CYMBRIA CORPORATION

2011
ANNUAL REPORT

INVESTMENT OBJECTIVE

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

Cymbria = **Actively managed portfolio of global equities** + **20.9% ownership stake in EdgePoint**

INVESTMENT RESULTS

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

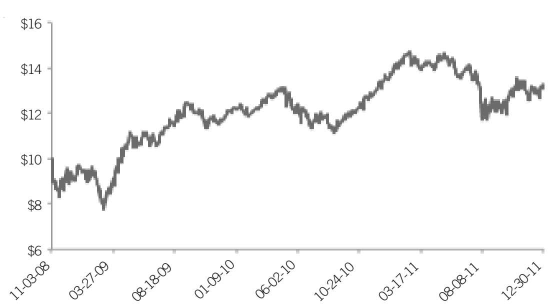
	NAV	Return (C$)	Index (C$)*
Inception: 11/4/2008	$9.39†		
2008‡	$9.34	-0.54%†	-1.19%
2009	$12.07	29.28%	13.49%
2010	$13.50	11.82%	5.86%
2011	$13.21	-2.12%	-2.77%

Since inception

(Including expenses related to IPO)

Compounded annual return	9.23%	4.62%
Cumulative return	32.13%	15.33%

Cymbria – Class A NAV



*MSCI World Index.

‡November 3, 2008 – December 31, 2008. Source: Morningstar, Bloomberg. Total returns in C$ as at December 31, 2011.

†Figures exclude expenses related to initial public offering ("IPO"). These figures are shown to provide a better understanding of how Cymbria's underlying investments performed and a more accurate comparison to the performance of the MSCI World Index. MSCI World Index figures are calculated on a pre-tax basis while Cymbria's net asset value ("NAV") figures are after tax (but exclude future taxes). As Cymbria is a corporation, its income and capital gains are taxed within the corporation and reflected in the daily NAV. If Cymbria were to have simply owned the exact composition of companies in the MSCI World Index, after the daily accruals of the appropriate taxes, its results would have lagged the Index in the years in which it showed a positive return. Conversely, in years in which the MSCI World Index showed negative returns, as a result of loss carryback provisions in the *Income Tax Act* (Canada), Cymbria would have exceeded the Index's returns.

TABLE OF CONTENTS

Notice of Cymbria's Annual Investor Day

Thursday, May 3, 2012

9:30 – 10:00 a.m. EST: Registration

10:00 – 11:30 a.m. EST: Presentation

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

Agenda

Company overview with Patrick Farmer, Chairman

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

Question & Answer

RSVP by April 27th

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CHAIRMAN'S LETTER

From Victoria to St. John's, the message we heard throughout 2011 was pretty consistent. Headlines trumpeting high unemployment, sovereign debt issues, increased stock market volatility and the slow-growing global economy have had a paralyzing effect on investors. They interpret these events as likely to cause them to lose money in the near term and are seeking shelter in cash and fixed-income investments.

In the face of this large wave of negative macroeconomic sentiment, we remained firmly focused on our competitive strengths. Volatility in equity markets has presented opportunities to buy quality, undervalued businesses. It continues to be our opinion that tax increases combined with potential cutbacks to government-sponsored entitlements will require investors to grow their capital in ways simply not available from cash and fixed income. We believe equities provide the best opportunity for capital growth.

Anniversary

November 2011 marked our 3rd anniversary managing Cymbria's portfolio. While only a third of the way toward our goal of top quartile ten-year investment performance, Cymbria's three-year 9.23% compound annual return (Class A NAV) is quite pleasing compared to the 4.62% return of the MSCI World Index. Cymbria's stock price has grown at 5.72% annually, lagging its NAV performance. It's our view that the market is mispricing Cymbria's true value.

The primary contributor to Cymbria's nevertheless impressive performance and the key driver of wealth creation is our Investment team's stock-picking abilities. Despite having been one of the most challenging three-year investment environments in decades, the team has found a collection of businesses able to grow and prosper. Encouraging to shareholders is that Cymbria continues to hold quality companies that we believe are well-positioned for future growth. Amazingly, we are not being asked to pay for that growth. Very exciting indeed!

Additional drivers of wealth creation

By year-end 2011, EdgePoint had experienced continued growth in both the number of advisors supporting EdgePoint Portfolios and the average investment per advisor. This growth resulted in an increase in the carrying value of Cymbria's 20.9% stake in EdgePoint to $11.7 million. Cymbria's investment in EdgePoint has been the strongest contributor to performance over the past three years, multiplying in excess of 23 times.

Cymbria's pro-rata share of any dividends declared by EdgePoint is another driver of wealth creation. In 2011, Cymbria received $1.2 million in dividends from EdgePoint.

Share buybacks

This year marked the first time Cymbria's stock price traded at a meaningful discount to its NAV. The opportunity to repurchase shares of Cymbria at such a discount was too compelling to pass up, especially since we believe its portfolio of companies is already undervalued. Under our Normal-Course Issuer Bid, Cymbria repurchased 79,300 shares in 2011. This represented 0.55% of the Class A shares outstanding at the beginning of the year for a total purchase of $902,582. At the time of repurchase, these shares had an NAV of $990,704.

We are happy with Cymbria's progress to date and look forward to continuing to build wealth for our shareholders.

Thank you for your continued support.

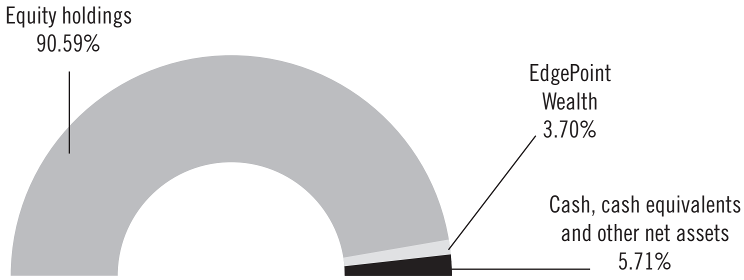
Sincerely,

Patrick Farmer, Chairman

Note to our readers: "We," "us" and "our" mean EdgePoint and Cymbria, which are related entities with the same operators.

Our business

Cymbria is an investment corporation that trades on the Toronto Stock Exchange. At the end of 2011, Cymbria was fully invested in a collection of 32 different business ideas, including a 20.9% ownership stake in EdgePoint Wealth Management Inc.



Company history

The fall of 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 taken for granted, four founding partners created Cymbria. They committed their savings to the company and asked others to do the same. By the time Cymbria launched on November 3, 2008, many more partners had joined the company and Cymbria had raised $234 million in assets under management.

Our investment approach

We adhere to a time-tested investment approach that our portfolio managers have practiced 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 business at an attractive price is to have an idea about it 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. 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 an 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 its risk against its potential return. This is unlike most investors who tend to focus on returns and neglect to ask what kind of risk was taken to achieve such performance.

For us, risk is the potential for a permanent loss of capital. We take an old-fashioned view of risk summed up in the questions, "How much money can we lose, and what is the probability of that loss?" Much of our thinking around risk focuses on company-specific 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 this definition is the volatility of a company's share price relative to the market. We don't view volatility as risk.

Cymbria's results – Our measurable value

Since launching Cymbria on November 3, 2008, we've made progress toward our goal of building wealth for shareholders over the long term. Cymbria has experienced a cumulative return of 32.13% (Class A NAV) since its inception, including the expenses related to the IPO. This compares to a 15.33% return for the MSCI World Index (C$). While a short-term number, we're pleased with our performance.

We measure our investment results using Cymbria's NAV (rather than its stock price) as this more closely reflects the value we as the investment management team is adding. We chose the MSCI World Index as our benchmark and believe that, at a minimum, we should be able to exceed its performance over the long term. If Cymbria's stock price lags its NAV, we believe in buying back shares. Doing so at an attractive discount makes sense for our shareholders.

The challenge of an annual report is, how do you bring Cymbria to life? After all, Cymbria is bigger than a stock price or account statement. We wanted to share some of our core values here. Each one is based on the belief that your interests as an investor are most important. Still just words on a page, but hopefully enough that Cymbria comes alive for you too.

This is what we believe.

- **We believe in challenging the status quo.**

  Cymbria launched in the middle of 2008's market turmoil. We were the second-largest IPO on the Toronto Stock Exchange in the worst year for IPOs in decades. Add the previous 35-day, 40-city, 255-meeting roadshow and Cymbria commenced with $234 million in assets to invest during what was arguably a once-in-a-lifetime buying opportunity. We'd like to thank our investors who trusted us and had the conviction to offer their support during such a favourable yet daunting time to invest.

- **We believe investor interests come first.**

  We haven't issued additional shares in Cymbria as this would dilute its ownership to the detriment of existing shareholders. Instead, we've been participating in share buybacks thus increasing your ownership while reducing the fees we generate. In fact, Cymbria delivers some of the lowest fees among comparable funds industry wide. These are among the reasons you can take confidence knowing your best interests as our shareholder take precedence.

- **We believe our money should be invested alongside our investors.**

  EdgePoint employees and founding partners continue to be our single-largest investor, with $36.8 million of their assets in Cymbria (as at December 31, 2011). Our collective 11.7% ownership of Cymbria means we can proudly say that we "eat our own cooking."

- **We believe investment companies should be led by investment people.**

  Cymbria was designed with a singular purpose: to create wealth for you over time. This is in direct opposition to marketing-led companies. They create products to satisfy demand no matter whether they make sound investment sense.

- **We believe investors need to have faith in the future.**

  Cynics take note. Many Cymbria shareholders purchased their shares at its inception in November 2008 and have held them since then. That's good for long-term investors like us who require patience to reap the rewards of our investment approach. We care about 10-year averages – not one-year returns – and believe our investors trust us to change their future for the better.

THINGS WE'D WANT TO KNOW IF WE WERE YOU

By Tye Bousada and Geoff MacDonald, Portfolio Managers

Our goal is to cover topics that we believe matter most when it comes to building your wealth.

How we approach investing your money

How would you invest your family's future in a business? To start, you likely wouldn't invest hastily. You'd follow a company for a long time prior to investing in it. You'd want to see the likelihood for it to grow and ensure it had a solid management team with a vision you believed in. You'd want it to have defendable barriers to entry and profitably deploy its future capital. Most importantly, you'd want all of these great things without paying full price for the business. You might seek this opportunity on the stock market, where every day millions of business sellers look for business buyers. We approach investing in the same way.

More specifically, with your Cymbria investment we approach businesses as if they were going to feed, shelter and clothe our families for the next 30 years. In fact, because we're Cymbria's single-largest investor, the 32 businesses in its portfolio are literally charged with the financial care of our loved ones.

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

Let's look at an example of a business you owned in Cymbria called HARMAN. We knew the company well having tracked its progress for years. The world's largest provider of car sound and infotainment systems, HARMAN owns some of the most recognized audio brands, including Infinity, JBL, Mark Levinson, Lexicon and AKG. We also saw the huge growth opportunity for the company's products. Today, mostly high-end cars have these systems. But in the future, all cars likely will. This is a market that can potentially grow by over 500%. In the seven years leading up to our investment, HARMAN had increased its revenues by 239% and its profits by 250%. Its management team demonstrated sound business judgment and we believed they were the right people to lead the company in the future.

In November 2008, HARMAN's previous shareholders were suffering from depression. We were in the middle of a recession and investors felt that no one would ever buy a car again. But we weren't worried about the business's short-term prospects. We believed that when the recession eventually ended, HARMAN would return to rapid profitable growth and provide us with healthy returns. We decided to invest our family's future in HARMAN and acquired shares for as low as US$10 from terribly emotional owners. No surprise the world is still buying cars and HARMAN has continued to grow. We sold any remaining stake in the company in May 2011 after its share price appreciated to the mid-$40 range.

