CYMBRIA CORPORATION

2023
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.

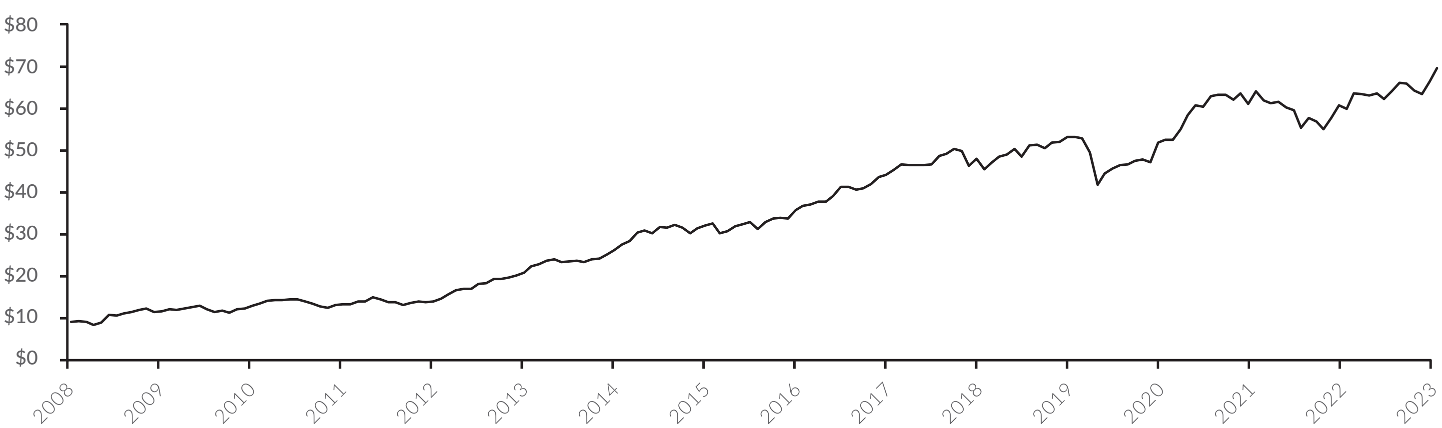
INVESTMENT RESULTS

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

	aNAV	Return (C$)	Index (C$)**		aNAV	Return (C$)	Index (C$)**
Inception: November 3, 2008	$9.39†						
2008‡	$9.34	-0.54%†	-0.52%	**2016**	$36.59	12.91%	3.79%
2009	$12.07	29.28%	10.39%	**2017**	$45.18	23.48%	14.36%
2010	$13.50	11.82%	5.93%	**2018**	$45.38	0.43%	-0.49%
2011	$13.21	-2.12%	-3.20%	**2019**	$53.09	16.98%	21.22%
2012	$14.68	11.07%	13.26%	**2020**	$52.38	-1.34%	13.87%
2013	$22.33	52.16%	35.18%	**2021**	$63.92	22.05%	20.78%
2014	$27.53	23.31%	14.39%	**2022**	$59.77	-6.50%	-12.19%
2015	$32.41	17.69%	18.89%	**2023**	$69.38	16.08%	20.47%

Since-inception compounded annual return††	**13.63%**	**Since-inception cumulative return**	**593.79%**

Cymbria – Class A aNAV
November 3, 2008 to December 31, 2023



* 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). The MSCI World Index was chosen as Cymbria's benchmark because it's a widely used benchmark of the global equity market. We manage Cymbria's portfolio independently of the index we use as long-term performance comparison. Differences including security holdings and geographic/sector allocations may impact comparability and could result in periods when our performance differs materially from the index. The index is not investible.

† 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. Total returns in C$ as at December 31, 2023. 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 Class A aNAV performance (annualized): 1-year: 16.08%, 3-year: 9.83%, 5-year: 8.86%, 10-year: 12.01%, 15-year: 14.31%, since inception: 13.63%.

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Cymbria's Annual Investor Day

Wednesday, May 15, 2024

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 593.79% (includes IPO-related expenses). The benchmark MSCI World Index returned 388.35% (Net total return in 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

At the end of 2022, most investors were not in a positive frame of mind. Stocks posted their worst returns since 2008 and bonds had their worst showing ever! The highly touted 60/40 all-weather portfolio suffered its worst return since 2008.[i]

Everything changed in 2023. Although U.S. bank failures, debt ceiling stalemates and war in the Middle East pushed markets lower throughout the year, continued positive economic growth and receding inflation propelled markets into positive territory for 2023. How did the highly touted 60/40 all-weather portfolio fare this time? It had its second-best return in a decade.[ii]

Declining inflation and expectations for interest rate cuts pushed bonds to returns of over 5% for the year, while the S&P 500 Index and MSCI World Index returned 22.3% and 20.5%, respectively, in 2023.[iii]

An interesting sidebar to these impressive equity returns was their narrowness. The rise of the "Magnificent 7" technology stocks (Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta and Tesla) accounted for 66% of the S&P 500 Index's return. The consensus belief that artificial intelligence will revolutionize the world leads investors to question whether the market is already discounting such a belief.

In our opinion, the markedly different outcomes in 2022 and 2023 – as well as the narrowness of market returns in 2023 potentially leading to unknown consequences for portfolios that rely on a "single idea" – remind us of the importance of a properly diversified portfolio where one establishes a proprietary idea about each business and can purchase an ownership stake at an attractive price.

The Investment Team was very active in 2023, establishing ownership stakes in 17 new ideas. These are businesses where we believe we have a differentiated view from the market and can buy growth for free until others recognize what we see. We reallocated capital and exited 16 positions that we considered less compelling. The team also added to six existing holdings, reaffirming their conviction in businesses we hold.

Cymbria's Class A aNAV increased by 16.1% in 2023, compared to an increase of 20.5% for the benchmark MSCI World Index (C$).[iv] Since inception on November 3, 2008, the Class A aNAV has grown by 13.6% per annum, compared to 11.0% per annum for the Index over the same timeframe.

I'll 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 2023, this driver increased Cymbria's Class A aNAV by 13.7%.
- In 2023, Cymbria's investment in EdgePoint was revalued 5.2% higher compared to 2022. Cymbria's original investment in EdgePoint of $509,585 is currently valued at $255.0 million.
- Cymbria's pro-rata share of EdgePoint's dividend was $21.3 million in 2023. Since inception, Cymbria has received $153.4 million in dividends from EdgePoint.
- Cymbria shares traded below their aNAV in 2023, providing several opportunities to purchase at an attractive discount to aNAV. We repurchased 165,004 Class A shares for a total of $9.8 million under the current normal course issuer bid starting in May 2023.

In 2023, we added 12 new members to the EdgePoint team and are now 88 internal partners strong.

We believe we can continue building on the solid foundation provided by the combination of our time-tested investment approach, unique structure and the outstanding talent we have attracted.

We're pleased with the progress we've made over the past 15 years and remain focused on the ongoing task of building wealth for our shareholders.

Thank you for your continued trust. We continue to work hard every day to be worthy of it.

Sincerely,

Patrick Farmer, Chairman

[i] Source: Wendy Lin, "Is the 60/40 dead?", *gsam.com*, January 30, 2023.
[ii] Source: Amy C. Arnott, "Naysayers Were Wrong About the 60/40 Portfolio. Here's Why.", *Morningstar.com*, January 9, 2024.
[iii] Source: FactSet Research Systems Inc. As at December 31, 2023. Total cumulative net returns, unhedged, in C$. The S&P 500 Index is a broad-based market-capitalization-weighted index of 500 of the largest and most widely held U.S. stocks. The MSCI World Index is a broad-based, market-capitalization-weighted index comprising equity securities available in developed markets globally. The indexes are not investible.
[iv] Source: FactSet Research Systems Inc. As at December 31, 2023. The MSCI World Index was chosen as Cymbria's benchmark because it's a widely used benchmark of the global equity market. We manage Cymbria's portolio independently of the index we use as long-term performance comparison. Differences including security holdings and geographic/sector allocations may impact comparability and could result in periods when our performance differs materially from the index. The index is not investible.

The risks behind the returns

By Tye Bousada and Geoff MacDonald, EdgePoint Investment Group Portfolio Managers

Dear partner,

Investment performance can be measured in returns…all else being equal. But often, all else is not equal. We believe returns are typically flawed measurements because they have the benefit of hindsight and don't reflect the risk required to earn them. Two investments with the same return that needed to take different levels of risk aren't fair comparisons. Even if a well-intentioned investor attempted to weigh the risk taken against the return achieved, it's likely they would use a standard investment industry measure of risk (and the most non-businesslike interpretation they could find).

We won't waste your time proving the industry's risk metric is non-businesslike, but at the individual security level it's just the company's share price volatility relative to that of other stocks. At the portfolio level, the normal measure is benchmark risk – a comparison of how different one is versus the average. Try that risk measurement on the best businessperson or entrepreneurs you know.

Instead, we'll state how we believe a businessperson would look at the risk of an investment. They would:

- Say risk is the potential for permanent loss of capital
- Ask "How much money could we lose, and what is the probability of that loss, and what are all the things that may happen that could lead to these negative probabilities?"
- Look at company-specific risks such as increased competition, management competence, profitability compression and the business' underlying valuation relative to their assessment of its true worth

Unless an investor thinks a stock is a piece of paper whose value moves up and down each day instead of the opportunity to own a piece of a business, they'd likely agree that conventional industry risk definitions, such as standard deviation and Sharpe ratios, are for those who don't care to view their investments as businesses.[i] The truth is that we're thankful for those who only see share prices and not the businesses behind them. We need those people to make a market. We need people to be dazed and confused. We need people to be buying and selling stocks based on non-business fundamentals. Without them, it would be tougher to achieve differentiated views on businesses. Said another way, investing would be much tougher if all investors were businesspeople buying businesses, as we are at Cymbria.

A businessperson would never think that a business' risk is tied to the daily movement of its share price, something dictated by what other people arbitrarily think the business is worth, against the equally crowdsourced ups and downs of the stock prices of a large group of companies. Absurd indeed.

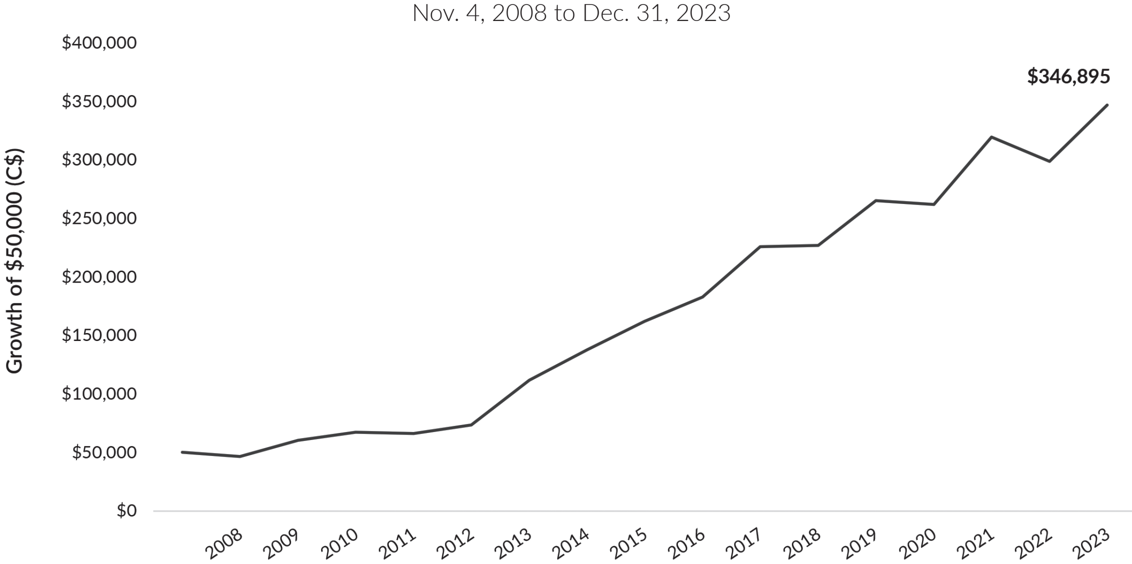
Seth Klarman, a highly successful investor, captured the essence of the difference in the following statement: "Ultimately, nothing should be more important to investors than the ability to sleep soundly at night."

Approaching investing and the real risks to investing like a businessperson should allow an investor to sleep at night. Simply focusing on the return potential or not understanding the real sources of risk dramatically increases the ultimate risk to investing – running out of money before you die…or having substantially less capital in the future to meet your many needs.

Had you entrusted us with your capital over 15 years ago when we began, the following graph lays out what a $50,000 investment in Cymbria looked like at the end of every calendar year.

Cymbria Class A aNAV – Growth of $50,000

Nov. 4, 2008 to Dec. 31, 2023



Cymbria Class A aNAV performance (annualized): 1-year: 16.08%, 3-year: 9.83%, 5-year: 8.86%, 10-year: 12.01%, 15-year: 14.31%, since inception: 13.63%.

This 15-year period covered in the preceding chart spanned a great financial crisis, European sovereign debt crisis, U.S. debt downgrade, deflation fears, a pandemic that shut the world down, an inflationary spiral, fears of a recession and wars (just to name a few of the lowlights). In spite of these significant headwinds, trying to generate returns while paying attention to risk resulted in your $50,000 investment in Cymbria at inception[ii] turning into more than $345,000 today. I'm sure the events of the last 15 years caused a few restless nights, but hopefully your investment in Cymbria wasn't one of the things preventing you from sleeping soundly. As managers and your fellow co-owners of Cymbria, we believe we achieved these returns without taking many of the risks we see others take when investing in the market.

Although pleasing, those results are now history. It isn't lost on us that on a go-forward basis we must continue to be worthy of your trust. Our approach to managing your hard-earned savings won't change in the future. We will continue to pay attention to risks when trying to generate returns for you. Let's talk about a few of those risks.

Risks associated with the fundamentals of a business

As businesspeople who buy businesses, we think it makes sense to begin a discussion about risks with real-world business examples. The most important part of evaluating a new business is the assessment of the real risks each one could potentially face in the future.

Our goal is to buy growth and not have to pay for it, which in practice often means buying future growth at a discount. Said another way, our goal is to purchase a business for a price that's much less than its future worth. For the vast majority of our investments, the type of growth we're trying to buy for a big discount is in free cash flow. Free cash flow can best be thought of as the money an owner can take out of the business each year, or what's available to reinvest back into the business for further growth. For simplicity, one can measure the potential discount by looking at the potential free cash flow per share in the future relative to today's stock price.

The risk we try to mitigate is being wrong about that future growth. Among the questions we ask ourselves include how can we be wrong about the future revenue growth or margin potential of the business, management's competency or returns of future capital investments that the business makes? To protect against these future risks, we do the hard work you would expect us to do.

For example, before we made an investment in Lincoln Electric,[iii] a global manufacturer of welding products and electric vehicle chargers, here is a non-exhaustive list of the due diligence we performed:

- Read: Lincoln Electric annuals, competitor annuals, sell-side analyst reports
- Interviewed: Experts, management teams
- Attended: Multiple factory tours, several industry conferences
- Created: Several in-depth financial models
- Delivered: Several presentations to Investment Team members

(Note: For those interested in learning more about our thesis on Lincoln Electric, you can read our fourth-quarter 2023 commentary.[iv])

The idea is to do the work so you can't disprove your idea about why the business should grow in the future. The months we put in before investing in a business are the price we pay to sleep well at night. Going through the items above can leave you with the impression that all an investor needs to do to account for potential risks is mechanically follow a checklist. That couldn't be further from the truth. In our observations, successfully accounting for risk in an investment can sometimes involve a deep understanding of psychology, statistics/probabilities, politics, law, history and relationship management, just to name a few.

The passage of time with an investment also introduces new information about the company or its industry that can make all of the above work obsolete. New challenges, competitors, technologies, economic backdrops, management teams or unanticipated acquisitions could all await Lincoln Electric's future. The assessed business risk is never a constant. Every day, Lincoln Electric's competitors are attempting to convince customers to switch to them. Business is ground warfare and subject to continuous change. Relying solely on all of our work at the initial due diligence stage would be naïve. On day two, new information and learnings must be added to all this work. The new learnings need to be tested against our initial and evolving understanding of the business, its prospects and its risks. And that's the easier part.

All this information and work will form our view of the business. This view and the resulting evolving view must continually be contrasted with the view of others. If we make an investment because the prospects are great but currently not well understood by others, *and* the risks are viewed to be low, then we could have an interesting investment. But as time passes and others start agreeing with our view, then those low-risk and exciting growth prospects work themselves into a higher stock price and possibly a higher stock valuation.

A high stock price and valuation would confirm the view (our proprietary insight) we had on the business. This validation now introduces risk into the investment that didn't exist at the time of our purchase. The business risk could still seem low and the prospects for growth could still seem great, but others sharing those views means the stock price would likely factor in that future growth. Additional ownership stakes in the company, whether by us or someone else, would be buying that future growth at full price or close to it.

Psychological risks

Let's spend more time on the human condition now and discuss risk mitigation as it relates to psychology.

We call the belief that you can buy future growth at a discount an "insight" or a "proprietary view." The foundation of an insight is a differentiated view about a business than what's reflected in the current share price. Simply stated, the market sees one thing and we see another. A non-comprehensive list of circumstances that led to the majority of our insight generation over time includes the following:

1. We have reason to believe that a business' situation is about to change for the better. A new product or entry into a new market is being undervalued. A new management team's capability might be underestimated. It could also be a change in industry structure or a business' capital-allocation policies. There are too many changes to list here. The key point is that the market mispricing change has been the source of the majority of our ideas over time.
2. We are placing different weight on information than the market. A good example of this was laid out in the **Q4 commentary on Lincoln Electric**[v] mentioned earlier.
3. We can understand a complex investment opportunity better than others. Our successful investment in Apollo Global Management was an example of this.[vi]
4. We can have a different time horizon allowing us to take advantage of time arbitrage. We believe our holding in AMETEK is an example of this.[vii]
5. We can be trading with forced sellers. EdgePoint's launch of its prospectus-exempt Canadian oil & gas portfolio was built around this idea.[viii]
6. We can be taking advantage of extreme negative market sentiment.

A unifying thread of the ideas above is the willingness to look different from the crowd. Our patience, discipline and conviction can sometimes make us look out of touch. However, you can't outperform the market by looking like the market. Most investors are wired very differently in that they want to look the same. Safety in numbers, right?

Humans have existed for almost 200,000 years and during this time we've primarily focused on survival – hunting, gathering and loss aversion. This resulted in our brains evolving a certain way. More specifically, *Homo sapiens* concentrate on the present and rarely, if ever, use our brains to imagine a future different than the past. No time to think long term; the short-term and all-consuming priorities of eating and not being eaten stand in the way. With this as a backdrop, human behaviour is understood more easily, especially as it relates to the stock market. Our history leads us to fear immediate loss and take comfort in following the crowd. If we had to imagine a scenario for which the human mind is most ill-equipped, it would be something close to the stock market. Noisy, confusing, extremely volatile and full of risks. The market requires participants to make decisions in the absence of perfect information. Over shorter periods, it can defy logic. Its raw material is money, the modern-day hunter-gatherer's proxy for basic needs like food, shelter and clothing. The market is unsympathetic and perfectly designed to feast on emotion. Bottom line is that it's filled with obstacles preventing the human brain from making objective and insightful decisions.

We believe that history has shown on repeated occasions that the comfort an investor gets from investing with the herd comes at the expense of future underperformance.

The following is a list of examples of herd mentality. Getting caught up in any one of these scenarios would have caused material losses in your portfolio.

- 1970s: The "Nifty 50" were the 50 largest businesses that had big moats around their businesses and seemingly only went up in price. The herd mentality was that they were the only businesses you had to own because they only ever went up in price. Turned out to be wrong.
- 1970s: The world was running out of oil, so buy oil. Turned out to be wrong.
- 1980s: Japanese companies were the best compounders in the world, so they were the only ones you had to own. Turned out to be wrong.
- 1990s: Emerging markets always grow faster than developed markets. Therefore, just buy emerging market companies. Turned out to be wrong.
- 1990s: Dotcom boom. The internet is changing the world. All you needed to own was companies tied to the future of the internet. Turned out to be wrong.
- 2000s: U.S. residential real estate never goes down in price. Turned out to be wrong.
- 2010s: Emerging markets story again. China is the place to be. Turned out to be wrong.

The last few years have made their contribution to the list of investing "certainties." Examples include unprofitable technology companies like Peloton or WeWork, the cryptocurrency rollercoaster or even reaching for yield in fixed income by locking into long durations and negative returns. Only time will tell which trends will join the list of beliefs that turned out to be wrong, but the price paid for "peace of mind" often dictates an investor's potential return.

What's our conclusion? We believe that one of the best mitigators of risk is a well-thought-out insight about a business, and not just buying something because a lot of other people own it.

Risks associated with predicting the future

The future is uncertain. As such, people should be skeptical about their ability or someone else's ability to predict it.

We think every one of the businesses you own in Cymbria is a good idea or we wouldn't own it. However, we also know that at least one of our ideas is going to be wrong.

To mitigate the risk of being wrong, we try to diversify the portfolio by business idea. We do this by attempting to stay away from obvious correlations and non-obvious correlations. Obvious correlations, by definition, are easy to see. Having 50% of a portfolio invested in banks would be noticed by the most casual of observers.

The tougher correlations to find are the non-obvious ones. Finding them involves thinking and acting like a businessperson who owns a collection of businesses (and not just stocks). If you owned a collection of businesses, you would ask yourself questions like:

- Which of my businesses would be negatively impacted if the price of energy doubled overnight because of an unexpected event in the Middle East? Which would benefit?
- Which of my businesses would be negatively impacted by interest rates rising to 7%? Which ones would benefit?
- Which of my businesses would be negatively impacted from global supply chains being broken? Which ones would benefit?
- Which of my businesses would be negatively impacted if AI is adopted at a slower rate than expected? Which one of my businesses would benefit from AI being adopted quickly?

