.

(c) Other assets

Other assets primarily consists of dividends receivable of \$1.4 million, which is a result of dividends that have been declared but not yet received as at the end of the period, and receivable for

investments sold of \$2.1 million, which is a result of investments that were sold but not yet settled as at September 30, 2018.

(d) Income tax recovery and Income taxes payable

The Income taxes payable of \$4.6 million is a result of the required income tax installments for 2018 being less than Cymbria's income tax liability as at September 30, 2018.

(e) Accrued liabilities and other payables

As at September 30, 2018, accrued liabilities and other payables primarily consists of a payable for investments purchased of \$2.4 million. The increase from the end of 2017 is a result of investments that were purchased but not yet settled at the end of the period.

(f) Deferred share unit plan

Cymbria's deferred share unit plan exists to provide directors the option to receive their compensation in the form of deferred share units. The units are valued using the five-day volume-weighted average stock price of Cymbria prior to the period end. For the nine months ended September 30, 2018, Cymbria issued 1,325 units, and the total value of the deferred share unit plan increased by \$0.2 million.

(g) Deferred income tax liability

The deferred income tax liability represents temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes versus taxation purposes. As at September 30, 2018, Cymbria's deferred income tax liability is presented net and it comprises of a liability on the unrealized appreciation of investments of \$43.5 million, offset by an asset on deferred share units of \$0.2 million. Included in the deferred income tax liability is \$29.6 million related to Cymbria's investment in EdgePoint.

(h) Shareholders' equity

Cymbria's shareholders' equity is comprised of common stock, Class A, and Class J shareholders. The Manager owns 100% of the common stock of Cymbria. The number of common shares outstanding on September 30, 2018 and November 6, 2018 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at September 30, 2018 and November 6, 2018, there were 14,735,831 and 15,119,131 shares outstanding, respectively. Class J shares are non-redeemable and were offered through a private placement. Class J shares can be exchanged for an equivalent value of Class A shares on the last business day of each week. As at September 30, 2018 and November 6, 2018, there were 7,918,677 and 7,570,982 shares outstanding, respectively.

Cash flows

For the nine months ended September 30, 2018, Cymbria had a net decrease in cash and cash equivalents of \$28.5 million. The majority of the net decrease in cash and cash equivalents is due to cash used for operating activities, including the net purchase of investments of \$26.9 million. Cymbria did not generate a significant amount of cash flows from financing or capital activities.

Shareholder activity

Cymbria refiled its Normal-Course Issuer Bid ("NCIB") for the 12-month period beginning on May 23, 2018 to May 22, 2019. Cymbria will use the NCIB to repurchase shares in the event that we believe the company is being undervalued by the market and an

attractive opportunity exists to enhance the value for its shareholders. During the year ended December 31, 2017 and the nine months ended September 30, 2018, Cymbria did not repurchase any shares as they were trading at a premium to aNAV. Since inception, Cymbria has repurchased and cancelled 460,800 Class A shares at an average price of \$12.95 per share and a total cost of \$6.0 million.

On September 27, 2013, Cymbria's shareholders approved a proposal to amend its constating documents to provide for a Liquidity Realization Opportunity ("LRO") in respect of both Class A and Class J shares. The LRO gives Cymbria the right to repurchase a number of shares from time to time at a very small discount to aNAV where (i) Cymbria's portfolio has experienced growth in the previous fiscal year, (ii) Class A shares are trading at a price less than 97% of aNAV, and (iii) on the Manager's recommendation. When these events occur, shareholders may elect to participate in the LRO and

have an opportunity to dispose of shares at a price close to aNAV. This feature was introduced to increase Cymbria's attractiveness as an investment by recognizing that liquidity requirements and investment time horizons vary from investor to investor. We believe that Cymbria's aNAV, which is disclosed daily, is a fair representation of Cymbria's portfolio at current prices. When Class A shares trade at prices not reflective of the aNAV, the LRO provides another venue whereby shareholders may dispose of their shares at a price closer to aNAV. The LRO does not affect Cymbria's ability to continue repurchasing shares through the NCIB. Please see the Management Information Circular dated May 28, 2013 for more information on the LRO. Cymbria did not announce a LRO for the nine months ended September 30, 2018, as Cymbria's Class A shares have been trading above 97% of aNAV on average over the period.

Summary of interim results

The financial information summarized below is derived from Cymbria's unaudited condensed interim financial statements from the three month periods noted in the table below. In each of the periods, the changes in Total income (loss) and Net income (loss) are primarily a result of the realized and unrealized changes in the fair value of Cymbria's investments. No meaningful correlations can be made by comparing these figures from period to period.

