CYMBRIA®

Cymbria.com

This is an image that shows a hypothetical exchange floor market board displaying the performance of major global financial markets, bonds, and commodities. S&P Global Inc., one of the equity holdings in the EdgePoint Portfolios, provides a broad range of financial data and analytics to institutional and retail investors, companies, and governments worldwide. The company started in the 1860s by publishing railroad company financials, evolving through mergers and acquisitions to become an essential part of markets today. S&P Global generates recurring revenue from multiple streams such as ETFs paying royalties to use indexes as benchmarks, companies paying to get rated for creditworthiness, traders accessing commodities pricing and investors paying for other data and analytics. We believe that S&P Global can benefit from the rise of AI in two ways. The first is the rise in companies issuing debt to build data centres supports its ratings business. Second, AI-powered applications' ability to process information means increased demand and revenue for S&P Global's data.

Photo credit
Adapted from Adobe Stock. Modified by EdgePoint.

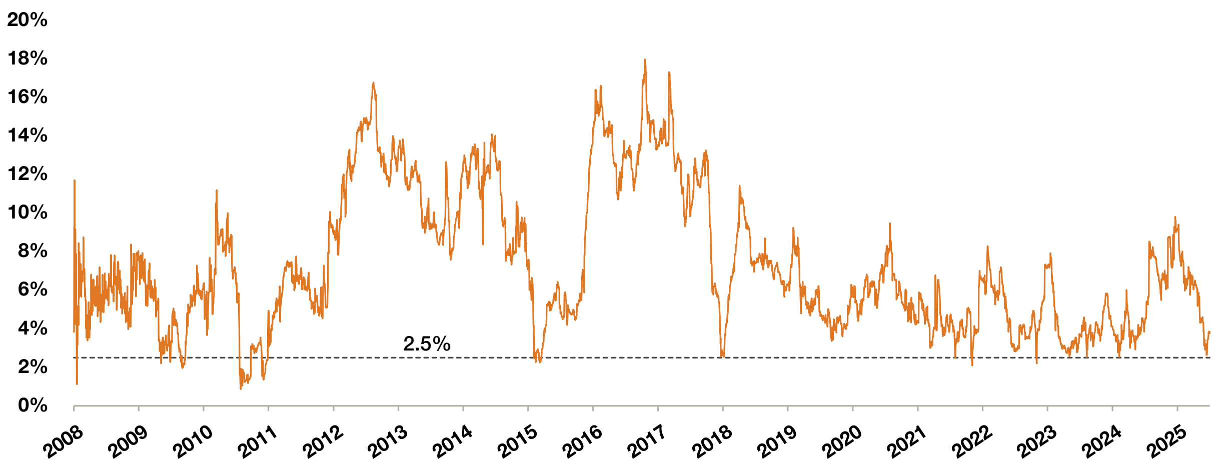
Q2 2026 Cymbria commentary

WHAT'S OUR CASH BALANCE LIKE WITH THE MARKET BEING NEAR ALL-TIME HIGHS?
By Jason Liu

Our cash balance is a function of our bottom-up investment approach, it's an indicator of the quality and number of proprietary ideas that we believe we've identified in the market. That being said, our low cash balances have typically correlated with the overall valuation and attractiveness of the market. Higher general valuations usually mean that there are fewer opportunities to buy growth for free, meaning that our cash balances increase and become "dry powder" that we can deploy when we find new ideas.

We can use the Global Portfolio's cash levels to illustrate EdgePoint Investment Group's view on opportunities in the marketplace today.[†] Since 2008, the cash balance has ranged from 1% to 18%.[i] It recently hit 2.5%, a level that's historically been associated with a broader market drawdown.

