

Management's Discussion & Analysis of

CYMBRIA CORPORATION

Three months and six months ended June 30, 2019

CYMBRIA®

Management's Discussion and Analysis ("MD&A") provides a review of Cymbria Corporation's ("Cymbria") financial results for the three months and six months ended June 30, 2019 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 8, 2019. 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 2018 annual Financial Statements for more information which can be found on the SEDAR website at www.sedar.com. For Cymbria's current and historical adjusted 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, \$32.8 million of the \$39.8 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, 2019 ('000s)	Dec. 31, 2018 ('000s)
aNAV	\$1,198,511	\$1,065,080
Less: Deferred income tax liability	(39,797)	(27,803)
Shareholders' equity	\$1,158,714	\$1,037,277

- 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 ("aNAV per share") – represents the aNAV of Cymbria by class divided by the respective number of shares in that class. Below is a reconciliation of aNAV per share to shareholders' equity per share.

Class A	Mar. 31, 2019	Dec. 31, 2018
aNAV per share	\$ 51.04	\$ 45.38
Less: Deferred income tax liability	(1.70)	(1.19)
Shareholders' equity per share	\$ 49.34	\$ 44.19

Class J	Mar. 31, 2019	Dec. 31, 2018
aNAV per share	\$ 56.39	\$ 50.06
Less: Deferred income tax liability	(1.87)	(1.31)
Shareholders' equity per share	\$ 54.52	\$ 48.75

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, 2019, 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 410.4% and the cumulative return of Cymbria's Class A shareholders' equity since inception is 393.4%.

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 34.0% 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 informed 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

Equity markets in the second quarter of 2019 continued to show signs of increased market volatility as indices such as the S&P500 experienced maximum declines up to 7%, but finished out the quarter positive with a price return of 3.8%. Increased trade tensions between the United States and China were likely a contributing factor to the volatility experienced during the quarter as the concern about a global slowdown weighed on investors.

Volatility on the upside was also present. According to Empirical Research Partners, not since the internet bubble have large-cap stocks been so pricey. During the last 10 years, examples of "this time is different" thinking in the stock market have included: the 2008 Financial Crisis; the European sovereign debt crisis; the U.S. debt downgrade; and the emerging market slowdown of 2015/16, just to name a few.

More recently, the "this time is different" mentality seems to have crept into the market again. Specifically, belief is growing that government deficits can grow exponentially without becoming problematic, that we can have economic strength forever without inflation and, finally, that interest rates won't materially increase again. This has caused several companies with no near-term expectations of making a profit, to trade at what we believe are very high valuations.

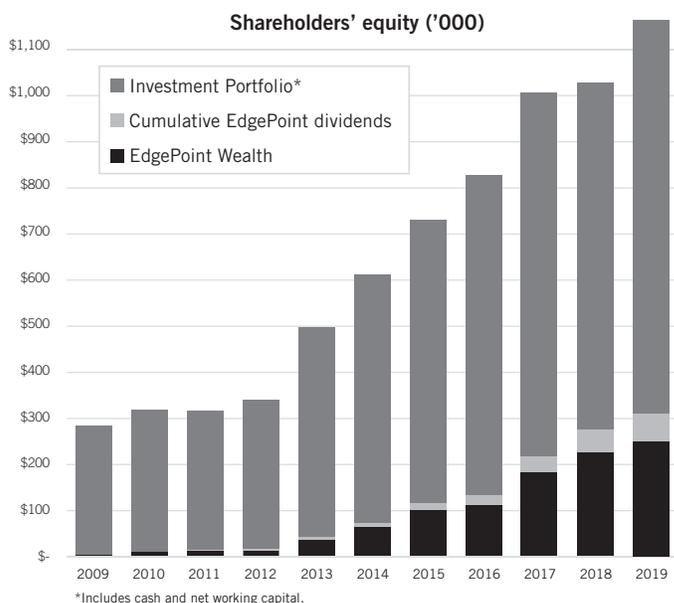
Our approach has historically helped us avoid "this time is different" types of situations.

