

Management's Discussion & Analysis of

CYMBRIA CORPORATION

Three months and six months ended June 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 June 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 August 7, 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.

Likewise, shareholders can obtain copies of Cymbria's proxy voting policies and procedures, proxy voting disclosure records, and quarterly portfolio disclosures.

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 \$44.2 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.

	Jun. 30, 2018 ('000s)	Dec. 31, 2017 ('000s)
aNAV	\$1,138,411	\$1,059,071
Less: Deferred income tax liability	(44,240)	(43,538)
Shareholders' equity	\$1,094,171	\$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	Jun. 30, 2018	Dec. 31, 2017
Adjusted net asset value per share	\$ 48.53	\$ 45.18
Less: Deferred income tax liability	(1.85)	(1.85)
Shareholders' equity per share	\$ 46.68	\$ 43.33

Class J	Jun. 30, 2018	Dec. 31, 2017
Adjusted net asset value per share	\$ 53.45	\$ 49.68
Less: Deferred income tax liability	(2.15)	(2.06)
Shareholders' equity per share	\$ 51.30	\$ 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 June 30, 2018, Cymbria invested in a collection of 45 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 385.3% and the cumulative return of Cymbria's Class A shareholders' equity since inception is 346.7%.

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

In a portfolio without any mandated geographic restrictions, the looming threat of a global trade war can cause anxiety for investors. The way that we manage this uncertainty following a long period of relative calm is to know that each investment was made with the conviction that comes by having a thorough understanding of the business and an accompanying view not shared by the marketplace, what we call a proprietary idea. Our strength doesn't lie in an ability to make macro predictions, but rather conducting research in companies with the goal of finding their true worth.

Historically we've experienced periods of significant volatility which allowed us to buy decisively since we felt share prices reflected investors' fears, not the actual value of the businesses. We constantly re-evaluate our holdings, and significant price moves cause us to examine whether they occurred due to fundamental changes or just short-term concerns. If it's the former, we may recalculate our potential risk/reward, but if it's the latter then we may take the opportunity to add to our positions.

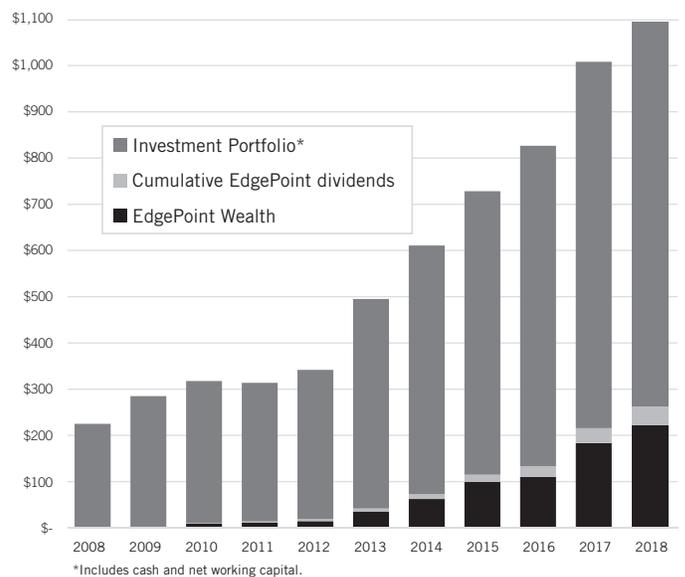
As important as acting during these times is not overreacting during other predicted periods of decline. In recent times, we didn't sell our U.S. companies based on Trump's election or the Federal Reserve's actions (quantitative easing, quantitative tapering or raising interest rates). We also held onto (and even added to some of) our European names after the Brexit vote. The disasters predicted by newspapers and talking heads caused other portfolio managers and investors to react to events that hadn't happened yet. We ignored these short-term drops because we based our decisions on what we knew, not trying to react to how others felt. In short, we saw the benefits of our inaction in action.

While we can't predict the future, we're certain that volatility and price declines will reappear at some point. By maintaining our time-tested approach throughout these periods, we believe that we can continue to reward the trust our investors place with us.