We believe Cymbria's collection of businesses will compound your wealth and are as excited about their futures as we were Harman's.

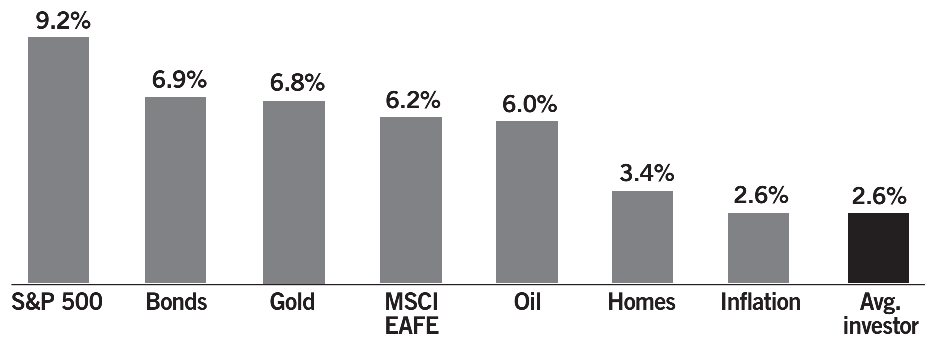
Do we think market volatility = risk?

Of the few guarantees in investing, one is that volatile markets will persist and, if history is a guide, will continue to make people do silly things. History has also shown that our investment approach is best suited to periods of volatility and uncertainty.

We don't believe volatility is risk no matter how uncomfortable the fluctuations might feel. The reason is our time horizon. We're not investing for the next three months. We're focused on adding value for you over the next five to 10 years. We don't worry about Cymbria's non-linear trajectory in attaining its investment results. Volatility is a friend to investors who know the value of a business and an enemy to those who don't. Indeed, chaotic periods in the market are when we've added the most value for you.

If volatility doesn't represent a risk to achieving your long-term goals, what does? Well, just look at the damage done when the average investor succumbs to emotion.

20-year annualized returns by asset class (1981 – 2010)



Source: JP Morgan, Bloomberg. Bonds: Barclays Capital U.S. Aggregate Bond Index; Oil: Bloomberg WTI Cushing Crude; Homes: S&P/Case Schiller U.S. Home Price Index; Inflation: U.S. Consumer Price Index; Investor returns: Calculated using Dalbar fund flow information. 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. MSCI EAFE Index includes a selection of stocks from 22 developed markets excluding the U.S. and Canada. All returns are annualized and in US$.

Fear causes emotional investing and unfortunately, emotional investing causes your worst fears to come true. With all of the negative headlines, it's at times difficult to believe that commerce continues or that it might be possible for a company to grow in today's environment. Nevertheless, we've been able to find exactly these types of businesses since Cymbria's inception.

Progressive is an example. It's the fourth-largest auto insurer in the U.S. and has a long history of profitable operations. For more than 10 years, Progressive has paid out less than it brings in, making good returns on that money in the interim. This is due to the company's relentless focus on lowering costs, its scale advantage and its constant innovation.

We bought a stake in the company three years ago after it had tripled its earnings during the decade prior. Progressive has continued to grow, even during the worst recession in memory (from 2009 to 2011), when its earnings compounded at an even faster rate than before. Its share price has reacted as expected, appreciating by approximately 45% since we purchased it in November 2008. It's paid out dividends equivalent to an additional 11% return.

Regardless of the world's macro concerns, Progressive should continue to do well. More Americans will buy insurance next year because of population growth. A new car will cost more to replace so insurance premiums will increase. Thanks to its effective pricing strategy, Progressive will also continue to take share from competitors.

The company currently trades for an approximately 8% free cash flow yield. If we owned 100% of the business, our first-year return would be 8% before growth. Assuming it can continue to grow at the same rate, our total long-term return should be well above 10% annually. We don't believe that return will happen smoothly. Short-term volatility will probably move the share price around a lot. But in time, we believe Progressive should deliver the attractive performance it has in the past.

Why we think growth is important

We've talked about the likelihood of things being slower for longer since Cymbria's launch. We didn't arrive at this prognosis using a crystal ball. There simply seemed to be enough headwinds that it was only prudent to invest in a manner that would be successful even if things were slower for longer. Now, coming to this conclusion didn't require much unique thinking. We've been met with resounding consensus every time we've suggested it. Based on this, and the fear we've witnessed in the marketplace, the majority of investors are behaving as if things will be slower for longer. If we added zero insight, we'd invest where almost everyone has, in obvious survivors like consumer staples, utilities and pharma companies. Or we'd catch the wave and, like almost everyone, focus on dividend stocks.

Here's an insight: If things truly are slower for longer, will the average investment meet your long-term investment goals? Investments with little perceived risk simply don't offer the chance for much of a return. Think about how inflation could eat away at the returns of those 2% bonds or slow-growing "safety" stocks. Why not look where others aren't excited, like to the future? If people aren't excited about the future, it's possible to not pay much for growth yet to come. Imagine owning a business that could be twice its size in 10 years. Purchased at the right price, that company could help you to fight the evils of inflation. Think of the money to be made if we find companies that fit this profile.

For a quick example of how growth works, consider Company A and Company B. Company A grows its earnings 15% annually for a decade. Company B is in a safe and secure industry, and grows its earnings 3% a year over the same period. You buy both companies at a price that corresponds to 12X earnings (in other words, if a company makes $1 you pay $12 to own it).

It's reasonable to assume that both companies can be purchased at the same valuation (12X earnings) because right now investors are putting a premium on slower-growth companies that offer short-term certainty. Both companies' earnings simply accumulate on their balance sheets as cash added to their value in 2022, which will still be 12X earnings. You invest $10,000 in the two companies. By 2022, your investment in Company A is worth $65,254. Your investment in Company B is worth only $23,700. Sure, making over $13,000 in 10 years isn't too shabby. At the same time, if you're interested in outperformance, Company A is the solution to get you there.

Back to Cymbria. We've deployed your money into a company called Merit Medical Systems Inc. that we believe is like Company A. It fits the mould of a business that can grow in the face of a tough economy. Since 2007 – before the financial crisis – Merit has compounded its profits at approximately 11% annually. This compares to annual GDP growth of about 3% in the U.S.

A secret to Merit's success lies in its ability to identify tiny product categories that require innovation and are dominated by giants like Boston Scientific and Johnson & Johnson. These small markets have been neglected by Merit's gigantic competitors, who are looking for much larger revenue sources. That's where Merit steps in.

The company is also entering new markets that could see its profitability expand more rapidly. It currently trades for an approximately 8% free cash flow yield, meaning our first-year return would be 8% before growth if we owned the entire business. Assuming it can continue to grow at the same rate, or better, our annual returns could be above 15%. Merit should help us compound your wealth faster than the average publicly traded company.

Why we believe capitalism is alive and well

Rest assured, capitalism is still going strong and your Cymbria investment is proof of it.

During 2011, four of Cymbria's businesses – Hughes Communication Inc., Tognum AG, Kinetic Concepts Inc. and Nalco Co. – were subject to takeovers. They represented about 14% of Cymbria's portfolio and were purchased from us at an average premium of 130% above our cost. Assuming an accepted definition of capitalism is "the pursuit of profit or return on investment," these takeovers are evidence of the system at work. In all four cases, we bought businesses we believed were going to be much larger in the future, tough economy or not. Over time, others saw the potential we did. They offered premiums to own businesses that had high probabilities of delivering healthy growth in a slow-growth world.

Share buybacks provide further evidence of continuing capitalism that you benefited from as a Cymbria owner. Over 75% of the portfolio bought back shares in 2011. Share buybacks aren't always sensible; however, in the case of these businesses, we believe they made tremendous sense. Not only are the majority of the companies in Cymbria buying back shares, but we believe they can be much bigger in five years, even in a lousy economy.

Short-term vs. long-term thinking – we choose long-term

The shorter people's investment horizons, the greater our long-term advantage. It used to be the case that "short term" was defined as a year. Then it was a quarter. Then a month. Today, holding periods are defined in milliseconds. Studies show that over 50% of the volume on major global exchanges results from investment strategies that hold their positions for less than a day.

Although this type of high-frequency trading, propped up in part by exotic and ill-conceived ETFs, might sound discouraging, we see it as an opportunity. It's impossible to predict day-to-day, or even quarter-to-quarter stock price movements. That doesn't preclude people from trying. Short-term outperformance envy sucks investors into a cycle of perpetual underperformance. Succumbing to it makes people do dumb things that we attempt to capitalize on.

We rely on our proven approach to investing based on long-term proprietary insights. The greater the volatility created by performance chasers, the greater our ability to add value. We believe we can maintain an edge by taking long-term views in a world increasingly dominated by short-term ones.

Cymbria as an investment

Since Cymbria's inception, its stock price has swung between a 33.5% premium and a 12.8% discount to its NAV.

One of the most puzzling things about investing is that investors often don't know the worth of their investments. If investors stopped to ask what a business was worth, trading might halt altogether! With almost any other product or service – think cars, electronics, vacations, etc. – people seem to fully understand the price-to-value relationship. Yet when it comes to stocks, for the most part this knowledge seems not to exist.

As Cymbria's portfolio managers, we can assure you that we spend all of our time seeking quality businesses we believe are trading for less than our assessment of their worth. A business's value is determined by the future cash flows it will pay its owners. Our goal is to build you a portfolio of businesses that will pay out and grow strong cash flows twice their size in reasonable time. This should translate into healthy share-price appreciations. We believe that as a Cymbria investor, you currently own attractive companies that, in aggregate, are valued today at prices far below our assessment of their true worth.

To help investors make intelligent decisions about investing in Cymbria, we post its NAV daily to our website. Some have suggested that doing this 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. If someone chooses to sell their shares below NAV, there should be happy buyers waiting in the wings. After all, purchasing an already undervalued basket of securities at an added discount seems doubly attractive.

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 to determine if there will continue to be shareholders willing to sell at material discounts to NAV (either knowingly or unknowingly). Should these opportunities exist over the next decade, our continued share repurchases will 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, our share repurchases will prove one of our best investments.

Looking ahead

Thank you for your continued trust and support. As your co-investors, we're excited about Cymbria's collection of businesses and their long-term prospects. We continue to approach investing in these markets with confidence and look forward to building wealth for you over the long term.

Results

Cymbria's most important wealth driver is the individual businesses that comprise its investment portfolio. Since inception, security selection has been the prominent driver of wealth despite detracting 3.70% from Cymbria's NAV in 2011. Offsetting some of these declines was the growth in EdgePoint's business value and Cymbria's pro-rata share of its dividend. This table summarizes the contributions to Cymbria.

Cymbria's wealth drivers	2011	2010	2009
Security selection	-3.70%	9.53%	27.89%
EdgePoint business value	0.85%	1.92%	1.38%
EdgePoint dividend	0.39%	0.37%	0.01%
Change in Cymbria's NAV	**-2.46%**	**11.82%**	**29.28%**

Cymbria's income, excluding the dividend from EdgePoint, and expenses are included in the security-selection component. The change in Cymbria's NAV includes an accrual for current income taxes but excludes the impact of potential future taxes on unrealized gains in the portfolio.

The carrying value of Cymbria's stake in EdgePoint increased from $8.9 million to $11.7 million as at December 31, 2011 to reflect the growth in EdgePoint's business during the year. This contributed 0.85% to Cymbria's NAV. An additional 0.39% came from Edgepoint cash dividends of $1,256,567.