However, the point is it's very possible that the collection of businesses whose share prices are benefiting from the above thinking could proceed to double in value over the next 12 months. More and more people might believe that the time value of money idea is broken and that a dollar in the future is worth just as much as a dollar today. In that environment, we might underperform. Your confidence in staying the course with your Cymbria investment will be determined by your understanding and appreciation of our approach.

As in the past, you will have to understand that it's not what we don't own that dictates your long-term returns, but instead it's what we own that does. You will need to believe that we have assembled a collection of businesses where we are getting some or all of their future growth for free on your behalf. It won't be easy but, if history is a guide, it should be profitable.

Overall performance

For the six months ended June 30, 2019, Cymbria's shareholders' equity increased 11.7% (June 30, 2018: 7.7%). As at June 30, 2019, Cymbria's shareholders' equity increased to \$1,159 million, compared to \$1,037 million as at December 31, 2018. The increase in shareholders' equity is largely attributable to investment performance, which is discussed in the *Investment performance* section of this report.



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. We will disclose Cymbria's full portfolio on an annual basis. Please see Cymbria's 2018 Annual Report for the last published Schedule of Investments.

Top 15 securities	Fair value ('000s)	% of shareholders' equity
EdgePoint Wealth Management Inc.	\$ 248,381	21.4%
Shiseido Co., Ltd.	51,682	4.5%
Flowserve Corp.	44,195	3.8%
CSX Corp.	40,997	3.5%
Wells Fargo & Co.	38,093	3.3%
The Middleby Corp.	37,973	3.3%
TE Connectivity Ltd.	36,335	3.1%
Subaru Corp.	35,400	3.1%
Berkshire Hathaway Inc., Class A	31,267	2.7%
Swedish Orphan Biovitrum AB	26,942	2.3%
Crown Holdings Inc.	26,519	2.3%
Bharti Infratel Ltd.	25,563	2.2%
Fidelity National Information Services, Inc.	24,930	2.2%

Affiliated Managers Group, Inc.	24,490	2.1%
Kubota Corp.	23,397	2.0%
Total	\$ 716,164	61.8%

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. 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/or 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:

- **TE Connectivity Ltd.**
TE Connectivity has three divisions which are transportation, industrials and communication solutions. On the transportation side of the business we believe that they are able to outgrow the underlying markets by 4-6% while maintaining their pleasing margins. The industrial division has spent a lot of time restructuring and improving the quality of the businesses they own. Finally, the communication solutions division has spent time getting out of commodity-type businesses and are turning their focus towards higher growth businesses. At today's valuation, we believe we still aren't being asked to pay for the future growth of the business. The stock was up 19% during the second quarter and Cymbria realized a gain of \$3.4 million while the unrealized gain in the business increased by \$4.9 million.
- **Flowserve Corp.**
Flowserve is a leading supplier and aftermarket service provider of industrial flow management equipment such as pumps, valves and seals. It services industries such as power, oil, gas and chemical. About half of its business is after-market maintenance, which is higher margin, more stable and is a very attractive aspect of the overall business. The other part of the business, which focuses on plant construction and maintenance, hasn't held up well as oil prices collapsed, which we expected. A new management team that brought in talent and centralized operations, combined with a solid balance sheet and cash flows, lead us to believe that the company is still in a good position to benefit when the industries increase their spending on energy infrastructure. The stock was up 17% during the second quarter and Cymbria's unrealized gain in the business increased by \$11 million.
- **Generac Holdings Inc.**
Generac is an American manufacturer of backup power generation products for residential, light commercial and industrial markets. We first purchased a stake in the business at the beginning of

2015. Our belief was that there was a growth opportunity due to the number of households that lacked a backup-power solution. Since the hurricane season in Florida a couple years ago, market share has increased, although we believe there is still a lot of room for growth. Generac has benefited this year from increased awareness of the need for backup-power due to planned power outages in California that will reduce the risk of wildfires. The stock was up 35% during the second quarter and Cymbria realized a gain of \$1.6 million while the unrealized gain in the business increased by \$2.4 million.