Overall performance

For the six months ended June 30, 2018, Cymbria's shareholders' equity increased 7.7% (shareholders' equity increase for the six months ended June 30, 2017: 12.0%). As at June 30, 2018, Cymbria's shareholders' equity increased to \$1,094 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.	\$ 223,086	20.4%
Shiseido Co., Ltd.	48,906	4.5%
Wells Fargo & Co.	45,045	4.1%
CSX Corp.	40,682	3.7%
Generac Holdings Inc.	37,746	3.5%
Flowerserve Corp.	36,746	3.4%
Berkshire Hathaway Inc.	36,252	3.3%
Subaru Corp.	33,283	3.0%
The Middleby Corp.	30,244	2.8%
TE Connectivity Ltd.	30,228	2.8%
Echelon Financial Holdings Inc.	28,938	2.6%
Unilever N.V.	28,498	2.6%
Affiliated Managers Group, Inc.	26,571	2.4%
WABCO Holdings Inc.	25,003	2.3%
PrairieSky Royalty Ltd.	24,503	2.2%
Total	\$ 695,731	61.2%

The Summary of investment portfolio may change due to ongoing portfolio transactions.

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. 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:

- Shiseido Co., Ltd.

Shiseido is one of the largest cosmetic companies in the world. We first added the business to Cymbria at the beginning of February 2015. Shiseido is similar to many Japanese companies in that it makes great products but has profit margins well below its global competitors. Since we bought the business, the CEO found significant cost savings which were reinvested in advertising and R&D. The stock was up 29% during the second quarter in part due to Shiseido's investments in its core offerings, particularly its luxury brands. Cymbria sold part of its position in Shiseido during the quarter and realized a gain of \$14.8 million.

- CSX Corp.

CSX continues to make significant progress towards becoming a more efficient railroad. Operating costs continue to be cut and margins continue to rise. Management guided to volume growth in the back half of the year which seemed to please investors. Pricing growth has also been very positive and looks to remain strong as trucking companies (the railroad's key competition) deal with labour shortages and rising driver wages. The stock was up 14% during the quarter and Cymbria's unrealized gain in the business increased by \$5.5 million.

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

- Affiliated Managers Group, Inc.

Affiliated Managers is a global asset management company focused on making equity investments in boutique investment management firms. It generates shareholder value by growing existing affiliates, as well as investing in new ones. With the company focused on making investments in asset management firms with active, alpha-oriented strategies, recent shifts in the industry from active to passive investment management has put pressure on all active management valuations. Volatility in the market also negatively impacted the company's performance. When we originally purchased the stock, both of these fears were present but they have now re-emerged.

A sudden CEO change also created uncertainty around the company's strategy going forward. After discussions with management, we believe the company's original long-term plan is still intact and the change will have little effect on the business. The stock was down 22% during the quarter and Cymbria's unrealized gain decreased by \$5.9 million. Cymbria has increased the size of its Affiliated Managers position.

- WABCO Holdings Inc.

WABCO is a leading global supplier of commercial vehicle technologies and control systems. It specializes in brakes for trucks and buses. WABCO's products can be found in a sizable percentage of every truck sold in Europe due to stringent regulations and we believed the need for similar rules would be put into place in the U.S. and China. Additionally, the potential for automation would require more advanced braking technology. Market concerns over two issues recently hurt WABCO's share price: the state of the trucking industry and tariffs. There's a general consensus that the trucking industry may have hit its peak, meaning that revenues may have at best stabilized or possibly even begun to decline. Additionally, continued tariff threats have hit Belgium-based WABCO in anticipation of politicians' words turning into action. Our thesis remains intact as we believe WABCO can still gain a larger percentage of global market share and that macro-level issues like tariffs are a short-term concern. Cymbria's unrealized gain decreased by \$5.2 million during the quarter as the stock was down 13%. Cymbria has increased the size of its WABCO position.

Portfolio turnover

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

- The Sherwin-Williams Co.

Sherwin-Williams is a U.S. manufacturer of paint and other building materials. The combination of accelerating North American household formation, increasing store count and improving margins in their recently acquired industrial business should result in stronger free cash flows in the future. We believe the market isn't taking this improvement into account. As at June 30, 2018, the weight of the business in Cymbria represents 1.6% of shareholders' equity.

- Fidelity National Information Services Inc.

Fidelity is an international technology and solutions provider for the financial industry. Banks and other financial services companies rely on Fidelity for outsourcing transaction, account and payment processing. It began doing outsourcing work for smaller regional banks and credit unions, but later added larger financial institutions. As these bigger businesses, along with international banks, continue this trend, it should grow at a reasonable rate going forward. Fidelity has long-term contracts with customers, with 80% of their revenue being recurring business and a retention rate above 95%. Its customer base is diversified with thousands of clients across many product lines. Fidelity's largest customer is responsible for less than five percent of sales and the top 10 totals less than 15%. As at June 30, 2018, the weight of the business in Cymbria represents 1.4% 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 June 30, 2018, we didn't sell any of our businesses.

