



**CYMBRIA CORPORATION**  
**ANNUAL INFORMATION FORM**

**Class A Shares**  
**Class J Shares**

March 30, 2010

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## ITEM 1 NAME, FORMATION AND HISTORY OF THE CORPORATION

Cymbria Corporation (the “**Company**”), a non-redeemable investment fund, is a corporation established under the laws of the Province of Ontario pursuant to Articles of Incorporation dated September 4, 2008, as amended by Articles of Amendment dated October 20, 2008 (the “**Articles**”). EdgePoint Investment Group Inc. (the “**Manager**”) is the manager of the Company. EdgePoint Investment Management Inc. (the “**Investment Advisor**”) acts as the investment advisor to the Company. The principal office of the Company, the Manager and the Investment Advisor is 1000 Yonge Street, Suite 200, Toronto, Ontario, M4W 2K2. The Manager is a corporation incorporated under the laws of the Province of Ontario. The fiscal year-end of the Company is December 31.

The Company completed an initial public offering of non-redeemable class A shares (the “**Class A Shares**”) and a private placement of non-redeemable class J shares (the “**Class J Shares**” together with the Class A Shares, the “**Shares**”) on November 4, 2008 for gross proceeds of approximately \$234 million after the exercise by the syndicate of agents of the over-allotment option. 14,208,502 Class A Shares and 9,182,461 Class J Shares were originally issued. Some Class J Shares have subsequently been exchanged for Class A Shares pursuant to the procedures described under Section 3.2 Description of Class J Shares.

References in this Annual Information Form to a Shareholder means, unless the context otherwise requires, the owner of the beneficial interest in Class A Shares and Class J Shares.

### Section 1.1 Status of the Company

The Company is not considered to be a mutual fund under the securities legislation of the provinces of Canada. Consequently, the Company is not subject to the various policies and regulations that apply to mutual funds, including NI 81-102.

The Shares are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation.

## ITEM 2 INVESTMENT RESTRICTIONS

The Company primarily invests in equity securities of public issuers. The Company has decided not to impose pre-set restrictions on investments with the exception of those listed below. Instead, the Manager and/or the Investment Advisor will use their judgement as to what is prudent in the circumstances.

The Company will not acquire any interest in a non-resident trust that is not an “exempt foreign trust”, or invest in the securities of any non-resident corporation or trust or other non-resident entity if the Company would be required to mark its investment in such securities to market in accordance with proposed section 94.2 of the *Income Tax Act* (Canada) (the “**Tax Act**”) or to include any significant amounts in income pursuant to proposed sections 94.1 or 94.3 of the Tax Act, as set forth in the proposed amendments to the Tax Act dealing with foreign investment entities and non-resident trusts contained in Bill C-10, which was before the second session of the 39<sup>th</sup> Parliament (or amendments to such proposals, provisions as enacted into law or successor provisions thereto).

The Company will not borrow an amount exceeding 25% of the value of the assets of the Company (“**Total Assets**”) under a loan facility or from any other source measured at the time of borrowing.

The aggregate market value of all securities loaned by the Company in securities lending transactions and not yet returned to it, will not exceed 50% of the Total Assets of the Company, and for such purpose collateral held by the Company for loaned securities shall not be included in Total Assets.

The Company will not enter into any further short sales if the aggregate exposure under short sales exceeds 20% of the value of the Total Assets measured at the time of such short sale.

### **ITEM 3 DESCRIPTION OF THE SECURITIES OF THE COMPANY**

#### **Section 3.1 Description of Class A Shares**

The Company is authorized to issue an unlimited number of Class A Shares. Upon dissolution, liquidation or winding up of the Company, after satisfaction of all liabilities of the Company (or the establishment of reserves or other provisions therefore) holders of Class A Shares will be entitled to receive their *pro rata* portion of the Net Asset Value attributable to the Class A Shares. The calculation of Net Asset Value is described under ITEM 5 Calculation of Net Asset Value.

The Class A Shares and Class J Shares rank equally with each other with respect to the payment of distributions and the repayment of capital on the dissolution, liquidation or winding up of the Company. Upon dissolution, liquidation or winding up of the Company, after satisfaction of all liabilities of the Company (or the establishment of reserves or other provisions therefore) holders of the Class A Shares will be entitled to receive their *pro rata* portion of the Net Asset Value attributable to the Class A Shares.

The Class A Shares are not redeemable.

