

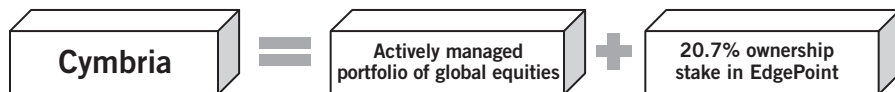
CYMBRIA CORPORATION

2014
ANNUAL REPORT

CYMBRIA CORPORATION

INVESTMENT OBJECTIVE

Cymbria's investment objective is to provide shareholders with long-term capital appreciation through a concentrated portfolio of global equities and an investment in EdgePoint Wealth Management Inc. ("EdgePoint"), which offers mutual funds, institutional and other investments through financial advisors.



INVESTMENT RESULTS

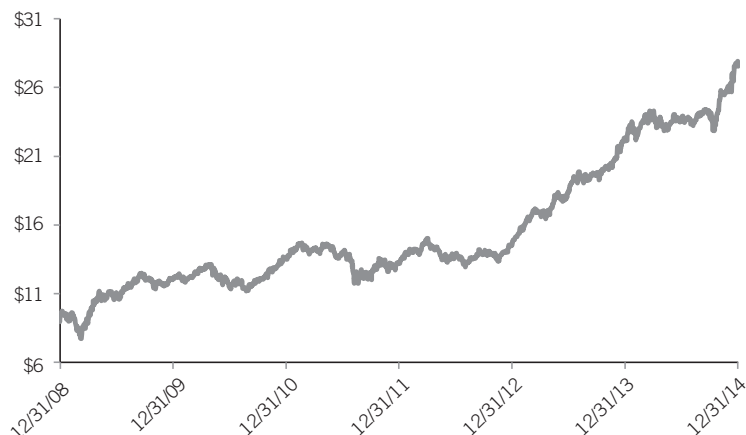
Cymbria – Class A net asset value ("NAV")

	NAV	Return (C\$)	Index (C\$)*
Inception:			
11/4/2008	\$9.39 [†]		
2008[‡]	\$9.34	-0.54% [†]	-0.01%
2009	\$12.07	29.28%	10.39%
2010	\$13.50	11.82%	5.93%
2011	\$13.21	-2.12%	-3.20%
2012	\$14.68	11.07%	13.26%
2013	\$22.33	52.16%	35.18%
2014	\$27.53	23.31%	14.39%

Since inception^{††}

Compounded annual return	17.88%
Cumulative return	175.34%

Cymbria – Class A NAV



* MSCI World Index (net).

[†] Excludes expenses related to the initial public offering ("IPO"). This provides a better understanding of how Cymbria's underlying investments performed and a more accurate comparison to the MSCI World Index.

[‡] November 3, 2008 – December 31, 2008.

^{††} Includes expenses related to IPO.

Source: Zephyr StyleADVISOR, Bloomberg. Total returns in C\$ as at December 31, 2014. Index performance is based on a pre-tax calculation, while Cymbria's NAV is after tax (but excludes future taxes). As a corporation, Cymbria's income and capital gains are taxed within the corporation and reflected in the daily NAV. Had Cymbria held the same composition of securities as the Index, it would lag the Index in years it posted a positive return (after daily tax accruals) and exceed it in years the Index posted a negative return due to loss carryback provisions in the *Income Tax Act* (Canada).

Cymbria A NAV performance (annualized): 1 year: 23.31%, 3 year: 27.72%, 5 year: 17.93%, since inception: 17.88%.

CYMBRIA CORPORATION

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Cymbria's Annual Investor Day

Tuesday, May 5, 2015

Fairmont Royal York Hotel, Imperial Room, 100 Front St. W., Toronto

Registration: 9:30 – 10:00 a.m. EST

Presentation: 10:00 – 11:30 a.m. EST

Agenda

Company overview with Patrick Farmer, Chairman

Investment discussion with Tye Bousada and Geoff MacDonald, co-CEOs

Question & Answer

RSVP by April 22, 2015

1.866.757.7207 or 416.963.9353

rsvp@edgepointwealth.com

**CHAIRMAN'S LETTER**

After six years of strong markets, it's only natural that the investing climate would change, and change it has, requiring our five-member Investment team to work harder to uncover exciting new investment opportunities. However, with its proven track record scouring the globe for what we believe are quality companies with bright growth potential trading for less than they're worth, we're confident the team will see further success in applying our investment approach.

The team's deep investment experience is already evident. This year it introduced new names to Cymbria's portfolio and took advantage of increased volatility to add to some existing positions at attractive valuations. As a result, Cymbria today looks very different than it did at the start of 2014. We believe Cymbria represents a collection of our best business ideas and remain excited about its long-term prospects. Our future is bright.

Cymbria's Class A NAV increased 23.3% in 2014 compared to 14.4% for the benchmark MSCI World Index (C\$). Since inception, the NAV has grown by 17.9% compared to 11.7% for the Index over the same timeframe. Only six years in, we're pleased with the progress so far, and continue to refer to our performance as a good start.

Let me quickly review Cymbria's contributing drivers of wealth:

- As in previous years, Cymbria's primary driver of wealth creation is our Investment team's **stock selection** ability. The team has done very well in its selections, contributing 17.4% to Cymbria's Class A NAV in 2014
- Cymbria's **investment in EdgePoint** now amounts to over \$62 million. Continued support from key advisor partnerships translated into significant growth at EdgePoint during the year. EdgePoint is now Cymbria's largest holding, representing 9.7% of its portfolio
- Cymbria's pro-rata share of EdgePoint's **dividend** was over \$4 million in 2014, 86% greater than the year prior. Since inception, Cymbria has received over \$10.3 million in dividends from EdgePoint
- Cymbria didn't **repurchase shares** in 2014, although we're committed to doing so should an attractive opportunity arise. Since inception, we've repurchased 460,800 shares at an average discount of 10.1% per share. Our Normal-Course Issuer Bid was renewed in 2014 for an additional 12-month period

In 2014, we added five new members to the EdgePoint team and are now 41 internal partners strong. Despite it being increasingly difficult to ensure that the next internal partners fit the EdgePoint culture, we continue to be impressed with how this new group of partners has fit seamlessly into EdgePoint.

We're also pleased with the progress we've made so far, but keep our attention focused on the ongoing task of building wealth for our shareholders.

Thank you for your continued support.

Sincerely,

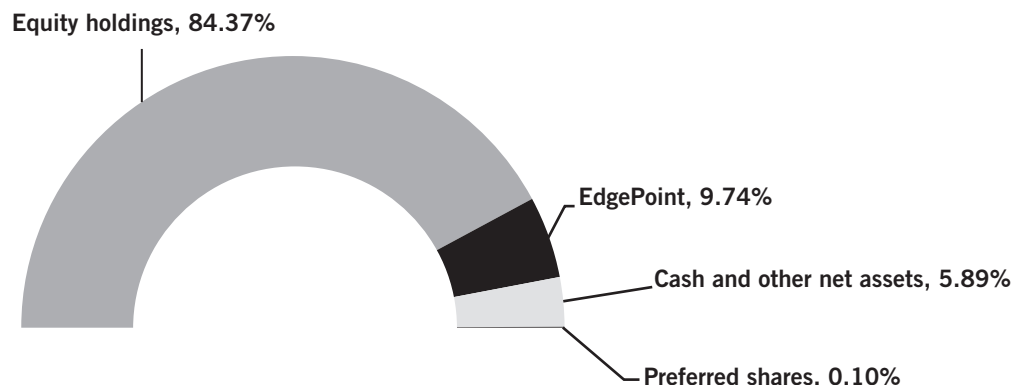
A handwritten signature in black ink, appearing to read 'Patrick Farmer'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Patrick Farmer, Chairman

Note: In this report, “we,” “us” and “our” refer to both EdgePoint and Cymbria, related entities with the same operators.

Our business

Cymbria is an investment corporation that trades on the Toronto Stock Exchange. At the end of 2014, Cymbria invested in a collection of 37 different business ideas, including a 20.7% ownership stake in EdgePoint.



Company history

Fall 2008 was a bleak time for global equity markets as investors struggled with the impact of the credit crisis, numerous bank failures and one of the worst recessions in recent memory.

Armed with a proven investment approach and the belief that one of the best times to invest is when failure is assumed, four founding partners, Tye Bousada, Patrick Farmer, Robert Krembil and Geoff MacDonald, created Cymbria. They committed their savings to the company and asked others to do the same. By the time Cymbria launched on November 4, 2008, many more partners had joined the company and Cymbria had raised \$234 million in assets under management (“AUM”).

Our investment approach

We adhere to a time-tested investment approach practiced by our portfolio managers throughout their investment careers.

We focus on global companies with strong competitive positions, defensible barriers to entry and long-term growth prospects that are run by competent management teams. As long-term investors in businesses, we view a stock as an ownership interest in a company and endeavour to acquire these ownership stakes at prices below our assessment of their true worth.

We believe the best way to buy a quality business at an attractive price is to have an idea about the company that isn't widely shared – what we call a *proprietary insight*. We strive to develop such proprietary insights around businesses we understand. Our holdings generally reflect our views looking out more than five years. We firmly believe that focusing on longer periods enables us to develop proprietary views about companies that aren't reflected in their current stock price.

Our approach is deceptively simple. We buy good, undervalued businesses and hold them until the market fully recognizes their potential. Following this approach requires the ability to think independently, a natural curiosity to search out new ideas and a commitment to thorough research to uncover opportunities the market doesn't fully appreciate.

A concentrated portfolio

We invest with conviction and, as a result, our portfolios are concentrated in our best ideas. This concentration allows individual portfolio holdings to have a meaningful impact on returns when the market recognizes our estimate of their values.

How do we approach risk?

Investment success is often defined exclusively by investment returns. In sharp contrast, when we make an investment we weigh the risk of that investment against its potential return. This is unlike most investors who tend to focus on returns and neglect to consider the risk taken to achieve that performance.

For us, risk is the potential for a permanent loss of capital. Our “old-school” view is summed up in the questions, “How much money can we lose, and what's the probability of that loss?” We focus on company-specific risk factors such as increased competition, management competence, profitability compression and the underlying valuation of a business relative to our assessment of its true worth. Noticeably absent from our definition of risk is the volatility of a company's share price relative to the market, as we don't equate short-term ups and downs with risk.

Measuring our results

Meaningful progress toward our goal of building long-term wealth for shareholders is reflected in Cymbria's since inception Class A NAV cumulative return of 175.34% (includes IPO-related expenses). The benchmark MSCI World Index returned 98.28% (C\$) over the same timeframe.

We measure our investment results using Cymbria's NAV rather than its stock price, as this more closely reflects our Investment team's value add. If Cymbria's stock price lags its NAV, we also believe in buying back shares, as doing so at an attractive discount makes sense for our shareholders.

Measuring Cymbria's worth

Cymbria's stock price has swung between a 14.2% discount and a 33.5% premium to NAV since inception.

Cymbria holds a collection of quality businesses we believe are trading for less than their worth. We try to buy businesses that can materially grow their cash flows over time and where we're not being asked to pay for that growth today. This should translate into healthy share-price appreciation.

To help investors make intelligent decisions about their investment in Cymbria, we post its NAV daily to our website. Some have suggested that doing so encourages short-term thinking. We tend to agree. Cymbria's NAV is different from its worth. The NAV represents the value of its holdings at today's prices, not tomorrow's worth. Not everyone uses Cymbria's NAV 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 NAV (either knowingly or unknowingly). 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.

DECISIONS IN THE FACE OF UNCERTAINTY

By Tye Bousada and Geoff MacDonald, Portfolio Managers

The world is an uncertain place, something the human brain just isn't wired to deal well with. Humans seek the opposite of uncertainty – clarity, assurance and a safe bet. In this uncertain world, you trust us to grow your hard-earned savings. To do this, we have to make definitive decisions about an ambiguous future.

Whether on television, online or in print, you'll find people purporting to know what the next shift will be in everything from interest and exchange rates to the price of oil or that of a particular stock. These fortune tellers are out to convince you to invest with them by capitalizing on the fact that your mind craves certainty.

Our goal at Cymbria is to instead be prepared to thrive in changing conditions rather than guess at the future. Question is, how do we do that? How do we position ourselves for long-term investment success when confronted by unpredictability?

#1: We stay focused on our investment approach

We believe our investment approach works because it centres on developing proprietary insights. Basically, us identifying businesses that can grow almost irrespective of what happens in the global economy and not paying for that growth today. It sounds simple but it's not easy to do. We spend countless hours, even years following a business before we invest, if we invest at all.

Being at peace with an uncertain future gives us the latitude to invest in businesses that have potential even if the future ends up being tougher than imagined. Our advantage is that we often have a different point of view on an investment from other investors. We buy quality, undervalued businesses and hold them until the market fully realizes their value. Following this approach requires the ability to think independently, a natural curiosity to search out new ideas and a commitment to thorough research to uncover opportunities the market doesn't fully appreciate. Which brings us to our next point...

#2: We try to partner with people who recognize the true definition of risk

It's easier to ignore short-term volatility once you stop associating it with risk. We view risk as the possibility for permanent loss of capital. What stock prices do in the short term is anyone's guess. For us, the long term is all that matters.

Because we know the value of the businesses we own (or are looking to own), we turn volatility into a positive. Volatility is our friend because it allows us to buy great businesses when they're "on sale" and trading at lower prices. That's not how our industry or investors tend to see it. A risky investment for most is one that fluctuates in value over brief timeframes.

To the extent possible we hope to attract investors to Cymbria who think like we do – as long-term business owners and not short-term stock traders. Business owners like us gaze well beyond the present and don't think about an exit price from the outset of their investment. They strive to understand a business's fundamentals, including its guiding philosophy and day-to-day operations. Business owners also care about the results a business generates over its stock price at any given moment. For them (and us), a business is much more than a piece of paper. It's a big idea you invest in with the goal of it taking care of your family for a lifetime.

Are Cymbria shareholders our type of business owners? We think so. Our shareholder turnover has averaged 9.9% since inception to December 31, 2014. This despite the fact that Cymbria's stock price temporarily fell by more than 15% in 2009, 2010 and 2011. In comparison, shareholder turnover in companies like Apple, Ford, Facebook and Goldman Sachs is considerably higher, ranging between 200% and 600%. While Apple shares are typically held for just three months, Cymbria shares will be held for 10 years on average, or 40 times longer assuming our current turnover is maintained. This indicates to us that Cymbria shareholders are thinking like true business owners focused on building long-term wealth. Elsewhere, short-term volatility causes panic and heavy selling. Not at Cymbria.

#3: We know time is the friend of great businesses

We believe Cymbria represents a collection of our best investment ideas and that our investment approach works over the long term.

If you bought Cymbria Class A at \$10 a share and still hold it today as many of our shareholders do, you've watched the net asset value of your stake increase to \$27.53 a share (as at December 31, 2014). Our investment horizon plays a big part in that growth. Looking out more than five years at how a business can be bigger gives us another significant lead over our competition. They singularly focus on the short term and what's just happened, is currently happening or about to happen.

Turnover in Cymbria's portfolio

Cymbria's relatively low turnover speaks to the idea that we're not traders of stocks; we're buyers of businesses.

	2009	2010	2011	2012	2013	2014
Cymbria portfolio turnover	65%	43%	36%	37%	36%	36%
Industry average: 70%*						

*Portfolio turnover rate for 10,416 U.S. mutual funds. Source: Morningstar Inc. database U.S.

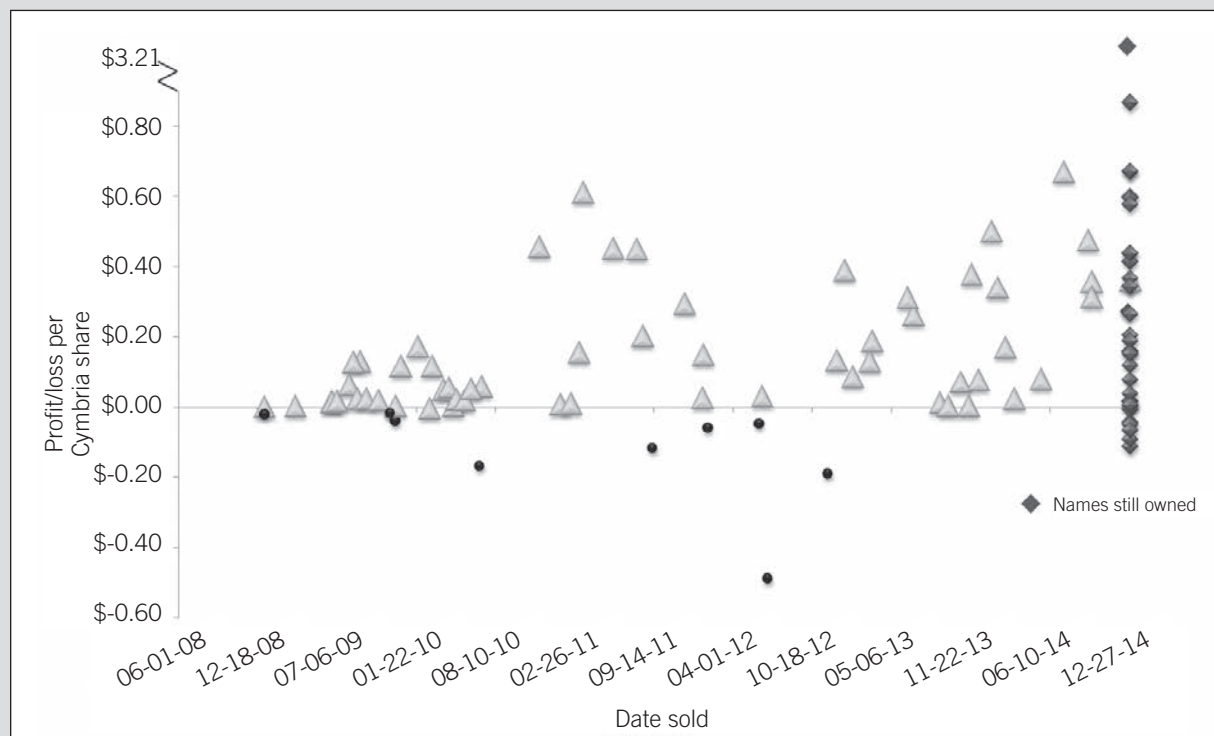
We're not as good at long-term ownership as our shareholders – but our turnover is still a fraction of the industry average.

Following is a chart of every investment Cymbria has ever bought or sold and whether we made or lost money on the investment. The diamonds represent names currently held by Cymbria and how much they've contributed, positively or negatively, to Cymbria's growth in NAV from \$10. These all appear at the very right-hand side of the chart. The circles indicate our losers and all fall below \$0. The triangles scattered throughout are businesses we've sold at a profit.

The numbers here aren't perfectly accurate. They're pre-tax and pre-expenses. And other factors also contributed to the progression in Cymbria's NAV, including currency hedging. Instructive nonetheless.