INVESTMENT IN EDGEPOINT WEALTH

Cymbria's original investment in Edgepoint is just over $500,000, for a 20.9% ownership share. Since its inception, Cymbria has received $2,338,830 in dividends from Edgepoint, and its stake in the company has increased to $11.7 million. This has made EdgePoint the most valuable single contributor to Cymbria's investment portfolio.

The business

Based in Toronto, EdgePoint is an employee-owned wealth management company founded by Tye Bousada, Patrick Farmer, Robert Krembil and Geoff MacDonald. They believed there was room in the crowded financial services industry for a different kind of investment firm. 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, EdgePoint launched on November 17, 2008 with three goals:

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

Our progress

To date, we've made meaningful progress against our goals.

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

   Why focus on 10-year investment returns? 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 (As at December 31, 2011)	2011	2010	2009	2008†	Since inception (Nov. 17, 2008)
EdgePoint Canadian Portfolio	-7.8%	16.6%	50.2%	4.9%	18.4%
S&P/TSX Composite Index	-8.7%	17.6%	35.1%	2.8%	13.7%
EdgePoint Global Portfolio	-2.7%	8.0%	28.2%	10.4%	13.6%
MSCI World Index	-2.7%	5.8%	13.4%	7.6%	7.6%
EdgePoint Canadian Growth & Income Portfolio	-4.1%	14.0%	40.4%	1.5%	15.3%
60% S&P/TSX/40% BofA Merrill Lynch Canada Broad Market Index**	-1.2%	13.3%	23.1%	3.2%	11.5%
EdgePoint Global Growth & Income Portfolio	-0.5%	9.0%	29.1%	4.1%	12.9%
60% MSCI World Index/40% BofA Merrill Lynch Canada Broad Market Index**	2.4%	6.3%	9.5%	6.0%	7.9%

Source: PalTrak, Bloomberg. Total returns in C$. Compounded annual rate of return.

†November 17, 2008 – December 31, 2008.

**Formerly Merrill Lynch Canada Broad Market Index.

   Although these results represent just three years of performance, we're nevertheless pleased with them on an absolute and a relative basis. However, our clearly stated goal is to be at or near the top of our peer group for performance over a 10-year timeframe.

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

   We believe the relationship of trust in the investment industry has been broken. One way we've set out to rebuild that trust is through open, honest and timely communications. Also, by partnering with like-minded advisors who believe in putting investor interests first.

   By the end of 2011, we had 1,913 advisor partnerships across Canada, up from 1,539 advisor partners in December 2010. Their investment in EdgePoint Portfolios was approximately $1,025,095 each.

   To nurture existing partnerships – rather than focus on asset gathering – EdgePoint's compensation structure is such that our Sales team is rewarded less for bringing in new business than for growing business with our current advisor partners. How many fund companies stop prospecting in their third year of operation? We believe this point of differentiation will pay dividends long term through stronger, deeper relationships.

With a new office in which to comfortably host guests, we dedicated the year to meaningful, face-to-face contact with our partners. This included small, intimate information sessions with select advisors who got an inside look at how we operate and the opportunity to talk one on one with our Investment team. It's a time for advisors to learn more about us and vice versa.

Numbers tell only part of the story. Most encouraging is the frequent feedback we receive, including these excerpts from advisor messages to us in 2011.

"Our group has an unwavering confidence in the process that you and the EdgePoint team employ to choose stocks and build wealth. Keep smiling…" (James Oyler from Halifax, Nova Scotia)

"The circle of trust is a beautiful thing. [My client] trusted me and I trusted you." (Carla Dos Santos from London, Ontario)

"Nice to see such a collegial atmosphere. You are obviously a really close group and it is apparent everyone is genuinely willing to pitch in for the greater good." (Gord Pommen from Lethbridge, Alberta)

"It's going to be difficult for you guys to meet expectations if you keep exceeding them!" (Chris Murdock from Saint John, New Brunswick)

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

We believe our culture is best defined as "knowing the right thing to do without having to be told." It's how we're able to maintain such a lean operation when many companies with a similar asset size have many more employees. This is what you can achieve with a dedicated team of hard-working employees who think and act like owners. To us, EdgePoint isn't just a job – it's our business.

In this spirit, we hold an internal conference call every Monday morning to discuss the various aspects of our business and answer advisors' investment questions collected from the field. A portion of the meeting is also devoted to highlighting "Little Things," which recognizes EdgePoint staff for going above and beyond their regular duties. Examples of Little Things from 2011 include:

- Negotiating thousands of dollars in savings on trading fees – Nataliya Goreva
- Lending his winter coat to an advisor who forgot his – Nick Telemaque
- Helping an advisor's son select university courses – Geoff MacDonald
- Donating hockey tickets to our back-office partner, Citi Group Fund Services, to strengthen our working relationship – Patrick Farmer
- Baking homemade treats for EdgePoint visitors – Company-wide participation

Good deeds like these add up to a "big thing" for EdgePoint by helping to ensure our partners continue to enjoy the best possible client experience.

Because we believe culture begins with the owners of a business, we offer staff the opportunity to buy a stake in the firm. To truly align interests, we believe employees should purchase that share rather than be given stock or options. This increases the commitment to the company and eliminates any sense of entitlement. It's also another area that sets us apart from the majority of companies in our industry. There's an important difference between the risk of losing one's hard-earned savings and not earning a satisfactory capital gain. Over 90% of EdgePoint employees have been invited to purchase an interest in the firm, making them true owners. Our goal is to one day offer this benefit to all of our employees.

Up to 10% of EdgePoint's shares were reserved for employees. In 2011, EdgePoint sold a portion of these allotted shares to eligible employees. As a result, Cymbria's overall ownership of EdgePoint decreased from 21.1% to 20.9% at the end of the year. Similarly, EdgePoint Investment Group's 70.5% stake in EdgePoint decreased to 70.1%.

Following are EdgePoint's partners and the year in which they became an owner:

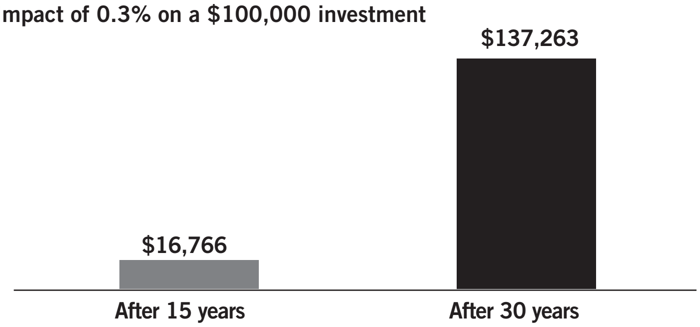
Craig Advice (2009)
Tye Bousada (2008)
Ted Chisholm (2011)
Sayuri Childs (2009)
Teresa Di Ruscio (2010)
Richard Djakovic (2009)
Patrick Farmer (2008)
Sarah Ford (2009)
Nataliya Goreva (2009)
Geoff Goss (2009)
Rebecca Jan (2011)
Olivia Kao (2009)
Malcolm King (2009)
Greg Lagasse (2010)
Pho Lai (2010)
Alan Lynam (2012)
Geoff MacDonald (2008)
Frank Mullen (2010)
Pierre Novak (2010)
Sandro Panella (2009)
Cesare Rizzuto (2011)
Sylvie Robert (2011)
Diane Rossi (2009)
Norman Tang (2009)
Nicholas Telemaque (2010)
Matilde Vizinho (2010)

COSTS MATTER

One of EdgePoint's commitments is to deliver low-cost, high-quality investment products. We can't overstate the importance of low costs because they ultimately translate into higher long-term returns.

Assume you invest $100,000 in a mutual fund that grows at a 10% compounded annual rate. Look at the dramatic impact of even a mere 0.3% a year on your initial investment over time.

Impact of 0.3% on a $100,000 investment



This example highlights the difference between compounding wealth at 9.7% and 10%. Returns show the effects of compounded growth and aren't intended to reflect future returns of any EdgePoint investment product.

You'd have an additional $16,766 after 15 years and over $137,000 more after 30 years – substantial incremental wealth on an initial investment of $100,000.

That's why our portfolios are designed to be low cost. This table shows how well we're doing compared to our peers in terms of MERs.

Comparing 2011 MERs

	Series A	Series A – non HST	Category average
EdgePoint Canadian Portfolio	2.28%	2.10%	2.43%
EdgePoint Global Portfolio	2.26%	2.12%	2.65%
EdgePoint Canadian Growth & Income Portfolio	2.14%	1.99%	2.28%
EdgePoint Global Growth & Income Portfolio	2.17%	1.99%	2.39%

Source: PalTrak. As at December 31, 2011. Category average is MERs of actively managed funds in relevant categories.

Healthy attitude toward cost savings

A key element in keeping our costs down is our employees' attitude toward unnecessary expenditures. As EdgePoint owners and investors, we understand the compounding benefits realized with reduced expenses. Our low-cost structure means our expenses are among the lowest of our direct competitors despite having only a fraction of their asset size.

We believe the MERs Canadian investors pay are generally too high. Expenses have an exact and opposite effect on a fund as investment returns. For every dollar of expenses, a fund has to earn the equivalent in investment returns to offset those costs. This fundamental truth explains EdgePoint's unrelenting focus on costs and drives us to make better decisions when it comes to spending money.

Using EdgePoint Global Portfolio (Series A) as our example, here's how our costs have evolved over time.

MER component

	2011	2010	2009
Management fee	**1.80%**	**1.80%**	**1.80%**
Taxes	**0.26%**	**0.17%**	**0.11%**
Operating expenses:			
Transfer Agency, office and administration fees	0.16%	0.17%	0.29%
Fund accounting	0.01%	0.02%	0.04%
Legal, audit, IRC and filing fees	0.01%	0.04%	0.08%
Custody fees	0.01%	0.01%	0.01%
Unitholder reporting	0.01%	0.01%	0.02%
Total operating expenses	**0.20%**	**0.25%**	**0.44%**

Management fee

Our 1.80% annual management fee compares favourably to many of our competitors who typically charge 2.00% or more. Unlike them, we don't see the need for expensive advertising or sponsored golf tournaments and prefer that our unitholders not bear such costs.

Taxes

Note the 136% increase in this area since 2009. With the introduction of the HST to some provinces in mid-2010, taxes are now the second-largest MER expense. We don't believe increasing sales taxes on investment savings is wise and are one of the few fund companies in Canada to offer non-HST series to eligible investors.

Operating expenses

In 2011, we again reduced the operating expenses portion of our MERs, this time by 20% on average. We believe there's more room to lower our operating costs, especially as our assets under management continue to grow and unitholders benefit from greater economies of scale.

Necessary evils or the seeds of a revolution?

With our significant growth over the past three years, we've been able to build working relationships that help us to reduce fund costs. Some expenses we encounter, while necessary from a regulatory perspective, don't pass muster with our cost-benefit analysis. We believe these outlays could be cut further or altogether eliminated by a change in regulation or through a healthy dose of investor advocacy.

GST/HST

You decide that a mutual fund over a GIC is the best option for growing your wealth. Why do you have to pay GST/HST on only the mutual fund? Isn't the objective of both vehicles to help you save for the future?

At some point, you're going to draw on your savings. The government will again charge you GST/HST on whatever you spend. This seems like a clear case of double-dipping. Many other countries don't apply these sorts of value-added taxes to mutual funds. Purging the GST/HST would help to reduce our MERs by more than 10% annually. Also, we'd be able to abandon our non-HST series for investors in non-HST-participating provinces to further decrease fund costs.

