

Management's Discussion & Analysis of

CYMBRIA CORPORATION

**Three months and nine months ended
September 30, 2020**

CYMBRIA[®]

Management's Discussion and Analysis ("MD&A") provides a review of Cymbria Corporation's ("Cymbria") financial results for the three months and nine months ended September 30, 2020 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 audited annual financial statements and notes thereto included in this report. The MD&A and the audited annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") to provide information about Cymbria.

The following MD&A is the responsibility of management and is dated November 12, 2020. 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 2019 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 encyclopedias 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, natural disasters, epidemic and pandemic outbreaks, public health emergencies, 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 and aid in 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, \$29.0 million of the deferred income tax liability relates to a deferred liability on Cymbria's investment in EdgePoint. The manager is compensated through the management fee that is based on Cymbria's aNAV calculation, not shareholders' equity. Below is a reconciliation of aNAV to shareholders' equity.

	Sep. 30, 2020 ('000s)	Dec. 31, 2019 ('000s)
aNAV	\$ 1,119,619	\$ 1,247,265
Less: Deferred income tax liability	(24,058)	(39,529)
Shareholders' equity	\$ 1,095,561	\$ 1,207,736

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

Class A	Sep. 30, 2020	Dec. 31, 2019
Adjusted net asset value per share	\$ 47.64	\$ 53.09
Less: Deferred income tax liability	(1.03)	(1.69)
Shareholders' equity per share	\$ 46.61	\$ 51.40

Class J	Sep. 30, 2020	Dec. 31, 2019
Adjusted net asset value per share	\$ 52.86	\$ 58.75
Less: Deferred income tax liability	(1.14)	(1.86)
Shareholders' equity per share	\$ 51.72	\$ 56.89

- 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.

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

Our business

Cymbria is an investment corporation that trades on the Toronto Stock Exchange. As at September 30, 2020, Cymbria invested in a collection of 50 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 376.4% and the cumulative return of Cymbria's Class A shareholders' equity since inception is 366.1%.

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, 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 third quarter of 2020 produced positive returns, with indices such as the MSCI World Index, gaining nearly 6% in Canadian dollars over the three-month period while Cymbria aNAV returned close to 3% over the same period. Investors' crowding into a small subset of the market continued to be this quarter's theme. As at the end of September, the top five companies in the MSCI World Index (predominantly the popular FAANG stocks) account for just over 13% of the index. This is the highest level of concentration in at least 20 years.

In today's world, people have become accustomed to certainty in their everyday life. We crave the mindless path to our desired outcome because uncertainty is no longer wanted. Unsurprisingly, in the middle of a pandemic, there's strong evidence that investors want very little uncertainty. However, the steep price paid for certainty is worrisome.

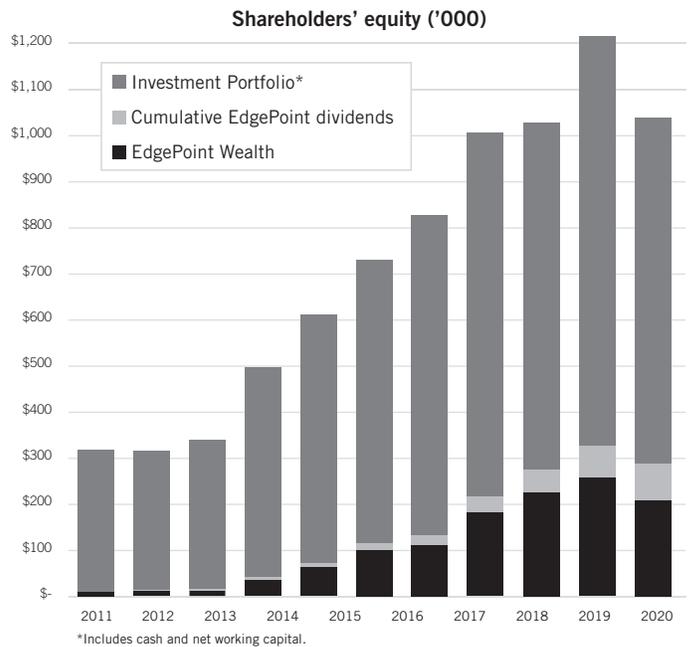
Today the market is heavily bifurcated. There are obvious safety businesses and obvious growing businesses demanding relative valuations rarely seen before.