Six years of Cymbria

- A portfolio widely diversified by business idea
- No one idea or year has meaningfully contributed to overall results on its own
- No material losses during volatile markets when there were plenty of opportunities to do really dumb things
- Volatility allowed us to take profits and replace names sold with even better businesses



To use a baseball analogy, you'll see we have lots of singles and doubles, and a few strikeouts more than offset by a few home runs.

For as long as Cymbria has existed, continued uncertainty has caused the average investor to pay closer attention to the here and now than to the future, especially a future as far away as five years or more. We continue to invest where we believe the best opportunities lie and not where everyone else is already invested.

In 2008 and during the most uncertain market environment in recent history, that meant buying non-obvious survivors like Pool Corp. and Progressive Corp. We believed the market was indiscriminately punishing great companies that would ultimately thrive. These businesses were just as likely to win as obvious survivors like telecommunications, utilities and packaged goods companies that the crowd flocked to, but were much more attractively priced.

The bubble in safety encouraged by tough market conditions such as the 2010 European crisis and the 2011 U.S. government debt downgrade also presented wonderful opportunities for long-term investors like us. While the average investor sought cash, gold and income, we bought growth for free with businesses that included Kabel Deutschland, SHFL entertainment, Inc. and Fortune Brands.

We look different because we invest different

Year	What the crowd saw	Where Cymbria invested
2008	Supposed obvious winners in telecommunications, utilities and packaged goods companies to protect from the credit crisis fallout	In non-obvious survivors at better valuations, including a swimming pool supply company (Pool Corp.) and an auto insurer (Progressive Corp.)
2009	Flock to safety continues	In below-investment-grade bonds, a carpet tile company (Interface, Inc.), a Chinese travel company (TravelSky Technology Ltd.) and a semiconductor business (International Rectifier), among others
2010	New fear: European crisis	In two high-quality, Germany-based companies (Tognum AG and Gerresheimer AG) at attractive prices, capitalizing on short-term volatility
2011	Continued uncertainty due to U.S. government debt downgrade and loss of AAA credit rating	In such names as SHFL entertainment, Inc., Fortune Brands and Kabel Deutschland, where we could get growth for free
2012	Bubble in safety continues: investors pile into cash, gold and income	
2013	Greed returns	In companies where we aren't paying full price for growth, such as Clariant International Ltd. and Realogy Holdings Corp.
2014		

Lately, we've been operating in a more normal market environment. Whereas few investors were optimistic about the future over the last six years, today things are more positive. Our challenge now is to uncover businesses that have the potential to grow faster than what the status quo believes and not pay for that growth. As always, our investing edge will hinge in part on our long-term timeframe.

#4: Our goal is different than most investors

Inasmuch as it's human nature to want large financial gains without sticking your neck out, we think this is a completely unrealistic expectation. To achieve outsized returns, you can't mimic the index you're trying to beat. Being different is a precondition for outperformance. Beating an index also means sometimes looking wrong in the short term to be right in the long term.

As the share prices of great businesses rise and fall day in and day out, investors tend to react emotionally because they often don't know how much these businesses are actually worth and/or don't want to commit more of their money to investments if they seem to be declining in price. Investors tend to fear experiencing performance that diverges in the short term from the index.

Our goal is to build wealth over ten years so we see these temporary blips as opportunities to buy more of great businesses for less.

Share prices dip in the short term for all sorts of reasons, many of which that aren't company specific. If you know the value of a business, you can benefit from these sale prices and build your wealth, but you have to be okay with potentially experiencing non-index-like performance, which takes conviction, courage and fortitude.

The growth story of Ryanair

Ryanair is Europe's largest airline. Investors have been pre-conditioned to believe airlines are a terrible business, and in almost all cases they're right to believe that. However, Ryanair seems to be an exception to that rule. Following are external forces Ryanair has had to contend with since we first invested in the company six years ago.

- Oil jumped from US\$45 a barrel to over US\$120 and hovered at that price until recently
- Greece, Spain, Portugal and Italy all flirted with bankruptcy
- Winter 2014, one of the worst winters in a century in Europe, closed airports from London to Barcelona for extended periods
- Two full-blown European recessions
- Russian hostilities in Eastern Europe
- Deflationary forces throughout Europe
- A collapse in tourism across many of Ryanair's end markets
- A financial crisis of unprecedented proportions, which impacted its home market of Ireland
- Unemployment levels that were above 10% in Ireland and exceeded 25% in some of Ryanair's other end markets
- An Icelandic volcano eruption that shut down European airspace for a prolonged period during one of its busiest times

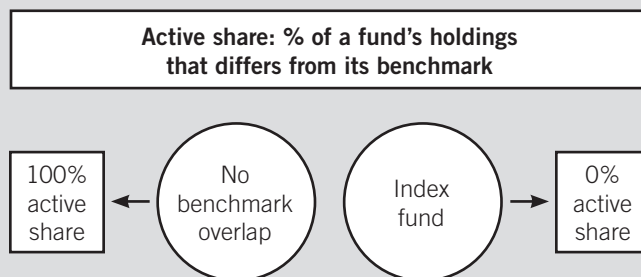
When we originally invested in Ryanair, we couldn't have forecasted many of these negative headwinds. However, in spite of these issues, Ryanair boosted the number of passengers it carries from 58 million per year in 2008 to close to 90 million per year today, while increasing its pre-tax profits more than sixfold. During the same time, its share price also increased from approximately €3.00 (C\$4.50) to over €9.50 (C\$13.50), and the company has even paid out two special dividends totalling €0.68 (C\$0.88) per share.

In 2008, we believed Ryanair could grow almost irrespective of what happened in the economy and that we weren't being asked to pay for that growth. We understood that Ryanair's focus on being a low-cost operator would allow it to grow even if the economy stunk. That's because Ryanair's cost of operation per passenger was, and continues to be, about 50% lower than its closest competitor. As such, Ryanair could offer fares below its competitors' costs and still make healthy profits. Our research also led us to believe that Ryanair would continue to build on its low-cost position, increasing the value of its business.

When making investment decisions in the face of uncertainty, we try to identify businesses that can grow no matter the economy and get that growth for free.

Cymbria isn't the index

Active share measures the overlap in names and weights between a fund and its index.



A fund with a 100% active share is completely different from its index, with no crossover at all. In contrast, an active share of 0% denotes a fund that's identical to its index. The active share number for a truly active fund will be between 80% and 100%.

Cymbria's active share is 97%.

Although high active share is no guarantee of outperformance, it is a prerequisite for the simple fact that you can't beat an index if you look exactly like it.

#5: We acknowledge that we make mistakes

Decisions can be nerve-racking because their outcome can't be known in advance. Fear of making a mistake can inhibit the decision-making process.

We make investment decisions based on facts and then apply sound reasoning to those facts. To be confident in our judgement, we also have to be comfortable knowing we'll make mistakes.

Revisiting the summary chart of our wins and losses, note the table containing the holding period returns (in C\$) of our dumbest investments over the past six years.

Our losses have been minimal relative to our gains, but they're still losses. The one obvious mistake that every Canadian will recognize – BlackBerry – was actually immaterial compared to the gains provided by the other names we purchased that same year.

As an aside, a few of the businesses we sold, despite being profitable, turned out to be some of the biggest mistakes we've made since inception as we sold far too early. BorgWarner Inc. is a prime example.

Our mistakes, though painful in the moment, are ultimately irrelevant if we've built a proper portfolio. At any given time, we believe we own our best collection of businesses. However, it's the realization that some of those business ideas won't work out as planned that drives us to be diversified. A portfolio of unlike ideas helps to limit our exposure to inevitable errors in judgment.

#6: We try to live in a narrow emotional band

The best investors stay focused on the facts. They never get excited when things are going their way and never get down when things are going against them. They keep their feelings in check.

Markets are irrational due in large part to the human emotions of fear and greed. Think about how dramatic markets swings can be over short periods. Businesses don't experience wild changes in value daily, but when you add emotion to the mix their stock prices suddenly do.

Commentators will pontificate about why markets do what they do on a particular day, but it's almost all nonsensical. We have yet to hear one of these pundits publicly acknowledge the truth because it would sound something like this: "Markets moved a lot today, but the values of their underlying business didn't. A root cause of these market moves was people like me reporting so-called news of little relevance, which plays on your feelings of fear and greed."

When making investment decisions in the face of uncertainty, we try to remember that shutting out the noise is an invaluable skill.

#7: We try to surround ourselves with sharp thinkers

The other members of your Investment team, Ted Chisholm, Frank Mullen and Andrew Pastor, add so much value because they each bring their own personality, perspective and skills to the table.

We're a cohesive team with each of us contributing in his unique way. While it isn't decision by committee, we do work as a collective. In our minds, we wouldn't be where we are today without our combined efforts. It's tough to find people in this business who together bring the right blend of passion, intelligence and energy to the job. Making decisions in an uncertain world is certainly easier when you're surrounded by some of the best thinkers like we are.

We continue to approach investing in these markets with measured confidence, value your trust in us and look forward to building your wealth over the long term.

Investment	Loss*
Connaught plc	-66.8%
BlackBerry Ltd.	-36.9%
Bank of New York Mellon Corp.	-33.9%
Takata Corp.	-25.5%
Western Union Co.	-21.5%
Gamestop Corp. – Class A	-19.7%
Hyundai Mobis	-11.3%
Cisco Systems Inc.	-5.0%
American Express Co.	-3.9%
Unitedhealth Group Inc.	-3.7%
Mine Safety Appliances Co.	-1.1%

*Inception to December 31, 2014.



Tye Bousada



Geoff MacDonald

GOOD QUESTIONS/BAD QUESTIONS: CAN YOU TELL THE DIFFERENCE?

By Andrew Pastor, Portfolio Manager

A good investor is like a good journalist. Both are able to distill large amounts of information to its essence. As part of their research, journalists try to ask the “right” questions...as do investors. They each look for insights that aren’t widely shared by others.

So what makes a good question? It can be simplified down to two things:

1. Is it **important**?
2. Is it **knowable**?

Most questions address one or the other. The trick is finding a question that meets both criteria.

Let me illustrate the importance of asking the right questions with a specific example. I first invested in Cymbria in January 2009, in the midst of the financial crisis. While it was clearly an uncertain time to invest, Cymbria piqued my interest.

At the time, the average investor was interested in knowing how long the crisis was going to last and whether it was a bad time to commit money to investments like Cymbria. Though this was **important** information, it was also **unknowable**.

Another mistake would be to focus on one or two of Cymbria’s holdings rather than the overall investment approach. In 2009, investors might have questioned Cymbria’s ownership of BlackBerry or Moody’s, with their typical feedback being, “Don’t the managers know that technology changes rapidly or that credit rating agencies were partly responsible for the financial crisis?”

The reality is that when I made my investment in 2009, I didn’t recognize many of the businesses in Cymbria’s portfolio. While I was familiar with BlackBerry, I had no opinion on whether it was a good or bad business. Should that have stopped me from investing?

Although information about any individual holding is **knowable**, it’s **unimportant** in deciding to buy Cymbria. At any given moment, you’re buying a diversified collection of our best ideas as opposed to betting on a particular stock. Over time, Cymbria’s portfolio changes. Trying to read into one or two of its holdings will never tell you much about Cymbria’s future prospects.

The stronger, more effective questions focus on the proven track record of Cymbria’s founders (check) and whether they have skin in the game (check), if their investment approach is easy to understand (check) and repeatable over the long term (check!). These are some of the questions I considered before investing in Cymbria.

Cymbria’s free lunch

Anyone who knows me well knows I can’t pass up a free lunch.

Likewise, one of my favourite questions about a business is: am I getting any free options? The great thing about a free option is that it doesn’t require precision. You just need to know that it could be worth something in the future.

When I initially invested in Cymbria, I believed I was getting several options that I wasn’t being asked to pay for, including Cymbria’s stake in EdgePoint Wealth. At the time, EdgePoint was being carried on the books at a nominal amount. While I had no idea how successful EdgePoint would become, I thought it was likely that the business would amount to more than its start-up capital.

Fast forward to the present and many aspects of my investment thesis about Cymbria have played out (i.e., my original questions have been answered). Cymbria’s portfolio has appreciated in value, of which EdgePoint has become a meaningful part. Cymbria’s initial investment in EdgePoint has grown from just over \$500,000 to just over \$62 million. Cymbria opportunistically repurchased shares and its discount to NAV has disappeared.

And as it turns out, Cymbria is no longer a shareholder in BlackBerry or Moody’s. Nor did either of these holdings meaningfully impact Cymbria’s wealth creation.



Andrew Pastor joined the Investment team in 2013 as a portfolio manager. He was a Cymbria investor long before then.

Caught on camera



Our cameras spotted Andrew at Cymbria Day 2011, two years before he joined the company.

Cymbria's free future

At this point, you might be wondering what investors should be asking today. Similar to 2009, it still makes no sense to focus on individual holdings. Instead, ask yourself if anything about Cymbria continues to be misunderstood.

For me, the answer is yes.

While investors tend to get most excited when they can buy Cymbria at a discount, most of Cymbria's wealth creation has actually resulted from the growth in its portfolio, not the discount narrowing.

I believe that even when you buy Cymbria at NAV, *you get our future ideas for free*. You get our current collection of businesses without being asked to pay for its growth or our ability to find new investments.

Where will our future ideas come from?

Truth is, I have no idea. Again, this is **important** but not **knowable**. It's impossible to predict where we'll find our next opportunity.

What I can tell you is that Cymbria has encountered many challenging periods since its inception and they all presented attractive opportunities that made Cymbria stronger.

Over the next decade, our portfolio will look dramatically different than it does today. Perhaps our best investment ideas will be in private markets or on the credit side of the business. It's possible that the current dislocation outside of North America will translate into tomorrow's growth.

This is the beauty of Cymbria – our flexibility to go anywhere to find the best investment ideas. In 2009, Cymbria had just two portfolio managers asking the right questions to take advantage of these opportunities. Today, five of us are doing the job.

Why I first invested in Cymbria

- ✓ Permanent pool of capital allows the business to weather the storm
- ✓ Investment approach is simple to understand and repeatable
- ✓ Cymbria's management team has a track record of building long-term wealth
- ✓ Employees have skin in the game
- ✓ I could invest at a significant discount to NAV
- ✓ Cymbria's NAV was understated as the individual holdings were undervalued by the market
- ✓ Free option on the growth of EdgePoint Wealth
- ✓ Unconstrained mandate compared to the average mutual fund
- ✓ Opportunities for share buybacks at a discount

THE BUSINESS OF CYMBRIA

S.W.O.T. analysis details the internal (or organizational) and external (or environmental) forces that may impact a business, with the basic premise being that this aids in determining just how good or bad of an enterprise it is. S.W.O.T. stands for strengths, weaknesses, opportunities and threats.

Of course we believe Cymbria's positives far outweigh its negatives. We wouldn't have launched Cymbria and committed so much of our own money to it otherwise. We also know we can do better. That's why we pay close attention to threats to our business and do what we can to remedy our weaknesses.

When we lay it all out, our version of a S.W.O.T. analysis looks like this.

S

- **Proven track record:** Time and again, we've made investors money
- **Repeatable investment approach:** You get a collection of our best ideas based on our proprietary insights. When it comes to having an idea about a business that isn't widely shared by others, you either have one or you don't
- **Owning EdgePoint:** Cymbria gets to participate in EdgePoint's growth and dividends
- **Potential to buy Cymbria at a discount to NAV:** Because Cymbria's price is market determined, it can trade below NAV, creating opportunities for astute investors
- **Share buybacks:** If done at an attractive price, they increase the ownership stakes of remaining shareholders and can boost their returns. Like getting something for nothing
- **Lower fees:** Cymbria's MER is relatively low and still on the decline. Take that, run-of-the-mill global equity fund!
- **Alignment of interests:** Our personal financial stake in Cymbria and EdgePoint's Portfolios is significant, amounting to over \$101.1 million
- **Committed partnerships:** We own Cymbria. We're not going anywhere. Period. Our shareholders are also in it for the long term, with 81% of those we can track having held Cymbria since its inception
- **Regular and honest communication:** We actively educate investors and their advisors about Cymbria and believe we enjoy a better shareholder base as a result
- **Permanent pool of capital:** Cymbria can never be forced to sell to fund redemptions. Likewise, its growth is performance driven and independent of inflows
- **Investment flexibility:** Thanks to its unique structure, Cymbria enjoys a much bigger universe of investment choices
- **Reinvested cash flows:** We reinvest gains and income from Cymbria's portfolio to enhance your returns
- **Liquidity Realization Opportunity (LRO):** To diminish liquidity constraints, the LRO can offer the option to redeem Cymbria shares at a price close to NAV



Strengths

Cymbria's competitive advantages

W

- **No analyst coverage:** Cymbria “flies under the radar” and truth be told, we prefer this. However, broader research would help to enhance Cymbria’s familiarity among investors
- **Lack of liquidity:** Transacting a large number of Cymbria shares without moving its price can prove difficult and may take several days, if not longer
- **Potential to sell Cymbria at a discount to NAV:** Because Cymbria’s price is market determined, it can trade below NAV, potentially hurting returns for uninformed investors
- **EdgePoint illiquidity:** EdgePoint is a private company. As it grows, so too does its weight within Cymbria. Of course, we have no intention of selling EdgePoint
- **Potential to lose money:** Cymbria’s value isn’t guaranteed nor is it a risk-free investment
- **Key-man risk:** Although our investment approach is easy to understand and repeatable, outstanding investment talent, by definition, isn’t easily found
- **No distributions payout:** A perceived weakness, Cymbria currently reinvests its earnings rather than paying them out. If you own Cymbria for a dividend, you’ll likely be disappointed
- **Bad rap:** Thanks to its superior structure, Cymbria has often traded at a premium to NAV; however, closed-end funds can be seen as a poor investment vehicle because they often trade at a discount to NAV



Weaknesses

Cymbria’s improvement areas

O

- **Go-anywhere portfolio:** Cymbria can invest in all market-capitalization sizes, across all geographies, in private companies, and also has the ability to use leverage and issue equity. In other words, it’s far from limited to just stocks
- **Appealing structure:** Cymbria’s uniqueness helps to attract investment talent and investors alike
- **Popularity of passive investing:** The more money that pours into index funds, the less investors are thinking about business fundamentals, to Cymbria’s advantage
- **Short-termism:** The market’s excessive focus on short-term results provides us with long-term investment opportunities. This is just one of the many benefits of having proprietary insights that look out more than five years



Opportunities

Potential contributors to building Cymbria’s strengths

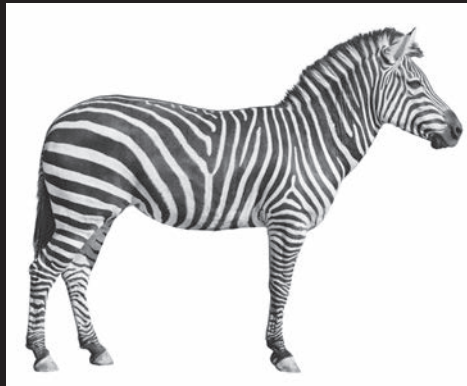
T

- **Concentrated ownership:** Cymbria’s relatively small shareholder base makes transacting shares more challenging
- **Negative regulatory changes:** We can only track and be prepared to respond to new rules about how we run our business. Ultimately, it’s not up to us
- **Negative tax changes:** The government giveth... and the government taketh away!
- **Buying yesterday’s story:** Investors may make unreasonable assumptions about Cymbria’s future growth based on its past performance



Threats

Potential problems or risks to Cymbria



Nothing in this world is completely black & white – except zebras and anything EdgePoint prints because that keeps costs low.