EdgePoint Global Portfolio – daily cash balance
Dec. 31, 2008 to Jun. 30, 2026



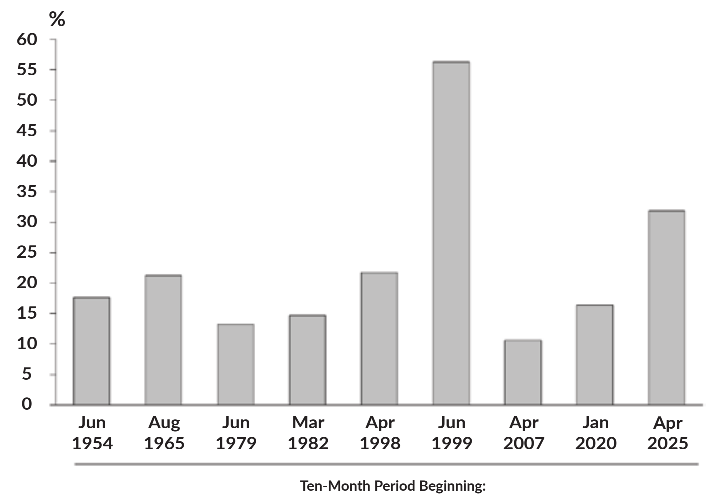
So why, with the S&P 500 Index trading near decade-high valuations (price-to-earnings ratio of 20.6x and price-to-sales ratio of 3.3x),[ii] is our cash level so low? We believe two factors illustrate why today is a relatively unique period.

[†] Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. This is not an offer to purchase.

Mo' mentum, mo' problems

The first is price momentum's effect on the U.S. market. Since 1952, there have been nine instances when the top 20% of U.S. large-cap momentum stocks outperformed the rest of its peers (generated alpha) by at least 10% over a 10-month period. That is, if all you did was buy the stocks with the highest price momentum, how would you have done from an alpha perspective? Today happens to be the second-strongest price momentum market in most of our lifetimes.

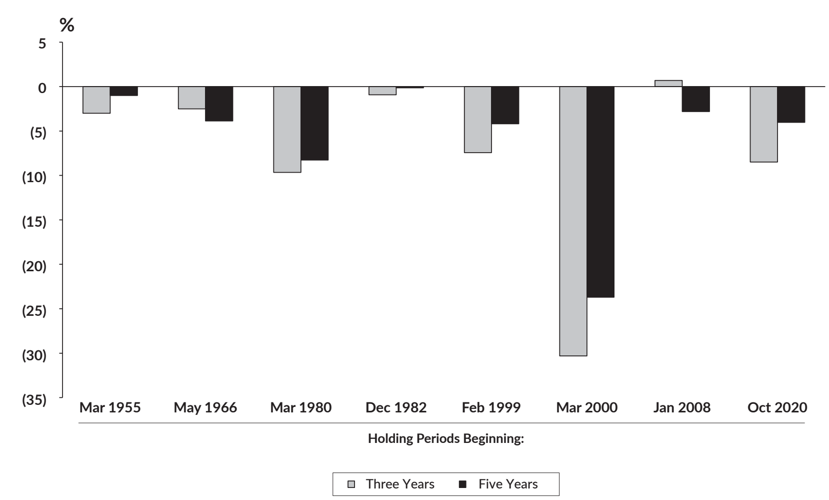
Top quintile of momentum stocks vs. remainder of U.S. large-capitalization stocks
Relative price returns over 10-month momentum run
1952 to mid-Jan. 2026



Source, momentum run: Empirical Research Partners, "Stock Selection: Research and Results", February 6, 2026. Returns are equally weighted and in US$.

Investors who flocked to the top 20% of momentum stocks over the next few months paid a steep price. The subsequent three- and five-year compound annual returns for those periods after the peak didn't make for great prospective returns going forward.