(in '000s except per share amounts)	Three months ended							
	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sep. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016
Total income (loss)	\$ 37,402	\$ 57,224	\$ 38,193	\$ 84,854	\$ 22,506	\$ 86,064	\$ 32,707	\$ 69,448
Total expenses	\$ 3,751	\$ 3,485	\$ 3,265	\$ 3,231	\$ 2,609	\$ 3,287	\$ 2,538	\$ 2,427
Net income (loss)	\$ 30,069	\$ 47,994	\$ 30,644	\$ 71,795	\$ 17,552	\$ 73,065	\$ 26,195	\$ 58,941
Net income (loss), per share								
Class A	\$ 1.27	\$ 2.03	\$ 1.29	\$ 2.94	\$ 0.71	\$ 3.10	\$ 1.07	\$ 2.50
Class J	\$ 1.44	\$ 2.27	\$ 1.46	\$ 3.58	\$ 0.89	\$ 3.46	\$ 1.31	\$ 2.79

Liquidity

Cymbria maintains strong liquidity with cash and cash equivalents and its portfolio of public equities. Aside from financial liabilities that arise from its normal course of investing activities, Cymbria has no other significant financial liabilities. As at September 30, 2018, cash and cash equivalents represents 3.5% of Cymbria's total shareholders' equity. Cymbria's portfolio of securities includes actively traded global stocks that can be readily sold. As at September 30, 2018, the portfolio of public equities that the Manager believes can be readily sold represents 75% of Cymbria's total shareholders' equity. Cymbria does not have any outstanding debt or contractual obligations that would pose a significant risk to liquidity as at September 30, 2018.

Credit facility

On September 22, 2017, Cymbria entered into a credit agreement with a Canadian chartered bank (the "Bank") that matures on September 21, 2022 and can be renewed on an annual basis. Subsequent to the end of the quarter, Cymbria renewed the credit agreement for an additional year to mature on September 21, 2023. The credit agreement allows Cymbria to borrow up to \$100 million. Interest is charged on the outstanding balance based on whether the facility is drawn as bankers acceptance or prime loan. For a bankers acceptance loan, interest is charged on the outstanding balance at the bankers acceptance rate plus 80 basis points. For a prime loan, interest is charged on the outstanding balance at the Bank's prime rate. In addition, Cymbria will pay a standby fee on

the unused portion of the credit facility equal to 34 basis points if the facility is less than 25% drawn and 26 basis points otherwise. When drawn upon, the credit facility will be secured by a selection of eligible securities in Cymbria's investment portfolio. As at September 30, 2018, the outstanding balance of the credit facility was nil. As at the date of this report, Cymbria has complied with all covenants, conditions or other requirements of the credit agreement.

The purpose of the credit facility is to provide Cymbria with increased flexibility to purchase additional investments when we believe an opportunity exists where the potential return is worth the added risk that leverage introduces.

Commitments and contingencies

In the ordinary course of business activities, Cymbria may be contingently liable for litigation and claims arising from investing. Where required, the Manager records adequate provisions in the accounts. The Manager is not aware of any current or pending litigation or claims against Cymbria.

Related parties

Manager and Investment Advisor

Cymbria is managed by EdgePoint Investment Group Inc. (the "Manager"), which is responsible for Cymbria's day-to-day operations and is also the portfolio advisor to Cymbria. The Manager provides investment advisory and portfolio management

services, which comprise investment selection, analysis and monitoring, including business travel to corporate head offices, other associated due diligence costs, portfolio construction, risk management and broker analysis, selection and monitoring, and trading expertise, and could also include marketing and promotion of Cymbria. These services are in the normal course of operations and are charged at the rate agreed to by the parties.

As compensation for providing these management services, the Manager receives a monthly management fee based on the daily average aNAV of each class of Cymbria shares, excluding the value of EdgePoint. For the nine months ended September 30, 2018, management fees totaled \$5.5 million, compared to \$4.8 million for the same period in 2017. In addition, the Manager is entitled to be reimbursed by Cymbria for operating expenses associated with its advisory services, excluding salaries to the Manager's principal shareholders. Please see *Non-IFRS measures* for a discussion on aNAV.