Lower costs = higher returns for you.

EdgePoint hasn't adopted a loveable zebra as its mascot – mainly because we might have to spend money to do so and that doesn't mesh with our cost-conscious ways. The zebra appears at the bottom of printed material that EdgePoint produces, because we can't talk enough about our low-cost structure. Keeping an unrelenting focus on keeping our expenses down means forgoing flashy colour printing, flying economy and scooping as much free stationary from conferences as will fit in our pockets. We sweat the small stuff knowing every little bit of savings counts toward our investors' bottom line. This has led us to have fees that are among the lowest of our direct competitors, even though we're only a fraction of their asset size.

As an investor you should be just as cost conscious as us. While fees are unavoidable, pay close attention to them because they eat away at your savings. The impact of even small fee reductions can be dramatic and potentially adds hundreds of thousands of dollars to your wallet over the long term.

Welcome to EdgePoint, where low costs are already the norm.

A LETTER TO ADVISORS – CHANGE IS COMING*Opportunity favours the prepared advisor*

If you remember, over a year ago I wrote a letter commenting on new industry regulations being implemented under CRM2. I'm not going to recap all the changes, because I'm guessing you've heard similar messaging from every other fund company by now.

Discussions surrounding CRM2 often remind me of an insightful comment from an advisor I interviewed in Australia: "if your client doesn't know what you do for them, it's as if you've done nothing."

Over the past year, I've spoken to many advisors about the importance of being able to clearly articulate their value, as well as the need to remind their clients what they do for them, and to do it now! The reality is client portfolios have probably never had better five-year performance. There couldn't be a more opportune time for advisors to tell their clients about it and explain how they've helped them achieve this wonderful performance.

To assist with these conversations, our communications team developed several key pieces to help advisors successfully transition into the post-CRM2 world. We've built our business around the importance of independent financial advice and the belief that it shouldn't be free. A skilled and principled advisor can offer effective advice in helping reach financial goals and those advisors should be compensated appropriately.

While the prospect of change can be daunting, the writing is on the wall. I will continue to encourage advisors to embrace this change, because as I write this, the winds of change continue to swirl around the industry. Independent third-party research initiated by the Canadian Securities Administrators is underway to assess if commissions and embedded fees influence mutual fund flows. There's talk of implementing a "best interests" standard for all dealers and advisors.

My advice: get used to change and remember that though short-term dislocations are inevitable, being prepared will offer you the opportunity to take advantage of these dislocations.

Thank you for your continued commitment to EdgePoint.

Sincerely,



Patrick Farmer, Chairman

Key disclosure dates – what investors can expect from CRM2**December 31, 2015**Account statement

- Quarterly statements including all transactions during the period. Monthly statements must be made available upon request
- Any securities subject to a deferred sales charge must be identified

July 15, 2016*Report on charges and other compensation

- Annual report including detailed information on charges and compensation paid to dealers or advisors

Investment performance report

- Annual report using standard formulas explaining how investments have performed over time

*First calendar-year reporting period begins January 1, 2016.



INVESTMENT IN EDGEPOINT

Cymbria's \$500,000 investment in EdgePoint equates to a 20.7% ownership share. It has received \$10.3 million in dividends from EdgePoint since inception and its stake in the company has increased to \$62.4 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio.

The business

EdgePoint is a Toronto-based, employee-owned wealth management company founded by Tye Bousada, Patrick Farmer, Robert Krembil and Geoff MacDonald. They believed there was room in the crowded marketplace for a different kind of investment management company. Frustrated at seeing the mutual fund industry transform from investment focused to asset gathering, sales- and marketing-driven at the expense of investors' best interests, they launched EdgePoint on November 17, 2008 with three goals:

1. Achieve investment results at or near the top of our peer group over 10 years.
2. Remain an investment-led organization that has strong relationships with our investment partners.
3. Maintain a company culture that inspires our employees to think and act like owners.

Our progress

Our progress to date against those three goals follows.

1. Achieve investment results at or near the top of our peer group over 10 years.

We believe you can be lucky over shorter periods, but that it takes considerable skill to achieve long-term outperformance.

Investment results since inception

Series A portfolios	2014	2013	2012	2011	2010	2009	2008 [†]	Since inception
EdgePoint Canadian Portfolio	9.4%	26.3%	8.9%	-7.8%	16.6%	50.2%	4.9%	17.9%
S&P/TSX Composite Index	10.6%	13.0%	7.2%	-8.7%	17.6%	35.1%	2.8%	12.2%
EdgePoint Global Portfolio	18.7%	44.5%	11.1%	-2.7%	8.0%	28.2%	10.4%	18.6%
MSCI World Index ^{††}	14.4%	35.2%	13.3%	-3.2%	5.9%	10.4%	9.0%	13.2%
EdgePoint Canadian Growth & Income Portfolio	8.4%	22.2%	6.6%	-4.1%	14.0%	40.4%	1.5%	14.8%
60% S&P/TSX/40% BofA Merrill Lynch Canada Broad Market Index	10.1%	7.1%	5.9%	-1.4%	13.5%	22.7%	3.2%	9.7%
EdgePoint Global Growth & Income Portfolio	13.9%	32.4%	9.0%	-0.5%	9.0%	29.1%	4.1%	15.7%
60% MSCI World Index/40% BofA Merrill Lynch Canada Broad Market Index	12.3%	19.3%	9.5%	2.1%	6.6%	8.6%	6.9%	10.2%

[†]November 17, 2008.

^{††}MSCI Daily Total Return Net World Index ("MSCI World Index").

Standard performance

The regulators mandate us to include annualized returns in the table that follows, because we provide performance by year in the above. That's just how our industry works.

Annualized returns can be misleading because what an investment has averaged over a given period isn't necessarily the same as what an individual investor has actually earned. Even over long timeframes, returns can look quite different depending on the start and end dates selected. A few periods of performance in one direction can drastically change outcomes as poor years drop off or good years are added on.

Only your personal rate of return matters. Your advisor can help you to reconcile the numbers you see from your fund companies with those shown on your account statements and determine whether your investments have made or lost you money.

Series A portfolios	YTD	1-year	3-year	5-year	Since inception
EdgePoint Canadian Portfolio	9.39%	9.39%	14.56%	10.07%	16.49%
EdgePoint Canadian Growth & Income Portfolio	8.36%	8.36%	12.17%	9.06%	13.75%
EdgePoint Global Portfolio	18.71%	18.71%	23.98%	14.92%	18.58%
EdgePoint Global Growth & Income Portfolio	13.91%	13.91%	18.02%	12.28%	15.36%

Annualized returns as at December 31, 2014.

Source: Zephyr StyleADVISOR, Bloomberg. Total returns in C\$. Compounded annual rates of return.



A company of unsatisfied winners

We continue to post strong results in the short term and over the last six years have successfully generated wealth for our investors. Although we're happy with our progress, we have yet to reach our 10-year performance goal of rising to the top of our peer group. That's our commitment. Until that time, we won't be satisfied.

Future investment returns are never a guarantee, but we fully anticipate periods when we'll underperform. Exactly when, we can't predict. However, we can say with confidence that our proven investment approach and appetite for volatility continue to arm us to take advantage of price corrections to position our Portfolios for long-term outperformance and tomorrow's markets, not yesterday's.

Our 2014 award wins

You'll never open a newspaper or website to discover we've paid to advertise our past accomplishments. Because there's no finish line in our business and by default no podium to stand on.

Why does the vast majority of our industry spend a fortune touting its own success? Because it feels good to the industry and to investors. It's very human to want to be associated with a winner.

Marketing- and sales-led fund companies understand that, like performance peddling, advertising the awards they've won will attract assets, which in turn increases their profits but does nothing for their investors. If anything, it hurts them. Past history tells you next to nothing about how an investment will fare in the future. Whether for months, quarters or years gone by, the praise such awards dole out is always in retrospect.

Awards are an indication that our existing investors have been well served. However, these investors don't need multiple reminders. They know they've been rewarded because they've lived it. Shiny plaques, statues and other dust collectors just don't compare to that sense of satisfaction.

We may not focus on short-term performance or winning accolades, but we are grateful to have been recognized by Morningstar Canada Inc., Lipper Canada and Fundata in 2014.

2. Remain an investment-led organization that has strong relationships with our investment partners.

Our advisor partnerships climbed to 3,165 in 2014 from 2,782 in 2013, with the top 20% of our advisors continuing to represent approximately 80% or \$4.5 billion of EdgePoint's retail AUM at an average of \$7 million per advisor.

The top 20% of our institutional clients now represent 93% of our institutional AUM (approximately \$1.8 billion), with an average investment of \$300 million each.

Have you noticed that we intentionally obscure our AUM so that it takes additional calculations on your part to arrive at a total figure? Seems counterintuitive for a company like ours that believes in transparent communications, or does it?

Our asset size is a success measure that we'll continue to share publicly only when obligated to. Inasmuch as shareholders consider increases in AUM to be good news (they're a marker of strong sales and/or investment gains), put yourself in the shoes of an EdgePoint investor instead. They understandably have a different take on growing AUM. For the most part, bigger assets work for shareholders and against investors, becoming another hurdle to achieving outperformance. While growing assets can help to reduce investment fees because of economies of scale, funds that manage a lot of money are more cumbersome and can therefore find it challenging to build a meaningful position in an investment idea, particularly one centered on a small business.

What do EdgePoint investors care about more than asset size? To start, how much money we've made them and the amount we've saved them in fees versus our competitors. Unlike our AUM figure, we're happy to present these numbers with perfect clarity.

\$3,383,416,647* – How much we've made for our investors

\$37,896,686† – How much we've saved investors through lower fees

*Includes since inception total returns from all investments managed by EdgePoint, net of fees and taxes charged directly to the respective portfolios. Excludes fees and taxes paid directly by investors.

†Source: category average MERs from PalTrak as at December 31, 2014. Category average is MERs of actively managed funds in relevant categories defined as core funds with a minimum investment of \$25,000 and total assets >\$50 million, excluding ETFs. Annual savings calculated using an average of monthly assets under management for series A, B, A non-HST, and B non-HST. MERs since inception to end-of-year 2008 not included.



Helping our advisors and investors succeed

With CRM2 approaching, meaning that any compensation an advisor receives will be disclosed on client statements, advisors are looking to “up their game” and better demonstrate their value to further justify their fee.

So we came up with a tool to help our external partners articulate to their clients the depth of their expertise in choosing the right investment managers to work with.

Research shows that successful investment managers share specific attributes both in how they're structured and in the way they approach investing. Characteristics like being privately held, eating your own cooking and bottom-up investing are all markers of long-term success.

Our “Structured for long-term investment success” litmus test touches on the importance of each of these attributes, highlighting to our investors that their advisors have a well-defined process behind their investment manager selection.

Structured for long-term investment success

Investment approach attributes

- ☐ **Active management**
Your fund shouldn't look like the index if you are paying for active management
Funds with the highest active share outperformed their index by 3.64% annually.
- ☐ **Low turnover**
Funds with low turnover are managed by investors who think and act like business owners, not traders of stocks
Underperforming funds are more likely to have higher portfolio turnover.
- ☐ **Concentrated funds**
Less is more – concentrated funds are comprised of your best ideas
Funds that concentrate their holdings in their best ideas outperform the market by 4 to 10% annually.
- ☐ **Lower fees**
Fees matter because they eat into your investment returns
- ☐ **Non-formula based investing**
Investing based on business fundamentals, not computer algorithms
Funds focused on stock selection had better returns than those that made market timing calls. These calls are not rewarded in the market and actually tend to destroy value for fund investors.
- ☐ **Your criteria**

Structural attributes

- ☐ **Investment led**
Investment firms led by investment professionals rather than sales and marketing teams
Several well-known mutual fund firms spend more on marketing expenses than all the other costs of managing your money.
- ☐ **Privately held**
With no shareholders to answer to, privately held firms can truly align their interests with their investors
Employee-owned firms have a better chance of avoiding the pressure that leads other firms to focus on increasing assets rather than managing your money.
- ☐ **Size matters**
Funds with fewer assets have more flexibility to buy meaningful stakes in smaller companies
A fund's performance is inversely correlated with its assets under management.
- ☐ **Experience**
Long-term, highly-skilled and disciplined portfolio managers
Funds managed by experienced fund managers outperform by 1.5% per quarter.
- ☐ **Co-investment**
Investing for you and with you
Managers who have a minimum of \$1 million in the funds they manage, outperform the majority of their peers over a five-year time frame. Out of the 7,700 funds tracked by Morningstar, nearly half are run by managers who don't have a single penny in their own funds.
- ☐ **Your criteria**


EDGEPOINT

3. Maintain a company culture that inspires our employees to think and act like owners.

Believing that culture begins with a business's owners, we offer employees the opportunity to buy a stake in EdgePoint Wealth. To truly align our interests, we believe employees should purchase their shares rather than be given stock or options. This increases the commitment to our company and eliminates any sense of entitlement. There's an important difference between the risk of losing one's hard-earned savings and forgoing a satisfactory capital gain. It's also another area that sets us apart from the majority of companies in our industry. All of EdgePoint's employees are EdgePoint owners.

New employees in 2014

A total of 41 EdgePoint internal partners are now working for you, including these new hires in 2014.

Joel DeSilva, Operations
 Alexandria DiBellonia, Relationship Manager
 Christopher Handscomb, Relationship Manager
 Michelle Hunwicks, Investment Communications
 Rebecca Jan (returning), Creative Services
 Kris Reuschel, Investment Communications



CLOSET INDEXING – A GROWING PHENOMENON

Fees aren't the only area where investors know less than they should. *How* their investments are being managed is as important to understand, yet investors are mostly in the dark about this too.

For example, most investors aren't aware that their money is increasingly being managed by less active mutual fund managers to the detriment of investment returns. This form of passive investing in active management's clothing is referred to as "closet indexing."

Closet indexers are funds that claim to be active and charge a higher fee for active management but actually just closely resemble an index. The problem for investors is that a manager who generates returns similar to an index and charges higher fees will, by design, underperform. The growth in popularity of closet indexing is a major contributor to why the average *actively* managed fund underperforms net of fees. From the early 1980s to today, closet indexers have ballooned from less than 5% to over 30% of U.S. fund assets. We tell investors and their advisors to avoid these funds because they're paying for something they aren't getting, namely value.

Active share as a guiding principle

We also promote active share as a means to identify truly active funds. Active share measures the difference in holdings and weights between a fund and its index. The higher a fund's active share number, the more it departs from its index based on the selection of businesses in its portfolio.

A prerequisite for outperformance

Not only does active share make it easy to identify and track "real" active managers, but funds with the highest active share have been shown to outperform their index by 3.64% annually. This is in stark contrast to funds with low active share – those closet indexers – that underperformed by -0.13% over the same timeframe.

EdgePoint's active share

EdgePoint Global Portfolio is highly active, with a 97% active share to prove it. At 84%, EdgePoint Canadian Portfolio's lower active share reflects the fact that when compared internationally, Canada's smaller market offers fewer investment choices. It's simply harder to look different in Canada. That doesn't mean we won't try!

Quality at a low price

High active share plus industry-low fees – this is what you want out of your actively managed fund and that's what we aim to deliver to our investors.

Since our inception and after taxes are taken out of the equation, our MERs have only fallen.

2014 MER comparison

	Series A	Series A(N) – non HST	Category average
EdgePoint Canadian Portfolio	2.16%	1.99%	2.49%
EdgePoint Global Portfolio	2.14%	1.98%	2.60%
EdgePoint Canadian Growth & Income Portfolio	2.05%	1.88%	2.41%
EdgePoint Global Growth & Income Portfolio	2.02%	1.87%	2.48%

Source: PalTrak. As at December 31, 2014. Category average is MERs of actively managed deemed competitor funds in relevant categories.

Stay tuned – our costs are still on the decline and we strive to report back to you in a year's time with even lower MERs.

Do you know what you're paying?

When it comes to managing their investments, many investors just don't know what it's costing them. As an investor it can be tempting to turn a blind eye to fees. Maybe you're unsure about how things work or even the questions you should be asking. Our industry has also done a poor job of keeping investors conscious of investment costs for obvious reasons. The less fees are under scrutiny, the more freely they can increase.

CRM2 ushers in a new era of fee transparency. By July 2016, all costs to investors will be disclosed to them in dollar terms, including sales commissions and administrative charges. Knowing exactly how much you're paying for your investments will go a long way toward helping you better evaluate performance and what you're getting for the money you're spending.

Active share	Definition
0 – 20%	Pure indexing
40% – 60%	Closet indexers
80% – 100%	Truly active

Source: M. Cremers and A. Petajisto, "How Active is Your Fund Manager?" Yale School of Management, 2006.

Active share	Annualized out/under performance (after fees)
Less than 60%	-0.13%
60% – 90%	1.63%
Over 90%	3.64%

Source: M. Cremers, M. Ferreira, P. Matos, L. Starks, "The Mutual Fund Industry Worldwide: Explicit and Closet Indexing, Fees, and Performance," Social Science Research Network, 2013.

Active share scores

EdgePoint Global Portfolio
97%

EdgePoint Canadian Portfolio
84%

6 in 10 mutual funds in Canada*
<60%

*M. Cremers, M. Ferreira, P. Matos, L. Starks, "The Mutual Fund Industry Worldwide: Explicit and Closet Indexing, Fees, and Performance," Social Science Research Network, 2013.



HEAD TO HEAD: US VERSUS ETFs

Exchange-traded funds (ETFs) are growing in popularity and often positioned as a smarter alternative to actively managed funds. We can see why. Not that there's something inherently wrong with active management, but because so many professed active funds underperform their benchmark. However, we believe we're different and our stated goal is to be at or near the top of our peer group over 10 years. Compared to our Portfolios, are ETFs the better option? You decide.

