

Management's Discussion & Analysis of

CYMBRIA CORPORATION

Three months ended March 31, 2020

CYMBRIA®

Management's Discussion and Analysis ("MD&A") provides a review of Cymbria Corporation's ("Cymbria") financial results for the three months ended March 31, 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 May 7, 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.

	Mar. 31, 2020 ('000s)	Dec. 31, 2019 ('000s)
aNAV	\$ 981,100	\$ 1,247,265
Less: Deferred income tax liability	(5,811)	(39,529)
Shareholders' equity	\$ 975,289	\$ 1,297,736

- Management Expense Ratio ("MER") – represents the total management fees and operating expenses paid by each class of Cymbria, including applicable sales taxes and interest, and excluding corporate income taxes, commissions and other

portfolio transaction costs, as a percentage of the average daily aNAV of Cymbria on an annualized basis.

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

Class A	Mar. 31, 2020	Dec. 31, 2019
Adjusted net asset value per share	\$ 41.74	\$ 53.09
Less: Deferred income tax liability	(0.24)	(1.69)
Shareholders' equity per share	\$ 41.50	\$ 51.40

Class J	Mar. 31, 2020	Dec. 31, 2019
Adjusted net asset value per share	\$ 46.24	\$ 58.75
Less: Deferred income tax liability	(0.28)	(1.86)
Shareholders' equity per share	\$ 45.96	\$ 56.89

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 March 31, 2020, Cymbria invested in a collection of 44 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 317.4% and the cumulative return of Cymbria's Class A shareholders' equity since inception is 315.0%.

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

Measuring Cymbria's worth

Cymbria's stock price has swung between a 14.2% discount and a 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

The first quarter of 2020 has been extremely trying. COVID-19 has created a difficult situation for the whole world and the uncertainty has caused significant declines in global stock markets as well as for Cymbria. Although we deem the declines to be temporary in nature, we understand that drawdowns like this are difficult to experience. Having said that, we have rarely seen an opportunity to add as much long-term value for our investors as we do right now. This isn't to say that we believe things will start getting better tomorrow, as we have no idea how this situation is going to play out over the next few weeks or months. But we do believe that the long term is what really matters in investing, and our confidence level is much higher for the longer term.

In the face of uncertainty, most investors' investment horizons shorten. In the current environment most people want to own what makes them feel most comfortable – grocery stores, pharmacy chains, utility companies, streaming services. We refer to these businesses as 'obvious survivors'. People feel comfortable owning the obvious survivors now because even with all the fog blurring their long-term vision, they know that the local grocery store will still be open for business tomorrow and that their utility company is still going to deliver electricity. As everyone else has the same high level of confidence for the near future of these "obvious survivors", their relative long-term attractiveness diminishes, as any pricing inefficiencies are wiped out.

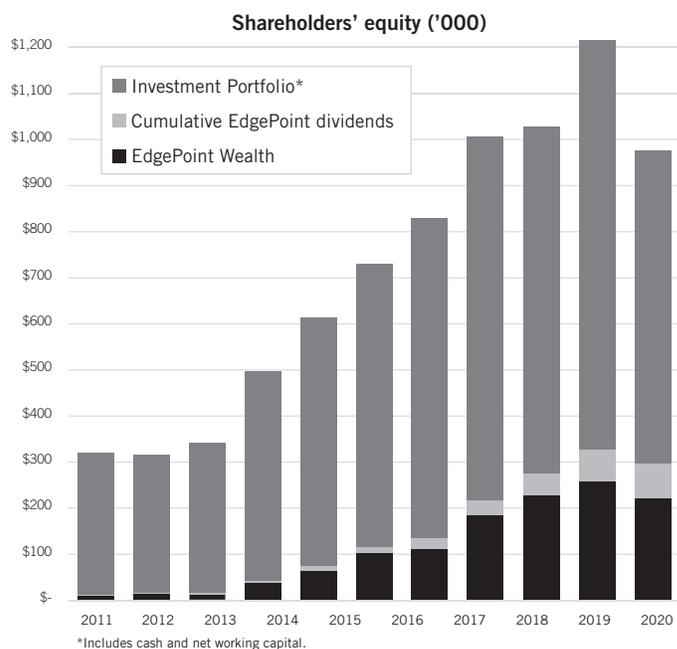
Our investment horizon remains long and we're looking to concentrate in non-obvious survivors. A non-obvious survivor is a business whose short-term outlook isn't as rosy as a grocery store's, but that's just as likely to make it through this crisis and come out the other side even stronger. These non-obvious survivors have