The reality is that an investor needs the discomfort of uncertainty. There's serenity to investing when one realizes this fact. Uncertainty allows you to have a view about a business that others don't. If there was perfect certainty, others would share your views. But, if everyone shared your views, there would be no undervalued businesses to buy.

Luckily there are many businesses under the radar not captivating today's market narrative. That's what you own in Cymbria and that's what we believe will help you achieve your financial goals.

Overall performance

For the nine months ended September 30, 2020, Cymbria's shareholders' equity decreased 9.3% (September 30, 2019: 13.3% increase). As at September 30, 2020, Cymbria's shareholders' equity decreased to \$1,096 million, compared to \$1,207 million as at December 31, 2019. The decrease 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 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 2019 Annual Report for the last published Schedule of Investments.

Top 15 securities	Fair value ('000s)	% of shareholders' equity
EdgePoint Wealth Management Inc.	\$ 219,200	20.0%
Neptune Acquisition LP (MDA Corp.)	39,662	3.6%
Shiseido Co., Ltd.	39,457	3.6%
Berry Global Group Inc.	36,754	3.4%
CSX Corp.	36,116	3.3%
Affiliated Managers Group Inc.	29,032	2.7%
Fidelity National Information Services Inc.	28,656	2.6%
Mattel Inc.	28,056	2.6%
TE Connectivity Ltd.	27,482	2.5%
Flowerserve Corp.	26,734	2.4%
Fujitsu Ltd.	25,057	2.3%
Bank of America Corp.	24,731	2.3%
Subaru Corp.	23,927	2.2%
Computer Modelling Group Ltd.	23,400	2.1%
Shionogi & Co., Ltd.	23,308	2.1%
Total	\$ 631,572	57.7%

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 the following securities information 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 material changes (if any) to the businesses we own.

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

- AutoCanada Inc.

AutoCanada is one of the largest owners of auto dealerships in Canada. The business has been going through an operational turnaround over the past few years and is showing early signs of success. The resiliency of the business model is proving out in a challenging environment. Auto sales have been stronger than initially feared, with used car pricing continuing to hold firm. We believe the business is well positioned to play offense and come out of the downturn even stronger. The stock increased 69% during the quarter and Cymbria's unrealized gain in the business increased by \$8.0 million.

- Mattel, Inc.

Mattel is an American toy manufacturer behind such brands as American Girl, Barbie, Fisher-Price and Hot Wheels. This year the company has exhibited accelerating margin expansion, while pursuing an aggressive strategy to monetize one of the most valuable portfolios of children's brands and intellectual property content in the world. Strong toy demand that has continued throughout the pandemic sets up well for what should be a very strong holiday season. The stock increased 21% during the quarter and Cymbria's unrealized loss in the businesses decreased by \$4.4 million.

- TE Connectivity Ltd.

TE Connectivity engages in the design and manufacture of connectivity and sensors solutions. It operates through the following segments: Transportation, Industrial and Communication Solutions. The transportation segment is the largest at over half the business. Within transportation, from a short-term perspective auto demand has been relatively resilient despite concerns around COVID-19. More importantly, longer term, the transportation business should continue to grow faster than the industry given content gains and share gains in electric and hybrid vehicles. The stock increased 20% during the quarter and Cymbria's unrealized gain in the business increased by \$3.9 million.

The following investments had a material negative impact on shareholders' equity during the quarter:

- Shionogi & Co., Ltd.

Shionogi is a Japanese pharmaceutical company that engages in the research and development, supply, manufacturing and sale of pharmaceutical products. It is a market-leading HIV franchise that is patent protected to the latter part of the decade. The cash flow generated by the business is being re-invested into research and development to further grow its presence in the HIV space and other infectious disease verticals. Short-term weakness in the share price was a result of weak flu-related drug sales that did not materialize as social distancing measures and increased mask wearing led to one of the lightest flu seasons ever. Longer term, Shionogi has many products in the pipeline, which should result in material top-line growth including products for pneumonia, sleep apnea, neuropathic back pain, strokes and Alzheimer, to name a few. Furthermore, the company is advanced in its development of COVID-19 diagnostic kits and is working on a COVID-19 vaccine. We do not believe we are being asked to pay for its future growth. The stock price declined 17% during the quarter and Cymbria's unrealized gain decreased by \$5.3 million during the quarter.

- Shiseido Co., Ltd.