EdgePoint actively managed mutual funds	Index tracking ETFs
A single, time-tested investment approach	A methodology with no thought applied
Diversified by business idea with obvious and non-obvious correlations considered	Investors own the good, the bad and the ugly
Concentrated portfolios of our best business ideas based on our proprietary insights	Implicit momentum – investors buy more of what is expensive and less of what is cheap. Size is the primary determining factor.
Fewer investors thinking about business fundamentals provides opportunities for active managers like us	"Dumb money" invested based on a formula-driven approach that doesn't identify proprietary ideas or meet with company management to know whether a business is being run well
Top 10 holdings available monthly, top 25 holdings available quarterly, with all holdings available twice annually	Transparent, with holdings published daily
Investment objective is to outperform even after fees (long term though, day-to-day doesn't interest us)	Virtually guaranteed to underperform the index after fees and tracking error are accounted for albeit likely by small margin
Bought and sold daily using end-of-day pricing	Bought and sold at any time when the market is open, with price updates by the second
Index agnostic	Closely track the index
Intended to buy and hold	Can be used for almost any investing strategy, from buy and hold to day trading
Use volatility to our advantage to buy great businesses at reduced prices	Subject to the vagaries of the market
An investment product designed to build wealth, not manage taxes	Depending on the investment strategy and investor, could be more tax efficient than a mutual fund trust equivalent
From where we stand, an investment in future growth	From where we stand, an investment in mediocrity



INVEST

THE ANTI-INDEXERS

GEOFF MACDONALD AND TYE BOUSADA, PARTNERS, EDGEPOINT WEALTH MANAGEMENT CAN NOW EXPLAIN TO BASICS ACTIVE MANAGEMENT CAN REALLY ADD VALUE

Geoff MacDonald and Tye Bousada, partners at EdgePoint Wealth Management, are the only active managers in the Canadian mutual fund industry who have been named "Top 100" by *Investment Executive* magazine for three consecutive years. Their approach is simple: buy and hold high-quality companies, not trends in sectors or countries.

In January 2008, the two partners launched the first of their actively managed funds, the EdgePoint Canadian Fund. Since then, they have launched three more funds, all of which have outperformed their benchmarks. Their success is based on a simple, time-tested investment approach: buy and hold high-quality companies, not trends in sectors or countries.

Geoff MacDonald and Tye Bousada are proud bottom-up stock pickers, who look at high-quality companies, not trends in sectors or countries.

17.7%

EdgePoint's actively managed funds have outperformed their benchmarks by 17.7% over the last 10 years.

Being active gets us noticed

A November 2014 Canadian Business magazine profile of Tye and Geoff highlights how the EdgePoint approach adds value by being different – from the market, other investors and our competition.

"Bousada had several reasons for leaving his (previous) job, but the main one was that the mutual fund industry was turning into more of a marketing-driven business than an investor-focused one."

"Bousada and MacDonald are proud bottom-up stock pickers, who look at high-quality companies, not trends in sectors or countries."



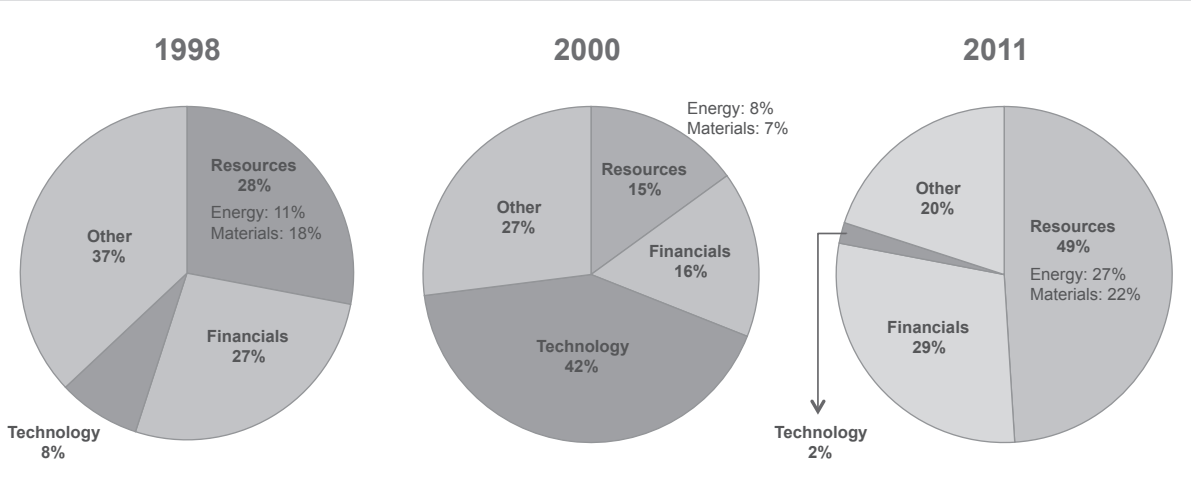
Canada's undiversified index

The S&P/TSX Composite Index can experience dramatic shifts in makeup. At different points in its history, the Index has offered only a skewed perspective on the Canadian market due to its lack of diversification.

For example, in 1998 the Index was underexposed to energy, which turned out to be one of the best opportunities then. The Index in 2000 was most exposed to technology – in retrospect, the riskiest sector to invest in at the time. Again in 2011, the Index was highly exposed to the disproportionate risk of resources stocks.

In all cases, index investors who believed they were getting a well-diversified portfolio of Canadian business ideas learned the hard way that they weren't.

We see no reason why this won't keep happening. A significant downside to index investing is that it simply chases the "hot" sector at any given time rather than considering business fundamentals.



Source: TD, S&P/TSX Composite Index. Index snapshots as at April 30, 1998, August 31, 2000 and May 31, 2011.



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YOUR EDGE ONLINE

Our website and #1 biggest communication tool at www.edgepointwealth.com got a facelift in 2014 after five years (an eternity in internet years). Let's just say that as the most powerful and efficient way for us to be available to the most people for the most amount of time, it needed the makeover. Our website may have changed, but who we are and what we stand for never will.

What's new and improved

1 *Easier reading and navigation*

Get quicker access to what you're looking for and enjoy an optimal viewing experience across a wide range of devices – from smartphones to desktops – thanks to our website's responsive technology.

2 *More about us and how we can help you just a click away*

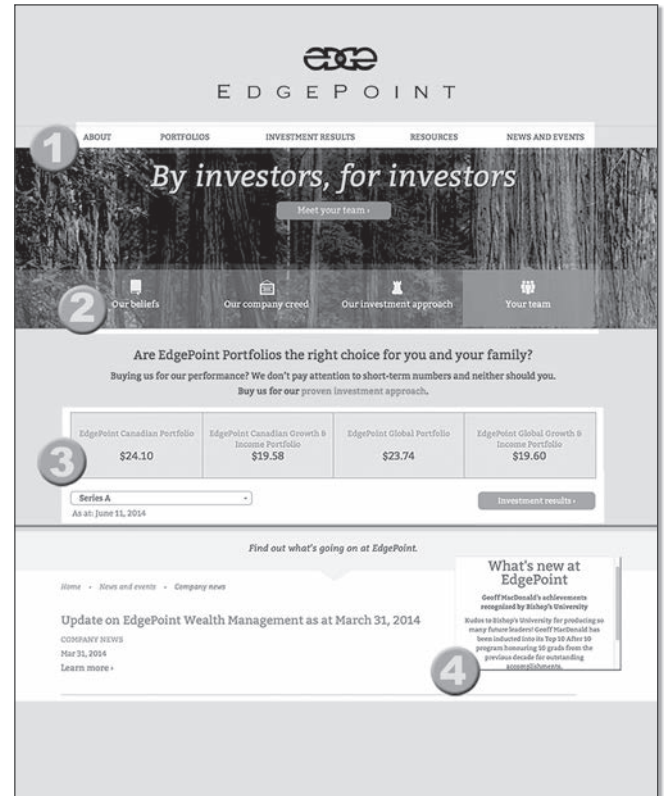
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Telling our story

We pointed a camera on the EdgePoint story so more investors could get the straight goods on why being employee owned and investment led should matter to them.

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CYMBRIA'S RESULTS

Security selection was Cymbria's most important wealth driver, adding 17.4% to its NAV in 2014. Growth in EdgePoint Wealth's business and Cymbria's pro-rata share of EdgePoint's dividend increased this return further.

The carrying value of Cymbria's stake in EdgePoint increased to \$62.4 million as at December 31, 2014, from \$35.6 million the year prior, reflecting the growth in EdgePoint's business. This contributed 5.2% to Cymbria's growth in its A share NAV. The \$4 million in dividends from EdgePoint provided an additional 0.8% increase.

Summary: EdgePoint's contributions to Cymbria

Cymbria's wealth drivers	2014	2013	2012	2011	2010	2009
Security selection	17.35%	45.49%	9.55%	-3.36%	9.53%	27.89%
EdgePoint business	5.17%	6.04%	0.96%	0.85%	1.92%	1.38%
EdgePoint dividend	0.78%	0.63%	0.56%	0.39%	0.37%	0.01%
Change in Cymbria's A share NAV	23.30%	52.16%	11.07%	-2.12%	11.82%	29.28%

Security selection includes Cymbria's income (excluding EdgePoint dividends) and expenses. The change in Cymbria's NAV includes an accrual for current income taxes and excludes the impact of potential future taxes on the portfolio's unrealized gains. Calculations are for Cymbria A share NAV.

This year Cymbria enhanced its valuation process by enlisting the services of an independent valuator to assist with the valuation of EdgePoint. On December 11, 2014, the Valuation Committee, with the assistance of the independent valuator and Cymbria's Board of Directors, increased the value of Cymbria's investment in EdgePoint from \$35,646,025 to \$62,439,718.



FREQUENTLY ASKED QUESTIONS**Q. What is Cymbria?**

A. Cymbria is an investment corporation created with the objective of providing shareholders with long-term capital appreciation via a concentrated portfolio of global equities and an investment in EdgePoint Wealth. Unlike an open-end mutual fund, Cymbria is publicly traded on the Toronto Stock Exchange.

Q. What does Cymbria's ownership stake in EdgePoint provide?

A. Cymbria owns 20.7% of EdgePoint Wealth, giving Cymbria the opportunity to participate in EdgePoint's growth. Cymbria's original \$509,585 investment in EdgePoint has grown to \$62.4 million (as at December 31, 2014). In addition to this growth, to date Cymbria has received \$10.3 million in dividends from EdgePoint.

Q. Why is Cymbria's stock price different from its NAV?

A. Cymbria's NAV, just like a mutual fund's, is calculated daily based on the closing market prices of the securities in Cymbria's portfolio. Unlike a mutual fund, where buy and sell orders are processed using trade date NAV, Cymbria is bought and sold based on its stock price, a market-determined figure that fluctuates throughout the day. Cymbria may trade at a premium or discount to its NAV.

Q. Can you explain Cymbria's Liquidity Realization Opportunity ("LRO")?

A. In certain circumstances where (i) Cymbria's portfolio has experienced growth in the previous fiscal year, (ii) Class A shares are trading, on average, at a price less than 97% of NAV over a fiscal quarter, and (iii) on the Manager's recommendation, the LRO provides an opportunity for Cymbria shareholders to dispose of shares close to NAV. The purpose of this feature is to potentially increase Cymbria's attractiveness as an investment by enhancing liquidity and flexibility. For more information, please refer to Cymbria's LRO Policy at www.cymbria.com.

Q. Can you explain Cymbria's dividend policy?

A. Cymbria doesn't currently pay dividends. Rather, it reinvests the cash it generates from its investments. This will continue unless the market environment substantially changes.

Q. Why didn't I receive my share of EdgePoint's semi-annual dividend?

A. Cymbria receives its proportionate share of EdgePoint-distributed dividends that may be reinvested in existing or new investments, or be used to buy back shares of Cymbria in the open market. The same applies to any other company Cymbria owns. We believe this provides investors with the best return on their investment.

Q. What is Cymbria's position on share buybacks and why are they good for shareholders?

A. Share buybacks can be an important driver of wealth for shareholders at the right price. They reduce the number of shares in circulation, increasing remaining shareholders' ownership stake.

Cymbria's Normal-Course Issuer Bid ("NCIB") allows a repurchase of up to 10% of outstanding shares per year. We'll buy back shares if Cymbria's stock price trades at a meaningful discount to NAV.

Q. How does Cymbria differ from a regular mutual fund?

A. Ways in which Cymbria and mutual funds differ include:

Investment flexibility

Cymbria has greater investment flexibility. It's an investment corporation that can buy (or short) publicly traded companies, purchase privately held businesses or use leverage. This provides Cymbria with a much bigger universe of investment choices.

Permanent pool of assets

Cymbria raised \$234 million through its initial public offering, which has grown to more than \$641 million. Cymbria's asset size will grow (or shrink) as a result of changes in investment value. It may also decrease due to share repurchases under the NCIB and LRO. In contrast, investors can purchase and redeem units of a mutual fund, affecting the size of its investment pool.

Buy/sell price determined by the market

Funds are typically bought and sold at their NAV, which reflects the underlying prices of their securities. Since Cymbria trades on a stock exchange, its price reflects market-determined value.

Liquidity

Cymbria shares are bought and sold in the open market, and investors should consider potential liquidity constraints. Small-capitalization companies like Cymbria tend to be much less liquid than their larger-cap counterparts. Transacting a sizeable volume of shares without moving their price can prove difficult. As a result, it may take several days or even weeks to buy or sell a large number of shares. Comparatively, liquidity isn't an issue for mutual funds that allow investors to redeem their units at NAV. Cymbria's LRO aims to diminish liquidity constraints by giving shareholders the option of disposing of their shares from time to time at a price close to NAV.

Share buybacks

Cymbria can buy back shares if its valuation warrants it. We believe buying back Cymbria shares at an attractive discount to NAV makes sense for our shareholders.

Distributions

A mutual fund's income and realized capital gains are typically distributed to unitholders annually so that unitholders (and not the fund) pay the associated income taxes. As a taxable corporation, Cymbria doesn't currently pay annual distributions or dividends. Investors can hold Cymbria in a non-registered account, receiving no taxable income during the year. Since Cymbria's corporate tax rate is currently lower than Canada's highest marginal personal tax rate, having Cymbria incur taxes could be more tax efficient than owning a comparable mutual fund in a non-registered account.

Ownership stake in EdgePoint

Cymbria has a 20.7% stake in privately held EdgePoint. Cymbria initially received this ownership stake at book value (approximately \$500,000) to allow Cymbria investors to participate in EdgePoint's growth (its stake is now worth \$62.4 million). This opportunity is only available to Cymbria investors and EdgePoint's internal partners.

Benefits to owning EdgePoint include:

- Dividends: Cymbria receives semi-annual dividends from EdgePoint
- Value: Cymbria participates in EdgePoint's growth

To date, EdgePoint has been the single-largest contributor to Cymbria's performance.

Q. Does Cymbria's performance mirror EdgePoint Global Portfolio's?

A. Reasons for performance differences include:

Differences in holdings

Performance differences arise primarily from portfolio composition, most notably Cymbria's ownership of EdgePoint Wealth. No matter the current overlap between the two investments, variances in portfolio holdings and weights may have an impact on individual performance.

Launch date

Cymbria launched on November 4, 2008, and EdgePoint Global two weeks later, on November 17. Their performance since inception can't be compared and the market's negative return between inception dates has led to further performance differences.

NAV versus share price

EdgePoint Global's performance is measured by its NAV while some measure Cymbria's performance by its stock price, a figure influenced by market sentiment. We believe Cymbria's investment results are best measured by its NAV.

Fee structure

Shareholders currently pay 1.97% in fees to own Cymbria (Class A).

Beginning November 4, 2015, the service fee charged to Class A shareholders, equal to 1% annually paid to registered dealers, will cease and the management fee for Class A shares will increase from 0.75% to 1%; however, shareholders can expect their overall fee to decrease to approximately 1.25%. In comparison, EdgePoint Global (Series A) investors pay a 2.14% management expense ratio.

Corporate taxes

Cymbria pays taxes just like any other publicly traded Canadian corporation. EdgePoint Global is a mutual fund trust. Provided EdgePoint Global Portfolio distributes all of its annual taxable income, such taxes are paid by unitholders and not by the mutual fund trust. Cymbria's NAV is reported after tax and EdgePoint Global Portfolio's before tax.

All figures as at December 31, 2014.

Annual Management Report of Fund Performance of

CYMBRIA CORPORATION

Year ended December 31, 2014



C Y M B R I A

This annual Management Report of Fund Performance (“MRFP”) contains financial highlights, but not Cymbria’s annual Financial Statements. The annual Financial Statement may be included at the back of the MRFP. You can obtain a free copy of the semi-annual 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 2014 annual Financial Statements for more information. For Cymbria’s current and historical net asset values per share, please visit **www.cymbria.com**.

Caution regarding forward-looking statements

This report may contain forward-looking statements about Cymbria, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties, and assumptions about Cymbria and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by Cymbria. Any number of important factors could contribute to these differences, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the abovementioned list of important factors is not exhaustive. 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 Management Report of Fund Performance.

Management discussion of fund performance

The management discussion of fund performance presents the views of the portfolio management team 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.

Investment objectives and strategies

Cymbria seeks to provide long-term capital appreciation through an actively managed portfolio consisting primarily of global equities and an investment in EdgePoint Wealth Management Inc ("EdgePoint"). We (the portfolio management team) invest primarily in global companies that have strong competitive positions, long-term growth prospects and are run by competent management teams. We acquire ownership stakes in these companies at prices below our assessment of each company's true value.

We're long-term investors with an investment horizon greater than five years. We believe the best way to buy a business at an attractive price is to have an idea that isn't widely shared by others – what we refer to as a *proprietary insight*.

Our approach is deceptively simple. We buy good, undervalued businesses and hold them until the market fully recognizes their potential. Following this approach requires an ability to think independently and a commitment to embrace the thorough research required to uncover opportunities the market doesn't fully appreciate.

Risk

We believe risk is best managed by applying in-depth thorough research to each investment idea in order to understand the risks of an individual business, which we weigh against its return potential. We take a common-sense approach to risk by assessing how much money can be lost and the probability of losing it. While this approach may seem overly simplistic, it provides vital clarity about the true investment risks.

There were no significant changes during the period that affected the overall level of risk associated with Cymbria.

Cymbria remains suitable for investors with an investment horizon of at least five years and who are willing to accept medium investment risk. There are several types of risks that include, but are not limited to:

Concentration risk

Concentration risk can occur by holding a small number of investments, which may reduce Cymbria's diversification and liquidity. We invest with conviction and, as a result, Cymbria is concentrated in our best ideas. This concentration allows individual portfolio holdings to have a meaningful impact on returns. It also

gives us greater in-depth knowledge about each company in Cymbria, a key element in reducing an investment's potential risk.

As at December 31, 2014, Cymbria was diversified into 36 different business ideas. This compares to 37 holdings at the end of 2013.

Currency risk

Cymbria is valued in Canadian dollars; however, it invests in foreign securities denominated in foreign currencies. In order to reduce the impact of short-term currency 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.

As at December 31, 2014, Cymbria's most significant foreign currency exposure was to the U.S. dollar, which as a percentage of total net assets was approximately 70%. This is a decrease from approximately 79% the year prior. Cymbria had no U.S.-dollar currency hedges in place at the end of 2014. The Fund's exposure to the Japanese yen was hedged and a portion of our exposure to the euro was hedged.