Cymbria had portfolio turnover rates of 19.3% for the six months ended June 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 June 30, 2018. Cymbria has received \$40.3 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 first half of the year helped assets under management grow from \$18.9 billion to \$23.6 billion as at June 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 June 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 six months ended June 30, 2018 compared to those for the same periods ended June 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 June 30,		Six months ended June 30,	
	2018	2017	2018	2017
	('000s)	('000s)	('000s)	('000s)
Income				
Net realized gain on investments	\$31,807	\$ 9,743	\$77,353	\$ 42,090
Change in unrealized gain (loss) on investments	15,825	64,155	6,271	61,103
Dividend and interest income	10,341	8,823	13,602	11,004
Foreign currency gain (loss) on hedging	(925)	3,417	(1,988)	4,637
Foreign currency gain (loss), excluding hedging	176	(74)	179	(63)
Total income	\$57,224	\$86,064	\$95,417	\$118,771
Expenses				
Management fees	\$ 1,857	\$ 1,615	\$ 3,633	\$ 3,153
Withholding taxes, HST, and transaction costs	989	1,091	1,868	1,680
Other expenses	639	581	1,249	992
Total expenses	\$ 3,485	\$ 3,287	\$ 6,750	\$ 5,825
Profit (loss) for the period before taxes	\$53,739	\$82,777	\$88,667	\$112,946
Income taxes (recovery)	5,745	9,712	10,029	13,686
Net comprehensive income	\$47,994	\$73,065	\$78,638	\$ 99,260

(a) Net realized gain on investments

During the three months ended June 30, 2018, the realized gain on investments of \$31.8 million is largely attributable to gains from the sale of shares of Shiseido Co., Ltd. of \$14.8 million, Ubiquiti Networks Inc. of \$6.6 million and WABCO Holdings Inc. of \$2.0 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 \$15.8 million gain during the three months ended June 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 \$37.1 million from EdgePoint, a loss of \$5.9 million from Affiliated Managers Group, Inc., a gain of \$5.5 million from CSX Corp. and a loss of \$5.2 million from WABCO Holdings Inc. 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 June 30, 2018, EdgePoint paid a dividend of \$6.8 million, which was a 32% increase from the same period in 2017. EdgePoint typically pays a dividend semi-annually, which can be reinvested by Cymbria in its portfolio of securities or used to buy back Cymbria shares. Going forward, EdgePoint will pay dividends on a quarterly basis. 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 June 30, 2018, Cymbria's most significant foreign currency exposure was the U.S. dollar, which as a percentage of shareholders' equity was approximately 37%, and Cymbria hedged approximately 13% of that exposure. Cymbria did not have a hedge in place for its investment securities denominated in the Japanese yen, Euro, Indian Rupee, Swiss Franc, British pound or Swedish krona 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 June 30, 2018, Cymbria had a \$0.9 million net realized and unrealized loss 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 six months ended June 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

	June 30, 2018 (('000s)	Dec. 31, 2017 (('000s)
Assets		
Investments	\$ 1,105,580	\$ 994,453
Cash and cash equivalents	40,059	68,223
Other assets	2,970	365
Total assets	\$ 1,148,609	\$ 1,063,041
Liabilities		
Foreign exchange forward contracts	\$ 196	\$ -
Income tax payable	3,233	2,186
Accrued liabilities and other payables	5,827	1,278
Deferred share unit plan	942	756
Deferred income tax liability	44,240	43,538
Total liabilities	\$ 54,438	\$ 47,758
Shareholders' equity	\$ 1,094,171	\$ 1,015,283

(a) Investments

Cymbria's investments as at June 30, 2018, primarily consists of a portfolio of equities of \$881.9 million and an investment in EdgePoint of \$223.1 million. The increase of \$111.1 million from December 31, 2017 is a result of net investment purchases of \$26.3 million, realized gains on the sale of investments of \$77.4 million, and an increase in unrealized value of the portfolio of \$6.3 million. The *Investment performance* section of this MD&A discusses the significant changes in these investments. The Schedule 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 \$28.3 million from the end of 2017 is primarily due to the net purchase of investments in the portfolio of \$26.3 million during the six months ended June 30, 2018. As at June 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 \$1.1 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 \$1.9 million, which is a result of investments that were sold but not yet settled as at June 30, 2018.