Printed financial statements and MRFPs

Our financial statements and MRFPs are readily available on our website and on SEDAR. If you're an investor with access to a computer but currently receive these legal documents in print, we encourage you to save your money and that of your fellow investors. Only some 4% have requested printed material, yet all of our investors shoulder the associated costs. Please contact us at *info@edgepointwealth.com* to opt to receive our financial statements and MRFPs electronically. Alternatively, you can respond to the annual instructions reminder we're also required to send you, which brings us to the next potential cost efficiency.

Annual instructions reminder

Remember your first EdgePoint purchase? In the "new investor" letter, you indicated your preference for receiving (or not receiving) financial statements and/or MRFPs. Regulators assume that you've forgotten this. Thus, we're required to mail you a reminder notice every year.

Annual notification by mail to approximately 44,000 investors at 61¢ a stamp adds up to more than $25,000 a year. This doesn't include the cost of producing, printing and processing the reminder – wasteful spending in our opinion, especially since only 0.3% of our investors requested a change to their instructions in 2011.

The quick and easy solution to this unnecessary expense is to provide us with your e-mail address so that we can send you this notice electronically. Naturally, the long-term answer is for regulators to stop assuming that investors are so absentminded.

Team expansion

With the addition of six team members in 2011, the total number of EdgePoint employees stands at 28.

We're excited to now have Ted Chisholm as a portfolio manager, as he brings a wealth of investment experience and a history of making money for investors. He worked with Tye and Geoff earlier in their careers, shares our investment approach and we plain like him. Even with Ted's arrival, no plan exists to launch new products. Bottom line is we believe Ted is a purebred, investment-idea bloodhound and we're stronger with him on our team.

Cesare Rizzuto also joined this year and is responsible for day-to-day operations and project-related support for the Operations team. Michelle De Marco, CA, has helped to strengthen the Finance team. Alan Lynam arrived all the way from Ireland as the latest addition to Inside Sales. Rebecca Jan was brought on to support our investment communications and analytics efforts. She's joined by Greg Stevenson, who also has trading desk responsibilities.

While each new employee had their own reasons for wanting to be part of the Cymbria/EdgePoint family, the overarching theme of these hires was that they were seeking change and voiced the desire to make a difference in their working lives. We couldn't ask for a better fit.

The EdgePoint team

Missing: Olivia Kao.

We're growing

We're always looking for talented people who can help us achieve our goals and understand that extraordinary human ability is a scarce resource in high demand. If you think you've got some and are interested in our company, please send your resume to *WeAreGrowing@edgepointwealth.com.*

Job fit test

Are you perfect for EdgePoint? Before you hit the "send" button to contact us about a job, first determine your suitability with this easy self-assessment.

1. The interests of unitholders and shareholders of publicly traded fund companies are aligned and both parties are in pursuit of the same goals.
   a) True
   b) False
   c) Don't know

2. MERs in Canada tend to be:
   a) Too low
   b) Too high
   c) What's an MER?

3. Most important to investors should be:
   a) To see their fund company advertised on television
   b) Growing their long-term wealth
   c) Personalized stationary as a gift for opening an investment account

4. Fund companies should be most concerned with having:
   a) A fancy office with expensive artwork
   b) Strong long-term investment performance
   c) A really big sales department

5. Fund companies should measure their success by:
   a) Asset size
   b) Long-term investment results
   c) Number of employees

6. Portfolio managers should "eat their own cooking."
   a) Disagree
   b) Agree
   c) Portfolio managers cook?

7. The best communications to investors include:
   a) A free pen
   b) Timely, honest and clear information
   c) Colourful brochures

8. The last thing investors need is:
   a) Better portfolio management
   b) More flashy marketing
   c) Greater transparency around investor disclosures

9. I believe I can change the investment industry for the better.
   a) No way
   b) Absolutely
   c) Maybe, but I'm in it for the paycheque

10. Investment management is about:
   a) The glory
   b) Stewardship of investors' hard-earned savings
   c) Closet indexing

Results
a) = 1 point
b) = 10 points
c) = 0 points

80 – 100 points: You get it. Thanks for taking the time to understand us.

10 – 80 points: Not sure you're ready for EdgePoint just yet. Keep trying!

0 – 10 points: We're not right for each other.

Q. What is Cymbria?

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

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

A. Cymbria owns approximately 21% of EdgePoint, giving it the opportunity to participate in the company's growth. Cymbria's original $509,585 investment is now worth $11,658,387 (as at December 31, 2011) due to EdgePoint's growth. To date, Cymbria has received $2,338,830 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 fund where buy and sell orders are processed using the NAV on that trade date, 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. Please explain Cymbria's dividend policy.

A. Cymbria doesn't pay dividends. Rather, it reinvests the cash it generates from its investments.

Q. EdgePoint Wealth pays a dividend semi-annually. Why didn't I receive my share of the dividend?

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

Q. What's Cymbria's positioning on share buybacks and why they can be good for shareholders?

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

Cymbria's Normal-Course Issuer Bid allows a repurchase of up to 10% of outstanding shares per annum. We will engage in share buybacks if Cymbria's stock price trades at a meaningful discount to its NAV.

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

A. Ways in which Cymbria is different from a mutual fund include:

Investment flexibility

Unlike a regular fund with many investment constraints, Cymbria has full investment flexibility. Just like Warren Buffett's company, Berkshire Hathaway – an investment corporation that can buy (or short) publicly traded companies, purchase privately held businesses or leverage its investments – Cymbria has the same flexibility. This results in a much bigger investment universe from which it can choose.

Fixed pool of assets

Cymbria raised $234 million through its initial public offering in November 2008. This is a fixed pool of assets that will only grow (or shrink) as a result of changes in investment value. In contrast, investors can purchase and redeem units of a mutual fund, which impacts the size of its investment pool.

Since Cymbria's inception, its assets have grown to over $315 million as a result of the performance of its investments.

Buy/sell price determined by the market

Funds are typically bought and sold at their NAV, which reflects the underlying prices of the securities they own. Cymbria trades on a stock exchange and its price reflects the market's determination of its value.

Liquidity

Because Cymbria shares are bought and sold in the open market, investors need to consider potential liquidity constraints. Small-cap companies like Cymbria tend to be much less liquid than their larger-cap counterparts. This makes transacting a sizeable volume of shares difficult without moving the share price. As a result, it may take several days, or even weeks, to buy or sell a large number of shares.

In contrast, liquidity isn't an issue for mutual funds because investors are able to redeem their units at NAV.

Share buybacks

Cymbria has the ability to buy back shares if their valuation warrants such action. Please refer to our previous answer on why share buybacks can be good for investors.

Distributions

Income and realized capital gains earned in a fund are distributed to investors annually (or more frequently depending on the fund's policy) to ensure income taxes are paid by the unitholders and not the fund. In contrast, Cymbria is a taxable corporation and doesn't pay annual distributions or dividends. This means you can own Cymbria in a non-registered account and not receive any taxable income during the year. As well, since Cymbria's corporate tax rate is currently lower than Canada's highest marginal personal tax rates, having Cymbria incur taxes could be more tax efficient than owning a comparable fund in a non-registered account.

Ownership stake in EdgePoint Wealth

Cymbria owns an approximately 21% stake in EdgePoint, a privately held company. At inception, Cymbria received this ownership stake at book value (approximately $500,000) contributing to its unique investment structure and allowing Cymbria investors to participate in EdgePoint's growth. This opportunity is available only to Cymbria investors and EdgePoint's internal partners.

Some of the benefits of owning EdgePoint:

- Dividends: Cymbria currently receives semi-annual dividends from EdgePoint
- Value of EdgePoint: Cymbria is able to participate in EdgePoint's growth

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

Q. Can I expect Cymbria's portfolio to mirror the performance of EdgePoint Global Portfolio?

A. Reasons why Cymbria's performance will differ from that of EdgePoint Global include:

Holdings differences

The primary reason for performance differences arises from portfolio composition. While there is currently a high degree of overlap between the two investments, there can be differences in portfolio holdings and weights that would impact individual performance.

Launch date

Cymbria launched on November 3, 2008 while EdgePoint Global launched on November 17, 2008 so their performance since inception can't be compared. The market's negative return over that two-week period contributed significantly to performance differences.

NAV vs. share price

EdgePoint Global's performance is measured by its NAV while Cymbria's investment value is based on its share price, a figure influenced by market sentiment.

Fee structure

Investors currently pay approximately 2.32% in fees to own Cymbria (Class A). EdgePoint Global (Series A) investors pay an MER of 2.26%.

Corporate taxes

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

All figures as at December 31, 2011.

This annual Management Report of Fund Performance ("MRFP") contains financial highlights but not Cymbria's annual Financial Statements. The annual Financial Statements are included at the back of the MRFP. You can obtain a free copy of the 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.edgepointwealth.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 2011 audited annual Financial Statements for more information.

For Cymbria's current and historical net asset values per share, please visit **www.edgepointwealth.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 digressions, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

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

Management discussion of fund performance

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

Please read the aforementioned caution on the preceding page regarding forward-looking statements.

Investment objectives and strategies

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

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

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

Risk

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

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

As discussed in the Prospectus, the overall risk of investing in Cymbria remains moderate and is appropriate for investors with a long-term investment horizon. There are several types of risks that include, but are not limited to:

Concentration risk

Concentration risk can occur by holding a small number of investments, which may reduce Cymbria's diversification and liquidity. We invest with conviction and, as a result, Cymbria is concentrated in our best ideas. This concentration allows individual portfolio holdings to have a meaningful impact on returns. It also allows us greater in-depth knowledge about each company in Cymbria, a key element in reducing the potential risk of an investment.

As at December 31, 2011, Cymbria was diversified into 32 different business ideas. This compares to 33 holdings at the end of 2010.

Currency risk

Cymbria is valued in Canadian dollars; however, it invests in foreign securities denominated in foreign currencies. In order to reduce the impact of short-term currency fluctuations, we may employ currency hedging. Specifically, we may hedge all or a portion of our foreign currency exposure depending on our view of a currency's relative value and its associated risks.

As at December 31, 2011, Cymbria's most significant foreign currency exposure was to the U.S. dollar, which as a percentage of total net assets was approximately 80%. This is a decrease from 82% the year prior. Cymbria did not have any U.S.-dollar currency hedges in place at the end of 2011.

Results of operations

Investment performance

For the year ended December 31, 2011, Cymbria Class A shares declined 2.1% versus a decrease of 2.7% (C$) for the benchmark Morgan Stanley Capital International ("MSCI") World Index. Please refer to the *Past performance* section for the performance of Cymbria Class J shares, which differ from Class A shares due largely to varying expenses and/or taxes incurred by each class as explained in Cymbria's Annual Information Form.

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

Cymbria's select holdings in the materials sector as well as its consumer discretionary companies contributed most significantly to overall performance while as a group, companies in the media and technology sectors detracted most significantly.

Meaningful contributors to investment results included:

- Kinetic Concepts Inc.
- Nalco Holding Co.
- EdgePoint Wealth Management Inc.
- Hughes Communications Inc.
- Pool Corp.

As a group, these companies contributed approximately 6.9% to overall performance.

Meaningful detractors from investment results included:

- Research In Motion Ltd.
- International Rectifier Corp.
- Alere Inc.
- AMN Healthcare Services Inc.
- Bank of New York Mellon Corp.