Results of operations

Investment performance

For the year ended December 31, 2014, Cymbria's Class A net asset value ("NAV") increased 23.31% versus an increase of 14.39% (C\$) for the benchmark MSCI World Index. Please refer to the Past performance section for the performance of Cymbria's Class J NAV, which differs from the Class A NAV due largely to varying expenses and/or taxes incurred by each class, as explained in Cymbria's Annual Information Form.

On a sector basis, Cymbria's financials and information technology holdings contributed most significantly to overall performance. No sectors meaningfully detracted from performance.

Meaningful contributors to investment results included:

- EdgePoint Wealth Management
- Ryanair Holdings PLC, ADR
- Wells Fargo & Co
- Microsoft Corp.
- Service Corporation International

As a group, these companies contributed approximately 12.3% to overall performance in the last 12 months.

Meaningful detractors from investment results included:

- Jacobs Engineering Group Inc.
- Delticom AG
- Carpenter Technology Corp.

As a group, these companies detracted approximately 1.3% from overall performance in the last 12 months.

While we provide these results to fulfill the disclosure requirements 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. We don't believe any meaningful conclusions can be drawn based on such a short period.

Portfolio transactions

During the period, we made a number of new investments.

Businesses purchased

Examples of companies added include:

- Service Corporation International – The largest funeral and cemetery services company in North America
- Realogy Holdings Corp. – Real estate franchisor providing real estate and relocation services around the globe
- PrairieSky Royalty Ltd. – Oil and gas royalty company operating one of the largest portfolios of fee simple mineral lands in Alberta

Businesses sold

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 period, the following businesses were sold:

- Drew Industries Inc.
- Delphi Automotive PLC
- Hamamatsu Photonics K.K.

Portfolio composition*Sector exposure*

Overall sector exposure shifted primarily as a result of investment decisions and changes in stock prices. The most significant change was a decrease of approximately 8% in Cymbria's information technology holdings, primarily due to the sale of businesses such as Hamamatsu Photonics K.K. and International Rectifier Corp. The portfolio's financial holdings increased by approximately 6%, due largely to the revaluation of EdgePoint Wealth Management Inc. and the purchase of Realogy Holdings Corp.

Portfolio transactions are a result of our "bottom-up" stock selection process. We don't construct Cymbria's portfolio with an index or benchmark in mind. As a result, Cymbria's composition is typically very different than its benchmark index.

We continue to take advantage of Cymbria's market capitalization flexibility, finding attractive value in a number of new, smaller- sized companies such as Pegasystems Inc. and PrairieSky Royalty Ltd.

Investment in EdgePoint

During 2014, EdgePoint continued to experience positive growth in its business. Assets under management increased from \$5.7 billion at December 31, 2013 to \$7.4 billion at December 31, 2014. Cymbria engages a third-party valuator to assist in the valuation of EdgePoint. A discounted cash flow model is used to value EdgePoint, which includes the institutional line of business. Some of the significant assumptions that go into the model include annual market growth, annual net sales, projected expenses, including corporate income taxes, and discount rates. Using the model, the current value of Cymbria's interest in EdgePoint is between \$62.4 million and \$69.6 million. For financial statement and NAV purposes, a value of \$62.4 million is used. To the extent that actual results cause significant changes to the assumptions used in the model during 2015, the valuation determined by the

model will be updated. We evaluate all significant assumptions in the model at least annually based on actual performance, or when we're aware of an occurrence that may have a significant impact on one or more of the assumptions.

Income, fees and expenses

The management expense ratio ("MER") decreased from 2.09% to 1.97% for Class A shareholders, and from 0.83% to 0.74% for Class J shareholders. The decrease in MER is both the result of Cymbria's growth and that of EdgePoint. Cymbria has the benefit of being able to share certain general and administrative expenses, and portfolio management costs with EdgePoint. As EdgePoint's assets under management continue to grow, Cymbria benefits from the economies of scale achieved by sharing some of these expenses over a much larger investor base, reducing the overall costs to Cymbria. In addition, management and service fees charged to Cymbria are not charged on the value of EdgePoint. So as EdgePoint continues to grow to be a larger portion of the portfolio, the management and service fees decrease as a percentage of assets under management.

Changes to dividends, interest, and realized and unrealized capital gains were as a result of investment decisions made by the portfolio management team.

Shareholder activity

Cymbria re-filed its Normal-Course Issuer Bid ("NCIB") for the 12-month period beginning on May 20, 2014 to May 19, 2015. Cymbria will use the NCIB to repurchase shares in the event that we believe the company isn't being valued appropriately by the market and an attractive opportunity exists to enhance the value for its shareholders. During the year ended December 31, 2014, Cymbria did not repurchase any shares as they were either trading at a premium to NAV or at a very small discount. Since inception, Cymbria has repurchased and cancelled 460,800 Class A shares at an average price of \$12.95 per share and a total cost of \$5.99 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 NAV 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 NAV, 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 NAV. 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 NAV, which is disclosed daily, is a fair representation of the value of a Class A or Class J share. When Class A shares trade at prices not reflective of the NAV, the LRO provides another venue whereby shareholders may dispose of their shares at a price closer to NAV. 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 year ended December 31, 2014, as Cymbria's Class A shares have been trading above 97% of NAV on average over the year.

Recent developments

Over the last year, macroeconomic news as well as geopolitical uncertainty has preoccupied market participants. With slowing economic growth in China, a stalled economic reform agenda in Japan and an anaemic recovery in Europe, the United States continues to be the lone engine propelling global growth forecasts. These major economic headlines coupled with a myriad of geopolitical events occupying the world's attention have caused increasing uncertainty in financial markets.

Despite the economic and financial market uncertainty, we continue to look for businesses that can grow regardless of the headwinds. Although it's still possible to uncover businesses with good long-term growth prospects without paying full price for that growth, today we need to look much harder for these opportunities than we did a few years ago. Five years ago, for every 100 companies we studied, we could find five ideas. Today, we look at approximately 300 companies to find approximately one.

When we invest, we focus on key characteristics such as quality of the business, strength of the management team, defensible barriers to entry and of course an appropriate entry price. Most importantly, we ensure we have a proprietary idea about the business that isn't recognized by others.

This year we were able to take advantage of market volatility to add to some of our existing positions and initiate new positions. We like to say that volatility is the friend of the investor who knows the value of a business and the enemy of the investor who does not. With that in mind, we were happy to see the return of volatility and remain pleased with the collection of businesses in your portfolio.

International Financial Reporting Standards

On January 1, 2014, Cymbria implemented International Financial Reporting Standards ("IFRS") for interim and annual financial statements. Prior to this date, Cymbria applied the accounting standards in Part V of the Chartered Professional Accountants of Canada ("CPA") Handbook.

The most significant impact on Cymbria's financial statements is the ability to use the closing price of publicly traded securities for IFRS NAV purposes instead of the bid price as was previously required. This aligned the securities pricing methodology between the valuation NAV and the IFRS NAV leaving only the impact of deferred taxes as differences between the two. Implementing IFRS also resulted in additional disclosures including a Statement of Cash Flows that was not required under GAAP. Unlike mutual funds and most closed-end funds, Cymbria's shares do not contain a redemption feature, are therefore not puttable and remained classified as equity. As well, all of the investments owned by Cymbria, including EdgePoint, are designated as fair value through profit and loss, except for derivatives which are designated as held-for-trading.

Related parties

Manager and Investment Advisor

Cymbria is managed by EdgePoint Investment Group Inc. ("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 and 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 NAV of each class of Cymbria shares (see Management fees). 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.

In addition, 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 and audit fees, IRC and Board of Directors' fees and expenses, 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 semi-annual 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.

Independent Review Committee

The Manager has appointed an Independent Review Committee ("IRC") consisting of three independent members and established under the Canadian Securities Administrators' National Instrument 81-107. The IRC's mandate is to review and provide input on the Manager's written policies and procedures that pertain to conflict of interest matters with respect to Cymbria and other EdgePoint-managed funds, including affiliates of the Manager. Additional information about the IRC is available in the Simplified Prospectus and Annual Information Form for Cymbria. IRC members receive fees and reimbursement of expenses for services provided to Cymbria.

Financial highlights

The following tables show selected key financial information about Cymbria and are intended to help you understand Cymbria's financial performance for the years ended December 31, 2014, 2013, 2012, 2011 and 2010. This information is derived from Cymbria's Financial Statements.

Class A	Dec. 31, 2014 IFRS	Dec. 31, 2013 IFRS	Dec. 31, 2012 GAAP	Dec. 31, 2011 GAAP	Dec. 31, 2010 GAAP
Cymbria's net assets per share (Note 1)					
Net assets, beginning of the year	\$ 21.34	\$ 14.45	\$ 13.16	\$ 13.31	\$ 11.96
Increase (decrease) from operations:					
Total revenue	0.43	0.30	0.30	0.18	0.21
Total expenses	(0.42)	(0.32)	(0.26)	(0.16)	(0.16)
Realized gains for the year	2.94	2.31	0.14	1.08	1.04
Unrealized gains (losses) for the year	2.00	4.61	1.21	(1.23)	0.27
Total increase (decrease) from operations	\$ 4.95	\$ 6.90	\$ 1.39	\$ (0.13)	\$ 1.36
Net assets, end of the year	\$ 26.22	\$ 21.34	\$ 14.44	\$ 13.16	\$ 13.31

Class J	Dec. 31, 2014 IFRS	Dec. 31, 2013 IFRS	Dec. 31, 2012 GAAP	Dec. 31, 2011 GAAP	Dec. 31, 2010 GAAP
Cymbria's net assets per share (Note 1)					
Net assets, beginning of the year	\$ 22.86	\$ 15.36	\$ 13.93	\$ 14.01	\$ 12.54
Increase (decrease) from operations:					
Total revenue	0.46	0.32	0.32	0.19	0.22
Total expenses	(0.22)	(0.23)	(0.14)	(0.09)	(0.12)
Realized gains for the year	3.16	2.47	0.16	1.11	1.10
Unrealized gains (losses) for the year	1.99	4.90	0.88	(1.33)	0.25
Total increase (decrease) from operations	\$ 5.39	\$ 7.46	\$ 1.22	\$ (0.12)	\$ 1.45
Net assets, end of the year	\$ 28.35	\$ 22.86	\$ 15.35	\$ 13.93	\$ 14.01

Notes

1. Net assets per share is calculated as follows:
 - (a) The financial information for 2010-2012 is derived from Cymbria's audited annual financial statements. *Net assets per share* represented in the audited financial statements differ from net asset value ("NAV") per share calculated for fund pricing purposes. This reflected Cymbria's accounting policies which were consistent with Canadian generally accepted accounting principles ("GAAP"). The NAV per share for IFRS purposes (as opposed to the GAAP net assets per share) was \$21.34 for Class A shares and \$22.86 for Class J shares at the beginning of 2014. As of 2014, Cymbria adopted International Financial Reporting Standards ("IFRS") whereby IFRS net assets differ from pricing NAV due to the inclusion of deferred taxes in its calculation. 2013 is also presented using IFRS for comparison purposes.
 - (b) Net assets per share of a class is based on the number of shares outstanding for that class at the relevant time. The increase (decrease) from operations per share of a class is based on the weighted average number of shares outstanding for that class during the period. Therefore, the beginning of period net assets plus the increase (decrease) from operations will not sum to the end of period net assets.
 - (c) Cymbria's stated policy is to pay no dividends or distributions to shareholders.

Financial highlights (continued)

Class A	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Ratios and supplemental data (Note 2)					
Total net asset value (000's)	\$ 390,823	\$ 315,735	\$ 212,931	\$ 189,273	\$ 193,443
Number of shares outstanding (000's)	14,194	14,139	14,509	14,341	14,331
Management expense ratio (Note 3)	1.97%	2.09%	2.13%	1.27%	1.40%
Trading expense ratio (Note 4)	0.07%	0.05%	0.08%	0.08%	0.10%
Portfolio turnover rate (Note 5)	35.65%	35.98%	36.96%	35.94%	42.57%
Net asset value per share	\$ 27.53	\$ 22.33	\$ 14.68	\$ 13.21	\$ 13.50
Closing market price (CYB)	\$ 27.00	\$ 23.20	\$ 12.70	\$ 11.92	\$ 13.40

Class J	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Ratios and supplemental data (Note 2)					
Total net asset value (000's)	\$ 250,130	\$ 202,246	\$ 134,363	\$ 126,012	\$ 129,794
Number of shares outstanding (000's)	8,413	8,464	8,601	8,983	9,067
Management expense ratio (Note 3)	0.74%	0.83%	0.87%	0.86%	0.86%
Trading expense ratio (Note 4)	0.07%	0.05%	0.08%	0.08%	0.10%
Portfolio turnover rate (Note 5)	35.65%	35.98%	36.96%	35.94%	42.57%
Net asset value per share	\$ 29.73	\$ 23.90	\$ 15.62	\$ 14.01	\$ 14.32
Closing market price (Note 6)	n/a	n/a	n/a	n/a	n/a

Notes

- The financial information presented in the *Ratios and supplemental data* table is derived from Cymbria's pricing NAVs and is provided as at December 31, 2014, December 31, 2013, December 31, 2012, December 31, 2011 and December 31, 2010.
- The management expense ratio ("MER") is calculated as 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 NAV of each class of Cymbria on an annualized basis. The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. For the periods presented, the Manager has not waived any management fees or absorbed any expenses.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of Cymbria's daily average NAV. The trading expense ratio is calculated at the portfolio level and applies to all classes of Cymbria.
- Portfolio turnover rate is calculated at the portfolio level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short-term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. Cymbria's portfolio turnover rate indicates how actively Cymbria's portfolio advisor manages its portfolio of investments. A portfolio turnover rate of 100% is equivalent to Cymbria buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable in the year and the greater the chance of taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the fund performance.
- Cymbria's Class J shares are not traded on a stock exchange.

Management fees

As compensation for services provided, the Manager receives a monthly management fee based on the daily average NAV of both Class A and Class J excluding the value of EdgePoint.

The Manager charges Class A shareholders a service fee during the first seven years from the November 4, 2008 inception date at an annual rate of 1.00% of the aggregate average NAVs of Class A shares held at the end of each calendar quarter, excluding the value of EdgePoint. After the seventh anniversary from the inception date there will be no service fee. For the year ended December 31, 2014, 100% of the service fees that Cymbria's Class A shareholders paid to the Manager was used to fund service fees paid to registered dealers whose clients held Class A shares of Cymbria.

For the year ended December 31, 2014, a breakdown of the services received in consideration of the management fees as a percentage of those fees is as follows:

	Portfolio management*, general and administrative expenses and profit
Class A	100%
Class J	100%

*See "Manager and Investment Advisor" for a description of services included in Portfolio management.

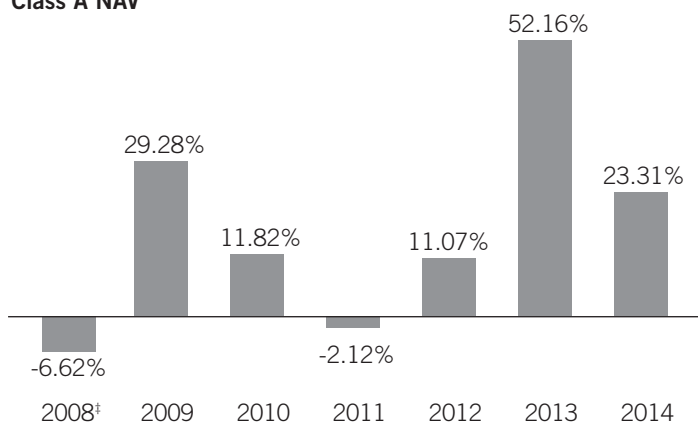
Past performance

This section shows Cymbria's past performance. Past performance includes changes in security value and assumes the reinvestment of all dividends (if any). It does not take into account sales, redemption, distribution or optional charges, or income taxes payable by any investor, which would have reduced returns. Past performance is not an indication of how Cymbria will perform in the future. The performance of Class A shares is shown for both the underlying NAV of a Class A share and the market value or trading price of a Class A share. The share price is independent of the underlying NAV. It may not change in relation to the change in the underlying NAV and the performance could be either higher or lower than the performance of the underlying NAV over any given period. The performance of Class J shares is also shown.

Year-by-year returns

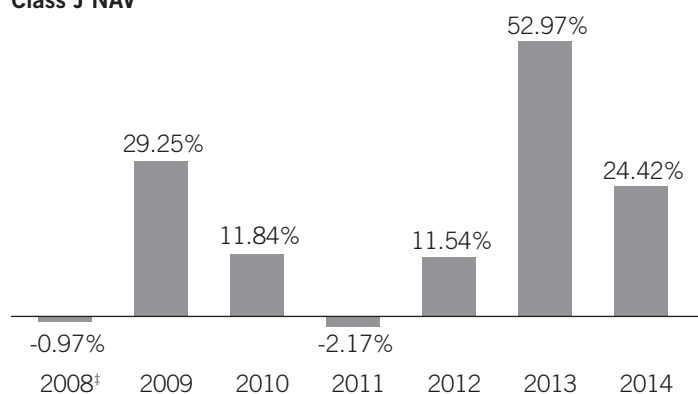
The following graphs illustrate Cymbria's performance for each of the periods highlighted, including changes from period to period. They indicate, on a percentage basis, how much an investment would have made or lost had you invested on the first day of each financial period and held that investment until the last day of each financial period, as applicable. The differing performance between Class A and Class J shares is due largely to varying expenses and corporate income taxes charged to each class as explained in the Prospectus and the Financial Statements.

Class A NAV



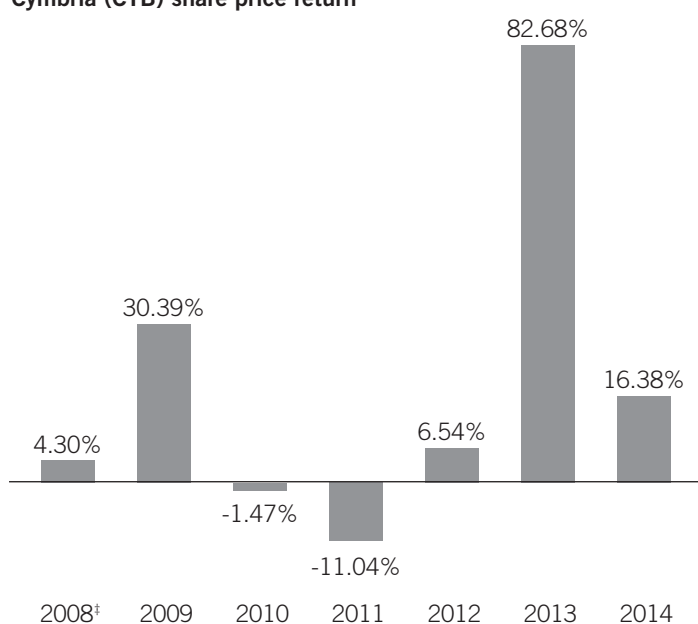
†Inception to December 31, 2008.