seen their share prices temporarily impacted because the short-term visibility around their business is poor, even though they have a very high probability of thriving over the long term. We believe the short-term fog around these businesses is letting us buy their future growth for free. If history is a guide, the market will pay us for that growth through material price appreciation. Said differently, if history is a guide, today's non-obvious survivors should materially outperform in the future.

We endeavour to live in a narrow emotional band during times like this so we can take advantage of the opportunities that present themselves when irrationality permeates the markets. The investment team is constantly trying to upgrade the quality of the businesses we own, not for tomorrow, but for five years from now. We know that it's scary, but it's not the first scare that we've witnessed in the markets and it won't be the last. Betting against human ingenuity to find a solution has usually been a bad wager to make.

Overall performance

For the three months ended March 31, 2020, Cymbria's shareholders' equity decreased 19.2% (March 31, 2019: 7.2% increase). As at March 31, 2020, Cymbria's shareholders' equity decreased to \$975 million, compared to \$1,298 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	22.5%
Shiseido Co., Ltd.	46,337	4.8%
CSX Corp.	40,456	4.1%
Berkshire Hathaway Inc.	30,072	3.1%
Swedish Orphan Biovitrum AB	29,846	3.1%
Flowserve Corp.	29,063	3.0%
Subaru Corp.	27,915	2.9%
Affiliated Managers Group Inc.	26,865	2.8%
Berry Global Group Inc.	26,713	2.8%
Shionogi & Co., Ltd.	26,699	2.7%
Wells Fargo & Co.	24,951	2.6%
TE Connectivity Ltd.	24,803	2.5%
Fidelity National Information Services Inc.	24,704	2.5%
Mattel Inc.	22,441	2.3%
Mitsubishi Electric Corp.	21,691	2.2%
Total	\$ 621,756	63.7%

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 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.

There were no investments that had a meaningful positive impact on shareholders' equity during the quarter.

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

- Flowserve Corp.

Flowserve is an American multinational corporation and one of the largest suppliers of industrial and environmental machinery, such as pumps, valves, end face mechanical seals, automation, and services to the power, oil, gas, chemical and other industries. Over half of its profits is from the aftermarket parts and services. About 35% is based on the replacement of an existing pump. When a pump breaks down, you have no choice but to fix or replace it. Thus, about 85% of the company is based on replacing and fixing pumps it has already sold. The company has been selling pumps and valves for 225 years, so it happens to have one of the largest installed bases in the world and that forms the lifeblood of this company. The stock is down substantially owing to its exposure to energy, yet its exposure to oil and gas exploration is a small percentage of the company. We've had several conversations with management over the past couple of months and believe their strong backlog of orders that they are

executing on will be barely impacted by the current world events. Yet longer term, there are substantial operating improvements happening with a resulting margin expansion. We believe we are buying the business at six times future earnings and this is a very low multiple for a company of that quality. The stock was down 52% during the quarter and Cymbria's unrealized loss in the business increased by \$24.1 million.

- The Middleby Corp.

Middleby is a leading global equipment manufacturer for commercial cooking and food preparation, industrial food processing and premium residential kitchens. The current environment has created a lot of fog for the business considering restaurants are its customers. However, its customer base isn't just small mom and pop restaurants. Tim Hortons/Burger King is a client that we believe will be around looking at least two years from now. These businesses will continue to expand. Middleby also sells equipment to food manufacturers. We believe this business will prove to be resilient. The company's largest competitor is highly levered and, in our opinion, faces risks in making it to the other side. This represents an opportunity for Middleby to take market share by drawing on its line of credit. The stock was down 48% during the quarter and Cymbria's unrealized loss in the business increased by \$14.3 million.