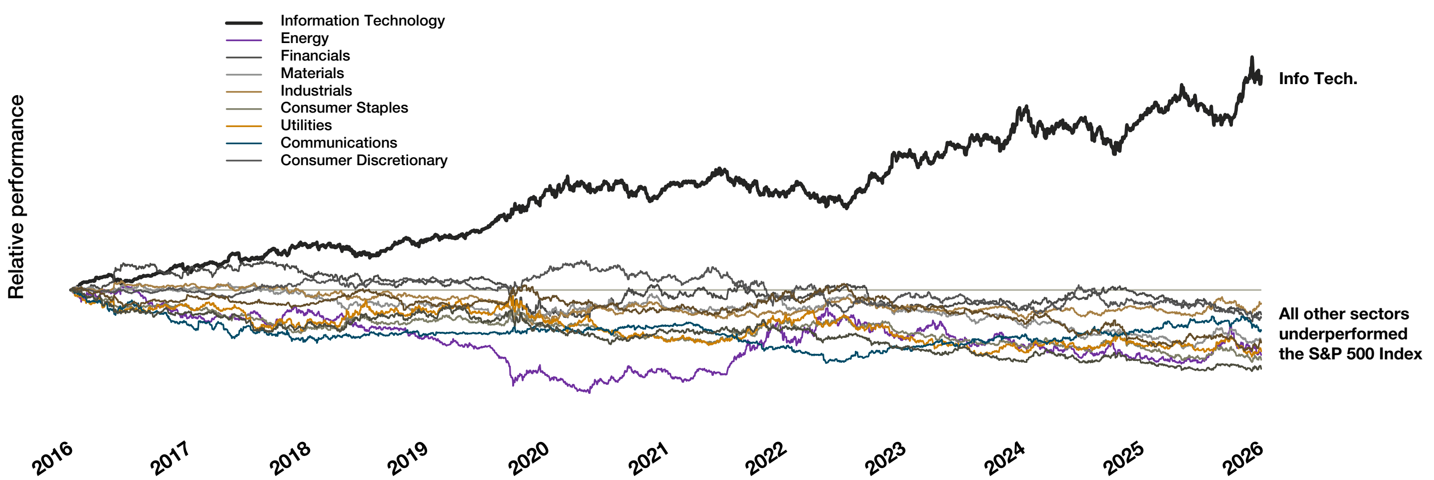
Top quintile of momentum stocks
Total annualized 3-year & 5-year returns following momentum stock peaks (US$)
1952 to 2025



Source, post-run: Empirical Research Partners. As at February 6, 2026. Returns are equally weighted and in US$.

The second factor is how momentum can lead to a narrow market – a miniscule number of names represent a large percentage of overall returns. Over the last decade, the only sector that's outperformed the S&P 500 Index's return is Information Technology (specifically the semiconductor sub-sector, which quadrupled over the last six years and represents almost 20% of the index).[iii] That means that all 10 sectors underperformed over the same time.

Individual sectors vs. S&P 500 Index
Relative performance
Jun. 30, 2016 to Jun. 30, 2026



Source: Bloomberg LP. As at June 30, 2026. Total returns in US$. Sector classifications are based on the Global Industry Classification Standard (GICS), which groups companies into 11 sectors according to their primary business activities. Relative performance shown represents sector returns compared with the S&P 500 Index over the period indicated. See *Important information – indexes* for additional details.

The current market's biggest driver of performance is price momentum and all of it is concentrated in a single sector. The decline of every other sector means that many are trading at 10-year-low valuations. That combination creates an opportunity-rich environment for us to find ideas in Cymbria and the EdgePoint Portfolios. Despite the market being at all-time highs, we've put most of our capital to work and have a relatively low cash balance.

We don't invest by making market prognostications; we spend all of our time looking at individual businesses. Here are a few examples to give you a better feel for the opportunities we see in the market today.

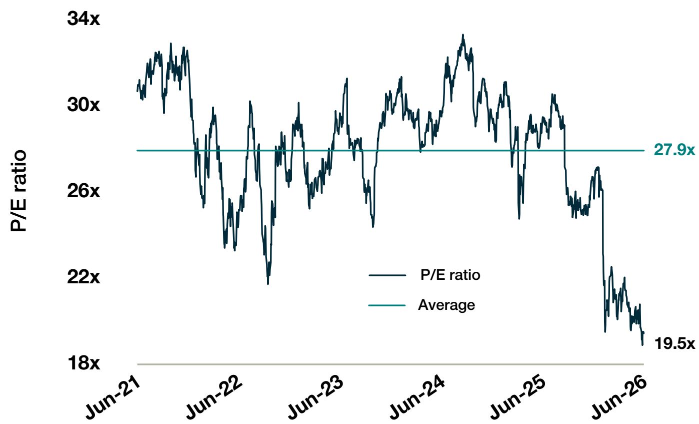
Nothing standard about it

S&P Global Inc. is a collection of businesses that can be described as a royalty on capital markets.[iv] Its rating agency business benefits from increased debt issuance. Its indices business benefits from the growth in the S&P 500 Index ETFs. Its commodity business benefits from increased demand for commodity pricing data. Growth in capital market activity drives a corresponding increase in revenue and has led to an excellent track record of earnings growth and shareholder returns. Believe it or not, the annualized shareholder returns have been 15% since 1980.[v] Martina Cheung became the CEO twenty-one months ago. She is bringing a renewed focus on organic growth while simplifying the business by selling non-core assets, both of which should improve the valuation of the business over time.

