CYMBRIA CORPORATION

2021
ANNUAL REPORT

CYMBRIA CORPORATION

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

INVESTMENT OBJECTIVE

Cymbria's investment objective is to provide shareholders with long-term capital appreciation primarily 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

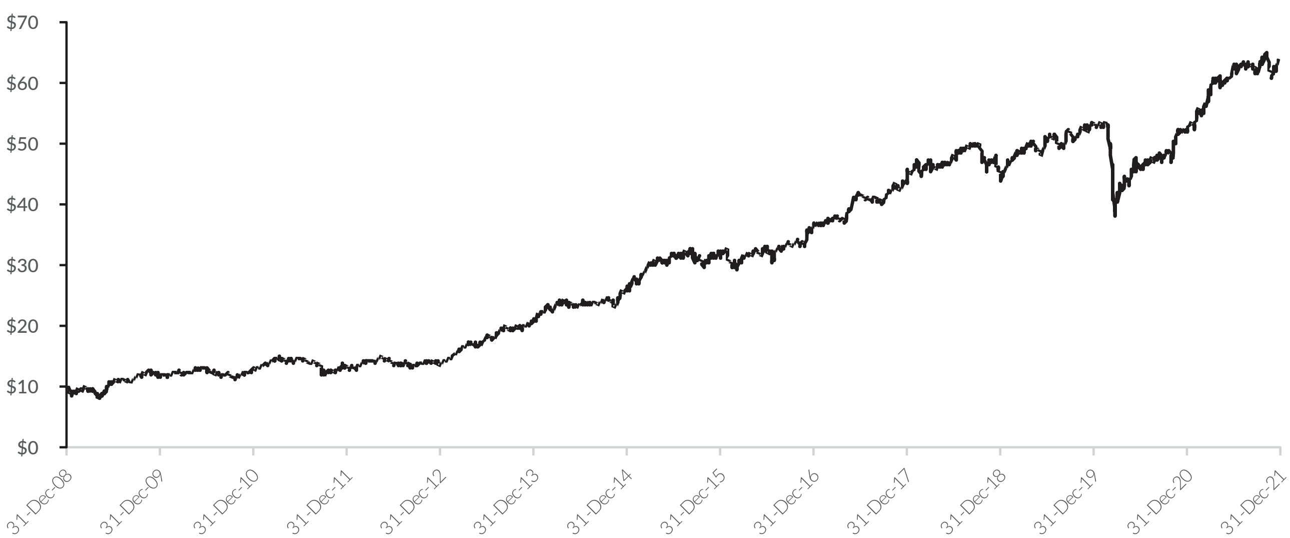
Cymbria – Class A Adjusted net asset value ("aNAV")*

	aNAV	Return (C$)	Index (C$)**
Inception: November 3, 2008	$9.39†		
2008‡	$9.34	-0.54%†	-0.52%
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%
2015	$32.41	17.69%	18.89%
2016	$36.59	12.91%	3.79%
2017	$45.18	23.48%	14.36%
2018	$45.38	0.43%	-0.49%
2019	$53.09	16.98%	21.22%
2020	$52.38	-1.34%	13.87%
2021	$63.92	22.05%	20.78%

Since inception††

Compounded annual return	**15.14%**
Cumulative return	**539.24%**

Cymbria – Class A aNAV



* Previously NAV, aNAV represents the fair value of net assets of Cymbria, which differs from IFRS shareholders' equity in that it excludes deferred taxes. The calculation of aNAV has not changed since the inception of Cymbria.

** 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 to December 31, 2008.

†† Includes expenses related to IPO.

Source: Morningstar Direct, Bloomberg LP. Total returns in C$ as at December 31, 2021. Index performance is based on a pre-tax calculation, while Cymbria's aNAV is after tax (but excludes deferred taxes). As a corporation, Cymbria's income and capital gains are taxed within the corporation and reflected in the daily aNAV. 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 aNAV performance (annualized): YTD: 22.05%, 1 year: 22.05%, 3 year: 12.10%, 5 year: 11.81%, 10 year: 17.07%, since inception: 15.14%.

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Note to shareholders: In an effort to reduce costs and printing, we will no longer be mailing copies of the interim Financial Statements and Management's Discussion and Analysis ("MD&A"). You can still obtain a free copy by calling 1.866.757.7207, writing to EdgePoint Investment Group Inc., 150 Bloor St. W., Suite 500, Toronto, ON, M5S 2X9, emailing **info@cymbria.com** or visiting our website at **www.cymbria.com** or the SEDAR website at **www.sedar.com**.

Cymbria's Annual Investor Day

Wednesday, May 18, 2022

This year's event will be hosted in person at Koerner Hall
and available virtually through Livestream.

Please save the date and stay tuned for more details

Agenda

Company overview with Patrick Farmer, Chairman

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

and members of the Investment Team

Live Question & Answer

Registration is open on the Cymbria website
www.cymbria.com
Seating is limited, be sure to register early if you plan to attend in person.

About Cymbria

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, defendable 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 aNAV cumulative return of 539.2% (includes IPO-related expenses). The benchmark MSCI World Index returned 361.7% (C$) over the same timeframe. But our performance has not been smooth and there have been a few bumps along the way. We believe that it is during these periods of short-term underperformance that we added the most value for our shareholders. Our willingness to look wrong in the short term in order to be right in the long term has been an important part of delivering on our goal of building wealth for shareholders.

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

Measuring Cymbria's worth

Cymbria's stock price has swung between a 14.2% discount and a 34.0% premium to aNAV 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 aNAV daily to our website. Some have suggested that doing so encourages short-term thinking. We tend to agree. Cymbria's aNAV is different from its worth. The aNAV represents the value of its holdings at today's prices, not tomorrow's worth. Not everyone uses Cymbria's aNAV as a guidepost, nor does posting it ensure that the stock will ever trade at that figure. Cymbria has traded within a wide band and people are free to ignore the guideposts.

Since we have no control over Cymbria's share price and don't know what's in the heads of sellers day to day, we also have no way of determining if there will be shareholders willing to sell at material discounts to aNAV (either knowingly or unknowingly). Should these opportunities exist in the future, 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.

Chairman's letter

By mid year 2021, we returned to the office as restrictions were lifted, albeit with enhanced health and safety measures, and the team enjoyed the return to relative normalcy. However, by year-end the rise of the Omicron variant changed the game once again, and our team was able to smoothly transition back to remote work.

The onset of a new virus variant meant the global pandemic would continue to dominate the lives of people around the world. We hope you and your families remain healthy and optimistic for the future as the virus eventually runs its course.

Despite uncertainties like the transitory nature of higher inflation and supply chain disruptions, the stock market turned in a solid performance in 2021. For example, the S&P 500 Index gained 27.6% and the MSCI World Index rose 20.8% (total returns, in C$). Investors shrugged off pandemic-induced challenges and embraced the prospects of an economic reopening.

We also witnessed a new breed of day traders that use social media to drive the share price of companies being shorted by hedge fund professionals, while cryptocurrencies, special purpose acquisition companies (SPACs) and non-fungible tokens (NFTs) also became the craze. Concentration in the mega cap names continued in 2021, as Microsoft, Apple, Nvidia, Alphabet, Tesla and Facebook (now Meta Platforms) contributed up to a quarter of the MSCI World Index's performance and about a third of the S&P 500 Index's performance.

In a world where attention spans continue to decrease along with investment holding periods (on average, studies show stocks are now held less than five months), we continue to approach investing as rational business owners – focusing on an investment's long-term fundamentals, while ignoring short-term noise.

Although markets appear to be at historical highs from a valuation perspective, Cymbria looks extremely different from the benchmark. The team is still unearthing new ideas in businesses that can compound wealth over the long term, but they're uncovering these attractive ideas in areas that don't hold popular appeal. Our investment team was very active in 2021, taking advantage of opportunities and purchasing 22 new businesses for Cymbria while selling 15 businesses where the thesis either played out, or proceeds were redeployed to better ideas.

Cymbria's Class A aNAV increased by 22.0% in 2021, compared to an increase of 20.8% for the benchmark MSCI World Index (C$). Since inception, the Class A aNAV has grown by 15.1% per annum, compared to 12.3% per annum for the Index over the same timeframe.

Let me briefly review Cymbria's key drivers of wealth creation:

- Since inception, Cymbria's primary driver of wealth creation has been our investment team's stock selection. In 2021, this driver increased Cymbria's Class A aNAV by 16.6%.
- In 2021, Cymbria's investment in EdgePoint was revalued 20.4% higher compared to 2020. Cymbria's original investment in EdgePoint of $509,585 is currently valued at $265.5 million.
- Cymbria's pro-rata share of EdgePoint's dividend was $21.8 million in 2021, about 10% higher than the dividends received in the year prior. Since inception, Cymbria has received $111.3 million in dividends from EdgePoint.
- During 2021, Cymbria was able to repurchase 400 Class A shares for a total of $20,851.

In 2021, we added 5 new members to the EdgePoint team and are now 80 internal partners strong.

Richard Whiting, who has been a valued member of Cymbria's Board of Directors since our inception, retired at the end of the year. Picking up the torch is Edward Waitzer, who joined the Board in May 2021. We'd like to thank Richard for his many years of service, insights and advice, and we look forward to working with Ed for many years into the future.

We believe we are well positioned to face 2022 based on our established investment approach, the advantages of our firm's structure and the outstanding talent we have attracted.

We're pleased with the progress we've made so far and remain focused on the ongoing task of building wealth for our shareholders.

Thank you for your continued trust.

Sincerely,

Patrick Farmer, Chairman

The price of regret

By Tye Bousada and Geoff MacDonald, Co-Chief Executive Officers

We (Geoff and Tye) learned about the idea of future regret as children. For example, one of us grew up surrounded by friends who raced motocross for fun. Despite this person's mother telling him not to get on those motorcycles, he did it anyway. One day after a big fall, he ran home bleeding, scratched, and bruised, and asked his mom to bring him to the hospital. The mom, who happened to be an ER nurse, saw an opportunity to teach her son about the idea of future regret. Instead of taking him, she sewed him up on the kitchen counter. Rubbing alcohol was used to sterilize the wounds and no freezing was applied before the stiches. Lesson learned.

Daniel Kahneman, a psychologist notable for his work on the psychology of judgment, once said that "*The key to investing is having a well-calibrated sense of your future regret*".

We agree that a good part of pleasing long-term returns is about having a well-calibrated view of future regret. The motorcycle example above highlights that when you boil down life's experiences, our most learned ones are usually when we didn't get the outcome we wanted. How do we take our experiences from the past and use them to ensure we get better and better outcomes in the future? A key is that well-calibrated understanding of risk.

The overarching problem with future regrets is that they can interrupt the magic of compounding. Our goal is to compound your wealth at a pleasing rate over the long term. The words "long term" are essential to the way we do things. We aren't trying to achieve the highest returns in any given year. We have seen many people try to do this and believe it's a fool's game that leads most to ruin. Instead, our goal is to earn pleasing returns for the longest period of time possible. Recognizing this distinction is critical to understanding how we do things.

Cymbria is off to a good start. We're a little over 13 years old and our consistent application of our approach has turned a $10 investment into something worth over $60 at the time of writing. This 13-year period of time included a great financial crisis, a European sovereign debt crisis, a U.S. debt downgrade, a coordinated emerging market slowdown, a trade war between the world's two largest economies and a global pandemic. Just as importantly it included years where our annual performance made us look smart and others where we looked dumb. Those that experienced the compounding from $10 to $60 had to stick with Cymbria through it all.

This long-term track record was built through the consistent application of our investment approach. Constantly looking for proprietary insights about businesses while trying to have a "well-calibrated sense of future regret".

Attempting to avoid future regrets is a relentless pursuit. As we look forward and think about compounding $60 into something larger, there are a number of future regrets that we're attempting to take into account. This letter isn't the forum to list all of them. However, we thought we would talk about three that could interrupt the magic of compounding if enough attention isn't paid to them.

Future regret – Future obsolescence/Terminal risk

One key risk to any business is future obsolescence. No one thinks the business they own will be obsolete in the future. There's an extensive history of businesses in the past that have become obsolete. We don't have to tell stories about horse and buggies or Polaroid or Blockbuster to convince you. More prevalent, are businesses that are still around, but are shadows of their former selves. This very long list can start with businesses like Kodak, Sears, Xerox, Yahoo, IBM, JCPenney, Atari, Tower Records, General Motors, Dell, yet not end with Blackberry.

How long do businesses of today really last at their current strength? The answer is very relevant, yet often overlooked. If we start with obsolescence, can we assume the average business has a 20-, 50- or 100-year lifetime? The answer is relevant and insightful. If all businesses today last another 100 years until obsolescence, then don't they effectively decline, on average, during that time period by roughly 1% of today's value each year? Of course, it's not a smooth line like this. Businesses today have already been around for 10 or 30 or 50 years already. Do each of them really have another 100 years? There are a lot of changes coming over the next century to say that with any kind of certainty! This is important because the terminal value of a business is very opaque when we're many years away from the actual terminal value date. If the average business today lasts another 50 years, then do we now have a roughly 2% (1/50) annual headwind to fight for the average business? Of course, the math doesn't work exactly like this. The path, as Ernest Hemmingway famously suggested is often "gradually, then suddenly".

But the point remains the same. There's substantial terminal value risk that exists with businesses today, as there was in the past, that often gets overlooked. There's been a growing narrative parroted to the masses over the past few years, justifying ever and ever higher valuations for growth business with a certain future. Specifically, it explained those ever-higher valuations due to low interest rates. That's simple math and it ignores the many risks involved in owning any business, including those whose future looks somewhat certain today. In the context of how less relevant many of these businesses will be in 10, 20 and 30 years from now, paying over 30 or 40 or 50 times earnings starts sounding a bit too simple no matter how low interest rates are.

As stated earlier, the terminal value of a company isn't easy to estimate when you don't know the terminal date. But if we think about it more than the average investor and continue to look out further in the distance than the average investor, we increase our chances of avoiding the future regret of terminal risk.

Future regret – Assuming the future will be like the past

Picture walking up to a roulette table and placing a material portion of your life savings on one number. There are 38 slots on a roulette wheel. You would have a one in 38 chance of being right – or a 2.6% chance. Would you do it? It's a rhetorical question, of course you wouldn't. However, if I asked you if you were comfortable investing assuming the future is going to be like the recent past, your level of comfort would probably increase. Yet the risk of assuming the future will be like the past can almost be as bad as betting on one outcome on a spin of a roulette wheel. The future is uncertain which means it could play out in hundreds of different ways, yet investors have a tendency to anchor to what has recently worked.

Consider that virtually all generations of existing fund managers have only had wind at their back from a rather smooth multi-decade decline in interest rates. Sure there were bumps, but we've all known one investing environment – declining interest rates, rising multiples, globalization and the resulting disinflationary forces, lowering of corporate tax rates, increasing productivity, expanding global leverage aiding economic growth and a Fed that has our back. These things have been a constant in our lives for a very long time.

The ultra-low interest rate world that COVID has engendered may not last. If rates increase, those higher rates will act like gravity on valuation multiples. If history is a guide, the names with the highest valuations will be the ones that experience the greatest multiple compressions (or said differently the greatest price declines). Valuation compression in these names would lead to permanent loss of capital for many.

History is littered with regrets of people assuming that the future will be like the past. The Nifty 50 in the mid-1970s, energy from the late-1970s, Japan in the 1980s, emerging markets in the first part of the 1990s, the tech boom of the late-1990s, and the U.S. housing boom of the mid-2000s. Every single one of these were forecastable future regrets.

We're cognizant of the future regret of assuming that tomorrow will be like yesterday. To avoid this, we try to diversify Cymbria as much as possible by business idea. What does this mean? It means we try to diversify away from obvious correlations and non-obvious correlations in Cymbria.

An obvious correlation would be having 50% of a portfolio invested in software companies. These types of correlations are easier to see and avoid. Non-obvious correlations are harder to see and are what we spend more time thinking about. To avoid non-obvious correlations, we ask ourselves real world questions that a businessperson would ask if they owned a small collection of businesses like we do in Cymbria. For example, what would happen to our businesses if interest rates went up? Which business might benefit from a 1% increase in rates? Which ones wouldn't? What business would do well if the price of oil suddenly shot up? Which ones would suffer? Which businesses would suffer the most if there was a sudden retrenchment in spending by consumers? Which ones would suffer if labour rates suddenly spiked?

Investing means you have to expose yourself to risks about the future. The key to long-term compounding is ensuring that those risks are appropriately diversified by business idea. Diversification by business idea helps avoid future regrets.

Future regret – Hidden costs

Compounding looks like a gravy train in hindsight, but there's no such thing as a free lunch in this business. As we suggested, the future could be very different from the past. If it's similar to the past experienced over our careers, there will be very large regularly occurring annual drawdowns, recessions, wars, crazy world leaders, panics, disruption and never-ending volatility.

Most investors don't understand that the above examples are just the cost of admission. The true costs come with one's reaction to these events. None of them should be a surprise. To invest and not think the market could drop by 15% from it's high to low each or every second year is naïve. Why allow something that's happened continually in the past surprise you if it occurs in the future? The true cost goes far above not acknowledging that these events are just the cost of admission. It actually occurs in the reaction to such an event, and not having an approach with a diversified set of ideas ready to take advantage of those surprised just because there was no disclaimer on the admission ticket.

There's also a real cost of being alone, separated from the herd. It can be isolating sometimes and it's a something not many in our business can afford to carry. The inability for most to bear such cost is the precursor and foundation of a proprietary view. We're comfortable owning lots of proprietary views, many that would be too costly for others to own since many of the ideas are too far away from the warmth of the herd. There's serenity when you can do this because you turn a cost to others into a source of reward.

Conclusion

There are many other potential future regrets on the path of compounding capital over the long term other than terminal risk, building an investment portfolio that relies on nothing changing or overreacting when something inevitably does. Our experiences over the long term have actually reinforced our conviction that the most important thing for us to highlight internally when discussing the merits of an investment is *"Do we have a view about this business that others don't have today? Are there opportunities for growth, higher margins or new products/markets that will surprise today's investors?"* In short, ***"Do we have a proprietary view?"*** This is what we always ask each other when we're evaluating a new or existing business. You might be surprised to hear that, more often than not, when we can't see a proprietary view, the investment often looks fraught with risk. The proprietary view isn't just about the reward part of the compounding equation.

It's always entertaining seeing things come and go in investing…and then come back. This happens whether it's fads, cycles or styles. But our approach has compounded capital for fifty years following a generally pleasing, but not too smooth, path. Often, the proprietary view is seen by others as the source of our gains and thus compounding. But in all truth, the two best risk-mitigation tools we have found are:

- Having a view for how a company will grow in the future to the surprise of investors today…and being right on that view
- Recognizing when we no longer have a proprietary view on an existing holding, being intellectually honest with ourselves about no longer having that insight…and then selling the holding immediately while locking in the respective gain or loss.

As stated earlier, trying to avoid future regret has helped Cymbria appreciate in value from $10 a share to over $60. Looking at these results more granularly, we can turn our attention to what percentage of our investments actually made money versus lost money. Since we started, we have made 210 investments on behalf of you, our fellow Cymbria shareholder. Of those investments, 173 or 82% of them were profitable. This is a pleasing batting average that happens only by investing when we have a proprietary insight and through the lens of future regret. We work hard every day at trying to build on this pleasing batting average.

That is why having a proprietary view is the centrepiece of all internal conversations at Cymbria. A proprietary view, if correct, addresses elements of both future regrets and the challenge of compounding.

Tye Bousada

Geoff MacDonald

The Cymbria option

by Jason Liu, Partner

"The secret of my success is that we have gone to exceptional lengths to hire the best people in the world"
- Steve Jobs, co-founder of Apple Inc.

Cymbria was founded by entrepreneurs with a history of starting and building businesses. From blueberry farms to real estate organizations to EdgePoint – we pride ourselves on being investors as well as owner operators. As operators, the number-one problem facing a growing business is finding the right people to drive that growth. This is not just a problem in year one, but an issue you must continue to address as the business grows. We do not see growth through the lens of a spreadsheet, but rather, through the quality of the people at our portfolio companies and at EdgePoint. You can never have enough exceptional people.

Our private investment approach is focused on competitively advantaged businesses with high returns on capital and long runways to grow. In these businesses, the difference between what an average person can accomplish and what the right person can accomplish is many times more. Therefore, it should come as no surprise that recruiting talent is what we consider one of the most important pieces in building successful businesses. To us, closing a transaction is just the beginning of our work because one of the most impactful things we can do is referring talented operators to many of our portfolio companies.

When you attend Cymbria Day this year, pay attention to the internal EdgePoint partners with whom you interact. Many of our management teams will be in attendance. We believe that the passion, consistency and imagination that they bring to work every day will be one of the biggest drivers of pleasing returns for Cymbria over the next 10 years.