Conversely, the following investment had the most meaningful negative impact on shareholders' equity during the quarter:

- **Affiliated Managers Group, Inc.**
Affiliated Managers Group is a global asset management firm focused on making equity investments in boutique investment management firms. The company generates shareholder value through the growth of their existing affiliates, as well as through investments in new affiliates. 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 has 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 change in CEO (health related) has also created uncertainty around the company's strategy going forward and investors question if the new CEO has a different plan for the company. After discussions with management, we believe the company's original long term plan is still intact and the change in management will have little effect on the business.

The stock was down 14% during the second quarter and Cymbria's unrealized loss in the business increased by \$2.5 million.

Portfolio turnover

During the quarter ended June 30, 2019, we purchased stakes in 5 new businesses. Below are the 2 most significant additions by weight in Cymbria:

- **The RMR Group Inc.**
The RMR Group is an alternative asset manager focused on real estate. RMR provides management services to four publicly owned real estate investment trusts and three real estate related operating companies. As of March 31, 2019, The RMR Group had approximately \$30 billion of assets under management. We believe the business model is attractive because of the long-term management contracts (20 year term) and the ability to grow without investing a lot of capital.
- **DuPont de Nemours, Inc.**
DuPont de Nemours operates as a holding company, which engages in the development of specialty materials, chemicals, and agricultural products. It's a world-class multi-industry specialty solutions company with large global businesses with attractive end markets. Each business has strength in innovation, customer relationships and operating discipline.

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 quarter we sold our stakes completely in 4 businesses. Below are the most significant sells based on the amount of realized gains and losses:

- **WABCO Holdings Inc.**

WABCO has pioneered breakthrough technologies for braking, stability and transmission automation systems supplied to the world's commercial truck and bus markets. We first purchased a stake in the business at the end of 2012. Recently, WABCO announced a deal where ZF Friedrichshafen AG will be acquiring their business. The deal is expected to be closed in early 2020. The holding period return of the business was 69% and Cymbria realized a gain of \$8.6 million during the quarter.

- **Kweichow Moutai Co., Ltd.**

Kweichow Moutai is a Chinese company that specializes in the production and sales of baijiu liquor. Baijiu liquor is the most popular alcoholic beverage in the world (outside of beer). Kweichow Moutai owns the most important baijiu brand – Moutai. Moutai is the dominant brand in the ultra-premium segment. Cymbria sold its position in Kweichow Moutai as the target valuation was reached. The holding period return of the business was 28% and Cymbria realized a gain of \$3.0 million during the quarter.

Cymbria had portfolio turnover rates of 10.2% for the six months ended June 30, 2019 and 38.6% for the year ended December 31, 2018. 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 the Portfolio's securities during that time. Cymbria's portfolio turnover rate indicates how frequently we traded our 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, 2019. We have received \$57.1 million in dividends from EdgePoint since inception and its value in Cymbria has increased to \$248.4 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio.

Strong investment results combined with positive net sales at EdgePoint during the past six months helped assets under management grow from \$23.8 billion to \$27.8 billion as at June 30, 2019. In the five-year period ending December 31, 2018, assets under management increased from \$5.7 billion to \$23.8 billion.

With the assistance of a third-party valuator, Cymbria's stake in EdgePoint was revalued in June at a range of \$248.4 million to

\$273.8 million. For financial statement purposes, EdgePoint is valued at \$248.4 million. 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 and terminal value multiple 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.

We spend a considerable amount of time on the assumptions that go into the base cash flow model to determine the \$248.4 million valuation and believe that this represents fair market value as at June 30, 2019. 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, 2019 compared to those for the three months and six months ended June 30, 2018 and as at December 31, 2018.

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

Financial performance

	Three months ended June 30, 2019 ('000s)		Six months ended June 30, 2018 ('000s)	
Income				
Net realized gain on investments	\$10,747	\$31,807	\$ 28,605	\$ 77,353
Change in unrealized gain (loss) on investments	27,039	15,825	85,968	6,271
Dividend and interest income	16,566	10,341	25,716	13,602
Foreign currency gain (loss) on hedging	1,176	(925)	3,081	(1,988)
Foreign currency gain (loss), excluding hedging	(83)	176	(145)	179
Total income	\$55,445	\$57,224	\$143,225	\$ 95,417
Expenses				
Management fees	\$ 1,918	\$ 1,857	\$ 3,704	\$ 3,633
Withholding taxes, HST, and transaction costs	803	989	1,619	1,868
Other expenses	725	639	1,270	1,249
Total expenses	\$ 3,446	\$ 3,485	\$ 6,593	\$ 6,750
Profit (loss) for the period before taxes	\$51,999	\$53,739	\$136,632	\$ 88,667
Income taxes (recovery)	4,836	5,745	15,195	10,029
Net comprehensive income	\$47,163	\$47,994	\$121,437	\$ 78,638