We will own businesses that are exposed to these risks. The idea, however, is to ensure that not too much of the portfolio is negatively exposed to any one of those non-obvious correlations.

You'll be pleased to know that Cymbria is extremely diversified by business idea. Your holdings span the gamut: from uranium stored in Saskatchewan vaults, to Japanese manufacturers of ball bearings, to European manufacturers of ingredients that reduce methane produced by cattle, to a company that insures against floods in New York City. This diversification helps us mitigate risk in the pursuit of pleasing long-term returns.

The best investment measure – Time

The investment approach that guides Cymbria and EdgePoint has been around for more than 50 years. A lot of people have used it to add value over the decades. It's interesting to note that we don't know of a practitioner of this approach who has subsequently decided to abandon it in favour of another way of doing things. We think the reason people stick with it is because it's proven to work over the long term. One of the main reasons we think it works is because our approach takes into account genuine risks when trying to generate pleasing returns.

Thank you for your trust. We will continue to work to be worthy of it.

Tye Bousada

Geoff MacDonald

Business Owners Buying Businesses™

[i] Standard deviation and Sharpe ratios are common measures of perceived mutual fund risk. Standard deviation compares the range of returns relative to its average return. Sharpe ratio compares the difference between a portfolio's return and the risk-free rate (normally 10-year government bonds), then divides it by the investment's standard deviation.

[ii] November 4, 2008.

[iii] As at December 31, 2023, Lincoln Electric Holdings, Inc. securities were held in EdgePoint Global Portfolio, EdgePoint Global Growth & Income Portfolio and Cymbria. Information on the company's securities is solely to illustrate the application of the EdgePoint investment approach and not intended as investment advice. It is not representative of the entire portfolio, nor is it a guarantee of future performance. EdgePoint Investment Group Inc. may be buying or selling positions in the company's securities.

[iv] https://cymbria.com/article/Q4-2023-cymbria-commentary/

[v] Ibid.

[vi] As at December 31, 2023, Apollo Global Management, Inc. securities were no longer held in Cymbria or any EdgePoint Portfolios. Information on the company's securities is solely to illustrate the application of the EdgePoint investment approach and not intended as investment advice. It is not representative of the entire portfolio, nor is it a guarantee of future performance. EdgePoint Investment Group Inc. may be buying or selling positions in the company's securities.

[vii] As at December 31, 2023, AMETEK, Inc. securities were held in EdgePoint Global Portfolio, EdgePoint Global Growth & Income Portfolio and Cymbria. Information on the company's securities is solely to illustrate the application of the EdgePoint investment approach and not intended as investment advice. It is not representative of the entire portfolio, nor is it a guarantee of future performance. EdgePoint Investment Group Inc. may be buying or selling positions in the company's securities.

[viii] Investors who qualify under a prospectus exemption can read about our Canadian oil & gas portfolio here: https://edgepointwealth.com/portfolio/edgepoint-go-west-portfolio/.

The Cymbria option

By Jason Liu, Partner

"Investing is where you find a few great companies and then sit on your ass."
— Charlie Munger

Five years ago, we started out with a goal to build out a collection of wonderful private businesses within Cymbria. Our plan is to own our private businesses forever, which brings its own unique set of challenges: We have to move up the quality spectrum and focus on enduring businesses that will thrive in the long term. We do not use excessive debt to enhance our returns but are still looking to achieve returns that are comparable to or better than Cymbria's public equity portfolio. In addition, we are looking for exceptional management teams that share the same ownership mindset as EdgePoint, who think and act like owners and do all the little things to ensure customer success. With this in mind, we knew that few companies would have the attributes that we were searching for. So what are some characteristics of our approach that have allowed us to find and partner with the wonderful private businesses you own in Cymbria?

1. **We prefer to build goodwill rather than buy it:**

   Something that has stood out to me at EdgePoint is that we are all entrepreneurs at heart. Many of us have started and operated businesses before joining EdgePoint including Tye, Geoff and myself. We see ourselves as businesspeople investing in businesses rather than investors. If you sat in our offices, you'd be surprised by how energized we get identifying ways for our businesses to win. We love the challenge of getting our hands dirty solving hard business problems.

   The pest control industry is a dream industry for us to invest in. We have admired some of the public pest control companies for ages. It has the attributes we look for in an ideal business:

   a) An enduring and growing industry – unfortunately for all of us, not only are we unlikely to get rid of pests permanently, we continue to see the frequency of bed bugs and cockroaches grow with increased urbanization and warmer temperatures.

   b) A mission-critical service – whether it be mice in the house or wasps building a nest in your front porch, pests are not only highly disruptive, they have a regrettable inclination to reproduce and make your pest problem worse if it's not resolved quickly and effectively. Now imagine managing a restaurant or an apartment building and you can see how important it is to have a vendor that you can trust.

   c) A business that requires almost zero capital to support growth, and as a result, has high returns on incremental capital – most companies typically require significant capital to finance growth. In contrast, while the pest control business requires trained technicians, leased trucks, and route density to support unit economics, it has limited capital needs beyond this as the business grows. When you own a business for a short period of time, your entry price frequently dictates your return. However, when you own a business forever, your long-term return tends to mirror the incremental returns on capital of the business. This was a perfect business model for our approach to private investing.

   Unsurprisingly, with these attributes, it's nearly impossible to acquire a pest control business of scale. The same public companies we admire trade at over 40x earnings and would acquire smaller competitors at similarly high multiples. We took a harder route to establish our pest control business. Instead of paying an unjustifiable multiple for a bigger business, we took advantage of our permanent capital and longer time horizon to buy a small pest control business and do the hard thing of investing in its people and growing it organically with the hope that it would become a big pest control business in five to ten years.

   Going down this path was exactly as advertised. Running a business is completely different than being a passive minority investor – there is always a leak that needs plugging. When you first take the keys, you slowly find out about the broken windows, the technician who is impossible to manage, or the unhappy customer who you have to rebuild trust with. Credit goes entirely to company president Simon and his team, who have been able to manage the daily blocking and tackling while building the foundation for meaningful market share gains by investing in technology, scaling the team, and building a reputation for best-in-class service.

   Last year, the business generated more cash flow than our original purchase price, a more-than-ten times increase in cash flow in less than five years and has grown to become a top-five pest control company in Ontario, all while requiring limited incremental capital. More importantly, there is still plenty of room to grow and take more market share. As a Cymbria shareholder and owner of our pest control business, that translates into a continuously growing stream of cash flow that has almost no capital requirements. There are few companies in Canada with the same quality and growth profile of our pest control business and we cannot wait to see what they continue to do in the future.

2. **Betting on our people:**

   We spoke about our new investment in Leading Edge Physiotherapy at the most-recent Cymbria Day. It shares a lot of similarities with the asset management industry – it's an attractive industry to be in but is extremely dependent on their people. They will make or break the success of the business.

   Several EdgePointers had the opportunity to give a financial literacy camp in Edmonton for our physiotherapists' children last fall. The night before the camp, the dinner conversation turned to how each of us joined our respective companies. There were many memorable stories, but I wanted to highlight two of them.

   We have an EdgePoint partner we'll call "Jane". Jane seems born to be an EdgePoint relationship manager due to her strong sales skills combined with her even stronger personal connection to EdgePoint's belief system. The funny thing is that the first time she "sold" EdgePoint was to her friends while she was working in Operations at CIBC Mellon, EdgePoint's custodian.[i] Tye spoke to the group at CIBC Mellon one day about EdgePoint's philosophy, how important our partners are to our business, how they are an extension of that, and how their contributions matter to EdgePoint's success. After Jane heard Tye speak, she knew she had found like-minded individuals and told her friends that they had to work there. Her passion got back to the EdgePoint office, resulting in an interview and offer so she could become one of our official (and most vocal) advocates.

   One of the physiotherapist partners at Leading Edge almost made a similar career change, but fortunately a change in environment was enough. Even though he loved working with patients, it was the peripheral issues that were the problem – treated terribly by the owners of the business, had no say in operations and received zero feedback. It had gotten so bad that he was planning to quit the profession to do just about anything else. A chance encounter with Grant, Leading Edge's founder, was enough to convince him to give physiotherapy another chance. Today, the love is back and he (and his patients) are thriving at Leading Edge.

   These are just two stories, but both EdgePoint and Leading Edge have benefitted from placing their trust in our people. Grant and the team pride themselves on their investment in people first. They've worked very hard on their culture at Leading Edge and delivering outcomes to their patients has gone hand in hand with that. Their efforts are already paying off – three new clinics in Edmonton and Calgary with more on the way are a great start, but it's WHO are in those clinics that matters more.

   We've been fortunate to attract some of the best physiotherapists to join our new and existing clinics at Leading Edge. This will ultimately be the biggest determinant of how successful we can become. We started a scholarship program this year to provide physiotherapy students with both mentorship and financial support – if you're looking to start a career in physiotherapy, we couldn't think of a better place to learn. We're just getting started and are excited to continue building across Canada.

3. **Leaning into the long term:**

   We have talked about how our permanent capital is an advantage for certain business owners. The reality is that many business owners are just looking to sell for the highest price. What they aren't told, is that embedded in that high price are unintended consequences and very different expectations and alignment – the higher the price, the more debt a private equity firm has to take on to reach for returns; the higher the price, the more people they have to fire to improve margins; and the higher the price, the more likely they are to exploit customers for short-term profits. Ask any entrepreneur who has sold their business and they will tell you that this conflict of interest can lead to the demise of many formerly successful organizations. Our long-term approach means that we will not be the most-active buyer of businesses, but we have been fortunate to meet many like-minded and talented entrepreneurs who self-select for the right partner to grow their company.

   At the end of 2020, we acquired our financial technology business that provides mission-critical software to financial institutions in North America. It is the number one provider of loan software in the auto and equipment industry in Canada. There's no shortage of acquirers for high-quality software businesses but one of the interesting things that came up after our initial investment was that a U.S. private equity firm offered to pay 25% more for the business than our eventual purchase price. The founder of the business was willing to take a lower price from Cymbria because he believed that over the long run, the business would be worth more if he partnered with the right business partner.

   The last three years have not been smooth sailing. Our largest vertical, auto finance, has seen volumes decline because of supply chain and production issues in the automobile industry. Higher interest rates have hurt financing volumes and the profitability of many of our customers resulting in delays and cancellations. Despite a challenging external environment, the business has grown revenue at 15% per year and we have leaned into our long-term vision for the business as we look to grow in the U.S. and new verticals. We have continued to invest in our product, enhanced our implementation capabilities to deliver against our promises for customer success, and strengthened our management team to support the long-term growth of the business.

   Life and progress aren't linear, and neither is growth. With the investment phase behind us, we believe we have a business with a better product, stronger customer relationships, and more growth opportunities than what we had three years ago. We could not be more excited about the prospects of our team and the business.

4. **Investing only when we see an opportunity:**

   In the winter of 2022, I was having drinks with a friend who acquires software businesses. We were commiserating over being constantly outbid for different software businesses at valuations that defied our reasoning. I mentioned then how we were buying higher quality software businesses at materially cheaper valuations in the public markets. We owned many of these names in Cymbria, such as SAP, Blend Labs and Qualtrics.[ii] All of which ended up being the top contributors to performance in 2023. The last example, our investment in Qualtrics, ended up being bought out by private equity just three months later at a 73% premium to the pre-acquisition price.

   The private equity market has an estimated $2.6 trillion of dry powder looking for the next acquisition. What has historically been a premium for illiquidity relative to the public markets has now turned into a discount, that is public companies currently sell for a discount to comparable private companies. Private equity has become an asset-gathering game where they have to buy businesses to generate fees (and replace their sold businesses), regardless of the prices they have to pay, and at the detriment of the end-investor.

   We have never had and never will have a target allocation for private businesses in Cymbria. We evaluate each investment opportunity relative to how attractive it is to the other businesses, public or private, we own in Cymbria. Unlike the private equity industry, we have the luxury of being patient and waiting for the right investment opportunity regardless of whether it's a private or public company.

   In the meantime, with a growing team of hundreds of employees, as well as clients and patients relying on our private businesses, we understand the weight of their trust and the responsibility it entails. We view our business partners as partners of EdgePoint and our number one priority is to do everything we can to make our private businesses as successful as possible. This can take many forms whether it be structuring incentives and compensation, supporting acquisitions, hiring exceptional talent, or introducing new business.

   As a Cymbria shareholder, you are an owner of our private businesses and their success contributes to the continued growth in Cymbria's asset value. Come visit our physiotherapy clinics. Give us a call if you have pest control problems. Always feel free to reach out if you have any ideas on how you can help our private businesses become more successful, we are always trying to find ways to get better.

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] As at December 31, 2023, CIBC Mellon Trust Company is EdgePoint's custodian. It's a third party responsible for holding, in trust, end investor money and securities based on EdgePoint Investment Group, Inc.'s trading.

[ii] As at December 31, 2023 – SAP SE securities were held in Cymbria, EdgePoint Global Portfolio and EdgePoint Global Growth & Income Portfolio; Blend Labs, Inc. securities were held in Cymbria; Qualtrics securities were no longer held in Cymbria or any EdgePoint Portfolios. Information on these securities is solely to illustrate the application of the EdgePoint investment approach and not intended as investment advice. They are not representative of the entire portfolio, nor is it a guarantee of future performance. EdgePoint Investment Group Inc. may be buying or selling positions in these securities.

leading edge PHYSIOTHERAPY

When you are inspired to make a difference in each person's life through the care that is delivered, a treatment is more than just an hour of a patient's life.

Grant Fedoruk, one of Leading Edge Physiotherapy's founders, talks about some of the investments they made to maximize those 60 minutes.

People

Grant

Heidi

Anita

Leading Edge is built on its people – it is an owner-operated clinic group that understands that the best way to help people reach their goals is to surround them with practitioners that are passionate about the care they provide. Grant and Heidi Fedoruk, along with partner Anita Cassidy, opened Leading Edge in 2008 with the goal of standing out in the industry.

"Over 15 years ago, we purchased a small clinic in St. Albert. It was 1,200 square feet and had five beds, two professional staff and two employees," says Grant. "We have since opened eight more locations in Edmonton and two in Calgary. We have two more Calgary clinics opening this year, with Kelowna on the horizon as we grow across Canada. This is in addition to two more private in-house aquatic therapy facilities, the first of their kind in Western Canada."

Most important to Leading Edge are the people in those clinics. "Across all our locations and facilities, we now have 65 hand-picked professional staff and more than 160 team members," Grant says. "We work hard to find the right people who are in this profession for the right reasons and who share our passion for making a difference."

Technology, Techniques and Environments

AlterG

Leading Edge offers a variety of services, from advanced manual physiotherapy to radial shockwave, acupuncture, and intramuscular stimulation. Each location features AlterG zero-gravity treadmills that were originally designed for use on the International Space Station.

TRV Chair

Grant is excited about one of the most-recent additions – the TRV chair for the advanced treatment of vestibular disorders. "We added the chair in 2021, the first in Canada. It provides patients with difficult-to-manage dizziness, an option when other treatments have had limited success."

Leading Edge's expansive occupational therapy services includes cognitive rehab, post-concussion care, functional capacity evaluations and orthotics. They provide a full suite of paediatric rehabilitation services at their Capilano and University District sites including climbing walls and evidence-based sensory equipment. They also offer Normatec Recovery Devices, Med4Elite cryo/thermal systems, StimPod and other evidence-based technologies usually only accessible to elite athletes.

"Bringing these treatments, techniques and environments to the public is an important part of living up to our name."

Communities

"It's our privilege to be a part of the cities and communities that we operate in. Like the builders that came before us, we're willing to roll up our sleeves to be an active and productive part of the places we curate our clinics in," says Grant. "We've grown our business with a keen focus on the health and wellbeing of the communities that entrust us with their care." By the end of 2023 Leading Edge Physiotherapy has raised and donated more than $2 million to local charities in the regions they operate.

In 2010 they founded RunWild, a multi-distance race for all ages that features one of the largest kids 'MaraFuns' in Alberta. Attended by more than 2,500 participants, over half of which are kids under the age of 10, RunWild has raised more than $792,000 for local charities.

Grant and Heidi Fedoruk were recently recognized by the Edmonton Chamber of Commerce with the Community Impact Award for the achievements of the Leading Edge Team. "With the kind of passion that all of us at Leading Edge have for activity, health, giving back to our communities and of course having fun, we are poised to make a huge impact on the healthcare scene in Canada. We truly believe that we have our cities, charities and our patients pulling for us. I hope all those who hear our story are too."

leadingedgephysio.com

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 $153.4 million in dividends from EdgePoint since inception and the value of its investment in the company has increased to $255.0 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† (Series A total returns, net of fees, in C$)

	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†††	**EdgePoint Monthly Income Portfolio**	FTSE Canada Universe Bond Index
2023	18.9%	11.8%	11.8%	20.5%	13.3%	9.7%	10.3%	14.7%	5.6%	6.7%
2022	3.2%	-5.8%	-6.6%	-12.2%	1.6%	-7.9%	-3.9%	-11.7%	-6.4%	-11.7%
2021††	40.4%	25.1%	18.2%	20.8%	25.8%	13.3%	13.6%	10.9%	0.3%	2.7%
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	12.1%	9.2%	12.1%	11.6%	9.9%	7.0%	10.1%	8.4%	-0.4%	-1.5%

† EdgePoint Canadian Growth & Income Portfolio, EdgePoint Canadian Portfolio, EdgePoint Global Growth & Income Portfolio and EdgePoint Global Portfolio inception date is November 17, 2008. EdgePoint Monthly Income Portfolio inception date is November 2, 2021.

†† Partial-year returns calculated from inception date to year end if the Portfolio was launched that year.

††† MSCI World Net Total Return Index ("MSCI World Index").

As at December 31, 2023. Total returns in C$. Source, EdgePoint Portfolio returns: Fundata Canada, net of fees. Source, index returns: Morningstar Direct.

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 Canada Broad Market Index is representative of fixed-income opportunities consistent with the Portfolio's mandate.

EdgePoint Monthly Income Portfolio: The FTSE Canada Universe Bond Index tracks the performance of investment-grade debt denominated in Canadian dollars and issued by Canadian government and corporations. The index was chosen as it is a widely used benchmark of the Canadian fixed–income market.

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. The indexes are not investible.

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 As at Dec. 31, 2023	**1-year**	**3-year**	**5-year**	**10-year**	**15-year**	**Since inception**	**Inception**
EdgePoint Canadian Portfolio	18.90%	19.91%	15.25%	9.19%	11.82%	12.07%	11/17/2008
EdgePoint Canadian Growth & Income Portfolio	13.34%	13.17%	11.13%	7.46%	9.88%	9.90%	11/17/2008
EdgePoint Global Portfolio	11.76%	7.29%	6.69%	8.98%	11.49%	12.13%	11/17/2008
EdgePoint Global Growth & Income Portfolio	10.31%	6.40%	5.78%	7.35%	9.88%	10.09%	11/17/2008
EdgePoint Monthly Income Portfolio	5.58%	–	–	–	–	-0.45%	11/02/2021

Source: Fundata Canada Inc. Annualized total returns, net of fees in C$.

EdgePoint's contributions to Cymbria

Cymbria's wealth drivers	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Security selection	13.68%	-6.34%	16.62%	-0.21%	12.06%	-4.50%	13.45%	10.48%	11.09%	17.36%
EdgePoint valuation	0.89%	-1.54%	3.66%	-2.72%	2.85%	3.60%	8.82%	1.45%	5.76%	5.17%
EdgePoint dividend	1.51%	1.38%	1.78%	1.59%	2.07%	1.33%	1.21%	0.98%	0.84%	0.78%
Change in Cymbria's Class A aNAV	16.08%	-6.50%	22.05%	-1.34%	16.98%	0.43%	23.48%	12.91%	17.69%	23.31%

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 Cymbria's unrealized gains. Calculations are for Cymbria's Class A aNAV.

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

2023 was a trying year on the world stage, given the ongoing Ukraine/Russia war and a new conflict in the Middle East, as well as the profound impact of high inflation and rising interest rates that significantly increased the cost of living.

Amid all the global turmoil and ensuing market volatility, good financial advisors remain invaluable to helping investors stay the course.

At EdgePoint, we continued to support our advisor partners by making ourselves available to them when needed and providing timely information and insights to help their clients navigate these challenging conditions.

The Relationship Management Team conducted more than 5,100 meetings and calls with our advisor partners. Additionally, our Investment Team reemphasized their commitment to our advisor partners throughout the year by:

- Speaking directly with 1,300 advisor partners
- Younger members of the Investment Team attended dinners with future advisor partners from six provinces and 40 cities
- Recording five videos describing insights from industry conferences or investor days, providing clients with a first-hand glimpse into the research that goes into the art of portfolio management

Our 15th Cymbria Investor Day held in May attracted more than 1,000 attendees, with approximately 80% being advisors. While a lot has stayed the same at EdgePoint, we're always looking for ways to innovate. For the first time, we introduced breakout sessions after the main event to provide our advisors with deeper due diligence on EdgePoint. Investment Team members led three in-person sessions with limited seating on topics covering fixed income, equities, private investing and ESG. Given the success of these breakouts, we will continue to host similar sessions at our next Cymbria Day.

Via our website, we put together two packages to provide new and existing clients with the essentials on two aspects of EdgePoint:

- Why EdgePoint? – a high-level look at the structures that define EdgePoint and keep us focused on benefitting our end clients. The package discusses the foundations of our company, Portfolios, investment approach and the team applying it.
- Why EdgePoint fixed income? – fixed income has been part of EdgePoint since 2008. While we apply the same investment approach irrespective of asset classes, this package provides more detail on how we handle the nuances of lending to a business rather than buying an ownership stake in one.

EdgePoint by the numbers

On the retail side of our business, the top 20% of advisors represent 81% (approximately $20.7 billion) of our total retail assets under management (AUM), with an average of approximately $21.1 million per advisor.

On the institutional side of the business, the top 20% of our institutional clients represent 96% of the AUM (approximately $3.6 billion), with an average investment of $120 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:

- $17,615,827,715* – How much we've made for our investors.
- $165 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. As at December 31, 2023.