Achieving business growth takes talent

How do we go about recruiting? We do not have a human resources department. We rarely work with external recruitment agencies. Rather, recruiting is a part of everybody's job and we have found that our internal partners are some of the very best sources of top talent. Talented people know other talented people and are excited to work together. As we have gone about recruiting, we have also found aspects of our approach that appeal to some like-minded operators:

- Cymbria has permanent capital and that allows us to take a long-term perspective when running a business. We do not need to focus on short-term profits, but can make decisions that will continuously improve the quality of our portfolio companies over the next decade. We saw this play out through the last two years, during the pandemic, and we will continue to prioritize long-term decision making at any company we work with. Many of our partners and operators share this long-term perspective and know that working with us will mean they have a long-term home and support
- When someone chooses to work with us, they are taking a leap of faith and entrusting us with their careers and livelihoods. In many cases, they will invest a meaningful amount of their life savings alongside us. We do not take this responsibility lightly. It is our imperative to do everything we can to drive growth and ensure that our operators benefit from the accompanying value creation. We do not subscribe to the theory that employees need to fight for every dollar – we will always commit to treating our partners fairly
- EdgePoint has always been willing to run lean. We operate with about 25% of the people of a comparably sized asset manager and are always looking to give internal partners new challenges and more responsibility. We apply the same principles to our portfolio companies. Far too many companies want managers with long resumes but with little appetite to roll up their sleeves and do the work. We love to give young, hungry and talented operators a larger platform than what they've had before

While we are still early in our journey of growing a talented team of operators, we are beginning to see early signs that these efforts are making an impact:

- When we acquired our pest control business, it had the characteristics of a high-quality business but needed operational improvement to become more resilient. We brought in an executive team to make these improvements and accelerate growth. Since our investment two-and-a-half years ago, revenue and earnings have doubled and tripled, respectively. However, these metrics are just the consequence of doing the right things. Many of the improvements go beyond what we see in the financials. For example, we have made key investments in technology that allow us to operate more efficiently than our competition. We have been impressed by what our management team has been able to achieve and hope to be able to deploy more capital through potential acquisitions in the future
- Our financial technology business was built by two exceptional entrepreneurs who ran everything from finance and operations to product to sales and marketing. However, this created natural limits to growth, as two people can only do so much on their own. The biggest challenge we faced after investing was attracting talent to the team to ensure the business had the foundation to grow sustainably. Over the last 12 months, we have built a team around the founders, including key people in sales, marketing and finance. Annual recurring revenue has grown by approximately 20% since our investment a year ago, but our investment in people goes beyond a single year's results. They are crucial to sustain this growth into the future. We are more positive than ever about the prospects of the business, given the quality of people who have joined the team

- Our interest in recruiting talent is not limited to our private businesses. We have strong working relationships with many of our public portfolio companies and, in many cases, have referred key executives or Board members. Not only have we found that many of our referrals are making a positive impact on the businesses, but they also improve our conviction in the trajectory of our portfolio companies and extend our investment duration

Our hurdle rate in private investing

On the investment front, 2021 was the busiest year ever for global M&A activity, shattering the previous record from 2007. With unspent private capital doubling over the last five years to roughly $3 trillion[i], all of which must be deployed in two to five years, it's no surprise that private equity investment activity reached similar all-time highs.

In contrast, EdgePoint made zero private investments in 2021. We are always willing to pay up to own great businesses, but found it challenging this past year to invest in a business at a price that would be able to outperform the businesses we own through the public equity markets. In a few cases, the seller had valuation expectations that no buyer could meet, preferring not to transact while comparing themselves to other businesses sold at frothy valuations.

We structurally do not believe that private company investing is more attractive than investing in companies listed in the public markets. We have never had and never will have a target for the percentage of assets that Cymbria aims to hold in private businesses. Rest assured that we will only make a private investment if we believe it will benefit Cymbria's shareholders. In the meantime, Cymbria's capital is in great hands, invested in businesses where we maintain a differentiated view. The quality of ideas has never been better, creating what we find to be one of the most challenging hurdle rates in the industry.

In April 2021, space technology firm MDA Ltd. completed a successful initial public offering on the Toronto Stock Exchange. MDA had always been a unique investment, as it occurred at the start of the pandemic and was an opportunity to redomicile a Canadian crown jewel from its indebted U.S. parent. The space technology industry is also more capital-intensive than our other private businesses, and so it made sense to access the public markets to support its future growth plans. We have since sold our position, generating a cumulative return on investment of approximately 72%[ii].

One of EdgePoint's three primary goals is to maintain a company culture that inspires our employees to think and act like business owners. We look to build the same ownership mentality in the private businesses we own and are fortunate to work with business owners and operators who share our approach. We have talked about our goal to be great owners of businesses, but we would also like to be a great partner to exceptional operators and owners. If you have any referrals, please let us know. We look forward to bringing more talented operators into the EdgePoint and Cymbria family of companies.

Why would Cymbria be a good choice for your business?

Cymbria may not be the right fit for everyone; however, we believe our collection of attributes provides a unique offering relative to other options you may be considering.

Stability.

Cymbria can act as a permanent home for your company – we're not interested in buying your business and flipping it for a profit 24 months later. As entrepreneurs, Cymbria's founders understand the importance of stability for a company's culture and the benefits it can have for management's ability to plan.

Additional resource.

Cymbria's founders would be happy to act as a resource for your team, if asked. The founders have spent their lives investing in other people's businesses as well as building their own. As such, the Cymbria team can be a great resource if your organization is looking for someone to give feedback on an idea.

Strong network.

We've also built up a strong network of business associates and partners over the years who might prove helpful to you in a multitude of ways.

Source of growth capital.

Cymbria can be a great source of growth capital for your business. We have permanent capital, and have been able to grow that capital at an attractive rate through careful allocation. If your business can earn good returns on the capital it uses, Cymbria will be an eager supplier of that capital.

What does "hands off" really mean?

We have no desire to interfere with your business's day-to-day operations, but would like to have input on profit allocation.

[i] Source: https://www.bloomberg.com/news/articles/2021-09-17/private-equity-is-smashing-records-with-multi-billion-m-a-deals
[ii] As at February 15th, 2022. Total returns in C$. Holding period return is calculated by analyzing the sum of sells (and dividends if any) vs. the sum of purchases.

The business

True investment-led wealth management companies had become hard to find, and Cymbria's four founding partners, Tye Bousada, Patrick Farmer, Robert Krembil and Geoff MacDonald hated that the industry had devolved into an asset-gathering, sales and marketing-driven machine at the expense of investors' best interests. Armed with a proven investment approach, they created EdgePoint.

Investment led and employee owned, EdgePoint is also one of Cymbria's primary drivers of wealth, with Cymbria benefiting from both EdgePoint's growth and its share of EdgePoint-distributed dividends.

Investment in EdgePoint

Cymbria's original $509,585 investment in EdgePoint equates to a 20.7% ownership share. It has received $111.3 million in dividends from EdgePoint since inception and the value of its investment in the company has increased to $265.5 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio. EdgePoint launched 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 it takes considerable skill to achieve long-term outperformance. It also takes a willingness to look wrong in the short term in order to be right in the long term.

Investment results since inception (total returns, net of fees, in C$)

Series A Portfolios	**EdgePoint Canadian Portfolio**	S&P/TSX Composite Index	**EdgePoint Global Portfolio**	MSCI World Index†††	**EdgePoint Canadian Growth & Income Portfolio**	60% S&P/TSX/ 40% ICE BofA Canada Broad Market Index	**EdgePoint Global Growth & Income Portfolio**	60% MSCI World Index/40% ICE BofA Canada Broad Market Index†††
2021	**40.4%**	25.1%	**18.2%**	20.8%	**25.8%**	13.3%	**13.6%**	10.9%
2020	**-4.7%**	5.6%	**-1.2%**	13.9%	**0.1%**	7.4%	**0.2%**	12.1%
2019	**23.8%**	22.9%	**13.2%**	21.2%	**16.9%**	16.4%	**9.7%**	15.5%
2018	**-16.3%**	-8.9%	**-3.4%**	-0.5%	**-10.4%**	-4.8%	**-1.2%**	0.4%
2017	**9.5%**	9.1%	**16.7%**	14.4%	**8.1%**	6.5%	**12.1%**	9.6%
2016	**23.5%**	21.1%	**13.4%**	3.8%	**18.6%**	13.0%	**11.5%**	3.0%
2015	**-4.3%**	-8.3%	**12.7%**	18.9%	**-2.7%**	-3.6%	**9.0%**	12.7%
2014	**9.4%**	10.6%	**18.7%**	14.4%	**8.4%**	10.1%	**13.9%**	12.3%
2013	**26.3%**	13.0%	**44.5%**	35.2%	**22.2%**	7.1%	**32.4%**	19.3%
2012	**8.9%**	7.2%	**11.1%**	13.3%	**6.6%**	5.9%	**9.0%**	9.5%
2011	**-7.8%**	-8.7%	**-2.7%**	-3.2%	**-4.1%**	-1.4%	**-0.5%**	2.1%
2010	**16.6%**	17.6%	**8.0%**	5.9%	**14.0%**	13.5%	**9.0%**	6.6%
2009	**50.2%**	35.1%	**28.2%**	10.4%	**40.4%**	22.7%	**29.1%**	8.6%
2008†	**4.9%**	2.8%	**10.4%**	7.6%	**1.5%**	3.2%	**4.1%**	6.0%
Since inception††	**12.3%**	10.2%	**13.7%**	13.0%	**10.3%**	8.1%	**11.2%**	9.7%

† November 17, 2008 to December 31, 2008.
†† November 17, 2008.
††† MSCI World Net Total Return Index ("MSCI World Index").
As at December 31, 2021. Total returns in C$. Source, EdgePoint Portfolio returns: Fundata Canada, net of fees. Source, index returns: Morningstar Inc.

These are the benchmark indexes we've chosen for our portfolios:

EdgePoint Global Portfolio: The MSCI World Index is a broad-based, market-capitalization-weighted index comprising equity securities available in developed markets globally. The index was chosen for being a widely used benchmark of the global equity market.

EdgePoint Canadian Portfolio: The S&P/TSX Composite Index is a market-capitalization-weighted index comprising the largest and most widely held stocks traded on the Toronto Stock Exchange. The index was chosen for being a widely used benchmark of the Canadian equity market.

EdgePoint Canadian Growth & Income Portfolio: 60% S&P/TSX Composite Index/40% ICE BofA Canada Broad Market Index. The S&P/TSX Composite Index is a market-capitalization-weighted index comprising the largest and most widely held stocks traded on the Toronto Stock Exchange. The ICE BofA Canada Broad Market Index tracks the performance of publicly traded investment-grade debt denominated in Canadian dollars and issued in the Canadian domestic market. The blended benchmark was chosen because the S&P/TSX Composite Index is a widely used benchmark of the Canadian equity market and the ICE BofA Canada Broad Market Index is representative of fixed-income opportunities consistent with the Portfolio's mandate.

EdgePoint Global Growth & Income Portfolio: 60% MSCI World Index/40% ICE BofA Canada Broad Market Index. The MSCI World Index is a market-capitalization-weighted index comprising equity securities available in developed markets globally. The ICE BofA Canada Broad Market Index tracks the performance of publicly traded investment-grade debt denominated in Canadian dollars and issued in the Canadian domestic market. The blended benchmark was chosen because the MSCI World Index is a widely used benchmark for the global equity market and the ICE BofA Broad Market Index is representative of fixed-income opportunities consistent with the Portfolio's mandate.

Why our performance may differ from our benchmarks: We manage our Portfolios independently of the indexes we use as long-term performance comparisons. Differences including security holdings and geographic/sector allocations may impact comparability and could result in periods when our performance differs materially from the index. Additional factors such as credit quality, issuer type and yield may impact fixed-income comparability.

Standard performance

We're mandated to include annualized returns in the below table because we provide performance by year in the table on the previous page. We don't ignore the regulators; however, if it was up to us we wouldn't bother showing you these numbers.

They can be misleading because what an investment has averaged over a given period rarely matches the actual returns earned by individual investors. Annualized figures are always date sensitive and a few periods of performance in one direction can drastically change outcomes as poor years drop off or good years are added or vice versa.

Series A Portfolios	YTD	1-year	3-year	5-year	10-year	Since inception (11/17/2008)
EdgePoint Canadian Portfolio	40.4%	40.4%	18.3%	8.7%	10.4%	12.3%
EdgePoint Canadian Growth & Income Portfolio	25.8%	25.8%	13.7%	7.3%	8.8%	10.3%
EdgePoint Global Portfolio	18.2%	18.2%	9.8%	8.3%	13.8%	13.7%
EdgePoint Global Growth & Income Portfolio	13.6%	13.6%	7.7%	6.7%	10.7%	11.2%

Source: Fundata Canada Inc. Annualized total returns, net of fees as at December 31, 2021, in C$ compounded annually.

2. Remain an investment-led organization with strong investment partner relationships

2020 was a year of revelations. We learned which advisors exhibited like-minded behaviour (defined as a low redemption rate and/or positive net sales) and in 2021 focused our coverage efforts to this group.

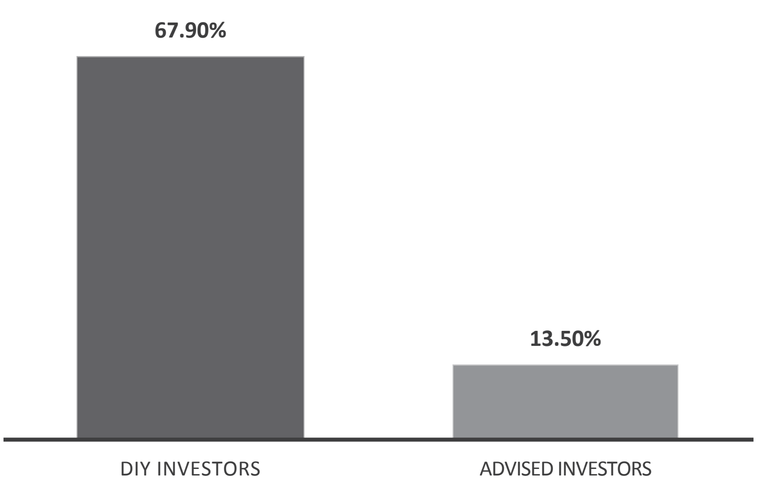
At the end of 2021, approximately 85% of our retail assets are held by this segment of advisors. This group of advisors share our long-term, rational business owner approach to investing.

We've always said we don't want to be all things to all people, and this is an extension of that philosophy. It's difficult to service advisors who don't share our beliefs around our investment approach or who don't have the same timeframe for measuring success. We believe advisors who are not aligned with our approach may find other investment firms are better suited for them and their business.

For the advisors who choose to partner with us, we continue to find ways to support their business. For example, as client-focused reforms related to Know-your-product (KYP) came into effect, we prepared convenient KYP documents on our Portfolios to assist our advisor partners in meeting their ongoing monitoring and due diligence obligations. Advisors and their clients stand to benefit when they are well informed.

Approximately 0.5% of our retail clients have elected not to work with an advisor. In other words, they've been buying and selling EdgePoint's Portfolios via online discount brokerage channels. In 2021 we made the decision to no longer offer EdgePoint's Portfolios in the unadvised discount broker channel, and the data supports this decision. During the early stages of the COVID-19 pandemic, unadvised investors redeemed 68 cents of every dollar invested with EdgePoint, while investors who work with advisors only redeemed 14 cents, demonstrating their commitment to be truly aligned with our proven long-term approach. Said another way, investors without access to sound advice redeemed at a rate that was roughly five times the rate of those working with an advisor. We have always been strong believers in the value of advice. Investors who panicked and redeemed at the onset of the pandemic missed out on the recovery. Instead, their uninformed, emotion-driven decisions locked in losses that may have a significant impact on their wealth-building efforts for many years to come.

Redemption rate, unadvised vs. advised
Feb. 1, 2020 to Aug. 31, 2020



New Series Launch

On June 1, 2021, we launched a Series T8 for EdgePoint Global Portfolio and EdgePoint Canadian Portfolio within Series I only – which is our high-net-worth series. Series T8 units are designed specifically for investors who are looking for tax efficiency for long-term charitable donation goals or who wish to receive a regular quarterly cash flow from our equity portfolios. By receiving distributions in whole or in part as return of capital (ROC) and lowering the adjusted cost base (ACB) of the investment, our high-net-worth clients may be able to receive tax-efficient income in the shorter term to fund current spending needs while also building up and deferring the capital gain on the investment for the longer-term goal of donating the investment.

As well, on November 2, 2021, we launched Series T6 units for our equity portfolios and Series T4 units for our growth & income portfolios for investors who wish to receive regular cash flows at a fixed payout rate. Both series pay monthly distributions, and they may have tax benefits similar to the T8 series given that any return-of-capital (ROC) distribution would not be immediately taxable. Other than the distribution policy, Series T4 and Series T6 have the same attributes as the corresponding Series A, A(N), F and F(N).

As with all tax strategies, a tax advisor should be consulted to review specific circumstances.

EdgePoint Monthly Income Portfolio Launch

On November 2, 2021, we launched our first prospectus fund since our inception in 2008: the EdgePoint Monthly Income Portfolio. Our clients can access our fixed income expertise in this standalone portfolio with a fee structure designed to put their interests at the forefront.

EdgePoint Monthly Income Portfolio primarily invests in investment-grade bonds. We believe there is an opportunity in this asset class that's benefitted from a tailwind of declining interest rates over the last 40 years. Fees are a major impediment to generating attractive returns in a world where investors have never been asked to accept more interest rate risk than they are now, while being "rewarded" with less yield.

The EdgePoint Monthly Income Portfolio has a novel fee structure that provides the flexibility to charge a tiered management fee depending on the prevailing interest rate environment. In the current environment, the fee structure allows us to charge fees that are significantly lower than the category average. We have decided to maintain the current management fee of 0.10% for Series F Units/Series F(N) Units and 0.70% for Series A Units/Series A(N) Units of the EdgePoint Monthly Income Portfolio throughout 2022, despite changes to the daily average yield to maturity of the FTSE Canada Universe Bond Index.

Yet again, this puts our unitholders' interests at the forefront, ensuring that our investors capture the yield we're able to earn in any interest rate environment. For more information on the EdgePoint Monthly Income Portfolio, please visit our website.

EdgePoint Go West Portfolio – No more room on the ark

On November 22, 2019, we launched an offering-memorandum energy fund called the EdgePoint Go West Portfolio. Our main idea was that the unfounded hatred directed toward the Canadian oil & gas industry would prevent capital from entering businesses, which would limit or hold back production growth, which would in turn lead to higher prices as demand continues to grow.

We didn't take a management fee on this portfolio and only get paid after an investor takes their money back at a profit. We were fully transparent and let clients know that this would not be a permanent fund – our money would stay invested until we close the portfolio, and the opportunity is no longer there. A select number of believers entrusted us with their capital and came along for the ride.

Internally, we own 40% of EdgePoint Go West Portfolio, while our clients own the remaining 60%. It was gratifying to invest side-by-side with investors in such a unique, non-perpetual opportunity. However, at the end of September 2021, we informed our investors that with the portfolio's robust performance we were closing the portfolio to new purchasers to avoid having performance chasers. However, existing investors who had entrusted us with their capital would have the ability to purchase additional units of the portfolio.

And now, it's up to us to determine the best time to give money back to our existing clients, once we believe the opportunity no longer exists.

We've always been vocal about how our success will never be determined by assets under management, rather doing what's right by our investors, and the Go West idea Portfolio is proof of that.

EdgePoint by the numbers

On the retail side of our business, the top 20% of advisors represent 77% (approximately $17.4 billion) of our total retail assets under management (AUM), with an average of approximately $20 million per advisor.

On the institutional side of the business, the top 20% of our institutional clients represent 97% of the AUM (approximately $5.5 Billion), with an average investment of $238 million per client

We believe our industry should talk less about how much is collected from investors and more about how much it has made for them.

With that in mind, here are our most recent stats that demonstrate our ongoing commitment to putting investors' interests first:

- $15,086,056,610* – How much we've made for our investors.
- $130 million† – 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: Strategic Insight, Morningstar Direct. Fee savings calculated using an average of monthly assets under management (AUM) for Series A and A non-HST for years 2009 to 2017 and series F and F non-HST from 2018 onwards. Due to the shift in assets towards fee based, we believe using Series F and F non-HST MERs starting in 2018 is more relevant. Series F is available to investors in fee-based/advisory fee arrangement and excludes trailing commissions. Category average MERs provided by Strategic Insight

as at calendar year-ends from years 2009 to 2017. MERs since inception to end-of-year 2008 not included. Morningstar Direct used from year 2018 onwards. Category average MERs of fee-based series funds in the following categories: Global Equity Category, Canadian Equity and Canadian Focused Equity Category, Global Equity Balanced, Global Neutral Balanced and Global Fixed Income Balanced Category, Canadian Equity Balanced, Canadian Neutral Balanced and Canadian Fixed Income Balanced Category. For funds that have not reported 2021 MER by March 1, 2022, the 2020 MER was used. Fee savings are an approximation.

We also believe in "eating our own cooking" by maintaining a significant personal investment in our products. As at December 31, 2021, our internal partners held roughly $319 million in company-related products. Having "skin in the game" fosters accountability and creates clear alignment with our investment partners. While co-investment can't promise results, it does help to ensure that the well being of investors moves in lockstep with their managers'.

