CYMBRIA CORPORATION

2015
ANNUAL REPORT

CYMBRIA CORPORATION

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

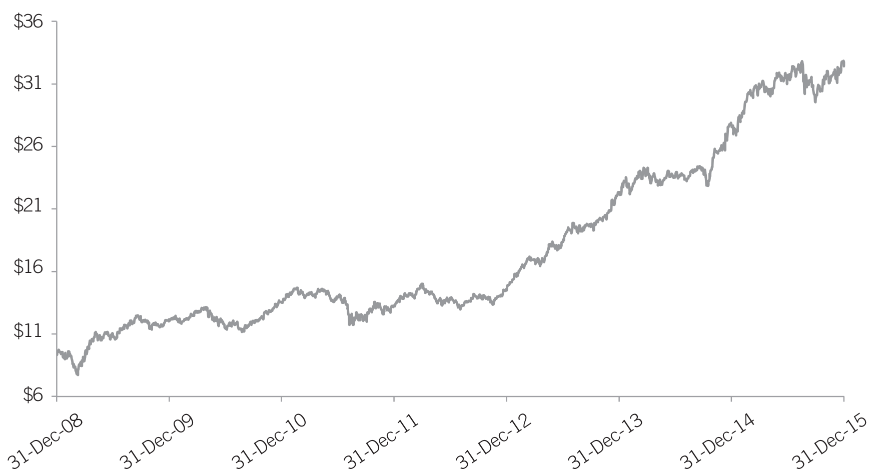
Cymbria – Class A net asset value ("NAV")

	NAV	Return (C$)	Index (C$)*
Inception: 11/4/2008	$9.39†		
2008‡	$9.34	-0.54%†	-0.01%
2009	$12.07	29.28%	10.39%
2010	$13.50	11.82%	5.93%
2011	$13.21	-2.12%	-3.20%
2012	$14.68	11.07%	13.26%
2013	$22.33	52.16%	35.18%
2014	$27.53	23.31%	14.39%
2015	$32.41	17.69%	18.89%

Since inception††

Compounded annual return	17.86%
Cumulative return	224.06%

Cymbria – Class A NAV



* MSCI World Index (net).

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

‡ November 3, 2008 – December 31, 2008.

†† Includes expenses related to IPO.

Source: Zephyr StyleADVISOR, Bloomberg, LP. Total returns in C$ as at December 31, 2015. Index performance is based on a pre-tax calculation, while Cymbria's NAV is after tax (but excludes future taxes). As a corporation, Cymbria's income and capital gains are taxed within the corporation and reflected in the daily NAV. Had Cymbria held the same composition of securities as the Index, it would lag the Index in years it posted a positive return (after daily tax accruals) and exceed it in years the Index posted a negative return due to loss carryback provisions in the *Income Tax Act* (Canada).

Cymbria A NAV performance (annualized): 1 year: 17.69%, 3 year: 30.24%, 5 year: 19.15%, since inception: 17.86%.

TABLE OF CONTENTS

Cymbria's Annual Investor Day

Wednesday, May 11, 2016

New venue this year: Koerner Hall, 273 Bloor St. W., Toronto

Registration: 9:00 – 10:00 a.m. EST

Presentation: 10:00 – 11:30 a.m. EST

Agenda

Company overview with Patrick Farmer, Chairman

Investment discussion with co-CEOs Tye Bousada and Geoff MacDonald, and portfolio managers Ted Chisholm, Frank Mullen and Andrew Pastor

Question & Answer

RSVP by April 27, 2016

1.866.757.7207 or 416.963.9353
rsvp@edgepointwealth.com

CHAIRMAN'S LETTER

The fall of 2015 witnessed the return of volatility to the financial markets and a marked pause to the upward trajectory of equity markets over the past few years. While unsettling to the average investor, the return of volatility is once again welcome news for our Investment team that views volatility as a friend of the investor who knows the true value of a business.

The current investing environment has presented us with many opportunities to buy growth companies at value prices making this an exciting time for active investment management. We continue to believe Cymbria represents a collection of our best business ideas and remain excited about its long-term prospects.

2015 was an eventful year for Cymbria shareholders as they overwhelmingly approved a proposal to transition Cymbria from an investment fund to a corporate issuer. The need to transition Cymbria stemmed from a regulatory regime change, which would have subjected Cymbria to a multitude of restrictive investment rules. We believe the new rules would have compromised Cymbria's ability to continue to fulfill its investment objective, which is providing shareholders with long-term capital appreciation through an actively managed portfolio and an investment in EdgePoint Wealth Management Inc.

We believe that Cymbria is a unique investment vehicle with the ability to compound wealth faster than traditional investments, and we look forward to using its investment flexibility to compound wealth for our shareholders into the future.

Coincident with this transition, Cymbria will welcome two new members to the Board of Directors, Reena Sagoo and Ugo Bizzarri. We couldn't be happier with the contributions the current Board members, Richard Whiting and James MacDonald, have made and feel the addition of Ms. Sagoo and Mr. Bizzarri will only strengthen the Board further. Cymbria's corporate issuer status results in the dissolution of the Independent Review Committee (IRC). I'd like to thank Joseph Shaw, David Cohen and Scott Cooper for their work on the IRC and their contributions to Cymbria.

Cymbria's Class A NAV increased 17.7% in 2015 compared to 18.9% for the benchmark MSCI Word Index (C$). Since inception, the NAV has grown by 17.9% compared to 12.7% for the Index over the same timeframe. Now seven years into our 10-year performance objective, we're pleased with the progress so far, but continue to refer to our performance as a good start.

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

- As in previous years, Cymbria's primary driver of wealth creation is our Investment team's **stock selection** ability. The team has done very well in their selections, increasing Cymbria's Class A NAV by 11.1% in 2015
- Cymbria's **investment in EdgePoint** is now valued at over $99 million up from $62 million last year. Continued support from key advisor relationships and investment performance has translated into significant growth at EdgePoint during the year. EdgePoint is now Cymbria's largest holding, representing a 13.1% weight
- Cymbria's pro-rata share of EdgePoint's **dividend** was $5.4 million in 2015, 33% greater than the year prior. Since inception, Cymbria has received $15.7 million in dividends from EdgePoint
- Cymbria didn't **repurchase shares** in 2015 although we're committed to doing so should an attractive opportunity arise. Our Normal-Course Issuer Bid was renewed in 2015 for an additional 12-month period

In 2015, we added six new members to the EdgePoint team and are now 47 internal partners strong. We're thrilled with how well the team is functioning as we continue to grow.

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

Thank you for your continued support.

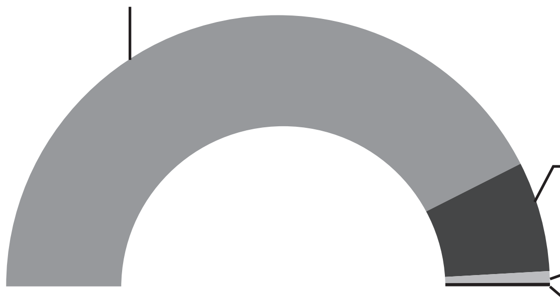
Sincerely,

Patrick Farmer, Chairman

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

Our business

Cymbria is an investment corporation that trades on the Toronto Stock Exchange. At the end of 2015, Cymbria invested in a collection of 37 different business ideas, including a 20.7% ownership stake in EdgePoint.



Company history

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

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

Our investment approach

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

We focus on global companies with strong competitive positions, 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 NAV cumulative return of 224.06% (includes IPO-related expenses). The benchmark MSCI World Index returned 134.86% (C$) over the same timeframe.

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

Measuring Cymbria's worth

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

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

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

Since we have no control over Cymbria's share price and don't know what's in the heads of sellers day to day, we also have no way of determining if there will be shareholders willing to sell at material discounts to NAV (either knowingly or unknowingly). Should these opportunities exist over the next decade, our share repurchases should greatly enhance Cymbria's value for remaining shareholders. This will occur at the expense of those willing to sell to us at a discount. If we're right about the value of the businesses inside Cymbria's portfolio over time, our share repurchases will prove to be one of our better investments.

Cymbria's transition from investment fund to corporate issuer

On December 15, 2015, with the full support of Cymbria's manager, EdgePoint Investment Group Inc. and the Board of Directors, Cymbria shareholders approved the proposal to transition Cymbria from the Canadian securities regime for investment funds to the regulatory regime for reporting issuers that aren't investment funds. This transition took effect on January 1, 2016.

Why the transition was necessary

The Canadian Securities Administrators introduced new closed-end investment fund rules that we believe would have negatively impacted Cymbria had the transition not occurred. Specifically, one new rule restricts closed-end funds from taking an ownership position of more than 10% in, or exercising control of, the companies they invest in.

The new rules would have compromised Cymbria's ability to continue to fulfill its investment objective of providing shareholders with long-term capital appreciation through an actively managed portfolio comprised primarily of global equities and an investment in EdgePoint Wealth. Cymbria's ability, since the time of its initial public offering, to make virtually any investment (regardless of relative or absolute size) that meets its investment objective is, in our view, what helps make Cymbria a compelling investment and distinguishes it from most non-redeemable investment funds. As a corporate issuer, Cymbria isn't subject to the above restrictions and as such can continue to operate as it has since inception.

Nothing to see here

Shareholders will see no significant change in the way Cymbria operates as a result of the transition, except for more frequent reporting to shareholders, which will be in compliance with the rules applicable to non-investment fund reporting issuers.

Meet Cymbria's new board members

As a result of the transition, Cymbria is expanding its Board of Directors from three to five members. Reena Sagoo and Ugo Bizzarri join James MacDonald, Richard Whiting and Patrick Farmer on the Cymbria Board. Each brings a wealth of experience and an added perspective and we feel they will complement an already strong board. An Independent Review Committee (IRC) isn't a requirement for corporate issuers and, as such, Cymbria has dissolved the IRC; however, it has increased its number of independent board members.

Reena Sagoo, CA, CPA, CBV, C.Dir

Ms. Sagoo is Executive Vice President and Global Head of Assurance & Advisory at OMERS, one of Canada's largest defined benefit pension plans. Prior to joining OMERS in 2016, she was with Borealis Infrastructure, OMERS' infrastructure investment arm, for 13 years where she assumed progressively senior finance roles, including Chief Financial Officer. From 1999–2003, Ms. Sagoo worked in both the assurance and advisory practices at KPMG LLP. Ms. Sagoo is a graduate of the Schulich School of Business and is a Chartered Professional Accountant, Chartered Accountant, a Chartered Business Valuator and a Chartered Director. Ms. Sagoo will be the Chair of Cymbria's audit committee as well as an independent director of the Board.

Ugo Bizzarri, CFA

Mr. Bizzarri is Managing Director, responsible for Portfolio Management and Investments and Co-Founder of Timbercreek Asset Management. Mr. Bizzarri is also a Director for the Timbercreek Mortgage Investment Corporation, as well as the Timbercreek Senior Mortgage Investment Corporation. Mr. Bizzarri has 20+ years of experience in the valuation, acquisition and disposition of investment-grade cash-flowing real estate, and as such leads the Timbercreek team responsible for the acquisition and disposition of direct real estate, and the underwriting and funding of commercial mortgage investments secured by direct real estate. In this capacity, Mr. Bizzarri and his team have been responsible for underwriting, financing and acquiring approximately $4 billion worth of multi-residential real estate on behalf of Timbercreek and its partners, and have constructed and managed a diversified debt portfolio of over $1 billion in Timbercreek-sponsored commercial mortgage investments. Prior to founding Timbercreek, Mr. Bizzarri was in portfolio management at Ontario Teachers' Pension Plan Board where he played a leadership role in the strategic planning, corporate transactions/restructuring and property acquisitions for the real estate group. Mr. Bizzarri is a graduate of the Richard Ivey School of Business and is a Chartered Financial Analyst.

THE MOST IMPORTANT QUESTION

By Tye Bousada and Geoff MacDonald, portfolio managers

Why are you reading this? Your time is very valuable and we appreciate you spending some of it reading about your Cymbria investment. If we had to guess, the number one reason you're reading this is to gain some insight into the following question:

Will Cymbria deliver pleasing returns in the future?

The word "pleasing" is very qualitative and subjective. It can mean different things to different people so we're going to try to quantify it a bit in an effort to make the question a little more meaningful.

Inflation erodes the value of your money every day. In fact, at a 3% inflation rate, the value of your money halves every 23 years. That bag of groceries you bought yesterday will cost you twice as much in 23 years, three times as much in 37 years and four times as much in 46 years. Essentially, a forty-year-old investor will have to pay four times as much for the lifestyle they enjoy today when they're 86. So at a minimum, most people would define "pleasing" as having an ability to deliver a rate of return equivalent to inflation over the long term. If inflation is in fact 3% annually and your investments deliver less than that, then you're slowly going broke. It's safe to assume that everyone would agree that slowly going broke is NOT "pleasing."

At the other end of the "pleasing" spectrum might be the since inception returns of Cymbria which are highlighted below:

Portfolio	1-year	3-year	5-year	Since inception†
Cymbria Corporation – Class A	17.69%	30.24%	19.15%	17.86%

†November 4, 2008. As at December 31, 2015.

You're among the many families invested in Cymbria and many of you have been invested with us for years. Based on this continued support, we assume you're "pleased" with your longer-term performance. In our view, though, that historical performance we showed above marked the high-end of the "pleasing" spectrum simply because the opportunities available to investors when we started in 2008 aren't the same as what's available today.

Specifically, in 2008, the stock market was consumed with fear so businesses were trading at extremely low valuations. While fear still exists in pockets of the market today, it's much less prevalent than it was back in 2008. It may be perceived as counterintuitive, but we believe money is made when you buy an investment and not when it's sold. Most are conditioned to feel like they've made money when an asset is sold and they receive cash for it. We believe money is actually made when the asset is purchased for less than it's worth. When we started in 2008, there were just more businesses trading at big discounts than today, so we believe the high-end of "pleasing" should be the since inception returns of our portfolio.

Bearing all this in mind, we should rephrase our question from above and ask:

Will Cymbria deliver returns somewhere between the rate of inflation and its historical since inception return?

In an effort to answer that question, let's first look at what investors are worried about because it has the potential to impact returns, or does it? One of the things that has loomed large on the minds of investors is the ultra-low interest rate environment.

When the financial credit crisis initially broke in 2007, the Federal Reserve lowered interest rates hoping to increase aggregate demand. When it wasn't successful (largely because consumers had already taken on large amounts of debt and weren't in a position to increase their spending), the Fed decided to increase money supply. The increase in supply was the quantitative easing you've been hearing about. It printed money and used that money to buy assets thinking that if the lower rates weren't enough to cause asset prices to rise, this would surely do the trick. It makes a person feel richer by increasing the prices of their assets, which in turn makes them feel comfortable increasing their spending. While the U.S. has pulled back its quantitative easing, it's still happening in Europe and Japan. Of course this supply (or we'd call it manufactured demand for assets) coupled with ultra-low interest rates contribute to the universal rise of asset prices. Great news for those with lots of assets – unless of course it's cash. It has become the one consistent waning asset, earning near 0% in this ultra-low interest rate paradigm. It's a waning asset because it doesn't earn enough to match the inflation of other assets, products or services.

What if interest rates stay low?

It's important to pay attention to interest rates because most people value assets at the time of purchase based on prevailing interest rates. The lower the rate, the more debt you can carry and thus "afford" more assets. It also causes future cash flows to appear more valuable to those who think rates will remain low. Low rates make lenders think they're smarter than they really are since they're able to lend more than if rates were high, but with fewer defaults. They also assist, though only temporarily, the over-indebted and hurt the conservative saver. It helps the over-indebted because they can borrow more, consume more and still keep their head above water because interest rates are so low. It hurts the conservative saver because their interest income either doesn't match inflation or they experience capital losses reaching for higher yield.

Historically, the saver had a simple option to derive income from cash. Today, it isn't as simple. Investors who in the past yielded income from cash are now forced to invest in "opportunities" offered by promoters who promise yield. And guess what, these opportunities conveniently "offer" the very yield the investor requires. It's amazing how that happens. Unfortunately, in order to achieve the yield they want, there's often an increase in risk – though this is rarely pointed out to investors and pain ensues for the conservative saver. Let's do a reality check. Rates wouldn't be this low and the central banks wouldn't be printing money if everything was rosy in the world.

Does it matter, or is it just the reality of the world we live in?

What doesn't matter?

Does it matter if central bankers' monetary experiment continues for another 10 years? Should you care if it does? Does it matter that central bank policy benefits the 1%? Does it matter that printing money is contributing to cash becoming a waning asset? Are elevated asset prices and anemic GDP growth the new normal? Does it matter that a university education is becoming more and more unaffordable each year for the average family? Does it matter that average middle-income salaries haven't kept up with the inflation central bankers claim doesn't exist? Does it matter if the average person can't afford the average house? Does it matter that central banks have sponsored interest rates and excess capital-induced bull markets…and bubbles? Does it matter that governments won't live up to their future promises even with major tax increases? If the middle class is already falling behind, where will the tax increase come from?

Of course all these things matter, but this might be the reality of the world we live in even though it isn't ideal on all fronts. Just because we don't like it, we can't change it and a lot of it might make us scratch our heads or fear that things could get worse. Doesn't mean we can't invest in it. And it certainly doesn't mean we can't prosper in it. But not all will prosper for sure.

What does matter?

With the task at hand to grow wealth over time, let's talk about what we think matters. The most important factor in determining future returns is not any of the factors above. The most important thing is *whether or not the market will give us opportunities to find proprietary views on businesses in an environment where capitalism carries the day.*

Let's revisit the question we posed at the beginning of the commentary:

Will Cymbria deliver returns somewhere between the rate of inflation and its historical since inception return? We believe the answer to that question is yes and that our returns should fall in that range over a meaningful amount of time.

Why do we believe this? We try to ensure that the businesses you own are run by competent managers, that they don't have too much debt and have material economic moats around them. Beyond these obvious things are two other factors in particular that give us confidence that we'll be able to deliver "pleasing" returns in the future:

1. Proprietary insights
2. Volatility

Proprietary insights

We believe the best way to buy a business at an attractive price is to have an idea about the business that isn't widely shared by others – what we refer to as a proprietary insight.

We strive to develop proprietary insights around businesses we understand. They generally reflect our views looking out more than five years. We firmly believe that focusing on longer periods enables us to develop proprietary views that aren't reflected in the current stock price.

The foundation of a proprietary insight is to be 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.

Volatility

What gives us the ability to buy a business below its true worth is volatility. We like to capitalize on volatility as much as possible.

As many of our investment partners already know, we believe volatility is the friend of the investor who knows the value of a business and the enemy of the investor who doesn't. Volatility is caused by emotions. The two primary emotions that drive volatility are greed and fear. Here's a walk down memory lane of a few emotional drivers from the past few years.