† As at December 31, 2023. 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. Fee savings for EdgePoint Monthly Income Portfolio calculated from 2022 onward. Category average MERs provided by Strategic Insight as at calendar year-ends from years 2009 to 2017. Morningstar Direct used from year 2018 onwards. Category average MERs of fee-based series funds excluding institutional series 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, Canadian Fixed Income, Global Fixed Income and Multi-sector Fixed Income. Only active funds for each calendar year were used in the calculation. For funds that have not reported 2023 MERs by March 12, 2024, the 2022 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, 2023, our internal partners held roughly $398 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 wellbeing 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. This increases the commitment to our company and eliminates any sense of entitlement.

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. At the end of 2023, all of EdgePoint's employees are EdgePoint owners.

New employees in 2023

We are pleased to have added the following partners to EdgePoint in 2023:

- Marc-Antoine Caron-Safar, *Relationship Management*
- Aisha Francis, *Relationship Management*
- Vanita Sachdev, *Investment Operations*
- Killian Bolger, *Investment Analytics & ESG Oversight*
- Florika Dauti, *Investment Analytics & ESG Oversight*
- Meghan Crawley, *Operations*
- Luca Longo, *Operations*
- Rameen Rashid, *Relationship Management*
- Connor Lennox, *Relationship Management*
- Kyle Chypyha, *Relationship Management*
- Mike Lo, *Institutional*
- Andrew Wallman, *Institutional*

We're always looking for talented people who can help us achieve our goals and we understand that extraordinary human ability is a scarce resource in high demand. If you think you've got some and are interested in our company, please view our current opportunities here: **www.edgepointwealth.com/careers**

Junior Product Manager - Toronto

Junior Compliance Analyst - Toronto

Senior Accountant - Toronto

An update on EdgePoint's growing credit franchise

Cymbria's worst-kept secret

By Derek Skomorowski, Portfolio Manager

Our fixed income team was recently asked why "equity-only" investors should give credit a second thought.

There's been a fairly dramatic change in markets over the past two years – interest rates are no longer at zero. The risk-free overnight interest rate is materially positive across all developed markets, something we haven't seen for the better part of 15 years. At time of writing, it's 5.0% in Canada and 5.375% in the U.S.[i] Again, up from zero.

A big difference between equities and credit is that one pays interest and the other receives it. For every dollar of debt anywhere on the planet, someone is paying higher interest today while someone else is receiving that higher interest as a return. Higher interest rates are painful for borrowers, and a benefit to savers. Painful to asset owners, but a tailwind to lenders. Over the past 15 years, every dollar of interest that didn't flow to us as lenders (on the credit side) was flowing to the owner of the business. Businesses and asset owners were borrowing money at historically low interest rates and using the excess cash to make investments, pay dividends and buy back stock…all on the backs of lenders. That's now changed.

We also need to acknowledge the tailwind that *declining* interest rates have been on asset prices *everywhere* for the past 40 years. "Interest rates are to assets what gravity is to the apple," to quote Warren Buffett.[ii] Declining interest rates lower the rates used to discount future cash flows, lower capitalization rates to value the cash generated by assets and *increase* price-to-earnings multiples on stocks as a result. The cyclically adjusted price-to-earnings ratio on the S&P 500 Index has risen from 6x to 9x earnings in the early 1980s to 32x today, a three-to-fivefold increase in multiple. It's hard to imagine that happens again. We can only pray it doesn't reverse.

S&P 500 Index – Cyclically adjusted price-to-earnings ratio
Dec. 31, 1979 to Dec. 31, 2023

Source: Shiller price-to-earnings ratio, Multipl.com, https://www.multpl.com/shiller-pe/table/by-month. As at February 2, 2024. In US$. The S&P 500 Index is a broad-based market-capitalization-weighted index of 500 of the largest and most widely held U.S. stocks. The index is not investible. The cyclically adjusted price-to-earnings (CAPE) ratio, or Shiller P/E ratio, is an average of the inflation-adjusted earnings over the preceding 10 years.

Conversely, from a lender's perspective, every time a bond or loan came due over the past 40 years it was refinanced at a lower interest rate. The declining interest rate environment has been a massive headwind to credit investors.

We don't know the future trajectory of interest rates or the economy or inflation or markets. It's possible that interest rates revert right back to the lows, the economy muddles along and equities continue to trade at lofty multiples while benefiting from historically low borrowing costs. This would be a continuation of the trend of the past 40 years. For anyone making this bet, you better not be wrong.

Shifting winds?

If the future doesn't look like the recent past, if interest rates rise instead of *decline* or if short-term interest rates just *stay where they are* and begin to permeate the rest of the market, the implications are massive. In our opinion, and given the "cyclically adjusted" valuation measure shown earlier, equity markets don't reflect the reality of materially positive interest rates. Worse yet, the notion that interest rates might actually rise from here doesn't seem to have registered one *modicum* of acknowledgement anywhere in markets. It's crazy.

Equity investors need to ask, "How much of the return from the past 40 years was the result of a price-to-earnings ratio that started at 6x and rose to 32x…and what happens if that's reversed?"

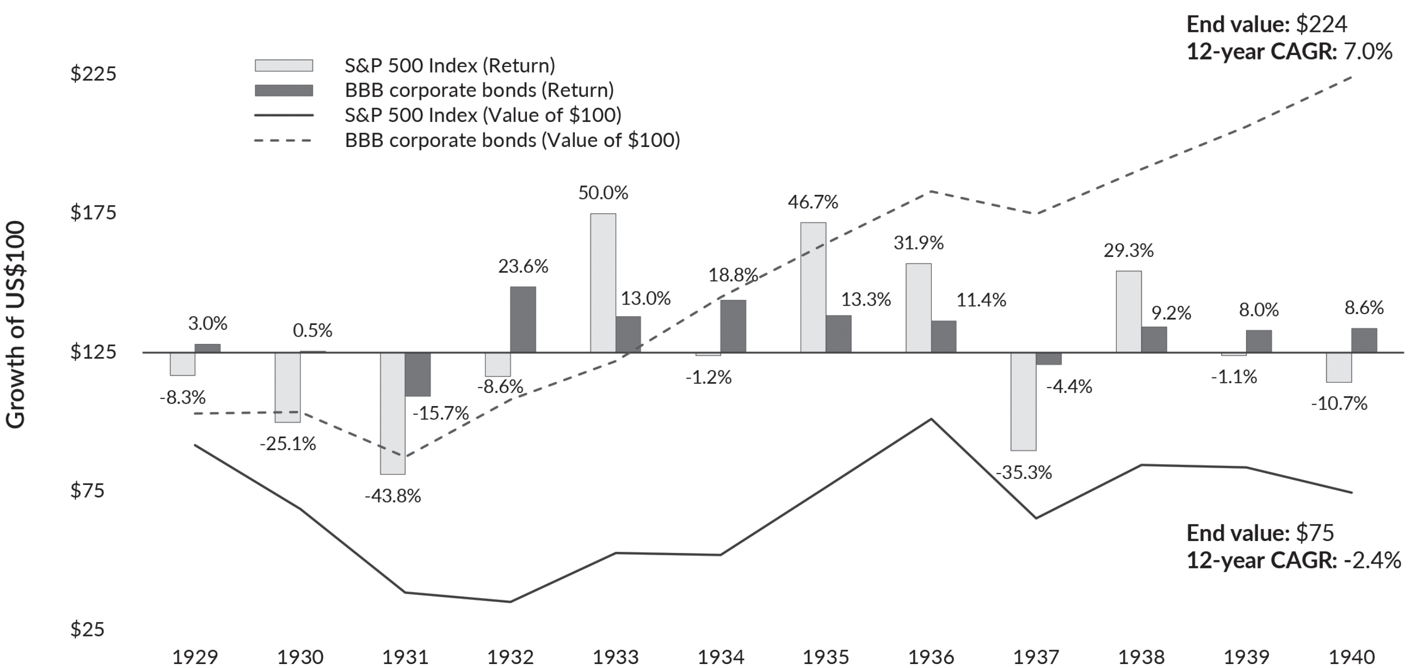
Fortunately for Cymbria and EdgePoint's equity portfolios, we don't own "the market," opting instead for a small group of businesses where we have a proprietary insight; buying growth for free has proven to be an approach that works across all market cycles. But for the average investor – the investor in a collection of stocks that looks a lot like an index – a reversal of the past 40 years could require a rethink of everything we thought we knew about asset allocation, valuation, and markets. If interest rates finish the next decade higher than they are right now, we have to expect it will be an incredibly difficult period for stocks. This "difficult" timeframe is only prolonged if the period of rising rates extends 20, 30 or even 40 years. The risk of a lost decade (or more) is real.

Taking the high road through lost decades

But there is a solution. We have seen lost decades[iii] in the past, and we know of an asset class that can perform well *through* difficult markets. The past 120 years have seen three lost decades. Through each period, low-rated corporate debt delivered a result that helped investors progress toward point B (their "investment objectives," as the CFA folk would say). Unfortunately, BBB-rated bonds were the lowest-rated bucket of debt available prior to the 1980s, but the results are irrefutable. We can only speculate that high yield bonds would have been even better.

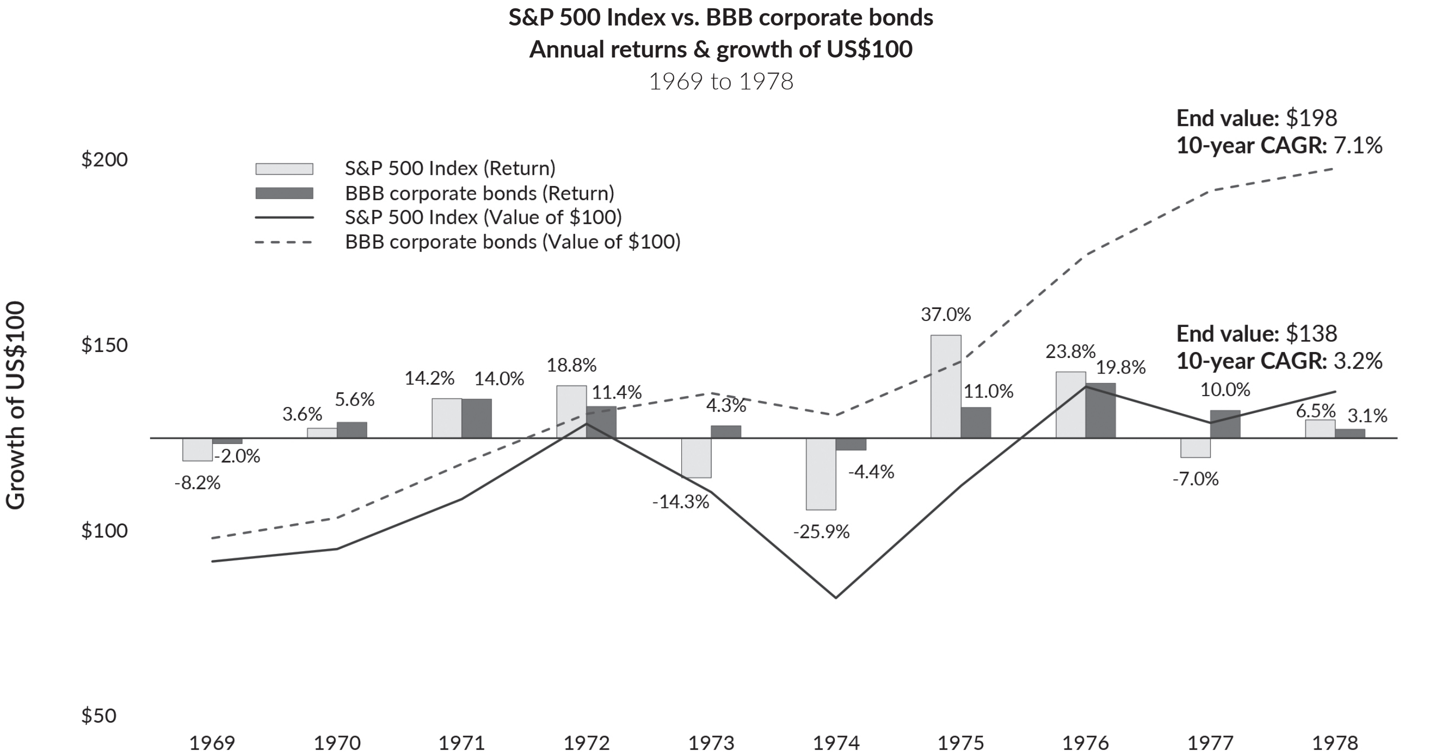
From the Great Crash…

S&P 500 Index vs. BBB corporate bonds
Annual returns & growth of US$100
1929 to 1940



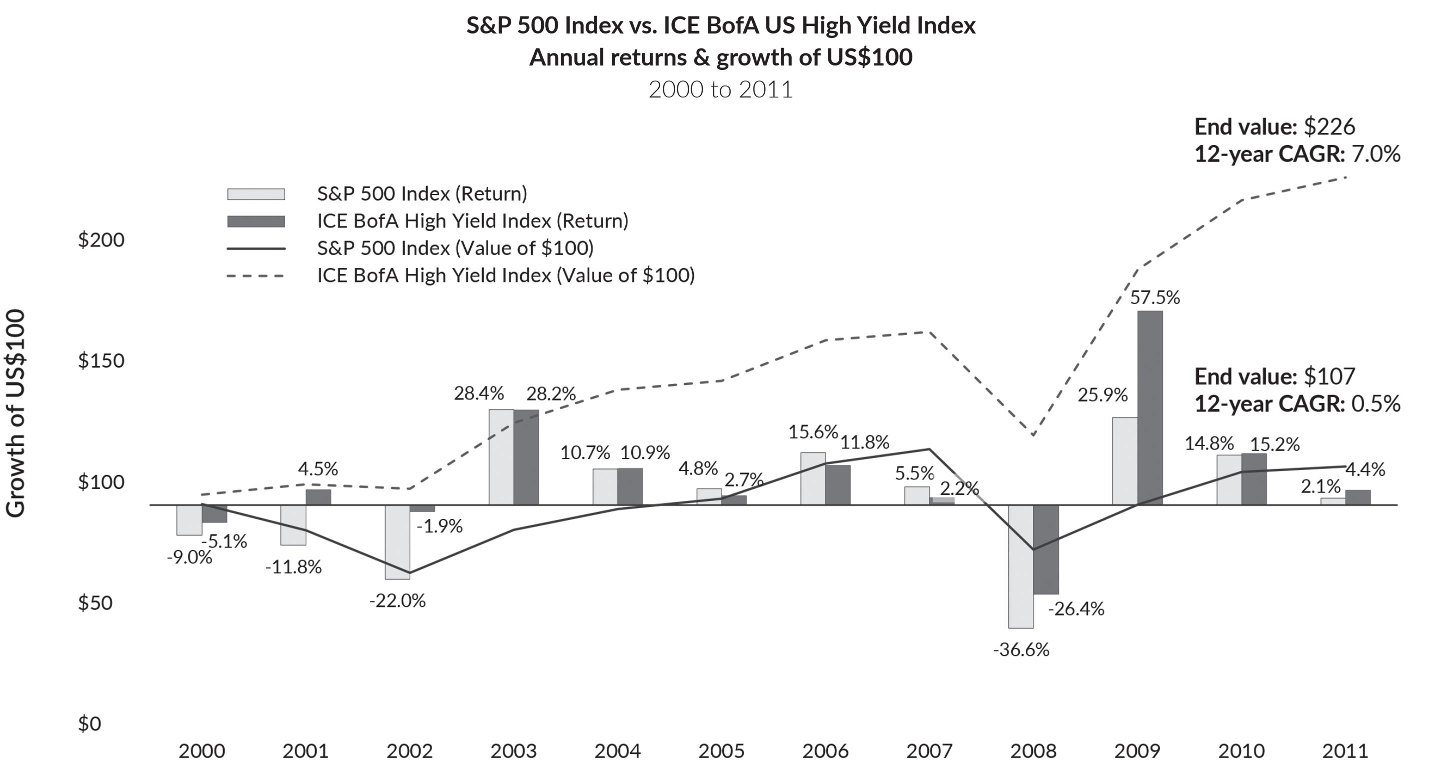
Source: Aswath Damodaran, "Historical Returns on Stocks, Bonds and Bills: 1928-2021", https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/histretSP.html. Total returns in US$. BBB corporate bonds are the Federal Reserve Bank of St. Louis Moody's Seasoned Baa Corporate Bond Yield.

...to the Great Inflation of the 1970s...



Source: Aswath Damodaran, "Historical Returns on Stocks, Bonds and Bills: 1928-2021", https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/histretSP.html. Total returns in US$. BBB corporate bonds are the Federal Reserve Bank of St. Louis Moody's Seasoned Baa Corporate Bond Yield.

...and most recently the Tech Bubble followed by Global Financial Crisis through the early 2000s.



Source, S&P 500: Aswath Damodaran, "Historical Returns on Stocks, Bonds and Bills: 1928-2021", https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/histretSP.html. Total returns in US$. Source, ICE: Bloomberg LP. The ICE BofA US High Yield Index tracks the performance of high-yield corporate debt denominated in U.S. dollars and publicly issued in the U.S. domestic market. The index is not investible.

High yield bonds only reached critical mass in the 1980s, so this is the one lost decade that has true "levered credit" data. Encompassing two meaningful default cycles, high yield bonds delivered a result that would exceed even lofty expectations going into the period.

And this data reflects only the "market." What's often forgotten is that credit "markets" are built upside down. Equity markets are weighted toward the largest (and historically most-successful) companies, while credit markets are weighted toward the largest debt issuers – literally the most-indebted businesses. It should be *easier* for an active credit manager to improve on these results.

So, weighing equities against credit today depends an awful lot on whether the future looks different than the recent past. Relative performance will depend a lot on the trajectory of future interest rates. For equities, higher interest is an added expense; for credit, higher interest is an added return. Declining interest rates have been a tailwind to one, and a headwind to the other. Reversing the trajectory would reverse the beneficiary. Positioning for potential reversal, there isn't much cost to being wrong.

One point on credit spreads being tight today. Even at the index level, if you end up buying at the "wrong" (i.e., too narrow) credit spread, bonds mature – you get to renegotiate the credit spread higher as the bonds are refinanced. All the credit risk that is going to materialize over the years and decades ahead will be priced into the market eventually. From now until maturity, the returns are contractual. At maturity, higher interest rates or wider credit spreads only enhance that contractual return – a "free option," almost (not quite free, because they can also decline, or narrow). With equities, there is no renegotiating the return you sign up for.

Business Owners Lending to Businesses™

[i] As at January 31, 2024.
[ii] Source: Warren Buffett, *Berkshire Hathaway AGM*, May 2013.
[iii] A "lost decades" is a period of at least 10 years where a dollar invested in the S&P 500 Index saw a decline in value in real terms.

Responsible investing within Cymbria

We approach responsible investing by considering environmental, social and governance (ESG) factors in our fundamental research on a business. These considerations help us identify potential risks and opportunities from our stake in that particular business. Overlooking important ESG issues would hamper our ability to compound long-term wealth, which is our ultimate fiduciary duty. However, ESG factors are, indeed, one of many considerations taken into account in our holistic investment approach[i].

Lincoln Electric Holdings Inc.[ii]

Lincoln Electric is a 130-year-old welding company based in Cleveland, Ohio. Although the concept of ESG as we know it today wasn't around for most of Lincoln's existence, the principles are deeply entrenched in its culture and visible throughout its history. Lincoln Electric was first purchased in Cymbria in January 2023.

In 1914, James Lincoln introduced piecework pay and established an employee advisory board that included elected employees from each department. The board has met every two weeks since. In 1915, it introduced group life insurance for its employees, considered a progressive move at the time. In 1923, it was one of the first American companies to introduce paid vacation for its employees, while 1925 saw the introduction of its stock ownership plan. Then in 1934, Lincoln launched its first annual incentive bonus: an employee profit sharing program. In the 1950s, it formalized its guaranteed employment contract, an arrangement that guarantees no worker will ever be laid off owing to a lack of work. The annual incentive bonus and guaranteed employment contract both remain in place today for Lincoln Electric's U.S. employees.

Navigating changing government regulations related to emissions, health and safety has been necessary for Lincoln Electric to ensure its resilience and sustainability through the decades. In 2005, it led the welding industry in achieving ISO 14001 certification, which is the global standard for environmental management systems. It was also the first welding company worldwide to qualify for ISO 50001 certification focused on energy management. As an early adopter of clean energy, Lincoln installed North America's largest urban wind tower on its campus in Euclid, Ohio in 2011. The wind tower covers 10% of the campus' energy requirements but has also acted as a showcase for its wind tower fabrication expertise. In 2021, roughly 7% of Lincoln's total sales came from the renewable/wind industry.

Finally, high product quality and continuous investment in new innovations has ensured its business model resiliency through many economic cycles and technological changes. In the 1920s, Lincoln introduced the world's first variable voltage, single-operator, portable welding machine, and since then has pioneered many new innovations in the welding industry – including a patented flux that made a weld as flexible as steel for the first time, and a virtual reality arc welding trainer that allows students to practice welding while reducing material waste associated with traditional welding. Lincoln Electric's DC fast chargers and Wireless Additive Metal Manufacturing capabilities are examples of newer innovations with strong sustainability credentials and the potential to contribute materially to revenue over time.

In the fourth quarter of 2023, the company introduced its Velion DC fast charger, a new 150kW DC fast charger for passenger electric vehicles (EVs). Public chargers are needed to promote the use of EVs, which emit significantly fewer greenhouse gases than traditional vehicles with internal combustion engines. Public EV chargers also make it more feasible for people without access to home charging to switch to EVs, increasing mobility options for the broader population. Lincoln Electric's chargers specifically help to address the U.S. government's plan to accelerate EV adoption by installing hundreds of thousands of reliable, domestically made EV chargers across the U.S. interstate highway system.