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

   Believing that culture begins squarely with the owners of a business, we offer employees the opportunity to buy a stake in EdgePoint Wealth Management. 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 foregoing a satisfactory capital gain. It's just common sense that employees with a large stake in the success of a business are highly motivated to meet – and even exceed – the expectations of their individual role. This is 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 2021

Jeff Hyrich, Investments

Mikhail Osin, Investment Analytics & ESG Oversight

Adam Zwierzynski, Operations

Akhil Chopra, Compliance

Alex O'Hara, Investments

EdgePoint's contributions to Cymbria

Cymbria's wealth drivers	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Security selection	16.62%	-0.21%	12.06%	-4.50%	13.45%	10.48%	11.09%	17.36%	45.49%	9.55%
EdgePoint valuation	3.66%	-2.72%	2.85%	3.60%	8.82%	1.45%	5.76%	5.17%	6.04%	0.96%
EdgePoint dividend	1.78%	1.59%	2.07%	1.33%	1.21%	0.98%	0.84%	0.78%	0.63%	0.56%
Change in Cymbria's Class A aNAV	22.05%	-1.34%	16.98%	0.43%	23.48%	12.91%	17.69%	23.31%	52.16%	11.07%

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

Why Cymbria?

By Norman Tang, Chief Financial Officer

For my section in this year's report, I thought I'd answer a question that I get quite frequently: "Why Cymbria?" The context for the question is usually why an investor would choose to invest in Cymbria as opposed to EdgePoint Global Portfolio ("EPGP"), which is a mutual fund managed by the same investment team and appears to have a similar investment mandate. After all, Cymbria is more challenging to purchase, has a higher management fee and is subject to income tax as a Canadian public corporation. Before I attempt to answer that question (and to satisfy the folks in Compliance), I should preface this by saying that you should not construe my views as investment advice. It's just the way I look at the differences between the two investments. I'll try to approach it from both a quantitative and qualitative perspective.

Addressing the difference in management fees is straightforward. The base management fee for Cymbria Class A is higher, at 1%, than 0.80% for the EPGP Series F. However, the management fee is not charged on the value of EdgePoint Wealth Management Inc. ("EdgePoint Wealth"), which is approximately 18% of Cymbria's portfolio, so the net management fees are quite close between the two investments. There are differences in the types of operating expenses that Cymbria incurs as a public company when compared to EPGP as a mutual fund, but those are also within 0.05%. The overall management expense ratio (MER) for Cymbria Class A is approximately 0.13% higher than EPGP Series F, which in my mind is not large enough to be a factor near the top of any decision tree.

The impact of corporate income taxes on the investment returns of Cymbria is harder to quantify. When trying to estimate its impact on future returns, it obviously depends on how much the portfolio's holdings have turned over in any given year, and how much embedded capital gains there were in those sales of securities. In addition, Cymbria can recover taxes paid in years that it has net capital losses (like in 2020, for example). So, in theory, Cymbria should outperform in negative return years because of the tax recoveries, and underperform in positive return years due to taxes paid, *if the portfolios were identical*.

I went back over the past four years and taxes paid as a percentage of adjusted net asset value (aNAV) was approximately 0.6% to 1.5% (with taxes recovered in 2020). If you add the 0.13% for operating expenses noted earlier, in theory that was the investment hurdle that Cymbria's operating expenses and tax status created that you had to overcome over the past few years if the portfolios were identical, and if the investor was not otherwise taxable (e.g., holding it in a Registered Retirement Savings Plan).

Also note that there is the potential for "double-taxation" with Cymbria. In this context, double-taxation refers to Cymbria paying corporate taxes when it sells an investment, and then when a shareholder sells Cymbria, they also pay income taxes on the appreciation of Cymbria's stock (which at least partially occurred because of the appreciation of Cymbria's portfolio that Cymbria has already paid tax on a portion of). There are a few things that mitigate some of the double-taxation potential.

Cymbria, being a Canadian public company, does not pay taxes on Canadian dividends received. The largest Canadian dividend it receives is from its ownership of EdgePoint Wealth, where Cymbria has received an annual dividend averaging approximately 9% of the value of the EdgePoint Wealth shares it owns. Those dividends are received tax-free and can be compounded without any tax burden within Cymbria. Based on 2021 dividends received from EdgePoint Wealth, they increased Cymbria's aNAV by approximately 1.8%. There is no expectation that Cymbria would sell its ownership of EdgePoint Wealth, so there would be no double-taxation on that portion of the portfolio, which currently makes up about 18%. In addition, Cymbria's corporate tax rates are lower than personal tax rates. On capital gains for example, Cymbria will pay taxes at 13.25% rather than at over 25% if you're an individual Ontario resident in the highest marginal tax bracket. If the portfolios of Cymbria and EPGP were identical and you held EPGP in a taxable account, Cymbria would be able to compound at a higher rate than an individual would if they had to pay taxes on the annual distribution from EPGP and reinvest the difference.

There are also some qualitative considerations that make a comparison between Cymbria and EPGP (or essentially any other retail mutual fund) rather difficult. The biggest consideration is that the portfolios are not identical. Obviously, there are the private companies owned by Cymbria that make up about 20% of the portfolio (EdgePoint Wealth being the largest one, but there are currently two others). Meaningful investments in private companies are simply not possible in retail mutual funds given the regulatory rules surrounding liquidity and concentration that govern mutual funds. There is exposure to an entire asset class you can't attain in a mutual fund that has historically shown attractive investment returns.

On the public equity side, there are differences in both holdings and weightings. As the portfolios are managed by essentially the same investment team, there will be a fair amount of overlap for sure, but with Cymbria's public portfolio being approximately $1.2 billion versus $12 billion for EPGP, it has a lot more flexibility than EPGP to invest in small- to mid-cap businesses. 11 of the 54 public equity investments currently owned by Cymbria are unique to Cymbria and not owned within EPGP's portfolio. Given that Cymbria is a general corporation rather than a mutual fund, it has more flexibility from an investment mandate perspective. If an investment opportunity presented itself (on top of the private companies noted above), Cymbria could invest directly in real estate, commodities and derivatives, or could make levered investments. Please note this is not an exhaustive list. These are all investments that would be either difficult for EPGP to build a meaningful weight in, or impossible altogether.

One area I haven't addressed yet is the idea that Cymbria is more challenging to purchase. You require a brokerage account to purchase or sell shares of Cymbria. That's not usually an imposing obstacle. Purchasing or selling large blocks of Cymbria can be a challenge, though. If you read my section in last year's Annual Report, I talked about some of the challenges of purchasing Cymbria shares using our Normal-Course Issuer Bid. Many of those same challenges would apply to any individual or entity looking to buy or sell a large number of Cymbria's shares. There simply isn't a lot of daily volume, which we can safely assume is primarily attributed to an incredibly strong and longer-term-focused investor base. I believe Cymbria forms part of the growth portion of most shareholders' portfolios and will be owned with a long-term view in mind. This creates a lower overall volume of shares sold with a potentially wide bid-ask spread that can be quite different at times than the underlying aNAV of Cymbria's portfolio. The premium or discount to aNAV at which one must buy or sell is an important factor that an investor needs to consider when investing in Cymbria.

Cymbria holds one other investment advantage that I haven't mentioned yet, and that is the concept of a permanent pool of capital. Cymbria is non-redeemable, meaning when a shareholder wishes to sell their shares of Cymbria, they will have to find a purchaser in the open market, but that sale does not impact Cymbria's investment portfolio. This is different from a mutual fund where a unitholder redeems their mutual fund units, and this sale decreases the amount of capital the fund has to invest, and might even require the mutual fund to sell investments to fund the redemption. A permanent pool of capital is an advantage because it allows the investment team to make long-term investments without having to consider potential liquidity issues (i.e., to fund redemptions) in the short term. So Cymbria can make potentially illiquid investments in private equity, private debt or even something like real estate with a longer-term view than a regular mutual fund could (even if the mutual fund were allowed to make those types of investments). This might seem like a minor advantage but in our view, being able to look out three, five or ten years longer than other market participants when making an investment is a material advantage.

To summarize, I believe Cymbria is a unique investment that isn't easily comparable to a standard mutual fund, even one managed by the same investment team. Part of the reason for this uniqueness is because Cymbria's advantages are not replicable in a standard mutual fund. Cymbria has a permanent pool of capital that it can use to invest in virtually any asset class, across a wider range of market caps, almost anywhere in the world. It would take investing in several different funds, some of which are only offered to accredited investors, to gain the exposure to the various asset classes that you can potentially get conveniently through Cymbria. The trade-off for this is the double-taxation concept I discussed above, and having to buy or sell shares in the open market, which is subject to volume and price considerations. For my personal investments in taxable accounts, I believe the compounding advantages from a lower corporate tax rate and receiving tax-free Canadian dividends, as well as the diversity of investments that Cymbria will own over my personal investment horizon, will likely outweigh these trade-offs. That's my view– I'll let you draw your own conclusions.

EdgePoint Variable Income Portfolio

By Derek Skomorowski, Portfolio Manager

When we launched EdgePoint Variable Income Portfolio (EPVIP) in March 2018, there were several things that we knew. We knew the high-yield bond asset class had delivered competitive (if not superior) long-term returns to equity markets globally.[i] We knew high-yield bonds were uniquely suited to capitalize on uncertainty and volatility in markets. We knew we had been managing a de facto high-yield portfolio within our Growth & Income Portfolios, and had developed a strong track record.[ii]

There were other things we didn't know. We didn't know that in December 2018, within nine months of launching the portfolio, tightening monetary policy and a 2.5% risk-free interest rate would result in the first bear market since the Global Financial Crisis. And we had no idea that in March 2020, markets would be walloped by a once-in-a-century pandemic that shut down businesses and brought economies to their knees. We failed to forecast a deeply negative oil price, a collapse in credit availability or the spike in corporate bankruptcies that ensued.

At launch, EPVIP was decidedly different. It required new messaging and some education. High-yield bonds are more opaque and less familiar to many investors. It's easy to explain why the prospects are bright for some great businesses and why we should buy that company's stock. It is harder to explain why that great company is borrowing money at a 9% interest rate. Given the unique characteristics of high-yield bonds, we introduced a brand-new structure available only through Offering Memorandum, further limiting accessibility for some investors and creating new challenges for those who could invest.

In the face of these challenges and relying almost entirely on your trust, many of you – our very best investment partners – came along for the ride. The reward didn't arrive overnight. At times, it probably felt like a grind. But in 2021, the years of hard work, patience and partnership started paying off. Through two bear markets and the turmoil that came with them, EPVIP has shown that applying a business owner's mindset to managing money in credit can thrive through economic and market cycles, and deliver pleasing returns. Uncertainty is a mainstay in the markets, but uncertainty seems greater today than most times in the past. In our minds, EPVIP has only scratched the surface of the opportunity that lies ahead.

Today, we are managing a little more than $233 million* of our and our partners' capital. Because of our fee structure, EdgePoint only makes money if our investors make money. But as we continue to deliver pleasing returns to our partners, we believe that EdgePoint Variable Income Portfolio offers one of the most compelling growth areas for Cymbria's stake in EdgePoint. We are proud to be your partners, and work diligently every day to be worthy of your partnership.

Investment Results (Series PF) – Total returns, net of fees, in C$

As at December 31, 2021	Since inception**	3-year	1-year
EdgePoint Variable Income Portfolio	7.50%	9.16%	15.23%

* As at December 31, 2021 in C$.

** March 16, 2018

EdgePoint Variable Income Portfolio is only available by offering memorandum and as such, eligible investors must qualify before investing. Please see the Offering Memorandum ("OM") for more details on EdgePoint Variable Income Portfolio.

[i] From Dec. 31, 1991 to Dec. 31, 2021 the ICE BofA U.S. High Yield Index produced an annualized total return of 7.8%. The MSCI World Index had a return of 8.6% over the same period. Total returns in US$. The ICE BofA U.S. High Yield Index tracks the performance of high-yield (rated BB or below) corporate debt denominated in US$ and publicly issued in the U.S. domestic market. The MSCI World Index is a broad-based, market-capitalization-weighted index comprising equity securities available in developed markets globally.

[ii] Since inception on Nov. 17, 2008 to Dec. 31, 2021 the annualized total return of the fixed income portion of the EdgePoint Canadian Growth & Income Portfolio and EdgePoint Global Growth & Income Portfolio was 7.2% and 7.1% respectively. Total returns measured in local currency and gross of fees. These returns aren't investible and are a best estimate of EdgePoints Growth & Income Portfolio's fixed-income performance. Fixed income returns are approximations calculated based on end-of-day holdings data (actual trading prices not captured).

Responsible investing with Cymbria

In the realm of investing, the word responsible can be subjective and is often interchanged with the three-letter acronym "ESG". It can mean different things to different people, and unfortunately for investors, in many instances it has become somewhat of a marketing gimmick.

Over the last few years, investment flows have continued in the direction of ESG-labelled funds and ETFs. The buzz around sustainable investing has even led some fund managers to repurpose their existing funds into ESG funds. In many of these situations, funds were renamed and select language was tweaked in the fund prospectuses to claim ESG as the core fund objective, with the goal of attracting investors.

At Cymbria, we approach investing as a rational business owner would. We take ownership stakes in businesses and remain focused on the long term. Improving the world through sustainable means requires a long-term view. Our investment approach is well aligned with our views on ESG.

We believe businesses that are making improvements to the state of the world are run by principled management teams that take a thoughtful and proactive approach to the broad range of ESG issues. These businesses constantly look for new growth opportunities and strive to develop products in ways that improve sustainability. They innovate to solve environmental problems or reduce the negative social impacts of existing products. Each of these businesses understands that sustainable solutions require a long-term commitment.

We believe that by integrating ESG factors into our decision-making, we can uncover opportunities that are not fully appreciated by the market. These businesses may or may not be the "ESG leaders" today as defined by rating firms, but through our in-depth research have the potential to make a significant contribution as they develop new technologies, services, and direct capital to help drive positive change. Our job is to identify these businesses and support them as they take reasonable steps to improve and communicate their ESG practices.

This leads to another important element of our responsible investing approach, which is to help improve business practices through engagement. Over the last year, we had the opportunity to hold engagement meetings with nearly 40% of the public businesses owned in Cymbria. We continue to believe that engaging with management teams can facilitate positive change. During these engagements, we discussed a range of topics and provided our recommendations with the sole focus of helping the business maintain and improve their standards. For example, we discussed ways to improve supply-chain reporting, product safety and quality policies, and employee hiring practices. We also offered our advice on how to improve corporate governance practices. When determining whether engagement is needed, we think of ourselves as owners in the business and therefore only engage on matters that will truly improve the long-term sustainability of a business.

In 2021, we made significant progress towards formalizing our structure around engagements with our portfolio companies while working closely with our dedicated ESG team. This team, alongside the investment team, helps to identify, report, and engage on ESG risks and opportunities with all current and potential investments included in Cymbria. Pathways to ESG engagements have been mostly organic in nature, and over the past year have led to more than 47 high-quality engagements with businesses owned in the Cymbria Portfolio.

We also introduced ESG objectives as part of the investment team's annual performance assessment. These objectives are meant to encourage our investment team to lead in their contribution and development towards Cymbria's ESG integration and stewardship activities.

Cymbria's ESG Integration Case studies

Alfa Laval
Accelerating sustainable solutions

While integrating ESG considerations as part of our investment process, we uncover companies that are actively contributing to developing sustainable solutions globally. Alfa Laval is a strong example as their environmental innovations are accelerating the shift towards more efficient, cleaner energy solutions. We first purchased Alfa Laval in the portfolio in June 2021 and ESG considerations are a significant part of our thesis.

Alfa Laval's products and solutions make it possible for customers to solve their environmental challenges and reach their own sustainability goals. This is achieved through solutions that clean and/or reuse water, improve energy efficiency or ensure that industrial processes are more resource efficient. Below are a few examples where Alfa Laval is well positioned to meet the environmental challenges of their customers

- Electric heat pumps - Alfa Laval provides equipment (mainly heat exchangers) to heat pump manufacturers like Nibe, Daikin and Carrier. Many governments have come out with plans to incentivize or mandate switching from gas boilers to electric heat pumps over the next ten years.

- Biofuels - Alfa Laval provides pre-treatment systems for biodiesel and renewable diesel refineries, using its decades of experience in similar technology from edible oil production. U.S. production capacity for renewable diesel is expected to jump almost sixfold by the end of 2024 as federal and state subsidies are incentivizing investments to switch to renewable diesel.
- Carbon capture – Alfa Laval is a leading supplier of the heat exchangers used in most existing carbon capture technologies today. Carbon capture is an emissions reduction technology that is expected to play a key role in the path to net zero. Installed carbon capture capacity is projected to grow at a 40%-50% CAGR over the next 10 years due to rising carbon prices and government policy support for CCS projects. Alfa Laval has provided critical heat transfer components to over half of the carbon capture projects currently in operation globally and has a dominant market share in the space.
- Green Hydrogen – Alfa Laval has a leading market share in the heat exchangers used in the production, distribution, transportation, storage and distribution of green hydrogen. Based on 90 years of development, it has a broad portfolio of thermal and separation technologies needed to enable the green hydrogen economy, a journey which the Energy Transitions Commission projects will require up to $15 trillion of investment between now and 2050.
- Long duration energy storage – Alfa Laval's plate heat exchangers can already be found playing a critical role in new technologies designed to tackle the problem of long duration energy storage such as thermal storage, compressed air energy storage and molten salt energy storage.
- Fuel cells – Alfa Laval is part of a consortium backed by the Danish government to develop a fuel cell designed to give ships an alternative to traditional combustion-based auxiliary power engines in the near future. The fuel cell will use carbon neutral fuels such as green methanol, green ammonia and green hydrogen. The marine sector is under pressure from governments and customers to speed up the pace of emissions reductions, and these clean burning fuels, along with other environmental products also supplied by Alfa Laval, will play an important role.

We had several calls with management about their energy transition and sustainability linked revenue prior to making the investment. Management was reluctant to be too specific on the extent of their exposure to the energy transition initially, but through our extensive due diligence, we got confidence that its portfolio of products was uniquely positioned to benefit from several secular growth ideas related to the decarbonizing heavy industry. Since our purchase we have witnessed a meaningful change in the way management is communicating their clean energy exposure to investors. Management believes that over 50% of sales today is linked to sustainable solutions and has seen such an increase in interest for its green technologies over the last year that it recently announced a doubling of its capex to meet the higher demand.

DCC Plc

Sustainability risks around decarbonization

Our initial purchase of DCC was in the first half of 2020, during the early parts of the COVID-19 pandemic. At the time, our view was that homes still need to be heated and cooled, pandemic or not. This business came into the pandemic with absolutely no debt, which positioned it well to acquire market share going forward. We also saw that the management team had a long history of completing acquisitions that have benefited shareholders, and now the company had the perfect environment and balance sheet to complete even more acquisitions. We were confident that management would continue to execute, as evidenced by its ability to increase profits for the last eight consecutive years.

In 2021, as part of our ongoing research, we started to identify long-term sustainability risks around decarbonization. These concerns ultimately led us to sell our position in DCC as we believed that clean technology innovation in heat pumps would displace DCC's home fuels heating business. Globally, heat accounts for nearly half of all energy consumption and 40% of energy-related CO2 emissions. In the U.K., household energy use accounts for more than 20% of GHG emissions. The global imperative to decarbonize presented a significant risk to DCC as the company is dependent on fossil fuels in their energy services business.

In our view, DCC is simply on the wrong side of a very large shift in the energy transition. They were initially converting many commercial customers from oil to propane, and that was helping customers reduce carbon emissions. Though that was a great step in the right direction, there was and is a growing threat that heat pumps will displace all forms of home and small business heating and cooling via any type of fossil fuel.

Certain critics argue that heat pumps are more costly overall, more expensive to run and are unsuitable for poorly insulated homes. While there is some truth to these claims, analysis suggests that over a 10-year period, heat pumps would deliver CO2 savings of 60%-70% versus the conventional liquid petroleum gas boiler.

Cymbria's ESG Engagements

Our ESG engagement process begins with identifying areas where we believe a portfolio company could and should improve. Then we reach out to the portfolio company and arrange a formal meeting to encourage management to consider our suggestions.

We believe our approach to ESG engagements is unique and, overall, more conducive to enacting positive change. Our long-term investment approach and concentrated portfolios often allow our investment team to form trusted relationships with company management teams. With these strong relationships already in place, we can then bridge the conversation to important ESG matters. We believe this makes our ESG engagements more productive and meaningful to Cymbria investors.

We also believe that true meaningful improvement occurs over years, not months. This again lends itself to our long-term investment approach.

Cymbria: Engagement Case Studies

2021 engagements

April 2021

Middleby Corp.
ESG disclosures

Owens Corning
Sustainability messaging

May 2021

AutoCanada Inc.
Annual sustainability report

June 2021

Mattel, Inc.
Product safety recall/ Executive compensation

Shiseido Co., Ltd.
Improving disclosures

July 2021

Mitsubishi Electric Corp.
Falsified inspection data/ Governance reforms

August 2021

Subaru Corp.
Improving safety reporting

Flowserve Corp.
Energy transition/ Improving disclosures

September 2021

Apollo Global Management Inc.
Overall ESG disclosure

PriceSmart, Inc.
Supply chain oversight

October 2021

Berry Global Group Inc.
Governance

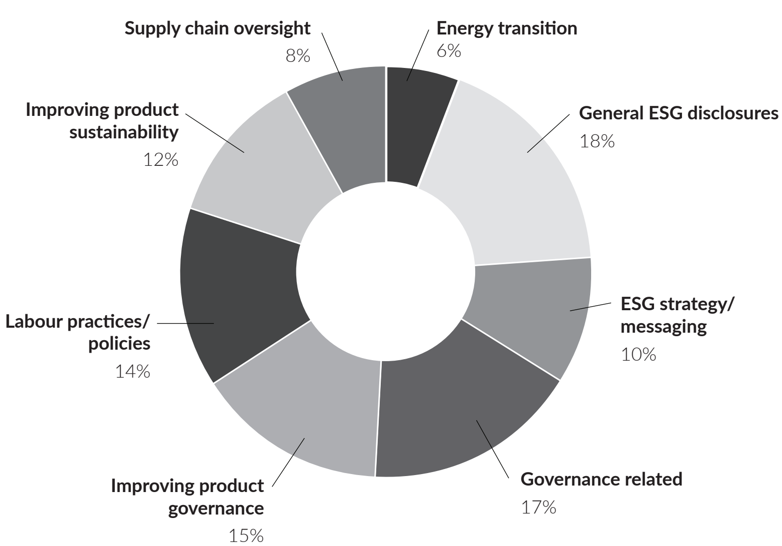
Fairfax Financial Holdings Ltd.
Annual sustainability report

December 2021

Univar Solutions Inc.
Improving environmental related disclosures

Restaurant Brands International Inc.
Product nutrition

ESG engagements by topic



40%

Percentage of Cymbria's public holdings we engaged with in 2021

PriceSmart

Supply-chain management practices

PriceSmart is a U.S.-based company that operates the largest warehouse membership club in Latin America, the Caribbean and Colombia. PriceSmart sells high-quality merchandise at competitive prices and currently serves over three million members at its 49 warehouse clubs.