- U.S. housing was doomed forever so most investors shied away from businesses whose prospects depended on new home construction returning to trend
- U.S. unemployment was going to remain structurally high forever so investors steered clear of businesses associated with employment levels improving
- The BRICs (Brazil, Russia, India and China) were going to drive the price of oil to US$200 a barrel and airlines were doomed because of it
- The U.S. dollar was going to collapse so U.S. businesses fell out of favour with investors
- Obamacare was going to destroy health insurance companies

More recently, here are the fears 2015 will likely be remembered for:

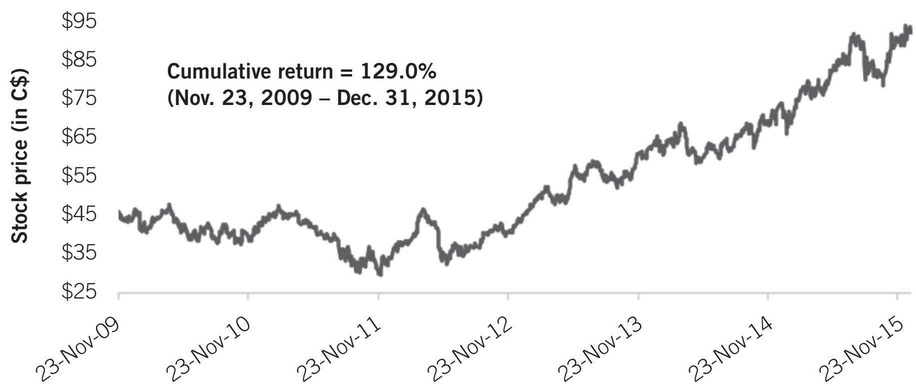
- Oil collapsed from US$120 to US$35 per barrel and consensus was it would never go up again
- BRIC demand collapsed and caused a recession in industrial demand so no one wanted to buy an industrial-related company
- Interest rates started to rise so people became worried about the U.S. housing market
- People worried about a permanent shift down in global transportation demand

Over the past few years, we bought and/or added to businesses impacted by each of these fears. However, we don't buy businesses just because they fall out of favour. We try to take advantage of irrational price movements in great businesses caused by short-term noise. This is what we did in Cymbria during each one of those periods mentioned above.

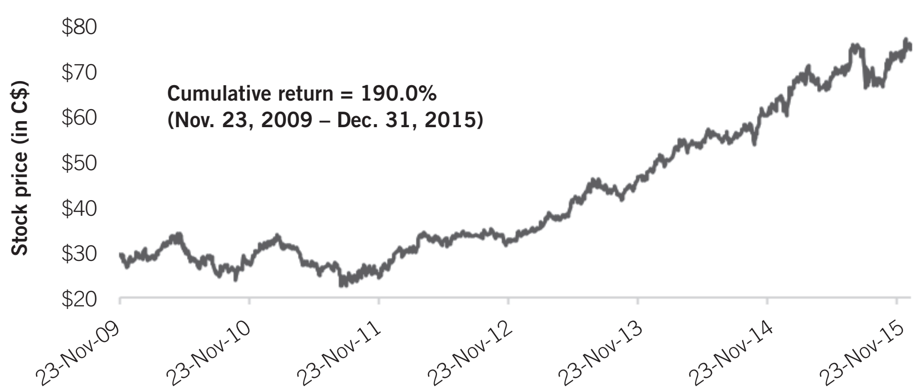
Remember when the Fed was never going to raise interest rates and the last thing you wanted to own was a U.S. bank because of that?

- We bought two U.S. banks with overcapitalized balance sheets, great management teams and lots of opportunity to take market share from their competitors

JPMorgan Chase & Co.



Wells Fargo & Co.

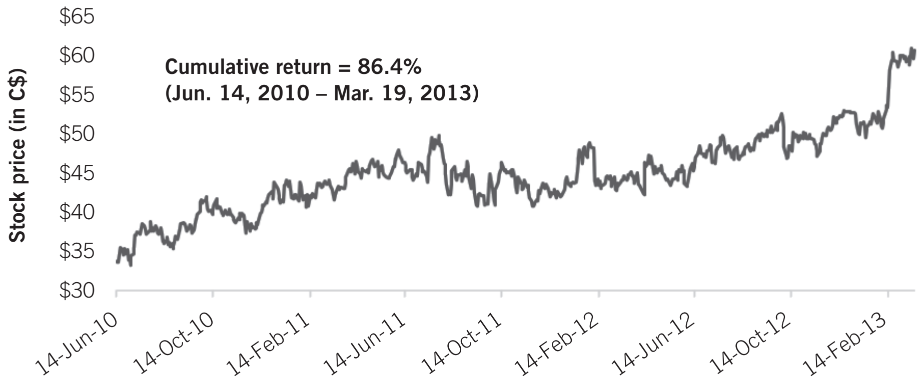


Source: Bloomberg LP. Cumulative total return of stock since date of purchase.

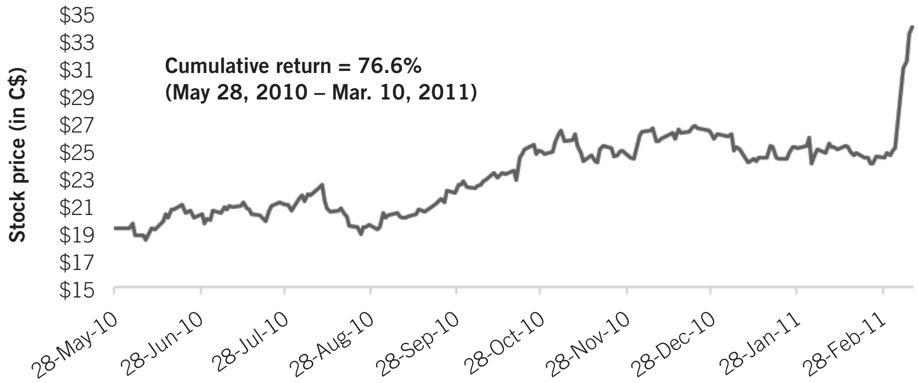
Remember when Greece was going to cause Europe to collapse in 2010 and the last thing you wanted to own was a European business because of that?

- We bought two Germany-based businesses that had virtually no exposure to Greece. Both had products that could grow in demand even if European GDP slowed, but both companies saw their share prices get cut dramatically because no one wanted to own anything in Europe

Gerresheimer AG



Tognum AG

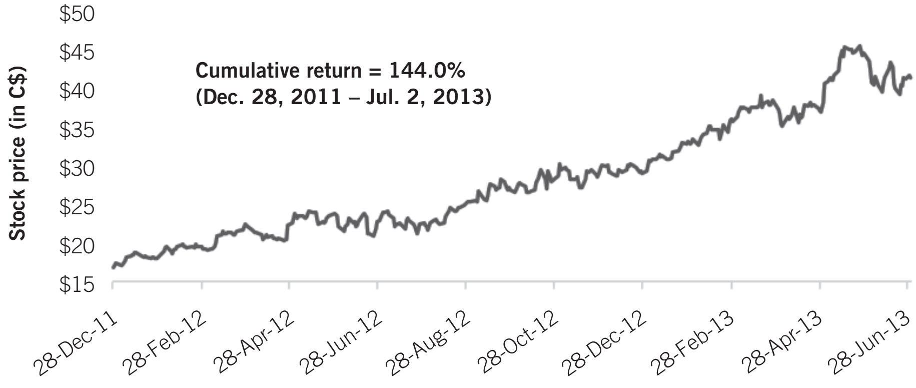


Source: Bloomberg LP. Cumulative total return of stock for holding period.

Remember when U.S. housing was doomed forever and the last thing you wanted to own was a business based on the idea of new home construction returning to trend?

- We believed that the U.S. would continue to build more homes to accommodate its population growth and bought a cabinet and faucet company

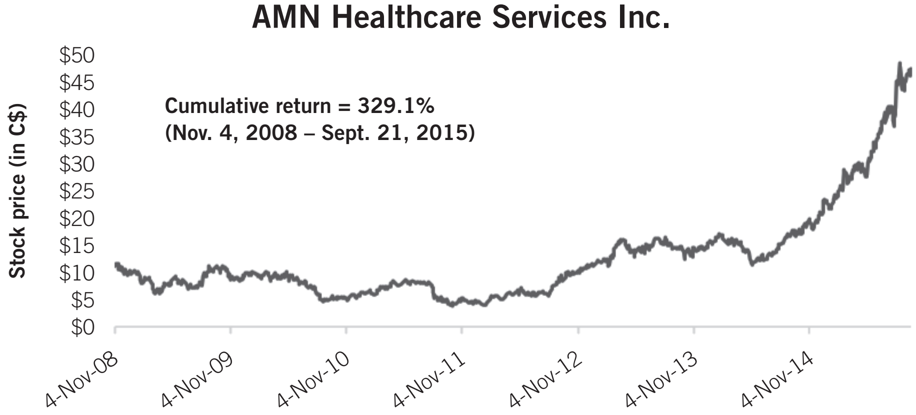
Fortune Brands Home & Security Inc.



Source: Bloomberg LP. Cumulative total return of stock for holding period.

Remember when U.S. unemployment was going to remain structurally high forever and you didn't want to touch a business associated with employment levels improving?

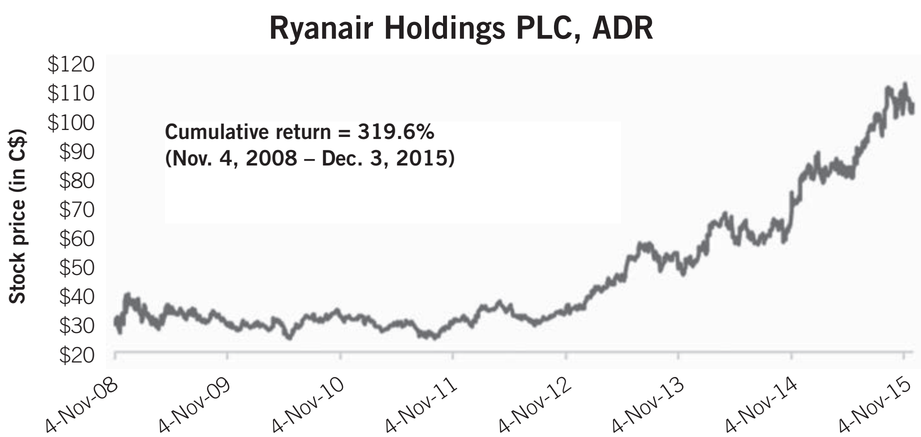
- We saw a nursing shortage in the making and bought a travel nurse company



Source: Bloomberg LP. Cumulative total return of stock for holding period.

Remember when the BRICs were going to drive the price of oil to $200 a barrel and airlines were doomed because of it?

- We bought an airline whose cost structure was approximately 50% lower than its closest competitors. This airline had no debt and was experiencing large growth in demand



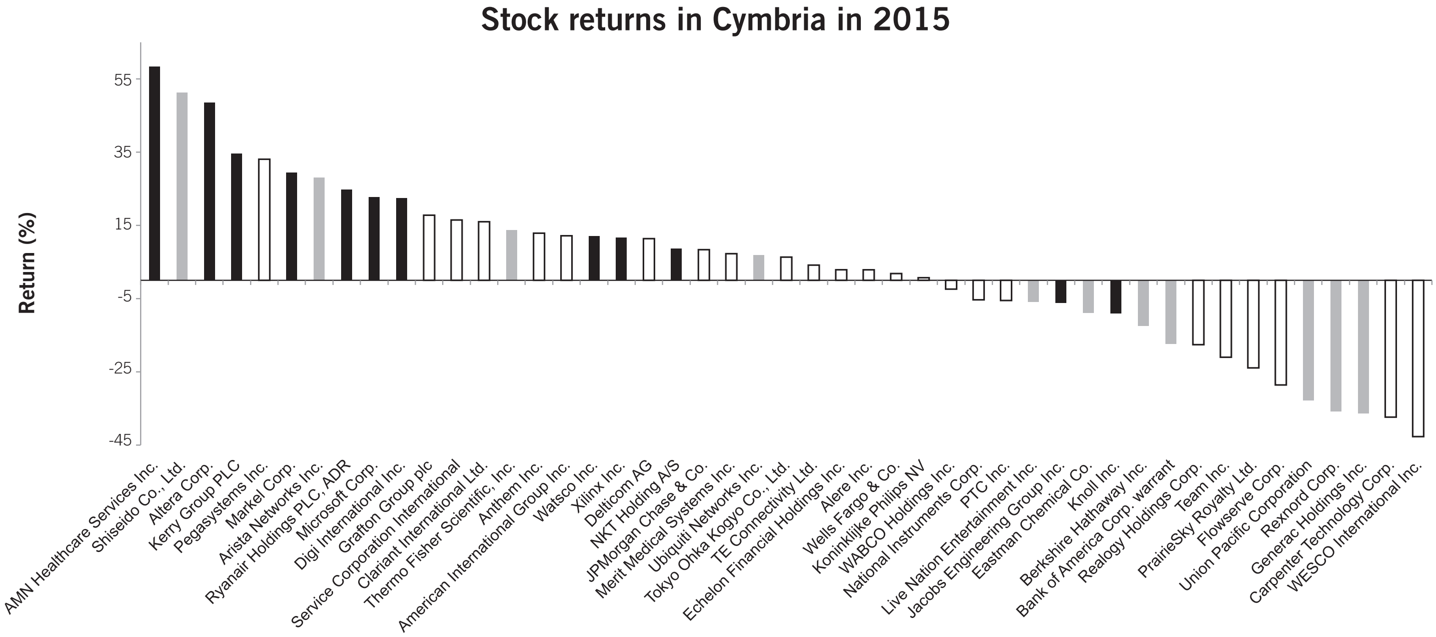
Source: Bloomberg LP. Cumulative total return of stock for holding period.

Remember when Obamacare was going to destroy health insurance companies?

- We bought the health insurance company with the greatest scale and the lowest cost structure. We believed it would be the last man standing if Obamacare was as bad as everyone feared it would be

Source: Bloomberg LP. Cumulative total return of stock since date of purchase.

The following graph illustrates the annual percentage return for each one of the holdings in Cymbria in 2015. The grey bars represent new ideas purchased during the year and the black bars show names we sold during the year.



Source: Bloomberg LP. Annual returns in local currency. Excludes EdgePoint Wealth and one other holding as only partial returns are available.

The key point that jumps out of the chart above is the vast disparity in returns of the individual names within the portfolio. In 2015, the market fell in love with companies like AMN Healthcare because the nursing shortage became obvious to everyone. And the drop in oil prices caused Ryanair's profitability to balloon, and the market couldn't get enough of its story. We sold our positions in both companies entirely while taking the weight down in other names on the left-hand side of the chart. We redeployed the proceeds into new and existing ideas on the right-hand side of the chart.

You may be wondering what type of companies were bought on the right-hand side of the chart? They were ones being impacted by the fears of the day that 2015 will likely be remembered for.

Looking forward, what may cause us to under-deliver on the expected range of returns that we outlined previously?

While there are lots of macro-related fears like deflation or a prolonged depression in markets like China, history has proven that over a material amount of time these macro fears are transitory. Through world wars, epidemics, hyperinflation, depressions, and everything in between, investing in a sound collection of growing businesses has proven to be profitable. So the real threat to our ability to deliver "pleasing" returns going forward is our ability to execute our approach.

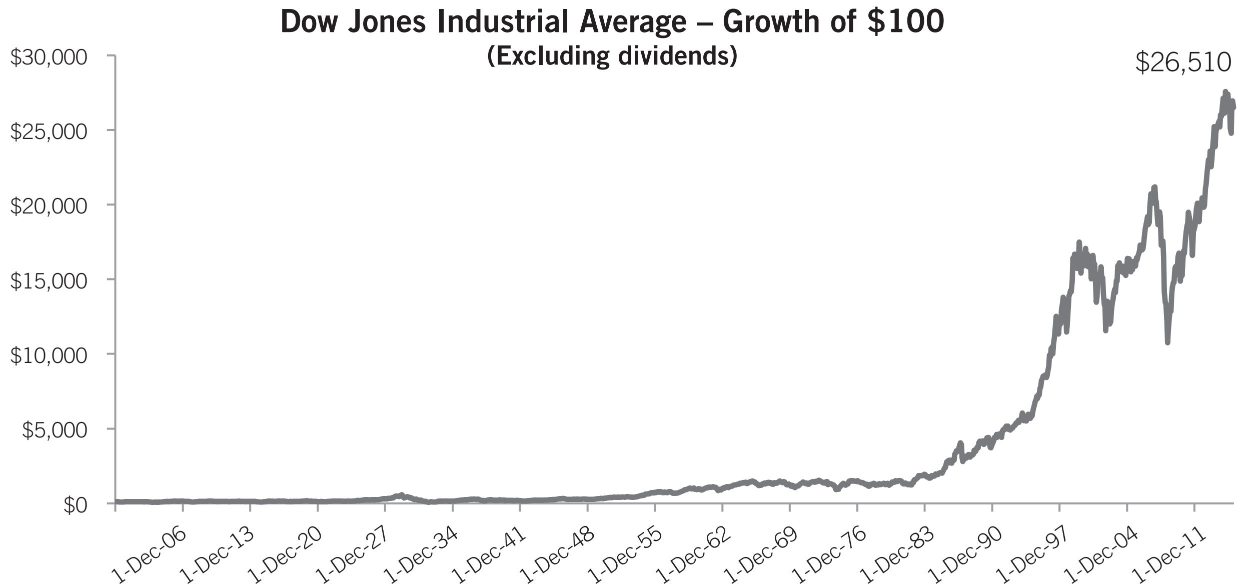
There have been big declines every decade to scare investors, but the gains from each decade far outpaced the drawdowns:

Dow Jones Industrial Average Price returns (1900 – 2009) in US$

Decade	Maximum gain	Maximum drawdown	Maximum gain	# of months	Maximum loss	# of months
1900-1909	127%	-42.9%	December 1903 to January 1906	26	February 1906 to November 1907	22
1910-1919	118%	-42.0%	January 1915 to October 1919	59	September 1912 to December 1914	27
1920-1929	467%	-37.2%	September 1921 to August 1929	97	September 1929 to November 1929	3
1930-1939	337%	-85.0%	July 1932 to February 1937	57	April 1930 to June 1932	27
1940-1949	123%	-35.8%	May 1942 to May 1946	50	May 1940 to April 1942	24
1950-1959	239%	-15.9%	January 1950 to December 1959	122	July 1956 to December 1957	18
1960-1969	76%	-23.2%	July 1962 to November 1968	78	January 1962 to June 1962	6
1970-1979	65%	-40.4%	October 1974 to December 1976	27	January 1973 to September 1974	21
1980-1989	250%	-31.1%	April 1980 to December 1989	119	September 1987 to November 1987	3
1990-1999	371%	-16.8%	November 1990 to December 1999	112	May 1998 to August 1998	4
2000-2009	83%	-49.3%	October 2002 to October 2007	62	November 2007 to February 2009	16
Average	**205%**	**-38.1%**		**73**		**16**

Source: Bloomberg LP.

When you combine all of this data, $100 invested in the Dow Jones Industrial Average at the beginning of 1900 would have grown to $26,510 today, not including dividends.



Source: Bloomberg LP.

Historically, capitalism has worked and historically our investment approach has managed to outperform over material amounts of time. Our biggest threat isn't the noise and fears we've discussed, but how many mistakes we make as investors.