We also believe that S&P Global could benefit from artificial intelligence. First, the buildout of datacentres requires significant capital expenditure, driving growth in debt issuance and, in turn, the ratings business. AI-related debt issuance year-to-date was four times higher than the same period last year.[vi] Second, data consumption will increase as AI-powered workflows make more API calls to structured datasets that S&P Global controls. In the first quarter of this year, the volume of API calls made by customers was fives times the volume from the previous quarter.[vii]

We view it as one of the highest quality businesses in the public markets and have owned the business in the past, having first purchased it in March 2020 in the middle of COVID at a P/E ratio of approximately 21x. Despite a business that could see growth accelerate because of artificial intelligence, the price momentum in the market has given us an opportunity to become shareholders again. We built our position at a P/E ratio of approximately 21x earnings, which is a discount to its five-year historical average of approximately 28x.

S&P Global Inc. – P/E ratio
Jun. 2021 to Jun. 2026



Source: FactSet Research Systems Inc. As at June 30, 2026.

A healthy opportunity set

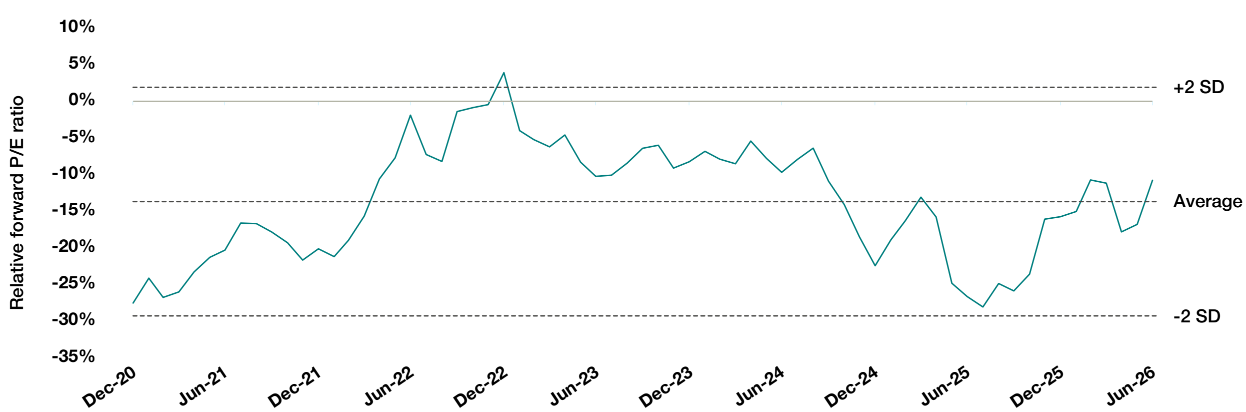
While we invest in individual businesses rather than focusing on sectors, we believe there are several health care companies that are undergoing positive change unrecognized by the market. Despite being in the same category, they're diversified in that each has a different approach or specialization within the industry.

Historically, we haven't owned stakes in many health care companies, but we have always found it to be an attractive sector for several reasons:

- Health care spending increases exponentially with age, driving long-term secular growth;
- The industry isn't typically cyclical because people spend on health care regardless of the macroeconomic environment; and
- The businesses tend to resemble top-quartile industrial companies because these are highly complex, mission-critical products with long development cycles. Customer decisions are based on a product's value rather than the lowest price among alternatives, combined with regulatory requirements limiting change and competition.