In October 2021, we held our first ESG-centred engagement with PriceSmart. In this meeting, we focused the discussion on PriceSmart's overall sustainability strategy and steps they were taking internally to address material ESG risks facing their business. During the call, they reviewed their ESG strategy and explained that the recent pandemic amplified and changed how they considered ESG factors impacting their businesses. Their revised ESG approach will be detailed extensively in their new sustainability report that is scheduled for release in early 2022.

Following this broad overview, we then concentrated the discussion on PriceSmart's supply-chain management practices, labour practices and food quality and safety standards. In our review, these ESG categories were most material to their business, but for the purpose of this summary we will just review our discussion on PriceSmart's supply-chain management practices. Supply-chain management is a key component to large and diverse retail operations like PriceSmart, and we believed they lacked key policies addressing their approach to supply-chain management. Through the lens of ESG, supply-chain practices focus on a company's management of raw material inputs, including a supplier's environmental performance and quality standards. These practices also address any human rights issues occurring throughout the supply chain. We explained to PriceSmart that these issues are gaining importance to investors and are separate from the traditional supply-chain considerations like cost-effectiveness, speed of delivery and reliability. PriceSmart can manage human rights issues and supply-chain disruptions by outlining and enforcing compliance with a comprehensive set of supplier standards. To ensure best practices, supplier compliance to these standards should be monitored by regular audits and through ongoing supplier engagement and training.

Disclosure of the approach used for evaluating suppliers:

- Regular internal supplier audits and reporting of audit results (Tier 1 most important, Tier 2).
- Monitoring and engagement of supply-chain non-compliance incidents or practices.
- Oversight – Supply-chain management (Management and Board level).

In January 2022, PriceSmart arranged a follow-up discussion with our ESG team. In this meeting, they shared their progress and plans for 2022 to improve ESG practices. They explained that a core focus will be to formalize their supply-chain management procedures, as they believe this will improve overall efficiency and oversight regarding their supply chain. We are encouraged with this progress and plan to arrange further discussions with PriceSmart in 2022.

Cymbria's Proxy Voting

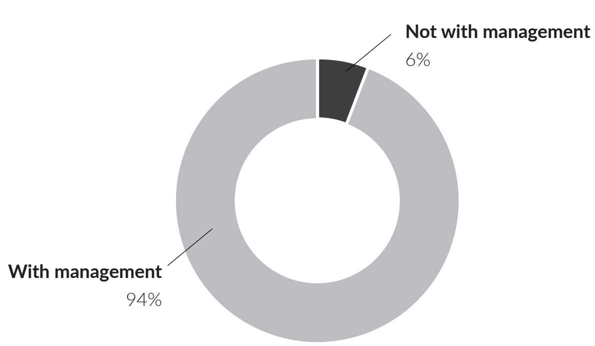
Voting proxies are an important way to reflect our views on management compensation, board composition and ensuring responsible capital allocation. We subscribe to Institutional Shareholder Services Inc. (ISS), a leading provider of corporate governance and responsible investment solutions. We leverage their services for proxy research and vote recommendations.

The ultimate decision is made by Cymbria's investment team, and our proxy voting records are published on our website.

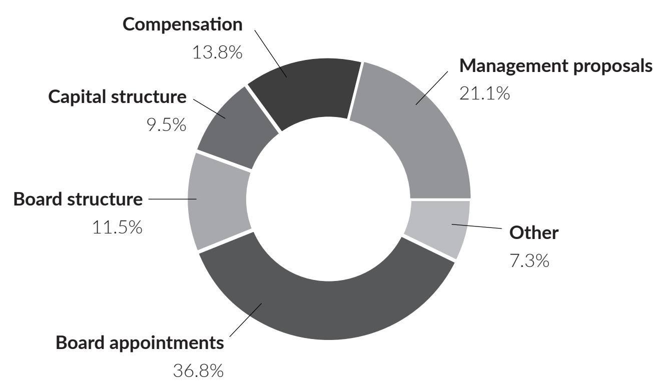
2021 Proxy voting summary

For the period of January 1, 2021 to December 31, 2021

Votes for/ against management



Votes against by issue



Cymbria's carbon footprint

We regularly monitor and report on Cymbria's carbon footprint. This includes understanding who the top emitters are and what initiatives they have in place to manage their emissions.

We also look for areas of engagement with companies if we believe they have an opportunity to improve their footprint in the future. When appropriate, we encourage portfolio companies to improve their monitoring and targets for emission reduction. For example, in 2021 we encouraged portfolio companies like Flowserve and Middleby to officially report their firmwide GHG emissions.

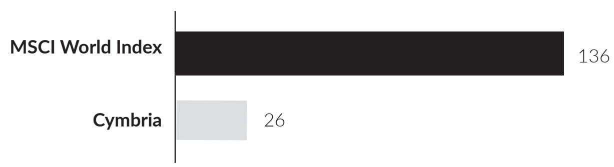
Cymbria's carbon footprint in numbers

The emission figures referenced below include Scope 1 and Scope 2 emissions. Scope 1 emissions are direct emissions from operations that are owned or controlled by the company (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles). Scope 2 are indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the company.

80%[i]

Cymbria's Portfolio is 80% less carbon intensive than the MSCI World Index

Weighted-average carbon intensity (Scope 1 +2)
Tons of CO2e/$M sales



90%[ii]

Over 90% of the public companies in the Cymbria Portfolio report their emissions, versus 70% of the index reporting

9%[iii]

On average, the public companies in the Cymbria Portfolio have reduced their carbon intensity by 9% since 2018.

Top emissions decrease since 2018[iv]

Anthem	*33% reduction*
Koninklijke Philips	*40% reduction*
Alfa Laval AB	*46% reduction*
Motorola Solutions	*21% reduction*
British American Tobacco	*36% reduction*

Conclusion

Although we're pleased with our progress to date, we acknowledge there's a long road ahead towards improving sustainability across Cymbria's companies and our own business as well. We believe the quality of our engagements and their impact should continue to grow. Sustainability is interlinked with financial results, as a company's efforts to take into consideration all of their stakeholders is undeniably positive for the shareholders of that business – and for the world.

References to specific companies are presented to illustrate the application of ESG considerations in our investment approach. Analysis and integration of ESG factors is subjective by nature, and there is no guarantee that the ESG criteria described above, will reflect the values of any particular investor. The views expressed are for informational purposes only and should not be considered as investment advice or a recommendation of any company or investment product. As a signatory to the PRI we complete the annual transparency report which provides details on our approach to ESG incorporation and active ownership, as well as the strategy and governance supporting our ESG program. Additionally, Cymbria's responsible investment policy, active ownership policy, and proxy voting policy can be found on Cymbria's website: https://www.cymbria.com/cymbria-responsible-investing

[i, ii] Sustainalytics and internal analysis. Data as at December 31, 2021. Carbon Intensity = Scope 1&2 tCO2e/US$M revenue. Emission data for both the benchmark "MSCI World Index" and the Cymbria Portfolio are sourced from Sustainalytics. According to Sustainalytics, company level carbon emissions data is individually collected by Sustainalytics. For companies that do not report emissions, Sustainalytics uses a proprietary statistical estimation model to calculate a estimated emissions figure. Limitations of the emission data are subject to Sustainalytics coverage of publicly traded companies. Excluding EdgePoint Wealth Management, Cymbria's private and fixed income securities were not included in Cymbria's Portfolio emissions calculation. This portion represented less than 5% of Cymbria's Portfolio as at December 31, 2021. EdgePoint Wealth Management emissions are captured in Cymbria's Portfolio emissions shown above. With the assistance of external emissions consultants, EdgePoint Wealth Management formally calculated Scope 1 & 2 emissions. The MSCI World Index is a broad-based, market-capitalization weighted index comprising equity securities available in developed markets globally. The index was chosen for being a widely used benchmark of the global equity market. We manage the Cymbria Portfolio independently of the indexes we use as long-term performance comparisons. Differences including security holdings and geographic/sector allocations may impact comparability and could result in periods when our performance differs materially from the index.

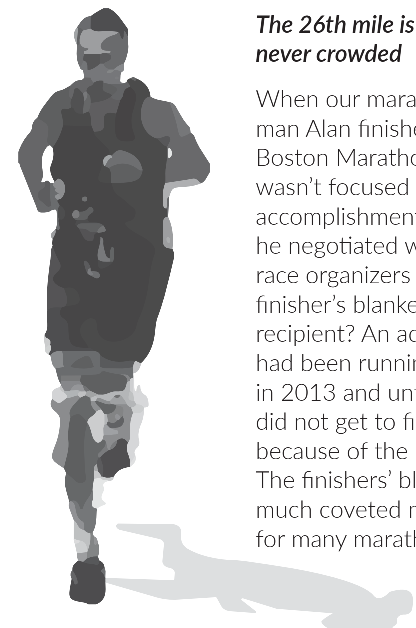
[iii] Sustainalytics and internal analysis. Data as at December 31, 2021. Carbon Intensity = Scope 1&2 tCO2e /US$M revenue. Emission reduction figure is based on the companies owned as at December 31, 2021.

[iv] Sustainalytics and internal analysis. Data as at December 31, 2021. Carbon Intensity = Scope 1&2 tCO2e /US$M revenue. These companies are owned in the Cymbria Portfolio and based on available data, selected as they represent the largest % reduction in Scope 1 & 2 emissions over the last three years.

Little things *that go a long way*

So, what are Little Things? They're small gestures EdgePointers make to thank our advisor partners and end investors for their trust in us. It's our way of showing partnership, not just saying it. We're not asked to do these things, it's second nature.

With the 10th anniversary since we launched our Little Things initiative, we figured the best way to share our culture is by listing some of our favourites from over the years.



The 26th mile is never crowded

When our marathon man Alan finished the Boston Marathon, he wasn't focused on his accomplishment. Instead, he negotiated with the race organizers for an extra finisher's blanket. The recipient? An advisor who had been running the race in 2013 and unfortunately did not get to finish because of the bombings. The finishers' blanket is a much coveted memento for many marathoners.

Trip advisors

EdgePointers are well traveled and love sharing their expertise:

* Liz pulled out some inside information and put together a six-page guide for an advisor visiting her hometown of Killarney.

* Tim put together itineraries for Japan and Hong Kong for two separate advisors.

Hard works pays off

* When High River flooded in 2013, Craig and an advisor got their PPE on and cleared out one of the advisor's assistant's basement full of sewer overflow.

* Marc-André and his brother spent a Saturday helping one of Pierre's advisors paint a barn.

Unique set of skills

EdgePointers' diverse hobbies have paid off for our partners:

* Wine connoisseur Richard made a wine pairing list for each dish at an advisor's event (and even made sure that the local B.C. wine stores had the bottles in stock!).

* Cyclist Pierre researched high-end bikes for an advisor looking to get into cycling. When none were available, Pierre sold his spare bike to him and even coached him into a new life-long passion.

* Ryan made an advisor's 40th birthday special by outfitting the fly-in fishermen with specific gear for pike and pickerel.

* Heather S. offered live-aboard lifestyle advice for a retiring advisor wanting to take a six-month sailing adventure with his wife and child.

* Weddings are stressful enough, but Allie alleviated some pre-nuptial problems by offering her list of service providers to a soon-to-be-wed advisor (and a scrapbook to help remember the day).

* Nick T. passed on some publishing tips from his sister to help an advisor get her autobiography to print.

* Juan, part of the EdgePoint web team, used his creative eye to give some feedback for an advisor's new website.

* Pho (cameraman) and Heather (editor) have been known to shoot and edit event and bio photos for advisors.

A generational approach

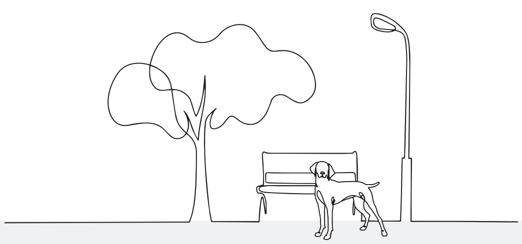
Not just helping advisors, but their kids:

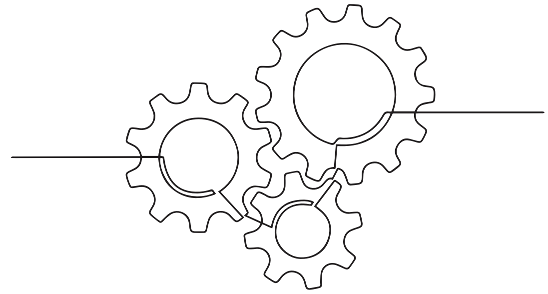
* Olivia and Matilde watched over a 2-year old as her advisor parents toured the EdgePoint offices. (Not a tear was shed the entire time!)
* Zack talked about swimming programs to an advisor's son to help him choose his university.
* Mimi gave a future Queens student a guide to her hometown of Kingston including secret spots and local lingo.
* Geoff G. loaned a laptop to an advisor's daughter in Nova Scotia during the pandemic when no local businesses were open to repair her's.
* Part-time guidance counselor Geoff M. spent half an hour helping an advisor's son choose his second-year courses.
* Even before she became a mom, Kirsten was sending out onesies for new additions to advisors' families.

Gone, but never forgotten

Losing someone close is never easy, but EdgePointers have found unique ways to honour those who are no longer with us:

* Ruairi had a tree planted for a partner who lost a family member.
* Grant commissioned drawings of advisors' dogs who crossed the rainbow bridge.





Back office benefits

Who better to help you navigate the fine print than Operations:

* When an advisor accidentally purchased 66,000 units instead of $66,000 worth of units, Joel spoke with our custodian to reverse the trade with no loss to EdgePoint or the advisor. Tears of joy were shed.
* Knowing the importance of good team members, Nancy and Amy delivered a half-day training session to the two replacements for an advisor's retiring assistant.
* Nancy and Amy spent an afternoon executing orders when a dealer's system went down.
* Needing notarized paperwork, Christen went to a lawyer's office to make sure a complicated transaction was completed.
* As one of EdgePoint's owners, Patrick was uniquely positioned to help an advisor structure their dealership so that those who joined could become owners.
* When an advisor was unable to get the right tax slip for an estate tax document, Stefania called the CRA to make sure the tax return could be filed properly.
* When another client was reassessed by the CRA, Montana was able to provide documentation that the accounts were for the client's grandchildren. The result? A refund instead of a penalty.

More than just things

* Sandro's hands have cramped from all of the thank you cards and notes he's written to advisors throughout the years.
* Sarah has been able to track down several hard-to-find items like salt during a snowstorm, specific spicy horseradish, Paw Patrol books and even WiFi sticks.
* Pho delivered a week's worth of supplies for a COVID-quarantining advisor and their family.

EdgePointers helping EdgePointers

Sometimes EdgePointers have a chance to help their fellow internal partners:

When Juan's mother passed away, she left an unfinished sweater she was trying to complete as a memento. Matilde, a knitter since she was a kid, offered to finish it for him despite working with unfamiliar wool. Within a week of receiving it, she finished it and handed him a sweater that he could only describe as feeling like a hug.

EDGEPOINT IN NUMBERS

A YEAR IN REVIEW

Long-term investors

39,940[i]

Investor accounts across Canada benefiting from the 10-year Partner Program that rewards long-term focus with a fee discount.

10.75%[ii]

The average since inception return of EdgePoint investor accounts with a minimum 10-year holding period:

We believe this is a testament to the value our advisor partners provided to our investors. Congratulations on achieving the most difficult feat in investing - taking a long-term view.

Investors served

We work hard every day to be worthy of the trust each and every one of these investors place in us.

2008: *750*
2009: *16,782*
2010: *27,460*
2011: *44,192*
2012: *52,326*
2013: *68,907*
2014: *88,634*
2015: *124,770*
2016: *150,488*
2017: *218,000*
2018: *311,305*
2019: *333,374*
2020: *278,795*
2021: *278,468*

How much money we've made our investors

$15.1B

Our investors have $15.1 billion more than what they initially invested with us.

As at December 31, 2021. 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.

Fee savings[iii]

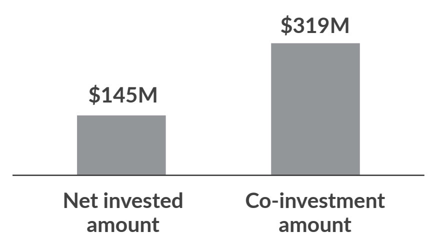
$130M

Start with our simple product lineup (fewer transactions between funds) and no costly marketing department or advertising. Add a bunch of other little things and it all amounts to a big break for our investors.

Co-investment[iv]

At EdgePoint, our internal partners are collectively one of our largest investors in EdgePoint Portfolios. We often talk about the importance of having "skin in the game" – aligning interests by putting the majority of our investible assets in the same Portfolios as our investors. We wanted to share our level of conviction and how our willingness to take a long-term view paid off.

*Co-investment includes all investments by active founders and employees in company-related products.



[i]As at December 31, 2021.

[ii]Source: Average EdgePoint investor returns: CIBC Mellon. Average EdgePoint investor returns represent the average money-weighted returns (net of fees) across accounts in EdgePoint portfolios with a minimum account history of 10 years as at December 31, 2021. Please refer to the funds' standardized performance on page 13. Money-weighted returns represent the investor's personal rate of return taking into account their decisions regarding the timing and magnitude of portfolio cash flows. Average EdgePoint investor 10-year return excludes investor account transfers and switches.

[iii]Source: Strategic Insight, Morningstar Direct. Fee savings calculated using an average of monthly assets under management (AUM) for Series A and A non-HST for years 2009 to 2017 and series F and F non-HST from 2018 onwards. Due to the shift in assets towards fee based, we believe using Series F and F non-HST MERs starting in 2018 is more relevant. Series F is available to investors in fee-based/advisory fee arrangement and excludes trailing commissions. Category average MERs provided by Strategic Insight as at calendar year-ends from years 2009 to 2017. MERs since inception to end-of-year 2008 not included. Morningstar Direct used from year 2018 onwards. Category average MERs of fee-based series funds in the following categories: Global Equity Category, Canadian Equity and Canadian Focused Equity Category, Global Equity Balanced, Global Neutral Balanced and Global Fixed Income Balanced Category, Canadian Equity Balanced, Canadian Neutral Balanced and Canadian Fixed Income Balanced Category. For funds that have not reported 2021 MER by March 1, 2022, the 2020 MER was used. Fee savings are an approximation.

[iv]Co-investment includes all investments by active company founders and employees in company-related products, as at December 31, 2021.

Online

8 podcasts

The Investment team records commentary podcasts to keep our investors well informed and to provide easier access to insights. Available on Apple and Spotify.

379 engaged listeners

48 Inside Edge posts

The weekly posts share some of the most interesting charts and articles read by our Investment team.

1,520 subscribers

The price of long-term outperformance

In our latest academy piece, we talk about the short-term discomfort that's part of getting to Point B (and how a financial advisor paired with an approach you can trust can help you overcome those growing pains).

An investor's journey with EdgePoint, part 2

We decided to revisit Mimi, a hypothetical investor who had been with EdgePoint since November 2008, on her way to her Point B. In our updated video, we covered the last two eventful years.

Merch

Shop guilt free on our <u>site</u> as profits help lower investors' fees!

Communicating with our advisor partners

Even with an extra year of practice, we still have to remind ourselves we're on mute sometimes. We won't let technology get in the way of timely updates and constant support for our advisor partners.

We answered over **4,100 phone calls** from our partners.

Our operations team eliminated **over 51 days** of work by implementing process improvements which contributes to lower fees.

Cymbria day webinar

~1,200 advisors and their team members attended our virtual presentation

Fixed-income webinar

~700 advisors and their team members attended

Number of meetings

9,033 total number of advisor meetings carried

(includes meetings with PMs, webinars, relationship management team, virtual and in person)

Partnering with like-minded individuals

Approximately 85% of our retail assets are held by advisors who exhibited like-minded behaviour in 2020 (defined as low redemption rate and/or positive net sales).

In 2021 we focused our coverage efforts to this group.

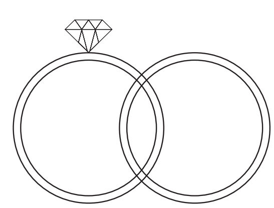
Employee partnerships

We are 80 partners strong. In 2021, we hired 5 new partners.