Security
Connaught Plc
Research In Motion Ltd.
Bank of New York Mellon Corp.
Takata Corp.
Western Union Co.
GameStop Corp.
Hyundai Mobis
Jacobs Engineering Group Inc.
Cisco Systems Inc.
American Express Co.
UnitedHealth Group Inc.
Mine Safety Appliances Co.

We've made some doozies in the past eight years. Since inception, we held and sold 12 stocks in Cymbria (see lefthand table) that lost money.

Fortunately, we've been well-diversified so these mistakes were more than offset by the winners, which resulted in material outperformance over time. We're not promising to always pick winners but we continue to search for and invest behind our proprietary insights. Our portfolio is filled with unique insights that we believe will build value for you over time. Getting back to your original question, if we stick to our investment approach, accept that we'll make mistakes but try to structure the portfolio in such a way that our winners more than offset our losers, we believe Cymbria will continue to deliver "pleasing" returns.

It's best to accept the reality of the world for what it has become. You can choose to ignore or accept the things you don't like or that might scare you about the future. Once you accept them, you need to develop an investment plan that aims to avoid any big problems down the road and grow enough wealth over time. The volatility that we expect to continue in the future should continue to help us find proprietary views. A good business that can grow and that's purchased at a price below our assessment of its true worth has always paid off handsomely. There's no reason to believe that will change. That's what convinces us that the future will be bright, even though on the surface, there seems to be a lot to worry about.

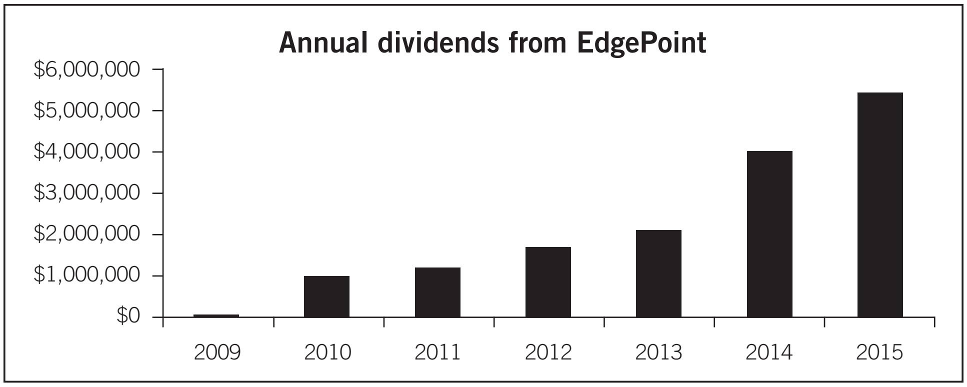
We continue to approach investing in these markets with measured confidence, value your trust in us and look forward to working to build your wealth in an effort to be worthy of that trust.

Fun with numbers

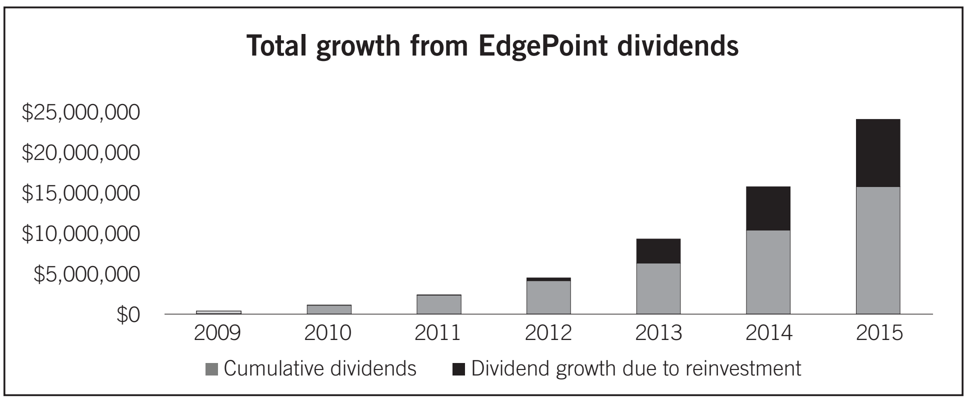
We were those kids in school who wanted to do your math homework for you. Lucky for us, as adults we got to turn our passion for facts and figures into fulltime work and today still keep our calculators within arm's reach. So when we think about some of the numbers associated with Cymbria, both real (historical) and potential (future), we get pretty excited.

We took a look at the dividends Cymbria receives from EdgePoint, what has already happened with them and what could happen with them as the years progress, with all of the usual caveats attached. For example, remember that we still don't have a crystal ball and as a result can't promise what will come next for either EdgePoint or Cymbria. Here, we're simply offering up some "what if?" scenarios with the goal of revealing a fresh perspective on our prospects.

To start, EdgePoint's dividend payments have meaningfully increased over time.



Those dividends have been reinvested, so they've grown at Cymbria's rate of return. Since 2009, the $15.7 million in total reinvested dividends from EdgePoint has grown to $24 million within Cymbria – a testament to our success at compounding wealth.



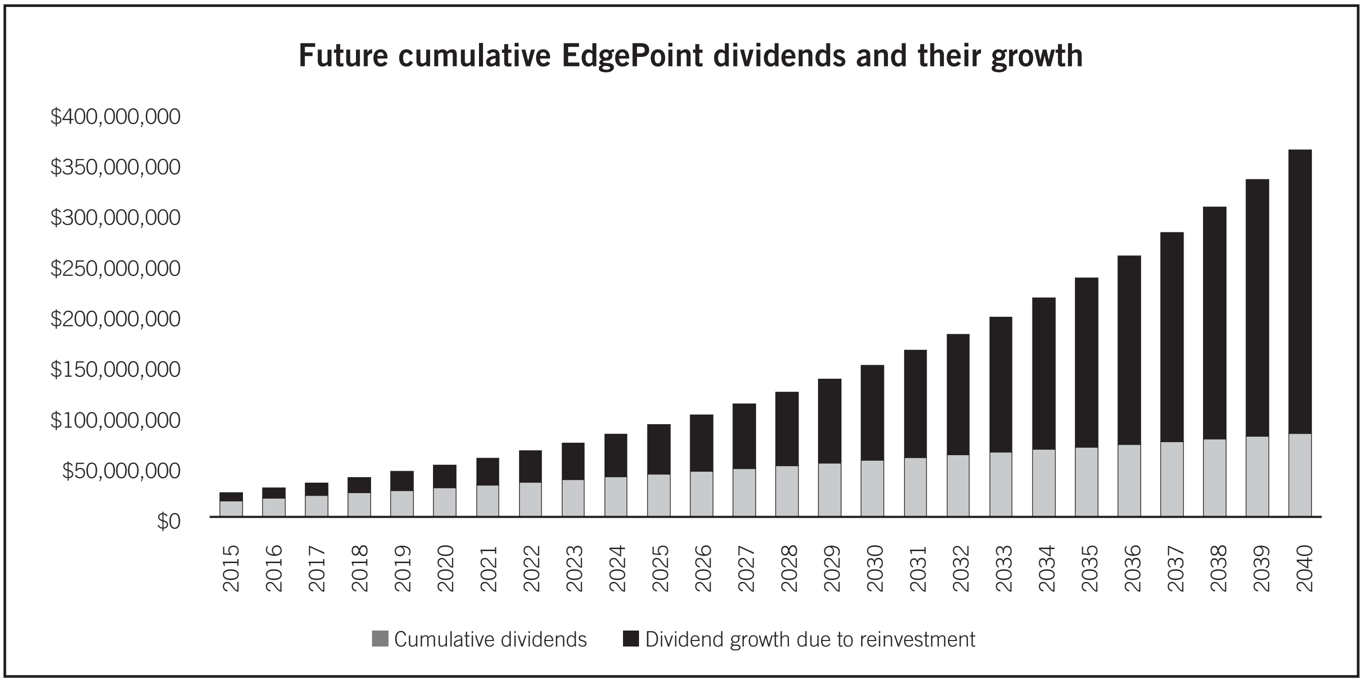
As an aside, these results nicely address any questions related to why we've chosen to reinvest EdgePoint's dividends as opposed to paying them out in cash to Cymbria investors.

We also believe reinvesting EdgePoint's dividends is the right approach because it means foregoing consumption today so that hopefully we can all consume more tomorrow. If you were to instead take and keep those dividends in cash or just spend the money as you got it, you might not be able to afford as much down the line. Think of reinvested dividends as a savings plan for your future bringing you that much closer to achieving your long-term financial goals. This is the mindset of long-term business owners.

Okay, now for the "what ifs?". Imagine we grew EdgePoint's historical dividends by 8% annually for 25 years. Why 8%? Because the long-term return (since 1802) of the S&P 500 Index is 9% and we prefer to be conservative in our projections. Also, Cymbria's since inception return (Class A, as at December 31, 2015) is 17.86%. Our opinion is that 8% is therefore a reasonable, albeit by no means guaranteed, expectation. That said, the $15.7 million in EdgePoint dividends has already grown to $24 million (as at December 31, 2015). If the $24 million grew at 8% for the next 25 years, it would amount to $164.2 million, and that's before accounting for any future dividends EdgePoint may pay to Cymbria.

As for potential future dividends, let's assume that from this point on, EdgePoint pays only half of its 2015 dividend – about $2.7 million – annually for 25 years. What would Cymbria's growth from EdgePoint's dividends look like then?

Under those hypotheticals, in 25 years Cymbria would have received $83 million in EdgePoint dividends (including the $15.7 million received to date), or $3.67 per share. The future is anyone's guess and for all we know our performance could certainly be worse, but if we continue to assume an 8% return per year and stick to our dividend reinvestment strategy, the $83 million would grow to $366 million, or $16.21 per share. Wowza! And to think, all of that growth potential based solely on EdgePoint's dividends. We haven't even factored in the impact of contributions from Cymbria's other holdings.



Forecasted data is for illustrative purposes only and not intended to be a guarantee of future results.

INVESTMENT IN EDGEPOINT

Cymbria's original $509,585 investment in EdgePoint equates to a 20.7% ownership share. It has received $15.7 million in dividends from EdgePoint since inception and the value of its investment in the company has increased to $99.4 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio.

The business

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

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

Our progress

Our progress to date against those three goals follows.

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

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

Investment results since inception

Series A portfolios	2015	2014	2013	2012	2011	2010	2009	2008†	Since inception
EdgePoint Canadian Portfolio	**-4.3%**	**9.4%**	**26.3%**	**8.9%**	**-7.8%**	**16.6%**	**50.2%**	**4.9%**	**13.3%**
S&P/TSX Composite Index	-8.3%	10.6%	13.0%	7.2%	-8.7%	17.6%	35.1%	2.8%	8.9%
EdgePoint Global Portfolio	**12.7%**	**18.7%**	**44.5%**	**11.1%**	**-2.7%**	**8.0%**	**28.2%**	**10.4%**	**17.7%**
MSCI World Index††	18.9%	14.4%	35.2%	13.3%	-3.2%	5.9%	10.4%	7.6%	14.0%
EdgePoint Canadian Growth & Income Portfolio	**-2.7%**	**8.4%**	**22.2%**	**6.6%**	**-4.1%**	**14.0%**	**40.4%**	**1.5%**	**11.3%**
60% S&P/TSX/40% BofA Merrill Lynch Canada Broad Market Index	-3.6%	10.1%	7.1%	5.9%	-1.4%	13.5%	22.7%	3.2%	7.8%
EdgePoint Global Growth & Income Portfolio	**9.0%**	**13.9%**	**32.4%**	**9.0%**	**-0.5%**	**9.0%**	**29.1%**	**4.1%**	**14.5%**
60% MSCI World Index/40% BofA Merrill Lynch Canada Broad Market Index	12.7%	12.3%	19.3%	9.5%	2.1%	6.6%	8.6%	6.0%	10.7%

†November 17, 2008.
††MSCI Daily Total Return Net World Index ("MSCI World Index").

Standard performance

We're mandated to include annualized returns in the below table because we provide performance by year in the above table. 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 on or vice-versa.

Your advisor can help you to reconcile what you see here with your personal rate of return and tell you whether your investments have made or lost you money.

Series A portfolios	YTD	1-year	3-year	5-year	Since inception
EdgePoint Canadian Portfolio	-4.27%	-4.27%	9.77%	5.82%	13.33%
EdgePoint Canadian Growth & Income Portfolio	-2.67%	-2.67%	8.81%	5.67%	11.29%
EdgePoint Global Portfolio	12.71%	12.71%	24.60%	15.90%	17.73%
EdgePoint Global Growth & Income Portfolio	9.01%	9.01%	18.04%	12.28%	14.45%

Annualized returns as at December 31, 2015.
Source: Zephyr StyleADVISOR, Bloomberg LP. Total returns in C$. Compounded annual rates of return.

We (still) love volatility

It's now been seven years and we're two-thirds of the way toward reaching our 10-year performance goal. We continue to post strong since inception results relative to the benchmarks against which we're measured.

We believe the market won't disappoint in continuing to present us with opportunities to find proprietary views on businesses that, in turn, will allow us to deliver pleasing future returns. Volatility tends to be a big worry for the average investor but not for us. The greater the volatility, the greater our ability to add value.

Our 2015 stewardship award

We haven't changed tack – we still don't pay to advertise our accomplishments. It's just not part of our DNA to do so. Especially because the most common awards in our industry are performance-based. While good returns are important, investors often don't ask what was done to achieve those returns.

For the first time, Morningstar Canada Inc. recognized a company as "Analysts' Steward of the Year" and it was us! Unlike other industry accolades that focus primarily on past performance, this one praises stewardship ahead of salesmanship, because we align our financial interests with those of our unitholders while offering them a good value proposition. Now that's the kind of award we can get behind.

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

Our advisor partnerships climbed to 3,947 in 2015 from 3,165 in 2014, with the top 20% of our advisors continuing to represent approximately 83% or $6.4 billion of EdgePoint's retail AUM at an average of $8 million per advisor.

The top 20% of our institutional clients now represent 92% of our institutional AUM (approximately $2.2 billion), with an average investment of $365 million per client.

To continue to maintain the high level of service our partners expect from us, we balanced our 25% increase in advisor partnerships by adding more hands on deck to both our Relationship Management and Operations teams.

Although we're growing, we still don't make it easy for people to get to the bottom of how much money we manage to stay in line with our belief that asset size is the wrong kind of success measure. Sure, our shareholders want our assets to keep going up. But our investors likely don't because large assets tend to make it harder to outperform. Growth comes at the expense of nimbleness.

Instead, we'd like to see our industry talk less about how much it has collected from investors and more about how much it has made for them. We'll follow suit. Following are our most recent stats:

$4,342,033,940* – How much we've made for our investors

$28,679,845† – How much we've saved investors through lower fees

To see your fee savings as an EdgePoint investor in real time, check out our MER savings counter on our homepage at **www.edgepointwealth.com**.

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

†Source: Category average MERs from Investor Economics as at December 31, 2015. Category average is MERs of actively managed Series A funds in relevant categories defined as core funds with total assets greater than $50 million, excluding ETFs and index funds. Annual savings calculated using an average of monthly assets under management for Series A and A non-HST. MERs since inception to end-of-year 2008 not included.

We also believe in eating our own cooking by maintaining a significant personal investment in our products. Having "skin in the game" fosters accountability and creates alignment with our investment partners. While co-investment can't promise results, it does help to ensure investors' well-being moves in lockstep with their managers'.

As at December 31, 2015, our internal partners hold some $120 million in company-related products (for many of us, the lion's share of our investable assets) and are collectively one of our largest investors.

From left to right, EdgePointers Anna Nepravishta, Robert Mavrak, Harry Burke and Michelle De Marco.

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

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

New employees in 2015

A total of 47 EdgePoint internal partners now work for you, including these new hires in 2015.

Steve Cooney, Relationship manager
George Droulias, Investments
Amy Hamilton, Operations
Bryan Long, Finance
Daniela Orla, Operations
Heather Siegner, Relationship manager

YOUR TEAM

Meet your 47 EdgePointers who make up just seven teams, with a lot of crossover.

We help keep costs down and stay efficient by doing the jobs of many more employees. We've even been known to fix our own dishwasher!

Heightened fee disclosure starts in 2016

The new industry norm starting in July will be to disclose to investors, in dollar terms, the sales commissions (dealer and advisor compensation) and administrative charges incurred on their investments. Enhanced performance reporting has also been mandated.

These changes usher in a new era of fee transparency. Up until now the average investor wasn't necessarily up to speed on what their investments were costing them, whether through wilful ignorance or because they had trouble understanding how these things worked. Our industry also tended to do a poor job of being upfront and helping to explain fees to investors because the less they were scrutinized, the more freely they could be increased. Now, investors will be told how much they're paying for their investments. This will go a long way toward helping them better evaluate performance and what they're getting for the money they're spending.

We've always been frank about the cost of doing business with EdgePoint and work hard to offer MERs that come in below industry averages. We do this in part by charging a management fee that's 10% lower than most Canadian fund managers and by keeping a close eye on our fund operating expenses.

Series A MER comparison

	Series A	Series A(N), non HST	Category average
EdgePoint Canadian Portfolio	2.15%	1.98%	2.32%
EdgePoint Global Portfolio	2.13%	1.98%	2.47%
EdgePoint Canadian Growth & Income Portfolio	2.04%	1.89%	2.12%
EdgePoint Global Growth & Income Portfolio	2.03%	1.87%	2.15%

Source: Category average MERs from Investor Economics. As at December 31, 2015. Category average is MERs of actively managed Series A funds in relevant categories defined as core funds with total assets greater than $50 million, excluding ETFs and index funds.

As investments costs have moved to the forefront, there has been a gradual shift among advisors toward offering fee-based financial advice, where investors are charged a fee based on a percentage of their assets.

Series F is designed for those operating under the fee-based model.

Series F MER comparison

	Series F	Series F(N), non HST	Category average
EdgePoint Canadian Portfolio	1.01%	0.93%	1.20%
EdgePoint Global Portfolio	1.00%	0.92%	1.35%
EdgePoint Canadian Growth & Income Portfolio	0.89%	0.83%	1.15%
EdgePoint Global Growth & Income Portfolio	0.88%	0.81%	1.16%

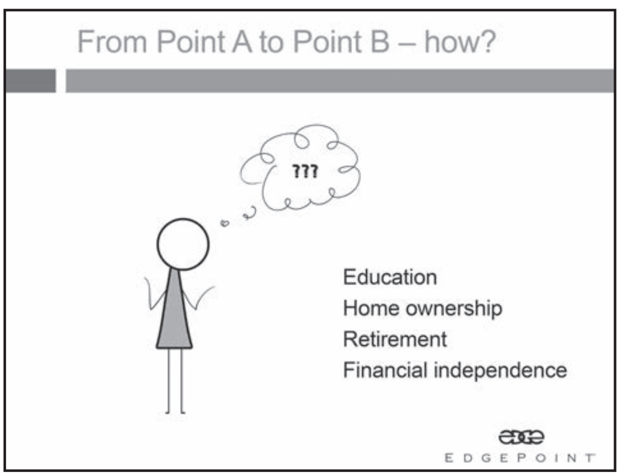
Source: Category average MERs from Investor Economics as at December 31, 2015. Category average is MERs of actively managed Series F funds in relevant categories defined as core funds with total assets greater than $50 million, excluding ETFs and index funds.