Also in the fourth quarter, following its successful effort to 3D-print metal replacement parts for Chevron Corp., Lincoln showcased a large, rotating steam turbine blade for power plants that it had developed with Siemens AG and Oak Ridge National Laboratory using 3D metal printing. This type of technology helps address an industrywide supply-chain problem whereby many manufacturers are struggling to sustainably source large, low-volume castings and forgings from their domestic supply chain. Siemens believes the technology can be applied to a variety of sustainable energy transition systems, not just to gas turbines.

Our proprietary insight in the business focused on the idea that the market is mispricing Lincoln's long-term upside from these new innovations, but the integration of our ESG principles went well beyond that.

While sustainability and governance inevitably come up in our regular conversations with management, we have also engaged with the company on ESG issues specifically. In the fourth quarter of 2023, we spoke to the company's ESG team and made several recommendations, including better disclosure of employee training hours and providing more information about the environmental impact of the raw materials they use. We also sought more information on a strategy to reduce their carbon emissions intensity, which was above the industry average in 2021.

DSM-Firmenich AG (formerly Koninklijke DSM NV)[iii]

Koninklijke DSM NV, a former industrial chemicals company with roots in mining, is a science-based company that engages in nutrition, health and sustainable-living businesses internationally. It delivers innovative solutions for human nutrition, animal nutrition, personal care and aroma, medical devices, green products and applications, and new mobility and connectivity. Koninklijke DSM was purchased in Cymbria for the first time in September 2022. In May 2023, Koninklijke It merged with Firmenich International SA, a family-owned Swiss company that has always been considered the benchmark for best-in-class flavours and fragrance ingredients.

Koninklijke DSM and Firmenich are complementary to each other's portfolios, and together they appear poised to make the best offerings in the market. Based on our analysis of DSM, approximately two-thirds of DSM's products have explicit sustainability benefits. It is estimated that DSM generates over half of its earnings before interest, taxes, depreciation and amortization (EBITDA) from products that are exposed to the themes of healthy eating and exercise sustainability, as well as incremental benefits from products exposed to green mobility, illness prevention and renewable energy.

Global meat consumption has been growing rapidly and, with it, greenhouse gas emissions. Today, the United Nations Food and Agriculture Organization estimates that 15% of global emissions can be attributed to livestock. DSM's core business includes manufacturing nutritional supplements for humans, but the nutritional products for animals have really caught our attention.

On the animal nutrition side, DSM has provided some exciting solutions around ways to address food scarcity and reduce emissions created by population and income growth. As one compelling example, DSM invented a product called Bovaer, which is a feed additive for cows and sheep that reduces the methane emissions from their burps by roughly 30%. DSM has partnerships with companies like Danone SA, Fonterra Co-operative Group Ltd. and JBS SA to roll out Bovaer across their suppliers' farms, and it is also working with governments like Brazil, the world's largest cattle producer, to expand use of Bovaer across the country. DSM's first large-scale plant producing Bovaer at a commercial scale will ramp up in 2025. As at the end of June 2023, Bovaer has saved more than 50,000 tonnes of CO_2e.

In addition, DSM has developed Veramaris, a new algae-based technology that produces omega-3 fatty acids EPA and DHA (which is an omega-3 oil made from algae). One tonne of Veramaris can replace about 60 tonnes of wild-caught fish. This could contribute to the long-term feeding and health of humans. Additionally, it implies that a sizable number of wild fish are left in the sea, where they belong.

According to the World Economic Forum, weather extremes in 2020 were the main driver of acute food insecurity for 15 million people globally. While we can't simply persuade people to stop eating meat, reducing emissions from dairy and beef cattle could be the first milestone to achieving a more equitable, sustainable and resilient food system.

[i] ESG refers to the environmental, social, and governance factors that investors consider when analyzing a company's sustainability efforts. We approach responsible investing by considering ESG factors in our fundamental research on a business to identify potential risks and opportunities from our stake in that business. Overlooking ESG issues would hamper our ability to compound long-term wealth, our ultimate fiduciary duty. ESG factors are one of many considerations taken into account by us, however, these factors are not determinative in our investment decision-making process and are considered to a limited extent. Examples of ESG factors considered: Environmental – relating to a company's environmental footprint (e.g., carbon emissions, climate impact, waste, pollution prevention, water conservation, site restoration, etc.); Social – relating to a company's impact on society (e.g., consumer and employee health, wellness & safety, employee satisfaction, benefits & pay, child labour, etc.); Governance – relating to board and executive level governance (e.g., compensation, shareholder rights, capital allocation, diversity of corporate leadership, forced labour, etc.).

[ii] As at December 31, 2023 – Lincoln Electric Holdings, Inc. securities were held in EdgePoint Global Portfolio, EdgePoint Global Growth & Income Portfolio and Cymbria; DSM-Firmeinch AG securities were held in EdgePoint Global Portfolio, EdgePoint Canadian Portfolio, EdgePoint Global Growth & Income Portfolio, EdgePoint Canadian Growth & Income Portfolio, and Cymbria. Information on the company's securities is solely to illustrate the application of the EdgePoint investment approach and not intended as investment advice. It is not representative of the entire portfolio, nor is it a guarantee of future performance. EdgePoint Investment Group Inc. may be buying or selling positions in the company's securities.

[iii] Ibid.

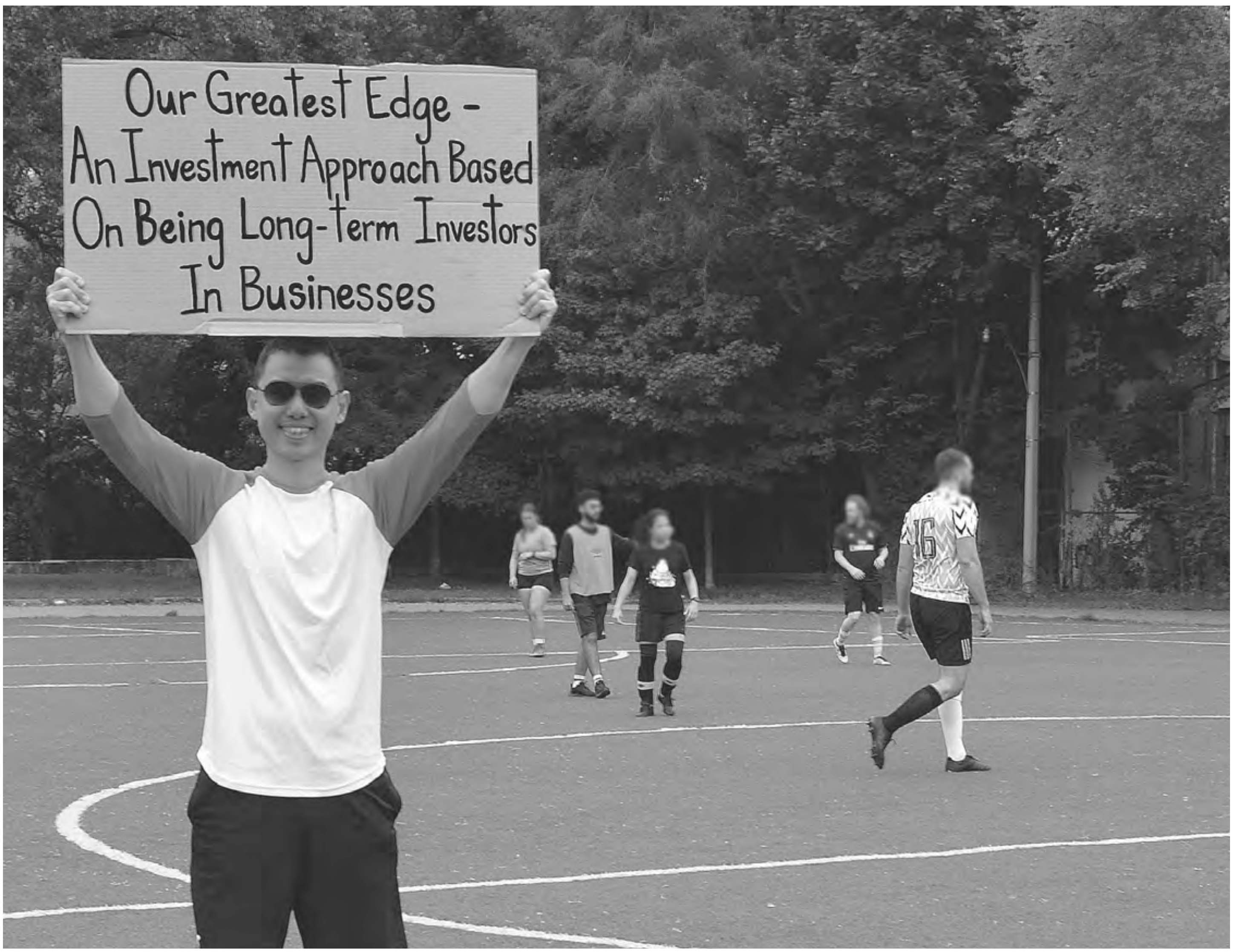
Celebrating 15 years of culture

88 strong still believing in one idea


TMX
Cymbria

Still standing up for our beliefs

2023 marked the second (and final) year of our initiative inspired by Dude with Sign. While we'll always champion the beliefs about long-term investing success we put on those signs, we think it's time to hang up our cardboard. We want to thank everyone who continues to stand beside us and publicly share our beliefs across the country and beyond.



Jason Liu, *partner 83*
Location: Toronto, ON

Mikhail Osin, *partner 101*
Location: Punta Cana, Dominican Republic

Adam Zwierzynski, *partner 102*
Location: Toronto, ON

Honglei Wang, *partner 97*
Location: Toronto, ON

Etienne Leblanc, *partner 35*
Location: Shediac, New Brunswick

Rameen Rashid, *partner 119*
Location: Toronto, ON

Frank Mullen, *partner 21*
Location: Whistler, BC

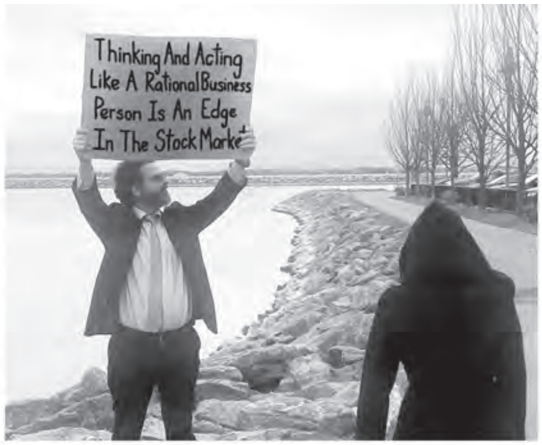
Derek Skomorowski, *partner 61*
Location: Milton, ON

Meghan Crawley, *partner 117*
Location: Toronto, ON

Ryan Hatch, *partner 88*
Location: Toronto, ON

Greg Lagasse, partner 20
Location: Lake of the Woods, ON

Catherine Villeneuve, *partner 108*
Location: Toronto, ON



Geoff MacDonald, *partner 0.33*
Location: Kingston, ON

Aisha Francis, *partner 113*
Location: Toronto, ON

Tye Bousada, *partner 0.33* &
Sylvie Robert, *partner 28 (retired)*
Location: Montréal, QC

Joel DeSilva, *partner 44*
Location: Toronto, ON

Christen Cheung, *partner 82*
Location: Los Angeles, CA

Luca Longo, *partner 118*
Location: Madrid, Spain

Matilde Vizinho, *partner 25*
Location: Toronto, ON

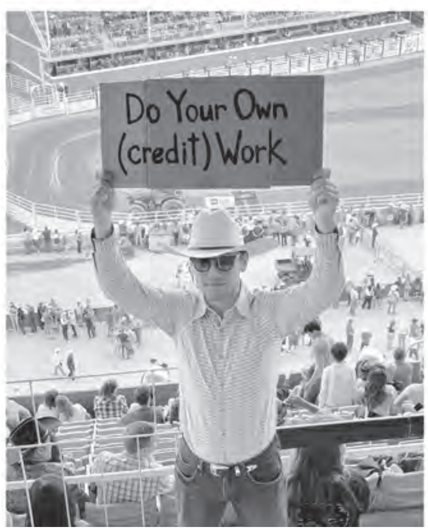
Killian Bolger, *partner 114*
Location: Toronto, ON

Marc-André Lessard, *partner 73*
Location: Montréal, QC

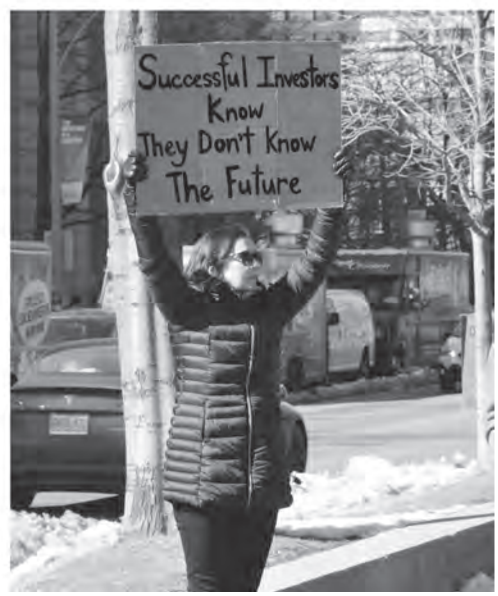
Pho Lai, *partner 19 (retired)*
Location: Tokyo, Japan

Tracey Chen, *partner 67*
Location: Toronto, ON

Akhil Chopra, *partner 103*
Location: Toronto, ON



Luke McCutcheon, *partner 109*
Location: Calgary, AB



Nataliya Goreva, *partner 7*
Location: Toronto, ON

Liz O'Sullivan, *partner 64*
Location: Saskatoon, SK

Juan Gomez, *partner 60*
Location: Amsterdam, Netherlands

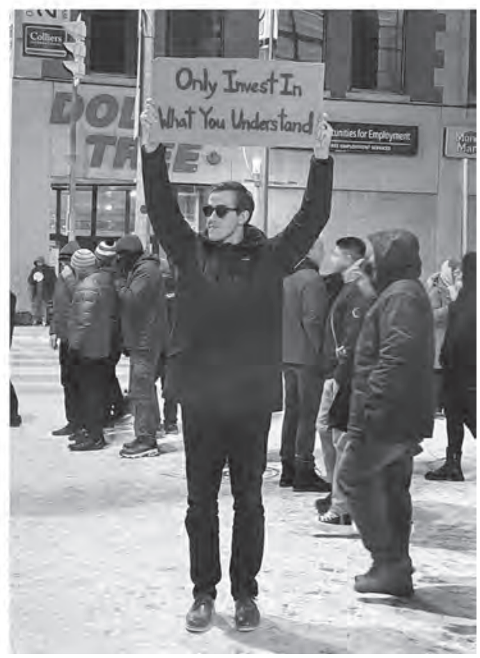
Craig Advice, *partner 12*
Location: Canmore, AB

Olivia Kao, *partner 10*
Location: Port Credit, ON

Vanita Sachdev, *partner 112*
Location: Toronto, ON

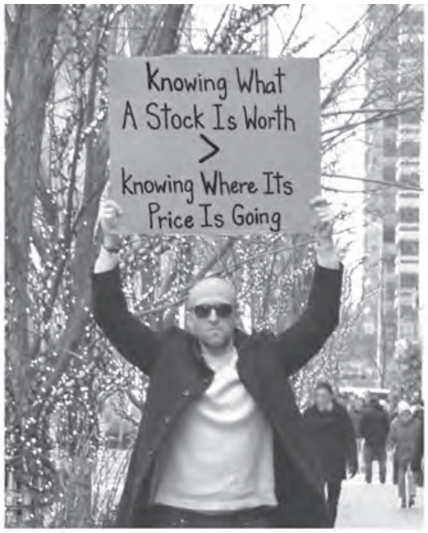
Teresa Di Ruscio-Rizzuto,
partner 26
Location: North York, ON

Pierre Novak, *partner 24* &
Catherine Villeneuve, *partner 108*
Location: Montréal, QC



Grant Schneider, *partner 80*
Location: Winnipeg, MB

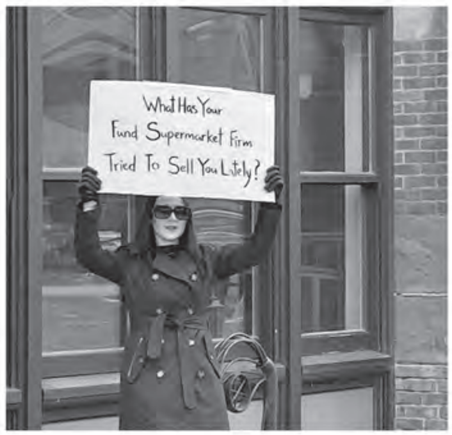
Greg Sinclair, *partner 68*
Location: Milton, ON



Rob Mavrak, *partner 39*
Location: Toronto, ON

Judy Tang, *partner 85*
Location: Toronto, ON

Kevin Sangwine, *partner 106*
Location: Vancouver, BC



Mimi Hijleh, *partner 89*
Location: Charlottetown, P.E.I.

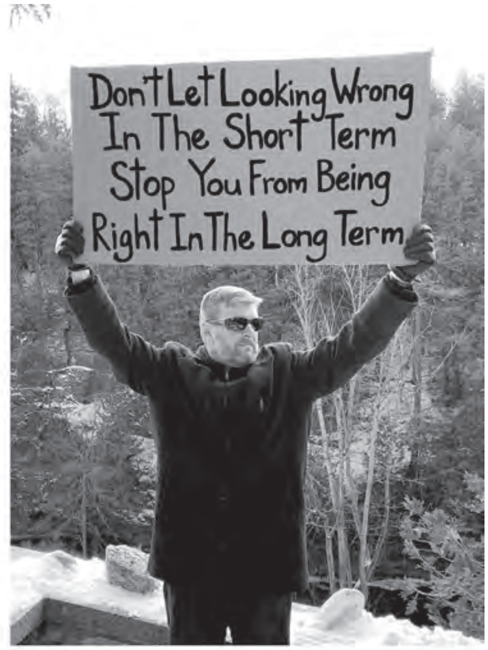
Ben Cotter, *partner 70*
Location: Sarnia, ON

Mimi Hijleh, *partner 89*, Patrick Farmer, *partner 0.33*
& Claire Thornhill, *partner 93*
Location: Cymbria, P.E.I.

Sydney Van Vierzen, *partner 71*
Location: Toronto, ON

Marie Hélène Rouleau, *partner 74*
Location: Montréal, QC

Alexandria DiBellonia, *partner 45*
Location: Ottawa, ON



Malcolm King, *partner 11*
Location: Elora, ON

Alexandra Imbesi, *partner 84*
Location: Toronto, ON

Ruairi O'Connor, *partner 91*
Location: Dublin, Ireland

Amy Hamilton, *partner 53* & Bryan Long, *partner 49*
Location: Toronto, ON

Miguel Co, *partner 105*
Location: Toronto, ON

NORM'S MOAI SCORECARD

Moais are informal support groups that originated in Japan as a way of bringing communities together and resulted in several wellness benefits. We decided to put our spin on it by having communal lunches where we connect over good food and even better conversation. If an ounce of prevention is worth a pound of cure, then what's a quarter-pounder of prevention worth?

Over the years, partners have debated their favourite moais, but it's fitting that our CFO Norm took these qualitative discussions one step further and made them quantitative. The result? Norm's moai scorecard. To give you a taste of our culture, here are this year's favourite (and less favourite) moais. Nothing says a full and happy culture like a little friendly competition (or better-than-a-little friendly competition).

HIGHEST-RATED MOAIS

Honglei - Chinese	9.1
Vanita - Indian	9.1
Adam Z. - Polish	8.7
Kyle - Middle Eastern	8.6
Catherine - Breakfast	8.6
Aisha - Caribbean	8.5

LOWEST-RATED MOAIS

Sydney - Salads	7.7
Thanksgiving	7.8
Luke - Italian deli	7.9

NUMBER OF RATED MOAIS (2023)

18

AVERAGE RATING (OUT OF 10)

8.4

WORLDWIDE MOAIS

Our partners have brought the world to our lunchroom, with moais from Armenia, Argentina, Australia and other countries that don't begin with A.

HIGHEST-RATED MOAI

Honglei's Lunar New Year Meal

Partner #:	**97**
Department:	**Analytics**
Years at EdgePoint:	**3.6**
Moai date:	**Jan. 20**

Criteria	Weighting	Out of 10	Notes
Taste	**40%**	**8.9**	It's common knowledge that Chinese food is the king of takeout surpassing pizza by the length of the Great Wall, so it's going to travel pretty well. I thought most things were pretty tasty. The spicy, vinegar, soy, garlic cucumber thing is probably my favourite way to eat cucumbers. Beef was tender. Kabobs were not as dry as I was expecting. Dessert is a nice touch. Am I biased? Probably.
Timeliness	**20%**	**10.0**	11:48am. Early is not late. Not too early too.
Quantity	**15%**	**9.3**	Everyone was fed. Some takeout containers to bring the rest home. Thoughtful.
Originality	**10%**	**8.4**	We've done Chinese food before. This style of Chinese was a bit different.
Difficulty	**5%**	**8.6**	Since Chinese is the king of takeout, it shouldn't be that difficult to have it catered, but she also went and taste tested the dishes prior to ordering so I'll give a couple of bonus marks.
Story	**5%**	**9.4**	Chinese food for the Lunar New Year. Seems like a good move.
Something for everybody? (Dietary/allergy)	**5%**	**8.6**	Soy sauce has gluten, who knew? Honglei did so she ordered a separate meal. Smart. Vegetarian friendly? Green beans, cucumber, could probably pick out a few animal bits from the fried rice, I'll give it a passing grade.
Final rating		**9.1**	

LOWEST-RATED MOAI

(We weren't kidding when we said we were competitve.)