The average tenure of an EdgePointer is 6.5 years.

Next level

For the first time in our 13-year history, two EdgePointers have decided to partner for the long term with each other. **<u>Syd</u>** and **<u>Mimi</u>** tied the knot in February 2022, and while we know that volatility is opportunity when it comes to investing, we wish them a smooth and happy ride together.



Management's Discussion & Analysis of

CYMBRIA CORPORATION

Year ended December 31, 2021

CYMBRIA®

Management's Discussion and Analysis ("MD&A") provides a review of Cymbria Corporation's ("Cymbria") financial results for the year ended December 31, 2021 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the statements of financial position, statements of comprehensive income (loss), statements of changes in equity, and statements of cash flows of Cymbria. As such, this MD&A should be read in conjunction with the audited annual financial statements and notes thereto included in this report. The MD&A and the audited annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") to provide information about Cymbria.

The following MD&A is the responsibility of management and is dated March 10, 2022. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit Committee, comprised exclusively of independent directors. The Audit Committee has reviewed and recommended approval of the MD&A by the Board of Directors. The Board of Directors has approved this disclosure.

The annual Financial Statements may be included at the back of the MD&A. You can obtain a free copy of the interim or annual Financial Statements by calling 1.866.757.7207, writing to EdgePoint Investment Group Inc., 150 Bloor St. W., Suite 500, Toronto, ON, M5S 2X9, or visiting our website at **www.cymbria.com** or the SEDAR website at **www.sedar.com**.

Likewise, shareholders can obtain copies of Cymbria's proxy voting policies and procedures, proxy voting disclosure records, and quarterly portfolio disclosures.

Please refer to Cymbria's Annual Information Form and the 2021 annual Financial Statements for more information which can be found on the SEDAR website at **www.sedar.com**. For Cymbria's current and historical adjusted net asset values per share, please visit **www.cymbria.com**.

Caution regarding forward-looking statements

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

This report may also contain backward-looking statements that are more definitive in nature that include words such as "last year," "before we were born" and "our encyclopedias say." We like to think we're pretty good at predicting what happened in the past so feel free to take most of these statements as truths.

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

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

We stress that the abovementioned list of important factors is not exhaustive but is super exhausting to read, let's be honest! We encourage you to consider these and other factors carefully before making any investment decisions, and urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that Cymbria has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next MD&A.

Management's Discussion and Analysis

The following presents the views of EdgePoint Investment Group Inc. (the "Manager") concerning significant factors and developments that have affected Cymbria's performance and outlook.

Please read the aforementioned caution regarding forward-looking statements.

Where we refer to the purchase or sale of businesses in this report, we are referring to Cymbria's purchase or sale of shares in a company. We use the term businesses as it more closely aligns with the portfolio management team's view that the investment is in a business and not simply ownership of stock.

Non-IFRS measures

Cymbria prepares and releases audited annual financial statements and unaudited interim financial statements in accordance with IFRS. In this MD&A, as a complement to results provided in accordance with IFRS, Cymbria discloses certain financial measures not recognized under IFRS and that do not have standard meanings prescribed by IFRS (collectively the "non-IFRS measures"). These non-IFRS measures are further described below. Cymbria has presented such non-IFRS measures, because we believe they are relevant measures of the ability to evaluate Cymbria's performance. These non-IFRS measures should not be construed as alternatives to net comprehensive income (loss) determined in accordance with IFRS as indicators of Cymbria's performance.

- Adjusted Net Asset Value ("aNAV") – represents the fair value of the net assets of Cymbria, which differs from IFRS Shareholders' Equity because it does not take into account the deferred income tax liability on the unrealized gain on investments and the deferred tax benefits associated with any realized losses on investments. The calculation of aNAV has not changed since the inception of Cymbria.

  Net asset value calculations are different across companies and shareholders of Cymbria should be cautioned that its aNAV may not be comparable to other companies. Cymbria still believes aNAV is an important measure because it is the basis on which the Manager evaluates Cymbria's performance. The difference between aNAV and shareholders' equity is the deferred income tax liability. Deferred income taxes can differ from actual income taxes paid in the future due to fluctuations in investment prices and changes to income tax rates. In addition, $35.1 million of the deferred income tax liability relates to a deferred liability on Cymbria's investment in EdgePoint Wealth Management Inc. The manager is compensated through the management fee that is based on Cymbria's aNAV calculation, not shareholders' equity. Below is a reconciliation of aNAV to shareholders' equity.

	Dec. 31, 2021 ('000s)	Dec. 31, 2020 ('000s)
aNAV	$1,502,646	$1,229,894
Less: Deferred income tax liability	(56,976)	(37,776)
Shareholders' equity	$1,445,670	$1,192,118

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

Class A	Dec. 31, 2021	Dec. 31, 2020
Adjusted net asset value per share	$ 63.92	$ 52.38
Less: Deferred income tax liability	(2.42)	(1.61)
Shareholders' equity per share	$ 61.50	$ 50.77

Class J	Dec. 31, 2021	Dec. 31, 2019
Adjusted net asset value per share	$ 71.23	$ 58.16
Less: Deferred income tax liability	(2.70)	(1.78)
Shareholders' equity per share	$ 68.53	$ 56.38

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

Our business

Cymbria is an investment corporation that trades on the Toronto Stock Exchange. At the end of 2021, Cymbria invested in a collection of 58 different business ideas, including a 20.7% ownership stake in EdgePoint Wealth Management Inc. ("EdgePoint").

Measuring our results

We've made meaningful progress toward our goal of building long-term wealth for shareholders. The cumulative return of Cymbria's Class A aNAV since inception is 539.2% and the cumulative return of Cymbria's Class A shareholders' equity since inception is 515.0%.

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

Measuring Cymbria's worth

Cymbria's stock price has swung between a 14% discount and a 34% premium to aNAV since inception.

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

To help investors make intelligent decisions about their investment in Cymbria, we post its aNAV daily to our website. Some have suggested that doing so encourages short-term thinking. We tend to agree. Cymbria's aNAV is different from its worth. The aNAV represents the value of its holdings at today's prices, not tomorrow's worth. Not everyone uses Cymbria's aNAV as a guidepost, nor does posting it ensure that the stock will ever trade at that figure. Cymbria has traded within a wide band and people are free to ignore the guideposts.

Since we have no control over Cymbria's share price and don't know what's in the heads of sellers day-to-day, we also have no way of determining if there will be shareholders willing to sell at material discounts to aNAV (either knowingly or unknowingly). If Cymbria's stock price lags its aNAV, we also believe in buying back shares, as doing so at an attractive discount makes sense for our shareholders. Should these opportunities exist, our share repurchases should greatly enhance Cymbria's value for remaining shareholders. This will occur at the expense of those willing to sell to us at a discount. If we're right about the value of the businesses inside Cymbria's portfolio over time, our share repurchases will prove to be one of our better investments. Please see *Non-IFRS measures* for a discussion on aNAV.

Recent developments

Despite concerns around COVID-19 and its new variants dominating headlines in 2021, many equity indices generated attractive total returns with the MSCI World Index returning 20.8%, the S&P/TSX Composite Index gaining 25.1%, the S&P 500 Index up 27.6% and the Nasdaq Composite Index producing a return of 21.1% (total returns, in C$). Although the calendar year returns for these major indices were pleasing, as the year came to an end, investors were faced with rising inflation and interest rates which began to put pressure on various segments of the market. With all the uncertainty in the market today, we believe it's important to have an investment approach you can trust that will guide you through periods of uncertainty. It is our belief, that the best margin of safety one can have is by buying ownership stakes in business where you aren't being asked to pay for their future growth.

Inflation is equivalent to gravity for asset prices. Typically, businesses that would suffer the most are the ones that are unprofitable today but where investors are paying high multiples for the future prospect of generating profits, said another way, high multiple, low profitability businesses.

We don't have an edge in predicting macroeconomic events – whether it be inflation, deflation, or interest rates. We remain focused in buying growing businesses without paying for that growth. The only way to do this is by having a different view of a business than other investors. This often means finding companies whose future will be different than their past.

Although markets appear to be at historical highs from a valuation perspective, Cymbria looks extremely different from the benchmark. The investment team was very active during the year, purchasing 22 new businesses in Cymbria, while selling our stakes in 15.

Outlook

We believe that the majority of the market today is positioned for a single outcome. The average investor today is crowding into investments that have done well recently, but may not be able to produce the same type of results moving forward. With CPI at 7% and 4.9% in the US and Canada respectively and interest rates starting to creep back up, we believe it's important for investors to be diversified and not invested in any single idea or theme. We diversify Cymbria by business idea, taking into consideration obvious and non-obvious correlations in an effort to ensure the portfolio is not concentrated in one single idea or theme

In addition to being properly diversified by business idea, it's important to have a long-term view when investing. We're constantly looking at ways to get our investors to embrace longer term thinking in a world of short attention spans. While society continues to make advancements in many areas, one area that's going backwards is people's attention span. In financial markets, the average holding period for U.S. stocks by retail investors has declined from eight years in the 1960s to less than 6 months. There is also an undue focus on the very short term (e.g., the next couple of quarters). When researching new ideas, we'll sometimes hear, "it's a good business but there are no near-term catalysts, it's dead money for the next six months, and look at it later." By the time consensus starts to reflect positive news, it's usually too late and the stock price has moved higher. With so many people focused on the short term, to outperform you need to do something differently and, for us, that can be the willingness to look further out.

COVID-19 pandemic

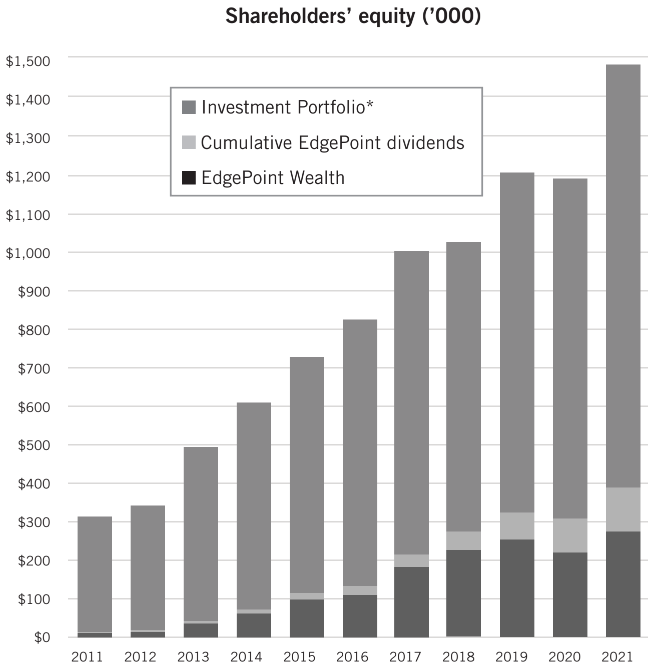
In the second year since the start of the COVID-19 pandemic, uncertainty and volatility relating to the pandemic remained a constant in the market. As in past periods of volatility and uncertainty, we continued to live in a narrow emotional band and adhered to our investment approach. We were very active, taking advantage of compelling opportunities during volatile periods. We continued focusing on the long-term by looking for businesses that could thrive beyond the current challenged environment, but where these opportunities weren't recognized by the market and reflected in the price. Although there still may be uncertainty about the future impact of the pandemic on our businesses in the short term, we believe Cymbria is well positioned today to deliver pleasing long-term investment performance.

Cymbria's fixed pool of capital and no significant liabilities meant that there were no liquidity concerns with our operations, even during the most volatile periods of the pandemic.

The COVID-19 pandemic did not impact our financial reporting environment, nor did it significantly affect any judgment and measurement uncertainty with the portfolio.

Overall performance

For the year ended December 31, 2021, Cymbria's shareholders' equity increased 21.3% to $1,446 million (December 31, 2020: decreased 1.3% to $1,192 million). The increase in shareholders' equity is largely attributable to investment performance, which is discussed in the *Investment performance* section of this report.



*Includes cash and net working capital.

Summary of investment portfolio

To help frame the investment performance discussion, below is a summary of the top 15 businesses owned by Cymbria as a percentage of shareholders' equity. A full list of the investment portfolio can be found in the Schedule of Investment Portfolio in the audited financial statements.

Business		Fair value ('000s)
EdgePoint Wealth Management Inc.	$	265,500
Berry Global Group Inc.		59,907
Affiliated Managers Group Inc.		48,823
Onex Corporation		46,511
AutoCanada Inc.		45,990
Mattel Inc.		44,922
Restaurant Brands International Inc.		43,061
Anthem Inc.		42,147
Dollar Tree Inc.		36,198
Willis Towers Watson PLC		34,771
SAP SE		30,301
Brookfield Asset Management Inc., Class A		30,246
Private financial technology company		29,025
International Flavors & Fragrances Inc.		27,340
TE Connectivity Limited		26,981

Investment performance

Cymbria's collection of businesses can be separated between its portfolio of public securities and its portfolio of private equity, including EdgePoint.

Portfolio of public securities

While we provide these comments to fulfill the disclosure requirement of this report, we measure investment success over periods of 10 years or more, and believe it takes considerable skill to consistently add value over the long term. With a long-term view, it would not add a significant amount of value to discuss every business that is owned in the portfolio, including those that have had short-term fluctuations in value. However, in this section we will discuss the investments in public securities that we believe would be of interest to shareholders and/or highlight any material changes (if any) to the businesses we own.

These are the businesses that had the most meaningful positive impact on shareholders' equity during the year:

- Affiliated Managers Group, Inc.

  We first purchased Affiliated Managers Group, Inc. in Cymbria in November of 2016. Affiliated Managers Group is a global asset management company with equity investments in leading boutique investment management firms. Its strategy is to generate shareholder value through the growth of existing affiliates, as well as investing in new ones. The combination of strong asset growth and relative performance bolstered their profitability and near-term expectations for organic fund growth. The stock was up 62% during the year and Cymbria's unrealized gain in the business increased by $20.0 million.

- AutoCanada Inc.

  We first purchased AutoCanada in Cymbria in August of 2018. AutoCanada is one of Canada's largest multi-location automobile dealership groups. We believed the existing set of dealerships were underperforming their true potential and the new management team would significantly improve operating profitability. In addition, the second element of our thesis revolved around AutoCanada taking advantage of a very fragmented market. AutoCanada is uniquely positioned to be the natural consolidator in the industry and the company is at the early stages of this opportunity. The fundamentals of the business are strong and the business is generating significant profitability. Despite the share price appreciation, we believe AutoCanada continues to trade at a modest valuation for a market leading business with a long runway for growth. The stock was up 81% during the year and Cymbria's unrealized gain in the business increased by $20.6 million.

- The Middleby Corp.

  We first purchased The Middleby Corp. in Cymbria in March of 2018. Middleby is a leading global equipment manufacturer for commercial cooking and food preparation, industrial food processing and premium residential kitchens. The core of its business is balanced between new restaurant openings, repair/replacement and menu-driven changes. Middleby benefits from the restaurant industry being competitive and the constant demand for innovation and efficiencies. Restaurant purchases are driven by return-on-investment and Middleby can take advantage of the need for automation, menu flexibility, speed (both serving and cooking) and energy efficiency. Middleby was one of the businesses most impacted by the pandemic, other than hotels and airlines. While traditional restaurant models were suffering, the rise of ghost kitchens (kitchens that made food solely for delivery), pizza making, touchless delivery and antibacterial kitchens was beneficial for Middleby. A shift towards replacing labour with machines has also benefitted the industry. The stock was up 53% during the year and Cymbria's unrealized gain in the business increased by $7.4 million.

- MDA Limited

  MDA, formerly Neptune Acquisition LP, is a Canadian supplier of mission-critical space-based technologies. We purchased the business privately in April 2020. In April 2021, MDA closed its initial public offering of shares on the Toronto Stock Exchange. The stock was down 32% from its initial public offering price but remains in an unrealized gain position in Cymbria of $5.1 million as at December 31, 2021. We partially sold our holding of the business during the year and realized a gain of $23.0 million.

The following businesses had the most meaningful negative impact on shareholders' equity during the year:

- Koninklijke Philips N.V.

  We purchased Koninklijke Philips N.V. in Cymbria in September of 2020. Koninklijke Philips N.V. is a health technology company specializing in healthcare equipment, diagnostic imaging and patient monitoring. During the year, a recall on the businesses sleep apnea machine caused a decline in the company's share price, they lost roughly $13 billion in market capitalization. This segment of their business only represents 3-4% of their revenue and we do not believe this will have a material impact on the business in the long-term. With the development of their new technologies such as early heart attack detection and post-surgery monitoring, Philips has a promising future. The company also has a competitive advantage as they own the hardware, software, and data analytics components of their systems. Beyond Philips's capabilities, we believe that the company will see continual margin expansion due to the aging demographics and the consequent rising need for medical solutions. The stock was down 25% during the year and Cymbria's unrealized loss in the business increased by $8.6 million.

- Alibaba Group Holdings Ltd.

  We first purchased Alibaba in Cymbria in May of 2021. Over the last year, a significant topic of discussion is regulatory actions that the Chinese government has taken towards technology and other sectors of the economy. The speed and harshness of some these actions has created an environment of uncertainty that is not positive for either business or investor sentiment and has been reflected in lower valuations. While large capitalization U.S. technology (a.k.a FAANG stocks) ended last year close to all-time highs, the China technology index was down 50%. While we do not debate politics, we believe the situation in China creates a great opportunity to buy strong businesses and not pay for the growth. A prime example of such a business is Alibaba Group Holdings.

  The E-commerce industry has been growing rapidly in China and Alibaba has a dominant position with 60% market share. The company owns and operates two marketplaces where sellers and buyers can connect. The value transacted over those exchanges is expected to double in the next six years. Additionally, the take rate, which includes sales commissions as well as search ads for merchants, is currently around 4%. That rate is low relative to other e-commerce marketplaces globally, which are typically high single digits (or even up to 15%). Combining these two factors results in strong growth prospects.

  There are two other lines of business that will also contribute to growth. First, Alibaba owns the biggest cloud company in China. Currently, the Chinese cloud market is only about 20% of the size of the U.S. cloud market, and IT consultant Gartner expects the market to grow 5x over the next five years and should result in significant growth for Alibaba's cloud business. The second business that may contribute to Alibaba's growth is its financial services business. There is a duopoly of payment systems in China and Alibaba is part of this duopoly. The idea behind this business is that China already has a high savings rate. As wealth and income continue to grow, there will be a greater need for various financial products that Alibaba can offer. The stock was down 49% during the year and Cymbria's unrealized loss in the business increased by $7.1 million.

Businesses purchased

During the year, we purchased stakes in 22 new businesses. Two of the largest purchases, in terms of significance to Cymbria as at December 31, 2021, were:

- Anthem, Inc.

  Anthem, Inc. provides health insurance and is the largest Blue Cross/Blue Shield (BCBS) operator in the U.S. It offers a broad spectrum of network-based managed care health benefit plans to the large and small employer, individual, Medicaid and Medicare markets. The company has a collection of fantastic assets and also owns the majority of the market share in most states where they do business. This dominant market share gives them scale to negotiate lower prices from hospitals and doctors versus their competitors. This provides a virtuous circle where they pass along some of these savings to their customers to offer better value versus competitors, which helps further grow their business. Anthem has excellent management who are implementing growth strategies where they have been successful before at prior companies, and the business continues to benefit from aging demographics. In a sense, they're like a royalty on health care spending in the U.S. They generate considerable amounts of free cash flow and the business trades at an attractive valuation. We believe we have been able to purchase Anthem at a price where we aren't being asked to pay for the future growth of the business.

- Dollar Tree, Inc.

  Dollar Tree, Inc. is a U.S. based discount retailer consisting of two distinct brands – Dollar Tree and Family Dollar. The Dollar Tree franchise historically sold everything at one dollar but is in the process of increasing prices, sometimes referred to as breaking the buck. We've lived through a similar experience with Dollarama over the last decade and have seen how impactful this transition can be if managed properly. Following our investment in the company, U.S. activist Mantle Ridge publicly announced a large stake in the business along with a proposed slate of new directors. We believe that should Mantle Ridge be successful in reconstituting the board, there could be material upside to our thesis.

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 year we sold our stakes completely in 15 businesses. Below are the most significant businesses sold based on the gross amount of realized gains and losses:

- CSX Corp.

  CSX Corp. is the fifth largest freight railroad in North America, operating primarily on the U.S. eastern seaboard. We sold CSX Corp. after about a 5 year investment in the company. We first purchased the company in 2017 after the arrival of Hunter Harrison as CEO. We had studied Hunter's "precision railroading" operating model from his tenures at CN Rail and CP Rail and believed the market was underestimating the benefits this operating model would bring to CSX shareholders. The "precision railroading" operating model runs trains on a fixed schedule, meaning fewer stops, a decrease in number of times that freight is handled and improved overall train velocity. This results in lower operating costs and higher profitability for shareholders. During our ownership of CSX, our thesis played out. CSX experienced volume gains, pricing increases, operating cost improvements and increased capital returns to shareholders. While we continue to expect CSX to benefit from volume share gains versus trucks and capital return to investors, we believe the growth in earnings power will be considerably slower over the next 5-years as operating cost improvements narrow and truck pricing stabilizes. Therefore, we have exited our position. Our holding period return for CSX Corp. was 63% and Cymbria realized a gain of $22.5 million on shares of the business sold during the year.