Volatility – as regular as rain and just as good for growth

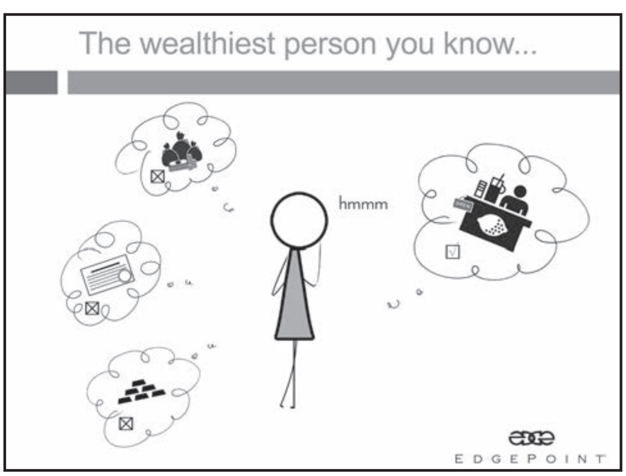
As the year progressed, market volatility went from being virtually non-existent to almost all anyone wanted to talk to us about. We armed our clients with as much as we could on the topic so that they could then better educate their investors and hopefully guide them away from making the wrong investment decisions at the wrong time.

Following is the type of content on volatility we shared in 2015.

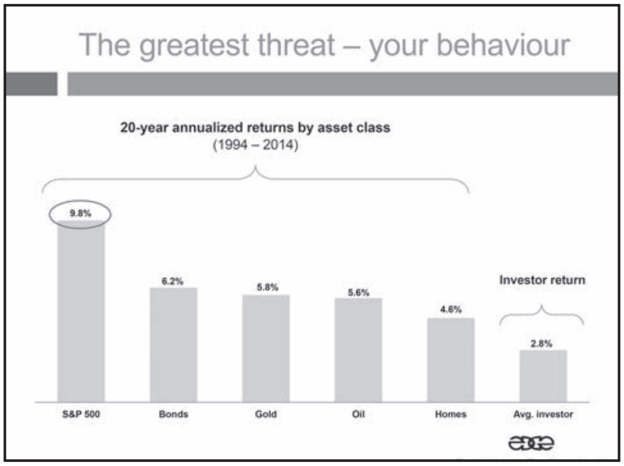
Learn to love volatility



Investors with a long-term horizon typically have a "point B" that they're saving for, whether that's retirement, a down payment on a house or a child's education – all big-ticket items that you don't accumulate money for overnight.



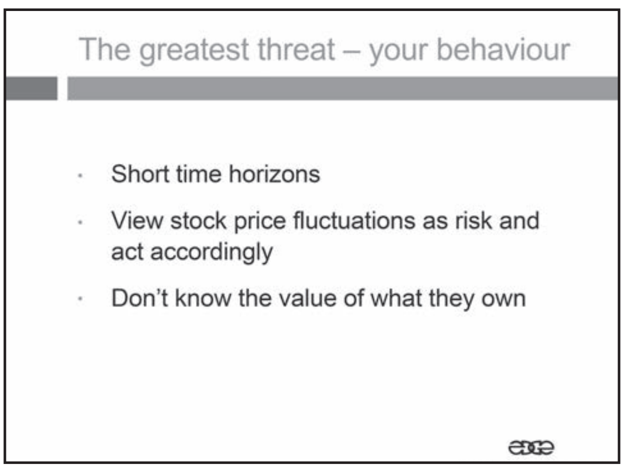
Now, think of the wealthiest person you know. Chances are they own a business.



This shows 20-year annualized returns of different asset classes to illustrate that investors typically need the historically stronger long-term performance of stocks to achieve their "point B" goals. They need to be business owners.

Unfortunately, the average investor is their own worst enemy. Where do they fit into this bar graph? At a 2.8% annualized return over 20 years, they perform worse than all other asset classes, barely outpace inflation and end up with four times less than the S&P 500 Index.

All returns annualized and in US$. *S&P 500 Index* – 9.8%. S&P 500 Index is a broad-based, market-capitalization-weighted index of the 500 largest and most widely held stocks in the U.S. *Bonds* – 6.2%, represented by the Barclays Capital U.S. Aggregate Bond Index. *Gold* – 5.8%, represented by Bloomberg Gold Spot Price per Troy Ounce. *Oil* – 5.6%, represented by Bloomberg WTI Cushing Crude. *Homes* – 4.6%, represented by the S&P/Case Shiller U.S. Home Price Index. *Average investor returns* – 2.8%, calculated using Dalbar Inc. mutual fund flow information, including the average of equity, fixed-income and asset allocation investor returns.

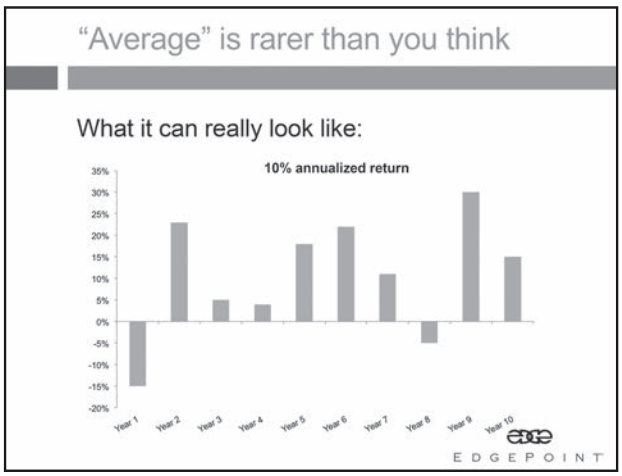


We believe the average investor underperforms because, for one, they don't adopt a long-term mindset. They let stock price fluctuations guide their behaviour and move in and out of investments based on emotion instead of a sound strategy that will work over the long term.

Also, they view the ups and downs of the market as risk when in fact real risk is permanent loss of capital and failing to reach their "point B" savings goal.

Nor do they have a solid understanding of what the businesses in their portfolios are worth. We're not talking about a business's stock price – we mean how it's run and what its long-term growth prospects are.

The average investor doesn't think like a business owner and it hurts them.



Investors tend to want a smooth ride and consistent performance from one year to the next, but the reality is that over time returns will be much higher and, yes, much lower than the "average." The path to average can be a bumpy one to say the least.

Note: These are hypothetical examples used to illustrate the effects of compound growth. Not intended to reflect future fund values or returns on any investment in our products.

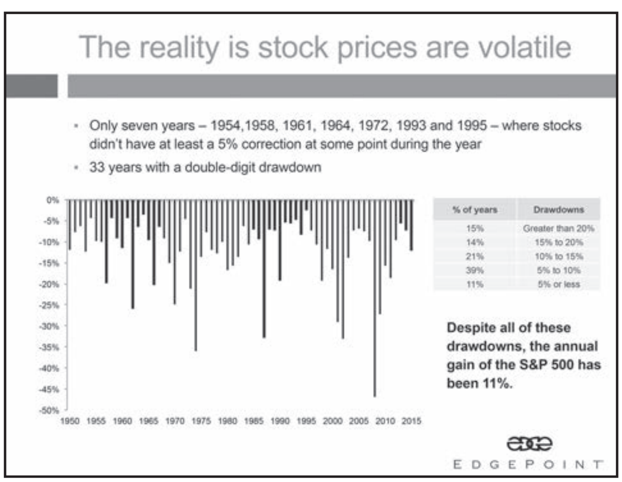
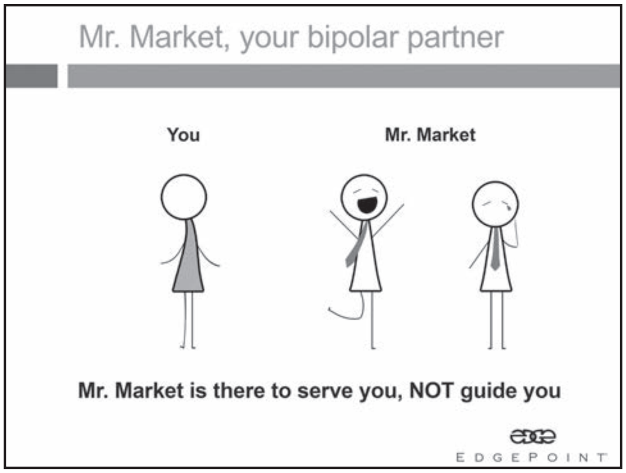


Chart source: Bloomberg LP. As of December 31, 2015. Total returns in US$.

Likewise, the market – and the stock prices that underpin it is volatile.

For example, over a 66-year period between 1950 and 2015 for the S&P 500 Index, there were 33 years of double-digit drawdowns and only seven years (basically once a decade) when it didn't experience a correction of at least 5%. Nevertheless, over the same timeframe, the Index gained 11%.

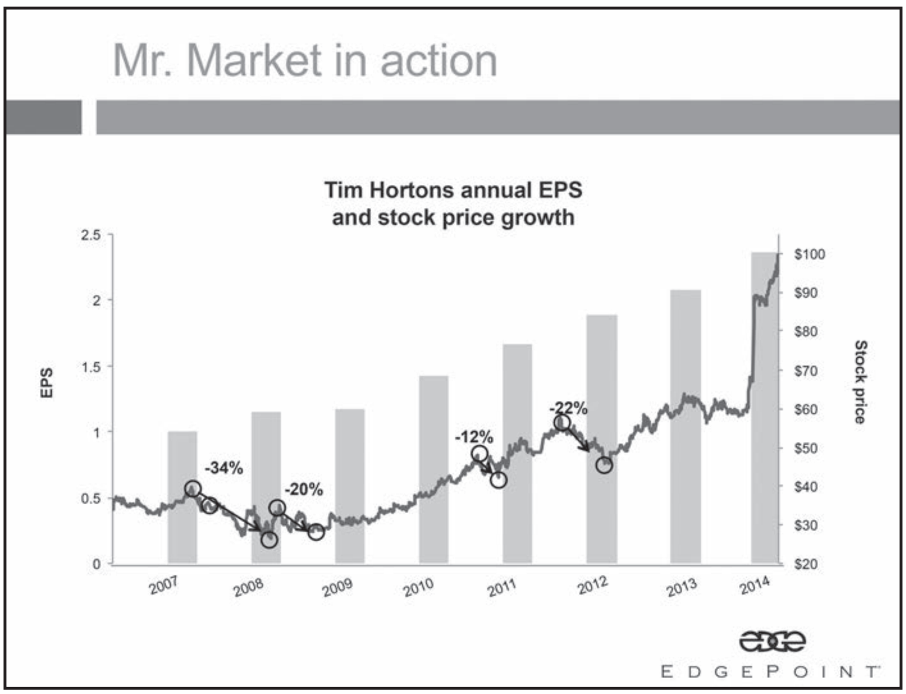
As uncomfortable as volatility may feel, it's just a normal part of investing.



In other words, you can't let volatility affect you.

The famous allegory to relate the investor experience to is that of Mr. Market. Imagine being one of two business owners. Your partner, Mr. Market, frequently offers to sell you his share of the business or conversely to buy your share. His sentiment on your business together swings from excessive pessimism to wild optimism. As his partner, you're always free to decline his proposals since he'll soon return with an entirely different one anyway.

The market behaves exactly like Mr. Market. As an investor, you can take advantage of the situation by waiting until the market (aka, other investors) is in a pessimistic mood to buy stocks when they're "on sale."



Source: Bloomberg LP. Annual adjusted earnings per share and stock price in C$. Decline in stock price doesn't include reinvestment of dividends. 34% decline: 12/10/2007 to 11/20/2008; 20% decline: 01/02/2009 to 05/22/2009; 12% decline: 05/10/2011 to 08/08/2011; 22% decline: 05/07/2012 to 12/04/2012. Stock price as at December 12, 2014. Q4 2014 EPS estimate source: FactSet Research Systems Inc. Tim Hortons earnings per share – not actual earnings, the rate of increase is applied to $1. For illustrative purposes only.

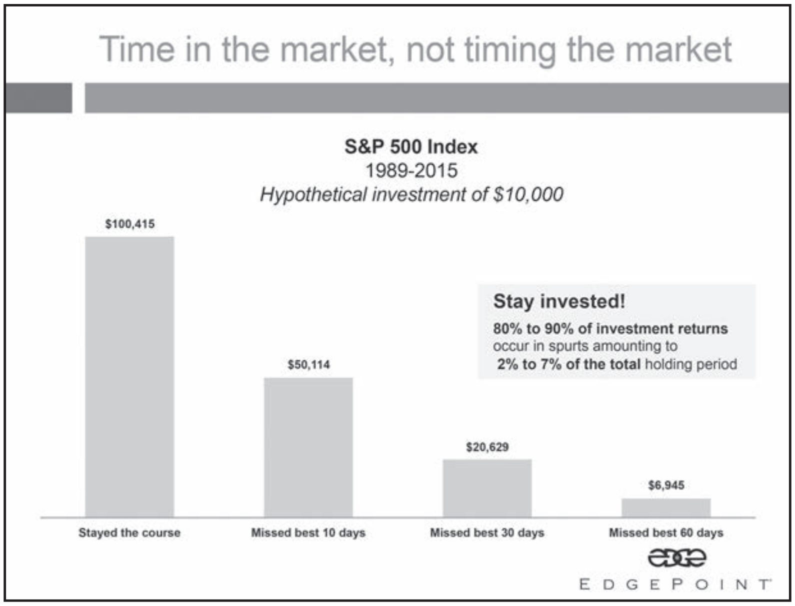
Tim Horton is a case study both in how share prices aren't necessarily indicative of business value and how investors can take advantage of volatility rather than letting it take advantage of them.

Tim Horton's strong competitive advantage and appealing business model have provided attractive profit margins, free cash flow and returns on invested capital. These factors have translated into steady increases in the company's long-term earnings as shown by the bars in the above graph.

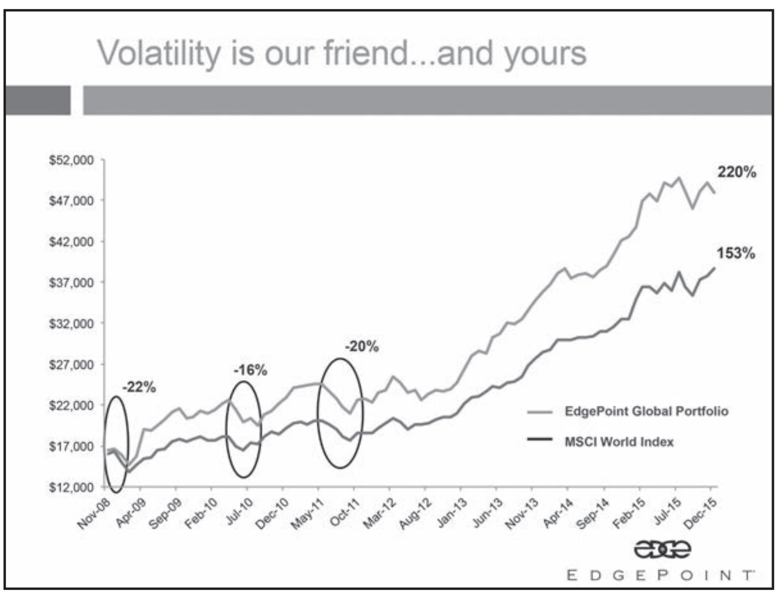
Despite this consistent earnings growth, four times between 2007 and 2014 Timmie's share price fell by more than 10%. As this happened, the average investor acted fearfully and either sold their stake in the company altogether or were unable to commit to buying more of its shares when they were better priced.

Only the savvy investor is rewarded for blocking out short-term market noise and either staying the course or seizing the opportunity presented by declining stock prices to buy more of great businesses for less.

For example, by redeeming their money and missing just the best 10 days in the market between 1989 and 2015, investors would have lost almost $50,000 compared to sitting tight.



Source: Bloomberg LP. Hypothetical investment of $10,000 in the S&P 500 Index. Total returns in US$, 12/31/1989 to 12/31/2015.



Source: Bloomberg LP. MSCI World Index, total return. Annualized return figures in C$. Growth of $15,000. As at December 31, 2015. 22% decline: 01/06/2009 – 03/09/2009; 16% decline: 04/29/2010 – 08/24/2010; 20% decline: 05/10/2011 – 08/08/2011.

We practice what we preach. Each of the three periods circled here were prefaced by double-digit market drops, when investor worry and confusion dominated. We saw what others didn't and went against the crowd, capitalized on the volatility and outperformed our benchmark by a wide margin.

Make friends with volatility

To recap, volatility shouldn't be viewed as risk. It may feel like it but in reality, it doesn't represent risk in the true sense. True risk is the opportunity for permanent loss of capital. And ultimately, it's during a small fraction of the time – in extraordinary circumstances – that your actions as an investor truly matter. Your fate is actually determined by how you behave when stocks are either extremely undervalued or overvalued. So rather than fearing volatility when it rears its head, you can embrace it and prosper.

CYMBRIA'S RESULTS

Security selection was Cymbria's most important wealth driver, adding 11.1% to its NAV in 2015. Growth in EdgePoint Wealth's business and Cymbria's pro-rata share of EdgePoint's dividend increased this return further.

The carrying value of Cymbria's stake in EdgePoint increased to $99.4 million as at December 31, 2015, from $62.4 million the year prior, reflecting the growth in EdgePoint's business. This contributed 5.8% to Cymbria's growth in its A share NAV. The $5.4 million in dividends from EdgePoint provided an additional 0.8% increase.

Summary: EdgePoint's contributions to Cymbria

Cymbria's wealth drivers	2015	2014	2013	2012	2011	2010	2009
Security selection	11.09%	17.36%	45.49%	9.55%	-3.36%	9.53%	27.89%
EdgePoint business	5.76%	5.17%	6.04%	0.96%	0.85%	1.92%	1.38%
EdgePoint dividend	0.84%	0.78%	0.63%	0.56%	0.39%	0.37%	0.01%
Change in Cymbria's A share NAV	**17.69%**	**23.31%**	**52.16%**	**11.07%**	**-2.12%**	**11.82%**	**29.28%**

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

On December 10, 2015, the Valuation Committee, with the assistance of an independent valuator and Cymbria's Board of Directors, increased the value of Cymbria's investment in EdgePoint from $73,125,457 to $99,375,692.

FREQUENTLY ASKED QUESTIONS

Q. What is Cymbria?

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

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

A. Cymbria owns 20.7% of EdgePoint Wealth, giving Cymbria the opportunity to participate in EdgePoint's growth. Cymbria's original $509,585 investment in EdgePoint has grown to $99.4 million (as at December 31, 2015). In addition to this growth, to date Cymbria has received $15.7 million in dividends from EdgePoint.