Class J NAV



†Inception to December 31, 2008.

Cymbria (CYB) share price return



†Inception to December 31, 2008.

Benchmark

Cymbria uses the MSCI World Index as its benchmark for long-term performance comparisons. The MSCI World Index is a market-capitalization-weighted index comprising equity securities available in developed markets globally.

While Cymbria uses this Index as its broad-based performance benchmark, Cymbria is not managed relative to the Index's composition. As a result, Cymbria may, and likely will, experience periods when its performance differs significantly from that of the Index, either positively or negatively. Please see the *Results of operations* section of this report for a discussion of recent performance results.

Annual compound returns

The following table compares annual compound returns for Cymbria's Class A NAV, Class J NAV and Class A shares (CYB) with the Canadian-dollar returns of the MSCI World Index for the periods shown, all ended December 31, 2014.

	Since inception*	1-year	3-year	5-year
Class A NAV±	17.88%	23.31%	27.72%	17.93%
Class A share price (CYB)	17.50%	16.38%	31.32%	14.70%
Class J NAV	19.36%	24.42%	28.51%	18.36%
MSCI World Index	11.74%	14.39%	20.54%	12.42%

*November 4, 2008.

±Performance includes expenses associated with the IPO.

Summary of investment portfolio*As at December 31, 2014***Top 25 positions**

Security name	% of Portfolio
1 EdgePoint Wealth Management Inc.	9.74%
2 Alere Inc.	5.24%
3 Wells Fargo & Co.	5.15%
4 Service Corporation International	4.92%
5 American International Group Inc.	4.77%
6 TE Connectivity Ltd.	4.75%
7 JPMorgan Chase & Co.	4.10%
8 WABCO Holdings Inc.	3.73%
9 Microsoft Corp.	3.47%
10 Clariant International Ltd.	3.23%
11 Carpenter Technology Corp.	3.04%
12 Anthem Inc.	2.82%
13 WESCO International Inc.	2.72%
14 Ryanair Holdings PLC, ADR	2.71%
15 AMN Healthcare Services Inc.	2.70%
16 Realogy Holdings Corp.	2.61%
17 Koninklijke Philips NV	2.51%
18 PrairieSky Royalty Ltd.	2.50%
19 PTC Inc.	2.45%
20 Markel Corp.	2.39%
21 Xilinx Inc.	1.95%
22 Grafton Group PLC	1.78%
23 Tokyo Ohka Kogyo Co. Ltd.	1.66%
24 Merit Medical Systems Inc.	1.66%
25 Jacobs Engineering Group Inc.	1.50%
Total	84.10%

Sector exposure

Sector	% of Portfolio
Industrials	19.61%
Information Technology	16.44%
Diversified Financials	13.85%
Health Care	12.41%
Materials	7.93%
Insurance	7.16%
Cash and other net assets	5.88%
Consumer Discretionary	5.27%
Banks	5.15%
Real Estate	2.61%
Energy	2.50%
Consumer Staples	1.09%
Corporate Bonds	0.10%
Total	100.00%

Total net asset value

\$641 million

The *Summary of investment portfolio* may change due to ongoing portfolio transactions in the investment fund. Quarterly updates are available at www.cymbria.com.

Financial Statements of

CYMBRIA CORPORATION

Years ended December 31, 2014 and 2013



C Y M B R I A

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying Financial Statements have been prepared by the Manager, EdgePoint Investment Group Inc., on behalf of Cymbria Corporation ("Cymbria"). Management is responsible for the information and representations contained in these Financial Statements.

Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The Financial Statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts based on estimates and assumptions. The significant accounting policies that management believes are appropriate for Cymbria are described in Note 3 to the Financial Statements.

KPMG LLP, Cymbria's external auditor, has audited the Financial Statements in accordance with Canadian generally accepted auditing standards to enable them to express to shareholders their opinion on the Financial Statements. Their report, as auditors, is set forth herein.

The Board of Directors is responsible for reviewing and approving Cymbria's Financial Statements, overseeing management's performance of its financial reporting responsibilities and engaging the independent auditors. The Board of Directors is composed of two members who are independent of management. For all share classes of Cymbria, the Financial Statements have been reviewed and approved by the Board of Directors.



Patrick Farmer
Chairman
March 12, 2015



Norman Tang
Chief Financial Officer
March 12, 2015

Independent auditors' report

To the shareholders of Cymbria Corporation

We have audited the accompanying Financial Statements of Cymbria Corporation, which comprise the Statements of Financial Position as at December 31, 2014 and 2013, and January 1, 2013, the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the years ended December 31, 2014 and 2013, and notes, comprising of a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audits. We conducted our audits in accordance with International Financial Reporting Standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Cymbria's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cymbria's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these Financial Statements present fairly, in all material respects, the financial position of Cymbria Corporation as at December 31, 2014 and 2013 and January 1, 2013, and its financial performance and cash flows for the years ended December 31, 2014 and 2013, in accordance with International Financial Reporting Standards.



Chartered Professional Accountants, Licensed Public Accountants, Toronto, Canada
March 12, 2015

CYMBRIA CORPORATION

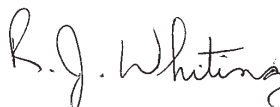
Statements of Financial Position
As at December 31, 2014, December 31, 2013
and January 1, 2013

	December 31, 2014	December 31, 2013 (Note 15)	January 1, 2013 (Note 15)
Assets			
Investments	\$ 540,817,769	\$ 452,227,618	\$ 314,112,833
Edgepoint Wealth Management Inc.	62,439,718	35,646,025	14,670,272
Foreign exchange forward contracts	475,126	672,977	1,014,308
Options	4,623,041	1,308,112	554,492
Total financial assets held-for-trading or at fair value through profit or loss*	608,355,654	489,854,732	330,351,905
Cash and cash equivalents	34,650,375	27,351,256	14,751,549
Receivable for investments sold	912,608	3,373,820	673,741
Dividends receivable	83,123	108,690	68,076
Income tax recovery	–	–	3,146,328
Total Assets	\$ 644,001,760	\$ 520,688,498	\$ 348,991,599
Liabilities			
Current liabilities			
Accrued liabilities	\$ 159,890	\$ 9	\$ 14,706
Income taxes payable	3,371,070	2,542,211	–
Payable for investments purchased	–	226,206	2,010,255
Total current liabilities	3,530,960	2,768,426	3,024,961
Deferred share unit plan liability (Note 7)	528,551	408,350	196,910
Deferred income tax liability (Note 9)	29,240,882	22,332,258	4,974,989
Total Liabilities	\$ 33,300,393	\$ 25,509,034	\$ 7,196,860
Shareholders' equity			
Share capital (Note 5)	\$ 216,501,333	\$ 216,501,517	\$ 224,875,087
Surplus (Note 6)	202,755,002	132,401,828	78,465,641
Unrealized gain on investments	191,445,032	146,276,119	38,454,011
Total Equity	\$ 610,701,367	\$ 495,179,464	\$ 341,794,739
Shareholders' equity, as represented by net assets			
Common stock	\$ 100	\$ 100	\$ 100
Class A	372,211,293	301,670,780	209,664,845
Class J	238,489,974	193,508,584	132,129,794
Number of Shares Outstanding (Note 5)			
Class A	14,194,006	14,139,466	14,508,936
Class J	8,413,197	8,463,905	8,601,464
Total net assets per share			
Class A	\$ 26.22	\$ 21.34	\$ 14.45
Class J	\$ 28.35	\$ 22.86	\$ 15.36

*Cost of investments is reflected in the *Schedule of Investments*.
See accompanying notes to Financial Statements.

ON BEHALF OF THE BOARD:


James MacDonald, Director


Richard J. Whiting, Director

	2014	2013 (Note 15)
Income		
Dividends from EdgePoint Wealth Management Inc.	\$ 4,036,508	\$ 2,173,494
Dividends from other investments	5,882,153	4,805,234
Interest for distribution purposes	39,074	26,866
Foreign currency gain on cash and other net assets	1,043,985	1,200,457
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain on investments	76,907,243	58,609,388
Net realized gain on foreign exchange forward contracts	741,784	2,735,885
Change in unrealized appreciation on investments and derivatives	52,077,537	124,303,256
	\$ 140,728,284	\$ 193,854,580
Expenses (Note 8)		
Management fees	\$ 3,393,319	\$ 2,696,696
Service fees	3,267,841	2,622,101
Investment research and portfolio maintenance	387,626	308,592
Administration, registrar and transfer agent fees	201,636	220,652
Legal fees	98,657	111,540
Audit	75,350	76,900
Directors' fees	74,212	119,092
Independent Review Committee fees	67,153	122,959
Filing fees	50,020	31,349
Shareholder reporting	46,722	43,348
Custody	40,122	31,025
Fund accounting	29,909	29,481
Harmonized Sales Tax	559,630	492,912
Net withholding tax	177,773	641,130
Transaction costs	366,065	224,616
Total Expenses	\$ 8,836,035	\$ 7,772,393
Profit for the period before taxes	\$ 131,892,249	\$ 186,082,187
Income taxes (Note 9)		
Current	\$ 9,461,538	\$ 7,072,321
Deferred	6,908,624	16,481,148
	\$ 16,370,162	\$ 23,553,469
Increase in shareholders' equity from operations	\$ 115,522,087	\$ 162,528,718
Increase in shareholders' equity from operations, by class		
Class A	\$ 70,033,617	\$ 98,897,309
Class J	\$ 45,488,470	\$ 63,631,409
Increase in shareholders' equity from operations, per share		
Class A	\$ 4.95	\$ 6.90
Class J	\$ 5.39	\$ 7.46

The accompanying notes are an integral part of these annual Financial Statements.

	2014	2013 (Note 15)
Class A:		
Net assets, beginning of the year	\$ 301,670,780	\$ 209,664,845
Increase (decrease) in net assets from operations	70,033,617	98,897,309
Capital transactions:		
Class J to Class A share exchanges	511,820	510,545
Contributed surplus	(4,924)	(217)
Shares purchased and cancelled under Normal-Course Issuer Bid	–	(2,120,205)
Shares redeemed under the Liquidity Realization Opportunity	–	(5,281,497)
	70,540,513	92,005,935
Net assets, end of the year	\$ 372,211,293	\$ 301,670,780

Class J:

Net assets, beginning of the year	\$ 193,508,584	\$ 132,129,794
Increase (decrease) in net assets from operations	45,488,470	63,631,409
Capital transactions:		
Shares redeemed under the Liquidity Realization Opportunity	–	(1,742,255)
Class J to Class A share exchanges	(507,080)	(510,364)
	44,981,390	61,378,790
Net assets, end of the year	\$ 238,489,974	\$ 193,508,584

The accompanying notes are an integral part of these annual Financial Statements.

Years ended December 31,	2014 (Note 15)	2013 (Note 15)
Cash Flow from Operating Activities		
Increase in net assets attributable to shareholders	\$ 115,522,087	\$ 162,528,718
Adjustments for:		
Foreign currency gain on cash and other net assets	(1,043,985)	(1,200,457)
Net realized gain on investments	(76,907,243)	(58,609,388)
Change in unrealized appreciation on investments and derivatives	(52,077,537)	(124,303,251)
(Increase) decrease in dividends receivable	25,567	(40,614)
Increase in accrued liabilities and other payables	1,108,941	2,738,954
Increase in deferred income tax liability	6,908,624	17,357,269
Purchase of long positions	(186,826,865)	(148,180,780)
Proceeds from sales of long positions	199,545,729	167,106,469
Income tax recovery	—	3,146,328
Net Cash Generated by Operating Activities	\$ 6,255,318	\$ 20,543,243
Cash Flows from Financing Activities		
Redemption for fractional shares on Class J to Class A share exchanges	\$ (184)	\$ (36)
Amount paid on NCIB transactions	—	(2,120,205)
Amount received under the Liquidity Realization Opportunity	—	(7,023,752)
Net Cash Used by Financing Activities	\$ (184)	\$ (9,143,993)
Net increase in cash and cash equivalents	\$ 6,255,134	\$ 11,399,250
Foreign currency gain on cash and other net assets	1,043,985	1,200,457
Cash and cash equivalents beginning of year	27,351,256	14,751,549
Cash and Cash Equivalents End of Year	\$ 34,650,375	\$ 27,351,256
Cash and cash equivalents comprise:		
Cash at bank	\$ 15,163,761	\$ 27,351,256
Short-term investments	19,486,614	—
	\$ 34,650,375	\$ 27,351,256
Interest received, net of withholding tax	\$ 39,074	\$ 26,866
Dividends received, net of withholding tax	\$ 9,766,455	\$ 6,296,984
Income taxes paid	\$ (8,632,679)	\$ (507,661)

Number of shares/units	Security	Average cost	Fair value	% of net assets
Equities				
Banks				
518,350	Wells Fargo & Co.	\$ 14,769,032	\$ 32,978,143	5.40
Consumer Discretionary				
1,196,669	Service Corporation International	24,221,236	31,525,644	5.16
84,700	Delticom AG	5,079,582	2,250,262	0.37
Consumer Staples				
86,726	Kerry Group PLC	7,195,660	6,950,014	1.14
Diversified Financials				
279,585	EdgePoint Wealth Management Inc.	509,585	62,439,718	10.22
362,123	JPMorgan Chase & Co.	15,222,173	26,299,999	4.31
Energy				
524,227	PrairieSky Royalty Ltd.	18,345,808	16,041,346	2.63
Health Care				
760,992	Alere Inc.	21,262,652	33,560,449	5.50
123,834	Anthem Inc.	7,614,882	18,060,742	2.96
760,322	AMN Healthcare Services Inc.	6,662,193	17,294,886	2.83
527,554	Merit Medical Systems Inc.	7,666,885	10,610,346	1.74
Industrials				
196,749	WABCO Holdings Inc.	15,701,410	23,925,168	3.92
197,063	WESCO International Inc.	15,786,712	17,429,347	2.85
209,838	Ryanair Holdings PLC, ADR	6,440,545	17,356,213	2.84
474,006	Koninklijke Philips NV	15,964,004	16,074,205	2.63
987,562	Grafton Group PLC	6,026,289	11,389,453	1.86
185,259	Jacobs Engineering Group Inc.	10,780,171	9,608,459	1.57
131,144	Flowserve Corporation	8,996,139	9,106,081	1.49
135,457	NKT Holding A/S	4,748,333	8,466,829	1.39
149,456	Team Inc.	3,056,234	7,017,837	1.15
166,310	Knoll Inc.	2,326,610	4,086,046	0.67
9,900	Watsco, Inc.	961,375	1,229,371	0.20
Information Technology				
414,650	TE Connectivity Ltd.	20,817,054	30,437,310	4.98
412,034	Microsoft Corp.	12,189,144	22,211,753	3.64
368,646	PTC Inc.	8,868,339	15,680,055	2.57
249,241	Xilinx Inc.	10,028,025	12,521,926	2.05
260,098	National Instruments Corp.	7,064,328	9,384,730	1.54
216,961	Altera Corp.	6,892,207	9,301,278	1.52
420,100	Digi International Inc.	4,204,266	4,529,314	0.74
55,190	Pegasystems Inc.	1,227,161	1,330,335	0.22
Insurance				
470,784	American International Group Inc.	21,521,041	30,602,107	5.01
19,327	Markel Corp.	11,955,042	15,316,075	2.51
Materials				
1,058,709	Clariant International Ltd.	22,225,284	20,672,694	3.39
341,284	Carpenter Technology Corp.	20,887,649	19,506,809	3.19
297,398	Tokyo Ohka Kogyo Co., Ltd.	6,598,158	10,652,631	1.74
Real Estate				
324,442	Realogy Holdings Corp.	13,357,936	16,751,880	2.74
Preferred Shares				
1,800	Alere Inc., 3%, preferred, series B	364,537	658,032	0.11
		387,537,681	603,257,487	98.78

Number of shares/units	Security	Average cost	Fair value	% of net assets
	Adjustment for transaction costs	(380,650)	—	—
	Total investments	\$ 387,157,031	\$ 603,257,487	98.78
Foreign exchange forward contracts				
	Foreign exchange forward contract to buy CDN 4,599,864 for JPY 440,000,000 with an exchange rate of 0.0105, maturing March 4, 2015	—	331,212	0.05
	Foreign exchange forward contract to buy CDN 819,672 for JPY 80,000,000 with an exchange rate of 0.0102, maturing April 6, 2015	—	42,744	0.01
	Foreign exchange forward contract to buy CDN 3,157,212 for JPY 311,500,000 with an exchange rate of 0.0101, maturing May 7, 2015	—	128,911	0.02
	Foreign exchange forward contract to buy CDN 5,379,575 for JPY 555,000,000 with an exchange rate of 0.0097, maturing June 2, 2015	—	(20,471)	(0.00)
	Foreign exchange forward contract to buy JPY 260,000,000 for CDN 2,531,892 with an exchange rate of 0.0097, maturing April 6, 2015	—	(7,270)	(0.00)
		—	475,126	0.08
	Options (Note 13)	512,711	4,623,041	0.76
	Other assets less liabilities		2,345,713	0.38
	Net assets		\$ 610,701,367	100.00

See accompanying notes to Financial Statements.

1. The Fund:

Cymbria Corporation ("Cymbria") is a non-redeemable investment fund incorporated on September 4, 2008, under the laws of the Province of Ontario. It commenced operations and was listed on the Toronto Stock Exchange on November 4, 2008. EdgePoint Investment Group Inc. is Cymbria's Manager and Investment Advisor.

The registered office of Cymbria is located at 150 Bloor St. W., Suite 500, Toronto, Ontario, M5S 2X9, Canada.

The investment objective of Cymbria is to provide long-term capital appreciation through a concentrated portfolio of global companies and an investment in EdgePoint Wealth Management Inc. ("EdgePoint"), which offers mutual funds, institutional and other investments through financial advisors. The portfolio management team looks for global companies that it believes have strong competitive positions, long-term growth prospects and are run by competent management teams. The portfolio management team endeavours to acquire ownership stakes in these companies at prices below its assessment of each company's true value.

Cymbria's Financial Statements include the *Statements of Financial Position* at December 31, 2014, December 31, 2013 and January 1, 2013, and the *Statements of Comprehensive Income*, the *Statements of Changes in Equity*, and the *Statements of Cash Flows* for the years ended December 31, 2014 and 2013 (the "Financial Statements").

2. Basis of preparation:**(a) Statement of compliance:**

The financial statements of Cymbria have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). This is the first time that Cymbria has prepared its annual financial statements in accordance with IFRS, and accordingly, first-time adoption of International Financial Reporting Standards ("IFRS 1") has been applied. Cymbria previously prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles as defined in Part V of the CPA of Canada Handbook ("Canadian GAAP"). Cymbria has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at January 1, 2013 and throughout all periods presented, as if these policies had always been in effect.