Sydney's salads

Partner #:	**94**
Department:	**Sales**
Years at EdgePoint:	**3.6**
Moai date:	**Feb. 24**

Criteria	Weighting	Out of 10	Notes
Taste	**40%**	**8.2**	Salad on a Friday. Bold. Being the first non-family style meal this year, I can only rate what I ate. I had the chicken caesar salad. Actually pretty tasty. You could taste the anchovies in the dressing so it was probably house made. Chicken was fine. Bacon added some texture. Not a bad salad actually. No idea if anything else was good. People seemed to say their salads were good.
Timeliness	**20%**	**6.9**	12:13pm is late. I'd rather have ok food and not have to wait for it than good food but have to wait for it. I was made to wait for a salad.
Quantity	**15%**	**7.2**	I'm giving a neutral type rating here. On the one hand, there were enough salad bowls for everyone. On the other hand, I ate my other hand because I'm still hungry and eating more salad is not really satiating.
Originality	**10%**	**6.8**	We've done salad before and they typically suck. This one wasn't bad.
Difficulty	**5%**	**7.5**	I guess having the restaurant make individual salads was probably more difficult than family style. But that's more diffculty on the restaurant's part. Dunno.
Story	**5%**	**7.2**	Not sure if there is any story. Sydney loves salads? Another Moai where half the company was in another lunch though.
Something for everybody? (Dietary/allergy)	**5%**	**9.9**	Meal salads are generally pretty dietary friendly. I think there were non-meat salads and maybe other than some dressing that might have gluten in them, probably checks all the boxes unless you're allergic to lettuce.
Final rating		**7.7**	

S W A G

#notfree

Shop guilt-free on our site as profits help lower investors' fees!

Many fund companies hand out "freebies" plastered with their logos. Guess who pays for those golf balls, pens or hats that you never use? The end investor, via fund fees.

In this regard, we'd rather be the "George Costanza" of the mutual fund industry. In one classic episode of Seinfeld, George does the complete opposite of what most people would do – and he gets good results!

The profit will help lower fees and (all else being equal) increase our investors' future returns, so you can shop guilt-free.

EDGEPOINT IN NUMBERS

A YEAR IN REVIEW

As at December 31, 2023

Long-term investors

61,718

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

9.87%[i]

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*
2022: *277,430*
2023: *290,024*

How much money we've made our investors

$17.6B

Our investors have $17.6 billion more than what they initially invested with us.

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[ii]

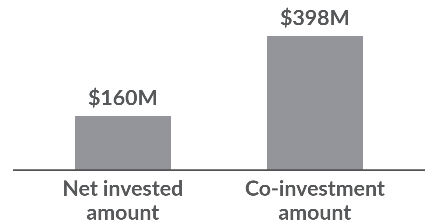
$165M

Start with our simple product lineup (fewer transactions between funds), with no deferred sales charge purchase option (less administration) or costly marketing department/ advertising. Add a bunch of other little things and it all amounts to a big break for our investors.

*Co-investment**

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 the willingness to look long term paid off.

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



[i]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, 2023. Please refer to the funds' standardized performance on page 15. 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.

[ii]As at December 31, 2023. 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. Fee savings for EdgePoint Monthly Income Portfolio calculated from 2022 onward. Category average MERs provided by Strategic Insight as at calendar year-ends from years 2009 to 2017. Morningstar Direct used from year 2018 onwards. Category average MERs of fee-based series funds excluding institutional series 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, Canadian Fixed Income, Global Fixed Income and Multi-sector Fixed Income. Only active funds for each calendar year were used in the calculation. For funds that have not reported 2023 MERs by March 12, 2024, the 2022 MER was used. Fee savings are an approximation.

Cymbria Investor Day

1,022
Total attendance

520 In-person | **502** Virtually

Online

50 Inside Edge posts

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

2,036 subscribers

EDGE-ucation

We've been running financial literacy camps for kids across the country since 2013. This year included stops in Toronto, Montreal and Edmonton.

53
Attendees

Topics covered

Inflation
Compounding
Investments
Human mind

Competitive EDGE

We both work hard and play hard at EdgePoint. That's especially true on the pitch and court, with the inaugural seasons for both our soccer and basketball teams. There were some highs that weren't reflected in the standings, but we're proud of the foundation we're building for the long term!

Basketball
W: 3 L: 7

Soccer
W: 7 L:8

Communicating with our advisor partners

No matter where they are, we're always available to provide timely updates and constant support to our advisor partners.

Here are some of the ways we kept in touch in 2023:

The Investment Team

1,300
conversations with advisor partners.

40 cities in **six** provinces
Younger members of the Investment Team attended dinners with future advisor partners.

5 videos
recorded where team members shared their insights directly from conferences, meetings and more!

The Relationship Management Team

Conducted more than
5,100
meetings and calls with our advisor partners.

New to EdgePoint?

This year we put together some quick guides on the EdgePoint website to show why we might be a good fit for you.

Why EdgePoint

Why EdgePoint Fixed income

We answered over **3,548 phone calls** from our partners.

Our Operations Team saved **45 days** of work by implementing process improvements.

Employee partnerships

We're 88 partners strong. In 2023, we hired 12 new partners.

The average tenure of an EdgePointer is 7.6 years.

We weren't just sweating on the sports fields. We challenged our intestinal fortitude with various hot sauce challenges. Ontario's Purple Tongue was probably our favourite Canadian entry, but there were sauces made from peppers with "Reaper", "Scorpion" and "Ghost" in their name.

10-YEAR

EDGEPOINTERS CLUB

Celebrating over 10 years of commitment from our internal partners

32 - that's the number of EdgePointers who have committed over 10 years to doing what's right by our clients. We take pride in thinking and acting like owners. We believe long-term thinking from our internal partners will enhance the long-term wealth of our investment partners.

Geoff MacDonald (15)	**Sandro Panella** (15)	**Cesare Rizzuto** (12)
Tye Bousada (15)	**Sarah Ford** (15)	**Michelle De Marco** (12)
Patrick Farmer (15)	**Norman Tang** (14)	**Alan Lynam** (12)
Geoff Goss (15)	**Pho Lai** (14, retired)	**Etienne Leblanc** (11)
Diane Rossi (15)	**Greg Lagasse** (14)	**Tim Ng** (11)
Nataliya Goreva (15)	**Frank Mullen** (14)	**Andrew Pastor** (11)
Richard Djakovic (15)	**Nicholas Telemaque** (14)	**Robert Mavrak** (10)
Olivia Kao (15)	**Pierre Novak** (14)	**Heather Petrella** (10)
Malcolm King (15)	**Matilde Vizinho** (13)	**Anna Nepravishta** (10)
Craig Advice (15)	**Teresa Di Ruscio-Rizzuto** (13)	**Harry Burke** (10)
Sayuri Childs (15)	**Sylvie Robert** (13, retired)	

Two internal partners reached their Point B in 2023 - Pho Lai and Sylvie Robert.
We'll miss them both and they'll always be EdgePointers to us!

10-YEAR CLUB

Celebrating 10 years of partnership

We thank you for entrusting us with your clients' hard-earned wealth – we understand the gravity of that responsibility.

612 - that's the number of advisors who have partnered with EdgePoint for 10 consecutive years or more. We have confidence they will continue to help build wealth for their clients and we hope this list inspires future members of the 10-year Club for generations to come.

Below, we want to publicly thank those advisors who have partnered with us for the long term.*
Note – bolded names are those who have partnered with us for 15 years!

Robert Abboud & Mathieu Paradis
Nikki Adam
Terry-Lynn Adamson
Mitch Aidelman
Christine Albert
John Alexander
Kate Allard
Doris Allard
Michael Allington
Laura Allpress
Stephen Alport
Dave Anderson
James Anderson
Steve Antolcic
Josh Arenburg
Michael Arts
Stephen Atkinson
Ron Azotini
Edward Baartman
Kirk Baines
Paul Bajus
Greg Bakeeff
Jonathan Ball
Bruno Ballarano
Steven Barnes
Jennifer Barr
Christie Bartram
Jody Batrynchuk
Yvon Bazinet
Howard Beals
Darcy Bears
Jacques Beaulieu
Mark Belknap
Rod Bell

Paul Belous
Terry Bennett
Terry Betts
Steve Bews
Clarence Bick
Brad Bickley
George Biggar
Rona Birenbaum
Daniel Bissonnette
Vincent Bissonnette
Sherry Blamey
Gary Bliss
Diane Boivin
Alexandra Boland
Ryan Borst
Ray Bosveld
Brendan Boyd
Peter Boyd
Todd Boyd
Andrew Bradshaw
Allan Bramson
Greg Briggs
David Brodigan
Steve Brophy
Claude Brouillard
Chris Brown
Karla Bruce
Emily Buck
Katie Buck
Thomas Buck
François Bui, Lessard Gilbert Brui Inc.
Jeffrey Burgoyne
Diane Burns
Mary Ellen Byrne

Sean Byron
Bytown Wealth Management
Cabinet de services financiers Charron
Eleanor Calderwood
Jason Caldwell & Evasia Patrianakos
Errol Callbeck
Brian Callery
Matthew Campbell
Jason Campbell
John Cardillo
Watt Carmichael
Serge Caron
Graeme Carr
Ashley Carruthers
Jim Carta & Brett Slutker
Kathryn Carver
Bob Cawston
Marc Champoux
Victor Chan
Chandler Khan Group
Ivan Chang
David Charlebois
Brad Charlton
Karine Chartrand
George Chase & Kirk Chase
Kyle Chatfield
Vicki Chatterley
Nick Childs
Edmond Chin
Adam Chouinard

Louise Chow
Rob Chown
Shawn Christianson
Jim Chronopoulos
Rudy Chung
Jason Ciceri
Mike Ciotti & Jon Cavanagh
Citadel Investment Group
Gord Clark & Graeme Strang
Elyse Clements
Ron Cobban
Margaret Cockerill
Commonwealth Financial
Les Consenheim
Jason Cook
Patrick Cooke & Jeffrey Katzin
Bob Cormier
Dan Correia
Kirk Costello
Martin Coté
Karen Coupland
Curtis Cousins
Joe Crawshaw
Amy Cronkwright
Wayne Crowder
Stephen Cudmore
Michel Cusson
Jordan Daiter
Brenda Damphouse
Ray Danbrook

Wayne Daneliak
Jodi Dark
Donald Dasti
Evan Davies
Jim Davison
Joseph Dawson
Yogender Dembla
Fern Desa & Steve Moore
Michel Desnoyers et Tania Janelle
Jordon Dezotell
Amy Dietz-Graham
Eric Dionne
Ian Dixon, Colin Dixon & Tom Kelly
Darcie Doell & Laurianne Osmak
Brendan Donahue & Sara Worley
Cindy Dorais
Gabriel Doré
Michael Dorfman
Karen Dorman
Carla Dos Santos
Zahir Dossa
Kristine Douglas
Deryl Drysdale
John Duke
Germain Dumas
Kurt Dunn
Sean Durkin
James Durnin
Robert Fanucchi

Thank you for your trust. We work hard every day to be worthy of it.

**We didn't include every 10-Year Club member to respect their privacy or dealer compliance requirements.*

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Nancy Farran
Mike Farrell
John Feldcher
Dave Ferland
Jim Ferrier
Vanson Field
Sean Figueroa
Dietz Financial
Jack Financial
Paul Fisher
Lee Fisher
George Fisher
Ruth Fleming
Patrick Flemming & Tara-Lynn Byron
Thane Fletcher
Shawn Flick & Jonathan Batch
Daniel Dussault
David Dutton
Joseph Dwyer & Sean Dwyer
Warren Edgar
Jason Elford
Luke Ellis
William Ellis
Mary-Lou Emmett
Équipe Conseil Dion Parenteau
Rod Fahey
Graham Fallis
Joe Fanaki
Letitia Fluit
Michael Flus
Tom Fodey

Darren Fong & Donny Woo
Danny Fonseca
Tom Foran Jr.
Donald Forbes & Erik Forbes
Cam Forer & Derek Hassen
Patrick Fortin
Pierre Francoeur
Carl Fraser
Jacquie Fraser
Jan Fraser
Brian Fredericks
Gordon French
Fabian Frendo
Steven Frendo-Jones
Jonas Friel
Neil Fritz
Chris Frost
Greg Frost
Rob Fry
Michel Fugère
Derek Fulton
Dan Gardiner
Andy Garvik
Neal Gaudet
Jean-Pierre Gélinas
Dave Gemmell
Gibson Titley Group
David Gifford
Patrick Gilmour
Hilary Gleason
Eddy Goertzen & Franz Rempel

Howard Goodman
Greg Gosine
Steve Goulet
Nadrine Grace
Jason Graves
Alex Grecoff
Andrew Greene
Jonathan Greenwald
Lorne Greenwald
Reg Gregory
Bert Griffin
Brad Gross Wealth Advisory Group
Groupe conseil Allard Rousseau Dubé
Chris Grypma
Rob Grypma
Richard Guay
Jean-François Guay
Dany Guillemette
Tamara Haczkewicz
Wayne Hamill
Anne Hammond
Philip Harland
Ron Harper, Kali Peebles & David Spencer
Sean Harrison
Paul Hartford Wealth Management
Debbie Hartzman
David Hawkey
Michael Hayden
Kevin Hayes
Chris Heinrich & Associates

Barry Hennigar
Kevan Herod
Floyd Hill
Curt Hillier
Terry Hofkirchner
Bernie Holland
John Hope
Dale Horsley & Mark Horsley
Alexandra Horwood
Joan Hoskinson & Eeva Niemi
Bill Howe
Jason Howes
Mark Hudon
Deb Hudson
Brandon Hune
Anne Huntley
Ryan Husk
Gene Irwin
Adam Ivkovich
Mick Jackson
Edmund Jacques
Rachel Jae Sutton
Christian Jaehn-Kreibaum
Ian Jenner, Jamie Geisler & Tony Sutey
Karen Jensen-Tehse
Brian Johnson
Leo Johnson & Ben Johnson
Brian Johnston
Andrew Johnston
Toby Johnston-Stewart

David Jones
Mark Jordan
Shane Jorgenson
Joshua Vekeman Team
Paul Kalmin
Paul Kane
Frank Katsilieris & John Cruise
Jamie Keenan
Jeff Keizer
John Kelly
Bruce Kelsch
Marilyn Kennedy
Ida Khajadourian
Jay Kilgannon
David Kim
Al Kimber
Anne Kinzie
Richard Kizell
Paul Knight
Martin Kobayashi
Kelly Kohanski
Deb Kohlsmith
Sandy Kosak
Dwight Kosior
Gary Koss & Lexy Koss
Richard Kowalchuk
David Kraemer
Jeffrey Kraemer & James Kraemer
Mario Kralj
Joel Kruzich
Kenneth Kurtz, Ryan Kurtz & Ed Kurtz

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Tim L'Heureux
Doug Lagasse
Heather Lagasse
Olivier Lalonde
Gary Lambert
Kiel Landrigan
Greg Landry
Lyle Langlois & James Brown
Robert Laurin & Michael Laurin
Ethan Lauscher, Shannon Sabey & Dahlin Sabey
Carrie Lavack
Nicole Lavigne
Kevin Lawlor
Richard Lax
Tony Lazzaro
Martin Lecavalier
Jean-François Leclerc
Benoit Leclerc, Patrice Landry et Emile Bérubé Beaulieu
René Lemieux
Denis Lemieux et Jérémie Lemieux
Sonia LeRoy
Martin Lesage et Jean-Pierre Grenier
Gary Lewin
Doug Leyland
Henry Liao
Mark & Kelly Lipton
Tom Liska
David Lord

Mike Louli
LSBB Family Office
Joe Lubertino
Vicki Lungu
John Lunz
Quyen Ly
Ralph MacDonald
Tyler Macdonald
Peter MacDougald
Dave MacFadyen
Andrew Macgillivray
Craig Machel
John Mackay
Jocelyn MacKenzie
Bill MacLean
David MacLeod
Frank Maher
Barbara Malone
Maloney Elliott Group
Shawn Malvern
Larry Mandseth & Ryan Lightfoot
Bob Manning
Michel Marcoux
Michel-Olivier Marcoux
Mark Mariotto
Andrew Martens & Peter Martens
Andy Martin
Brenda Masse
Harry Matheis
Yvan Mathieu
Mark Matsumoto
Andrew Mayhew
Kevin Maynes
Kevin McAdams

Clayton McClung, Mitchell McClung & Robert Shimbashi
Peter McCormick
Brian McCorquodale & Liam McCorquodale
Andrew McCully & Adam Ivkovich
John McDonald
Herb McFaull
McGale Duquette Durand Dufour Team
McGlade McGoey Team
Paul McKenna
Lachlan McLachlan
Hugh McMullan
Michael McRae
Alex McVean
Rob Merchant
Chris Meyler
Bote Miedema
Aaron Migie
Nino Miksic
Jonathan Miles
Ian Millar
Doug Milne
Timothy Ming & Max Ming
Chris Minnema & Peter Minnema
Howard Mix
Remo Monti
Frank Moore
Paul Moskal
Michael Mott
Mark Mountjoy

Sara Moynan
Robert Mulrooney
Stephen Murray
Isaac Musial & Stephen Musial
Mike Myrden
Nash Family Wealth Management
John Neely
Klay Nelson
Mark Neufeld
Doug Newlands
Dave Nichol
Bob Nicholls, Erik Nicholls & Scott Nicholls
David Nickle, Stuart Hay & Bradley Weed
Aaron Niman
Andrew O'Brien
James O'Brien
Trina Odd
Keith Odegard & Annika Cheyne
Ken Ogaki
Grant Oram
John Ord
Wesley Oulton
Bob Owens
Oyler Group
François Paduano
Charles Parent, Carl Parent et Eric Bujold
Jeffrey Parks

Wade Perkins
Danny Pero
Jamie Peters
Ryan Peterson, Dan Wilde, Mason Sheen & Monique Atkins
James Phair
Gregory Phelan
Robert Phelps
Marie Phillips
Denis Piché et Benoit Blondin
Brent Poirier
Garth Postans
Claudel Prévost
Matt Price & Matt Brennan
Janet Pringle
Tim Pritchard
Adam Prittie
Michael Prittie
Maude Provencher
Greg Pullman
Vincent Quesnel
Shawn Quinn
Rishi Ramberran
Chad Rathgeber
Andrew Raymer
John Redsell
Chad Reich
Dawna Reid
Colin Reid
Andrew Reitknecht
Neil Rempel

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Geoff Renouf & Scott Stewart
Karl Reuber
Ken Richards & Mary Richards
Bonnie Richmond
Ken Ripplinger & Jake Ripplinger
Keith Rissling
Sharon Rizzuto
Jeff Rockel & Dale Rockel
Christophe Rodrigue
Phillip Rogers
Lee Rorabeck
Larry Ross
Jonathan Ross
Stephen Ross & Sterling Ross
Stephen Roster
Karen Rotz
Roger Rowan
Marc Roy
Alexandre Roy
Michel Roy
Claude Ruest et Charles Olivier St-Laurent
Hugh Russell
Edward Sabat
Paul Sabat
Claude Sampson
Nicol Sanchez Wealth
Josh Santa-Barbara
Mark Sapp
Jill Saunders

Matt Saunders
Rene Sauve
Marie-Claude Savard et Yannick Paquin
Bona Savone & Tanya Sealey
Spencer Schellenberg
James Schofield
Jeff Scruton
Natalie Sears
Bob Seel
Melanie Segal
Michael Sharp
Paul Shea
Paul Shirer & Conor Gfroerer
Celina Shoji
Oscar Signoretti
James Simon
Brett Simpson & Jon Knutson
David Sinclair
Don Skochinski
Peter Slykhuis & Kirk Schneider
Kevin Smiley
Kevin Smith
Scott Smith
Robert Smith & Blair Isaac at Robert Smith Financial
Trevor Sosin
Laura Southall
Greg Southgate
Greg Spencer

Bob Spiers
Gus Spiliakos
Trent Stanley
John Stergiu
Kyle Stevenson
Greg Stoddard
Andy Stokes
Ken Stroud
Équipe Sylvain Dugas
Szego Jones Lawrence Wealth Management
Laszlo Szojka
Wendy Tassé
Mark Tavares
Patrick Taylor
Debbie Taylor
Bridgette Taylor
Pauline Terry
The Brown Bate Wealth Advisory Group
The Cattelan Team
The Goldhar Group
The Hawkins Pape Campbell Braun Group
The Morse Team
The Smith Team
The White Thompson Group
Mario Thibault et Nicolas Foucher
Monika Thomas
Laura Thompson
Eric Thomson
Ted Thomson
Troy Thomson

Jocelyn Thouin
Tony Tiberi
Ronald Tilstra
Tino Todaro
John Tough
David Tourangeau
Dean Trimble
Kathy Tripodi
Steve Tripodi
Gary Tripps
Peter Tsakiris
Cecilia Tsang
Tucker Willson Group
Darrell Turnbull
Groupe Turpin
Rod Tyler
Randel Tyler
Glen Urquhart
Mike Vamvakaris
George Van Arragon
Edward Van Der Kooi
Carey Vandenberg
Justine Vanos
Andrew Vernon
Sergio Vial
Vera Vlaovich
Lonn Vokey
Wayne Vokey
Bill Vollmer
Mark Wadey
Tim Warkentin
Jonathan Watkins
Adam Watson
Robert Watson
David Webb

Deborah Webb
Jared Webb
Pat Weir
Shane Weiss
Scott Weldon
Trevor Wells
Rene Welz & Aaron Kehr
Mark Wemp
Greg White
White LeBlanc Wealth Planners
Martin Wickham
Eric Willerth
Jon Williams
Richard Williams
Jim Wilson
Jeff Wilson
Chris Winrow
Marilyn Withage
Darren Wolpert
Kelly Wood
Mary Ellen Wooddisse
Chad Woolsey
Chris Wright
Wunderlin Moreau Cliche Szaraz Team
Aiko Yamada Charlton
Scott Yates
Kendall Yeomans
Bogdan Yordache
Beverly Young & Rachel Young
Randy Zayshley
Brian Zonailo