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

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

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

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

Q. Can you explain Cymbria's dividend policy?

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

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

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

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

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

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

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

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

Investment flexibility

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

Permanent pool of assets

Cymbria raised $234 million through its initial public offering, which has grown to more than $756 million. Cymbria's asset size will grow (or shrink) as a result of changes in investment value. It may also decrease due to share repurchases under the NCIB and LRO. In contrast, investors can purchase and redeem units of a mutual fund, affecting the size of its investment pool.

Buy/sell price determined by the market

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

Liquidity

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

Share buybacks

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

Distributions

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

Ownership stake in EdgePoint

Cymbria has a 20.7% stake in privately held EdgePoint. Cymbria initially received this ownership stake at book value ($509,585) to allow Cymbria investors to participate in EdgePoint's growth (its stake is now worth $99.4 million). This opportunity is available only to Cymbria investors and EdgePoint's internal partners.

Benefits to owning EdgePoint include:

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

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

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

A. Reasons for performance differences include:

Differences in holdings

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

Launch date

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

NAV versus share price

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

Fee structure

Shareholders currently pay 1.79% in fees to own Cymbria (Class A).

In comparison, EdgePoint Global (Series A) investors pay a 2.13% management expense ratio.

Corporate taxes

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

All figures as at December 31, 2015.

Management's Discussion & Analysis of

CYMBRIA CORPORATION

Year ended December 31, 2015

CYMBRIA®

Management's Discussion and Analysis ("MD&A") provides a review of Cymbria Corporation's ("Cymbria") financial results for the year ended December 31, 2015 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the statements of financial position, statements of comprehensive income, statements of changes in equity, and statements of cash flows of Cymbria. As such, this MD&A should be read in conjunction with the audited annual financial statements and notes thereto included in this report. The MD&A and the audited annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") to provide information about Cymbria.

The following MD&A is the responsibility of management and is dated March 10, 2016. 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 2015 annual Financial Statements for more information which can be found on the SEDAR website at www.sedar.com. For Cymbria's current and historical net asset values per share, please visit **www.cymbria.com**.

Caution regarding forward-looking statements

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

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

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

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

Management's Discussion and Analysis

The following presents the views of the portfolio management team concerning significant factors and developments that have affected Cymbria's performance and outlook.

Please read the aforementioned caution regarding forward-looking statements.

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

Non-IFRS Measures

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

- Net Asset Value ("NAV") – represents the fair value of the net assets of Cymbria, which differs from IFRS Net Assets 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;
- Management Expense Ratio ("MER") – represents the total management fees and operating expenses paid by each class of Cymbria, including applicable sales taxes and interest, and excluding corporate income taxes, commissions and other portfolio transaction costs, as a percentage of the average daily NAV of Cymbria on an annualized basis;
- Trading Expense Ratio ("TER") – represents total commissions and other portfolio transaction costs expressed as an annualized percentage of Cymbria's daily average NAV; and
- Net asset value per share – represents the NAV of Cymbria by class divided by the respective number of shares in that class.

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 2015, Cymbria invested in a collection of 37 different business ideas, including a 20.7% ownership stake in EdgePoint Wealth Management Inc. ("EdgePoint").

Company history

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

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

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

Concentration risk can occur by holding a small number of investments, which may reduce Cymbria's diversification and liquidity. We invest with conviction and, as a result, 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. While our portfolio is concentrated, it is diversified by business idea. Each investment is based on a well-researched proprietary idea. We try to ensure that the collection of businesses in the portfolio is not based on the same or similar ideas. As a result, we consider our portfolio to be concentrated yet diversified.

As at December 31, 2015, Cymbria was diversified into 37 different business ideas. This compares to 36 holdings at the end of 2014.

How 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 many investors who tend to focus on returns and overlook 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

We've made meaningful progress toward our goal of building long-term wealth for shareholders. The cumulative return of Cymbria's Class A NAV since inception is 224.06% (includes IPO-related expenses). The benchmark MSCI World Index returned 134.86% (C$) over the same timeframe.

We measure our investment results using Cymbria's NAV rather than its stock price, as this more closely reflects how our Investment team adds value.

Measuring Cymbria's worth

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

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

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

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

Transition to Corporate Issuer

On June 14, 2014, the Canadian Securities Administrators ("CSA") issued final amendments on the Modernization of Investment Fund Product Regulation (Phase 2), including revisions to Section 2.2 of National Instrument ("NI") 81-102. These revisions incorporated a number of regulatory changes that would impact issuers such as Cymbria who were classified as investment funds pursuant to Canadian securities laws. Among the proposed changes were new restrictions on investments that are, in effect, contrary to what investors would have bargained for when making the decision to invest in shares of Cymbria. The changes would have restricted Cymbria from purchasing a security of an issuer (a) if the non-redeemable investment fund would, immediately after the purchase, hold more than 10% of the votes or outstanding equity of the issuer, or (b) for purposes of exercising control over, or management of, the issuer (the "Control Restriction"). For existing funds regulated under NI 81-102, the Control Restriction will come into force on March 21, 2016.

By virtue of the ownership level, Cymbria holds more than 10% of the votes or outstanding equity of EdgePoint. While Section 2.2 of NI 81-102 would not have prevented Cymbria from maintaining the ownership level, it could prevent Cymbria from acquiring additional securities in EdgePoint. Moreover, Cymbria would have been prevented, contrary to its expansive investment mandate, from making additional control investments in other issuers in the future.

In light of the impact the proposed amendments would have had on investment funds and on the business of Cymbria, the Board of Directors determined that it was in the best interests of Cymbria to proceed with a transition from its status as an investment fund, to a non-investment fund (the "Transition").

In order to achieve the Transition, the Board called a special meeting of shareholders on December 15, 2015. At the meeting, all shareholders, including Class A, Class J and common shareholders voted unanimously in favour of the Transition of the Company from the investment fund regime ("Investment Fund Regime") to the public company regime ("Public Company Regime").

Under the Public Company Regime, Cymbria's investment restrictions will be those set out in the Prospectus and reiterated in the Annual Information Form. In addition, Cymbria will comply with NI 51-102 continuous disclosure requirements, as opposed to the Investment Fund Regime, which is required to comply with NI 81-106 continuous disclosure requirements. A few of the key distinctions between both regimes, is that financial statements will be provided on a quarterly basis rather than semi-annually and there is no requirement to have an Independent Review Committee ("IRC"). Although Cymbria dissolved the IRC, it expanded the number of independent members that sit on its Board of Directors.

Cymbria has previously filed audited annual financial statements and its Management Report of Fund Performance for the year ended December 31, 2014 in accordance NI 81-106.

Recent Developments

In 2015 we witnessed several major market events including a potential "Grexit" from the Eurozone, which ended with a third bailout for Greece, the continued slide in oil and other commodity prices, an economic slowdown in China and large corrections in Chinese stock markets which spread volatility to financial markets around the world. Clearly 2015 was an eventful year. Despite the uncertainty that beset markets, we understand that historically periods of volatility have presented opportunities for investors who know the value of a business.

Market history has taught us that periods of volatility are often followed by a 'flight to safety' as nervous investors flock to supposedly safe sectors such as consumer staples, telecommunications and utilities. However, in the current market environment, such companies come with lofty valuations and modest growth potential over the long-term. Buying slow-growth companies at high prices is the exact opposite of what we look for when making an investment. Instead, we look for businesses with good long-term growth potential that are selling at value prices. We believe that the best way to buy a business at an attractive price is to have an idea about the business not widely shared by others – what we refer to as a proprietary insight.

The recent market volatility has presented us with an opportunity to purchase new growth businesses at value prices and add to our existing positions. This has resulted in the reduction of cash levels in Cymbria. It's important to understand that in the past there have been many episodes where macro-fears caused significant volatility and big declines in the stock markets, but over a material amount of time these fears proved transitory. Further, the pleasing investment results we have experienced in our first seven years is in large part a result of how we have responded to previous periods of volatility; something we refer to as 'recoiling the spring.' We like to say volatility is the friend of the investor who knows the value of a business and the enemy of the investor who does not. With this in mind, we're happy with the collection of businesses held in Cymbria and are excited about their long-term prospects.

Outlook

Forecasting macro variables doesn't factor into our process of developing proprietary insights or buying businesses, but we do pay attention to potential macro risks as they relate to potential for permanent loss of capital. At times this means avoiding certain sectors or geographic regions. For example, we have long been concerned about an economic slowdown in China and have limited our exposure to China's economy for several years. We could not predict when that slowdown would occur, but we wanted to make sure our exposure was limited when it happened.

There is much doom and gloom being forecasted by market prognosticators for the upcoming year including bearish sentiments regarding economic prospects of China and other emerging markets, a continued supply glut for oil and other commodities and mounting global deflationary pressures. While market watchers often preoccupy themselves with the probability of a consumer recession, the global economy currently finds itself in the grips of an industrial recession and the energy sector is embroiled in full-scale depression. We would note that the amount of money the world spends on oil relative to gross domestic product is at an all-time low as global demand is unable to keep pace with swelling supply. One common denominator is China as a broad-based economic slowdown has finally arrived at the shores of the world's fastest growing economy. Fear of a prolonged slowdown has resulted in industrial companies trimming inventory levels across the industrial manufacturing base. This trend may continue in 2016 as the global economy enters a period of slower for longer economic growth.

Instead of attempting to predict the future, we try to focus on what will not change instead of what will change. We believe the market volatility that re-emerged in 2015 will continue in 2016. As a result of a flight to safety investors will avoid the supposedly 'risky sectors' such as industrials and information technology. The markets capacity for irrational behaviour is pervasive and the current period of volatility is no exception as 'safety sectors' are trading at expensive multiples and 'risky sectors' are trading at discounts to our assessments of intrinsic value. As long-term investors we look to invest in businesses that will be bigger over the next three to five years. We see declines in market prices as opportunities to buy businesses below our estimate of their true worth, rather than abandoning them for the perceived safety of slow growth sectors and companies with rich valuations.

Overall Performance

For the year ended December 31, 2015, Cymbria Class A NAV increased 17.69% versus an increase of 18.89% (C$) for the benchmark MSCI World Index. Please refer to the *Year-by-year returns* section for the performance of Cymbria Class J NAV, which differs from the Class A NAV due largely to varying expenses and/or taxes incurred by each class, as explained in Cymbria's Annual Information Form.

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

Benchmark

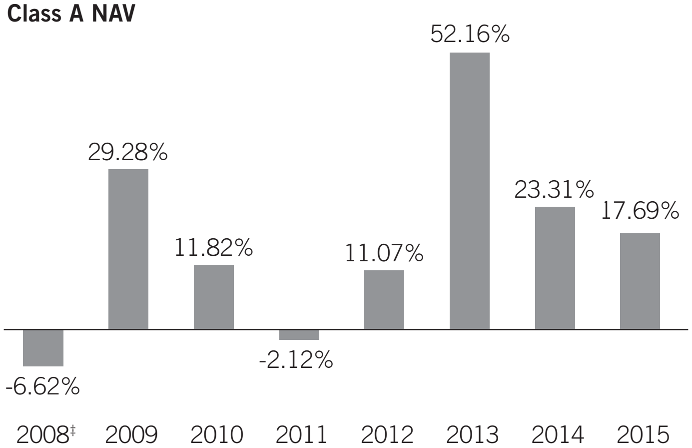
Cymbria uses the MSCI World Index as its benchmark for long-term performance comparisons. The MSCI World Index is a market capitalization-weighted index comprising equity securities available in developed markets globally.

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

Year-by-year returns

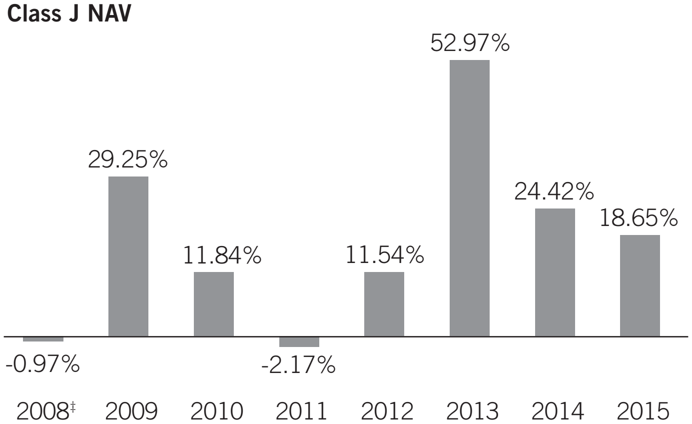
The following graphs illustrate Cymbria's performance for each of the periods highlighted, including changes from period to period. They indicate, on a percentage basis, how much an investment would have made or lost had you invested on the first day of each financial period and held that investment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

Class A NAV



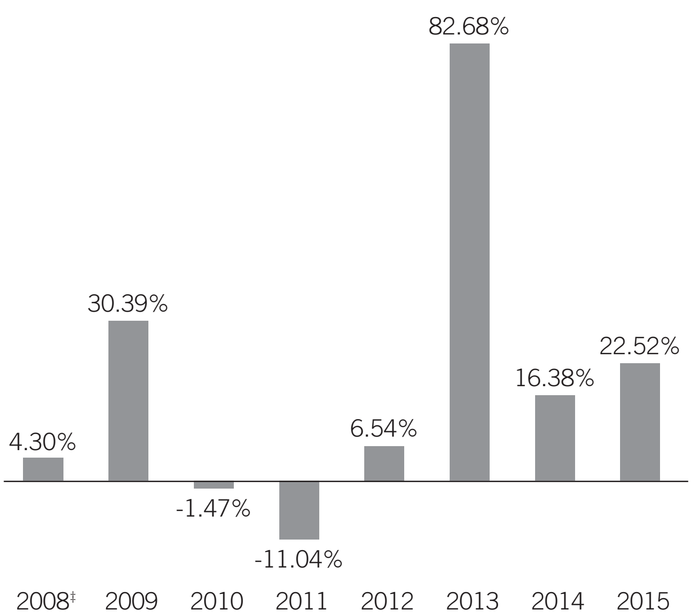
‡Inception to December 31, 2008.

Class J NAV



‡Inception to December 31, 2008.

Cymbria (CYB) share price return



‡Inception to December 31, 2008.

Annual compound returns

The following table compares annual compound returns for Cymbria's Class A NAV, Class J NAV and Class A shares (CYB) with the Canadian-dollar returns of the MSCI World Index for the periods shown, all ended December 31, 2015.

	Since inception*	1-year	3-year	5-year
Class A NAV±	17.86%	17.69%	30.24%	19.15%
Class A share price (CYB)	18.19%	22.52%	37.62%	19.81%
Class J NAV	19.26%	18.65%	31.22%	19.77%
MSCI World Index	12.65%	18.89%	22.50%	15.05%

*November 4, 2008.
±Performance includes expenses associated with the IPO.

NAV Growth

As at December 31, 2015, Cymbria's NAV totalled $757 million. The increase in NAV is largely attributable to investment performance, which is discussed in the *Investment Performance* section of this report.

Investment Performance

Cymbria's investment performance is segmented between its investments in public equities and EdgePoint.

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

Meaningful contributors to investment results included:

- EdgePoint Wealth Management Inc.
- Service Corporation International
- Alere Inc.
- American International Group Inc.
- Microsoft Corp.

As a group, these companies contributed approximately 12.8% to overall performance in the last 12 months.

Meaningful detractors from investment results included:

- WESCO International Inc.
- Generac Holdings Inc.
- Carpenter Technology Corp.

As a group, these companies detracted approximately 2.9% from overall performance in the last 12 months.

While we provide these results to fulfill the disclosure requirement of this report, we measure investment success over periods of 10 years or more, and believe it takes considerable skill to consistently add value over the long term. We don't believe any meaningful conclusions can be drawn based on such a short period.

Portfolio transactions

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

Businesses purchased
Examples of companies added include:

- Generac Holdings Inc. – Manufactures backup power generation equipment and other engine powered products for residential, light commercial and industrial markets
- Live Nation Entertainment, Inc. – Promotes live events including ticketing, sponsorship, advertising and artist management
- Union Pacific Corporation – Operates railroads in the United States

Businesses sold
We generally sell a stake in a business for one of two reasons. First, if our thesis about the business is deemed no longer valid. Second, there is a constant culling process whereby we continuously strive to upgrade the quality of Cymbria's portfolio with better ideas.

During the period, the following businesses were sold:

- Markel Corp.
- Microsoft Corp.
- AMN Healthcare Services Inc.

Portfolio composition

Sector exposure
Overall sector exposure shifted primarily as a result of investment decisions and changes in stock prices. The most significant change was an increase of approximately 7% in Cymbria's financial holdings, primarily due to the revaluation of EdgePoint Wealth Management Inc. and the purchase of Berkshire Hathaway Inc. The Portfolio's health care holdings decreased by approximately 5%, due largely to the sale of AMN Healthcare Services Inc. and a reduction in our position of Alere Inc.

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

We continue to take advantage of Cymbria's market capitalization flexibility, finding attractive value in a number of new, smaller-sized companies such as Generac Holdings Inc. and Rexnord Corp.

Sector exposure

Sector	% of Portfolio
Industrials	24.85%
Diversified Financials	19.31%
Information Technology	12.30%
Materials	8.56%
Health Care	7.66%
Insurance	6.65%
Banks	5.75%
Consumer Discretionary	4.41%
Real Estate	3.76%
Energy	2.68%
Consumer Staples	2.26%
Cash and other net assets	1.71%
Corporate Bonds	0.09%
Total	**100.00%**

Investment in EdgePoint

Cymbria's original $509,585 investment in EdgePoint gave us a 20.7% ownership share. It has received $15.7 million in dividends from EdgePoint since inception and its stake in the company has increased to $99.4 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio.

During 2015, EdgePoint continued to experience positive growth in its business. Assets under management increased from $7.4 billion at December 31, 2014 to $10.2 billion at December 31, 2015. Cymbria engages a third-party valuator to assist in the valuation of EdgePoint. A discounted cash flow model is used to value EdgePoint, which includes the institutional line of business. Some of the significant assumptions that go into the model include annual market growth, annual net sales, projected expenses, including corporate income taxes, and discount rates. The model is then tested against market data for industry comparables. Using the model, the current value of Cymbria's interest in EdgePoint is between $99.4 million and $110.1 million. For financial statement and NAV purposes, a value of $99.4 million is used. To the extent that actual results cause significant changes to the assumptions used in the model during 2016, the valuation determined by the model will be updated. We evaluate all significant assumptions in the model at least annually based on actual performance, or when we're aware of an occurrence that may have a significant impact on one or more of the assumptions.