(a) Net realized gain on investments

During the three months ended June 30, 2019, the realized gain on investments of \$10.7 million is largely attributable to a gain from the sale of shares of WABCO Holdings Inc. of \$8.6 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 on investments is a \$27.0 million gain for the three months ended June 30, 2019. This is a result of fluctuations in the value of investments during the period. The largest change in unrealized gain during the period was a gain from EdgePoint Wealth Management Inc. of \$24.3 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.

(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, 2019, EdgePoint paid Cymbria a dividend of \$5.2 million. This dividend can be reinvested by Cymbria in its portfolio of securities or used to buy back Cymbria shares. Dividends and interest income from investments other than EdgePoint amounted to \$11.4 for the three months ended June 30, 2019. These investments are 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, 2019, Cymbria's most significant foreign currency exposure was the U.S. dollar, which as a percentage of shareholders' equity was approximately 39% and Cymbria hedged 12% of that exposure. Cymbria's investments in the Japanese Yen represent approximately 15% 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 or Danish krone 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, 2019, Cymbria had a \$1.2 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

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, 2019, the annualized MER was 1.10% for Class A shareholders and 0.64% for Class J shareholders, compared to 1.15% and 0.69% for the year ended December 31, 2018 for Class A and Class J shareholders, respectively.

Financial condition

	June 30, 2019 ('000s)	Dec. 31, 2018 ('000s)
Assets		
Investments	\$ 1,128,070	\$ 1,051,910
Cash and cash equivalents	88,212	20,325
Other assets	2,031	646
Income tax recovery	4,323	-
Total assets	\$ 1,222,636	\$ 1,072,881
Liabilities		
Foreign exchange forward contracts	\$ 245	\$ 3,769
Income tax payable	-	2,590
Accrued liabilities and other payables	16,882	502
Credit facility	6,000	-
Deferred share unit plan	998	940
Deferred income tax liability	39,797	27,803
Total liabilities	\$ 63,922	\$ 35,604
Shareholders' equity	\$ 1,158,714	\$ 1,037,277

(a) Investments

Cymbria's investments as at June 30, 2019, primarily consists of a portfolio of equities of \$870.2 million and an investment in EdgePoint of \$248.4 million. The increase of \$76.2 million from December 31, 2018 is primarily the result of a change in the unrealized and realized value of the portfolio of \$117.7 million offset by the net sale of investments of \$38.0 million. The *Investment performance* section of this MD&A discusses the significant changes in these investments. The Schedule of Investment Portfolio included in the Financial Statements discloses the top 15 investments 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 increase of \$67.9 million from the end of 2018 is primarily due to the net sale of investments in the portfolio of \$53.5 million during the six months ended June 30, 2019. As at June 30, 2019, cash and cash equivalents was comprised entirely of cash held at the bank.

(c) Other assets

Other assets primarily consists of dividends receivable of \$0.9 million, which is a result of dividends that have been declared but not yet received as at the end of the period, and a receivable for investments sold of \$1.0 million, which is a result of investments that were sold but not yet settled as at June 30, 2019.

(d) Income tax recovery and Income tax payable

The Income tax recovery of \$4.3 million is a result of the required income tax installments for 2019 being more than Cymbria's income tax liability as at June 30, 2019.

(e) Credit facility

During the six months ended June 30, 2019, Cymbria drew \$6.0 million on its credit facility. The proceeds were invested in a higher yielding interest-bearing security.

(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, 2019, Cymbria issued 916 units and the total value of the plan did not materially change.

(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, 2019, Cymbria's deferred income tax liability is presented net and it comprises of a liability on the unrealized appreciation of investments of \$40.0 million offset by an asset on deferred share units of \$0.2 million. Included in the deferred income tax liability is \$32.8 million related to Cymbria's investment in EdgePoint.