- Bank of America Corp.

  Bank of America Corp. is a large capitalization bank and financial holding company, which engages in the provision of banking and nonbank financial services. It operates through the following major segments: Consumer Banking, Global Wealth and Investment Management, Global Banking and Global Markets. Bank of America was purchased in the middle of the COVID-19 pandemic. Prior to the pandemic, Bank of America had built one of the highest quality loan books which reduced the risk of defaults during the downturn. Our belief was that loan growth would recover and that their existing loan book would weather the pandemic well. Our thesis played out as Bank of America recorded one of the lowest default rates in the industry while growing their business. Given that our thesis played out, we sold our stake. Our holding period return for Bank of America Corp. was 59% and Cymbria realized a gain of $14.2 million on shares of the business sold during the year.

- Compagnie Financière Richemont SA

  Compagnie Financière Richemont SA engages in the design, manufacturing and distribution of luxury goods. We believed branded jewelry would take share from unbranded jewelry and Richemont was in the best position to capitalize on this trend as the owner of 3 of the world's top five luxury jewelry brands: Cartier, Van Cleef & Arpel, and Piaget. During our holding period, our thesis played out resulting in material earnings growth and share price appreciation. We exited the position as we believed that the markets had fully priced in our thesis. Our holding period return for Compagnie Financière Richemont SA was 46% and Cymbria realized a gain of $10.8 million on shares of the business sold during the year.

Portfolio of private equity

Cymbria has the flexibility to invest in both public and private markets. Below is an update on the largest private equity businesses in our portfolio as at December 31, 2021:

- EdgePoint Wealth Management Inc.

  The most significant private equity business in Cymbria is EdgePoint. Cymbria's original $509,585 investment in EdgePoint represents a 20.7% ownership share as at December 31, 2021. Since inception, we have received $111.3 million in dividends from EdgePoint and its value in Cymbria has increased to $265.5 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio.

  A rebound in financial markets after the initial lows of the COVID-19 pandemic led assets under management to increase from $26.8 billion as at December 31, 2020 to $28.3 billion as at December 31, 2021.

  With the assistance of a third-party valuator, Cymbria's stake in EdgePoint was revalued in December 2021 at a range of $240.3 million to $290.7 million. For financial statement purposes, EdgePoint is valued using the mid-point of the range at $265.5 million, representing a 20.4% increase from its value as at December 31, 2020. The discounted cash flow model used for the valuation has a specific set of assumptions of which the significant ones are outlined in Note 11 of the financial statements. The range noted above changes only the discount rate in the valuation. In reality, the possible results for EdgePoint can vary far outside of this range. To highlight how wide a range could be without going to extremes, please refer to the sensitivity analysis in Note 11 of the financial statements. A change to any one or all of the assumptions can have a material impact on the valuation of EdgePoint as highlighted in Note 11.

  In determining the fair value of EdgePoint, we have considered the potential impact of the COVID-19 pandemic in our assumptions; however, we have not assumed a long-term impact of the COVID-19 pandemic. The duration and full economic impact of the COVID-19 pandemic is unknown at this time, and accordingly, there is a degree of uncertainty surrounding the potential impact it may have on the business and/or operations of EdgePoint.

  We spend a considerable amount of time on the assumptions that go into the base cash flow model to determine the valuation range and believe that this represents fair market value as at December 31, 2021. However, valuing a business like EdgePoint is an imperfect science and depending on actual results there could be considerable variance both positively or negatively from today's value.

Physical commodities

In August 2021, Cymbria made an investment in physical uranium. It is primarily used in nuclear reactors for commercial electricity production. Events such as the Fukushima nuclear disaster have caused negative sentiment towards uranium and nuclear power plants, resulting in reduced investments in both. We believe global energy demand is still growing and attitudes towards nuclear power will shift based on it being a cleaner environmental alternative to fossil fuels. Cymbria owns and stores physical uranium in a secure and regulated storage facility.

Financial review

This section discusses the significant changes in Cymbria's financial performance, financial condition and cash flows for the fiscal year ended December 31, 2021 compared to those for the years ended December 31, 2020 and 2019.

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

Financial performance

	Year ended December 31,		
	2021 ('000s)	**2020 ('000s)**	**2019 ('000s)**
Income			
Net realized gain (loss) on investments	$ 116,688	$ (37,006)	$ 69,140
Change in unrealized gain on investments	145,839	(10,973)	82,584
Dividend and interest income	38,990	47,081	48,647
Foreign currency gain (loss) on hedging	1,628	(4,086)	4,110
Foreign currency gain (loss), excluding hedging	194	(4,561)	(184)
Total income (loss)	$ 303,339	$ (9,545)	$ 204,297
Expenses			
Management fees	$ 10,018	$ 7,529	$ 7,793
Withholding taxes, HST, and transaction costs	4,101	3,561	3,282
Other expenses	3,003	2,393	2,604
Total expenses	$ 17,122	$ 13,483	$ 13,679
Profit (loss) for the period before taxes	$ 286,217	$ (23,028)	$ 190,618
Income taxes (recovery)	32,644	(9,229)	20,159
Net comprehensive income (loss)	$ 253,573	$ (13,799)	$ 170,459

(a) *Net realized gain (loss) on investments*

During the year ended December 31, 2021, the realized gain on investments of $116.7 million is largely attributable to a gain from the sale of shares of MDA Ltd. of $23.0 million, CSX Corp. of $22.5 million and Richemont SA of $10.8 million. The net realized gain on investments is not comparable to prior periods due to the different transactions from period to period. More details relating to the most significant contributors to Cymbria's performance are discussed in the *Investment performance* section.

(b) *Change in net unrealized gain on investments*

The unrealized gain on investments increased by $145.8 million for the year ended December 31, 2021. This is a result of fluctuations in the value of investments during the period. The three largest contributors to the increase during the year were EdgePoint Wealth Management Inc. with a $45.0 million increase, AutoCanada Inc. with a $20.6 million increase and Affiliated Managers Group Inc. with a $20.0 million increase. Fluctuations in investment values are not comparable to prior periods due to the different composition of the investment portfolio from period to period. More details relating to the most significant contributors to Cymbria's performance are discussed in the *Investment performance* section.

(c) *Dividend and interest income*

Dividend and interest income is earned on the portfolio of public equities and the investment in EdgePoint. An important driver of wealth for Cymbria is the dividend from EdgePoint. During the year ended December 31, 2021, Cymbria received dividends totaling $21.8 million from EdgePoint, representing a 10% increase compared to 2020. This dividend can be reinvested by Cymbria in its portfolio of securities or used to buy back Cymbria shares. Dividends from investments other than EdgePoint amounted to $15.9 million for the year ended December 31, 2021. Cymbria's portfolio is not managed with the intent to derive a certain amount of dividend or interest income. Therefore, it is typical that this type of income would fluctuate from period to period.

(d) *Foreign currency gain (loss)*

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

As at December 31, 2021, Cymbria's most significant foreign currency exposure was the U.S. dollar, which as a percentage of shareholders' equity was approximately 42% and we hedged approximately 7% of that exposure.

Cymbria did not have a hedge in place for its investment securities denominated in the Japanese yen, euro, British pound, Hong Kong dollar or Swedish krona as we did not believe there was material currency risk with these investments. As a result of foreign currency hedging activities during the year ended December 31, 2021, Cymbria had a $1.6 million net realized and unrealized gain from hedging activities.

(e) Expenses

Cymbria believes that low expenses are an important factor in evaluating our performance. Management fees increased by $1.5 million from 2020 due to the increase in aNAV over the corresponding period, on which the fee is based. Management fees are charged based on the aNAV of Cymbria, excluding the value of EdgePoint. The effective management fees charged for the year ended December 31, 2021 were 0.82% for Class A shareholders and 0.41% for Class J shareholders.

Financial condition

	Dec. 31, 2021 ('000s)	Dec. 31, 2020 ('000s)	Dec. 31, 2019 ('000s)
Assets			
Investments	$1,417,533	$1,171,060	$1,162,227
Cash and cash equivalents	97,423	47,609	85,283
Other assets	1,453	1,290	825
Income tax recovery	–	17,047	7,016
Total assets	$1,516,409	$1,237,006	$1,255,351
Liabilities			
Foreign exchange forward contracts	$ 244	$ 40	$ 59
Income tax payable	9,458	–	–
Accrued liabilities and other payables	97	–	1,009
Credit facility	2,550	6,000	6,000
Deferred share unit plan	1,414	1,072	1,018
Deferred income tax liability	56,976	37,776	39,529
Total liabilities	$ 70,739	$ 44,888	$ 47,615
Shareholders' equity	$1,445,670	$1,192,118	$1,207,736

(a) Investments

Cymbria's investments as at December 31, 2021, primarily consists of a portfolio of public securities of $1,094.8 million and private equity of $297.6 million, including an investment in EdgePoint of $265.5 million. The Investment performance section of this MD&A discusses the significant changes in these investments. The Schedule of Investment Portfolio included in the Financial Statements discloses all of the investment positions of Cymbria.

(b) Cash and cash equivalents

Cymbria maintains cash and cash equivalents to purchase investments, pay expenses, and occasionally buy back shares. Cymbria does not distribute cash by issuing a dividend. Cash balances are monitored on a daily basis by the Manager. The increase of $49.8 million from the end of 2020 is primarily due to the net sale of investments of $18.2 million during the year ended December 31, 2021. Cash and cash equivalents is comprised entirely of cash held at the bank.

(c) Income tax recovery and Income taxes payable

The Income tax payable of $9.5 million is a result of the required income tax installments for 2021 being less than Cymbria's income tax liability as at December 31, 2021.

(d) Credit facility

As at December 31, 2021, Cymbria has drawn $2.6 million on its credit facility. During the year ended December 31, 2021, $3.4 million of the facility was repaid.

(e) Deferred share unit plan

Cymbria's deferred share unit plan exists to provide directors the option to receive their compensation in the form of deferred share units. The units are valued using the five-day volume-weighted average stock price of Cymbria prior to the period end. For the year ended December 31, 2021, Cymbria issued 2,106 units and the total value of the plan increased by approximately $0.3 million.

(f) Deferred income tax liability

The deferred income tax liability represents temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes versus taxation purposes. As at December 31, 2021, Cymbria's deferred income tax liability is presented net and it is comprised of a liability on the unrealized gain of investments of $57.2 million offset by an asset on deferred share units of $0.2 million. Included in the deferred income tax liability is $35.1 million liability related to Cymbria's investment in EdgePoint.

(g) Shareholders' equity

Cymbria's shareholders' equity is comprised of common stock, Class A, and Class J shareholders. The Manager owns 100% of the common stock of Cymbria. The number of common shares outstanding on December 31, 2021 and March 10, 2022 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at December 31, 2021 and March 10, 2022, there were 16,315,497 and 16,315,719 shares outstanding, respectively. Class J shares are non-redeemable and were offered through a private placement. Class J shares can be exchanged for an equivalent value of Class A shares on the last business day of each week. As at December 31, 2021 and March 10, 2022, there were 6,453,406 and 6,453,206 shares outstanding, respectively.

Cash flows

For the year ended December 31, 2021, Cymbria had a net increase in cash and cash equivalents of $49.8 million. The majority of the net decrease in cash and cash equivalents is due to cash generated from operating activities, including the net sale of investments of $18.2 million. Cymbria did not generate a significant amount of cash flows from financing activities.

Shareholder activity

Cymbria refiled its Normal-Course Issuer Bid ("NCIB") for the 12-month period beginning on May 25, 2021 to May 24, 2022. Cymbria will use the NCIB to repurchase shares in the event that we believe the company is being undervalued by the market and an attractive opportunity exists to enhance the value for its shareholders. During the year ended December 31, 2021, Cymbria repurchased Class A shares using the NCIB. In total, 400 shares were repurchased and cancelled at a weighted average discount to aNAV of 6.0%. Since inception, Cymbria has repurchased and cancelled 501,500 Class A shares at an average price of $15.56 per share and a total cost of $7.8 million.

Cymbria's Liquidity Realization Opportunity ("LRO") is available for both Class A and Class J shares and gives Cymbria the right to repurchase a number of shares from time to time at a very small discount to aNAV where (i) Cymbria's portfolio has experienced growth in the previous fiscal year, (ii) Class A shares are trading at a price less than 97% of aNAV, and (iii) on the Manager's recommendation. When these events occur, shareholders may elect to participate in the LRO and have an opportunity to dispose of shares at a price close to aNAV. This feature was introduced to increase Cymbria's attractiveness as an investment by recognizing that liquidity requirements and investment time horizons vary from investor to investor. We believe that Cymbria's aNAV, which is disclosed daily, is a fair representation of Cymbria's portfolio at current prices. When Class A shares trade at prices not reflective of the aNAV, the LRO provides another venue whereby shareholders may dispose of their shares at a price closer to aNAV. The LRO does not affect Cymbria's ability to continue repurchasing shares through the NCIB. Please see the Management Information Circular dated May 28, 2013 for more information on the LRO. Cymbria did not announce an LRO for the year ended December 31, 2021, as Cymbria's Class A shares have been trading above 97% of aNAV on average over the year.

Fourth quarter results

The following table shows Cymbria's fourth quarter financial performance for the three months ended December 31, 2021 and 2020.

	Three months ended Dec. 31, 2021 ('000s)	2020 ('000s)
Income		
Net realized gain (loss) on investments	$ 63,807	$ (11,537)
Change in unrealized gain on investments	(9,973)	102,732
Dividend and interest income	9,296	21,378
Foreign currency gain (loss) on hedging	(1,466)	2,651
Foreign currency gain (loss), excluding hedging	(443)	(2,275)
Total income	$ 61,221	$ 112,949
Expenses		
Management fees	$ 2,629	$ 2,021
Withholding taxes, HST, and transaction costs	642	770
Other expenses	824	624
Total expenses	$ 4,095	$ 3,415
Profit for the period before taxes	$ 57,126	$ 109,534
Income taxes	6,224	11,748
Net comprehensive income	$ 50,902	$ 97,786

During the quarter ended December 31, 2021, Cymbria had net comprehensive income of $50.9 million that was driven by a net realized and unrealized gain on investments totaling $53.8 million. The investments that had the most significant contribution to the change in unrealized gain during the quarter were EdgePoint Wealth Management Inc. of $21.2 million, Berry Global Group Inc. of $9.6 million and Anthem Inc. of $8.2 million. Investments with significant contributions for the year ended December 31, 2021 are discussed in the in the *Investment performance* section.

Summary of interim results

The financial information summarized below is derived from Cymbria's condensed interim financial statements from the three month periods ended December 31, September 30, June 30, and March 31, 2021, and the same periods from 2020. In each of the periods, the changes in Total income (loss) and Net income (loss) are primarily a result of the realized and unrealized changes in the fair value of Cymbria's investments. No meaningful correlations can be made by comparing these figures from period to period.

								Three months ended
(in '000s except per share amounts)	**Dec. 31, 2021**	**Sep. 30, 2021**	**Jun. 30, 2021**	**Mar. 31, 2021**	**Dec. 31, 2020**	**Sep. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**
Total income (loss)	$ 61,221	$ (13,660)	$ 112,101	$ 143,677	$ 112,949	$ 36,095	$ 107,003	$ (265,592)
Total expenses	$ 4,095	$ 4,761	$ 4,299	$ 3,967	$ 3,415	$ 3,733	$ 2,939	$ 3,396
Net income (loss)	$ 50,902	$ (14,793)	$ 94,920	$ 122,544	$ 97,786	$ 29,538	$ 91,324	$ (232,447)
Net income (loss), per share								
Class A	$ 2.15	$ (0.65)	$ 4.02	$ 5.17	$ 4.15	$ 1.24	$ 3.87	$ (9.92)
Class J	$ 2.46	$ (0.66)	$ 4.54	$ 5.92	$ 4.63	$ 1.42	$ 4.34	$ (10.89)

Credit facility

On September 22, 2017, Cymbria entered into a five-year credit agreement with a Canadian chartered bank (the "Bank") that can be renewed on an annual basis. The credit agreement allows Cymbria to borrow up to $100 million. Interest is charged on the outstanding balance based on whether the facility is drawn as bankers acceptance or prime loan. When drawn upon, the credit facility will be secured by a selection of eligible securities in Cymbria's investment portfolio. As at December 31, 2021, the outstanding balance of the credit facility was $2.6 million (December 31, 2020: $6.0 million). On March 10, 2022, Cymbria amended the credit agreement to allow the $100 million facility to be the aggregate of a renewable $75 million revolving commitment that will mature on March 9, 2027 and a $25 million term loan that will mature on March 9, 2029. Subsequent to December 31, 2021, an additional $3 million was drawn on the revolving portion and the $25 million term loan was drawn. As at the date of this report, Cymbria has complied with all covenants, conditions or other requirements of the credit agreement.

The purpose of the credit facility is to provide Cymbria with increased flexibility to purchase additional investments when we believe an opportunity exists where the potential return is worth the added risk that leverage introduces.

Liquidity

Cymbria maintains strong liquidity with cash and cash equivalents and its portfolio of public equities. In addition to financial liabilities that arise from its normal course of investing activities, Cymbria has a financial liability associated with drawn amounts on the credit facility. As at December 31, 2021, cash and cash equivalents represents 6.7% of Cymbria's total shareholders' equity. Cymbria's portfolio of securities includes actively traded global stocks that can be readily sold. As at December 31, 2021, the portfolio of public equities that the Manager believes can be readily sold represents 75% of Cymbria's total shareholders' equity. Cymbria has drawn $2.6 million on its credit facility; however, the Manager does not believe this poses a significant risk to liquidity. There are no other outstanding debt or contractual obligations that would pose a significant risk to liquidity as at December 31, 2021.

Commitments and contingencies

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

Related parties

Manager and Investment Advisor

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

As compensation for providing these management services, the Manager receives a monthly management fee based on the daily average aNAV of each class of Cymbria shares, excluding the value of EdgePoint. For the year ended December 31, 2021, management fees totaled $10.0 million, compared to $7.5 million for the same period in 2020. In addition, the Manager is entitled to be reimbursed by Cymbria for operating expenses associated with its advisory services, excluding salaries to the Manager's principal shareholders. Please see Non-IFRS Measures for a discussion on aNAV.

Cymbria is responsible for paying its own operating expenses which includes, but is not limited to, taxes (including income, capital, and harmonized sales taxes), accounting, legal fees, audit fees, Board of Directors' fees, custodial and safekeeping fees, portfolio transaction costs, registrar and transfer agency fees, regulatory costs and filing fees, shareholder reporting including the costs of preparing and distributing annual and interim reports, Annual Information Forms, statements and investment communications, interest and bank charges, and all administration expenses incurred by the Manager for its duties as Manager that could include salaries (excluding salaries to the Manager's principal shareholders), overhead and other costs related directly to Cymbria's operations. Except for interest, bank charges, and taxes paid or payable directly by Cymbria, the Manager incurs such expenses on Cymbria's behalf and is then reimbursed by Cymbria for such expenses.

Changes to the Board of Directors

On May 7, 2021, we announced the appointment of a new member to the Board of Directors and Audit Committee, Edward J. Waitzer. And effective December 31, 2021, Richard Whiting retired from his position as a member of the Board of Directors and Audit Committee.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

The COVID-19 pandemic has cast additional uncertainty on the assumptions used by management in making its judgments and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Cymbria in future periods. Given that the full extent of the impact that COVID-19 will have on the global economy and the Cymbria's business is uncertain and not predictable at this time, there is a higher level of uncertainty with respect to management's judgments and estimates.

The following discusses the most significant accounting judgments that Cymbria has made in preparing the financial statements:

i. *Fair value measurement of derivatives and securities not quoted in an active market*

   Cymbria holds financial instruments that are not quoted in active markets, including derivatives. The determination of the fair value of these instruments is where Cymbria has made the most significant accounting judgments and estimates in preparing financial statements. See Note 11 of the annual financial statements for more information on the fair value measurement of Cymbria's financial instruments.

ii. *Deferred tax assets*

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income, together with future tax planning strategies.

Adoption of new accounting standards

The accounting policies applied by Cymbria in the attached audited financial statements are the same as those applied by Cymbria in its financial statements for the year ended December 31, 2020, which were prepared in accordance with IFRS. Cymbria has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Financial instruments

In accordance with IFRS 9, *Financial Instruments*, Cymbria has accounted for its financial instruments as follows:

	Classification	Measurement
Financial assets		
Investments	Fair value through profit or loss	Fair value
Foreign exchange forward contracts	Fair value through profit or loss	Fair value
Cash and cash equivalents	Amortized cost	Amortized cost
Receivable for investments sold	Amortized cost	Amortized cost
Interest receivable	Amortized cost	Amortized cost
Dividends receivable	Amortized cost	Amortized cost
Income tax recovery	Amortized cost	Amortized cost
Financial liabilities		
Income taxes payable	Amortized cost	Amortized cost
Payable for investments purchased	Amortized cost	Amortized cost
Credit facility	Amortized cost	Amortized cost
Deferred share unit plan liability	Fair value through profit or loss	Fair value
Deferred income tax liability	Amortized cost	Amortized cost

Future changes in accounting policies

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2021. The Manager has assessed that none of these will have a significant effect on the financial statements of Cymbria.