Shiseido engages in the production and sale of skin care, makeup and fragrance products. Skin care represents over 60% of the business and has proven to be relatively resilient in the face of COVID-19 as most people have not changed their skin care routines. However, Shiseido's makeup and fragrance business has been temporarily impacted by "work from home" and the decline in travel – many consumers purchase makeup and fragrance products while travelling. We believe there are three significant opportunities ahead for Shiseido. First, the company plans on growing its skin care business from approximately 60% to 80% of the business. Not only is skin care a more stable business but it is more profitable. Second, it has a plan to increase margins from approximately 10% to 15% through insourcing production of its cosmetics and through a more effective use of spending in areas like marketing. Finally, they will benefit from a return in spending on travel. We believe we aren't being asked to pay for the future growth of the business at the current stock price level. The stock price declined 12% during the quarter and Cymbria's unrealized gain decreased by \$4.7 million during the quarter.

Portfolio turnover

During the quarter ended September 30, 2020, we purchased five new businesses. Two of the largest purchases, in terms of significance to the portfolio as at September 30, 2020, were:

- Computer Modelling Group Ltd.

Computer Modelling Group is a software company focused on specialized reservoir simulation. Its technical expertise and strong product have commanded high market share in an industry that has very attractive characteristics. The company has successfully increased product penetration from its home base in Canada to other geographies, and we expect growth to continue as

its customers focus on cost-efficient ways to produce more oil and gas from their assets.

- Motorola Solutions Inc.

Motorola Solutions is a data and telecommunications equipment provider with dominant market share in land-mobile radio systems serving governments, public safety and commercial customers globally. With 70% of Motorola's business dedicated to public safety, and given its large presence managing the mission-critical communications systems for these customers, the company has a meaningful advantage as these organizations adopt leading-edge technology. Today, the company has grown its business to offer fixed video surveillance systems, body-worn cameras, in-vehicle dashboard cameras and license plate reader systems that are in increasing demand around the world. What is even more attractive, in our view, is the opportunity to layer-in recurring software and services sales as the installed base of video and communications systems continues to grow, and as dispatch and command centres modernize with programs that facilitate real-time analytics and interaction across devices.

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 stake completely in one business:

- Echelon Financial Holdings Inc.

We first purchased the business in January 2015. Echelon's core business was a Canadian property and casualty (P&C) insurer. The insurance operations were sold to CAA Club Group in 2019. The company paid out a large special dividend, causing the share price to decline. We recently exited our investment and our holding period return was 15.4%.

Cymbria had portfolio turnover rates of 30.9% for the nine months ended September 30, 2020 and 22.6% for the year ended December 31, 2019. Portfolio turnover rate is not annualized and 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 September 30, 2020. We have received \$84.3 million in dividends from EdgePoint since inception

and its value in Cymbria has increased to between \$197.6 million and \$240.8 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio.

Negative market volatility caused by fear over the economic impact of the COVID-19 pandemic led assets under management to fall from \$28.9 billion as at December 31, 2019 to \$24.0 billion as at September 30, 2020.

With the assistance of a third-party valuator, Cymbria's stake in EdgePoint was revalued in March 2020 at a range of \$197.6 million to \$240.8 million. For financial statement purposes, EdgePoint is valued using the mid-point of \$219.2 million, representing a 13.8% decrease from its value as at December 31, 2019. 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. In determining the fair value of EdgePoint, we have considered the potential impact of the COVID-19 pandemic in our assumptions; however, we have not assumed a long-term impact of the COVID-19 pandemic. The duration and full economic impact of the COVID-19 pandemic is unknown at this time, and accordingly, there is a degree of uncertainty surrounding the potential impact it may have on the business and/or operations of EdgePoint.

We spend a considerable amount of time on the assumptions that go into the base cash flow model to determine the valuation range of \$197.6 million to \$240.8 million (\$12.47/share to \$15.20/share), with a mid-point of \$219.2 million for financial statement purposes (\$13.84/share) and believe that this represents fair market value as at September 30, 2020. 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 and nine months ended September 30, 2020 compared to those for the three and nine months ended September 30, 2019 and as at December 31, 2019.