Summary of Investment Portfolio

Top 25 positions

	Security name	% of Market Value
1	EdgePoint Wealth Management Inc.	13.13%
2	American International Group Inc.	5.40%
3	Wells Fargo & Co.	4.80%
4	TE Connectivity Ltd.	4.49%
5	JPMorgan Chase & Co.	4.42%
6	WESCO International Inc.	4.02%
7	WABCO Holdings Inc.	3.87%
8	Alere Inc.	3.85%
9	Realogy Holdings Corp.	3.76%
10	Generac Holdings Inc.	3.36%
11	Union Pacific Corporation	3.13%
12	Flowserve Corp.	2.90%
13	Clariant International Ltd.	2.68%
14	PrairieSky Royalty Ltd.	2.68%
15	Rexnord Corp.	2.64%
16	Anthem Inc.	2.49%
17	Service Corporation International	2.36%
18	PTC, Inc.	2.33%
19	Shiseido Co., Ltd.	2.26%
20	Ubiquiti Networks Inc.	2.21%
21	Koninklijke Philips NV	2.16%
22	Eastman Chemical Co.	2.11%
23	Carpenter Technology Corp.	2.01%
24	Berkshire Hathaway Inc.	1.76%
25	Tokyo Ohka Kogyo Co., Ltd.	1.75%
Total		**86.57%**

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

Financial highlights

The following tables show selected key financial information about Cymbria and are intended to help you understand Cymbria's financial performance for the years ended December 31, 2015, 2014, 2013, 2012, and 2011. This information is derived from Cymbria's Financial Statements.

Class A	**Dec. 31, 2015 IFRS**	**Dec. 31, 2014 IFRS**	**Dec.31, 2013 IFRS**	**Dec.31, 2012 GAAP**	**Dec.31, 2011 GAAP**
Cymbria's net assets per share (Note 1)					
Net assets, beginning of the year	$ 26.22	$ 21.34	$ 14.45	$ 13.16	$ 13.31
Increase (decrease) from operations:					
Total revenue	0.62	0.43	0.30	0.30	0.18
Total expenses	(1.26)	(0.42)	(0.32)	(0.26)	(0.16)
Realized gains (losses) for the year	5.93	2.94	2.31	0.14	1.08
Unrealized gains (losses) for the year	(0.36)	1.94	4.61	1.21	(1.23)
Total increase (decrease) from operations	$ 4.93	$ 4.89	$ 6.90	$ 1.39	$ (0.13)
Net assets, end of the year	$ 31.19	$ 26.22	$ 21.34	$ 14.44	$ 13.16

Class J	**Dec. 31, 2015 IFRS**	**Dec. 31, 2014 IFRS**	**Dec.31, 2013 IFRS**	**Dec.31, 2012 GAAP**	**Dec.31, 2011 GAAP**
Cymbria's net assets per share (Note 1)					
Net assets, beginning of the year	$ 28.35	$ 22.86	$ 15.36	$ 13.93	$ 14.01
Increase (decrease) from operations:					
Total revenue	0.67	0.46	0.32	0.32	0.19
Total expenses	(1.11)	(0.22)	(0.23)	(0.14)	(0.09)
Realized gains (losses) for the year	6.41	3.16	2.47	0.16	1.11
Unrealized gains (losses) for the year	(0.31)	2.08	4.90	0.88	(1.33)
Total increase (decrease) from operations	$ 5.66	$ 5.48	$ 7.46	$ 1.22	$ (0.12)
Net assets, end of the year	$ 33.95	$ 28.35	$ 22.86	$ 15.35	$ 13.93

Notes

1. Net assets per share is calculated as follows:
   (a) "The financial information for 2011-2012 is derived from Cymbria's audited annual Financial Statements. *Net assets per share* represented in the audited financial statements differ from net asset value ("NAV") per share calculated for fund pricing purposes. This reflected Cymbria's accounting policies, which were consistent with Canadian generally accepted accounting principles ("GAAP"). In 2014, Cymbria adopted International Financial Reporting Standards ("IFRS") whereby IFRS net assets differ from pricing NAV due to the inclusion of deferred taxes in its calculation. 2013 figures have been restated under IFRS. The NAV per share for IFRS purposes (as opposed to the GAAP net assets per share) at the beginning of 2014 was $21.34 (2013: $14.45) for Class A shares and $22.86 (2013: $15.36) for Class J shares.
   (b) Net assets per share of a class is based on the number of shares outstanding for that class at the relevant time. The increase (decrease) from operations per share of a class is based on the weighted average number of shares outstanding for that class during the period. Therefore, the beginning of period net assets plus the increase (decrease) from operations will not sum to the end of period net assets.
   (c) Cymbria's stated policy is to pay no dividends or distributions to shareholders.

Financial highlights (continued)

Class A	**Dec. 31, 2015**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2012**	**Dec. 31, 2011**
Ratios and supplemental data (Note 2)					
Total net asset value (000's)	$ 465,453	$ 390,823	$ 315,735	$ 212,931	$ 189,273
Number of shares outstanding (000's)	14,363	14,194	14,139	14,509	14,341
Management expense ratio (Note 3)	1.76%	1.97%	2.09%	2.13%	1.27%
Trading expense ratio (Note 4)	0.05%	0.07%	0.05%	0.08%	0.08%
Portfolio turnover rate (Note 5)	43.37%	35.65%	35.98%	36.96%	35.94%
Net asset value per share	$ 32.41	$ 27.53	$ 22.33	$ 14.68	$ 13.21
Closing market price (CYB)	$ 33.08	$ 27.00	$ 23.20	$ 12.70	$ 11.92

Class J	**Dec. 31, 2015**	**Dec. 31, 2014**	**Dec. 31, 2013**	**Dec. 31, 2012**	**Dec. 31, 2011**
Ratios and supplemental data (Note 2)					
Total net asset value (000's)	$ 291,286	$ 250,130	$ 202,246	$ 134,363	$ 126,012
Number of shares outstanding (000's)	8,257	8,413	8,464	8,601	8,983
Management expense ratio (Note 3)	0.70%	0.74%	0.83%	0.87%	0.86%
Trading expense ratio (Note 4)	0.05%	0.07%	0.05%	0.08%	0.08%
Portfolio turnover rate (Note 5)	43.37%	35.65%	35.98%	36.96%	35.94%
Net asset value per share	$ 35.28	$ 29.73	$ 23.90	$ 15.62	$ 14.01
Closing market price (Note 6)	n/a	n/a	n/a	n/a	n/a

Notes

2. The financial information presented in the Ratios and supplemental data table is derived from Cymbria's pricing NAVs and is provided as at December 31, 2015, December 31, 2014, December 31, 2013, December 31, 2012 and December 31, 2011.
3. The management expense ratio ("MER") is calculated as the total management fees and operating expenses paid by each class of Cymbria, including sales taxes and interest, and excluding corporate income taxes, commissions and other portfolio transaction costs, as a percentage of the average daily NAV of each class of Cymbria on an annualized basis. The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. For the periods presented, the Manager has not waived any management fees or absorbed any expenses.
4. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of Cymbria's daily average NAV. The trading expense ratio is calculated at the portfolio level and applies to all classes of Cymbria.
5. Portfolio turnover rate is calculated at the portfolio level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short-term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. Cymbria's portfolio turnover rate indicates how actively Cymbria's portfolio advisor manages its portfolio of investments. A portfolio turnover rate of 100% is equivalent to Cymbria buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable in the year and the greater the chance of taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and Cymbria's investment performance.
6. Cymbria's Class J shares are not traded on a stock exchange.

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, 2015 compared to those for the years ended December 31, 2014 and 2013.

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

Financial Performance

	Dec. 31, 2015 ('000s)	Dec. 31, 2014 ('000s)	Dec.31, 2013 ('000s)
Income			
Net realized and unrealized gain on investments	$ 134,180	$ 129,184	$ 183,365
Dividend and interest income	14,375	9,958	7,005
Foreign currency gain (loss) on hedging	(10,444)	544	2,284
Foreign currency gain, excluding hedging	6,119	1,044	1,200
Total income	$ 144,230	$ 140,730	$ 193,854
Expenses			
Management fees	$ 4,407	$ 3,393	$ 2,697
Service fees	3,391	3,268	2,622
Withholding taxes, HST and transaction costs	2,239	1,104	1,359
Other expenses	1,160	1,072	1,094
Total expenses	$ 11,197	$ 8,837	$ 7,772
Profit for the period before taxes	$ 133,033	$ 131,893	$ 186,082
Income taxes	15,423	16,371	23,553
Net comprehensive income	$ 117,610	$ 115,522	$ 162,529

(a) *Net realized and unrealized gain on investments*

The change in net realized and unrealized gain on investments is driven by investment performance during the year. This performance is discussed in the *Investment performance* section of the MD&A.

(b) *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. EdgePoint pays a dividend semi-annually, which can be reinvested by Cymbria in its portfolio of public equities or used to buy back Cymbria shares. For the year ended December 31, 2015, the dividend received from EdgePoint increased by $1.3 million to a total of $5.4 million, while the rest of the investment portfolio contributed a $3.1 million increase in dividend and interest income.

(c) *Foreign currency gain (loss)*

Cymbria is valued in Canadian dollars; however, it invests in securities dominated in foreign currencies. 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.

As at December 31, 2015, Cymbria's most significant foreign currency exposure was the U.S. dollar, which as a percentage of the investment portfolio was approximately 71%. At the end of 2015, Cymbria hedged approximately 27% of its U.S. dollar exposure. In addition, Cymbria hedged approximately 50% of its exposure to the Japanese yen. Cymbria did not have a significant hedge in place for its investment securities denominated in the euro, Swiss franc, or British pound. As a result of foreign currency hedging activities, Cymbria had a $10.4 million net realized and unrealized loss for the year ended December 31, 2015.

Excluding Cymbria's hedging positions, Cymbria gained $6.1 million on cash and other net assets due to fluctuations in foreign currencies during the year.

(d) *Expenses and MER*

The increase in management fees is due to positive investment performance resulting in an increase in NAV, on which the fee is based. Beginning November 5, 2015 and thereafter, the management fee is charged at an annual rate of 1% of the daily average NAV of Class A shares, excluding EdgePoint's value, and 0.5% of the daily average NAV of Class J shares, excluding EdgePoint's value. The service fees paid by Cymbria expired on November 4, 2015, and therefore Cymbria will no longer pay that fee going forward.

Cymbria believes that the MER continues to be an important metric to evaluate the Manager's ability to reduce costs to the corporation. The MER decreased from 1.97% to 1.76% for Class A shareholders, and from 0.74% to 0.70% for Class J shareholders. The majority of the decrease in MER for Class A shareholders is due to the expiration of the service fee. The remainder of the decrease in MER is both the result of Cymbria's growth and that of EdgePoint. Cymbria has the benefit of sharing certain general and administrative expenses and portfolio management costs with EdgePoint. As EdgePoint's assets under management continues to grow, Cymbria benefits from economies of scale achieved by sharing some of these expenses over a much larger investor base, reducing the overall costs to Cymbria. In addition, management and service fees are not charged on the value of EdgePoint. As EdgePoint continues to grow to be a larger portion of the Portfolio, the management and service fees decrease as a percentage of Cymbria's NAV.

Financial Condition

	Dec. 31, 2015 ('000s)	Dec. 31, 2014 ('000s)	Dec.31, 2013 ('000s)
Assets			
Investments	$ 744,021	$ 608,356	$ 489,855
Cash and cash equivalents	24,757	34,650	27,351
Other assets	1,990	996	3,482
Total assets	$ 770,768	$ 644,002	$ 520,688
Liabilities			
Foreign exchange forward contracts	$ 5,266	$ –	$ –
Accrued liabilities and other payables	8,817	3,530	2,769
Deferred share unit plan	308	529	408
Deferred income tax liability	28,066	29,241	22,332
Total liabilities	$ 42,457	$ 33,300	$ 25,509
Shareholders' equity	$ 728,311	$ 610,702	$ 495,179

(a) Investments

Cymbria's investment balance as at December 31, 2015, primarily consists of a portfolio of public equities of $644.4 million and an investment in EdgePoint of $99.4 million. The *Investment Performance* section of this MD&A discusses the financial condition of these investments in detail.

(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, and the decrease of $9.9 million from 2014 is primarily due to the purchase of investments in the Portfolio. As at December 31, 2015, cash and cash equivalents comprised of $22.5 million in cash and $2.1 million in short-term investments with a maturity of less than 90 days.

(c) Accrued liabilities and other payables

As at December 31, 2015, accrued liabilities and other payables includes $7.2 million of income taxes payable and $1.6 million payable for investments purchased. The increase from 2014 is a result of a timing difference on tax instalment payments and investments that were purchased, but not yet settled on December 31, 2015.

(d) Deferred share unit plan

Cymbria's deferred share unit plan exists to provide independent directors and IRC members 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. In 2015, the number of deferred share units outstanding decreased from 19,831 to 9,484 units. This was due to the approval of Cymbria's transition to a corporate issuer, which meant that Cymbria would no longer require an IRC as of January 1, 2016. Cymbria's IRC members fully redeemed their deferred share units and were paid out by Cymbria in December 2015.

(e) 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, 2015, Cymbria's deferred income tax liability is presented net and is comprised of a liability on the unrealized appreciation of investments of $28.1 million offset by an asset on deferred share units of $0.1 million.

(f) 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, 2015 and March 10, 2016 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at December 31, 2015, and March 10, 2016, there were 14,363,241 and 14,365,216 shares outstanding, respectively. Class J shares are non-redeemable and were offered through a private placement. Class J share can be exchanged for an equivalent value of Class A shares on the last business day of each week. As at December 31, 2015, and March 10, 2016, there were 8,257,157 and 8,255,342 shares outstanding, respectively.

Cash Flows

For the year ended December 31, 2015, Cymbria had a net decrease in cash and cash equivalents of $9.9 million. The majority of the net decrease in cash and cash equivalents is due to cash used for operating activities, as discussed in the Financial Condition section above. Cymbria did not generate a significant amount of cash flows from financing or capital activities.

Shareholder activity

Cymbria refiled its Normal-Course Issuer Bid ("NCIB") for the 12-month period beginning on May 20, 2015 to May 19, 2016. Cymbria will use the NCIB to repurchase shares in the event that we believe the company isn't being valued appropriately by the market and an attractive opportunity exists to enhance the value for its shareholders. During the year ended December 31, 2015, Cymbria did not repurchase any shares as they were either trading at a premium to NAV or at a very small discount. Since inception, Cymbria has repurchased and cancelled 460,800 Class A shares at an average price of $12.95 per share and a total cost of $6.0 million.

On June 27, 2013, Cymbria's shareholders overwhelmingly approved a proposal to amend its constating documents to provide for a Liquidity Realization Opportunity ("LRO") in respect of both Class A and Class J shares. The LRO gives Cymbria the right to repurchase a number of shares from time to time at a very small discount to NAV where (i) Cymbria's portfolio has experienced growth in the previous fiscal year, (ii) Class A shares are trading at a price less than 97% of NAV, and (iii) on the Manager's recommendation. When these events occur, shareholders may elect to participate in the LRO and have an opportunity to dispose of shares at a price close to NAV. This feature was introduced to increase Cymbria's attractiveness as an investment by recognizing that liquidity requirements and investment time horizons vary from investor to investor. We believe that Cymbria's NAV, which is disclosed daily, is a fair representation of the value of a Class A or Class J share. When Class A shares trade at prices not reflective of the NAV, the LRO provides another venue whereby shareholders may dispose of their shares at a price closer to NAV. The LRO does not affect Cymbria's ability to continue repurchasing shares through the NCIB. Please see the Management Information Circular dated May 28, 2013 for more information on the LRO. Cymbria did not announce a LRO for the year ended December 31, 2015, as Cymbria's Class A shares have been trading above 97% of NAV on average over the year.

Summary of interim results

With Cymbria's transition to a corporate issuer effective January 1, 2016, Cymbria will provide interim financial information on a quarterly basis. Prior to this date, Cymbria provided financial statements on a semi-annual basis. The financial information summarized below is derived from Cymbria's semi-annual financial statements for the past four semi-annual periods.

(in '000s except per share amounts)	December 2015	June 2015	December 2014	June 2014
Total income	$ 39,552	$ 104,678	$ 99,903	$ 40,827
Total expenses	5,383	5,814	4,079	4,758
Increase in shareholders' equity from operations	30,742	86,868	83,445	32,077
Increase in shareholders' equity from operations, per share				
Class A	$ 1.24	$ 3.69	$ 3.57	$ 1.32
Class J	$ 1.56	$ 4.10	$ 3.96	$ 1.52

Liquidity

Cymbria maintains strong liquidity with cash and cash equivalents and its portfolio of public equities. Aside from financial liabilities that arise from its normal course of investing activities, Cymbria has no other significant financial liabilities. As Cymbria's equity is non-redeemable, it does not present a liquidity risk. As at December 31, 2015, cash and cash equivalents represents 3% of Cymbria's total equity. Cymbria's portfolio of public equities consists of actively traded global stocks that can be readily sold. As at December 31, 2015, the portfolio of public equities represents 89% of Cymbria's total equity. Cymbria does not own any debt or contractual obligations that would pose a significant risk to liquidity as at December 31, 2015.

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 and risk management and broker analysis, selection and monitoring, and trading expertise, and could also include marketing and promotion of Cymbria. These services are in the normal course of operations and are charged at the rate agreed to by the parties.

As compensation for providing these management services, the Manager receives a monthly management fee based on the daily average NAV of each class of Cymbria shares, excluding the value of EdgePoint. 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. For the year ended December 31, 2015, management fees totaled $4.4 million compared to $3.4 million for 2014.

In addition, Cymbria is responsible for paying its own operating expenses which includes, but is not limited to, taxes (including income, capital, and harmonized sales taxes), accounting, legal 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 attached financial statement for more information on the fair value measurement of Cymbria's financial statements.

ii. *Deferred tax assets*

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

Future Changes in Accounting Policies

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended December 31, 2015.

None of these will have a significant effect on the financial statements of Cymbria, with the possible exception of IFRS 9, *Financial Instruments*.

IFRS 9 deals with recognition, derecognition, classification and measurement of financial instruments and its requirements represent a significant change from the existing requirements in IAS 39 *Financial Instruments: Recognition and Measurement*, in respect of financial assets. IFRS 9 contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale, and loans and receivables. The effective date of this standard is January 1, 2018, but early adoption is permitted. The Manager is currently in the process of evaluating the potential effect of this standard.

Financial Instruments

Cymbria has designated its financial instruments as follows:

	Classification	Measurement
Financial assets		
Investments	Fair value through profit or loss	Fair value
Foreign exchange forward contracts	Held for trading	Fair value
Options	Held for trading	Fair value
Cash and cash equivalents	Loans and receivables	Amortized cost
Receivable for investments sold	Loans and receivables	Amortized cost
Dividends receivable	Loans and receivables	Amortized cost
Income tax recovery	Loans and receivables	Amortized cost
Financial liabilities		
Accrued liabilities	Other financial liabilities	Amortized cost
Income taxes payable	Other financial liabilities	Amortized cost
Payable for investments purchased	Other financial liabilities	Amortized cost
Deferred share unit plan liability	Other financial liabilities	Fair value
Deferred income tax liability	Other financial liabilities	Amortized cost

Risks

The risks associated with investing in Cymbria remain as disclosed in the prospectus dated October 20, 2008 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

Effective January 1, 2016, the Co-Chief Executive Officers and the Chief Financial Officer have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Co-Chief Executive Officers and the Chief Financial Officer have also designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by Cymbria in its corporate filings have been recorded, processed, summarized and reported within the time periods specified in securities legislation. In addition, Cymbria's Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by Cymbria, and have reviewed and approved this MD&A and the audited annual financial statements as at March 2016.