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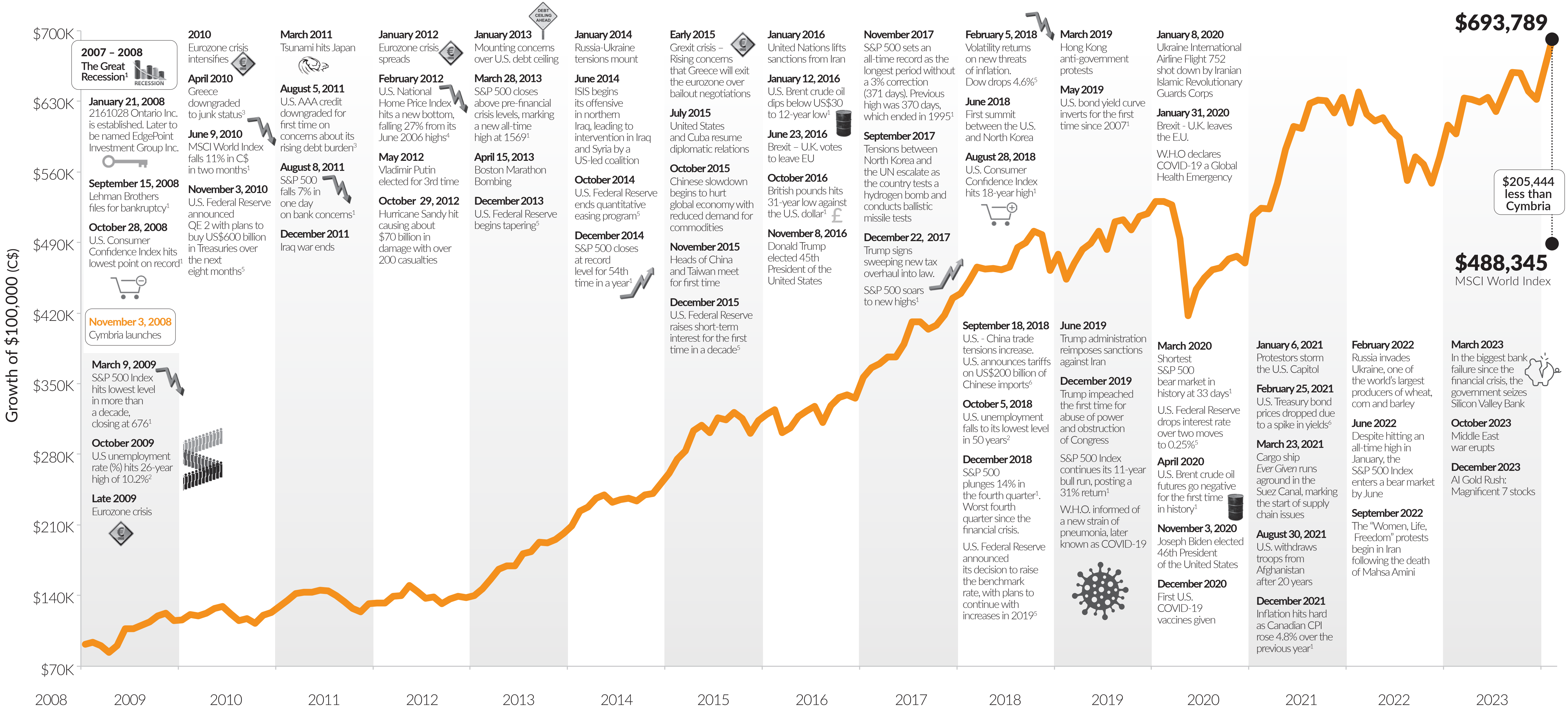
CYMBRIA ON THE MOUNTAIN CLIMB

FOOTHILLS CHART 2008 to 2023

CYMBRIA®

Fall 2008 was a bleak time for most, as investors struggled with the impact of the credit crisis, numerous bank failures and one of the worst recessions in recent memory. For those armed with a proven investment approach, a period of volatility was an opportunity to commit their savings along with like-minded individuals to raise $234 million to launch Cymbria in November 2008.

The following years brought events that shook investor confidence, although many assumed we wouldn't see anything similar to 2008. Those with longer memories know that nothing is certain. Each year's worries remind us about the importance of having a foundational investment approach. It can save you the futility of trying to predict macro events, while helping you stay invested through short-term volatility. Events such as those shown below provided the opportunities that helped us deliver pleasing returns to investors.



The headlines and events shown are not offered to explain market returns. They serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions solely based on news. The chart illustrates the growth of a $100,000 from November 4, 2008 to December 31, 2023. Source: [1]Bloomberg LP. [2]U.S. Bureau of Labor Statistics. [3]Standard & Poor's Financial Services, S&P Global Ratings [4]Standard & Poor's Financial Services, S&P CoreLogic Case-Shiller U.S. National Home Price Index [5]U.S. Federal Reserve [6]Office of the United States Trade Representative (USTR) [6]FactSet Research Systems Inc. The S&P 500 Index is a broad-based, market-capitalization-weighted index of 500 of the largest and most widely held U.S. stocks. The MSCI World Index is a broad-based, market-capitalization-weighted index comprising equity securities available in developed markets globally. The indexes are not investible. We manage Cymbria independently of the MSCI World Index we use as a long-term performance comparison. Differences including security holdings and geographic/sector allocations may impact comparability and could result in periods when our performance differs materially from the index.

As at December 31, 2023. Cymbria Corp. Class A aNAV performance (annualized): 1-year: 16.08%, 3-year: 9.83%, 5-year: 8.86%, 10-year: 12.01%, 15-year: 14.31%, since inception (Nov. 4, 2008): 13.63%. Total returns in C$. Commissions, trailing commissions, management fees and expenses may all be associated with Cymbria Corp. Please read the Annual Information Form before investing. Copies are available at www.cymbria.com. Unless otherwise indicated, rates of return for periods greater than one year are historical annual compound total returns net of fees including changes in share value and reinvestment of all dividends, and do not take into account any sales, redemption, distribution or optional charges, or income taxes payable by any securityholder, which would have reduced returns. Its value is not guaranteed, its value changes frequently and past performance may not be repeated. This is not an offer to purchase. This document is not intended to provide legal, accounting, tax or specific investment advice. Information contained in this document was obtained from sources believed to be reliable; however, EdgePoint does not assume any responsibility for losses, whether direct, special or consequential, that arise out of the use of this information. Portfolio holdings are subject to change. Cymbria is managed by EdgePoint Investment Group Inc., a related party of EdgePoint Wealth Management Inc. EdgePoint® and Business Owners Buying Businesses™ are registered trademarks of EdgePoint Investment Group Inc. Published December 31, 2023.

Management's Discussion & Analysis of

CYMBRIA CORPORATION

Year ended December 31, 2023

CYMBRIA®

Management's Discussion and Analysis ("MD&A") provides a review of Cymbria Corporation's ("Cymbria") financial results for the year ended December 31, 2023 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 IFRS Accounting Standards to provide information about Cymbria.

The following MD&A is the responsibility of management and is dated March 19, 2024. 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 2023 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 Accounting Standards. 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 future changes to income tax rates. In addition, $33.7 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, 2023 ('000s)	Dec. 31, 2022 ('000s)
aNAV	$1,622,289	$1,405,892
Less: Deferred income tax liability	(61,321)	(41,380)
Shareholders' equity	$1,560,968	$1,364,512

- 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, 2023	Dec. 31, 2022
Adjusted net asset value per share	$ 69.38	$ 59.77
Less: Deferred income tax liability	(2.64)	(1.76)
Shareholders' equity per share	$ 66.76	$ 58.01

Class J	Dec. 31, 2023	Dec. 31, 2019
Adjusted net asset value per share	$ 77.86	$ 66.84
Less: Deferred income tax liability	(2.94)	(1.97)
Shareholders' equity per share	$ 74.92	$ 64.87

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 2023, Cymbria invested in a collection of 53 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 593.8% and the cumulative return of Cymbria's Class A shareholders' equity since inception is 567.6%.

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

2023 was a year marked by two wars: continuing conflict in Ukraine and violence in the Middle East.

From a market perspective, concerns over rising interest rates and high inflation subsided, while enthusiasm for artificial intelligence technology hit an all-time high.

For the year, the S&P 500 Index was up 22.3%, the MSCI World Index up 20.5% and the S&P/TSX Composite Index up 11.8 % (net total returns in C$; Source: FactSet).

The returns of the S&P 500 and the MSCI World Indices were mainly due to the performance of a small group of technology stocks, also known as the Magnificent Seven. This group is composed of Apple, Alphabet (Google), Amazon, Meta Platforms (Facebook), Microsoft, Nvidia and Tesla. These businesses accounted for roughly 66% and 47% of the 2023 gains of the S&P 500 and MSCI World Indices, respectively.

We continue to focus on what we believe we have an edge in – finding proprietary insights, which are the ideas we have about a business that aren't widely held by others. They usually explain why we think we can buy the business at an attractive price.

We don't shy away from the opportunity to buy businesses with high near-term uncertainty at a reasonable price, where we have an idea on how they can be materially bigger five years from now, regardless of the macroeconomic environment. This usually results in Cymbria looking significantly different from its benchmark index, the MSCI World.

During the year, we purchased 17 new businesses in Cymbria, while increasing our positions in six existing businesses. In 2023, 16 businesses were exited.

Outlook

Predicting the future of macroeconomic factors is not an edge we possess. It's the quality of proprietary insights in businesses we invest in, that gives us an edge.

In addition, the structure in which Cymbria operates allows us to take the road less travelled.

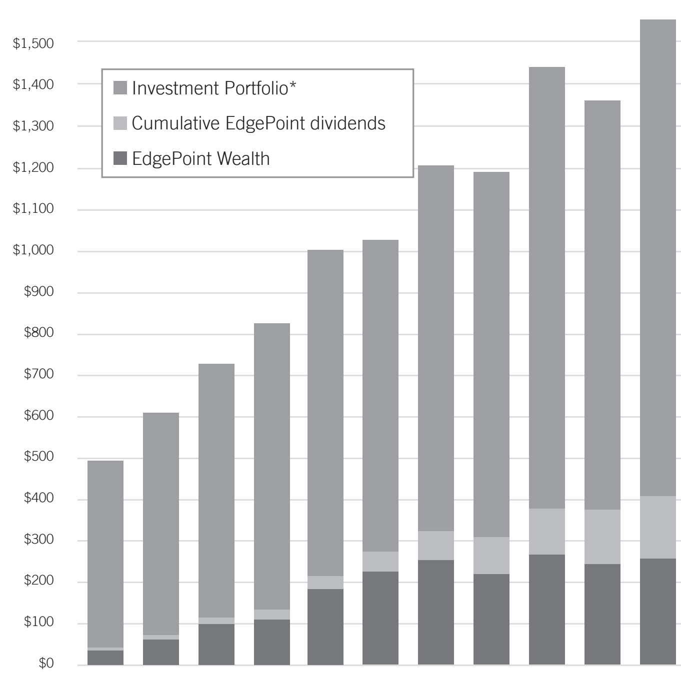
- No silos or style buckets: It doesn't matter where our businesses are headquartered, or whether they're classified as growth or value, mid-cap or small cap, dividend paying or not. Our Investment Team is empowered with the ability to follow an idea anywhere in the world without worrying about straying beyond the confines of a specific universe.
- No benchmark risk: We pay no consideration to whether a business entering Cymbria is held in the benchmark or not. When performance is measured against a benchmark, not owning large names in the index is not prudent, as that can pose a career risk. Our Investment Team's performance is not measured against an index.
- Long-term focus: In an industry that's obsessed with the short term, we have a narrow and disciplined focus on the long term. Short-term uncertainty is what typically allows us to buy businesses that we believe will be materially bigger in the future.
- Low turnover: Our approach is to buy good, undervalued businesses and hold them until the market fully recognizes their potential. Sometimes that can take a while. We're not judged or incentivized by the number of new names we produce every year, so we have the time to do the research needed to develop a proprietary insight.

Our greatest edge is our time-tested investment approach and ongoing ability to find proprietary insights, while it's our unique structure that ensures this approach can continue to compound wealth for our families and yours, uninterrupted. We're excited about the collection of businesses that we own within Cymbria.

Overall performance

For the year ended December 31, 2023, Cymbria's shareholders' equity increased 14.4% to $1,561 million (December 31, 2022: decreased 5.6% to $1,365 million). The increase in shareholders' equity is largely attributable to investment performance, which is discussed in the Investment performance section of this report.

Shareholders' equity ('000)



*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.	$	254,982
Dollar Tree Inc.		71,453
Mattel Inc.		57,316
Norfolk Southern Corporation		56,213
Berry Global Group Inc.		52,293
Computer Modelling Group Limited		51,762
Restaurant Brands International Inc.		49,740
Blend Labs Inc.		39,462
Osisko Gold Royalties Limited		38,024
Fairfax Financial Holdings Limited		37,207
Elevance Health Inc.		37,015
Ross Stores Inc.		34,320
Brookfield Corporation, Class A		31,775
Lincoln Electric Holdings Inc.		30,861
RB Global Inc.		30,606

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:

- Computer Modelling Group Ltd.

  We first purchased Computer Modelling Group (CMG) in July 2020. CMG is a provider of reservoir simulation software to hundreds of customers globally, including several of the largest oil & gas companies. The product is mission critical but only represents a small portion of a customer's overall budget, resulting in highly attractive unit economics (greater than 40% operating margins). We believe there are multiple ways for our investment in CMG to be profitable, including organic growth, margin expansion and M&A/capital allocation. We also believe the downside risk is well mitigated by through-cycle profitability and a net-cash balance sheet. The stock price increased 73.8% (local currency) over the year and Cymbria's unrealized gain in the business increased by $25.0 million.

- SAP SE

  We first purchased SAP in January 2021. SAP is the world's largest provider of Enterprise Resource Planning (ERP) software. ERP is mission critical for large companies as it helps integrate products, collect data, and then analyze and interpret that data. Once a customer has integrated their data in an ERP system, it becomes a significant undertaking to switch software programs. SAP announced the sale intention of its ownership stake in Qualtrics, which monetized an undervalued asset. SAP continues to demonstrate success converting customers from its on-premise ERP to its cloud offerings. The stock was up 44.7% (local currency) over the year and Cymbria's unrealized gain in the business increased by $7.2 million.

- Blend Labs, Inc.

  We first purchased Blend Labs in Cymbria in January 2023. Blend is a software company that is the top provider of point-of-sale mortgage software in the U.S. We have followed the company for years as they have achieved a phenomenal level of success in a similar end-market as our own private financial technology business. Over the last 11 years, their founder Nima Ghamsari has built a business that boasts a 20% market share in the U.S. and one of the industry's best customer reference lists, while building a customer-oriented and engineering-led culture.

  The rise in interest rates throughout 2022 and into 2023 caused a 91% decline in refinancing volumes and a 75% decline in overall mortgage volumes, resulting in a sharp drop in revenue for Blend given their transaction-based pricing model and an even sharper drop in gross margins and profitability. Correspondingly, Blend's share price declined by more than 90% by January 2023. This was further compounded by the regional banking crisis in March 2023 that caused the share price to decline by another 60%. By May 2023, the market's view of the business ignored all of their successes and instead valued Blend as a company that might end up in bankruptcy amid a short-term decline in mortgage volumes. Despite these headwinds, we saw a company that was taking share in the mortgage market, growing rapidly in other consumer-lending products outside of mortgages, and a management team that was making the tough decisions to adjust the cost structure to a lower mortgage volume environment. We took advantage of the market volatility to add to our position over the course of 2023.

  By the end of the year, Blend had meaningfully reduced their costs and used excess cash to pay down debt. While mortgage volumes have rebounded from their lows, they are still more than 60% lower than 2020 levels. We expect management to continue to improve Blend's competitive position and be in an even better position to capitalize on higher mortgage and lending volumes in the future. The stock was up 77.1% (local currency) and Cymbria's unrealized gain in the business was $19.3 million for the year.

- Qualtrics International, Inc. Class A

  We first purchased Qualtrics in Cymbria in July 2022. Qualtrics is a software company that is the global leader in experience management software. What was originally designed for universities to run surveys more efficiently has evolved into an enterprise software solution for gathering feedback from millions of customers and managing those relationship effectively. When we invested in the business, the market viewed the company as the survey business from 10 years ago, whereas customers now see them as an important solution to help measure, differentiate and improve the customer experience. As companies become more proficient at data collection and management, and utilize more data to better operate their business, we see a long runway for Qualtrics to continue growing with their existing customers. The market typically does not like the idea of near-term decelerating revenue growth, but we saw a long-term opportunity to buy a strong business where we're not being asked to pay for future growth.

Unfortunately, in March 2023, Qualtrics announced that it had entered into an agreement to be acquired by Silver Lake. Following the takeover announcement, Qualtrics' share price rose close to the offer price, and we sold our position in the business. Our holding period return was 55.4% and Cymbria's realized gain on shares sold during the year was $12.1 million.

There were no businesses that had a meaningful negative impact on shareholders' equity during the year.

Businesses purchased

During the year, we purchased stakes in 17 new businesses. A few of the largest purchases, in terms of significance to Cymbria as at December 31, 2023, were:

- Norfolk Southern Corp.

  Norfolk Southern is a U.S. railway company that had faced a notable setback with a well-publicized derailment earlier in 2023, leading to share price volatility. While the incident raised concerns, it has been resolved from safety and environmental standpoints. Despite challenges and increased spending to restore networks, we expect this to be a short-term issue.

  In the broader context, the railway industry is experiencing an atypical period given an 18-month freight recession. Factors like a shift from goods to services, supply-chain constraints and post-pandemic inventory destocking have significantly impacted rail volumes, which are now 10% lower than pre-COVID levels.

  This offers a cost advantage and a cyclical opportunity when volumes rebound. Despite current low rail volumes and high spending, history shows that this is a favourable entry point.

  We believe three scenarios can play out:

  1. Rail volumes return to previous levels. It's important to note that increased volumes don't incur incremental costs, so it may result in a 40% earnings increase.
  2. Margins return to historical levels as spending decreases, which could result in a 30% earnings increase.
  3. The best scenario where volume returns to previous levels and margins return to historical levels. In this case, we would expect an 80% earnings increase.

  All the above scenarios assume no expansion of the stock's price-to-earnings multiple. However, since rails are historically pro-cyclical, as volumes increase the multiple might also increase.

  The risk we see is that volumes decline further, and management remains stubborn on costs as they wait for the cycle to end. However, management will eventually have to capitulate. Long term, we believe there are multiple ways to earn a pleasing return with our investment in Norfolk.

- Lincoln Electric Holdings, Inc.

  Lincoln Electric is a Cleveland-based welding equipment company. Welding is a cyclical business relying on demand from volatile end markets like mining, oil and gas, marine and heavy industry. The last 10 years have been challenging for these industries, but Lincoln's flexible cost structure and excellent capital allocation have allowed the company to compound at roughly 15% annually since 2011, despite the weak end market.

  This was achieved by buying back approximately 30% of shares outstanding, returning about US$2 billion in dividends and using remaining free cash to acquire small bolt-on automation businesses. Today, the automation business comprises 25% of the company, growing at high single digits. The core welding business is also growing, helped by a cyclical recovery in oil and gas and marine, and secular drivers like U.S. reshoring and government infrastructure investments.

  In addition, Lincoln has a unique "call option" making EV fast chargers. The charger used in DC fast chargers is similar to the power management module used in Lincoln's welding equipment, and it took fewer than 10 extra components to convert their welding machine into an EV charger. EV charging was not a market they intended to pursue, but that changed in 2021 when the White House announced up to US$7.5 billion in funding to build a fast-charging network across the U.S. The funding came with strict domestic content and guaranteed uptime requirements, and Lincoln was one of few U.S. companies that met the requirements.

  Lincoln has capacity to produce 6,000 chargers in 2024, at roughly US$100,000 per charger. If the demand materializes, they can easily increase capacity as they're using the same production lines as their welding machines. Lincoln had about US$4 billion in revenue over the past 12 months. If the charging opportunity plays out, it can be a needle mover that we're not paying for today. The opportunity exists because Lincoln's management team is conservative when making promises to investors, while the company has low sell-side coverage. Also, Lincoln doesn't need to raise debt or equity, and analysts are not incentivized to dig deeper beyond what management discloses.

- RB Global Inc.

  Formerly Ritchie Bros. Auctioneers, the company changed its corporate name to RB Global following the successful closing of its acquisition of IAA, Inc. This company (RBA) is a dual-listed heavy equipment auction dealer that's headquartered in Canada but is primarily based in the U.S. In November 2021, the company announced it would acquire IAA in a nearly all-stock merger. Legacy RBA shareholders will own about 60% of the combined RBA-IAA entity, while IAA shareholders will own the rest. IAA is the second-largest salvage vehicle broker in the U.S. In recent years, IAA has lost share to Copart Inc., which is now the top player in the market. Historically, IAA and Copart held nearly equal market share. We believe RBA's management team (who will succeed the pro forma entity), combined with RBA's excess yard capacity, will be a key enabler in ensuring IAA stabilizes its market position. Ultimately, we see the combination of IAA and RBA providing an opportunity for the historical 50/50 market-share split to be restored. We see no reason RBA-IAA can't have the same consolidated earnings power as Copart, yet Copart trades at roughly 2.5x the enterprise value that RBA-IAA currently trades at. Therefore, we see a significant valuation discrepancy should the combined RBA-IAA entity be successful in stabilizing and regaining IAA's market share in the attractive salvage vehicle market.

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 16 businesses. In addition to Qualtrics International Inc. (discussed above), here are the most significant businesses sold based on the holding period investment return:

- Apollo Global Management Inc.

  We first purchased Apollo Global Management in Cymbria in June 2021. Apollo is a global private equity manager, primarily a private credit alternative asset manager, as this business segment represents about 80% of their assets under management (90% of it is investment grade). Apollo was a successful investment as our thesis played out. We sold our position, generating a holding period return of approximately 39.6% and realizing a gain of $11.3 million on shares sold during the year.

- Shiseido Co., Ltd.

  We first purchased Shiseido in Cymbria in February 2015. Shiseido was a material contributor to Cymbria's returns during our holding period. We originally bought the business on the idea that a new leader was going to bring reforms to the business that would increase sales and margins inside the business. Both of these happened. More recently, we grew concerned that Shiseido's competitive position in China was going to be threatened by local competition, so we exited the position. We sold our position, generating a holding period return of approximately 114.2% and realizing a gain of $3.0 million on shares sold during the year.