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

Financial performance

	Three months ended		Nine months ended	
	2020	Sep. 30,	2020	Sep. 30,
	('000s)	('000s)	('000s)	('000s)
Income				
Net realized gain (loss) on investments	\$ 10,786	\$ 24,243	\$ (25,469)	\$ 52,848
Change in unrealized gain (loss) on investments	16,423	(15,630)	(113,705)	70,338
Dividend and interest income	8,581	13,573	25,703	39,289
Foreign currency gain (loss) on hedging	1,111	(896)	(6,737)	2,185
Foreign currency gain (loss), excluding hedging	(806)	8	(2,286)	(137)
Total income	\$ 36,095	\$ 21,298	\$ (122,494)	\$ 164,523
Expenses				
Management fees	\$ 1,874	\$ 2,033	\$ 5,508	\$ 5,737
Withholding taxes, HST, and transaction costs	1,193	1,015	2,941	2,634
Other expenses	666	693	1,619	1,963
Total expenses	\$ 3,733	\$ 3,741	\$ 10,068	\$ 10,334
Profit (loss) for the period before taxes	\$ 32,362	\$ 17,557	\$ (132,562)	\$ 154,189
Income taxes (recovery)	\$ 2,824	\$ 1,325	\$ (20,977)	\$ 16,520
Net comprehensive income	\$ 29,538	\$ 16,232	\$ (111,585)	\$ 137,669

(a) Net realized gain on investments

During the three months ended September 30, 2020, the realized gain on investments of \$10.8 million is largely attributable to a gain from the sale of shares of Berkshire Hathaway Inc. of \$5.7 million and Swedish Orphan Biovitrum AB of \$4.3 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.

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

The change in unrealized gain on investments is a \$16.4 million gain for the three months ended September 30, 2020. This is a result of fluctuations in the value of investments during the period, largely due to a continued slight rebound from the negative volatility resulting from the COVID-19 pandemic. The gains from the past two quarters are still significantly less than the \$245.5 million unrealized loss experienced in the three months ended March 31, 2020. The businesses with the three largest unrealized gains during the quarter were AutoCanada Inc. with a \$8.0 million gain, Mattel Inc. with a \$4.4 million gain and TE Connectivity Limited with a \$3.9 million gain. Fluctuations in investment values are not comparable to prior periods due to the different composition of the investment portfolio from period to period. Highlights of the most significant contributors to Cymbria's performance are discussed in the *Investment performance* section.

(c) Dividend and interest income

Dividend and interest income is earned on the portfolio of public equities and the investment in EdgePoint. An important driver of wealth for Cymbria is the dividend from EdgePoint. During the three months ended September 30, 2020, Cymbria received a dividend of \$4.8 million from EdgePoint. 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 \$3.8 million for the three months ended September 30, 2020. These investments are not managed with the intent to derive a certain amount of dividend or interest income and the composition of the portfolio from period to period has changed. Therefore, it is typical that this type of income would fluctuate from period to period.

(d) Foreign currency gain (loss)

Cymbria is valued in Canadian dollars; however, it invests in securities denominated in foreign currencies. The foreign currency gains and losses of these securities are included in net realized and unrealized gain (loss) on investments. In order to reduce the impact of short-term fluctuations, we may employ currency hedging. Specifically, we may hedge all or a portion of our foreign currency exposure depending on our view of a currency's relative value and its associated risks. The Manager monitors and updates the degree of currency hedging based on a variety of economic factors, including the foreign currency's purchasing power parity versus the Canadian dollar.

As at September 30, 2020, Cymbria's most significant foreign currency exposure was the U.S. dollar, which as a percentage of shareholders' equity was approximately 36% and Cymbria hedged approximately 8% of that exposure. Cymbria's investments in the Japanese Yen represent approximately 16% of shareholders' equity and Cymbria hedged approximately 11% of that exposure.

Cymbria does not have a hedge in place for its investments denominated in the Euro, Swiss franc, Swedish krona, Indian Rupee, or British pound as we did not believe there was material currency risk with the investments. As a result of foreign currency hedging activities during the three months ended September 30, 2020, Cymbria had a \$1.1 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 three months ended September 30, 2020, the annualized MER was 1.09% for Class A shareholders and 0.64% for Class J shareholders, compared to 1.11% and 0.66% for the year ended December 31, 2019 for Class A and Class J shareholders, respectively. Management fees were relatively unchanged from the same period in 2019. The effective management fee as a percentage of aNAV for the nine months ended September 30, 2020 was 0.80% and 0.40% for Class A and J shareholders, respectively.