Registration of interests in, and transfers of, the Class A Shares are made only through the book-entry only or the book-based system of CDS Clearing and Depository Services Inc. ("CDS"). All rights of an owner of Class A Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS participant through which the owner holds such Class A Shares. Upon purchase of any Class A Shares, the owner will receive only the customary confirmation.

The Company and the Manager are not liable for (i) records maintained by CDS relating to the beneficial interests in the Shares, if applicable, or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS participants.

The ability of a beneficial owner of Shares to pledge such Shares registered in the name of CDS or otherwise take action with respect to such owner's interest in such Shares (other than through a CDS Participant) may be limited due to a lack of a physical certificate.

The Company has the option to terminate registration of the Class A Shares and/or Class J Shares through the book-entry only or the book-based system in which case certificates for Class A Shares and/or Class J Shares in fully registered form will be issued to beneficial owners of such Class A Shares or Class J Shares, or to their nominees.

#### **Market Purchases of Shares**

The Company may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Shares for cancellation subject to applicable law and stock exchange requirements. It is expected that these purchases will be made as normal course issuer bids through the facilities and under the rules of the TSX or such other exchange or market on which the Shares are then listed.

### **Section 3.2 Description of Class J Shares**

The Class A Shares and Class J Shares rank equally with each other with respect to the payment of distributions and the repayment of capital on the dissolution, liquidation or winding up of the Company. Upon dissolution, liquidation or winding up of the Company, after satisfaction of all liabilities of the Company (or the establishment of reserves or other provisions therefore) holders of the Class J Shares will be entitled to receive their *pro rata* portion of the Net Asset Value attributable to the Class J Shares.

The Class J Shares are not redeemable.

Class J Shares may be deposited into CDS through a CDS Participant. Class J Shares deposited in CDS are subject to the same conditions, restrictions and terms as Class A Shares deposited in CDS.

#### **Exchange Feature for Class J Shares**

Holders of Class J Shares may exchange all or any portion of such shares for Class A Shares (the “**Exchange Feature**”) on the last Business Day of each week, subject to a minimum dollar value of \$50,000 or at the discretion of the Manager.

The formula used to determine the conversion ratio (the “**Exchange Ratio**”) with respect to the exchange of Class J Shares for Class A Shares is determined by dividing the Net Asset Value per Share attributable to the Class J Shares on the applicable Business Day by the Net Asset Value per Share attributable to the Class A Shares on such date. Holders of Class J Shares who deposit such securities pursuant to the Exchange Feature will continue to be holders of record up to but not including the date of the exchange and will be entitled to receive any dividends in respect of such securities up to that date. The number of Class A Shares issuable pursuant to the Exchange Feature will be rounded down to the nearest whole number of Class A Shares. No fractional Class A Shares will be issued pursuant to the Exchange Feature and the Company will pay cash in consideration in lieu thereof.

### **Section 3.3 Meetings and Acts Requiring Shareholder Approval**

#### **Meetings of Shareholders**

Except as required by law or set out herein, Shareholders are not entitled to receive notice of, to attend or to vote at any meeting of security holders of the Company. The quorum for any meeting of Shareholders is two or more Shareholders present in person or represented by proxy holding not less than 25% of the Shares then outstanding. If no quorum is present at such meeting when called, the meeting, if convened upon the request of the Shareholders, shall be dissolved, but in any other case shall be adjourned for not less than 14 days and the Shareholders present in person or represented by proxy at such adjourned meeting form the necessary quorum. At any such meetings, each holder will be entitled to one vote for each Share held.

#### **Acts Requiring Shareholder Approval**

The following acts will require not only the approval of the holders of Common Shares, by Extraordinary Resolution, but also the approval, by Extraordinary Resolution, of Shareholders, voting as a single class, unless the circumstances are such that one class is affected differently in which case the holders of Class A Shares and Class J Shares will vote separately:

- (a) any change in the Investment Objective or Investment Restrictions (as each is defined in the Articles), unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;

- (b) any material change in the Management Agreement, other than a change in the Manager provided the new manager is an affiliate of the Manager;
- (c) any increase in the Management Fee; and
- (d) any change in the frequency of calculating Net Asset Value per Share to less often than every Business Day.

### **Reporting to Shareholders**

The Company will make available to Shareholders and the Board of Directors such financial statements and other continuous disclosure documents as are required by applicable law, including unaudited interim and audited annual financial statements, prepared in accordance with Canadian generally accepted accounting principles and other information reasonably requested. The Company shall make available to each Shareholder annually within the time periods prescribed by law information necessary to enable such Shareholder to complete an income tax return with respect to the amounts payable by the Company.