Portfolio of private equity

Cymbria has the flexibility to invest in both public and private markets. The portfolio of private businesses includes EdgePoint Wealth, a private financial technology company, Homepro Pest Control and newly acquired in 2023: Leading Edge Physiotherapy Clinics. Below is an update on the largest private equity businesses in our portfolio as at December 31, 2023:

- 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, 2023. Since inception, we have received $153.4 million in dividends from EdgePoint and its value in Cymbria has increased to $255.0 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio.

  With the assistance of a third-party valuator, Cymbria's stake in EdgePoint was revalued in December 2023 at a range of $235.3 million to $274.7 million. For financial statement purposes, EdgePoint is valued using the mid-point of the range at $255.0 million, representing a 5.2% increase from its value as at December 31, 2022. 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.

  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, 2023. 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. The uranium spot price has increased as a result of the significant supply deficit that exists in the market. This price increase has been intensified recently as a result of renewed interest from financial players and the geopolitical risks associated with world conflicts. Spot prices today are above marginal cost but there is no meaningful incremental supply coming online until the end of the decade. Cymbria owns and stores physical uranium in a secure and regulated storage facility. This investment in physical uranium had a meaningful positive impact on shareholders' equity during the year. We sold a portion of our uranium position during the year, realizing a gain of $9.6 million.

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, 2023 compared to those for the years ended December 31, 2022 and 2021.

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

Financial performance

	Year ended December 31, 2023 ('000s)	2022 ('000s)	2021 ('000s)
Income			
Net realized gain on investments	$ 55,857	$ 1,378	$ 116,688
Change in unrealized gain (loss) on investments	149,725	(114,868)	145,839
Dividend and interest income	48,008	38,813	38,990
Foreign currency gain (loss)	(243)	(4,412)	1,822
Total income (loss)	$ 253,347	$ (79,089)	$ 303,339
Expenses			
Management fees	$ 10,554	$ 9,508	$ 10,018
Withholding taxes, HST, and transaction costs	3,518	3,674	4,101
Interest expense	2,527	1,490	395
Other expenses	3,498	3,021	2,608
Total expenses	$ 20,097	$ 17,693	$ 17,122
Profit (loss) for the period before taxes	$ 233,250	$ (96,782)	$ 286,217
Income taxes (recovery)	27,041	(16,149)	32,644
Net comprehensive income (loss)	$ 206,209	$ (80,633)	$ 253,573

(a) Net realized gain on investments

During the year ended December 31, 2023, the realized gain on investments was $55.9 million. This included gains on the sale of shares of Qualtrics International Inc. of $12.1 million, Apollo Global Management Inc. of $11.3 million, and Univar Solutions Inc. of $8.4 million. In addition, a portion of the stored physical uranium was sold during the year creating a $9.6 million gain. 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 $149.7 million for the year ended December 31, 2023. 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 Computer Modelling Group with a $25.0 million increase, Blend Labs Inc. with a $19.3 million increase and EdgePoint Wealth Management Inc. with a $12.6 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, 2023, Cymbria received dividends totaling $21.3 million from EdgePoint, representing a 2% increase compared to 2022. 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 $19.6 million for the year ended December 31, 2023. 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, 2023, Cymbria's most significant foreign currency exposure was the U.S. dollar, which as a percentage of shareholders' equity was approximately 40% and we hedged approximately 8% of that exposure. The second largest currency exposure was the Euro which represented 7% of shareholders' equity and we hedged approximately 17% of that exposure.

Cymbria did not have a hedge in place for its investment securities denominated in the Japanese yen, 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 fluctuations during the year ended December 31, 2023, Cymbria had a $0.2 million net realized and unrealized loss.

(e) Expenses

Management fees for the year were $10.6 million, up 11% from 2022. 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, 2023 were 0.83% for Class A shareholders and 0.41% for Class J shareholders.

Financial condition

	Dec. 31, 2023 ('000s)	Dec. 31, 2022 ('000s)	Dec. 31, 2021 ('000s)
Assets			
Investments	$1,534,607	$1,315,158	$1,417,533
Cash and cash equivalents	138,841	104,535	97,423
Other assets	4,074	1,787	1,453
Income tax recovery	–	16,564	–
Total assets	$1,677,522	$1,438,044	$1,516,409
Liabilities			
Foreign exchange forward contracts	$ –	$ 284	$ 244
Income taxes payable	3,286	–	9,458
Accrued liabilities	173	399	97
Credit facility	50,000	30,050	2,550
Deferred share unit plan	1,774	1,419	1,414
Deferred income tax liability	61,321	41,380	56,976
Total liabilities	$ 116,554	$ 73,532	$ 70,739
Shareholders' equity	$1,560,968	$1,364,512	$1,445,670

(a) Investments

Cymbria's investments as at December 31, 2023, primarily consists of a portfolio of public securities of $1,192.5 million and private equity of $298.1 million, including an investment in EdgePoint of $255.0 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 $34.3 million from the end of 2022 is primarily due to the net amount drawn on the credit facility of $20.0 million and cash generated by operating activities of $24.8 million. 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 $3.3 million is a result of the required income tax installments for 2023 being larger than Cymbria's income tax liability as at December 31, 2023.

(d) Credit facility

In March 2023, Cymbria amended and renewed the credit facility. As part of the amendment, Cymbria drew $25 million on a fixed term of 7 years. The total amount outstanding as at December 31, 2023 was $50 million.

(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, 2023, Cymbria issued 3,516 units and the total value of the plan increased by $0.4 million from 2022.

(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, 2023, Cymbria's deferred income tax liability is presented net and it is comprised of a liability on the unrealized gain on investments of $61.5 million, offset by an asset on deferred share units of $0.2 million. Included in the deferred income tax liability is a $33.7 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, 2023 and March 19, 2024 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at December 31, 2023 and March 19, 2024, there were 16,295,074 and 15,572,022 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, 2023 and March 19, 2024, there were 6,315,801 and 6,226,051 shares outstanding, respectively.

Cash flows

For the year ended December 31, 2023, Cymbria had a net increase in cash and cash equivalents of $34.3 million. The majority of the net increase in cash and cash equivalents is due to cash generated from financing activities through a net increase on the credit facility of $20.0 million and cash generated by operating activities of $24.8 million. This was offset by Class A share repurchases under the Normal-Course Issuer Bid of $10.0 million.

Shareholder activity

Cymbria refiled its Normal-Course Issuer Bid ("NCIB") for the 12-month period beginning on May 25, 2023 to May 24, 2024. 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, 2023, Cymbria and canceled 165,004 Class A shares using the NCIB for a total of $10.0 million and at a weighted average discount to aNAV of 9.7%. Since inception, Cymbria has repurchased and cancelled 676,104 Class A shares at an average price of $26.74 per share and a total cost of $18.1 million.

Cymbria's Liquidity Realization Opportunity ("LRO") is available for both Class A and Class J shares and gives Cymbria the ability to repurchase a number of shares from time to time at a very small discount to aNAV where (i) Cymbria's portfolio has experienced growth in the previous fiscal year, (ii) Class A shares are trading at a price less than 97% of aNAV, and (iii) on the Manager's recommendation. When these events occur, shareholders may elect to participate in the LRO and have an opportunity to dispose of shares at a price close to aNAV. This feature was introduced to increase Cymbria's attractiveness as an investment by recognizing that liquidity requirements and investment time horizons vary from investor to investor. We believe that Cymbria's aNAV, which is disclosed daily, is a fair representation of Cymbria's portfolio at current prices. When Class A shares trade at prices not reflective of the aNAV, the LRO provides another venue whereby shareholders may dispose of their shares at a price closer to aNAV. The LRO does not affect Cymbria's ability to continue repurchasing shares through the NCIB. Please see the Management Information Circular dated May 28, 2013 for more information on the LRO. On January 11, 2024, we announced the intention to redeem up to $56.6 million worth of shares under the LRO plan. With the approval of the Board of Directors, we increased the aggregate amount of funds available to redeem to $57.0 million and redeemed 809,496 Class A shares and 12,750 Class J shares. The LRO redemption was processed on February 22, 2024.

Fourth quarter results

The following table shows Cymbria's fourth quarter financial performance for the three months ended December 31, 2023 and 2022.

	Three months ended Dec. 31, 2023 ('000s)	2022 ('000s)
Income		
Net realized gain (loss) on investments	$ 23,239	$ (27,801)
Change in unrealized gain on investments	98,996	136,667
Dividend and interest income	11,890	9,376
Foreign currency gain (loss)	(617)	(2,811)
Total income	$ 133,508	$ 115,431
Expenses		
Management fees	$ 2,651	$ 2,351
Withholding taxes, HST, and transaction costs	803	619
Interest expense	929	940
Other expenses	797	676
Total expenses	$ 5,180	$ 4,586
Profit for the period before taxes	$ 128,328	$ 110,845
Income taxes	15,169	13,528
Net comprehensive income	$ 113,159	$ 97,317

During the quarter ended December 31, 2023, Cymbria had net comprehensive income of $113.2 million that was driven by a net realized and unrealized gain on investments totaling $122.2 million. The investments that had the most significant contribution to the change in unrealized gain during the quarter were Blend Labs Inc. with a $17.7 million increase, Dollar Tree Inc. with a $16.3 million increase, and EdgePoint Wealth with a $12.6 million increase. Investments with significant contributions for the year ended December 31, 2023 are discussed in the *Investment performance* section.

Summary of interim results

The financial information summarized below is derived from Cymbria's condensed interim financial statements for the three month periods ended December 31, September 30, June 30, and March 31, 2023, and the same periods from 2022. 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, 2023**	**Sep. 30, 2023**	**Jun. 30, 2023**	**Mar. 31, 2023**	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**
Total income (loss)	$ 133,508	$ 9,096	$ 31,571	$ 79,172	$ 115,431	$ (3,800)	$ (139,939)	$ (50,775)
Total expenses	$ 5,180	$ 5,524	$ 5,331	$ 4,062	$ 4,586	$ 3,974	$ 5,003	$ 4,130
Net income (loss)	$ 113,159	$ 4,015	$ 23,949	$ 65,086	$ 97,317	$ (5,671)	$ (125,200)	$ (47,073)
Net income (loss), per share								
Class A	$ 4.80	$ 0.16	$ 1.00	$ 2.76	$ 4.13	$ (0.26)	$ (5.34)	$ (2.02)
Class J	$ 5.45	$ 0.23	$ 1.18	$ 3.13	$ 4.66	$ (0.24)	$ (5.90)	$ (2.18)

Credit facility

In 2017, Cymbria entered into a five-year credit agreement with a Canadian chartered bank that can be renewed on an annual basis. The credit agreement allows Cymbria to borrow up to $100 million which is comprised of a renewable $50 million revolving commitment that will mature on March 10, 2027 and two $25 million prime rate term loans that will mature on March 10, 2029 and March 28, 2030. Interest on the term commitment is charged at 3-month CDOR plus a spread, however, Cymbria has entered in to interest rate swap contracts that fix the interest rate on each tranche of the term commitment at 3.8% and 5.5% per annum, respectively. Interest on the revolving commitment is charged depending 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 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, 2023, cash and cash equivalents represents 8.9% 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, 2023, the portfolio of public equities that the Manager believes can be readily sold represents 87% of Cymbria's total shareholders' equity. Cymbria has drawn $50 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, 2023.

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, 2023, management fees totaled $10.6 million, compared to $9.5 million for the same period in 2022. In addition, the Manager is entitled to be reimbursed by Cymbria for operating expenses associated with its advisory services, excluding salaries to the Manager's principal shareholders. Please see Non-IFRS Measures for a discussion on aNAV.

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

Critical accounting estimates

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

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

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

   Cymbria holds financial instruments that are not quoted in active markets, including derivatives. The determination of the fair value of these instruments is where Cymbria has made the most significant accounting judgments and estimates in preparing financial statements. See Note 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, 2023, which were prepared in accordance with IFRS , with the exception of the adoption of Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2). The amendments did not result in any changes to the accounting policies applied by Cymbria. However, they impacted the accounting policy information disclosed in the financial statements. See Note 2 of the annual financial statements for more information on the adoption of the amendment. 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		
Foreign exchange forward contracts	Fair value through profit or loss	Fair value
Interest rate swap contracts		
Cash and cash equivalents		
Prepaid interest		
Interest receivable		
Dividends receivable	Amortized cost	Amortized cost
Receivable for investments sold		
Income tax recovery		
Financial liabilities		
Foreign exchange forward contracts	Fair value through profit or loss	Fair value
Deferred share unit plan liability		
Accrued liabilities		
Payable for investments purchased		
Credit facility	Amortized cost	Amortized cost
Income taxes payable		
Deferred income tax liability		

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, 2023. 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 28, 2024 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, 2023:

- 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, 2023 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, 2023 and have concluded that Cymbria's DC&P were effective as of that date.

Cymbria's Co-Chief Executive Officers and Chief Financial Officer have also evaluated the effectiveness of Cymbria's ICFR as at December 31, 2023, using the Internal Control-Integrated Framework.

Financial Statements of

CYMBRIA CORPORATION

Years ended December 31, 2023 and 2022

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 IFRS Accounting Standards and include certain amounts based on estimates and assumptions. The material accounting policy information 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 auditor, 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 auditor. 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 19, 2024

Norman Tang
Chief Financial Officer
March 19, 2024

Independent Auditor's 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 31, 2023 and December 31, 2022
- 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 material accounting policy information

(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, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

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 ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's 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, 2023. 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 auditor's 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 $254,982 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.

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 auditor's 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 auditor's 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 auditor's 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 IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 auditor's 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 auditor's 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 auditor's report is James Loewen
Toronto, Canada
March 19, 2024

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

	2023	2022
Assets		
Investments	$ 1,276,577	$ 1,070,751
EdgePoint Wealth Management Inc.	254,982	242,409
Foreign exchange forward contracts (Note 13)	1,938	217
Interest rate swap contracts (Note 15)	1,110	1,781
Total financial assets at fair value through profit or loss* (Note 11)	1,534,607	1,315,158
Cash and cash equivalents	138,841	104,535
Dividends receivable	2,072	1,772
Prepaid interest	631	–
Receivable for investments sold	957	–
Interest receivable	414	15
Income tax recovery	–	16,564
Total Assets	$ 1,677,522	$ 1,438,044
Liabilities		
Accrued liabilities	$ 173	$ 399
Foreign exchange forward contracts (Note 13)	–	284
Credit facility - revolving (Note 9)	–	5,050
Income taxes payable (Note 10)	3,286	–
Total current liabilities	3,459	5,733
Credit facility - term (Note 9)	50,000	25,000
Deferred share unit plan liability (Note 7)	1,774	1,419
Deferred income tax liability (Note 10)	61,321	41,380
Total Liabilities	$ 116,554	$ 73,532
Shareholders' equity		
Share capital (Note 5)	$ 218,014	$ 219,562
Retained earnings (Note 6)	1,342,954	1,144,950
Total Shareholders' Equity	$ 1,560,968	$ 1,364,512
Shareholders' equity		
Common stock	$ –	$ –
Class A	1,087,806	948,205
Class J	473,162	416,307
Number of shares outstanding (Note 5)		
Class A	16,295,074	16,346,339
Class J	6,315,801	6,417,206
Total shareholder's equity per share		
Class A	66.76	$ 58.01
Class J	74.92	$ 64.87

*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)

	2023	2022
Income		
Dividends from EdgePoint Wealth Management Inc.	$ 21,289	$ 20,791
Dividends	19,551	16,727
Interest for distribution purposes	6,119	1,267
Foreign currency gain (loss) on cash and other net assets	(822)	233
Income on interest rate swap contracts	1,049	28
Other net changes in fair value of financial assets and financial liabilities		
Net realized gain (loss) on investments	55,857	1,378
Net realized gain (loss) on foreign exchange forward contracts	(1,340)	(1,806)
Increase (decrease) in net unrealized gain on investments	148,615	(116,649)
Increase (decrease) in net unrealized gain on foreign exchange forward contracts	1,919	(2,839)
Increase (decrease) in net unrealized gain on interest rate swap contracts	1,110	1,781
Total Income	$ 253,347	$ (79,089)
Expenses (Note 8)		
Management fees (Note 8)	$ 10,554	$ 9,508
Net withholding tax	940	1,438
Operating expenses	2,119	1,776
Interest expense (Note 9)	2,527	1,490
Harmonized Sales Tax	1,827	1,548
Transaction costs	751	688
Investment research and portfolio maintenance	1,379	1,245
Total Expenses	$ 20,097	$ 17,693
Profit (loss) for the year before taxes	$ 233,250	$ (96,782)
Income taxes (recovery) (Note 10)		
Current	$ 7,100	$ (553)
Deferred	19,941	(15,596)
Total Income Taxes	$ 27,041	$ (16,149)
Net income (loss)	$ 206,209	$ (80,633)
Net income (loss), by class		
Class A	$ 142,174	$ (56,996)
Class J	$ 64,035	$ (23,637)
Net income (loss), per share		
Class A	$ 8.72	$ (3.49)
Class J	$ 10.00	$ (3.67)

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

(in '000s)

	2023	2022
Class A:		
Shareholders' equity, beginning of the year	$ 948,205	$ 1,003,413
Net income (loss), by class	142,174	(56,996)
Capital transactions:		
Class J to Class A share exchanges	1,067	380
Cumulative surplus on Class J to Class A share exchanges	(53)	(18)
Shares repurchased and cancelled	(1,548)	(90)
Contributed surplus	(2,039)	1,516
Total changes in equity, by class	139,601	(55,208)
Shareholders' equity, end of the year	$ 1,087,806	$ 948,205
Class J:		
Shareholders' equity, beginning of the year	$ 416,307	$ 442,257
Net income (loss), by class	64,035	(23,637)
Capital transactions:		
Class J to Class A share exchanges	(1,014)	(362)
Contributed surplus	(6,166)	(1,951)
Total changes in equity, by class	56,855	(25,950)
Shareholders' equity, end of the year	$ 473,162	$ 416,307

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

(in '000s)

	2023	2022
Cash Flow from (used by) Operating Activities		
Net income (loss)	$ 206,209	$ (80,633)
Adjustments for:		
Foreign currency (gain) loss on cash and other net assets	822	(233)
Net realized (gain) loss on investments	(55,857)	(1,378)
Net realized (gain) loss on foreign exchange forward contracts	1,340	1,806
(Increase) decrease in net unrealized gain on investments and EdgePoint Wealth Management Inc.	(148,615)	116,649
(Increase) decrease in net unrealized gain on foreign exchange forward contracts	(1,919)	2,839
(Increase) decrease in net unrealized gain on swap contracts	(1,110)	(1,781)
(Increase) decrease in dividends receivable	(300)	(319)
(Increase) decrease in interest receivable	(1,030)	(15)
Increase (decrease) in accrued liabilities and other payables	19,979	(25,715)
Increase (decrease) in deferred income tax liability	19,941	(15,596)
Purchase of investments	(450,364)	(463,081)
Proceeds from sales of investments	435,665	447,361
Net Cash Generated from (used by) Operating Activities	$ 24,761	$ (20,096)
Cash Flows from Financing Activities		
Purchase and cancellation of Class A shares	$ (9,583)	$ (525)
Net draw on credit facility	19,950	27,500
Net Cash Generated from Financing Activities	$ 10,367	$ 26,975
Net increase in cash and cash equivalents	$ 35,128	$ 6,879
Foreign currency gain (loss) on cash and other net assets	(822)	233
Cash and cash equivalents, beginning of year	104,535	97,423
Cash and cash equivalents, end of the year	$ 138,841	$ 104,535
Cash and cash equivalents comprise:		
Cash at bank	$ 138,841	$ 104,535
	$ 138,841	$ 104,535
Interest received	$ 5,720	$ 1,252
Dividends received, net of witholding tax	$ 39,600	$ 35,761
Interest paid	$ (3,076)	$ (1,655)
Income taxes paid	$ (2,276)	$ (16,011)

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		
379,615	Dollar Tree Inc.	$ 64,452	$ 71,453
2,291,077	Mattel Inc.	46,159	57,316
179,472	Norfolk Southern Corporation	52,964	56,213
585,624	Berry Global Group Inc.	35,540	52,293
5,109,808	Computer Modelling Group Limited	26,744	51,762
480,436	Restaurant Brands International Inc.	33,986	49,740
11,678,947	Blend Labs Inc.	20,211	39,462
2,010,760	Osisko Gold Royalties Limited	26,440	38,024
30,435	Fairfax Financial Holdings Limited	14,408	37,207
59,239	Elevance Health Inc.	27,766	37,015
187,158	Ross Stores Inc.	23,629	34,320
597,834	Brookfield Corporation, Class A	25,659	31,775
107,102	Lincoln Electric Holdings Inc.	25,143	30,861
345,163	RB Global Inc.	26,324	30,606
164,600	TE Connectivity Limited	18,628	30,644
148,169	SAP SE	23,025	30,231
567,053	Alfa Laval AB	23,873	30,052
222,083	DSM-Firmenich AG	31,875	29,887
327,685	Ceridian HCM Holding Inc.	28,650	29,143
1,110,353	PrairieSky Royalty Limited	28,019	25,760
1,077,040	AutoCanada Inc.	11,195	24,664
121,551	Qualcomm Inc.	18,758	23,294
445,339	Cellnex Telecom SA	21,546	23,230
253,944	Topicus.com Inc.	20,416	22,662
85,488	Jones Lang LaSalle Inc.	15,613	21,394
1,107,143	Kubota Corporation	22,566	22,083
664,989	Koninklijke Philips NV	32,526	20,510
103,956	The Middleby Corporation	16,374	20,272
408,569	Gentex Corporation	17,014	17,681
111,081	Evolution AB	14,187	17,544
1,001,500	Techtronic Industries Company Limited	14,359	15,814
976,809	Warner Bros Discovery Inc.	16,124	14,729
277,766	Tencent Holdings Limited	19,229	13,839
135,692	PriceSmart Inc.	13,285	13,625
1,217,600	Nippon Paint Holdings Company Limited	11,199	13,044
10,181,593	Premium Nickel Resources Limited	11,293	12,780
203,204	Caesars Entertainment Inc.	13,061	12,623
312,481	Vienna Insurance Group AG Wiener Versicherung Gruppe	9,635	12,113
132,728	Canadian Natural Resources Limited	9,041	11,522
294,205	British American Tobacco PLC	13,108	11,407
47,507	AMETEK Inc.	6,885	10,380
169,292	Tourmaline Oil Corporation	10,094	10,088
2,700,887	CES Energy Solutions Corporation	9,718	9,318
63,219	Franco-Nevada Corporation	10,015	9,279
4,706,715	TeraGo Inc.	18,758	7,155
2,358,660	Pulse Seismic Inc.	1,893	4,387
606,622	Optiva Inc.	23,409	2,002
2,114,364	Premium Nickel Resources Limited, Warrants, expire 2067/06/30	–	761
1,333,333	Premium Nickel Resources Limited, Warrants, expire 2026/06/30	–	480
403,050	TeraGo Inc., Warrants, expire 2024/04/22	–	16
		1,004,796	1,192,460

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

Number of shares/units	Security	Average cost	Fair value
	Private equity		
279,585	EdgePoint Wealth Management Inc.	510	254,982
	Private financial technology company	27,064	29,352
	Homepro Pest Control Inc.	1,816	8,061
	Leading Edge Physiotherapy Clinics	5,663	5,663
		35,053	298,058
	Total equities	$ 1,039,849	$ 1,490,518
Face Value	**Term Loan**		
10,000	Premium Nickel Resources Limited	10,000	10,000
5,000	Private financial technology company	5,000	5,000
638	Leading Edge Physiotherapy Clinics	638	638
		$ 15,638	$ 15,638
Pounds	**Physical Commodities**		
185,000	Uranium (U3O8)	9,091	22,307
		$ 9,091	$ 22,307
	Foreign exchange forward contracts (Note 13)	–	1,938
	Options (Note 14)	4,276	3,096
	Interest rate swap contracts (Note 15)	–	1,110
	Adjustment for transaction costs	(1,020)	–
Total financial assets and liabilities at fair value through profit or loss		$ 1,067,834	$ 1,534,607

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 IFRS Accounting Standards.