This dynamic changed in COVID, not only did health care spending experience a boom-and-bust cycle coming out of the lockdowns, but valuations also rose to a short-lived peak before declining again.[viii] The industry not only experienced an economic cycle, but, coupled with a decline in valuations, it has been a challenging place to make money in the last five years.

S&P 500 Health Care Index vs. S&P 500 Index
Relative monthly forward P/E ratio
Dec. 2020 to Jun. 2026



Source: Bloomberg LP. As at June 30, 2026. Forward earnings over the next twelve months were used in price-to-earnings ratio calculations. See *Important information – indexes* for additional details.

These lower valuations are despite industry spending starting to inflect. For example:

- There are over 23,000 drug candidates in the pipeline today (up from 19,000 five years ago and 12,000 in 2015)[ix]
- More than 18,000 clinical trials were started in 2025 (above the pre-pandemic average of 10,000 to 15,000)[x]
- Pharma and biotech funding continues to increase (growing 110% year-over-year in 2026 year-to-date).[xi]

One of the health care holdings in our Portfolios is Revvity, Inc., a provider of reagents, instruments and services supporting drug discovery, genomics, imaging and diagnostic testing.[xii] The business has gone through a series of acquisitions that have improved the organic growth and margins of the business. We believe that AI could accelerate this growth by improving the efficiency and speed of the drug-discovery process, leading to more demand for tools and reagents for verification and potentially driving mid-teens earnings per share (EPS) growth over time.

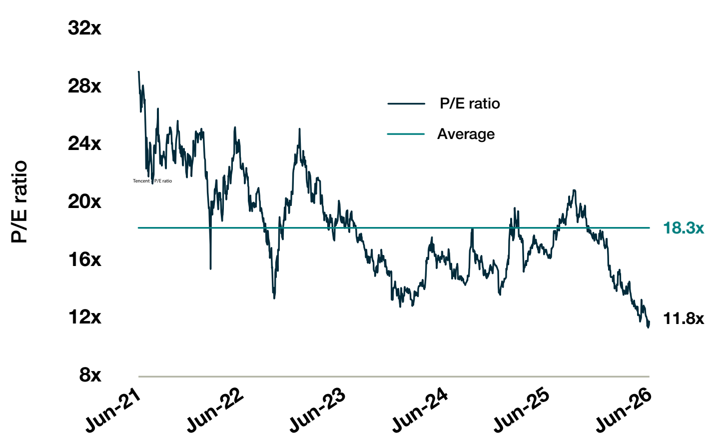
Tencent on the dollar

This price momentum dynamic isn't localized to the U.S. In Asia, momentum has led to capital chasing after the Korean and Taiwanese markets. Taiwan now represents a larger percentage of the MSCI All Country World Index than China.[xiii]

The market's focus on semiconductor companies has helped us find an opportunity in Tencent.[xiv] It's the owner of WeChat, the dominant digital platform in China (think of it as the Internet, WhatsApp, Facebook, your debit card and an app store all in one). We believe that Tencent should be a large beneficiary from artificial intelligence. It's the second-largest provider of cloud computing services in China, the infrastructure companies rent to build and run AI applications. Advertising is its fastest growing business and, as we've seen with U.S. companies such as Meta and Google, AI helps advertisers show the right ad to the right person. Tencent's high quality ad space should see the same lift. Most importantly, Tencent's ownership of WeChat means that it has the largest distribution channel to develop AI-use cases for the 1.4 billion daily users in China.

Practically, it means that Tencent can build a digital assistant, or "agent", that handles tasks on your behalf inside WeChat. They also happen to have built their own AI model, that currently ranks as having the best performance of the smaller models. Despite these tailwinds, and a business that has a track record of growing EPS in the mid-teens over the last five years, the market's chase for momentum resulted in Tencent trading at 12x earnings, below its historical average of 18x.[xv]

Tencent – P/E ratio
Jun. 2021 to Jun. 2026



Source: FactSet Research Systems Inc. As at June 30, 2026.

A differentiated view

Over the long term, we believe that returns follow earnings growth. A shorthand that we use is EPS growth and the dividend yield. If there's no change in valuation multiple, the addition of those two metrics will be the return an investor in the Portfolios receives.