Prior to the Transition on January 1, 2016, Cymbria reported under the Investment Fund Regime. The Investment Fund Regime did not require Cymbria to disclose or evaluate the effectiveness of the design and operation of internal controls over financial reporting in accordance with Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission. As such, the Co-Chief Executive Officers and the Chief Financial Officer are unable to conclude on the effectiveness of these controls for the year ended December 31, 2015.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our internal controls over financial reporting and disclosure controls and procedures are effective in providing reasonable, not absolute, assurance that the objectives of our control systems have been met.

Financial Statements of

CYMBRIA CORPORATION

Years ended December 31, 2015 and 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

Patrick Farmer
Chairman
March 10, 2016

Norman Tang
Chief Financial Officer
March 10, 2016

Independent auditors' report

To the shareholders of Cymbria Corporation

We have audited the accompanying Financial Statements of Cymbria Corporation, which comprise the *Statements of Financial Position* as at December 31, 2015 and 2014, the *Statements of Comprehensive Income, Statements of Changes in Equity* and *Statements of Cash Flows* for the years then ended, and notes, comprising of a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, these Financial Statements present fairly, in all material respects, the financial position of Cymbria Corporation as at December 31, 2015 and 2014, and its financial performance and cash flows for the years then ended, in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants, Toronto, Canada
March 10, 2016

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

		2015		2014
Assets				
Investments	$	644,401	$	540,818
EdgePoint Wealth Management Inc.		99,376		62,440
Foreign exchange forward contracts		244		475
Options		–		4,623
Total financial assets held-for-trading at fair value through profit or loss*		744,021		608,356
Cash and cash equivalents		24,757		34,650
Receivable for investments sold		1,591		913
Dividends receivable		399		83
Total Assets	$	770,768	$	644,002
Liabilities				
Current liabilities				
Foreign exchange forward contracts at fair value through profit or loss	$	5,266	$	–
Accrued liabilities		40		160
Payable for investments purchased		1,579		–
Income taxes payable		7,198		3,371
Total current liabilities		14,083		3,531
Deferred share unit plan liability (Note 7)		308		529
Deferred income tax liability (Note 9)		28,066		29,241
Total Liabilities	$	42,457	$	33,301
Shareholders' equity				
Share capital (Note 5)	$	220,034	$	220,034
Surplus (Note 6)		323,993		199,222
Unrealized gain on investments		184,284		191,445
Total Shareholders' Equity	$	728,311	$	610,701
Shareholders' equity, as represented by net assets				
Common stock	$	–	$	–
Class A		447,965		372,211
Class J		280,346		238,490
Number of shares outstanding (Note 5)				
Class A		14,363,241		14,194,006
Class J		8,257,157		8,413,197
Total net assets per share				
Class A	$	31.19	$	26.22
Class J	$	33.95	$	28.35

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

ON BEHALF OF THE BOARD:

James MacDonald, Director

Richard J. Whiting, Director

(in '000s except per share amounts)

	2015	2014
Income		
Dividends from EdgePoint Wealth Management Inc.	$ 5,382	$ 4,037
Dividends from other investments	8,941	5,882
Interest for distribution purposes	52	39
Foreign currency gain on cash and other net assets	6,119	1,044
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain on investments	136,937	76,907
Net realized gain (loss) on foreign exchange forward contracts	(4,947)	742
Change in unrealized appreciation (depreciation) on investments	(2,757)	52,277
Change in unrealized appreciation (depreciation) on foreign exchange forward contracts	(5,497)	(198)
	$ 144,230	$ 140,730
Expenses (Note 8)		
Management fees	$ 4,407	$ 3,393
Service fees	3,391	3,268
Investment research and portfolio maintenance	429	388
Administration, registrar and transfer agent fees	239	202
Directors' fees	87	74
Independent Review Committee fees	77	67
Shareholder reporting	72	47
Audit	70	75
Legal fees	61	99
Filing fees	58	50
Custody	39	40
Fund accounting	28	30
Harmonized Sales Tax	745	560
Net withholding tax	1,137	178
Transaction costs	357	366
Total Expenses	$ 11,197	$ 8,837
Profit for the period before taxes	$ 133,033	$ 131,893
Income taxes (recovery) (Note 9)		
Current	$ 16,598	$ 9,462
Deferred	(1,175)	6,909
	$ 15,423	$ 16,371
Increase in shareholders' equity from operations	$ 117,610	$ 115,522
Increase in shareholders' equity from operations, by class		
Class A	$ 70,397	$ 69,235
Class J	$ 47,213	$ 46,287
Increase in shareholders' equity from operations, per share		
Class A	$ 4.93	$ 4.89
Class J	$ 5.66	$ 5.48

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

(in '000s)

	2015	2014
Class A:		
Net assets, beginning of the year	$ 372,211	$ 301,671
Increase (decrease) in net assets from operations	70,397	69,235
Capital transactions:		
Class J to Class A share exchanges	1,588	511
Cumulative surplus on Class J to Class A share exchanges	(28)	(5)
Surplus	3,797	799
	75,754	70,541
Net assets, end of the year	$ 447,965	$ 372,211
Class J:		
Net assets, beginning of the year	$ 238,490	$ 193,509
Increase (decrease) in net assets from operations	47,213	46,287
Capital transactions:		
Class J to Class A share exchanges	(1,560)	(507)
Surplus	(3,797)	(799)
	41,856	44,981
Net assets, end of the year	$ 280,346	$ 238,490

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

(in '000s)

		2015	2014
Cash Flow from Operating Activities			
Increase (decrease) in shareholders' equity from operations	$	117,610	115,522
Adjustments for:			
Foreign currency (gain) loss on cash and other net assets		(6,119)	(1,044)
Net realized (gain) loss on investments		(136,937)	(76,907)
Change in unrealized (appreciation) depreciation on investments		2,757	(52,277)
Change in unrealized (appreciation) depreciation on foreign exchange forward contracts		5,497	198
(Increase) decrease in dividends receivable		(316)	25
Increase (decrease) in accrued liabilities and other payables		3,486	1,109
Increase (decrease) in deferred income tax liability		(1,175)	6,909
Purchase of investments		(299,376)	(186,827)
Proceeds from sales of investments		298,561	199,546
Net Cash Generated from (used by) Operating Activities	$	(16,012)	6,255
Foreign currency gain (loss) on cash and other net assets	$	6,119	1,044
Cash and cash equivalents beginning of period		34,650	27,351
Cash and Cash Equivalents End of Period	$	24,757	34,650
Cash and cash equivalents comprise:			
Cash at bank	$	22,638	15,164
Short-term investments		2,119	19,486
	$	24,757	34,650
Interest received, net of withholding tax	$	52	39
Dividends received, net of witholding tax	$	12,870	9,766
Income taxes paid	$	(12,771)	(8,633)

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

Number of shares/units	Security	Average cost	Fair value	% of net assets
	Equities			
	Banks			
482,720	Wells Fargo & Co.	$ 17,517	$ 36,309	4.98%
892,299	Bank of America, warrants, due 2019/01/16	6,139	7,173	0.98%
		23,656	43,482	5.96%
	Consumer Discretionary			
495,289	Service Corporation International	10,927	17,832	2.45%
380,122	Live Nation Entertainment, Inc.	13,032	12,923	1.78%
84,700	Delticom AG	5,080	2,651	0.36%
		29,039	33,406	4.59%
	Consumer Staples			
587,956	Shiseido Co., Ltd.	12,179	17,118	2.35%
		12,179	17,118	2.35%
	Diversified Financials			
279,585	EdgePoint Wealth Management Inc.	510	99,376	13.65%
365,773	JPMorgan Chase & Co.	18,560	33,419	4.59%
37,096	Berkshire Hathaway Inc., class B	6,712	6,778	0.93%
24	Berkshire Hathaway Inc., class A	6,496	6,569	0.90%
		32,278	146,142	20.07%
	Energy			
924,238	PrairieSky Royalty Ltd.	27,967	20,259	2.78%
		27,967	20,259	2.78%
	Health Care			
538,275	Alere Inc.	16,680	29,115	4.00%
97,606	Anthem Inc.	6,243	18,832	2.59%
35,558	Thermo Fisher Scientific Inc.	6,586	6,979	0.96%
117,068	Merit Medical Systems Inc.	1,701	3,011	0.41%
		31,210	57,937	7.95%
	Industrials			
503,586	WESCO International Inc.	36,846	30,437	4.18%
207,229	WABCO Holdings Inc.	18,578	29,322	4.03%
616,549	Generac Holdings Inc.	31,790	25,397	3.49%
219,010	Union Pacific Corp.	25,258	23,698	3.26%
377,144	Flowserve Corp.	25,558	21,960	3.02%
795,996	Rexnord Corp.	22,976	19,958	2.74%
462,406	Koninklijke Philips NV	15,483	16,382	2.25%
541,500	Grafton Group PLC	3,628	8,174	1.12%
161,276	Team Inc.	3,583	7,132	0.98%
35,480	Aena, S.A.	5,531	5,624	0.77%
		189,231	188,084	25.83%
	Information Technology			
380,090	TE Connectivity Ltd.	19,220	33,980	4.67%
368,646	PTC, Inc.	8,868	17,665	2.43%
382,010	Ubiquiti Networks, Inc.	15,741	16,751	2.30%
266,764	National Instruments Corp.	7,553	10,590	1.45%
82,700	Arista Networks Inc.	7,165	8,907	1.22%
136,490	Pegasystems Inc.	3,230	5,194	0.71%
		61,777	93,087	12.78%

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

Number of shares/units	Security	Average cost	Fair value	% of net assets
	Insurance			
476,342	American International Group Inc.	$ 23,069	$ 40,846	5.61%
721,960	Echelon Financial Holdings Inc.	10,273	9,479	1.30%
		33,342	50,325	6.91%
	Materials			
773,359	Clariant Ltd., AG	15,901	20,310	2.78%
171,254	Eastman Chemical Co.	15,115	15,997	2.20%
363,451	Carpenter Technology Corp.	21,785	15,223	2.09%
297,398	Tokyo Ohka Kogyo Co., Ltd.	6,598	13,233	1.82%
		59,399	64,763	8.89%
	Real Estate			
561,224	Realogy Holdings Corp.	26,312	28,477	3.91%
		26,312	28,477	3.91%
	Preferred Shares			
1,800	Alere Inc., 3%, preferred, series B	365	697	0.10%
		365	697	0.10%
	Adjustment for transaction costs	(433)		
	Total Investments	**$ 526,322**	**$ 743,777**	**102.12%**
	Foreign exchange forward contracts (Note 13)		$ (5,022)	(0.69%)
Other assets, less liabilities			$ (10,444)	(1.43%)
Shareholders' equity, as represented by net assets			**$ 728,311**	**100.00%**

1. **The Corporation:**

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

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

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

On December 15, 2015, the Board of Directors called a special meeting of shareholders to vote on the proposed transition of Cymbria's status from an investment fund to a non-investment fund. At the meeting, all shareholders, including Class A, Class J, and common shareholders, voted unanimously in favour of the proposed transition. The transition took effect on January 1, 2016.

2. **Basis of preparation:**

(a) Statement of compliance:

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

The financial statements were authorized for issue by the Board of Directors on March 10, 2016.

(b) Basis of measurement:

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

(c) Functional and presentation currency:

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

3. **Significant accounting policies:**

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

(a) Financial instruments:

(i) Recognition and measurement

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

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

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

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

(ii) Held-for-trading and FVTPL

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

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

3. Significant accounting policies (continued):

within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Cymbria's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

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

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

(iii) Loans and receivables

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

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

(iv) Other financial liabilities

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

(v) Shareholders' equity

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

(b) 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 appreciation (depreciation) on foreign exchange forward contracts' in the *Statement of Comprehensive Income*.

(c) 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.

(d) Deferred share unit plan:

On October 28, 2009, Cymbria approved a Deferred Share Unit ("DSU") plan for its independent directors and members of the Independent Review Committee ("IRC"). The plan is described in Note 7. DSUs granted to eligible directors and IRC members are considered

3. Significant accounting policies (continued):

compensation costs in respect of past performance and are recognized in directors' fees and IRC fees, respectively. Compensation costs are measured based on the fair market value, as defined in the plan, of Cymbria's Class A shares on the date DSUs are granted. DSUs earn additional DSUs related to dividends that would otherwise have been paid if Class A shares had been issued on the grant date. DSUs are accounted for as a financial liability with changes in their fair value recognized in directors' fees and/or IRC fees.

(e) Income taxes:

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

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

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

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

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 statement of comprehensive income.

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

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

(g) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended December 31, 2015, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statements of Cymbria, with the possible exception of IFRS 9, *Financial Instruments*.

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

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

4. Critical accounting estimates and judgments:

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates.

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

The following discusses the most significant accounting judgments that the Manager 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

4. **Critical accounting estimates and judgments (continued):**

determination of the fair value of these instruments is the area with the most significant accounting judgments and estimates Cymbria has made in preparing financial statements. See Note 11 for more information on the fair value measurement of Cymbria's financial statements.

ii. Deferred tax assets

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

5. **Share capital:**

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, 2015	Number of shares		Amount ('000s)
Common shares outstanding, December 31, 2015	100		–*
Class A shares issued:			
Shares outstanding, January 1, 2015	14,194,006	$	135,902
Class A shares issued in exchange for Class J shares	169,235	$	1,588
Contributed to surplus	–		(28)
Class A shares outstanding, December 31, 2015	14,363,241	$	137,462
Class J shares issued:			
Shares outstanding, January 1, 2015	8,413,197	$	84,132
Class J shares exchanged for Class A shares	(156,040)	$	(1,560)
Class J shares outstanding, December 31, 2015	8,257,157	$	82,572
Total		$	220,034

*Amount of common shares outstanding is $100.

December 31, 2014	Number of shares		Amount ('000s)
Common shares outstanding, December 31, 2014	100		–*
Class A shares issued:			
Shares outstanding, January 1, 2014	14,139,466	$	135,395
Class A shares issued in exchange for Class J shares	54,540		512
Contributed surplus	–		(5)
Class A shares outstanding, December 31, 2014	14,194,006	$	135,902
Class J shares issued:			
Shares outstanding, January 1, 2014	8,413,197	$	84,639
Class J shares exchanged for Class A shares	(50,708)		(507)
Class J shares outstanding, December 31, 2014	8,413,197	$	84,132
Total		$	220,034

*Amount of common shares outstanding is $100.

6. **Surplus:**

The changes in surplus for the years ended December 31, 2015, and December 31, 2014 are as follows:

		December 31, 2015 ('000s)		December 31, 2014 ('000s)
Opening surplus	$	199,222	$	128,869
Net investment income (loss)		(12,981)		(7,974)
Net realized gain on investments and foreign exchange, net of transaction costs		137,752		78,327
Closing surplus	$	323,993	$	199,222

7. **Deferred share unit plan:**

In 2009, Cymbria implemented a Deferred Share Unit ("DSU") plan that gives independent directors and IRC members the option to receive all of their Cymbria-related compensation in the form of DSUs. The number of DSUs awarded is based on the fair market value, as defined by the plan, of Class A shares on the award date. DSUs earn additional DSUs related to dividends that would otherwise have been paid if Class A shares had been issued on the grant date. The number of DSUs issued in regard to dividends is based on the fair market value of Class A shares, as defined in the plan, on the date dividends are paid. Upon redemption of DSUs, participants can elect to receive either a cash payment

7. Deferred share unit plan (continued):

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.

Effective December 24, 2015, Cymbria terminated the DSU plan for IRC members. With Cymbria's transition to a corporate issuer, an IRC is no longer required. The cumulative value of the total DSUs awarded to IRC members was paid on December 30, 2015.

The following table summarizes DSU activity during the year:

December 31, 2015	Units	Amount ('000s)
Opening Deferred Share Units, January 1, 2015	19,831	$ 529
Granted during 2015 (Fair value on grant date)	1,141	38
Redeemed during 2015 (Fair value on payment date)	(11,488)	(373)
Cumulative fair value adjustments during the year		114
Balance, December 31, 2015	9,484	$ 308

December 31, 2014	Units	Amount ('000s)
Opening Deferred Share Units, January 1, 2014	18,026	$ 408
Granted during 2015 (Fair value on grant date)	1,805	45
Cumulative fair value adjustments during the year		76
Balance, December 31, 2014	19,831	$ 529

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

8. Related party transactions:

i. Management and service fees:

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

The Manager charged Class A shareholders a service fee during the first seven years from the November 4, 2008 inception date at an annual rate of 1% of the aggregate average NAV of Class A shares held at the end of each calendar quarter, excluding EdgePoint's value. Beginning on and including November 5, 2015, the service fee was terminated.

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

The total management and service fees for the year ended December 31, 2015 amounted to $7,798,186 (December 31, 2014: $6,661,160), with $20,700 in outstanding accrued fees due to the Manager at December 31, 2015 (December 31, 2014: $163,365), which have been subsequently paid.

ii. Operating expenses

Cymbria is also responsible for various expenses relating to its operations. These expenses may include, but are not limited to: taxes (including income, capital and harmonized sales taxes), accounting, legal and audit fees, IRC and Board of Directors' fees and expenses, custodial fees, portfolio transaction costs, registrar and transfer agency fees, regulatory costs, shareholder reporting, investment advisor expenses incurred in connection with its duties as Investment Advisor and all administration expenses incurred by the Manager for its duties as Manager, excluding any salaries to the Manager's principal shareholders, and all general operating expenses that could include allocated salaries, overhead and other costs directly related to Cymbria's operations and incurred by the Manager. For the year ended December 31, 2015, allocated expenses totaled $330,813 (December 31, 2014: $207,489). Except for interest, bank charges, witholding tax, and transaction costs paid or payable directly by Cymbria, the Manager incurs such expenses on Cymbria's behalf and is then reimbursed by Cymbria for such expenses. Cymbria's common operating expenses are allocated to classes based on the average daily NAVs of each class.

9. Income taxes:

Cymbria, as a public corporation, is subject to income taxes on its net investment income and net realized gain on investments at rates of approximately 26.50% and 13.25%, respectively. Taxable dividends from taxable Canadian corporations, as defined by the Income Tax Act (Canada), are excluded from taxable income. The effective income tax rates for deferred income taxes are approximately 26.50% on investment income and 13.25% on net realized gains.

At the end of the most recent taxation year December 31, 2015, Cymbria had capital and non-capital losses for tax purposes of nil (December 31, 2014: nil).

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

9. Income taxes (continued):

	December 31, 2015 ('000s)	December 31, 2014 ('000s)
Profit for the year before taxes	$ 133,033	$ 131,893
Tax at the combined statutory rate: 26.50% (2014: 26.50%)	$ 35,254	$ 34,952
Increase (decrease) in provision due to:		
Capital gains taxed at 50%	$ (17,206)	$ (17,327)
Non-taxable Canadian dividends	(1,679)	(1,134)
Foreign withholding taxes	(836)	(130)
Other	(110)	10
Income taxes	$ 15,423	$ 16,371

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

	December 31, 2015 ('000s)	December 31, 2014 ('000s)
Deferred share units	$ 82	$ –
Net unrealized appreciation of investments	(28,148)	(29,241)
Deferred income tax liability	$ (28,066)	$ (29,241)

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, 2015, Cymbria had suspended losses of $30,200 (December 31, 2014: $60,133).