- Wells Fargo

Wells Fargo is trading at approximately 85% of tangible book value. Today's valuation is lower than when we first purchased shares of the bank in 2009. Our assessment of the risk today is that it's lower than during the global financial crisis. The last crisis was driven by mortgages. Leverage today is lower than a decade ago after 12 years of building capital. The U.S. Federal Reserve is also helping banks this time around by giving money to households, i.e. Wells Fargo customers. This is a much different reaction than what the banks had to deal with during the financial crisis. We have confidence in the management team led by the new CEO. The team is composed of former JP Morgan employees, with the CEO being a Jamie Dimon protégé. Although we don't know what the business will look like over the next couple of quarters, our long-term thesis remains intact. The stock was down 47% during the quarter and Cymbria's unrealized loss in the business increased by \$17.3 million.

Portfolio turnover

During the quarter ended March 31, 2020, we purchased 5 new equity securities. The largest purchase, in terms of significance to the portfolio as at March 31, 2020, was:

- Fujitsu Ltd.

We continue to look for new management teams of Japanese companies that want to revamp the culture. We were initially looking at a competitor of Fujitsu, called Nomura Research.

The idea around Fujitsu relates to the looming "IT cliff" coming in Japan where Japanese companies have to invest much more in information technology to upgrade old, inefficient systems. Fujitsu stands to benefit as companies begin to upgrade and will require Fujitsu's services.

The combination of a new management team at Fujitsu and the likely longer-term market growth led us to Fujitsu.

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 seven businesses. Below are the most significant sales based on the dollar value of realized gains and losses:

- **Realogy Holdings Corp.**

We first purchased the business in May 2014. Realogy is an American real estate and relocation services company. It owns and franchises several real estate brands and brokerages, and offers relocation, title and settlement services. The impact of COVID-19 on its business has made us question its short-term resiliency. We don't believe many people will be house shopping or hosting open houses during the pandemic. As well, the business has a lot of leverage, which could be an added risk. We decided to exit our stake completely. Our holding period return was -74.7% and Cymbria realized a loss of \$14.7 million on the sale of the business during the quarter.

- **Air Canada**

We first purchased Air Canada in May 2019. Although historically the business was not optimally run, we believed it had fundamentally changed. Instead of having a pension deficit, it had a surplus. The loyalty program generated a lot of cash flow. The industry had become a two-player industry between Air Canada and WestJet. We stress tested a recession scenario similar to the financial crisis in 2008 where travel volume decreased. We found the business was very resilient. Ultimately, this time is different than the financial crisis. Travel isn't down 20%, it's down 90%. International travel, which is a higher-margin business, is currently nonexistent. We believe Air Canada will survive the current crisis. However, we think the business will look materially different on the other side and growth prospects have diminished. In spite of our belief that Air Canada should be able to make it through, we don't have the same conviction in the company and sold our stake. Our holding period return was -66.4% and Cymbria realized a loss of \$10.4 million during the quarter on the sale of the business.

- **Real Matters Inc.**

Real Matters is a leading technology company that provides services for the mortgage lending and insurance industries. Real Matters' primary product is a software program that measures appraisers on their service performance and quality of the appraisal. The technology has made appraisals more efficient and resulted in a large increase in productivity. Over time, Real Matters continued to gain market share from competitors. As more appraisers moved to Real Matters, software cost per appraisal went down. The business has a very high operating leverage model – the more people you have using the software, the higher the company's profitability. We first purchased a stake in the business in February 2016. Since the business reached our estimate of its intrinsic valuation, we sold our stake in the business. Our holding period return was 179.2% and Cymbria realized a gain of \$5.8 million on the sale of the business during the quarter.

Cymbria had portfolio turnover rates of 12.6% for the three months ended March 31, 2020 and 22.6% for the year ended December 31, 2019. 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 March 31, 2020. We have received \$74.8 million in dividends from EdgePoint since inception and its value in Cymbria has increased to \$219.2 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 \$21.9 billion as at March 31, 2020.