(d) Income tax recovery and Income taxes payable

The Income taxes payable of \$3.2 million is a result of the required income tax installments for 2018 being less than Cymbria's income tax liability as at June 30, 2018.

(e) Accrued liabilities and other payables

As at June 30, 2018, accrued liabilities and other payables primarily consists of a payable for investments purchased of \$5.8 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 six months ended June 30, 2018, Cymbria issued 891 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 June 30, 2018, Cymbria's deferred income tax liability is presented net and it comprises of a liability on the unrealized appreciation of investments of \$44.5 million, offset by an asset on deferred share units of \$0.2 million. Included in the deferred income tax liability is \$24.6 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 June 30, 2018 and August 7, 2018 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at June 30, 2018 and August 7, 2018, there were 14,735,831 and 14,760,825 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 June 30, 2018 and August 7, 2018, there were 7,918,677 and 7,895,982 shares outstanding, respectively.

Cash flows

For the six months ended June 30, 2018, Cymbria had a net decrease in cash and cash equivalents of \$28.3 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 \$26.3 million. Cymbria did not generate a significant amount of cash flows from financing or capital activities.

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							
	Jun. 31, 2018	Mar. 31, 2018	Dec. 31, 2017	Sep. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sep. 30, 2016
Total income (loss)	\$ 57,224	\$ 38,193	\$ 84,854	\$ 22,506	\$ 86,064	\$ 32,707	\$ 69,448	\$ 68,699
Total expenses	\$ 3,485	\$ 3,265	\$ 3,231	\$ 2,609	\$ 3,287	\$ 2,538	\$ 2,427	\$ 2,214
Net income (loss)	\$ 47,994	\$ 30,644	\$ 71,795	\$ 17,552	\$ 73,065	\$ 26,195	\$ 58,941	\$ 57,788
Net income (loss), per share								
Class A	\$ 2.03	\$ 1.29	\$ 2.94	\$ 0.71	\$ 3.10	\$ 1.07	\$ 2.50	\$ 2.45
Class J	\$ 2.27	\$ 1.46	\$ 3.58	\$ 0.89	\$ 3.46	\$ 1.31	\$ 2.79	\$ 2.74

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 six months ended June 30, 2018, Cymbria did not repurchase any shares as they were either trading at a premium to aNAV or at a very small discount. 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 June 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 six months ended June 30, 2018, as Cymbria's Class A shares have been trading above 97% of aNAV on average over the period.

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 June 30, 2018, cash and cash equivalents represents 3.7% of Cymbria's total shareholders' equity. Cymbria's portfolio of securities includes actively traded global stocks that can be readily sold. As at June 30, 2018, the portfolio of public equities that the Manager believes can be readily sold represents 78% 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 June 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. 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 June 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. There are a number of reasons why we decided to add this credit facility to Cymbria even though we don't envision using it in the short term. We wanted to ensure that every investment tool that we set out in the prospectus in 2008 is available to us to grow your wealth, no matter how unlikely we are to use it. In our experience, the availability of this type of securities-based lending is rarely available at times of extreme market corrections. 2008 would be the most recent example. When we launched Cymbria in the fall of 2008, we talked to major lenders about prime brokerage lending because we saw many interesting investment ideas but were unable to secure a willing party at the time. The conditions in 2017 were quite different and we were able to secure this facility under terms that were acceptable to us. This credit facility differs significantly from prime brokerage lending because it has a committed five-year term that is renewable annually. As opposed to a prime brokerage account that is due on demand, amounts drawn on this credit facility cannot be called by the Bank (provided we maintain our covenants) until the remaining five-year term has expired. In addition, it is a committed facility therefore the Bank must make the funding available to us at any time during the remaining term. Having a commitment that more closely aligns with an investment horizon was important to us when making the decision to obtain a credit facility.

To be perfectly clear, we are not calling for a market correction in the next five years. Truth be told, we hope we are never in a position to want to draw on this facility. However, if an opportunity arises

that meets our heightened criteria for a leveraged investment, we will know that the funding is available to us at a relatively low cost to Cymbria for that commitment.

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 six months ended June 30, 2018, management fees totaled \$3.6 million, compared to \$3.2 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 June 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 August 7, 2018.

There were no changes made in the design of internal controls over financial reporting during the three months ended June 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