10. Brokerage commissions:

Commissions paid to brokers in connection with portfolio transactions are disclosed in Cymbria's Statements of Comprehensive Income. Brokerage business is allocated in good faith based on which broker can deliver to Cymbria the best results in relation to order execution and research services utilized. Subject to these criteria, the Investment Advisor may allocate business to brokers that provide or pay for, in addition to transaction execution, investment research, statistical or other similar services. The ascertainable "soft dollar" value received as a percentage of total brokerage commissions paid during the periods ended December 31, 2015 and 2014, is disclosed below:

	2015	2014
Soft dollar relationships	3	3
Percentage of total transaction costs	2%	3%

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

11. Fair value measurement:

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

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

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

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

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

The following table categorizes financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is included. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

December 31, 2015 ('000s)	Level 1	Level 2	Level 3	Total
Equities	$ 644,401	$ –	$ 99,376	$ 743,777
Foreign exchange forward contracts	–	244	–	244
Foreign exchange forward contracts	–	(5,266)	–	(5,266)
Total	$ 644,401	$ (5,022)	$ 99,376	$ 738,755

11. Fair value measurement (continued):

December 31, 2014 ('000s)	Level 1	Level 2	Level 3	Total
Equities	$ 540,818	$ –	$ 62,439	$ 603,257
Options	–	4,623	–	4,623
Foreign exchange forward contracts	–	475	–	475
Total	$ 540,818	$ 5,098	$ 62,439	$ 608,355

For the year ended December 31, 2015, the net change in value for financial instruments classified as held-for-trading is $14.7 million loss (December 31, 2014: $3.6 million gain) and designated at FVTPL $138.4 million gain (December 31, 2014: $126.1 million gain).

During the year ended December 31, 2015, there were no transfers between levels (December 31, 2014: nil).

a) Equities

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

Cymbria's only Level 3 investment at December 31, 2015 and 2014, is its investment in EdgePoint. EdgePoint is a private company not traded on any public exchange and is considered a Level 3 asset because there is no market in which a share price can be readily observed. The Manager engages a third-party valuator to assist in the valuation of EdgePoint. EdgePoint's value is determined using the Discounted Cash Flow ("DCF") method. Under the DCF method, EdgePoint's fair value is estimated using the net present value of expected future cash flows. The cash flows include significant assumptions over market growth, net sales, expenses including income taxes, discount rates and an exit or terminal value. The projected cash flows, together with the terminal value of the business at the end of the forecast period, are discounted to the valuation date using an appropriate rate. This value is corroborated with a number of other recognized valuation methodologies for comparable businesses, such as price-to-AUM and price-to-earnings ratios. These data points are then compared to analyst reports and information available for publicly traded wealth management companies to determine a range of values for the business, which is then discounted for the private nature of the shares and minority interest issues due to less than a controlling interest being owned. The Manager determines the most appropriate valuation methodologies to use, which are subject to change.

The following tables reconcile Cymbria's Level 3 fair value measurements for the years ended December 31, 2015 and December 31, 2014.

December 31, 2015 ('000s)	Equities
Balance at beginning of year	$ 62,440
Change in unrealized appreciation in value of investments	$ 36,937
Balance at end of year	$ 99,376
Total change in unrealized appreciation for assets held as at December 31, 2015	$ 36,937

December 31, 2014 ('000s)	Equities
Balance at beginning of year	$ 35,646
Change in unrealized appreciation in value of investments	$ 26,794
Balance at end of year	$ 62,440
Total change in unrealized appreciation for assets held as at December 31, 2014	$ 26,794

The following table sets out information about significant unobservable inputs used at December 31, 2015 in measuring EdgePoint, which is categorized as Level 3 in the fair value hierarchy.

EdgePoint Wealth Management Inc.

Fair Value at December 31, 2015: $99.4 million (December 31, 2014: $62.4 million).

Unobservable Input	Range	Sensitivity to changes in significant unobservable inputs
Annual market growth	4%–8%	($5.2M)–$17.8M
Annual gross sales	$700M–$1.2B	($10.5M)–$15.6M
Redemption rate	7%–12%	$12.7M–($14.6M)
Discount rate	10%–13%	$17.7M–($5.5M)

Significant unobservable inputs are developed as follows:

i) Annual market growth: represents the future weighted average investment returns of the mutual funds managed by EdgePoint. EdgePoint's management fee revenue is calculated as a percentage of assets under management ("AUM"), therefore higher investment returns of the funds will increase EdgePoint's expected annual cash flow. The range of 4%-8% was developed based on a weighted average of the index returns of the funds' benchmarks over a range of prior periods.

ii) Annual gross sales: represents the weighted average of new units purchased in the mutual funds managed by EdgePoint. Higher gross sales of the funds will increase EdgePoint's AUM and will therefore increase annual cash flow. The range of $700M–$1.2B was developed based on a combination of EdgePoint's historical gross sales data and projections of future sales.

11. Fair value measurement (continued):

iii) Redemption rate: represents the weighted average of units redeemed by unitholders of the mutual funds managed by EdgePoint as a percentage of AUM. A higher redemption rate will decrease EdgePoint's AUM and will therefore lower the annual cash flow. The range of 7%-12% is based on a combination of EdgePoint's historical redemption rate and the long-term redemption rate of the industry.

iv) Discount rate: is the annual percentage used to determine the present value of EdgePoint's future cash flows. The discount rate factors in not only the time value of money, but also the risk or uncertainty of those future cash flows. A higher discount rate would indicate a greater uncertainty of future cash flows and therefore determine a lower net present value for EdgePoint. The range of 10%–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 systematic and unsystematic risk factors.

Although the Manager believes that its estimates of fair value for EdgePoint are appropriate, the use of different assumptions could lead to different measurements of fair value. For the fair value measurement of EdgePoint, changing a combination of the significant assumptions noted above to reasonably possible alternative assumptions would increase the value of EdgePoint by $10.7 million.

b) Derivative assets and liabilities

Derivative assets and liabilities consists of foreign exchange forward 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. Counterparty credit risk is managed through the use of collateral and a Credit Support Annex, when available.

In the normal course of business, Cymbria may enter into various netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. As at December 31, 2015 and 2014, Cymbria did not have any financial instruments eligible for offsetting.

12. Financial instrument risk:

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

Risk management

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

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

The Manager employs a governance structure that oversees Cymbria's investment activities and monitors compliance with Cymbria's stated investment strategy, internal guidelines and securities regulations. Monthly reviews by the Chief Compliance Officer and Chief Investment Officer ensure that pre-trade and post-trade compliance rules are followed. The Governance and Oversight Committee 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 net assets would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(i) Market price risk

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

If equity prices for these securities had increased or decreased on their respective stock exchanges by 5% as at December 31, 2015, with all other variables held constant, Cymbria's net assets would have increased or decreased, respectively, by approximately $32.2 million or 4.4% of total net assets (December 31, 2014: $30.2 million or 4.9% of total net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

12. Financial instrument risk (continued):

(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 underlying principal of forward exchange contracts, if any:

December 31, 2015
('000s)

Currency	Investments	Cash and cash equivalents	Foreign exchange forward contracts	Total*	% of net assets
U.S. dollar	$531,172	$140	$(142,392)	$388,920	53.4%
Euro	24,656	–	104	24,760	3.4%
Japanese yen	30,350	–	(16,534)	13,816	1.9%
Swiss franc	20,310	–	–	20,310	2.8%
British pound	8,174	64	–	8,238	1.1%

*Includes both monetary and non–monetary financial instruments.

December 31, 2014
('000s)

Currency	Investments	Cash and cash equivalents	Foreign exchange forward contracts	Total*	% of net assets
U.S. dollar	$ 452,943	$ 6,912	$ –	$ 459,855	75.3%
Euro	25,274	–	–	25,274	4.1%
Japanese yen	10,653	(71)	(11,900)	(1,318)	(0.2%)
Swiss franc	20,673	–	–	20,673	3.4%
British pound	11,389	–	–	11,389	1.9%
Danish krona	8,467	–	–	8,467	1.4%

*Includes both monetary and non–monetary financial instruments.

As at December 31, 2015, if the Canadian dollar had strengthened or weakened by 1% relative to all foreign currencies with all other variables held constant, Cymbria's net assets would have increased or decreased, respectively, by approximately $4.6 million or 0.6% of total net assets (December 31, 2014: $5.2 million or 0.9% of total net assets).

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

(iii) Interest rate risk

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

(b) Credit risk:

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

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

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

(c) Liquidity risk:

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

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

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, 2015, illiquid securities represent approximately 13.7% of Cymbria's net assets (December 31, 2014: 10.2%). The only illiquid asset is Cymbria's investment in EdgePoint, which is not publicly traded.

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

12. Financial instrument risk (continued):

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

December 31, 2015	On demand ($'000s)	< 3 months ($'000s)	> 3 months ($'000s)	Total ($'000s)
Foreign exchange forward contracts	–	5,266	–	5,266
Accrued liabilities	–	40	–	40
Payable for investments purchased	1,579	–	–	1,579
Income taxes payable	–	7,198	–	7,198
Deferred share unit plan liability	–	–	308	308
Deferred income tax liability	–	–	28,066	28,066

December 31, 2014	On demand ($'000s)	< 3 months ($'000s)	> 3 months ($'000s)	Total ($'000s)
Accrued liabilities	–	160	–	160
Income taxes payable	–	3,371	–	3,371
Deferred share unit plan liability	–	–	529	529
Deferred income tax liability	–	–	29,241	29,241

13. Foreign exchange forward contracts:

December 31, 2015

Settlement date	Currency to be delivered ('000s)	Currency to be received ('000s)	Contract price	Fair value ('000s)
January 04, 2016	894 USD	1,240 CAD	1.3865	$ 3
January 05, 2016	255 USD	354 CAD	1.3854	0
March 18, 2016	5,900 USD	8,203 CAD	1.3904	41
April 22, 2016	18,000 USD	25,097 CAD	1.3943	200
				$ 244
January 04, 2016	27 CAD	20 USD	1.3865	$ 0
January 04, 2016	105 CAD	69 EUR	1.5132	0
January 05, 2016	162 CAD	117 USD	1.3854	0
January 15, 2016	340,000 JPY	3,790 CAD	89.7050	(125)
January 19, 2016	18,000 USD	23,469 CAD	1.3038	(1,437)
February 02, 2016	26,000 USD	34,628 CAD	1.3319	(1,345)
February 09, 2016	460,000 JPY	4,995 CAD	92.0850	(305)
February 16, 2016	2,900 USD	3,865 CAD	1.3327	(147)
February 26, 2016	19,500 USD	25,747 CAD	1.3204	(1,231)
March 01, 2016	5,810 USD	7,907 CAD	1.3610	(131)
March 02, 2016	635,000 JPY	6,907 CAD	91.9350	(412)
March 11, 2016	5,800 USD	7,891 CAD	1.3605	(133)
				$ (5,266)
Total number of contracts:	16		Net liability	$ (5,022)

14. Reconciliation of NAV:

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

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

December 31, 2015	NAV	IFRS Net Assets
Class A	$ 32.41	$ 31.19
Class J	35.28	33.95

December 31, 2014	NAV	IFRS Net Assets
Class A	$ 27.53	$ 26.22
Class J	29.73	28.35

OFFICERS

Tye Bousada, CFA
Co-Chief Executive Officer

Geoff MacDonald, CFA
Co-Chief Executive Officer

Diane Rossi
Corporate Secretary

Norman Tang, CPA, CA
Chief Financial Officer

INDEPENDENT REVIEW COMMITTEE*

Joseph Shaw, CFA
Chair

David Cohen

Scott Cooper

*Retired December 31, 2015.

DIRECTORS

Patrick Farmer, CFA
Chairman

James MacDonald
Director and member of the Audit Committee

Richard Whiting
Director and member of the Audit Committee

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

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TORONTO STOCK EXCHANGE LISTING

CYB

COMPANY CREED

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

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

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

2. **We will consistently adhere to our investment approach.**

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

3. **We will partner with financial advisors.**

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

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

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

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

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

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

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

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

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

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

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

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

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

WHY CAN'T INVESTORS GET AHEAD?

Anyone with even a passing interest in investing has heard it before – the average investor consistently and significantly underperforms every other asset class, from the S&P 500 Index and bonds, to gold, oil and real estate, while barely outpacing inflation. (Don't believe it? Just look it up.) And anyone who has heard this or worse, experienced it for themselves, has probably asked the question: why is it that investors fail? What prevents them from doing at least as well as the index, if not topping it? Where are they going wrong? Well, imagine being that average investor for a minute. We'll call her Deidre. She's a lot like you probably. Doing what she thinks she's supposed to be doing. She finishes school, gets a job, puts a down payment on a house, has a couple of kids and tries when she can to tuck away a little money for a rainy day. As you surely know, making money has never been an easy venture for the majority of people, Deidre included. You toil away for 30, 40, 50 years or more just to have enough to support yourself and your family and hopefully have enough left over to retire on. What's not as universally acknowledged is that making money in the stock market is no less difficult. In part because you need a proprietary insight into why an investment will be bigger in the future. In other words, what do you know about a business that others don't? Unless you have a relatively unique idea that isn't widely recognized or that the rest of the market doesn't fully appreciate, you're destined to mediocrity. Deidre's first blunder is that she isn't aware of the relationship (or lack thereof) between a business's true value and its stock price. She invests in that tech company because she sees how popular its gadgets are with her son and his friends. Not because she knows anything about how the business is run. On that front, she's completely in the dark. Her situation only goes downhill from there. Because investors are susceptible to another self-perpetuating hurdle that stops them from realizing investment success – namely, their own emotions. To make it as an investor you need proprietary insights plus, to take a page from that famous Kenny Rogers tune, "You've got to know when to hold 'em. Know when to fold 'em. Know when to walk away. And know when to run." Investors are notoriously bad at all of these things. Deidre is in the same boat. She buys stocks on exuberance based on some piece of good news or when a so-called trusted friend gives her a hot tip along with the reassurance that it's a guaranteed win. She sells stocks when she's scared, when fear dominates the market or after she opens her account statement and doesn't like what she sees. No one is thrilled when their investments drop in value, including Deidre. So she acts on her doubts and anxieties or excitement and greed about what's happening in the short term, in effect buying high and selling low, precisely the opposite of how investors should behave. But Deidre can't bear the brunt of 100% of the blame, nor can her counterparts. Unfortunately, an entire industry has degenerated over time and is now designed to be complicit in separating investors from their hard-earned savings. Consider how the definition of "long term" has changed to the point where today, it doesn't count for being a very long time at all. If you think anything less than a 10-year investment horizon is still long term, you're kidding yourself. Although you'd be in good company. The ones who should know better – the titans of the investment industry – are just as guilty of living in the here and now, unable to look beyond their next bonus cheque. Companies close poorly performing funds (or those that simply aren't bringing in enough money) in a heartbeat. Maybe you won't notice or don't care that at some time in the not-so-distant past they were aggressively peddling those same funds to the public. As for the people behind the products, the average portfolio manager is rarely around for more than a decade, especially if they suffer a bout of continued underperformance relative to the benchmark they're measured against. The people they answer to, like their bosses, company shareholders and end investors don't have the staying power, confidence or fortitude to support them through these periods as increasing amounts of money flees their funds. So they get fired. Or they move on to greener pastures under the lure of higher incomes or similarly attractive incentives. There are other ways investment firms don't seem to have their priorities straight. For one, they tend to ask "will it sell?" instead of "should we be selling it?" Hence the plethora of flavour-of-the-day offerings that surface depending on the current investing climate. Market volatility on the rise? Here come the promises of low-volatility funds. Investors seeking yield? Say hello to a bunch of professed high-income-generating investments. Commodities or emerging markets shooting the lights out? Unveil products poised to take advantage of this awesome opportunity [insert appropriate number of exclamation marks here]. This is the modus operandi of marketing-led investment firms – drum up interest in stuff created to turn a profit, whether or not it's in the best interests of investors. And charge as much as you can for it. After all, that expensive halftime commercial won't pay for itself! Here's another reason why investors like Deidre have trouble gaining any ground. Big investment costs erode their returns. Think of it as negative compounding. The longer Deidre is invested, the more she doles out in fees, which can add up to a substantial amount that, in some cases, can grow to be almost as much as her original investment. Not only does she need to find a quality investment to commit her savings to, she also needs to assess whether it's worth the money she's going to spend on it. That means being attuned to the fact that there are lots of funds out there that claim to be actively managed and charge higher fees as a result when, on closer look, they're nothing more than index funds in disguise. Talk about a rip-off! Besides overcharging investors, these closet indexers suffer from diworsification, as does Deidre's overall portfolio – a common problem plaguing investors. They own everything under the sun in the hopes that this will help them to make money and protect them against losses. Because when one holding isn't doing well another will be, thus balancing things out. Said differently, accepting losses is part and parcel of the traditional diversification strategy. Doesn't make a whole lot of sense, does it? Deidre and others like her have fallen into the overdiversification trap, inadvertently complicating their financial lives and getting stuck with higher transaction costs, more risk, adverse tax consequences and diluted portfolios that will get them nowhere. Even when she throws up her hands and enlists the "help" of a financial advisor, she takes a wrong turn. She doesn't research his qualifications or capabilities. He coaches her son's hockey team and seems like a nice guy. She takes him at his word. What she doesn't know is that he makes product recommendations to her based on which fund company treats him to the best perks. Free fancy dinners, concert tickets, trips – these are what guide his investment decisions. Needless to say, he's far from the top tier of his profession. It's the blind leading the blind. This is scarcely a glimpse into the hurdles Deidre and investors like her face. On the whole, it really doesn't look like they stand a chance. Between their own missteps and an industry that seems more their enemy than friend, they're in a bad spot. If they keep it simple by partnering with a skilled and principled advisor and investment-led fund companies, committing to a long-term financial plan and building a portfolio that matches their goals, they greatly increase their odds of finding success. Demanding but doable. Otherwise, when you read back to the endless obstacles in investors' way, you understand the frustration while being reminded that nothing worthwhile in this life comes easy. Investing is no exception. Among other things, it takes hard work, patience, a knack for the job, the right temperament and strong emotional control, discipline, the humility to recognize when you've made a mistake and quickly learn from it, the ability to think long term, passion and a heck of a lot of effort. Every time the market shoots up or takes a plunge, every time the media noise floods in, every time you question yourself, every time you're kept up at night wondering about the future and whether you'll ever be able to afford it, you put yourself in danger of falling off the wagon, so to speak. Investing will never be a cakewalk.

THAT'S WHY.*

*Not intended to be a vision test. For a more readable view, visit cymbria.com.

The above was entirely inspired by Covenant House's "Get a Life" campaign. Covenant House provides street kids with food, shelter, counselling, education and work skills so they can move from the street to a better life. We urge you to donate today at covenanthouse.ca.

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