Note 15 discloses the impact of the transition to IFRS on Cymbria's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in Cymbria's financial statements for the year ended December 31, 2013 prepared under Canadian GAAP.

The financial statements were authorized for issue by the Board of Directors on March 12, 2015.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is Cymbria's functional currency.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Cymbria's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring and publishing its net asset value ("NAV"):

(a) Financial instruments:**(i) Recognition and measurement**

Financial instruments are required to be classified into one of the following categories: held-for-trading, fair value through profit or loss ("FVTPL"), available-for-sale, loans and receivables, assets held-to-maturity, and other financial liabilities. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depend on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as held-for-trading or FVTPL, in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities held-for-trading or at FVTPL are recognized initially on the trade date, which is the date on which Cymbria becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. Cymbria derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when Cymbria has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Cymbria has not classified any of their financial instruments as available-for-sale or assets held to maturity.

3. Significant accounting policies (continued):**(ii) Held-for-trading and FVTPL**

Financial instruments classified as held-for-trading or FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the Statement of Comprehensive Income in the period in which they occur. Cymbria's derivative financial assets and derivative financial liabilities are classified as held-for-trading. Cymbria's investments in securities are designated as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. Cymbria uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Cymbria's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

The investment in EdgePoint, for which no published market exists, will be estimated primarily using a discounted cash flow method, unless such securities have been exchanged in an arm's length transaction that approximates a trade effected in a published market. The Manager engages a third-party valuator to assist in the valuation of EdgePoint. The Manager will determine the appropriate fair market valuation methodology at least annually.

(iii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of loans and receivables is at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. Cymbria classifies cash and cash equivalents, receivable for investments sold, and dividends receivable as loans and receivables.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

At each reporting date, Cymbria assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, Cymbria recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Cash and cash equivalents are cash on deposit and short-term notes with maturities of less than 90 days.

(iv) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. Cymbria's other financial liabilities are comprised of payable for investments purchased, income taxes payable, and accrued liabilities.

(v) Shareholders' equity

Cymbria classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Cymbria's common shares, Class A shares, and Class J shares do not contain a redemption feature, are therefore not puttable and are classified as equity under IAS 32, *Financial Instruments*.

3. Significant accounting policies (continued):**(b) Foreign currency:**

Cymbria's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign-denominated investments and other foreign-denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses relating to cash are presented as 'Foreign exchange gain (loss) on cash' and those relating to other financial assets and liabilities are presented within 'Net realized gain' and 'Change in unrealized appreciation (depreciation)' in the *Statement of Comprehensive Income*.

(c) Income recognition:

Interest income for distribution purposes from investments in bonds and short-term investments represents the coupon interest received by Cymbria accounted for on an accrual basis. Cymbria does not use the effective interest method to amortize premiums paid or discounts received on the purchase of fixed income securities. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

(d) Deferred share unit plan:

On October 28, 2009, Cymbria approved a Deferred Share Unit ("DSU") plan for its independent directors and members of the Independent Review Committee ("IRC"). The plan is described in Note 7. DSUs granted to eligible directors and IRC members are considered compensation costs in respect of past performance and are recognized in directors' fees and IRC fees, respectively. Compensation costs are measured based on the fair market value, as defined in the plan, of Cymbria's Class A shares on the date DSUs are granted. DSUs earn additional DSUs related to dividends that would otherwise have been paid if Class A shares had been issued on the grant date. DSUs are accounted for as a financial liability with changes in their fair value recognized in directors' fees and/or IRC fees.

(e) Income taxes:

Income taxes expense comprises current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are generally recognized for all taxable temporary differences.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statement of comprehensive income.

(f) Increase (decrease) in shareholders' equity from operations, per share:

Increase (decrease) in shareholders' equity from operations, per share in the Statements of Comprehensive Income represents the net increase (decrease) in the net assets from operations for each class for the period divided by the average shares outstanding for each class for the period.

(g) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended December 31, 2014, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statements of Cymbria, with the possible exception of IFRS 9, *Financial Instruments*.

IFRS 9 deals with recognition, derecognition, classification and measurement of financial instruments and its

3. Significant accounting policies (continued):

requirements represent a significant change from the existing requirements in IAS 39 *Financial Instruments: Recognition and Measurement*, in respect of financial assets. IFRS 9 contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale, and loans and receivables.

The effective date of this standard is January 1, 2018, but early adoption is permitted. The Manager is currently in the process of evaluating the potential effect of this standard.

4. Critical accounting estimates and judgments:

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these 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 the area with the most significant accounting judgments and estimates Cymbria has made in preparing financial statements. See Note 11 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.

5. Share capital:

Share capital consists of the following:

December 31, 2014	Number of shares	Amount
Authorized:		
Unlimited Class A non-voting, non-redeemable shares		
Unlimited Class J non-voting, non-redeemable shares		
Unlimited common shares		
Common shares outstanding, December 31, 2014	100	100
Class A shares issued:		
Shares outstanding, January 1, 2014	14,139,466	\$ 132,739,396
Class A shares issued in exchange for Class J shares	54,540	511,820
Contributed surplus	—	(4,924)
Class A shares outstanding, December 31, 2014	14,194,006	\$ 133,246,292
Class J shares issued:		
Shares outstanding, January 1, 2014	8,463,905	\$ 83,762,021
Class J shares exchanged for Class A shares	(50,708)	(507,080)
Class J shares outstanding, December 31, 2014	8,413,197	\$ 83,254,941
		\$ 216,501,333

5. Share capital (continued):

December 31, 2013	Number of shares	Amount
Authorized:		
Unlimited Class A non-voting, non-redeemable shares		
Unlimited Class J non-voting, non-redeemable shares		
Unlimited common shares		
Common shares outstanding,		
December 31, 2013	100	100
Class A shares issued:		
Shares outstanding, January 1, 2013	14,508,936	\$ 138,860,347
Class A shares issued in exchange for Class J shares	54,382	510,545
Class A shares purchased under the Normal-Course Issuer Bid for cancellation	(143,900)	(1,349,782)
Class A shares redeemed under the Liquidity Realization Opportunity	(279,952)	(5,281,497)
Contributed surplus	–	(217)
Class A shares outstanding, December 31, 2013	14,139,466	\$ 132,739,396
Class J shares issued:		
Shares outstanding, January 1, 2013	8,601,464	\$ 86,014,640
Class J shares exchanged for Class A shares	(51,059)	(510,364)
Class J shares redeemed under the Liquidity Realization Opportunity	(86,500)	(1,742,255)
Class J shares outstanding, December 31, 2013	8,463,905	\$ 83,762,021
		\$ 216,501,517

6. Surplus:

The changes in surplus for the years ended December 31, 2014, and December 31, 2013 are as follows:

	December 31, 2014	December 31, 2013
Opening surplus	\$ 132,401,828	\$ 78,465,641
Net investment income (loss)	(7,973,773)	654,338
Net realized gain on investments and foreign exchange, net of transaction costs	78,326,947	54,052,272
Class A shares purchased under the Normal-Course Issuer Bid for cancellation	–	(770,423)
Closing surplus	\$ 202,755,002	\$ 132,401,828

7. Deferred share unit plan:

In 2009, Cymbria implemented a Deferred Share Unit (“DSU”) plan that gives independent directors and IRC members the option to receive all of their Cymbria-related compensation in the form of DSUs. The number of DSUs awarded is based on the fair market value, as defined by the plan, of Class A shares on the award date. DSUs earn additional DSUs related to dividends that would otherwise have been paid if Class A shares had been issued on the grant date. The number of DSUs issued in regard to dividends is based on the fair market value of Class A shares, as defined in the plan, on the date dividends are paid. Upon redemption of DSUs, participants can elect to receive either a cash payment equal to the fair market value, as defined in the plan, of DSUs credited to the participant’s account, or the equivalent number of Class A shares purchased in the open market on the participant’s behalf. The plan is considered unfunded and participants’ rights are no greater than those of an unsecured Cymbria creditor.

The following table summarizes DSU activity during the year:

December 31, 2014	Units outstanding	Amount
Opening Deferred Share Units, January 1, 2014	18,026	\$ 408,350
Granted during 2014 (Fair value on grant date)	1,805	45,000
Cumulative fair value adjustments during the year		75,201
Balance, December 31, 2014	19,831	\$ 528,551

December 31, 2013	Units outstanding	Amount
Opening Deferred Share Units, January 1, 2013	15,550	\$ 196,910
Granted during 2013 (Fair value on grant date)	2,476	45,000
Cumulative fair value adjustments during the year		166,440
Balance, December 31, 2013	18,026	\$ 408,350

A maximum of 1,000,000 DSUs may be awarded under the plan, with the maximum value of DSUs awarded to participants within any one-year period not to exceed \$100,000 per participant.

8. Related party transactions:

i. Management and service fees:

No management fee was charged to Class A shareholders during the first three years from the November 4, 2008 inception date. On November 5, 2011, the Manager began charging a management fee at an annual rate of 0.75% of the daily average NAV of Class A shares, excluding EdgePoint's value. The 0.75% rate will continue until November 4, 2015. Beginning November 5, 2015 and thereafter, the Manager will charge a management fee at an annual rate of 1% of the daily average NAV of Class A shares, excluding EdgePoint's value.

The Manager charges Class A shareholders a service fee during the first seven years from the November 4, 2008 inception date at an annual rate of 1% of the aggregate average NAV of Class A shares held at the end of each calendar quarter, excluding EdgePoint's value. Beginning on and including November 5, 2015, there will be no service fee.

The Manager charges Class J shareholders a monthly management fee at an annual rate of 0.5% of the daily average NAV of Class J shares, excluding EdgePoint's value.

The total management and service fees for the year ended December 31, 2014 amounted to \$6,661,160 (December 31, 2013: \$5,318,797), with \$163,365 in outstanding accrued fees due to the Manager at December 31, 2014 (December 31, 2013: nil), which have been subsequently paid.

ii. Operating expenses

Cymbria is also responsible for various expenses relating to its operations. These expenses may include, but are not limited to: taxes (including income, capital and harmonized sales taxes), accounting, legal and audit fees, IRC and Board of Directors' fees and expenses, custodial fees, portfolio transaction costs, registrar and transfer agency fees, regulatory costs, shareholder reporting, investment advisor expenses incurred in connection with its duties as Investment Advisor and all administration expenses incurred by the Manager for its duties as Manager, excluding any salaries to the Manager's principal shareholders, and all general operating expenses that could include allocated salaries, overhead and other costs directly related to Cymbria's operations and incurred by the Manager. For the year ended December 31, 2014, allocated expenses totaled \$207,489 (December 31, 2013: \$173,770). Except for interest, bank charges, withholding tax, and transaction costs paid or payable directly by Cymbria, the Manager incurs such expenses on Cymbria's behalf and is then reimbursed by Cymbria for such expenses. Cymbria's common operating expenses are allocated to classes based on the average daily NAVs of each class.

9. Income taxes:

Cymbria, as a public corporation, is subject to income taxes on its net investment income and net realized gain on investments at rates of approximately 26.50% and 13.25%,

respectively. Taxable dividends from taxable Canadian corporations, as defined by the Income Tax Act (Canada), are excluded from taxable income. The effective income tax rates for deferred income taxes are approximately 26.50% on investment income and 13.25% on net realized gains.

At the end of the most recent taxation year December 31, 2014, Cymbria had capital and non-capital losses for tax purposes of nil (December 31, 2013: nil).

The total provision for income taxes in the *Statements of Comprehensive Income* is at a rate less than the combined federal and provincial statutory rate for the following reasons:

	December 31, 2014	December 31, 2013
Profit for the year before taxes	\$ 131,892,249	\$ 186,082,187
Tax at the combined statutory rate: 26.50% (2013: 26.50%)	\$ 34,951,446	\$ 49,311,780
Increase (decrease) in provision due to:		
Capital gains taxed at 50%	\$ (17,327,098)	\$ (24,757,491)
Non-taxable Canadian dividends	(1,133,965)	(585,405)
Foreign withholding taxes	(130,663)	(471,231)
Carry forward of non-capital losses	–	(423,897)
Other	10,442	479,713
Income taxes	\$ 16,370,162	\$ 23,553,469

The components of Cymbria's deferred income tax liability are as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Unrealized appreciation of investments	\$ (29,240,882)	\$ (22,332,258)	\$ (5,857,110)
Share issuance costs	–	–	\$ 452,224
Non-capital losses	–	–	\$ 423,897
Deferred income tax liability	\$ (29,240,882)	\$ (22,332,258)	\$ (4,974,989)

A loss realized by Cymbria on a disposition of capital property will be a suspended loss when Cymbria acquires a substituted property identical or the same as the property sold within 30 days before and 30 days after the sale, and Cymbria owns the substituted property 30 days after the original disposition. If a loss is suspended, Cymbria cannot deduct the loss from its capital gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

As of the most recent taxation year of December 31, 2014, Cymbria had suspended losses of \$60,133 (December 31, 2013: \$60,133; January 1, 2013: \$60,133).

10. Brokerage commissions:

Commissions paid to brokers in connection with portfolio transactions are disclosed in Cymbria's Statements of Comprehensive Income. Brokerage business is allocated in good faith based on which broker can deliver to Cymbria the best results in relation to order execution and research services utilized. Subject to these criteria, the Investment Advisor may allocate business to brokers that provide or pay for, in addition to transaction execution, investment research, statistical or other similar services. The ascertainable "soft dollar" value received as a percentage of total brokerage commissions paid during the periods ended December 31, 2014 and 2013, is disclosed below:

	2014	2013
Soft dollar relationships	3	2
Percentage of total transaction costs (%)	3%	2%

Other proprietary research services are offered on a "bundled" basis with transaction execution. As a result, the Investment Advisor is not able to reasonably ascertain the value of these investment research services.

11. Fair value measurement:

Cymbria's investments and derivative financial instruments are carried at fair value. In the opinion of the Manager, the fair values of financial instruments, other than investments and derivative financial instruments, approximate their carrying values given their short-term nature.

IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that Cymbria can access at the measurement date;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., as derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

Changes in valuation methods may result in transfers into, or out of, an investment's assigned level.

The following table categorizes financial instruments measured at fair value at the reporting date by the level in the fair value

hierarchy into which the fair value measurement is included. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
December 31, 2014				
Equities – long	\$540,817,769		\$62,439,718	\$603,257,487
Options – long	–	4,623,041	–	4,623,041
Forward contracts	–	475,126	–	475,126
Total investments	\$540,817,769	\$5,098,167	\$62,439,718	\$608,355,654

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
December 31, 2013				
Equities – long	\$452,227,618	\$ –	\$35,646,025	\$487,873,643
Options – long	–	1,308,112	–	1,308,112
Forward contracts	–	672,977	–	672,977
Total investments	\$452,227,618	\$1,981,089	\$35,646,025	\$489,854,732

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
January 1, 2013				
Equities – long	\$314,112,833	\$ –	\$14,670,272	\$328,783,105
Options – long	–	554,492	–	554,492
Forward contracts	–	1,014,308	–	1,014,308
Total investments	\$314,112,833	\$1,568,800	\$14,670,272	\$330,351,905

For the year ended December 31, 2014, the net change in value for financial instruments classified as held-for-trading is \$3,567,467 (December 31, 2013: \$2,587,673) and designated at FVTPL \$126,159,097 (December 31, 2013: \$183,060,856).

The financial instruments not measured at FVTPL are short-term financial assets and financial liabilities whose carrying amounts approximate fair value.

During the year ended December 31, 2014, there were no transfers between levels (December 31, 2013: nil).

a) Equities

Cymbria's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. When certain of Cymbria's equities do not trade frequently, current observable prices may not be available. In such cases, fair value is determined using observable market data and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

11. Fair value measurement (continued):

Cymbria's only Level 3 investment at December 31, 2014, December 31, 2013 and January 1, 2013, is its investment in EdgePoint. EdgePoint is a private company not traded on any public exchange and is considered a Level 3 asset because there is no market in which a share price can be readily observed. The Manager engages a third-party valuator to assist in the valuation of EdgePoint. EdgePoint's value is determined using the Discounted Cash Flow ("DCF") method. Under the DCF method, EdgePoint's fair value is estimated using the net present value of expected future cash flows. The cash flows include significant assumptions over market growth, net sales, expenses including income taxes, discount rates and an exit or terminal value. The projected cash flows, together with the terminal value of the business at the end of the forecast period, are discounted to the valuation date using an appropriate rate. This value is corroborated with a number of other recognized valuation methodologies for comparable businesses, such as price-to-AUM and price-to-earnings ratios. These data points are then compared to analyst reports and information available for publicly traded wealth management companies to determine a range of values for the business, which is then discounted for the private nature of the shares and minority interest issues due to less than a controlling interest being owned. The Manager determines the most appropriate valuation methodologies to use, which are subject to change.

The following tables reconcile Cymbria's Level 3 fair value measurements for the years ended December 31, 2014 and December 31, 2013.

December 31, 2014	Equities
Balance at beginning of year	\$35,646,025
Change in unrealized appreciation in value of investments	\$26,793,693
Balance at end of year	\$62,439,718
Total change in unrealized appreciation for assets held as at December 31, 2014	\$26,793,693

December 31, 2013	Equities
Balance at beginning of year	\$14,670,272
Change in unrealized appreciation in value of investments	\$20,975,753
Balance at end of year	\$35,646,025
Total change in unrealized appreciation for assets held as at December 31, 2013	\$20,975,753

The following table sets out information about significant unobservable inputs used at December 31, 2014 in measuring EdgePoint, which is categorized as Level 3 in the fair value hierarchy.

EdgePoint Wealth Management Inc.

Fair Value at December 31, 2014: \$62,439,718 (2013: \$35,646,025; January 1, 2013: \$14,670,272).

Unobservable Input	Range	Sensitivity to changes in significant unobservable inputs
Annual market growth	5%-8%	\$0-\$11.7M
Annual gross sales	\$390M-\$1.1B	(\$12.1M)-\$21.2M
Redemption rate	7.1%-12.0%	\$6.7M-(\$10.1M)
Discount rate	10.5%-11.5%	\$7.1M-\$0

Significant unobservable inputs are developed as follows:

- i) Annual market growth: represents the future weighted average investment returns of the mutual funds managed by EdgePoint. EdgePoint's management fee revenue is calculated as a percentage of assets under management ("AUM"), therefore higher investment returns of the funds will increase EdgePoint's expected annual cash flow. The range of 5%-8% was developed based on a weighted average of the index returns of the funds' benchmarks over a range of prior periods.
- ii) Annual gross sales: represents the weighted average of new units purchased in the mutual funds managed by EdgePoint. Higher gross sales of the funds will increase EdgePoint's AUM and will therefore increase annual cash flow. The range of \$390M-\$1.1B was developed based on a combination of EdgePoint's historical gross sales data and projections of future sales.
- iii) Redemption rate: represents the weighted average of units redeemed by unitholders of the mutual funds managed by EdgePoint as a percentage of AUM. A higher redemption rate will decrease EdgePoint's AUM and will therefore lower the annual cash flow. The range of 7.1%-12.0% is based on a combination of EdgePoint's historical redemption rate and the long-term redemption rate of the industry.
- iv) Discount rate: is the annual percentage used to determine the present value of EdgePoint's future cash flows. The discount rate factors in not only the time value of money, but also the risk or uncertainty of those future cash flows. A higher discount rate would indicate a greater uncertainty of future cash flows and therefore determine a lower net present value for EdgePoint. The range of 10.5%-11.5% was determined based on a combination of EdgePoint's

11. Fair value measurement (continued):

assumed weighted-average cost of capital, the risk-free rate, market risk factors, and other systematic and unsystematic risk factors.