With the assistance of a third-party valuator, Cymbria's stake in EdgePoint was revalued during the quarter 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 \$219.2 million valuation and believe that this represents fair market value as at March 31, 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 months ended March 31, 2020 compared to those for the three months ended March 31, 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 March 31,	
	2020	2019
	('000s)	('000s)
Income		
Net realized gain on investments	\$ (21,142)	\$ 17,858
Change in unrealized gain (loss) on investments	(245,497)	58,929
Dividend and interest income	9,786	9,150
Foreign currency gain (loss) on hedging	(8,421)	1,905
Foreign currency gain (loss), excluding hedging	(318)	(62)
Total income	\$ (265,592)	\$ 87,780
Expenses		
Management fees	\$ 1,918	\$ 1,786
Withholding taxes, HST, and transaction costs	978	816
Other expenses	500	545
Total expenses	\$ 3,396	\$ 3,147
Profit (loss) for the period before taxes	\$ (268,988)	\$ 84,633
Income taxes	(36,541)	10,359
Net comprehensive income	\$ (232,447)	\$ 74,274

(a) Net realized gain on investments

During the three months ended March 31, 2020, the realized loss on investments of \$21.1 million is largely attributable to a loss from the sale of shares of Realogy Holdings Corp. of \$14.8 million and Air Canada of \$10.4 million, offset by a gain from the sale of shares of Real Matters Inc. of \$5.8 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 \$245.5 million loss for the three months ended March 31, 2020. This is a result of fluctuations in the value of investments during the period largely impacted by the COVID-19 pandemic. The businesses with the three largest changes in unrealized losses during the period were EdgePoint Wealth Management Inc. with a \$35.2 million loss, Flowserve Corp. with a \$24.1 million loss and Wells Fargo & Co. with a \$17.3 million loss. 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 March 31, 2020, Cymbria received a dividend of \$5.2 million from EdgePoint, representing a 19% increase compared to the same period in 2019. 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 \$4.6 million for the three months ended March 31, 2020. 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 March 31, 2020, 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 approximately 10% of that exposure. Cymbria's investments in the Japanese Yen represent approximately 19% of shareholders' equity and Cymbria hedged approximately 11% 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 March 31, 2020, Cymbria had a \$8.4 million net realized and unrealized loss from hedging activities.

Excluding Cymbria's hedging positions, Cymbria did not have a significant gain or loss due to other fluctuations in foreign currencies during the period.

(e) Expenses and MER

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 March 31, 2020, the annualized MER was 1.04% for Class A shareholders and 0.59% 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. The increase of \$0.1 million in management fees from 2019 is due to the increase in average aNAV over the corresponding period, on which the fee is based. However, because of the increase in relative value of EdgePoint to the entire portfolio during the period (no fee is charged on the value of EdgePoint), the effective management fee as a percentage of aNAV was 0.81% and 0.40% for Class A and J shareholders, respectively.

Financial condition

	Mar. 31,	Dec. 31,
	2020	2019
	('000s)	('000s)
Assets		
Investments	\$ 912,188	\$ 1,162,227
Cash and cash equivalents	67,109	85,283
Other assets	4,816	825
Income tax recovery	12,395	7,016
Total assets	\$ 996,508	\$ 1,255,351

Liabilities		
Foreign exchange forward contracts	\$ 7,891	\$ 59
Accrued liabilities and other payables	768	1,009
Credit facility	6,000	6,000
Deferred share unit plan	749	1,018
Deferred income tax liability	5,811	39,529
Total liabilities	\$ 21,219	\$ 47,615
Shareholders' equity	\$ 975,289	\$ 1,207,736

(a) Investments

Cymbria's investments as at March 31, 2020, primarily consists of a portfolio of equities of \$685.8 million and an investment in EdgePoint of \$219.2 million. The decrease of \$250.0 million from December 31, 2019 is primarily the result of a change in the unrealized and realized value of the portfolio of \$275.0 million offset by the net purchase of investments of \$17.2 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 \$18.2 million from the end of 2019 is primarily due to the net purchase of investments of \$20.0 million during the three months ended March 31, 2020. As at March 31, 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 \$2.1 million and a receivable for investments sold of \$2.6 million. Dividends receivable consists of dividends that have been declared but not yet received as at March 31, 2020. Receivable for investments is a result of investments that been sold but not yet settled as at March 31, 2020.