Financial condition

	Sep. 30, 2020 ('000s)	Dec. 31, 2019 ('000s)
Assets		
Investments	\$ 1,057,658	\$ 1,162,227
Cash and cash equivalents	47,999	85,283
Other assets	16,014	825
Income tax recovery	15,078	7,016
Total assets	\$ 1,136,749	\$ 1,255,351
Liabilities		
Foreign exchange forward contracts	\$ 349	\$ 59
Accrued liabilities and other payables	9,880	1,009
Credit facility	6,000	6,000
Deferred share unit plan	901	1,018
Deferred income tax liability	24,058	39,529
Total liabilities	\$ 41,188	\$ 47,615
Shareholders' equity	\$ 1,095,561	\$ 1,207,736

(a) Investments

Cymbria's investments as at September 30, 2020, primarily consists of a portfolio of equities of \$831.2 million and an investment in EdgePoint of \$219.2 million. The decrease of \$104.6 million from December 31, 2019 is primarily the result of a change in the unrealized and realized value of the portfolio of \$145.9 million offset by the net purchase of investments of \$41.1 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 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. The decrease of \$37.3 million from the end of 2019 is primarily due to the net purchase of investments of \$41.1 million during the nine months ended September 30, 2020. As at September 30, 2020, cash and cash equivalents was comprised entirely of cash held at the bank.

(c) Other assets

Other assets primarily consists of dividends receivable of \$1.3 million and a receivable for investments sold of \$14.7 million. Dividends receivable consists of dividends that have been declared but not yet received as at September 30, 2020. Receivable for investments is a result of investments that have been sold but not yet settled as at September 30, 2020.

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)	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Three months ended			
					Sep. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018
Total income (loss)	\$ 36,095	\$ 107,003	\$ (265,592)	\$ 39,774	\$ 21,298	\$ 55,445	\$ 87,780	\$ (98,145)
Total expenses	\$ 3,733	\$ 2,939	\$ 3,396	\$ 3,345	\$ 3,741	\$ 3,446	\$ 3,147	\$ 3,136
Net income (loss)	\$ 29,538	\$ 91,324	\$ (232,447)	\$ 32,790	\$ 16,232	\$ 47,163	\$ 74,274	\$ (86,962)
Net income (loss), per share								
Class A	\$ 1.24	\$ 3.87	\$ (9.92)	\$ 1.38	\$ 0.67	\$ 1.98	\$ 3.14	\$ (0.47)
Class J	\$ 1.42	\$ 4.34	\$ (10.89)	\$ 1.58	\$ 0.80	\$ 2.29	\$ 3.53	\$ (0.19)

(d) Income tax recovery and Income taxes payable

The Income tax recovery of \$15.1 million is a result of the required income tax installments for 2020 being more than Cymbria's income tax liability as at September 30, 2020.

(e) Credit facility

As at September 30, 2020, Cymbria has drawn \$6.0 million on its credit facility. The amount is unchanged from December 31, 2019.

(f) Deferred share unit plan

Cymbria's deferred share unit plan exists to provide directors the option to receive their compensation in the form of deferred share units. The units are valued using the five-day volume-weighted average stock price of Cymbria prior to the period end. For the nine months ended September 30, 2020, Cymbria issued 1,754 units and the total value of the plan decreased by \$0.1 million.

(g) Deferred income tax liability

The deferred income tax liability represents temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes versus taxation purposes. As at September 30, 2020, Cymbria's deferred income tax liability is presented net and is comprised of a liability on the net unrealized gain of investments of \$24.2 million offset by an asset on deferred share units of \$0.1 million. Included in the deferred income tax liability is a \$29.0 million liability related to Cymbria's investment in EdgePoint.

(h) Shareholders' equity

Cymbria's shareholders' equity is comprised of common stock, Class A, and Class J shareholders. The Manager owns 100% of the common stock of Cymbria. The number of common shares outstanding on September 30, 2020 and November 12, 2020 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at September 30, 2020 and November 12, 2020, there were 15,842,296 and 15,816,196 shares outstanding, respectively. Class J shares are non-redeemable and were offered through a private placement. Class J shares can be exchanged for an equivalent value of Class A shares on the last business day of each week. As at September 30, 2020 and November 12, 2020, there were 6,904,137 and 6,904,137 shares outstanding, respectively.

Cash flows

For the nine months ended September 30, 2020, Cymbria had a net decrease in cash and cash equivalents of \$37.3 million. The majority of the net decrease in cash and cash equivalents is due to cash generated by operating activities, including the net purchase of investments of \$41.1 million. Cymbria did not generate a significant amount of cash flows from financing or capital activities.