Cymbria is responsible for paying its own operating expenses which includes, but is not limited to, taxes (including income, capital, and harmonized sales taxes), accounting, legal fees, audit fees, Board of Directors' fees, custodial and safekeeping fees, portfolio transaction costs, registrar and transfer agency fees, regulatory costs and filing fees, shareholder reporting including the costs of preparing and distributing annual and interim reports, Annual Information Forms, statements and investment communications, interest and bank charges, and all administration expenses incurred by the Manager for its duties as Manager that could include salaries (excluding salaries to the Manager's principal shareholders), overhead and other costs related directly to Cymbria's operations. Except for interest, bank charges and taxes paid or payable directly by Cymbria, the Manager incurs such expenses on Cymbria's behalf and is then reimbursed by Cymbria for such expenses.

Critical accounting 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 following discusses the most significant accounting judgments that Cymbria has made in preparing the financial statements:

i. Fair value measurement of derivatives and securities not quoted in an active market

Cymbria holds financial instruments that are not quoted in active markets, including derivatives. The determination of the fair value of these instruments is where Cymbria has made the most significant accounting judgments and estimates in preparing financial statements. See Note 10 of the annual financial statements for more information on the fair value measurement of Cymbria's financial statements.

ii. Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income, together with future tax planning strategies.

Adoption of new accounting standards

The accounting policies applied by Cymbria in the attached unaudited condensed interim financial statements are the same as those applied by Cymbria in its financial statements for the year ended December 31, 2017, which were prepared in accordance with IFRS, except for the adoption of new standards effective as of January 1, 2018. Cymbria has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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 interim unaudited condensed financial statements of Cymbria. The nature and the impact of the adoption of new standards is described below.

IFRS 9, Financial Instruments, deals with the recognition, derecognition, classification and measurement of financial instruments. It was adopted by Cymbria on January 1, 2018. IFRS 9 contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be 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 the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the previous IAS 39 categories of held-to-maturity, available-for-sale, and loans and receivables. Cymbria's financial instruments previously classified as held-for-trading are now classified as fair value through profit or loss. There is no change in the recognition or measurement of these financial instruments. Cymbria's financial instruments previously measured at amortized cost meet the solely principal and interest criterion and accordingly, are continued to be measured at amortized cost under IFRS 9.

Future changes in accounting policies

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended September 30, 2018. The Manager has assessed that none of these will have a significant effect on the financial statements of Cymbria.

Financial instruments

In accordance with IFRS 9, Financial Instruments, Cymbria has designated its financial instruments as follows:

	Classification	Measurement
Financial assets		
Investments	Fair value through profit or loss	Fair value
Foreign exchange forward contracts	Fair value through profit or loss	Fair value
Cash and cash equivalents	Amortized cost	Amortized cost
Receivable for investments sold	Amortized cost	Amortized cost
Dividends receivable	Amortized cost	Amortized cost
Income tax recovery	Amortized cost	Amortized cost
Financial liabilities		
Accrued liabilities	Amortized cost	Amortized cost
Income taxes payable	Amortized cost	Amortized cost
Payable for investments purchased	Amortized cost	Amortized cost
Deferred share unit plan liability	Fair value through profit or loss	Fair value
Deferred income tax liability	Amortized cost	Amortized cost

Risks

The risks associated with investing in Cymbria remain as disclosed in the Annual Information Form dated March 29, 2018 and filed on SEDAR. Any changes to Cymbria over the period have not affected the overall risks.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Cymbria, under the supervision of the Co-Chief Executive Officers and the Chief Financial Officer have designed, or caused to be designed, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Co-Chief Executive Officers and the Chief Financial Officer have also designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by Cymbria in its corporate filings have been recorded, processed, summarized and reported within the time periods specified in securities legislation. In addition, Cymbria's Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by Cymbria, and have reviewed and approved this MD&A and the unaudited condensed interim financial statements as at November 6, 2018.

There were no changes made in the design of internal controls over financial reporting during the three months ended September 30, 2018, that have materially affected, or are reasonably likely to materially affect, Cymbria's internal controls over financial reporting.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our internal controls over financial reporting and disclosure controls and procedures are effective in providing reasonable, not absolute, assurance that the objectives of our control systems have been met.

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Geoff MacDonald, CFA

Co-Chief Executive Officer

Diane Rossi

Corporate Secretary

Norman Tang, CPA, CA

Chief Financial Officer

DIRECTORS

Ugo Bizzarri, CFA

Director

Reena Carter, CA, CPA, CBV, C.Dir

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Patrick Farmer, CFA

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TORONTO STOCK EXCHANGE LISTING

CYB