(d) Income tax recovery and Income taxes payable

The Income tax recovery of \$12.4 million is a result of the required income tax installments for 2020 being more than Cymbria's income tax liability as at March 31, 2020.

(e) Credit facility

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

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							
	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018
Total income (loss)	\$ (265,592)	\$ 39,774	\$ 21,298	\$ 55,445	\$ 87,780	\$ (98,145)	\$ 37,402	\$ 57,224
Total expenses	\$ 3,396	\$ 3,345	\$ 3,741	\$ 3,446	\$ 3,147	\$ 3,136	\$ 3,751	\$ 3,485
Net income (loss)	\$ (232,447)	\$ 32,790	\$ 16,232	\$ 47,163	\$ 74,274	\$ (86,962)	\$ 30,069	\$ 47,994
Net income (loss), per share								
Class A	\$ (9.92)	\$ 1.38	\$ 0.67	\$ 1.98	\$ 3.14	\$ (0.47)	\$ 1.27	\$ 2.03
Class J	\$ (10.89)	\$ 1.58	\$ 0.80	\$ 2.29	\$ 3.53	\$ (0.19)	\$ 1.44	\$ 2.27

(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 three months ended March 31, 2020, Cymbria issued 1,844 units and the total value of the plan decreased by \$0.3 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 March 31, 2020, Cymbria's deferred income tax liability is presented net and it comprises of a liability on the unrealized appreciation of investments of \$5.8 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 March 31, 2020 and May 7, 2020 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at March 31, 2020 and May 7, 2020, there were 15,797,497 and 15,852,896 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 March 31, 2020 and May 7, 2020, there were 6,956,482 and 6,906,482 shares outstanding, respectively.

Cash flows

For the three months ended March 31, 2020, Cymbria had a net decrease in cash and cash equivalents of \$18.2 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 \$20.0 million. Cymbria did not generate a significant amount of cash flows from financing or capital activities.

Shareholder activity

Cymbria refiled its Normal-Course Issuer Bid ("NCIB") for the 12-month period beginning on May 23, 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 three months ended March 31, 2020, Cymbria did not repurchase any shares as they were trading at either a premium or small discount to aNAV. Since inception, Cymbria has repurchased and cancelled 460,800 Class A shares at an average price of \$12.95 per share and a total cost of \$6.0 million.

On 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 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 three months ended March 31, 2020 as Cymbria's Class A shares have been trading above 97% of aNAV on average over the year.

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 will be secured by a selection of eligible securities in Cymbria's investment portfolio. As at March 31, 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 March 31, 2020, cash and cash equivalents represents 7% of Cymbria's total shareholders' equity. Cymbria's portfolio of securities includes actively traded global stocks that can be readily sold. As at March 31, 2020, the portfolio of public equities that the Manager believes can be readily sold represents 70% 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 March 31, 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. In December 2019, Cymbria committed to participate in purchasing a minority stake of a private Canadian company for approximately \$40 million, conditioned on regulatory approvals. The transaction closed in April of 2020 and Cymbria met all of the commitments associated with the purchase.

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 three months ended March 31, 2020, management fees totaled \$1.9 million, compared to \$1.8 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, 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.

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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
Receivable for investments sold	Amortized cost	Amortized cost
Dividends receivable	Amortized cost	Amortized cost

	Classification	Measurement
Financial assets		
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 three months ended March 31, 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 May 7, 2020.

There were no changes made in the design of internal controls over financial reporting during the three months ended March 31, 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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Geoff MacDonald, CFA
Co-Chief Executive Officer

Diane Rossi
Corporate Secretary

Norman Tang, CPA, CA
Chief Financial Officer

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TORONTO STOCK EXCHANGE LISTING

CYB