As a group, these companies detracted approximately 7.8% from overall performance. The largest detractor was Research In Motion ("RIM"). We continue to question whether our thesis is intact and are looking for much better execution from the company in the future.

Portfolio transactions

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

Businesses purchased
Examples of companies added include:

- Kabel Deutschland Holding AG – Germany's largest cable network operator, offering analog and digital TV, internet and telephone services
- Shuffle Master Inc. – gaming supply company providing products and services to the casino industry
- Fortune Brands Home & Security Inc. – provides home and security products

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, a number of businesses were sold as they were no longer as attractive as other investment ideas. Examples include:

- Hughes Communications Inc.
- Tognum AG
- Advanced Analogic Technologies Inc.

Both Tognum and Hughes received takeover offers during the period resulting in strong gains for both holdings.

Portfolio composition

Overall sector exposure shifted slightly primarily as a result of investment decisions and changes in stock prices. The most significant change was a decrease of approximately 8% in Cymbria's information technology holdings primarily due to the sale of Hughes Communications and RIM's much lower weight in the portfolio at the end of the year. Exposure to health care stocks increased during the period with the addition of new companies in this sector.

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

We continue to take advantage of Cymbria's market capitalization flexibility, finding attractive value in a number of new, smaller-sized companies such as Shuffle Master Inc. and Merit Medical Systems Inc.

Investment in EdgePoint Wealth Management Inc.

During 2011, EdgePoint Wealth experienced positive growth in its business. Assets under management increased from $1.54 billion at December 31, 2010 to $1.96 billion at December 31, 2011. This growth was in line with the projections in the discounted cash flow model used to value EdgePoint. Some of the significant assumptions that go into the model include annual market growth, annual net sales, projected expenses including corporate income taxes, and discount rates. Using the model, the value of Cymbria's interest in EdgePoint is between $11.66 million and $13.64 million. For financial statement purposes, a value of $11.66 million is used. To the extent that actual results cause significant changes to the assumptions used in the model during 2012, we'll update the valuation. We evaluate all of the significant assumptions in the model at least annually based on actual performance, or when we're aware of an occurrence that may have a significant impact on one or more of the assumptions.

Income, fees and expenses

The management expense ratio ("MER") decreased from 1.40% to 1.27% for Class A shareholders and remained at 0.86% for Class J shareholders. The decrease in MER for Class A shareholders is a result of an adjustment to the service fees calculation. With the introduction of the Harmonized Sales Tax ("HST"), the service fee was adjusted from 1% plus taxes per annum to 1% inclusive of taxes per annum. This results in overall lower service fees payable by Class A shareholders to the Manager. The service fee paid by the Manager to registered dealers remains at 1% inclusive of taxes. This adjustment was applied retroactively and, as a result, a one-time credit was provided to Class A shareholders. Excluding this one-time credit, the normalized MER would have remained at approximately 1.40% for Class A shareholders. The normalized MERs for both Class A and Class J remained flat year over year, notwithstanding the impact of a full 12 months of HST being applied to fees. The additional six months of HST added approximately 0.10% to Class A's MER and 0.07% to Class J's MER.

The Manager began charging a 0.75% per annum management fee to Class A shareholders on November 5, 2011. This added approximately 0.12% to Class A's MER. There were no other significant changes in expenses during the year.

Income from dividends decreased approximately 14% for the year ended December 31, 2011 over December 31, 2010. This decrease is primarily a result of changes in portfolio composition. Interest income decreased for the year ended December 31, 2011 over December 31, 2010 primarily as a result of a decrease in Cymbria's fixed-income portion from 0.04% at the end of 2010 to 0.00% at December 31, 2011.

Shareholder activity

Cymbria re-filed its Normal-Course Issuer Bid ("NCIB") for the period of May 16, 2011 to May 16, 2012. 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. Under this NCIB, for the period ended December 31, 2011, Cymbria repurchased 79,300 Class A shares for cancellation at an average discount of 9.2% to their underlying NAV.

Recent developments

Since Cymbria's inception, we've warned that things will be slower for longer. Such world problems as Europe's sovereign debt issues are real and can hamper growth. That's why we've repeatedly emphasized the need to find businesses that can grow in the face of economic difficulties and not pay for that growth.

We continue to take advantage of investors' fear and uncertainty. Volatility in equity markets has presented wonderful opportunities to buy high-quality, undervalued businesses that position Cymbria well for future growth.

In the face of this large wave of negative macro sentiment, we remained firmly focused on our competitive strengths.

International Financial Reporting Standards

In December 2011, the Canadian Accounting Standards Board provided another year of deferral of International Financial Reporting Standards ("IFRS") adoption for investment companies. For fiscal years beginning on or after January 1, 2014, investment companies, including Cymbria, will be required to implement IFRS for interim and annual financial statements. Until this date, Cymbria will continue to apply the accounting standards in Part V of the Canadian Institute of Chartered Accountants Handbook.

Based on the Manager's current evaluation of the differences between Canadian Generally Accepted Accounting Principles ("GAAP") and IFRS, the most significant impact to Cymbria's Financial Statements will be the ability to use the closing price of publicly traded securities for GAAP NAV purposes instead of the bid price as is currently required. This will align the securities pricing methodology between the valuation NAV and the GAAP NAV. The Manager expects that IFRS will also result in additional disclosures. Cymbria's shares do not contain a redemption feature, are therefore not puttable and will remain classified as equity. As well, all of the investments owned by Cymbria, including EdgePoint Wealth, are designated as held for trading and should remain accounted for at fair value.

Related parties

Manager

Cymbria is managed by EdgePoint Investment Group Inc. ("EdgePoint"), which is responsible for Cymbria's day-to-day operations. As Manager, EdgePoint also provides (or arranges for) investment management, marketing and promotion of Cymbria, as well as transfer agency services, and shareholder reporting and servicing. 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, EdgePoint receives a monthly management fee based on the daily average net asset value of each class of Cymbria shares (see *Management fees*). In addition, EdgePoint is entitled to be reimbursed by Cymbria for certain operating expenses.

Investment advisor

EdgePoint is also the portfolio advisor to Cymbria. EdgePoint is entitled to be reimbursed by Cymbria for certain operating expenses associated with its advisory services.

Independent Review Committee

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

Financial highlights

The following tables show selected key financial information about Cymbria and are intended to help you understand Cymbria's financial performance for the years ended December 31, 2011, 2010 and 2009, and the period from inception to December 31, 2008. Cymbria's inception date is November 4, 2008. This information is derived from Cymbria's Financial Statements.

Class A	Dec. 31 2011	Dec. 31 2010	Dec. 31 2009	Dec. 31 2008
Cymbria's net assets per share (Note 1)				
Net assets, beginning of period*	$ 13.31	$ 11.96	$ 9.47	$ 10.00
Increase (decrease) from operations:				
Total revenue	0.18	0.21	0.16	0.03
Total expenses	(0.16)	(0.16)	(0.19)	(0.03)
Realized gains (losses) for the period	1.08	1.04	1.07	(0.22)
Unrealized gains (losses) for the period	(1.23)	0.27	1.45	0.12
Total increase (decrease) from operations	$ (0.13)	$ 1.36	$ 2.49	$ (0.10)
Net assets, end of period	$ 13.16	$ 13.31	$ 11.96	$ 9.47

Class J	Dec. 31 2011	Dec. 31 2010	Dec. 31 2009	Dec. 31 2008
Cymbria's net assets per share (Note 1)				
Net assets, beginning of period*	$ 14.01	$ 12.54	$ 9.85	$ 10.00
Increase (decrease) from operations:				
Total revenue	0.19	0.22	0.17	0.03
Total expenses	(0.09)	(0.12)	(0.14)	(0.03)
Realized gains (losses) for the period	1.11	1.10	1.13	(0.24)
Unrealized gains (losses) for the period	(1.33)	0.25	1.52	0.09
Total increase (decrease) from operations	$ (0.12)	$ 1.45	$ 2.68	$ (0.15)
Net assets, end of period	$ 13.93	$ 14.01	$ 12.54	$ 9.85

*For 2008, represents initial net assets.

Notes

1. Net assets per share is calculated as follows:
   (a) The financial information presented in the *Net assets per share* table is derived from Cymbria's audited annual Financial Statements. Net assets per share presented in the Financial Statements ("GAAP Net Assets") differs from the net asset value calculated for fund pricing purposes. An explanation of the differences can be found in the notes to the Financial Statements.
   (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 2011**	**Dec. 31 2010**	**Dec. 31 2009**	**Dec.31 2008**
Ratios and supplemental data (Note 2)				
Total net asset value ($'000s)	189,273	193,443	172,298	132,639
Number of shares outstanding ('000s)	14,341	14,331	14,273	14,209
Management expense ratio (Note 3)▲	1.27%	1.40%	1.53%	1.94%
Management expense ratio before waivers or absorptions▲	1.27%	1.40%	1.53%	1.94%
Net asset value per share	$ 13.21	$ 13.50	$ 12.07	$ 9.34
Closing market price (Note 6)	$ 11.92	$ 13.40	$ 13.60	$ 10.43

Class J	**Dec. 31 2011**	**Dec. 31 2010**	**Dec. 31 2009**	**Dec.31 2008**
Ratios and supplemental data (Note 2)				
Total net asset value ($'000s)	126,012	129,794	116,757	90,882
Number of shares outstanding ('000s)	8,983	9,067	9,122	9,182
Management expense ratio (Note 3)▲	0.86%	0.86%	0.97%	1.43%
Management expense ratio before waivers or absorptions▲	0.86%	0.86%	0.97%	1.43%
Net asset value per share	$ 14.01	$ 14.32	$ 12.80	$ 9.90
Closing market price (Note 6)	n/a	n/a	n/a	n/a

Fund level ratios	**Dec. 31 2011**	**Dec. 31 2010**	**Dec. 31 2009**	**Dec.31 2008**
Trading expense ratio (Note 4)▲	0.08%	0.10%	0.23%	1.53%
Portfolio turnover rate (Note 5)▲	35.94%	42.57%	64.60%	6.81%

▲2008 annualized.

Notes:

2. The financial information presented in the *Ratios and supplemental data table* is derived from Cymbria's pricing net asset values ("NAV") and is provided as at December 31, 2011, December 31, 2010, December 31, 2009 and December 31, 2008.
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 commissions and other portfolio transaction costs, as a percentage of the average daily net asset value 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. Cymbria's MERs are shown both with and without waivers and absorptions.
4. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of Cymbria's daily average net asset value. 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 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 fund performance.
6. Cymbria's Class J shares are not traded on a stock exchange.

Management fees

As compensation for services provided, EdgePoint, the Manager of Cymbria, receives a monthly management fee based on the daily average net asset value of both Class A shares and Class J shares (see note 6 of the audited Financial Statements), excluding the value of EdgePoint Wealth Management Inc.

EdgePoint charges Class A shareholders a service fee during the first seven years from the November 4, 2008 inception date at an annual rate of 1.00% of the aggregate net average asset value of Class A shares held at the end of each calendar quarter, excluding the value of EdgePoint Wealth Management Inc. After the seventh anniversary from the inception date there will be no service fee. For the period ended December 31, 2011, 100% of the service fees that Cymbria's Class A shareholders paid to EdgePoint was used to fund service fees paid to registered dealers whose clients held Class A shares of Cymbria.