The financial statements were authorized for issue by the Board of Directors on March 19, 2024.

(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.

(d) Changes in account policies:

Cymbria adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material" instead of "significant" accounting policies. The amendments provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other financial information in the financial statements.

The Manager reviewed the accounting policies disclosed in Note 3 to confirm that the policies disclosed are appropriate under the amendments.

3. Material accounting policy information:

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

3. Material accounting policy information (continued):

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 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.

3. Material accounting policy information (continued):

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

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

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

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, 2023, 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 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, 2023	Number of shares	Amount ('000s)
Common shares outstanding, December 31, 2023	100	–*
Class A shares issued:		
Shares outstanding, January 1, 2023	16,346,339	$ 155,390
Class A shares issued in exchange for Class J shares	113,739	1,067
Class A shares repurchased, for cancellation	(165,004)	(1,548)
Contributed Surplus		(53)
Class A shares outstanding, December 31, 2023	16,295,074	$ 154,856
Class J shares issued:		
Shares outstanding, January 1, 2023	6,417,206	$ 64,172
Class J shares exchanged for Class A shares	(101,405)	(1,014)
Class J shares outstanding, December 31, 2023	6,315,801	$ 63,158
Total		$ 218,014

*Amount of common shares outstanding is $100.

5. Share capital (continued):

December 31, 2022	Number of shares	Amount ('000s)
Common shares outstanding, December 31, 2022	100	–*
Class A shares issued:		
Shares outstanding, January 1, 2022	16,315,497	$ 155,118
Class A shares issued in exchange for Class J shares	40,442	380
Class A shares repurchased, for cancellation	(9,600)	(90)
Contributed Surplus		(18)
Class A shares outstanding, December 31, 2022	16,346,339	$ 155,390
Class J shares issued:		
Shares outstanding, January 1, 2022	6,453,406	$ 64,534
Class J shares exchanged for Class A shares	(36,200)	(362)
Class J shares outstanding, December 31, 2022	6,417,206	$ 64,172
Total		$ 219,562

*Amount of common shares outstanding is $100.

6. Retained earnings:

The changes in retained earnings for the years ended December 31, 2023 and 2022 are as follows:

	December 31, 2023 ('000s)	December 31, 2022 ('000s)
Opening retained earnings	$ 1,144,950	$ 1,226,018
Net income (loss)	206,209	(80,633)
Class A shares repurchased for cancellation	(8,205)	(435)
Closing retained earnings	$ 1,342,954	$ 1,144,950

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, 2023 and 2022:

December 31, 2023	Units	Amount ('000s)
Opening Deferred Share Units, January 1, 2023	25,873	$ 1,419
Granted during 2023 (Fair value on grant date)	3,516	208
Cumulative fair value adjustments during the year		147
Balance, December 31, 2023	29,389	$ 1,774

December 31, 2022	Units	Amount ('000s)
Opening Deferred Share Units, January 1, 2022	22,572	$ 1,414
Granted during 2022 (Fair value on grant date)	3,301	188
Cumulative fair value adjustments during the year		(183)
Balance, December 31, 2022	25,873	$ 1,419

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, 2023, the effective management fee charged on Class A shares was approximately 0.83% 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, 2023, 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, 2023 amounted to $10.6 million (December 31, 2022: $9.5 million), with nil in outstanding accrued fees due to the Manager at December 31, 2023 and 2022.

(b) Operating expenses

Cymbria is also responsible for various expenses relating to its operations. These expenses may include, but are not

8. Related party transactions (continued):

limited to: taxes (including income, capital and harmonized sales taxes), accounting, legal and audit fees, Board of 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, 2023, allocated expenses totaled $0.4 million (December 31, 2022: $0.2 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:

In 2017, Cymbria entered into a credit agreement with a Canadian chartered bank (the "Bank") that allowed Cymbria to borrow up to $100 million. On March 28, 2023, the credit agreement was amended to allow the $100 million facility to be the aggregate of a renewable $50 million revolving commitment that will mature on March 10, 2027 and two $25 million prime rate term loans that will mature on March 10, 2029 and March 28, 2030. Interest on the term commitment is charged at 3-month CDOR plus a spread, however, Cymbria has entered into an interest rate swap contract that will fix the interest on this portion of the term commitment at 3.8% and 5.5% per annum until maturity. Interest on the revolving commitment 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 is secured by a selection of eligible securities in Cymbria's investment portfolio. As at December 31, 2023, the outstanding balance of the term credit facility was $50.0 million and revolving credit facility was nil (December 31, 2022: $25.0 million and $5.1 million). For the year ended December 31, 2023, Cymbria accrued $2.5 million in interest and standby fees on the credit facility (December 31, 2022: $1.5 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.

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, 2023, Cymbria had capital losses of nil (December 31, 2022: nil) and non-capital losses for tax purposes of nil (December 31, 2022: 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, 2023 ('000s)		December 31, 2022 ('000s)
Profit (loss) for the year before taxes	$	233,250	$	(96,782)
Tax at the combined statutory rate: 26.50% (2022: 26.50%)	$	61,811	$	(25,647)
Increase (decrease) in provision due to:				
Capital gains taxed at 50%	$	(26,520)	$	15,694
Non-taxable Canadian dividends		(7,970)		(6,580)
Other		(280)		384
Income taxes (recovery)	$	27,041	$	(16,149)

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

		December 31, 2023 ('000s)		December 31, 2022 ('000s)
Deferred share units	$	470	$	376
Net unrealized gain of investments		(61,791)		(41,756)
Deferred income tax liability	$	(61,321)	$	(41,380)

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, 2023, Cymbria had suspended losses of $1.7 million (December 31, 2022: $2.2 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.

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

11. Fair value measurement (continued):

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, 2023 ('000s)	Level 1	Level 2	Level 3	Total
Equities	$ 1,191,203	$ –	$ 299,315	$ 1,490,518
Physical commodities	–	22,307	–	22,307
Fixed income	–	–	15,638	15,638
Options	–	331	2,765	3,096
Interest rate swap contracts	–	1,110	–	1,110
Foreign exchange forward contracts	–	1,938	–	1,938
Total	$ 1,191,203	$ 25,686	$ 317,718	$ 1,534,607

December 31, 2022 ('000s)	Level 1	Level 2	Level 3	Total
Equities	$ 998,719	$ –	$ 278,446	$ 1,277,165
Physical commodities	–	28,036		28,036
Fixed income	–	–	5,000	5,000
Options	–	2,959	–	2,959
Interest rate swap contract	–	1,781	–	1,781
Foreign exchange forward contracts	–	251	–	251
Foreign exchange forward contracts	–	(318)	–	(318)
Total	$ 998,719	$ 32,709	$ 283,446	$ 1,314,874

For the year ended December 31, 2023, the net change in value for financial instruments classified as FVTPL is a $206.2 million gain (December 31, 2022: $118.1 million loss).

The following tables reconcile Cymbria's Level 3 fair value measurements for the years ended December 31, 2023 and 2022.

December 31, 2023 ('000s)	Equities	Fixed Income	Options
Balance at beginning of year	$ 278,446	$ 5,000	$ –
Investment purchases during the year	6,591	10,638	2,765
Change in unrealized gain in value of investments	14,278	–	–
Balance at end of year	$ 299,315	$ 15,638	$ 2,765

December 31, 2022 ('000s)	Equities	Fixed Income
Balance at beginning of year	$ 298,640	$ –
Investment purchases during the year	483	5,000
Change in unrealized gain in value of investments	(20,677)	–
Balance at end of year	$ 278,446	$ 5,000

During the years ended December 31, 2023 and 2022 there were no transfers between levels.

(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, 2023, Cymbria had four Level 3 equity investments; EdgePoint, a private financial technology company, a private pest control company and a private health care provider.

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 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. EdgePoint was valued as a standalone business and potential purchaser synergies that could arise in an acquisition were not considered. The Manager

11. Fair value measurement (continued):

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, 2023 and 2022, in measuring EdgePoint.

EdgePoint Wealth Management Inc.

Fair value at December 31, 2023: $255.0 million

Unobservable Input	Input used	Range of reasonable alternatives	Sensitivity to changes in significant unobservable inputs
Annual market growth	8%	7%–9%	($9.2M)–$9.7M
Redemption rate	13%	10%–16%	$33.6M–($27.9M)
Discount rate	12.25%	11%–13.5%	$21.3M–($18.4M)
Portfolio management cost	0.15%	0.1%–0.2%	$22.1M–($22.1M)
Terminal growth rate	0%	(2%)–2%	($10.1M)–$10.1M

EdgePoint Wealth Management Inc.

Fair value at December 31, 2022: $242.4 million

Unobservable Input	Input used	Range of reasonable alternatives	Sensitivity to changes in significant unobservable inputs
Annual market growth	7%	6%–8%	($9.6M)–$10.2M
Redemption rate	13%	10%–16%	$32.0M–($26.6M)
Discount rate	11.75%	10.5%–13%	$14.6M–($13.1M)
Portfolio management cost	0.15%	0.1%–0.2%	$20.7M–($20.7M)
Terminal growth rate	0.5%	0%-2%	($5.2M)–$9.8M

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 7%–9% 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 10%–16% 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 10.5%–13% 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.

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 6%, redemption rate to 16%, discount rate to 13%, portfolio management cost to 0.2%, and terminal growth rate to -1% would result in a decrease in the value of EdgePoint by $72.8 million. Conversely, taking an optimistic view by changing the annual market rate to 9%, redemption rate to 10%, discount rate to 10.5%, portfolio management cost to 0.1%, and terminal growth rate to 1% would result in an increase in the value of EdgePoint by $119.5 million.

Cymbria's other Level 3 assets 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 these companies was determined using a financial model with inputs for valuation multiples that are consistent with industry comparatives. The most significant of these companies is the private technology company.

11. Fair value measurement (continued):

For the private technology company, changing the terminal value revenue multiple of 3X by 0.5X would result in a corresponding increase or decrease in the value of $5.0 million. Using a different methodology for valuing the other Level 3 equities would not significantly change the value to Cymbria.

(b) Fixed income

Fixed income consists of corporate bonds, which are typically valued using models with inputs including interest rate curves, credit spreads and volatilities. The Fund holds three fixed income securities that have been classified as Level 3 because of a lack of observable inputs in the valuation (December 31, 2022: one). The fair value has been determined using cost as the securities were recently purchased and there have been no other observable transactions related to this security. Using a different methodology for valuing these securities would not significantly change the value to Cymbria.

(c) Derivative assets and liabilities

Derivative assets and liabilities consists of foreign exchange forward contracts, options and interest rate swap 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. 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. Interest rate swap contracts are valued using a model with an observable input for the floating interest rate. 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. The following table reconciles Cymbria's investment in physical commodities for the years ended December 31, 2023 and 2022.

	December 31, 2023 ('000s)	December 31, 2022 ('000s)
Balance at the beginning of year	$ 28,036	$ 21,251
Investment purchases during the year	–	3,354
Investment dispositions during the year	(12,286)	–
Realized gain (loss)	9,570	–
Change in unrealized gain (loss) in value of investments	(2,410)	2,069
Change in unrealized gain (loss) in value of foreign currency	(603)	1,362
Balance at end of year	$ 22,307	$ 28,036

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, 2023, with all other variables held constant, Cymbria's shareholders' equity would have increased or decreased, respectively, by approximately $59.6 million or 3.8% of total shareholders' equity or 28.9% of net income/loss (December 31, 2022: $49.9 million or 3.7% of total shareholders' equity or 61.9% of net income/loss). 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, 2023
($'000s)

Currency	Investments	Cash and cash equivalents	Foreign exchange forward contracts	Total
U.S. dollar	598,239	26,120	(50,639)	573,720
Euro	115,971	–	(19,794)	96,177
Swedish Krona	47,595	–	–	47,595
Japanese Yen	35,128	–	–	35,128
Hong Kong Dollar	29,652	–	–	29,652
British pound	11,406	–	–	11,406
	837,991	26,120	(70,433)	793,678

December 31, 2022
($'000s)

Currency	Investments	Cash and cash equivalents	Foreign exchange forward contracts	Total
U.S. dollar	500,227	9,159	(39,892)	469,494
Euro	134,443	–	(19,654)	114,789
Japanese Yen	40,593	–	–	40,593
Swedish Krona	39,257	–	–	39,257
British pound	15,803	–	–	15,803
Hong Kong dollar	24,313	–	–	24,313
Indonesion Rupiah	–	–	(2,102)	(2,102)
	754,636	9,159	(61,648)	702,147

As at December 31, 2023, 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 $39.7 million or 2.5% of total shareholders' equity or 19.2% of net income/loss (December 31, 2022: $35.1 million or 2.6% of total shareholders' equity or 43.5% 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 do not materially increase 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, 2023, 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 0.5% of net income/loss (December 31, 2022: $1.7 million or 0.1% of shareholders' equity or 2.1% of net income/loss).

(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, 2023, illiquid securities represent approximately 20.2% of Cymbria's shareholders' equity (December 31, 2022: 20.8%).

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, 2023, Cymbria had two term loans outstanding totaling $50.0 million that represented 3.2% of shareholders' equity (December 31, 2022: 2.5%).

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, 2023	On demand ($'000s)	< 3 months ($'000s)	> 3 months ($'000s)	Total ($'000s)
Payable for units redeemed	173	–	–	173
Credit facility	–	–	50,000	50,000
Income taxes payable	–	5,562	–	5,562
Deferred share unit plan liability	–	–	1,774	1,774
Deferred income tax liability	–	–	61,321	61,321

December 31, 2022	On demand ($'000s)	< 3 months ($'000s)	> 3 months ($'000s)	Total ($'000s)
Accrued liablities	399	–	–	399
Credit facility	–	5,050	25,000	30,050
Foreign exchange forward contracts	–	318	–	318
Deferred share unit plan liability	–	–	1,419	1,419
Deferred income tax liability	–	–	41,380	41,380

13. Foreign exchange forward contracts:

December 31, 2023						
Settlement date	Currency to be delivered ('000s)		Currency to be received ('000s)		Contract price	Fair value ('000s)
January 31, 2024	500	USD	683	CAD	1.3658	$ 21
February 7, 2024	2,500	USD	3,391	CAD	1.3564	80
February 14, 2024	7,750	USD	10,549	CAD	1.3612	287
February 20, 2024	4,750	USD	6,497	CAD	1.3677	208
February 26, 2024	2,500	USD	3,455	CAD	1.3818	145
March 4, 2024	7,500	USD	10,255	CAD	1.3673	326
March 7, 2024	2,750	USD	3,786	USD	1.3768	145
March 19, 2024	3,500	USD	4,658	CAD	1.3308	25
March 20, 2024	6,500	USD	8,885	USD	1.3669	282
March 26, 2024	13,500	EUR	20,214	CAD	1.4973	419
Total number of contracts:	10				Net fair value	$ 1,938

14. Options:

December 31, 2023					
Purchased options	Expiry date	Strike price	Number of contracts	Average cost ('000s)	Fair value ('000s)
Premium Nickel Resources Limited Selkirk Royalty		–	189,750	$ 251	$ 251
Premium Nickel Resources Limited Selebi Royalty		–	1,897,500	2,515	2,514
SPDR S&P 500 ETF	Jan. 6, 2024	411.00	(2,392)	(108)	(6)
SPDR S&P 500 ETF	Jan. 6, 2024	434.00	2,392	369	13
SPDR S&P 500 ETF	Feb. 17, 2024	411.00	(1,904)	(396)	(106)
SPDR S&P 500 ETF	Feb. 17, 2024	434.00	1,904	922	227
USD CALL HKD PUT	Mar. 29, 2024	7.85	16,750,000	45	5
USD CALL HKD PUT	Mar. 29, 2024	7.85	16,750,000	45	5
USD PUT CAD CALL	May 1, 2024	1.30	2,000,000	44	17
USD PUT CAD CALL	May 11, 2024	1.25	(1,000,000)	(7)	(1)
USD PUT CAD CALL	May 11, 2024	1.20	(1,000,000)	(2)	–
USD PUT CAD CALL	May 15, 2024	1.22	(1,000,000)	(2)	–
USD PUT CAD CALL	May 15, 2024	1.27	(1,000,000)	(7)	(3)
USD PUT CAD CALL	May 15, 2024	1.32	2,000,000	46	34
Caesars Entertainment Inc.	Jun. 14, 2024	28.80	162,701	374	90
USD CALL HKD PUT	Aug. 22, 2024	7.84	26,806,500	93	23
USD CALL HKD PUT	Aug. 22, 2024	7.80	16,353,000	94	33
				$ 4,276	$ 3,096

15. Interest rate swap contracts:

December 31, 2023						
Swap details	Receive frequency	Fixed rate (%)	Pay frequency	Expiry date	Notional amount ('000s)	Unrealized gain (loss) ('000s)
CDOR CAD 3 month	Quarterly	3.77	Quarterly	March 10, 2029	$ 25,000	$ 1,221
CDOR CAD 3 month	Quarterly	5.45	Quarterly	March 28, 2030	25,000	(111)
Total					$ 50,000	$ 1,110

16. 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.

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, 2023 ($'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	
Assets					
Foreign exchange forward contracts	1,938	1,938	–	–	1,938
Options	3,212	3,096	–	–	3,096
Interest rate swap contracts	1,221	1,110	–	–	1,110
Liabilities					
Options	(116)	–	–	–	–
Interest rate swap contracts	(111)	–	–	–	–

December 31, 2022 ($'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	
Assets					
Foreign exchange forward contracts	217	217	(217)	–	–
Options	2,959	2,959	–	–	2,959
Interest rate swap contracts	1,781	1,781	–	–	1,781
Liabilities					
Foreign exchange forward contracts	(284)	(284)	217	67	–

17. 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, 2023 and 2022, Cymbria had material investments in the following subsidiaries, associates and unconsolidated structured entities:

December 31, 2023 and 2022	Place of Business	Type	Ownership %
EdgePoint Wealth Management Inc.	Canada	Associate	20.7%

18. Subsequent events:

On January 11, 2024, Cymbria announced the intention to redeem up to $56.6 million worth of shares under the LRO plan. With the approval of the Board of Directors, we increased the aggregate amount of funds available to redeem to $57.0 million and redeemed 809,496 Class A shares and 12,750 Class J shares. The LRO redemption was processed on February 22, 2024.

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Geoff MacDonald, CFA
Co-Chief Executive Officer

Diane Rossi
Corporate Secretary

Norman Tang, CPA, CA
Chief Financial Officer

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Ugo Bizzarri, CFA
Director

Reena Carter, CA, CPA, CBV, C.Dir
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TORONTO STOCK EXCHANGE LISTING

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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.

INVERT, ALWAYS TЯƎVИI

- Charlie Munger (Jan. 1, 1924 to Nov. 28, 2023)

THINGS NOT TO DO WHEN BUILDING LONG-TERM WEALTH

- INVESTING WITHOUT A FINANCIAL ADVISOR
- FOCUSING ON SHORT-TERM PERFORMANCE
- PANICKING DURING VOLATILE MARKETS
- VIEWING VOLATILITY AS RISK AND NOT OPPORTUNITY
- FOLLOWING HOT STOCK TIPS FROM A FRIEND'S PARTY
- GETTING DISTRACTED BY SHINY NEW PRODUCTS FROM SUPERMARKET 'INVESTMENT' FIRMS
- CONFUSING VALUE WIITH PRICE
- ATTEMPTING TO TIME THE MARKET
- FOCUSING ON MACRO FORECASTS
- INVESTING IN A SINGLE IDEA
- CONSTANTLY CHECKING ACCOUNT STATEMENTS
- LETTING IMPATIENCE PREVENT COMPOUNDING
- HAVING AN INSUFFICIENT UNDERSTANDING OF THE INVESTMENT APPROACH
- CRAVING CERTAINTY IN THE STOCK MARKET

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