Shareholder activity

Cymbria refiled its Normal-Course Issuer Bid ("NCIB") for the 12-month period beginning on May 25, 2020 to May 24, 2021. 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 nine months ended September 30, 2020, Cymbria repurchased Class A shares using the NCIB. In total, 13,200 shares were repurchased and cancelled at a weighted average discount to aNAV of 6.0%. Since inception, Cymbria has repurchased and cancelled 474,000 Class A shares at an average price of \$13.83 per share and a total cost of \$6.6 million. Subsequent to September 30, 2020, Cymbria repurchased an additional 26,100 Class A shares under the NCIB for a total cost of \$1.2 million.

On June 27, 2013, Cymbria's shareholders overwhelmingly 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 ability to repurchase a number of shares from time to time at a very small discount to aNAV where (i) Cymbria's portfolio has experienced growth in the previous fiscal year, (ii) Class A shares are trading at a price less than 97% of aNAV, and (iii) on the Manager's recommendation. When these events occur, shareholders may elect to participate in the LRO and have an opportunity to dispose of shares at a price close to aNAV. This feature was introduced to increase Cymbria's attractiveness as an investment by recognizing that liquidity requirements and investment time horizons vary from investor to investor. We believe that Cymbria's aNAV, which is disclosed daily, is a fair representation of Cymbria's portfolio at current prices. When Class A shares trade at prices not reflective of the aNAV, the LRO provides another venue whereby shareholders may dispose of their shares at a price closer to aNAV. The LRO does not affect Cymbria's ability to continue repurchasing shares through the NCIB. Please see the Management Information Circular dated May 28, 2013 for more information on the LRO. Cymbria did not announce a LRO for the nine months ended September 30, 2020 as Cymbria's Class A shares have been trading above 97% of aNAV on average over the period.

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 in 2019 for an additional year to mature on September 21, 2024. 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 is secured by a selection of eligible securities in Cymbria's investment portfolio. As at September 30, 2020, the outstanding balance of the credit facility was \$6 million (December 31, 2019 \$6 million). 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 may have a financial liability associated with drawn amounts on the credit facility. As at September 30, 2020, cash and cash equivalents represents 4% of Cymbria's total shareholders' equity. Cymbria's portfolio of securities includes actively traded global stocks that can be readily sold. As at September 30, 2020, the portfolio of public equities that the Manager believes can be readily sold represents 72% 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 September 30, 2020.

Commitments and contingencies

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

Related parties**Manager and Investment Advisor**

Cymbria is managed by EdgePoint Investment Group Inc. (the "Manager"), which is responsible for Cymbria's day-to-day operations and is also the portfolio advisor to Cymbria. The Manager provides investment advisory and portfolio management services, which comprise investment selection, analysis and monitoring, including business travel to corporate head offices, other associated due diligence costs, portfolio construction, risk management and broker analysis, selection and monitoring, and trading expertise, and could also include marketing and promotion of Cymbria. These services are in the normal course of operations and are charged at the rate agreed to by the parties.

As compensation for providing these management services, the Manager receives a monthly management fee based on the daily average aNAV of each class of Cymbria shares, excluding the value of EdgePoint. For the nine months ended September 30, 2020, management fees totaled \$5.5 million, compared to \$5.7 million for the same period in 2019. 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 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, 2019, 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

	Classification	Measurement
Financial assets		
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 nine months ended September 30, 2020. 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 27, 2020 and filed on SEDAR. Any changes to Cymbria over the period have not affected the overall risks.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Cymbria, under the supervision of the Co-Chief Executive Officers and the Chief Financial Officer have designed, or caused to be designed, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Co-Chief Executive Officers and the Chief Financial Officer have also designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by Cymbria in its corporate filings have been recorded, processed, summarized and reported within the time periods specified in securities legislation. In addition, Cymbria's Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by Cymbria, and have reviewed and approved this MD&A and the unaudited condensed interim financial statements as at November 12, 2020.

There were no changes made in the design of internal controls over financial reporting during the three months ended September 30, 2020, that have materially affected, or are reasonably likely to materially affect, Cymbria's internal controls over financial reporting. Cymbria will continue to monitor and mitigate the risks associated with any potential changes to its control environment in response to COVID-19.

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

Diane Rossi
Corporate Secretary

Norman Tang, CPA, CA
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TORONTO STOCK EXCHANGE LISTING

CYB