For the period ended December 31, 2011, a breakdown of the services received in consideration of the management fees as a percentage of those fees is as follows:

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

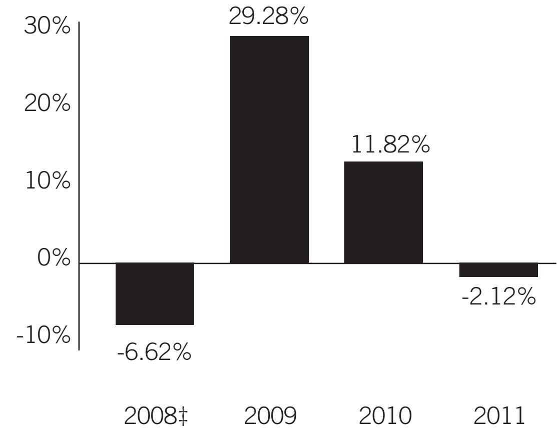
Past performance

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

Year-by-year returns

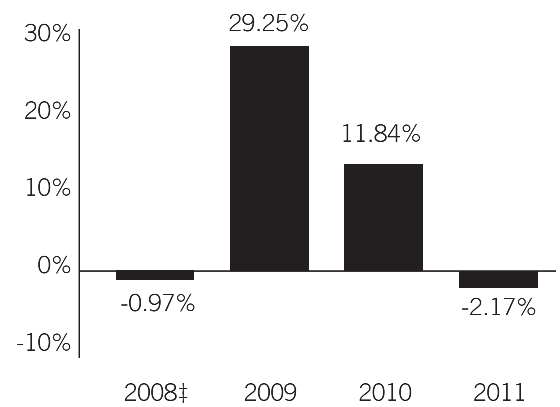
The following graphs illustrate Cymbria's performance for each of the periods highlighted, including changes from period to period. They indicate, on a percentage basis, how much an investment would have made or lost had you invested on the first day of each financial period and held that investment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

Class A NAV



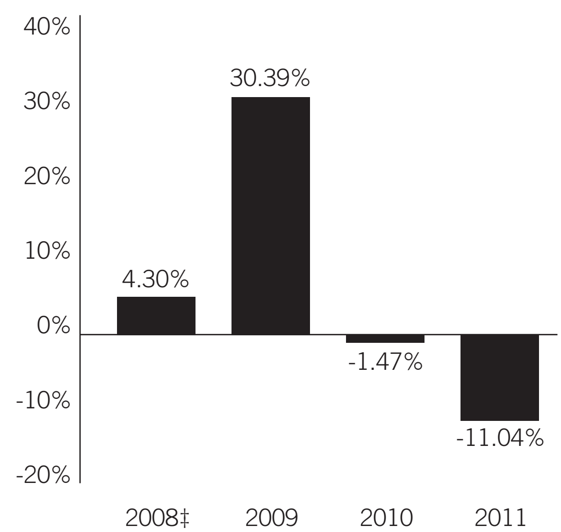
‡Inception to December 31, 2008.

Class J NAV



‡Inception to December 31, 2008.

Cymbria (CYB) share-price return



‡Inception to December 31, 2008.

Benchmark

Cymbria uses the Morgan Stanley Capital International (MSCI) World Index as its benchmark for long-term performance comparisons. The MSCI World Index is a market-capitalization-weighted index comprised of 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 does not mimic that of the Index, either positively or negatively. Please see the *Results of operations* section of this report for a discussion of recent performance results.

Annual compound returns

The following table compares annual compound returns for Cymbria's Class A NAV, Class J NAV, and Class A shares (CYB) with the Canadian-dollar returns of the MSCI World Index for the periods shown ended December 31, 2011.

	Since inception* (%)	1-year (%)	2-year (%)	3-year (%)
Class A NAV±	9.23	-2.12	4.62	12.27
Class A share price – CYB	5.72	-11.04	-6.38	4.55
Class J NAV	11.26	-2.17	4.61	12.25
MSCI World Index	4.62	-2.85	1.41	5.29

*Cymbria's inception was November 4, 2008.
±Performance includes expenses associated with the initial public offering.

Summary of investment portfolio
As at December 31, 2011

Top 25 positions

	Security name (% of Portfolio)	
1	Wells Fargo & Co.	6.63%
2	Ryanair Holdings PLC, ADR	6.13%
3	WellPoint Inc.	6.12%
4	The Progressive Corp.	5.83%
5	International Game Technology	5.82%
6	Altera Corp.	4.99%
7	International Rectifier Corp.	4.57%
8	Alere Inc.	3.78%
9	Western Union Co.	3.76%
10	Cisco Systems Inc.	3.71%
11	EdgePoint Wealth Management Inc.	3.70%
12	JPMorgan Chase & Co.	3.50%
13	Pool Corp.	3.17%
14	Gerresheimer AG	3.16%
15	Merit Medical Systems Inc.	2.98%
16	Knoll Inc.	2.92%
17	Shuffle Master Inc.	2.68%
18	Team Inc.	2.61%
19	WPP PLC	2.57%
20	Kabel Deutschland Holding AG	2.29%
21	Hamamatsu Photonics K.K.	2.03%
22	AMN Healthcare Services Inc.	1.98%
23	HORIBA Ltd.	1.86%
24	Ecolab Inc.	1.68%
25	Grafton Group PLC	1.46%
	Total	**89.93%**

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

Sector exposure

Sector (% of Portfolio)	
Information Technology	23.03%
Health Care	19.12%
Industrials	13.68%
Consumer Discretionary	12.25%
Diversified Financials	7.20%
Banks	6.63%
Insurance	5.83%
Cash and Other Net Assets	5.71%
Media	4.86%
Materials	1.69%
Total	**100.00%**

Total net asset value
$315.3 million

Financial Statements of

CYMBRIA CORPORATION

Years ended December 31, 2011 and 2010

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 Canadian Generally Accepted Accounting Principles and include certain amounts based on estimates and assumptions. The significant accounting policies that management believes are appropriate for Cymbria are described in note 2 to the Financial Statements.

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

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

Patrick Farmer
Chairman
March 9, 2012

Norman Tang
Chief Financial Officer
March 9, 2012

Independent auditor's report

To the shareholders of Cymbria Corporation

We have audited the accompanying Financial Statements of Cymbria Corporation, which comprise the *Statements of Net Assets* as at December 31, 2011 and 2010, the *Statements of Operations* and *Statements of Changes in Net Assets* for the years then ended, the *Statement of Investments* as at December 31, 2011, and 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 Canadian Generally Accepted Accounting Principles 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.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing 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 opinions.

Opinion

In our opinion, these Financial Statements present fairly, in all material respects, the net assets of Cymbria Corporation as at December 31, 2011 and 2010, the results of its operations and changes in its net assets for the years then ended and its investments held as at December 31, 2011 in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

March 9, 2012

		2011		2010
Assets				
Investments, at fair value	$	285,580,614	$	307,526,033
EdgePoint Wealth Management Inc.		11,658,387		8,917,671
Total investments, at fair value*		297,239,001		316,443,704
Cash and cash equivalents		10,921,942		6,871,462
Receivable from securities sold		8,541,681		–
Accrued interest and dividends receivable		139,743		197,264
Income tax recovery		597,098		–
Other receivables		–		22,580
		317,439,465		323,535,010
Liabilities				
Payable for securities purchased		2,101,922		–
Accounts payable and accrued expenses		28,245		–
Unrealized loss on foreign exchange forward contracts		207,155		156,053
Deferred share unit plan (Note 5)		142,022		113,059
Net future income tax liability (Note 7)		1,083,383		5,192,891
Income taxes payable		–		336,947
		3,562,727		5,798,950
Net assets, representing shareholders' equity	$	313,876,738	$	317,736,060
Shareholders' equity				
Share capital (Note 3)	$	227,103,805	$	227,847,681
Surplus (Note 4)		73,485,797		47,096,105
Unrealized gain on investments		13,287,136		42,792,274
	$	313,876,738	$	317,736,060
Shareholders' equity, as represented by net assets:				
Common stock	$	100	$	100
Class A		188,792,464		190,718,340
Class J		125,084,174		127,017,620
	$	313,876,738	$	317,736,060
Number of shares outstanding (Note 3):				
Class A		14,341,136		14,331,011
Class J		8,982,564		9,066,961
Net assets per share:				
Class A	$	13.16	$	13.31
Class J	$	13.93	$	14.01

*Cost of investments is reflected in the *Statement of Investments*.

See accompanying notes to Financial Statements.

ON BEHALF OF THE BOARD:

James MacDonald, Director

R.J. Whiting

Richard J. Whiting, Director

	2011	2010
Income:		
Dividends	$ 4,613,191	$ 5,346,853
Interest	90,701	222,083
	4,703,892	5,568,936
Less foreign withholding taxes	497,980	562,037
	4,205,912	5,006,899
Expenses (Note 6):		
Service fees	1,427,821	1,744,133
Management fees	844,646	583,698
Administration, registrar and transfer agent fees	291,899	279,741
Investment research and portfolio maintenance	268,476	202,294
Audit	100,000	156,955
Legal fees	43,143	36,328
Directors' fees	40,982	41,723
Filing fees	38,888	35,430
Fund accounting	35,515	50,958
Independent Review Committee fees	25,884	25,905
Custody fees	25,443	22,613
Shareholder reporting	22,588	24,179
Goods and Services Tax/Harmonized Sales Tax	405,240	278,723
	$ 3,570,525	$ 3,482,680
Net investment income before income taxes	635,387	1,524,219
Income taxes (Note 7):		
Current	(903,228)	(70,767)
Future	–	(210)
	$ (903,228)	$ (70,977)
Net investment income	1,538,615	1,595,196
Net realized and unrealized gain (loss) and transaction costs:		
Net realized gain on sale of investments and foreign exchange, net of income taxes of $4,173,536 (2010: $4,545,286)	25,253,466	25,170,361
Transaction costs	(243,641)	(281,273)
Net change in unrealized appreciation (depreciation) of investments, net of an increase (decrease) in future tax liability of $(4,604,092) (2010: $1,056,610)	(29,505,138)	6,210,006
Net gain (loss) on investments	(4,495,313)	31,099,094
Increase (decrease) in net assets from operations	$ (2,956,698)	$ 32,694,290
Increase (decrease) in net assets from operations:		
Class A	$ (1,867,222)	$ 19,482,817
Class J	(1,089,476)	13,211,473
	$ (2,956,698)	$ 32,694,290
Increase (decrease) in net assets from operations, per share:		
Class A	$ (0.13)	$ 1.36
Class J	$ (0.12)	$ 1.45

See accompanying notes to Financial Statements.

	2011	2010
Class A:		
Net assets, beginning of year	$ 190,718,340	$ 170,685,558
Increase (decrease) in net assets from operations	(1,867,222)	19,482,817
Capital transactions:		
Class J to Class A share exchanges	839,192	547,246
Contributed surplus	4,736	2,719
Shares purchased and cancelled under Normal-Course Issuer Bid	(902,582)	–
	(58,654)	549,965
Net assets, end of year	$ 188,792,464	$ 190,718,340

	2011	2010
Class J:		
Net assets, beginning of year	$ 127,017,620	$ 114,356,147
Increase (decrease) in net assets from operations	(1,089,476)	13,211,473
Capital transactions:		
Class J to Class A share exchanges	(843,970)	(550,000)
	(843,970)	(550,000)
Net assets, end of year	$ 125,084,174	$ 127,017,620

See accompanying notes to Financial Statements.