Based on the estimated EPS growth over the next three years for any Cymbria holding with a weight of at least 2% at the end of June, the result would be a 13% return. And that's excluding EdgePoint Wealth Management and Inovatec Systems Corp., two top 10 holdings which combine for over 18% of Cymbria's portfolio.[xvi]

Businesses held in Cymbria with a minimum weight of 2%
Consensus earnings per share (EPS) estimates and dividend yield
As at June 30, 2026

Business name	3-year estimated EPS annualized growth rate	Dividend yield	Estimated EPS growth + dividend yield	Portfolio weight	Max P/E decline (2023 to 2026)
OR Royalties Inc.	29.1%	0.7%	29.8%	4.40%	-53.5%
Dollar Tree, Inc.	13.5%	0.0%	13.5%	3.11%	-56.3%
Thermo Fisher Scientific Inc.	9.5%	0.4%	9.9%	3.09%	-38.6%
Roche Holding Ltd.	6.3%	3.0%	9.3%	2.94%	-28.2%
Restaurant Brands International, Inc.	9.8%	3.3%	13.2%	2.81%	-33.8%
Revvity, Inc.	8.5%	0.3%	8.8%	2.57%	-42.0%
S&P Global, Inc.	12.6%	0.9%	13.5%	2.34%	-43.3%
Techtronic Industries Co., Ltd.	16.2%	2.3%	18.4%	2.18%	-45.6%
Nippon Paint Holdings Co., Ltd.	8.2%	1.8%	9.9%	2.12%	-57.0%
Mattel, Inc.	8.7%	0.0%	8.7%	2.02%	-49.1%
		Average/ Total:	**13.5%**	**27.6%**	**-44.7%**

Source: FactSet Research Systems Inc. As at June 30, 2026. See endnote xvii for additional details.

These aren't our numbers, we believe we have a proprietary insight about these businesses (i.e., the market isn't pricing in the positive change we see in them). If we never see a recovery from these trough valuation multiples, and our ideas on growth fail to play out, our return could be approximately 13%. That could be the three-year return that you would get as an investor in Cymbria if the analyst consensus estimates were correct. If price-to-earnings ratios go up from all-time-low valuations, or if our ideas play out and growth is higher than expected, our prospective returns would be more attractive than that.

The current market environment has given us the opportunity to upgrade the quality of ideas, businesses, management teams and growth of the Portfolios. This is why the Global Portfolio's cash balance is amongst the lowest it's been throughout our history despite market valuations being at all-time highs and why we're excited about the prospective returns for Cymbria's investors.

CYMBRIA®

Important information – indexes

The indexes are not investible.

S&P 500 Index – a broad-based market-capitalization-weighted index of 500 of the largest and most widely held U.S. stocks. The index is not investible.

S&P 500 Health Care Index – a market capitalization-weighted index comprising companies in the S&P 500 Index classified in the GICS Health Care sector.

[i] As at June 30, 2026. Excludes November 17, 2008 to December 31, 2008 because of the high cash balances following the launch of the EdgePoint Portfolios.

[ii] Source: FactSet Research Systems Inc. As at June 30, 2026. Comparison period was from June 30, 2016 to June 30, 2026. Price-to-earnings (P/E) ratio is a commonly used valuation metric that compares a company's share price to earnings per share. Forward earnings over the next twelve months were used in price-to-earnings ratio calculations. Price-to-sales is a commonly used valuation metric that compares a company's share price to sales per share. The P/E ratio was 14% below the decade high, while the price-to-sales was 2% below. Historical returns are not indicative of future returns. The S&P 500 Index is a broad-based, market capitalization weighted index of 500 of the largest and most widely held U.S. stocks. The index is not investible.

[iii] Source: Citadel Securities, "1H 2026 Market Structure & Flows", *Global Market Intelligence*, June 30, 2026.

[iv] As at June 30, 2026, S&P Global Inc. securities were held in Cymbria, EdgePoint Global Portfolio, EdgePoint Canadian Portfolio, EdgePoint Global Growth & Income Portfolio and EdgePoint Canadian Growth & Income Portfolio. They are not representative of the entire portfolio, nor is it a guarantee of future performance. EdgePoint Investment Group Inc. may be buying or selling positions in the above securities. Past performance is not indicative of future results.