Although the Manager believes that its estimates of fair value for EdgePoint are appropriate, the use of different assumptions could lead to different measurements of fair value. For the fair value measurement of EdgePoint, changing a combination of the significant assumptions noted above to reasonably possible alternative assumptions would increase the value of EdgePoint by \$7.2M.

b) Derivative assets and liabilities

Derivative assets and liabilities consist primarily of foreign currency forward contracts and options. Foreign currency forward contracts are valued primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency and interest rates. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2. Currency options are valued primarily on the contract notional amount, the difference between the strike price and the forward market rate for the same currency, interest rates and volatility of the underlying currency pair. Equity options are valued primarily on the number of contracts, the difference between the strike price and the forward market rate for the underlying equity/index, interest rate, dividends and volatility of the underlying equity/index. Counterparty credit risk is managed through the use of collateral and a Credit Support Annex, when available.

In the normal course of business, Cymbria may enter into various netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. As at December 31, 2014, December 31, 2013 and January 1, 2013, Cymbria did not have any financial instruments eligible for offsetting.

12. Financial instrument risk:

In the normal course of business, Cymbria is exposed to a variety of financial risks: market risk (comprising market price risk, foreign currency risk and interest rate risk), counterparty credit risk and liquidity risk. The value of investments in Cymbria's portfolio can fluctuate daily as a result of changes in interest rates, market and economic conditions, and factors specific to individual securities within Cymbria. The level of risk depends on Cymbria's investment objectives and the type of securities in which it invests.

Risk management

Cymbria's overall risk management program seeks to maximize the returns derived for the level of risk to which Cymbria is exposed and seeks to minimize potential adverse effects on Cymbria's financial performance. All investments result in the risk of loss of capital. The team takes a conservative approach to risk management by applying in-depth, thorough research to each investment idea in order to

understand the risks of the individual business and weighs this against its return potential.

Risk is further managed by investing in a diversified portfolio of companies. The team believes that investing in businesses with competitive advantages is a more effective approach to diversification than focusing on traditional sector allocations. The team takes a common-sense approach to risk by assessing how much money can be lost and the probability of losing it. While this approach may seem overly simplistic, it provides vital clarity about the true investment risks.

The Manager employs a governance structure that oversees Cymbria's investment activities and monitors compliance with Cymbria's stated investment strategy, internal guidelines and securities regulations. Monthly reviews by the Chief Compliance Officer and Chief Investment Officer ensure that pre-trade and post-trade compliance rules are followed. The Governance and Oversight Committee conducts quarterly reviews to monitor portfolio activity for compliance with applicable rules.

Risk factors**(a) Market risk:**

Cymbria's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following includes sensitivity analyses that show how the net assets attributable to shareholders would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(i) Market price risk

Market price risk arises primarily from uncertainties about the future market prices of instruments held. Market price fluctuations may be caused by factors specific to an individual investment, or factors affecting all securities traded in a market or industry sector. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. Cymbria's most significant exposure to market price risk arises from its investment in equity securities.

If equity prices for these securities had increased or decreased on their respective stock exchanges by 5% as at December 31, 2014, with all other variables held constant, Cymbria's net assets would have increased or decreased, respectively, by approximately \$30.16 million or 4.9% of total net assets (December 31, 2013: \$24.39 million or 4.9% of total net assets; January 1, 2013: \$16.44 million or 4.8% of total net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Foreign currency risk

Foreign currency risk arises from financial instruments denominated in a currency other than

12. Financial instrument risk (continued):

the Canadian dollar, which is Cymbria's functional currency. Cymbria is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. When the Investment Advisor deems it appropriate, Cymbria will enter into foreign exchange forward contracts to reduce its foreign currency exposure.

The following tables indicate the currencies (excluding the Canadian dollar) to which Cymbria's financial instruments had significant exposure. Period-end figures are in Canadian dollars and include the underlying principal of forward exchange contracts, if any:

December 31, 2014					
Currency	Investments	Cash	Foreign exchange forward contracts	Total*	% of net assets
U.S. dollar	\$452,943,376	\$6,911,783	\$ –	\$459,855,159	75.3%
Euro	25,274,481	–	–	25,274,481	4.1%
Japanese yen	10,652,631	(71,524)	(11,899,557)	(1,318,450)	(0.2%)
Swiss franc	20,672,694	–	–	20,672,694	3.4%
British pound	11,389,453	–	–	11,389,453	1.9%
Danish krona	8,466,829	–	–	8,466,829	1.4%
	\$529,399,464	\$6,840,259	(\$11,899,557)	\$524,340,166	85.9%

*Includes both monetary and non-monetary financial instruments.

December 31, 2013					
Currency	Investments	Cash	Foreign exchange forward contracts	Total*	% of net assets
U.S. dollar	\$411,270,288	\$18,643,157	\$ –	\$429,913,445	86.80%
Danish krona	12,502,026	–	–	12,502,026	2.50%
British pound	8,259,927	–	–	8,259,927	1.70%
Euro	3,970,700	(285)	–	3,970,415	0.80%
Japanese yen	15,660,038	–	(16,581,338)	(921,300)	(0.20%)
	\$451,662,979	\$18,642,872	(\$16,581,338)	\$453,724,513	91.60%

*Includes both monetary and non-monetary financial instruments.

January 1, 2013					
Currency	Investments	Cash	Foreign exchange forward contracts	Total*	% of net assets
U.S. dollar	\$265,152,020	\$11,678,580	\$ –	\$276,830,600	81.0%
Euro	21,753,126	–	–	21,753,126	6.4%
Danish krona	6,682,688	–	–	6,682,688	2.0%
British pound	4,309,131	–	–	4,309,131	1.3%
Japanese yen	16,770,360	–	(17,888,214)	(1,117,854)	(0.3%)
	\$314,667,325	\$11,678,580	(\$17,888,214)	\$308,457,691	90.4%

*Includes both monetary and non-monetary financial instruments.

As at December 31, 2014, if the Canadian dollar had strengthened or weakened by 1% relative to all foreign currencies with all other variables held

constant, Cymbria's net assets would have increased or decreased, respectively, by approximately \$5.24 million or 0.9% of total net assets (December 31, 2013: \$4.54 million or 0.9% of total net assets; January 1, 2013: \$3.08 million or 0.9% of total net assets).

In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value, or future cash flows of financial instruments, will fluctuate as a result of changes in market interest rates. The majority of Cymbria's financial assets are equity shares, which are not interest bearing. As Cymbria's financial liabilities are primarily short-term in nature and generally not interest bearing, Cymbria's exposure to interest rate risk is considered insignificant.

(b) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to honour an obligation or commitment that it has entered into with Cymbria.

Cymbria's main exposure to credit risk is its trading of listed securities. It minimizes the concentration of credit risk by trading with a large number of brokers and counterparties on recognized and reputable exchanges. The risk of default is considered minimal as all transactions are settled and paid for upon delivery using approved brokers.

Cymbria also has credit risk in its holdings of fixed-income debt instruments that it may purchase from time to time. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum credit risk of these investments is their carrying value. As at December 31, 2014, Cymbria had nil investments in debt securities (December 31, 2013: nil; January 1, 2013: nil).

Cymbria may enter into foreign exchange contracts to buy and sell currencies for the purpose of settling foreign securities transactions. These are short-term spot settlements carried out with counterparties with a credit rating of at least "A." The exposure to credit risk on these contracts is considered minimal as there are few contracts outstanding at any one time and the transactions are settled and paid for upon delivery.

(c) Liquidity risk:

Liquidity risk is the risk that Cymbria will encounter difficulty in meeting obligations associated with financial liabilities.

Aside from financial liabilities that arise from its normal investing activities, Cymbria has no other significant financial liabilities. As Cymbria's shares are non-redeemable, they do not represent a liquidity risk.

12. Financial instrument risk (continued):

Cymbria may invest in derivatives, debt securities and unlisted equity investments that are not traded in an active market. As a result, Cymbria may not be able to quickly liquidate its investments in these instruments at amounts which approximate their fair values, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer. In accordance with Cymbria's policy, the Manager monitors Cymbria's liquidity position on a daily basis.

Cymbria may invest in illiquid assets but maintains the majority of its assets in liquid investments traded in an active market that can be readily sold. As at December 31, 2014, illiquid securities represent approximately 10.2% of Cymbria's net assets (December 31, 2013: 7.2%; January 1, 2013: 4.2%). The only illiquid asset is Cymbria's investment in EdgePoint, which is not publicly traded.

Cymbria also has the ability to borrow up to 25% of its net assets to invest in securities for the purpose of enhancing returns. No such borrowing occurred during the period.

The tables below analyze Cymbria's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amount in the tables are the contractual undiscounted cash flows.

December 31, 2014	On demand	< 3 months	> 3 months	Total
	\$	\$	\$	\$
Accrued liabilities	–	159,890	–	159,890
Income taxes payable	–	3,371,070	–	3,371,070
Deferred share unit plan liability	–	–	528,551	528,551
Deferred tax liability	–	–	29,240,882	29,240,882

December 31, 2013	On demand	< 3 months	> 3 months	Total
	\$	\$	\$	\$
Accrued liabilities	–	9	–	9
Income taxes payable	–	2,542,211	–	2,542,211
Deferred share unit plan liability	–	–	408,350	408,350
Payable for investments purchased	226,206	–	–	226,206
Deferred tax liability	–	–	22,332,258	22,332,258

January 1, 2013	On demand	< 3 months	> 3 months	Total
	\$	\$	\$	\$
Accrued liabilities	–	14,706	–	14,706
Deferred share unit plan liability	–	–	196,910	196,910
Payable for investments purchased	2,010,255	–	–	2,010,255
Deferred tax liability	–	–	4,974,989	4,974,989

13. Schedule of options:

December 31, 2014

Put Options	Expiry date	Strike price	USD notional	Average cost	Fair value
Japan-USD Feb/110 PO	February 6, 2015	110.00	3,460,000	\$56,949	\$328,858
Japan-USD Feb/95 PO	February 13, 2015	95.00	6,394,518	169,277	1,534,295
Japan-USD Jun/115 PO	June 1, 2015	115.00	30,254,218	116,995	1,816,742
Japan-USD Jun/110 PO	June 1, 2015	110.00	7,147,437	58,498	707,718
Japan-USD Nov/130 PO	November 5, 2015	130.00	13,319,672	110,992	235,428
				\$512,711	\$4,623,041

14. Reconciliation of net asset value ("NAV"):

Net assets reported in these Financial Statements are accounted for using IFRS ("IFRS Net Assets") and takes into account the deferred income tax liability on the unrealized gain on investments, as well as deferred tax benefits associated with any realized losses on investments. These deferred tax benefits and liabilities are not included in the per share NAV reported by Cymbria on a daily basis. The Canadian Securities Administrators require reconciliation between NAV and IFRS Net Assets.

The difference between NAV and IFRS Net Assets on a per share basis is as follows:

		NAV	IFRS Net Assets
December 31, 2014			
Class A	\$	27.53	\$ 26.22
Class J		29.73	28.35
December 31, 2013			
Class A	\$	22.33	\$ 21.34
Class J		23.90	22.86
January 1, 2013			
Class A	\$	14.68	\$ 14.45
Class J		15.62	15.36

15. Transition to IFRS:

The nature and the effect of Cymbria's transition to IFRS are summarized below.

(a) Transition elections:

The only voluntary exemption adopted by Cymbria upon transition was the ability to designate a financial asset or

15. Transition to IFRS (continued):

financial liability at FVTPL upon transition to IFRS. Upon transition, all financial assets designated at FVTPL were previously carried at fair value under Canadian GAAP as required by Accounting Guideline 18, Investment Companies; accordingly no adjustments to measurement were required.

Optional exemptions from full retrospective application
Business combinations – The Fund has elected to apply this exemption and therefore has not applied IFRS 3 retrospectively to the transition date.

Mandatory exceptions to retrospection application of IFRS
Estimates – The Fund's estimates in accordance with IFRS at the transition date are consistent with estimates made in accordance with previous Canadian GAAP.

(b) Statement of cash flows:

Under Canadian GAAP, Cymbria was exempt from providing a statement of cash flows. IAS 1 requires that a complete set of financial statements include a statement of cash flows for the current and comparative periods, without exception. As a result, Cymbria has presented the required statements of cash flows.

Had the Fund prepared a statement of cash flows under Canadian GAAP, there would have been no significant changes, therefore, a reconciliation is not provided.

(c) Reconciliation of financial position and comprehensive income as previously reported under Canadian GAAP to IFRS:

Shareholders' equity	December 31, 2013	January 1, 2013
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Shareholders' equity as reported under Canadian GAAP	\$495,116,436	\$341,648,940
Revaluation of investments at FVTPL	63,028	145,799
Shareholders' equity	\$495,179,464	\$341,794,739

Increase in shareholders' equity from operations For the period ended	December 31, 2013
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Increase in shareholders' equity from operations under Canadian GAAP	\$162,611,489
Revaluation of investments at FVTPL	(\$82,771)
Increase in shareholders' equity from operations	\$162,528,718

(d) Revaluation of investments at FVTPL:

Under Canadian GAAP, Cymbria measured the fair value of its investments in accordance with Section 3855, Financial Instruments – Recognition and Measurement, which required the use of bid prices for long positions, and ask prices for short positions to the extent such prices were available. Under IFRS, Cymbria measures the fair value of their investments using the guidance in IFRS 13, Fair Value Measurement, (IFRS 13), which requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. It also allows the use of mid-market pricing, or other pricing conventions that are used by market participants, as a practical expedient for fair value measurements within a bid-ask spread.

OFFICERS

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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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Patrick Farmer, CFA

Chairman

James MacDonald

Director

Richard Whiting

Director

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TORONTO STOCK EXCHANGE LISTING

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COMPANY CREED

At the launch of EdgePoint, we put in place a foundation of commitments that governs our company. Our commitments, as well as the belief from which each one was born, are listed here.

1. We will put our investment partners first in all business decisions.

We believe that investors and their advisors should be treated as our investment partners. When faced with a decision, we'll be guided by the belief that what matters is our investment partners and what's important to them.

2. We will consistently adhere to our investment approach.

We believe in our deceptively simple investment approach: Buy good, undervalued businesses and hold them until the market recognizes their full potential. We believe this requires an ability to think independently and a commitment to embrace the thorough research required to uncover opportunities that the market doesn't fully appreciate.

3. We will partner with financial advisors.

We believe that investors should seek out professional financial advice. A skilled and principled financial advisor can offer effective advice in helping reach financial goals. We hope advisors will recommend our investment products, but understand that they may not. We believe that's their value to their clients: independent objective advice.

4. We will focus on delivering superior service to our investment partners.

We believe in the importance of highly responsive service, especially when you've entrusted us with your investments.

5. We will invest in our investment products alongside our investment partners.

We believe that our employees should invest their personal wealth in our company's products. We believe that a personal commitment to products by employees fosters a strong sense of accountability and ensures that employees' interests are aligned with our investors'.

6. We will use investment results and not asset growth as our benchmark for achievement.

We believe in the importance of being an investment-led organization as opposed to sales and marketing driven. We believe the difference between these two types of organizations is material. A sales- and marketing-led company spends more time and money gathering assets than it does investing the money it's already gathered. An investment-led organization focuses the majority of its efforts on building wealth.

7. We will build a distinct culture where our employees think and act like owners.

We believe that employees who think and act like owners make better long-term decisions. We believe long-term thinking from our employees will enhance the long-term wealth of our investment partners.

8. We will communicate with our investment partners regularly and honestly.

We believe informed investors and advisors make better decisions. We believe the ingredients of success in the wealth management business are investment results and reputation. We believe that the bond between both is setting expectations through open and honest communication.

9. We will endeavour to keep "it" simple.

We believe achieving superior investment results isn't easy. However, there are aspects of the investment management industry that have become unnecessarily complex. We will endeavour to keep our offerings, our company and our interactions with our partners as simple as we can.

PERSONAL ADS

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THE DAILY TRUTH

Since 2008

ARE YOU DATING THE WRONG MUTUAL FUND COMPANY?

I don't really like to stand out in a crowd or look wrong so I look a lot like the index. I like to call myself active but let's just say I'm not putting my career at risk by diverging from the index too much.

And let's be honest, the index is the epitome of diversification. So by looking like the index, you can be sure you have a stake in all sectors. You can never be over-diversified.

Timing is everything. I may not have a crystal ball, but I listen to all the predictions and forecasts so I have a good idea of what's going to happen in the future. My ability to interpret market trends ensures I know when to invest and when to pull out.

I tend to keep my work and personal life separate so I don't put my own money into the products I sell.

Not to brag but this is a Morningstar award winning mutual fund that has been promoted by [insert sports/rock star name] and has over \$5 billion in assets under management. Bigger is better.

As soon as you show interest, I'll send all sorts of free logo-laden swag your way as well as tickets for your favourite sporting event.

You're probably wondering what all this will cost you? My MER may appear a little bloated compared to the industry average but what's a few bps?

Call me!

Beware of closet indexers who charge you for active management but really just hug the index.

A common misconception - you have to be invested across all sectors to be diversified. Diversification is not about pie charts. It's about investing in high conviction ideas that are developed through in-depth research and expertise, and a focus on diversification by business idea.

Beware of those who think they can predict the future because nobody can. History shows it doesn't matter when you invest, only that you DO invest.

Ignore the short-term noise. Sticking to a long-term investment strategy has many benefits including lower fees because there's less trading activity.

Where's the confidence? Just like you probably shouldn't trust a cook who doesn't eat their own cooking, why trust a portfolio manager who doesn't invest their own money alongside you?

Awards acknowledge past history and tell you next to nothing about how a fund will perform in the future.

Smaller funds have greater flexibility to buy a substantial stake in smaller companies which can often be more attractive.

The "free stuff" costs you in higher fees. Do you really want to pay higher fees for another baseball hat you'll never wear?

You SHOULD worry about a few bps. What seems like a couple basis points can be very costly over time because it reduces your returns. Know what you're paying and make sure you're getting value for that fee.

We wouldn't. YOU CAN DO BETTER.

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