Number of shares/units	Security	Average cost	Fair value	% of net assets
	Equities			
746,300	Wells Fargo & Co.	$ 20,536,117	$ 20,916,709	6.66
682,300	Ryanair Holdings PLC, ADR	19,836,201	19,310,312	6.16
286,500	WellPoint Inc.	14,015,945	19,305,309	6.15
925,800	The Progressive Corp.	15,387,307	18,368,562	5.86
1,049,900	International Game Technology	16,098,746	18,364,415	5.85
416,600	Altera Corp.	12,726,252	15,713,640	5.01
730,000	International Rectifier Corp.	12,687,823	14,424,354	4.60
638,500	Western Union Co.	11,515,546	11,856,661	3.78
636,800	Cisco Systems Inc.	12,271,705	11,708,525	3.73
279,585	EdgePoint Wealth Management Inc.	509,585	11,658,387	3.71
490,600	Alere Inc.	15,221,476	11,519,992	3.67
326,600	JPMorgan Chase & Co.	13,090,492	11,040,225	3.52
326,200	Pool Corp.	6,338,181	9,981,754	3.18
234,870	Gerresheimer AG	8,921,556	9,900,854	3.15
690,900	Merit Medical Systems Inc.	10,384,649	9,393,930	2.99
609,490	Knoll Inc.	8,501,853	9,185,769	2.93
708,900	Shuffle Master Inc.	6,877,104	8,449,155	2.69
272,200	Team Inc.	4,834,567	8,224,159	2.62
759,100	WPP PLC	8,837,446	8,100,152	2.58
139,800	Kabel Deutschland Holding AG	7,272,789	7,234,467	2.30
179,700	Hamamatsu Photonics K.K.	5,389,433	6,372,484	2.03
1,383,700	AMN Healthcare Services Inc.	12,188,197	6,205,564	1.98
191,700	HORIBA Ltd.	5,555,075	5,850,759	1.86
90,221	Ecolab Inc.	3,634,814	5,304,095	1.69
1,460,300	Grafton Group PLC	6,559,226	4,544,902	1.45
725,000	Element Financial Corp.	2,900,000	3,443,750	1.10
221,900	Research In Motion Ltd.	11,466,286	3,269,839	1.04
4,217,100	Travelsky Technology Ltd., class H	1,769,139	2,219,686	0.71
87,000	Takata Corp.	2,542,647	1,803,517	0.57
102,200	Fortune Brands Home & Security Inc.	1,723,691	1,764,775	0.56
128,000	EXFO Inc.	491,181	730,880	0.23
1,800	Alere Inc., 3.00%, convertible preferred, series B	364,537	383,603	0.12
13,600	National Instruments Corp.	356,343	358,765	0.11
		280,805,909	296,909,950	94.59
	Options (Note 12)	1,395,816	329,051	0.11
	Adjustment for transaction costs	(436,350)	–	–
	Total investments	$ 281,765,375	$ 297,239,001	94.70

Number of shares/units	Security	Average cost	Fair value	% of net assets
	Foreign exchange forward contracts			
	Foreign exchange forward contract to buy CDN 9,293,059 for JPY 723,000,000 with an exchange rate of 0.012853, maturing March 7, 2012	$ –	$ (316,449)	(0.10)
	Foreign exchange forward contract to buy CDN 2,883,229 for JPY 210,000,000 with an exchange rate of 0.013730, maturing March 7, 2012	–	92,085	0.03
	Foreign exchange forward contract to buy CDN 620,063 for JPY 46,000,000 with an exchange rate of 0.013480, maturing April 3, 2012	–	7,948	0.00
	Foreign exchange forward contract to buy CDN 4,018,692 for JPY 301,000,000 with an exchange rate of 0.01335, maturing April 27, 2012	–	9,261	0.00
		–	(207,155)	(0.07)
Other assets less liabilities			16,844,892	5.37
Net assets			$ 313,876,738	100.00

See accompanying notes to Financial Statements.

1. **The Fund:**

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

Cymbria's Financial Statements include the *Statement of Investments* at December 31, 2011, the *Statements of Net Assets* at December 31, 2011 and 2010, and the *Statements of Operations* and the *Statements of Changes in Net Assets* for the years ended December 31, 2011 and December 31, 2010 (the "Financial Statements").

2. **Significant accounting policies:**

These Financial Statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and reflect the following policies:

(a) Accounting estimates:

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements. Actual results could differ from those estimates.

(b) Valuation of investments:

Investments are categorized as held for trading and are therefore recorded at their fair value. Investments in securities listed on a public securities exchange or traded on an over-the-counter market are valued at their closing bid price. Securities with no available closing bid price are valued at their last sale or close price. Unlisted or non-exchange-traded securities, securities for which a closing bid price, last sale or close price are unavailable, or securities for which market quotations are unreliable or not reflective of all available material information, are valued at their fair value as determined by the Manager using available sources of information and commonly accepted industry valuation techniques, including valuation models.

For the purpose of calculating the net asset value ("NAV") (Note 13), the investment in EdgePoint Wealth Management Inc., for which no published market exists, will be calculated 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 will determine the appropriate fair market valuation methodology at least annually.

Short-term investments, including short-term debt instruments maturing within 90 days from the acquisition date, are deemed held for trading and are recorded at amortized cost, which approximates their fair value.

(c) Valuation of foreign exchange contracts:

Cymbria may enter into foreign exchange contracts for hedging purposes or to establish an exposure to a particular currency. Foreign exchange contracts are valued based on the difference between the contract forward rate and the forward bid rate (for currency held) or the forward ask rate (for currency sold short) on the valuation date. Upon the closing of a contract, the gain or loss is included in the net realized gain (loss) on the sale of investments and foreign exchange.

(d) Cash and cash equivalents:

Cash and cash equivalents are cash on deposit and short-term notes with maturities of less than 90 days and are carried at cost, which approximates their fair value.

(e) Other assets and liabilities:

All trade receivables and other accounts receivable are designated as receivables. They are recorded at amortized cost, which approximates their fair value. Similarly, all trade payables and accrued expenses are designated as financial liabilities and are recorded at amortized cost, which approximates their fair value.

(f) Investment transactions and income recognition:

All income, net realized and unrealized appreciation (depreciation), foreign exchange and transaction costs are attributable to investments and derivatives deemed held for trading. Investment transactions are accounted for on the trade date; that is, on the day a buy or sell order is executed. The cost of investments represents the amount paid for each security and is determined on an average-cost basis, excluding transaction costs. Realized gains and losses on investment transactions are computed as the proceeds of the disposition less their average cost. The unrealized appreciation (depreciation) of investments represents the difference between their average cost and their fair value at the period-end date. Dividend income, including stock dividends, is recorded on the ex-dividend date along with withholding taxes on foreign dividends, if any. Interest income is recorded daily on an accrued basis.

Income, expenses other than management and service fees, and realized and unrealized capital gains (losses) are distributed among the different classes of securities in proportion to the amount of equity invested in them. For management and service fees, refer to note 6.

(g) Transaction costs:

Transaction costs, such as brokerage commissions incurred in the purchase and sale of portfolio securities, and other trade execution costs paid to external third parties, such as stamp, duty and exchange fees, are recognized as expenses in the *Statements of Operations* based on trade date.

2. Significant accounting policies (Continued):

(h) Translation of foreign currencies:

The fair value of investments and other assets and liabilities denominated in foreign currencies is translated into Canadian dollars at the rate of exchange prevailing on each business day except for the historical costs of investments, which are translated at the rate of exchange prevailing on the date of purchase. Proceeds from the sale of investments, dividends and interest income received in foreign currencies are translated into Canadian dollars at the approximate rates of exchange prevailing on the dates of such transactions. Gains and losses from transactions and the translation of foreign currencies are considered investment transactions and, accordingly, are included in the net realized gain (loss) on the sale of investments and foreign exchange, or in the net change in the unrealized appreciation of investments.

(i) Deferred share unit plan:

On October 28, 2009, Cymbria approved a deferred share unit plan for its independent directors and members of the Independent Review Committee ("IRC"). The plan is described in note 5. Deferred Share Units granted to eligible directors and IRC members are considered compensation costs in respect of past performance and are recognized in directors' fees and IRC fees, respectively. Compensation costs are measured based on the fair market value, as defined in the plan, of Cymbria's Class A shares on the date Deferred Share Units are granted. Deferred Share Units earn additional Deferred Share Units related to dividends that would otherwise have been paid if Class A shares had been issued on the grant date. Deferred Share Units are accounted for as a financial liability with changes in their fair value recognized in directors' fees and/or IRC fees.

(j) Future income taxes:

Cymbria accounts for income taxes using the asset and liability method. Future income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and measured using tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse.

(k) Increase (decrease) in net assets from operations, per share:

Increase (decrease) in net assets from operations, per share in the *Statements of Operations* 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.

(l) Future changes in accounting policies:

(i) IFRS 10 *Consolidated Financial Statements*:

In August 2011, the International Accounting Standards Board ("IASB") issued an exposure draft in response to IFRS 10 *Consolidated Financial Statements* ("IFRS 10") providing criteria for an entity to qualify as an investment company. The exposure draft includes an exemption for such entities from consolidation requirements under IFRS 10. Instead, additional controlled entities disclosures are required to assist financial statement users to understand their nature and financial impact. Comments on the exposure draft are currently under IASB review. It is expected that Cymbria will meet the requirements to qualify as an investment company.

(ii) Adoption of International Financial Reporting Standards ("IFRS"):

Because comments on the exposure draft issued on IFRS 10 (noted above) are currently under review, IASB's decision on this standard will take several more months and could cause transitional issues for 2012. As a result, in December 2011, the Canadian Accounting Standards Board provided another year of deferral of IFRS adoption for investment companies applying Accounting Guideline 18. For fiscal years beginning on or after January 1, 2014, investment companies, including Cymbria, will be required to implement IFRS for interim and annual financial statements. Until this date, Cymbria will continue to apply the accounting standards in Part V of the Canadian Institute of Chartered Accountants Handbook ("CICA Handbook").

(iii) Valuation of investments and fair value measurements:

In May 2011, the IASB issued IFRS 13 *Fair Value Measurements* ("IFRS 13"), which provides guidance on the measurements of fair value that supersedes other IFRS fair value guidance. IFRS 13 will be the single source for guidance on measuring and disclosing fair values and allows for the possibility of using closing price as the fair value of investments. IFRS 13 is effective for annual periods beginning on or after January 1, 2013.

Currently, investments are classified as held for trading in accordance with CICA Handbook – *Accounting*, Section 3855, Financial Instruments – recognition and measurement ("Section 3855") and are recorded at their fair value. The fair value of financial instruments, which are actively traded, is measured based on the bid price for long positions and the ask price for short positions. IFRS 13 allows for the option to use the valuation net asset value (NAV) for financial reporting purposes instead of the GAAP NAV currently stipulated by Section 3855.

3. Share capital:

Share capital consists of the following:

December 31, 2011	Number of shares	Amount
Authorized:		
Unlimited Class A non-voting, non-redeemable shares		
Unlimited Class J non-voting, non-redeemable shares		
Unlimited common shares		
Class A shares issued:		
Shares outstanding, January 1, 2011	14,331,011	$ 137,177,971
Class A shares issued in exchange for Class J shares	89,425	839,192
Class A shares purchased under the Normal-Course Issuer Bid for cancellation	(79,300)	(743,834)
Contributed surplus	–	4,736
Class A shares outstanding, December 31, 2011	14,341,136	$137,278,065
Class J shares issued:		
Shares outstanding, January 1, 2011	9,066,961	$ 90,669,610
Class J shares exchanged for Class A shares	(84,397)	(843,970)
Class J shares outstanding, December 31, 2011	8,982,564	$ 89,825,640
Common shares outstanding, December 31, 2011	100	$ 100
		$ 227,103,805

December 31, 2010	Number of shares	Amount
Authorized:		
Unlimited Class A non-voting, non-redeemable shares		
Unlimited Class J non-voting, non-redeemable shares		
Unlimited common shares		
Class A shares issued:		
Shares outstanding, January 1, 2010	14,272,696	$ 136,628,006
Class A shares issued in exchange for Class J shares	58,315	547,246
Contributed surplus	–	2,719
Class A shares outstanding, December 31, 2010	14,331,011	$ 137,177,971
Class J shares issued:		
Shares outstanding, January 1, 2010	9,121,961	$ 91,219,610
Class J shares exchanged for Class A shares	(55,000)	(550,000)
Class J shares outstanding, December 31, 2010	9,066,961	$ 90,669,610
Common shares outstanding, December 31, 2010	100	$ 100
		$ 227,847,681

The Manager manages Cymbria's capital, which consists of Cymbria's net assets, in accordance with the investment objectives set out in Cymbria's Prospectus.