[v] Source: Bloomberg LP. As at June 30, 2026. Total annualized returns in US$. Includes returns for S&P Global Inc.'s predecessor companies.

[vi] Source: Reuters, "Global AI debt issuance to top $500 billion in 2026, Morgan Stanley says", *Yahoo.com*, June 10, 2026.

[vii] Source: S&P Global Inc., *S&P Global (SPGI)* Q1 2026 *Earnings Call* (transcript), April 28, 2026. Application programming interfaces (APIs) are protocols that allow different computer programs to interface with each other.

[viii] Source: FactSet Research Systems Inc. As at June 30, 2026. The valuation uses price-to-earnings (P/E) ratio, a commonly used valuation metric that compares a company's share price to earnings per share. Forward earnings over the next twelve months were used in price-to-earnings ratio calculations. See *Important information – indexes* for additional details.

[ix] Source: Citeline, "Pharma R&D Annual Review 2026".

[x] Source: IQVIA Institute for Human Data Science, *IQVIA Institute's Global R&D Trends 2026: An Advancing Innovation In a Changing Landscape*, March 2026.

[xi] Source: KeyBank Capital Markets, "LabBook 6.0: Variety and Pace of FDA Approvals Signal Faster 'Tools' Growth in 2026; We Profile Leading Examples", *Healthcare: Life Sciences Tool & Services Sector Outlook*, June 15, 2026.

[xii] As at June 30, 2026, Revvity, Inc. securities were held in Cymbria, EdgePoint Global Portfolio, EdgePoint Canadian Portfolio, EdgePoint Global Growth & Income Portfolio and EdgePoint Canadian Growth & Income Portfolio. They are not representative of the entire portfolio, nor is it a guarantee of future performance. EdgePoint Investment Group Inc. may be buying or selling positions in the above securities. Past performance is not indicative of future results.

[xiii] Source: FactSet Research Systems Inc. As at June 30, 2026, Taiwan-domiciled companies accounted for 3.31% of the iShares MSCI ACWI ETF, while Chinese-domiciled companies made up 0.32%. The iShares MSCI ACWI ETF seeks to track the MSCI All Country World Index – a market capitalization-weighted index comprising large- and mid-cap equity securities available in developed and emerging market countries. The ETF returns are net of fees and based on market prices. As at June 30, 2026, the management expense ratio for the ETF is 0.32%. An ETF that tracks an index is subject to tracking error where its holdings and return differ from the underlying index. Factors such as fees and transaction costs may affect the ETF's ability to fully replicate the index's constituent holdings.

[xiv] As at June 30, 2026, Tencent securities were held in Cymbria, EdgePoint Global Portfolio and EdgePoint Global Growth & Income Portfolio. They are not representative of the entire portfolio, nor is it a guarantee of future performance. EdgePoint Investment Group Inc. may be buying or selling positions in the above securities. Past performance is not indicative of future results.

[xv] Source: FactSet Research Systems Inc. As at June 30, 2026. Tencent's five-year earnings per share was between December 31, 2020 to December 31, 2025.

[xvi] As at June 30, 2026.

[xvii] EPS estimates are based on analyst consensus forecasts and constitute forward-looking information. Actual results may differ from such forecasts. EPS figures and growth rates are shown in each company's local reporting currency. Max P/E declines are between June 30, 2023 and June 30, 2026. They are the largest peak-to-trough decline of a company's price-to-earnings ratio and uses forward earnings over the next twelve months. The return-related figures shown are illustrative, based on consensus EPS growth estimates and current dividend yields, and should not be interpreted as forecasts or guarantees of future investment returns. Excludes holdings without 2028 EPS estimates. As at June 30, 2026: securities from all of the above companies were held in each of Cymbria, EdgePoint Global Portfolio, EdgePoint Canadian Portfolio, EdgePoint Global Growth & Income Portfolio and EdgePoint Canadian Portfolio. They are not representative of the entire portfolio, nor is it a guarantee of future performance. EdgePoint Investment Group Inc. may be buying or selling positions in the above securities. Past performance is not indicative of future results.

Published July 24, 2026.