Risks

The risks associated with investing in Cymbria remain as disclosed in the Annual Information Form dated March 26, 2022 and filed on SEDAR. Any changes to Cymbria over the period have not affected the overall risks.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Cymbria, under the supervision of its Co-Chief Executive Officers and Chief Financial Officer, is responsible for establishing and maintaining Cymbria's Disclosure Controls and Procedures ("DC&P") and Internal Controls over Financial Reporting ("ICFR") (as defined in National Instrument 52-109).

Consistent with NI 52-109, Cymbria's Co-Chief Executive Officers and Chief Financial Officer have reviewed the design of Cymbria's DC&P and ICFR and have concluded that as at December 31, 2021:

- Cymbria's DC&P provides reasonable assurance that (i) material information relating to Cymbria has been made known to them, particularly during the financial year ended December 31, 2021 and (ii) information required to be disclosed by Cymbria in its annual filings, interim filings or other reports filed or submitted by it under securities legislation has been recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- Cymbria's ICFR provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

Cymbria's Co-Chief Executive Officers and Chief Financial Officer have evaluated the effectiveness of Cymbria's DC&P as at December 31, 2021 and have concluded that Cymbria's DC&P were effective as of that date. Cymbria will continue to monitor and mitigate the risks associated with any potential changes to its control environment in response to COVID-19.

Cymbria's Co-Chief Executive Officers and Chief Financial Officer have also evaluated the effectiveness of Cymbria's ICFR as at December 31, 2021, using the Internal Control-Integrated Framework.

Financial Statements of

CYMBRIA CORPORATION

Years ended December 31, 2021 and 2020

CYMBRIA®

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 three 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 10, 2022

Norman Tang
Chief Financial Officer
March 10, 2022

Independent Auditors' Report

To the Shareholders of Cymbria Corporation

Opinion

We have audited the financial statements of Cymbria Corporation (the Entity), which comprise:

- the statements of financial position as at December 2021 and 2020
- the statements of comprehensive income (loss) for the years then ended
- the statements of changes in equity for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditors' report.

Evaluation of the fair value of investment in EdgePoint Wealth Management Inc. ("EdgePoint")

Description of the matter

We draw attention to Note 3(a), Note 4 and Note 11(a) to the financial statements. The Entity records its investment in EdgePoint at fair value. The fair value is $265,500 thousand. Fair 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 the market growth rate, redemption rate, and portfolio management cost. 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. The Entity engages a third-party valuator to assist in the valuation of EdgePoint.

The Entity engages a third-party valuator to assist in the valuation of EdgePoint.

Why the matter is a key audit matter

We identified the evaluation of the fair value of investment in EdgePoint as a key audit matter. This matter represented an area of significant risk of misstatement given the magnitude of the Entity's investment in EdgePoint and the high degree of estimation uncertainty in determining the fair value. Significant auditor judgement and specialized skills and knowledge were required in evaluating the results of our procedures due to the sensitivity of the fair value to minor changes in certain assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

To evaluate the appropriateness of the significant assumptions we:

- Compared estimated annual market growth rate to external industry reports
- Compared the estimated portfolio management costs and redemption rate to historical results taking into account changes in conditions and events affecting EdgePoint.

We involved valuations professionals with specialized skills and knowledge, who assisted in evaluating the appropriateness of the discount rate and terminal growth rate used to estimate terminal value. The valuations professionals independently obtained the inputs into the discount rate from publicly available market data and considered EdgePoint's specific risk factors in the determination of the discount rate. In addition, the valuations professionals assessed the reasonableness of the terminal growth rate and the terminal value by comparing the implied multiples to those of comparable companies.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions
- the information, other than the financial statements and the auditors' report thereon, included in the "Annual Report"

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis and the Annual Report filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
The engagement partner on the audit resulting in this auditors' report is Peter Hayes
Toronto, Canada
March 10, 2022

(in '000s except per share amounts and number of shares)

	2021	2020
Assets		
Investments	$ 1,151,706	$ 950,164
EdgePoint Wealth Management Inc.	265,500	220,523
Foreign exchange forward contracts (Note 13)	327	373
Total financial assets at fair value through profit or loss* (Note 11)	1,417,533	1,171,060
Cash and cash equivalents	97,423	47,609
Dividends receivable	1,453	947
Receivable for investments sold	–	328
Interest receivable	–	15
Income tax recovery (Note 10)	–	17,047
Total Assets	$ 1,516,409	$ 1,237,006
Liabilities		
Accrued liabilities	$ 97	$ –
Foreign exchange forward contracts (Note 13)	244	40
Credit facility (Note 9)	2,550	6,000
Income taxes payable (Note 10)	9,458	–
Total current liabilities	12,349	6,040
Deferred share unit plan liability (Note 7)	1,414	1,072
Deferred income tax liability (Note 10)	56,976	37,776
Total Liabilities	$ 70,739	$ 44,888
Shareholders' equity		
Share capital (Note 5)	$ 219,652	$ 219,656
Retained earnings (Note 6)	1,226,018	972,462
Total Shareholders' Equity	$ 1,445,670	$ 1,192,118
Shareholders' equity		
Common stock	$ –	$ –
Class A	1,003,413	803,179
Class J	442,257	388,939
Number of shares outstanding (Note 5)		
Class A	16,315,497	15,820,746
Class J	6,453,406	6,899,137
Total shareholder's equity per share		
Class A	$ 61.50	$ 50.77
Class J	$ 68.53	$ 56.38

*Cost of investments is reflected in the *Schedule of Investment Portfolio*.

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

ON BEHALF OF THE BOARD:

Reena Carter, Director

James MacDonald, Director

(in '000s except per share amounts)

	2021	2020
Income		
Dividends from EdgePoint Wealth Management Inc.	$ 21,848	$ 19,873
Dividends	15,937	26,256
Interest for distribution purposes	1,205	952
Foreign currency gain (loss) on cash and other net assets	194	(4,561)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain (loss) on investments	116,688	(37,006)
Net realized gain (loss) on foreign exchange forward contracts	1,878	(2,058)
Change in unrealized gain on investments	145,839	(10,973)
Change in unrealized gain on foreign exchange forward contracts	(250)	(2,028)
Total Income	$ 303,339	$ (9,545)
Expenses (Note 8)		
Management fees (Note 8)	$ 10,018	$ 7,529
Net withholding tax	1,736	1,591
Operating expenses	1,656	1,040
Harmonized Sales Tax	1,641	1,240
Investment research and portfolio maintenance	952	870
Transaction costs	724	730
Interest expense (Note 9)	395	483
Total Expenses	$ 17,122	$ 13,483
Profit (loss) for the year before taxes	$ 286,217	$ (23,028)
Income taxes (recovery) (Note 10)		
Current	$ 13,444	$ (7,476)
Deferred	19,200	(1,753)
Total Income Taxes	$ 32,644	$ (9,229)
Net income (loss)	$ 253,573	$ (13,799)
Net income (loss), by class		
Class A	$ 173,256	$ (9,848)
Class J	$ 80,317	$ (3,951)
Net income (loss), per share		
Class A	$ 10.66	$ (0.62)
Class J	$ 12.35	$ (0.57)

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

(in '000s)

	2021	2020
Class A:		
Shareholders' equity, beginning of the year	$ 803,179	$ 806,682
Net income (loss), by class	173,256	(9,848)
Capital transactions:		
Class J to Class A share exchanges	4,647	1,568
Cumulative surplus on Class J to Class A share exchanges	(190)	(59)
Shares repurchased and cancelled	(4)	(378)
Surplus	22,525	5,214
Total changes in equity, by class	200,234	(3,503)
Shareholders' equity, end of the year	$ 1,003,413	$ 803,179
Class J:		
Shareholders' equity, beginning of the year	$ 388,939	$ 401,054
Net income (loss), by class	80,317	(3,951)
Capital transactions:		
Class J to Class A share exchanges	(4,457)	(1,509)
Surplus	(22,542)	(6,655)
Total changes in equity, by class	53,318	(12,115)
Shareholders' equity, end of the year	$ 442,257	$ 388,939

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

(in ’000s)

	2021	2020
Cash Flow from Operating Activities		
Net income (loss)	$ 253,573	$ (13,799)
Adjustments for:		
Foreign currency (gain) loss on cash and other net assets	(194)	4,561
Net realized (gain) loss on investments	(116,688)	37,006
Net realized (gain) loss on foreign exchange forward contracts	(1,878)	2,058
Change in unrealized gain on investments and EdgePoint Wealth Management Inc.	(145,839)	10,973
Change in unrealized gain on foreign exchange forward contracts	250	2,028
(Increase) decrease in dividends receivable	(506)	(288)
(Increase) decrease in interest receivable	15	88
Increase (decrease) in accrued liabilities and other payables	26,944	(9,977)
Increase (decrease) in deferred income tax liability	19,200	(1,753)
Purchase of investments	(506,854)	(457,173)
Proceeds from sales of investments	525,068	394,982
Net Cash Generated (Used) by Operating Activities	$ 53,091	$ (31,294)
Cash Flows from Financing Activities		
Purchase and cancellation of Class A shares	$ (21)	$ (1,819)
Net repayment of credit facility	(3,450)	–
Net Cash Generated (Used) by Financing Activities	$ (3,471)	$ (1,819)
Net increase (decrease) in cash and cash equivalents	$ 49,620	$ (33,113)
Foreign currency gain (loss) on cash and other net assets	194	(4,561)
Cash and cash equivalents, beginning of year	47,609	85,283
Cash and cash equivalents, end of the year	$ 97,423	$ 47,609
Cash and cash equivalents comprise:		
Cash at bank	$ 97,423	$ 47,609
	$ 97,423	$ 47,609
Interest received, net of withholding tax	$ 1,220	$ 1,040
Dividends received, net of withholding tax	$ 35,543	$ 45,841
Interest paid	$ (377)	$ (547)
Income taxes paid	$ –	$ (2,555)

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

(in '000s except number of shares/units)

Number of shares/units	Security	Average cost	Fair value
	Public equity		
641,894	Berry Global Group Inc.	$ 38,219	$ 59,907
234,615	Affiliated Managers Group Inc.	35,518	48,823
468,488	Onex Corporation	29,896	46,511
1,077,040	AutoCanada Inc.	11,195	45,990
1,647,160	Mattel Inc.	28,667	44,922
561,425	Restaurant Brands International Inc.	39,269	43,061
71,880	Anthem Inc.	33,691	42,147
203,643	Dollar Tree Inc.	35,028	36,198
115,743	Willis Towers Watson PLC	32,419	34,771
168,456	SAP SE	28,428	30,301
395,968	Brookfield Asset Management Inc., Class A	19,943	30,246
143,467	International Flavors & Fragrances Inc.	22,067	27,340
132,201	TE Connectivity Limited	11,295	26,981
102,556	The Middleby Corporation	15,043	25,525
178,149	Fidelity National Information Services Inc.	25,990	24,597
5,109,808	Computer Modelling Group Limited	26,744	21,768
308,441	Shiseido Company Limited	13,337	21,755
456,434	Koninklijke Philips NV	29,170	21,537
763,143	Kubota Corporation	14,818	21,429
932,634	Subaru Corporation	38,938	21,096
33,686	Fairfax Financial Holdings Limited	14,656	20,961
444,449	Aramark	19,920	20,717
1,318,521	Osisko Gold Royalties Limited	16,300	20,411
567,005	Univar Solutions Inc.	15,306	20,334
221,385	Apollo Global Management Inc.	17,239	20,283
1,319,087	PrairieSky Royalty Limited	33,988	17,979
445,909	Flowserve Corporation	25,376	17,260
606,622	Optiva Inc.	23,409	16,597
100,539	Ross Stores Inc.	14,141	14,534
186,166	Tencent Holdings Limited	14,343	13,796
294,205	British American Tobacco PLC	13,107	13,769
310,832	Gentex Corporation	13,317	13,703
2,418,300	TeraGo Inc.	12,696	13,301
1,398,636	MDA Limited	8,218	13,287
83,400	Sony Group Corporation	10,858	13,275
38,609	Motorola Solutions Inc.	7,779	13,269
143,309	PriceSmart Inc.	14,043	13,264
59,400	Fujitsu Limited	8,174	12,888
14,383	O'Reilly Automotive Inc.	7,508	12,849
275,853	RMR Group Inc.	14,457	12,101
312,481	Vienna Insurance Group AG	9,635	11,205
191,228	Alfa Laval AB	9,134	9,755
136,753	Diageo PLC	7,135	9,450
58,824	Alibaba Group Holding Limited, ADR	15,972	8,839
49,080	Franco-Nevada Corporation	7,551	8,586
208,123	DISH Network Corporation	8,705	8,540
515,712	PG&E Corporation	6,505	7,920
261,694	Grand City Properties SA	6,944	7,869
440,314	Mitsubishi Electric Corporation	8,749	7,062

(in '000s except number of shares/units)

Number of shares/units	Security	Average cost	Fair value
35,594	AMETEK Inc.	3,912	6,620
2,405	Constellation Software Inc.	4,067	5,644
2,700,887	CES Energy Solutions Corporation	9,717	5,483
2,358,660	Pulse Seismic Inc.	1,893	5,165
51,328	Evonik Industries AG	2,011	2,105
403,050	TeraGo Inc., warrants due 2024/04/22	–	375
403,050	TeraGo Inc., warrants due 2023/10/23	–	359
403,050	TeraGo Inc., warrants due 2023/04/21	–	339
		936,440	1,094,799
	Private equity		
279,585	EdgePoint Wealth Management Inc.	510	265,500
	Private financial technology company	26,622	29,025
	Private pest control company	1,333	3,042
		28,465	297,567
	Total equities	$ 964,905	$ 1,392,366
Pounds	**Physical Commodities**		
400,000	Uranium (U3O8)	18,023	21,251
		$ 18,023	$ 21,251
	Foreign exchange forward contracts (Note 13)		83
	Options (Note 14)	2,140	3,589
	Adjustment for transaction costs	(613)	
Total financial assets and liabilities at fair value through profit or loss		$ 984,455	$ 1,417,289

1. The Corporation:

Cymbria Corporation ("Cymbria") is an investment company 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. (the "Manager") provides senior management to Cymbria and is also its 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.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements of Cymbria have been prepared in compliance with International Financial Reporting Standards ("IFRS").

The financial statements were authorized for issue by the Board of Directors on March 10, 2022.

(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 adjusted net asset value.

(a) Financial instruments:

Financial instruments include financial assets and liabilities such as debt and equity securities, derivatives, cash and other receivables and payables. Cymbria classifies and measures financial instruments in accordance with IFRS 9, Financial Instruments.

Upon initial recognition, financial assets and financial liabilities are classified as fair value through profit or loss ("FVTPL"), fair value through other comprehensive income or amortized cost based on the Manager's assessment of the business model within which the financial asset is managed and the financial asset's contractual cash flow characteristics.

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.

Upon initial recognition, financial instruments classified as FVTPL are initially recognized on the trade date at fair value. Other financial assets and other financial liabilities are recognized on the date on which they are originated at fair value. All financial assets and liabilities are recognized in the *Statements of Financial Position* when Cymbria becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive the cash flows from the instrument has expired or Cymbria has transferred substantially all risk and rewards of ownership.

Financial instruments classified as FVTPL at each reporting period are subsequently measured at fair value with changes in fair value recognized in the *Statements of Comprehensive Income (Loss)* in the period in which they occur. The cost of investments is based on the weighted average cost of investments and excludes commissions and other portfolio transaction costs, which are separately reported in the *Statements of Comprehensive Income (Loss)*. Realized gains and losses on disposition, including foreign exchange gains or losses on such investments, are determined based on the cost of investments. Gains and losses arising from changes in the

3. Significant accounting policies (continued):

fair value of the investments are included in the *Statements of Comprehensive Income (Loss)* for the period in which they arise. Cymbria's investments and derivative financial assets and liabilities are classified as FVTPL.

Financial assets at amortized cost are recognized initially on the date on which they are originated at fair value plus any directly attributable transaction costs. Subsequent measurement of financial assets at amortized cost is at amortized cost using the effective interest method, less any impairment losses. Cymbria classifies cash and cash equivalents, receivable for investments sold and dividends receivable as financial assets at amortized cost.

Other financial liabilities at amortized cost are initially measured on the date on which they are originated at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. Cymbria's financial liabilities at amortized cost are comprised of payables for investments purchased, income taxes payable and accrued liabilities. Due to the short-term nature of these financial liabilities, their carrying values approximate fair values. Cymbria derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Transaction costs included in the initial carrying amount of financial instruments at FVTPL are expensed as incurred.

Financial assets and financial liabilities are offset and the net amount presented in the *Statements 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.

(b) Physical commodities:

Physical commodities are recognized as Investment Property as defined in IAS 40. Physical commodities are initially recognized at cost and subsequently measured at fair value with changes in fair value recognized in the *Statements of Comprehensive Income (Loss)* in the period in which they occur. Fair value is determined using a price from a third party pricing vendor.

(c) 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.

(d) Foreign currency:

Cymbria's functional and presentation currency is the Canadian dollar. 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 and other financial assets and liabilities are presented as 'Foreign exchange gain (loss) on cash and other net assets' and those relating to derivatives are presented within 'Net realized gain (loss) on foreign exchange forward contracts' and 'Change in unrealized gain (loss) on foreign exchange forward contracts' in the *Statements of Comprehensive Income (Loss)*.

(e) Income recognition:

Interest income for distribution purposes from investments in fixed income 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.

(f) Deferred share unit plan:

Cymbria's Deferred Share Unit ("DSU") plan for its directors is described in Note 7. DSUs granted to eligible directors are considered compensation costs in respect of past performance and are recognized in operating expenses. 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 operating expenses.

(g) 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

3. Significant accounting policies (continued):

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.

Cymbria 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 *Statements of Comprehensive Income (Loss)*.

(h) Net income (loss), per share:

Net income, per share in the *Statements of Comprehensive Income (Loss)* represents the net income (loss) for each class for the period divided by the average shares outstanding for each class for the period.

(i) 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, 2021, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statements of Cymbria.

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 COVID-19 pandemic has cast additional uncertainty on the assumptions used by management in making its judgments and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Cymbria in future periods. Given that the full extent of the impact that COVID-19 will have on the global economy and the Cymbria's business is uncertain and not predictable at this time, there is a higher level of uncertainty with respect to management's judgments and estimates.

The following discusses the most significant accounting judgments that the Manager has made in preparing the financial statements:

(a) 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 instruments.

(b) 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:

Cymbria has authorized an unlimited number of Class A non-voting, non-redeemable shares, an unlimited number of Class J non-voting, non-redeemable shares and an unlimited number of common shares. Share capital consists of the following:

December 31, 2021	Number of shares		Amount ('000s)
Common shares outstanding, December 31, 2021	100		–*
Class A shares issued:			
Shares outstanding, January 1, 2021	15,820,746	$	150,665
Class A shares issued in exchange for Class J shares	495,151		4,647
Class A shares repurchased, for cancellation	(400)		(4)
Contributed Surplus			(190)
Class A shares outstanding, December 31, 2021	16,315,497	$	155,118
Class J shares issued:			
Shares outstanding, January 1, 2021	6,899,137	$	68,991
Class J shares exchanged for Class A shares	(445,731)		(4,457)
Class J shares outstanding, December 31, 2021	6,453,406	$	64,534
Total		$	219,652

*Amount of common shares outstanding is $100.

5. Share capital (continued):

December 31, 2020	Number of shares		Amount ('000s)
Common shares outstanding, December 31, 2020	100		–*
Class A shares issued:			
Shares outstanding, January 1, 2020	15,694,001	$	149,534
Class A shares issued in exchange for Class J shares	167,045		1,568
Class A shares repurchased, for cancellation	(40,300)		(378)
Contributed Surplus			(59)
Class A shares outstanding, December 31, 2020	15,820,746	$	150,665
Class J shares issued:			
Shares outstanding, January 1, 2020	7,049,982	$	70,500
Class J shares exchanged for Class A shares	(150,845)		(1,509)
Class J shares outstanding, December 31, 2020	6,899,137	$	68,991
Total		$	219,656

*Amount of common shares outstanding is $100.

6. Retained earnings:

The changes in retained earnings for the years ended December 31, 2021 and 2020 are as follows:

		December 31, 2021 ('000s)		December 31, 2020 ('000s)
Opening retained earnings	$	972,462	$	987,702
Net income (loss)		253,573		(13,799)
Class A shares repurchased for cancellation		(17)		(1,441)
Closing retained earnings	$	1,226,018	$	972,462

7. Deferred share unit plan:

Cymbria's Deferred Share Unit ("DSU") plan gives directors 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 for the years ended December 31, 2021 and 2020:

December 31, 2021	Units		Amount ('000s)
Opening Deferred Share Units, January 1, 2021	20,466	$	1,072
Granted during 2021 (Fair value on grant date)	2,106		130
Cumulative fair value adjustments during the year			212
Balance, December 31, 2021	22,572	$	1,414

December 31, 2020	Units		Amount ('000s)
Opening Deferred Share Units, January 1, 2020	18,223	$	1,018
Granted during 2020 (Fair value on grant date)	2,243		103
Cumulative fair value adjustments during the year			(49)
Balance, December 31, 2020	20,466	$	1,072

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:

(a) Management fees:

The Manager charges a monthly management fee at an annual rate of 1% of the daily average net asset value of Class A shares, excluding EdgePoint's value. During the year ended December 31, 2021, the effective management fee charged on Class A shares was approximately 0.82% per annum.