4. Surplus:

The changes in surplus (deficit) for the years ended December 31, 2011 and December 31, 2010 are as follows:

	2011	2010
Opening surplus	$ 47,096,105	$ 20,611,821
Net investment income	1,538,615	1,595,196
Net realized gain on investments and foreign exchange, net of transaction costs	25,009,825	24,889,088
Class A shares purchased under the Normal-Course Issuer Bid for cancellation	(158,748)	–
Closing surplus	$ 73,485,797	$ 47,096,105

5. Deferred share unit plan:

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

The following table summarizes Deferred Share Unit activity during the period:

5. Deferred share unit plan (Continued):

December 31, 2011	Units outstanding	Amount
Opening Deferred Share Units, January 1, 2011	8,495	$ 113,059
Granted during 2011 (fair value on grant date)	3,590	45,000
Cumulative fair value adjustments during the year	–	(16,037)
Balance, December 31, 2011	12,085	$ 142,022

December 31, 2010	Units outstanding	Amount
Opening Deferred Share Units, January 1, 2010	4,884	$ 66,422
Granted during 2010 (fair value on grant date)	3,611	46,500
Cumulative fair value adjustments during the year	–	137
Balance, December 31, 2010	8,495	$ 113,059

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

6. Management and service fees and expenses:

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

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

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

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, Independent Review Committee 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. Except for interest and bank charges 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.

7. 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 28.25% and 14.13%, 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 future income taxes are approximately 25.88% on investment income and 12.79% on net realized gains.

There are no remaining realized capital losses for tax purposes that may be carried forward.

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

	2011	2010
Net investment income before income taxes	$ 635,387	$ 1,524,219
Tax at the combined statutory rate: 28.25% (2010: 31.0%)	$ 179,497	$ 472,508
Increase (decrease) in provision due to:		
Adjustments to previous tax accruals	(375,001)	(171,034)
Deduction for foreign withholding taxes	(355,835)	–
Non-taxable Canadian dividends	(354,980)	(384,597)
Change in rate applied to future tax assets	–	(210)
Other	3,091	12,356
Net income tax expense	$ (903,228)	$ (70,977)

7. Income taxes (Continued):

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

	2011	2010
Share issuance costs	$ 895,952	$ 1,390,536
Unrealized appreciation of investments	(1,979,335)	(6,583,427)
Net future income tax liability	$ (1,083,383)	$ (5,192,891)

8. Brokerage commissions:

Commissions paid to brokers in connection with portfolio transactions are disclosed in Cymbria's *Statements of Operations*. Brokerage business is allocated based on which broker can deliver to Cymbria the best results. 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 that may or may not be used by the investment advisor in its investment decision-making process. As at December 31, 2011, the investment advisor had commission-sharing or "soft dollar" arrangements with certain brokers in which they paid for third-party services. These services represent less than 1% of total brokerage commissions paid by Cymbria. 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.

9. Financial instruments:

Essentially, all of Cymbria's assets and liabilities are financial instruments. These financial instruments comprise investments, unrealized gains (losses) on foreign exchange forward contracts, cash and cash equivalents, trade receivables, other accounts receivable, trade payables and accrued expenses. Investments and foreign exchange contracts are recorded at their fair value based on the accounting policies described in note 2(b). All other financial instruments are carried at cost or amortized cost, which approximates their fair value.

10. Fair value measurement:

Cymbria's hierarchy for disclosing the fair value of its investments is based on the inputs summarized below:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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).

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

The following inputs were used in valuing Cymbria's investments and derivatives at fair values as at December 31, 2011 and December 31, 2010:

December 31, 2011	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Equities	$ 285,251,563	$ –	$ 11,658,387	$296,909,950
Options – long	–	329,051	–	329,051
Foreign exchange forward contracts	–	(207,155)	–	(207,155)
Total investments	$285,251,563	$ 121,896	$ 11,658,387	$297,031,846

December 31, 2010	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Equities	$ 306,560,279	$ –	$ 8,917,671	$315,477,950
Bonds	–	112,723	–	112,723
Options – long	–	853,031	–	853,031
Foreign exchange forward contracts	–	(156,053)	–	(156,053)
Total investments	$ 306,560,279	$ 809,701	$ 8,917,671	$316,287,651

During the period ended December 31, 2011, $2,900,000 in equity securities that had been classified as Level 3 assets were transferred to Level 1. These securities were part of an initial public offering and were transferred to Level 1 when they began trading on a public exchange.

Cymbria's only Level 3 investment at December 31, 2011 is its investment in EdgePoint Wealth Management Inc. 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. EdgePoint's value is determined using discounted cash flow analysis as well as a number of other recognized valuation methodologies for comparable businesses, such as price-to-assets-under-management 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. 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 periods ended December 31, 2011 and December 31, 2010:

December 31, 2011	Common shares
Beginning balance at January 1, 2011	$ 8,917,671
Investments purchased during the period	2,900,000
Net transfers out during the year	(2,900,000)
Net change in unrealized appreciation of investments	2,740,716
End balance at December 31, 2011	$11,658,387

10. Fair value measurement (Continued):

December 31, 2010	Common shares
Beginning balance at January 1, 2010	$ 3,371,460
Net change in unrealized appreciation of investments	5,546,211
End balance at December 31, 2010	$ 8,917,671

The total change in unrealized appreciation (depreciation) for Level 3 assets held as at December 31, 2011 is $11,148,802 (2010: $8,408,086).

The potential impact of using reasonable alternative assumptions for valuing these Level 3 assets would increase the fair value by up to $1,981,039 (2010: $3,069,162).

11. Financial instrument risks:

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 seeks to provide long-term capital appreciation by investing primarily in global companies that the portfolio management team believes have strong competitive positions, long-term growth prospects and are run by competent management teams. The portfolio management team acquires ownership stakes in these companies at prices below their assessment of each company's true value.

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 Operating Officer and Chief Investment Officer ensure pre-trade and post-trade compliance rules are followed. The Governance and Oversight Committee conducts quarterly reviews to monitor portfolio activity for compliance with applicable rules.

(a) Market risk:

(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, 2011 with all other variables held constant, Cymbria's net assets would have increased or decreased, respectively, by approximately $14.85 million or 4.7% of total net assets (December 31, 2010: $15.77 million or 4.9% of total net assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Foreign currency risk:

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

The following table indicates 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, 2011 Currency	Investments	Cash	Foreign exchange contracts	Total*
	($'000s)	($'000s)	($'000s)	($'000s)
British pound	$ 8,100	$ –	$ –	$ 8,100
Euro	21,680	34	–	21,714
Hong Kong dollar	2,220	–	–	2,220
Japanese yen	14,027	–	(17,022)	(2,995)
U.S. dollar	235,379	9,486	–	244,865
	$ 281,406	$ 9,520	$ (17,022)	$ 273,904
% of net assets	89.7%	3.0%	(5.4)%	87.3%

*Includes both monetary and non-monetary financial instruments.

11. Financial instrument risks (Continued):

December 31, 2010 Currency	Investments	Cash	Foreign exchange contracts	Total*
	($'000s)	($'000s)	($'000s)	($'000s)
British pound	$ 6,394	$ –	$ –	$ 6,394
Euro	22,528	–	–	22,528
Hong Kong dollar	2,916	–	–	2,916
Japanese yen	15,343	–	(14,777)	566
U.S. dollar	257,017	6,481	–	263,498
	$ 304,198	$ 6,481	$ (14,777)	$295,902
% of net assets	95.7%	2.0%	(4.6)%	93.1%

*Includes both monetary and non-monetary financial instruments.

As at December 31, 2011, 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 $2.74 million or 0.9% of total net assets (December 31, 2010: $2.96 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 arises from interest-bearing financial instruments where the values of those instruments fluctuate due to 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.

(c) Credit risk:

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

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

Cymbria also has credit risk in its holdings of fixed-income debt instruments that it may purchase from time to time. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum credit risk of these investments is their carrying value.

As at December 31, 2011, Cymbria was invested in debt securities with the following credit ratings:

December 31, 2011	% of net assets	% of debt instruments
n/a	–	–
Total	–	–

December 31, 2010	% of net assets	% of debt instruments
BBB	0.4	100.00
Total	0.4	100.00

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.

(d) 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 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, 2011, illiquid securities represented approximately 3.7% of Cymbria's net assets (December 31, 2010: 2.81%). The main illiquid asset is Cymbria's investment in EdgePoint Wealth Management Inc., 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. Schedule of options:

Put options Japan-USD	Expiry date	Strike price	Number of shares	USD notional	Fair value
Mar/125 PO	Mar 29, 2013	125.00	21,428,538	$ 113,725	$ 15,821
Mar/140 PO	Mar 29, 2013	140.00	13,630,000	44,302	10,035
Mar/125 PO	Mar 29, 2013	125.00	11,435,000	88,630	8,524
Mar/125 PO	Mar 29, 2013	125.00	11,540,000	88,592	8,520
Jul/100 PO	Jul 18, 2013	100.00	9,080,000	293,200	50,574
Aug/115 PO	Aug 21, 2013	115.00	26,474,351	214,180	49,000
Aug/115 PO	Aug 21, 2013	115.00	25,118,616	214,180	46,491
Mar/110 PO	Mar 13, 2014	110.00	13,682,000	170,838	70,043
Mar/110 PO	Mar 13, 2014	110.00	13,682,000	168,169	70,043
				$1,395,816	$ 329,051

13. Reconciliation of net asset value:

Net assets reported in these Financial Statements are accounted for using GAAP ("GAAP Net Assets") and use the closing bid price for the fair value of investments traded in an active market. GAAP Net Assets also take into account the future income tax liability on the unrealized gain on investments, as well as future tax benefits associated with share issuance costs and any realized losses on investments. The NAV reported for the classes on a daily basis, and on which management and service fees are calculated, uses the last trade price to value investments traded in an active market and accounts for only current taxes and not future taxes. The Canadian Securities Administrators requires reconciliation between NAV and GAAP Net Assets.

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

	NAV	GAAP Net Assets
December 31, 2011		
Class A	$ 13.21	$ 13.16
Class J	14.01	13.93
December 31, 2010		
Class A	$ 13.50	$ 13.31
Class J	14.32	14.01

14. Comparative figures:

Certain 2010 comparative figures have been reclassified to conform to the financial statement presentation adopted in 2011.

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Geoff MacDonald, CFA
Co-Chief Executive Officer

Diane Rossi
Corporate Secretary

Norman Tang, CA
Chief Financial Officer

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Patrick Farmer, CFA
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James MacDonald
Director

Richard Whiting
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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 govern 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 a sales- and marketing-led firm. 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 they do investing the money they've 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.

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