(h) Shareholders' equity

Cymbria's shareholders' equity is comprised of common shares, Class A, and Class J shares. The Manager owns 100% of the common shares of Cymbria. The number of common shares outstanding on June 30, 2019 and August 8, 2019 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at June 30, 2019 and August 8, 2019, there were 15,660,292 and 15,682,393 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, 2019 and August 8, 2019, there were 7,080,482 and 7,060,482 shares outstanding, respectively.

Cash flows

For the six months ended June 30, 2019, Cymbria had a net increase in cash and cash equivalents of \$67.9 million. The majority of the net increase in cash and cash equivalents is due to cash generated by operating activities, including the net proceeds from the sale of investments of \$53.5 million. Cymbria also had an increase in cash from financing activities as we drew \$6.0 million on the credit facility during the quarter. Cymbria did not generate a significant amount of cash flows from capital activities.

Shareholder activity

Cymbria refiled its Normal-Course Issuer Bid ("NCIB") for the 12-month period beginning on May 23, 2019 to May 22, 2020. 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 six months ended June 30, 2019, 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.

Cymbria provides 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, 2019 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 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. 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sep. 30, 2017
Total income (loss)	\$ 55,445	\$ 87,780	\$ (98,145)	\$ 37,402	\$ 57,224	\$ 38,193	\$ 84,854	\$ 22,506
Total expenses	\$ 3,446	\$ 3,147	\$ 3,136	\$ 3,751	\$ 3,485	\$ 3,265	\$ 3,231	\$ 2,609
Net income (loss)	\$ 47,163	\$ 74,274	\$ (86,962)	\$ 30,069	\$ 47,994	\$ 30,644	\$ 71,795	\$ 17,552
Net income (loss), per share								
Class A	\$ 1.98	\$ 3.14	\$ (0.47)	\$ 1.27	\$ 2.03	\$ 1.29	\$ 2.94	\$ 0.71
Class J	\$ 2.29	\$ 3.53	\$ (0.19)	\$ 1.44	\$ 2.27	\$ 1.46	\$ 3.58	\$ 0.89

Credit facility

On September 22, 2017, Cymbria entered into a five-year credit agreement with a Canadian chartered bank (the "Bank") that can be renewed on an annual basis. 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 June 30, 2019, the outstanding balance of the credit facility was \$6 million (December 31, 2018: 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.

Liquidity

Cymbria maintains strong liquidity with cash and cash equivalents and its portfolio of public equities. In addition to financial liabilities that arise from its normal course of investing activities, Cymbria has a financial liability associated with drawn amounts on the credit facility. As at June 30, 2019, cash and cash equivalents represents 8% 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, 2019, the portfolio of public equities that the Manager believes can be readily sold represents 75% of Cymbria's total shareholders' equity. Cymbria has drawn \$6 million on its credit facility, however, the Manager does not believe this poses a significant risk to liquidity. There are no other outstanding debt or contractual obligations that would pose a significant risk to liquidity as at June 30, 2019.

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, 2019, management fees totaled \$3.7 million, compared to \$3.6 million for the same period in 2018. 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 condensed interim 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 condensed unaudited interim financial statements are the same as those applied by Cymbria in its audited financial statements for the year ended December 31, 2018, which were prepared in accordance with IFRS. Cymbria has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Financial instruments

In accordance with IFRS 9, *Financial Instruments*, Cymbria has accounted for 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
Credit facility	Amortized cost	Amortized cost

Future changes in accounting policies

A number of new standards, amendments to standards and interpretations are not yet effective for the six months ended June

30, 2019. The Manager has assessed that none of these will have a significant effect on the financial statements of Cymbria.

Risks

The risks associated with investing in Cymbria remain as disclosed in the Annual Information Form dated March 28, 2019 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 8, 2019.

There were no changes made in the design of internal controls over financial reporting during the three months ended June 30, 2019, 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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Co-Chief Executive Officer

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Corporate Secretary

Norman Tang, CPA, CA
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TORONTO STOCK EXCHANGE LISTING

CYB