The Manager charges Class J shareholders a monthly management fee at an annual rate of 0.5% of the daily average net asset value of Class J shares, excluding EdgePoint's value. During the year ended December 31, 2021, the effective management fee charged on Class J shares was approximately 0.41% per annum.

The total management fee for the year ended December 31, 2021 amounted to $10.0 million (December 31, 2020: $7.5 million), with nil in outstanding accrued fees due to the Manager at December 31, 2021 and 2020.

(b) 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, Board of

8. Related party transactions (continued):

Directors' fees and expenses, custodial fees, 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, 2021, allocated expenses totaled $0.2 million (December 31, 2020: $0.3 million). 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 net asset value of each class.

9. Credit facility:

On September 22, 2017, Cymbria entered into a credit agreement with a Canadian chartered bank (the "Bank") that can be renewed on an annual basis. The credit agreement allows Cymbria to borrow up to $100 million. Interest is charged on the outstanding balance based on whether the facility is drawn as bankers acceptance or prime loan. For a bankers acceptance loan, interest is charged on the outstanding balance at the bankers acceptance rate plus 80 basis points or 100 basis points, depending on the utilization of the facility. For a prime loan, interest is charged on the outstanding balance at the Bank's prime rate. In addition, Cymbria will pay a standby fee on the unused portion of the credit facility equal to 34 basis points if the facility is less than 25% drawn and 26 basis points otherwise. When drawn upon, the credit facility will be secured by a selection of eligible securities in Cymbria's investment portfolio. As at December 31, 2021, the outstanding balance of the credit facility was $2.6 million (December 31, 2020: $6.0 million). For the year ended December 31, 2021, Cymbria accrued $0.4 million in interest and standby fees on the credit facility (December 31, 2020: $0.5 million), which have been subsequently paid. As at the date of this report, Cymbria has complied with all covenants, conditions or other requirements of the credit agreement. On March 10, 2022, Cymbria amended the credit agreement to allow the $100 million facility to be the aggregate of a renewable $75 million revolving commitment that will mature on March 9, 2027 and a $25 million prime rate term loan that will mature on March 9, 2029. Subsequent to December 31, 2021, an additional $3 million was drawn on the revolving portion and the $25 million term loan was drawn.

10. 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, 2021, Cymbria had capital losses of nil (December 31, 2020: nil) and non-capital losses for tax purposes of nil (December 31, 2020: nil).

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

		December 31, 2021 ('000s)		December 31, 2020 ('000s)
Profit (loss) for the year before taxes	$	286,217	$	(23,028)
Tax at the combined statutory rate: 26.50% (2020: 26.50%)	$	75,848	$	(6,102)
Increase (decrease) in provision due to:				
Capital gains taxed at 50%	$	(35,001)	$	6,899
Non-taxable Canadian dividends		(6,876)		(9,583)
Foreign withholding taxes		(460)		–
Other		(867)		(443)
Income taxes	$	32,644	$	(9,229)

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

		December 31, 2021 ('000s)		December 31, 2020 ('000s)
Deferred share units	$	375	$	284
Net unrealized gain of investments		(57,351)		(38,060)
Deferred income tax liability	$	(56,976)	$	(37,776)

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, 2021, Cymbria had suspended losses of $1.9 million (December 31, 2020: $1.9 million).

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.

11. Fair value measurement (continued):

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*.

December 31, 2021 ('000s)	Level 1	Level 2	Level 3	Total
Equities	$ 1,093,726	$ –	$ 298,640	$ 1,392,366
Physical commodities	–	21,251	–	21,251
Options	–	3,589	–	3,589
Foreign exchange forward contracts	–	327	–	327
Foreign exchange forward contracts	–	(244)	–	(244)
Total	$ 1,093,726	$ 24,923	$ 298,640	$ 1,417,289

December 31, 2020 ('000s)	Level 1	Level 2	Level 3	Total
Equities	$ 874,478	$ –	$ 288,140	$ 1,162,618
Fixed income	–	–	6,415	6,415
Options	–	1,654	–	1,654
Foreign exchange forward contracts	–	373	–	373
Foreign exchange forward contracts	–	(40)	–	(40)
Total	$ 874,478	$ 1,987	$ 294,555	$ 1,170,020

For the year ended December 31, 2021, the net change in value for financial instruments classified as FVTPL is a $264.2 million gain (December 31, 2020: $52.1 million loss).

The following tables reconcile Cymbria's Level 3 fair value measurements for the years ended December 31, 2021 and 2020.

December 31, 2021 ('000s)	Equities	Fixed Income
Balance at beginning of year	$ 288,140	$ 6,415
Investment purchases during the year	–	–
Investments sold during the year	–	(6,000)
Investments transferred during the year	(39,662)	–
Change in unrealized appreciation (depreciation) in value of investments	50,162	(415)
Balance at end of year	$ 298,640	$ –

December 31, 2020 ('000s)	Equities	Fixed Income
Balance at beginning of year	$ 255,764	$ 6,000
Investment purchases during the year	66,285	–
Change in unrealized appreciation (depreciation) in value of investments	(33,909)	415
Balance at end of year	$ 288,140	$ 6,415

During the year ended December 31, 2021 there was one transfer between levels (December 31, 2020: none). MDA Ltd. (formerly Neptune Acquisition LP) was transferred from Level 3 to Level 2 in April 2021 after its initial public offering of shares on the Toronto Stock Exchange. As at December 31, 2021, MDA Ltd. is categorized as Level 1.

(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.

As at December 31, 2021, Cymbria had three Level 3 equity investments; EdgePoint, a private financial services company and a private pest control company.

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 the market

11. Fair value measurement (continued):

growth rate, redemption rate, and portfolio management cost. 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. The Manager determines the most appropriate valuation methodologies to use, which are subject to change. On a quarterly basis or as frequently as necessary, the Manager reviews the significant assumptions, including EdgePoint's results and business prospects, for significant changes since the most recent valuation. If there are material changes, the Manager may engage the third-party valuator to assist in the re-valuation of EdgePoint and the amount recorded in the financial statements will be updated.

The following table sets out information about significant unobservable inputs used at December 31, 2021 and 2020, in measuring EdgePoint.

EdgePoint Wealth Management Inc.

Fair value at December 31, 2021: $265.5 million

Unobservable Input	Input used	Range of reasonable alternatives	Sensitivity to changes in significant unobservable inputs
Annual market growth	6%	5%–7%	($10.4M)–$14.7M
Redemption rate	15%	12%–18%	$37.7M–($30.4M)
Discount rate	10.8%	9.5%–12%	$30.4M–($22.9M)
Portfolio management cost	0.15%	0.1%–0.2%	$24.8M–($23.8M)
Terminal growth rate	0%	(2%)–2%	($22.7M)–$22.7M

EdgePoint Wealth Management Inc.

Fair value at December 31, 2020: $220.5 million

Unobservable Input	Input used	Range of reasonable alternatives	Sensitivity to changes in significant unobservable inputs
Annual market growth	6%	5%–7%	($8.5M)–$9.0M
Redemption rate	16%	13%–19%	$26.9M–($22.5M)
Discount rate	10.8%	10%–11.5%	$14.5M–($12.5M)
Portfolio management cost	0.15%	0.1%–0.2%	$19.5M–($19.5M)
Terminal value	7x	6x–8x	($11.3M)–$8.0M

Significant unobservable inputs are developed as follows:

(i) Annual market growth: represents the future weighted average investment returns of the 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%–7% was developed based on a weighted average of the index returns of the funds' benchmarks over a range of prior periods.

(ii) 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 12%–18% is an average over the term of the model and is based on a combination of EdgePoint's historical redemption rate and the long- term redemption rate of the industry.

(iii) 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 9.5%–12% was determined based on a combination of EdgePoint's assumed weighted-average cost of capital, the risk-free rate, market risk factors and other adjustments.

(iv) Portfolio management cost: represents the fees paid to the Manager by EdgePoint for providing investment advisory services. Due to the Manager and EdgePoint being related parties, fees negotiated between the two parties are considered substantially below market value. For the purposes of valuing EdgePoint, it is assumed that a reasonable market value for services provided is paid to the Manager. A higher rate would increase the fees paid to the Manager and therefore decrease the annual cash flow. The input is presented as a percentage of AUM. The range of 0.1%–0.2% was determined based on sub-advisory fees of comparable investment managers.

(v) Terminal growth rate: represents the growth rate of EdgePoint's earnings in perpetuity. The valuation model uses the Gordon growth model to ascribe a terminal value. The range of terminal growth rates was determined using management's estimate of growth prospects for the business beyond the end of the term of the forecasted cash flows. In the prior period, the terminal value was determined using a multiple approach instead of the Gordon growth model.

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 or decrease the value of EdgePoint. Taking a pessimistic view by changing the annual market rate to 5%, redemption rate to 18%, discount rate to 12%, portfolio management cost to 0.2%, and terminal growth rate to -2% would result in a decrease in the value of EdgePoint by $77.4 million. Conversely, taking an optimistic view by changing the annual market rate to 7%, redemption rate to 12%, discount rate to 9.5%, portfolio management

11. Fair value measurement (continued):

cost to 0.1%, and terminal growth rate to 2% would result in an increase in the value of EdgePoint by $126.5 million.

Cymbria's other Level 3 assets are a private financial technology company and a private pest control company. Both are not traded on any public exchange and are considered a Level 3 asset because there is no market in which their value can be readily observed. The fair value of both companies was determined using a financial model with inputs for valuation multiples that are consistent with industry comparatives. Changing the valuation multiple for the private technology company by 1x would result in a corresponding increase or decrease in the value of $6.3 million.

In determining the fair value of these Level 3 assets, we have considered the potential impact of the COVID-19 pandemic in our assumptions; however, we have not assumed a long-term impact of the COVID-19 pandemic. The duration and full economic impact of the COVID-19 pandemic is unknown at this time, and accordingly, there is a degree of uncertainty surrounding the potential impact it may have on the business, operations, and/or financial condition of these Level 3 assets.

(b) Fixed income

Fixed income is comprised of corporate bonds that are valued using models with inputs including interest rate curves, credit spreads and volatilities. The inputs relating to Cymbria's fixed income securities are not observable and therefore have been classified as Level 3.

As at December 31, 2021, Cymbria had no Level 3 fixed income investments.

(c) Derivative assets and liabilities

Derivative assets and liabilities consists of foreign exchange forward contracts and equity call option contracts. Foreign exchange 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. 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.

(d) Physical commodities

Physical commodities is comprised of Uranium owned and stored at a third party storage facility. The value is determined using a spot price from a third party pricing vendor and is classified as Level 2. For the year ended December 31, 2021, the change in fair value was an increase of $3.2 million of which $0.1 million represents an unrealized foreign currency gain.

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 portfolio management 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 portfolio management team believes that investing in businesses with competitive advantages is a more effective approach to diversification than focusing on traditional sector allocations. The portfolio management 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. The Investment Governance and Oversight Committee of the Manager 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 shareholders' equity 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.

12. Financial instrument risk (continued):

If equity prices for these securities had increased or decreased on their respective stock exchanges by 5% as at December 31, 2021, with all other variables held constant, Cymbria's shareholders' equity would have increased or decreased, respectively, by approximately $54.7 million or 3.8% of total shareholders' equity or 21.6% of net income or loss (December 31, 2020: $43.7 million or 3.7% of total shareholders' equity or 523.0% of net income). 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 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 notional amount of forward exchange contracts, if any:

December 31, 2021
($'000s)

Currency	Investments	Cash and cash equivalents	Foreign exchange forward contracts	Total
U.S. dollar	582,694	32,013	(44,473)	570,234
Japanese yen	97,506	–	–	97,506
Euro	76,606	–	–	76,606
British pound	23,219	–	–	23,219
Hong Kong dollar	13,796	–	–	13,796
Swedish krona	9,755	–	–	9,755
	803,576	32,013	(44,473)	791,116

December 31, 2020
($'000s)

Currency	Investments	Cash and cash equivalents	Foreign exchange forward contracts	Total
U.S. dollar	444,235	34,694	(34,806)	444,123
Japanese yen	167,204	–	(14,640)	152,564
Euro	35,410	–	–	35,410
Swiss franc	29,741	–	–	29,741
British pound	10,478	–	–	10,478
Indian rupee	6,347	119	–	6,466
	693,415	34,813	(49,446)	678,782

As at December 31, 2021, if the Canadian dollar had strengthened or weakened by 5% relative to all foreign currencies with all other variables held constant, Cymbria's shareholders' equity would have decreased or increased, respectively, by approximately $39.6 million or 2.7% of total shareholders' equity or 15.6% of net income (December 31, 2020: $33.9 million or 2.8% of total shareholders' equity or 231.4% of net income (loss)).

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. Cymbria has a credit facility in place but the amount that has been drawn on is not considered significant enough to pose a significant interest rate risk to Cymbria. Aside from the credit facility, Cymbria's financial liabilities are primarily short-term in nature and generally not interest bearing and its exposure to interest rate risk.

(iv) Commodity risk:

Commodity risk arises from uncertainties and fluctuations to the price of commodities that Cymbria invests in. Cymbria's investment in uranium is directly affected by the price of the commodity, which can be cyclical or change significantly in a short period of time as a result of supply and demand, speculation, international monetary policy and political factors. As at December 31, 2021, if the price of uranium had strengthened or weakened by 5%, Cymbria's shareholders' equity would have increased or decreased, respectively, by approximately $1.1 million, 0.1% of shareholders' equity or 0.4% of net income.

(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 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.

12. Financial instrument risk (continued):

(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.

Cymbria may invest in derivatives, fixed income 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, 2021, illiquid securities represent approximately 22.1% of Cymbria's shareholders' equity (December 31, 2020: 24.7%).

Cymbria also has the ability to borrow up to 25% of its shareholders' equity to invest in securities for the purpose of enhancing returns. As at December 31, 2021, this borrowing represented 0.2% of shareholders' equity (December 31, 2020: 0.5%).

The tables below categorizes 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, 2021	On demand ($'000s)	< 3 months ($'000s)	> 3 months ($'000s)	Total ($'000s)
Accrued liablities	97	–	–	97
Credit facility	–	–	2,550	2,550
Income taxes payable	–	9,458	–	9,458
Foreign exchange forward contracts	–	119	125	244
Deferred share unit plan liability	–	–	1,414	1,414
Deferred income tax liability	–	–	56,976	56,976

December 31, 2020	On demand ($'000s)	< 3 months ($'000s)	> 3 months ($'000s)	Total ($'000s)
Credit facility	–	–	6,000	6,000
Foreign exchange forward contracts	–	17	23	40
Deferred share unit plan liability	–	–	1,072	1,072
Deferred income tax liability	–	–	37,776	37,776

13. Foreign exchange forward contracts:

December 31, 2021				
Settlement date	Currency to be delivered ('000s)	Currency to be received ('000s)	Contract price	Fair value ('000s)
February 22, 2022	5,000 USD	6,346 CAD	1.2692	$ 21
April 13, 2022	7,550 USD	9,704 CAD	1.2854	151
April 19, 2022	5,100 USD	6,601 CAD	1.2943	147
April 26, 2022	4,000 USD	5,070 CAD	1.2674	8
				$ 327
January 6, 2022	7,500 USD	9,368 CAD	1.2490	$ (119)
April 7, 2022	6,000 USD	7,467 CAD	1.2445	(125)
				$ (244)
Total number of contracts:	6		Net fair value	$ 83

14. Options:

December 31, 2021					
Call options	Expiry date	Strike price	Number of contracts	Average cost ('000s)	Fair value ('000s)
EURO STOXX 50 Index	June 16, 2023	3,816	3,386,136	$ 1,070	$ 3,382
EURO STOXX Banks Index	February 17, 2023	142	941,864	356	63
EURO STOXX Banks Index	March 17, 2023	142	941,864	358	70
EURO STOXX Banks Index	April 21, 2023	142	941,864	356	74
				$ 2,140	$ 3,589

15. Offsetting financial assets and financial liabilities:

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. Cymbria has not offset any financial assets and financial liabilities in the *Statements of Financial Position*. The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting or similar agreement that covers similar financial instruments.

The ISDA and similar master netting agreements do not meet the criteria for offsetting in the *Statements of Financial Position*. This is because they create a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of Cymbria or the counterparties. In addition, Cymbria and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

15. Offsetting financial assets and financial liabilities (continued):

The collateral provided in respect of the below transactions is subject to the standard industry terms of ISDA's *Credit Support Annex*. This means that cash given as collateral can be pledged or sold during the term of the transaction but have to be returned on maturity of the transaction. The terms also give each counterparty the right to terminate the related transactions on the counterparty's failure to post collateral. Cash collateral pledged by Cymbria is included in Cash and cash equivalents on the *Statements of Financial Position*.

December 31, 2021 ($'000s)

Type of financial instrument	Gross amounts of recognized financial assets and liabilities	Net amounts presented in the statement of financial position	Related amounts not offset in the statement of financial position		Net Amount
			Financial instruments	Cash collateral pledged	
Foreign exchange forward contracts – assets	327	327	–	–	327
Foreign exchange forward contracts – liabilities	(244)	(244)	–	244	–

December 31, 2020 ($'000s)

Type of financial instrument	Gross amounts of recognized financial assets and liabilities	Net amounts presented in the statement of financial position	Related amounts not offset in the statement of financial position		Net Amount
			Financial instruments	Cash collateral pledged	
Foreign exchange forward contracts – assets	373	373	(7)	–	366
Foreign exchange forward contracts – liabilities	(40)	(40)	7	16	(17)

16. Interests in subsidiaries, associates, and unconsolidated structured entities:

Cymbria may invest in a subsidiary, associate or unconsolidated structured entity as part of its investment strategy.

In determining whether Cymbria has control or significant influence over an investment, Cymbria assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns. In instances where Cymbria has control over an investment, Cymbria qualifies as an investment entity under IFRS 10 – Consolidated Financial statements, and therefore accounts for investments it controls at fair value through profit and loss. Cymbria's primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in Cymbria's prospectus to meet those objectives. Cymbria also measures and evaluates the performance of any investment on a fair value basis. Investments over which Cymbria has control or significant influence are categorized as subsidiaries and associates, respectively.

Cymbria's investments are susceptible to market price risk arising from uncertainty about future values of those investments. The maximum exposure to loss from interests in investments is equal to the total fair value of the investment at any given point in time. The fair value of investments is included in the *Statements of Financial Position*.

As at December 31, 2021 and 2020, Cymbria had material investments in the following subsidiaries, associates and unconsolidated structured entities:

December 31, 2021 and 2020	Place of Business	Type	Ownership %
EdgePoint Wealth Management Inc.	Canada	Associate	20.7%

OFFICERS

Tye Bousada, CFA
Co-Chief Executive Officer

Geoff MacDonald, CFA
Co-Chief Executive Officer

Diane Rossi
Corporate Secretary

Norman Tang, CPA, CA
Chief Financial Officer

DIRECTORS

Ugo Bizzarri, CFA
Director

Reena Carter, CA, CPA, CBV, C.Dir
Director and Chair of the Audit Committee

Patrick Farmer, CFA
Chairman

James MacDonald
Director and member of the Audit Committee

Edward Waitzer
Director and member of the Audit Committee

AUDITOR

KPMG LLP
333 Bay St., Suite 4600
Bay Adelaide Centre
Toronto, ON M5H 2S5

CUSTODIAN

CIBC Mellon Trust Company
1 York St., Suite 900
Toronto, ON M5J 0B6

MANAGER AND INVESTMENT ADVISOR

EdgePoint Investment Group Inc.
150 Bloor St. W., Suite 500
Toronto, ON M5S 2X9

LEGAL COUNSEL

Stikeman Elliott LLP
5300 Commerce Crt. W.
199 Bay St.
Toronto, ON M5L 1B9

REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc.
100 University Ave., 8th floor
Toronto, ON M5J 2Y1

TORONTO STOCK EXCHANGE LISTING

CYB

OUR CREED

We've 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.

CYB 5G 10:27 AM 35%

< MESSAGES BRO CONTACTS

FRI 7:00 PM

You're not still investing with mom and dad's guy are you?!!

FRI 7:15 PM

You mean the guy who...

Knows all about our family's circumstances and managed our finances for over a decade?

FRI 9:47 PM

Helped before dad got sick by setting up his estate plan, and then after by finding tax-efficient ways to sell his business and deal with pension assets?

Supported us (even in the hospital) while collecting executor information to get us ready for next steps?

Sat with Mom through many meetings to help her make the right financial decisions at a time it was so easy to make the wrong ones?

SAT 10:20 AM

Kept us from chasing "free money" during the tech boom of the 90s or oil & gas in the 2000s, and instead had us focused with a time-tested investment approach?

SAT 1:40 PM

Warned us going to cash when the market tanked during the Financial Crisis would only mean we locked in our losses by selling low?

Acted like the financial therapist we needed to keep our emotions in check, especially going over biases that could have been a disaster for our decisions?

SAT 5:23 PM

Provided personalized advice every step of the way?

If that's the guy you're talking about...you bet!!!

SAT 8:54 PM

Sorry for all of the messages! But every time I think of your ridiculous question, I think of another reason why we're still with him.

SUN 10:26 AM

By the way, mom said you had issues with your plumbing, are you going to hire a professional or are you okay being under water? :)

Message Send

Cymbria Corp.

150 Bloor Street West, Suite 500,
Toronto, Ontario M5S 2X9
Phone: 416.963.9353 or 1.866.757.7207
Website: www.cymbria.com
Email: info@cymbria.com