Prior to any meeting of Shareholders, the Company will provide the Shareholders (along with notice of such meeting) all such information as is required by applicable law to be provided to such Shareholders.

### **Section 3.4 Termination of the Company**

The Company does not have a fixed termination date.

The Manager may, in its discretion, terminate and dissolve the Company without the approval of Shareholders if, in its opinion, it would be in the best interests of all of the shareholders. The Manager will provide notice of such early termination to Shareholders at least 30 days prior to the termination date by way of press release. The Company will issue a second press release at least 10 business days in advance of the termination date. Upon such a termination the Company will distribute to Shareholders their *pro rata* portions of the remaining assets of the Company after all liabilities of the Company have been satisfied or appropriately provided for, and which will include cash and, to the extent liquidation of certain assets is not practicable or the Manager considers such liquidation not to be appropriate prior to the termination date, such unliquidated assets *in specie* rather than in cash, subject to compliance with any securities or other laws applicable to such distributions. Following such distribution, the Company will be dissolved.

After fixing a date for termination, the Manager may, in its discretion and upon not less than 30 days' notice to the Shareholders, extend the termination date by a period of up to 180 days if the portfolio will be unable to be converted to cash prior to the original termination date and the Manager determines that it would be in the best interests of all of the shareholders to do so. The Company will distribute to Shareholders their *pro rata* portions of the remaining assets of the Company which will include cash and, to the extent liquidation of certain assets is not practicable or the Manager considers such liquidation not to be appropriate prior to the termination date, such unliquidated assets *in specie* rather than in cash, subject to compliance with any securities or other laws applicable to such distributions. See Section 16.2 "Risk Factors". Following such distribution, the Company will be dissolved.

The Company will also be terminated and dissolved in the event of the resignation of the Manager if a replacement Manager has not been appointed within 120 days of the date of resignation. Such termination shall occur on the date which is 60 days following the last day of the aforementioned 120-day period.

The Company will retract all of the outstanding Shares in order to facilitate termination of the Company

#### ITEM 4 VALUATION OF PORTFOLIO SECURITIES

##### Section 4.1 Valuation Policies and Procedures

Unless otherwise required by law, for the purpose of calculating Net Asset Value (as defined below) on any business day (a “**Valuation Date**”), the Total Assets on such Valuation Date will be determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, distributions, dividends or other amounts received (or declared to holders of record of securities owned by the Company on a date before the Valuation Date as of which the Total Assets are being determined, and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof provided that if the valuation agent has determined that any such deposit, bill, demand note, accounts receivable, prepaid expense, distribution, dividend or other amount received (or declared to holders of record of securities owned by the Company on a date before the Valuation Date as of which the Total Assets are being determined, and to be received) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the valuation agent determines to be the fair market value thereof;
- (b) the value of any security, index future or index option which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the valuation agent) shall be determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the latest available offer price (unless in the opinion of the valuation agent such value does not reflect the value thereof and in which case the latest offer price or bid price shall be used), as at the Valuation Date on which the Total Assets are being determined, all as reported by any means in common use;
- (c) the value of any security which is traded over-the-counter will be priced at the last bid price quoted by a major dealer (which may be the counterparty) in such securities or as the valuation agent determines to be the fair market value;
- (d) the value of any purchased or written clearing corporation options, options on futures or over-the-counter options, debt like securities and listed warrants shall be the current market value thereof;
- (e) the value of any security or other asset for which a market quotation is not readily available will be its fair market value on the Valuation Date on which the Total Assets are being determined as determined by the valuation agent (generally the valuation agent will value such asset at cost until there is a clear indication of an increase or decrease in value);
- (f) any market price reported in currency other than Canadian dollars shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the valuation agent, including, but not limited to, the valuation agent or any of its affiliates; and
- (g) listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the valuation agent and investments in private

companies and other assets for which no published market exists will be valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is determined to be appropriate by the valuation agent. As it relates to EdgePoint Wealth Management Inc., the fair market value is determined by the valuation agent after consultation with the Manager. For the most recent financial statements, fair market value of EdgePoint Wealth Management Inc. was determined using an analysis that included a combination of value as a percentage of assets under management and value as a multiple of EBITDA (earnings before interest, taxes, depreciation and amortization). As circumstances dictate, alternative valuation approaches to determine the fair value of EdgePoint Wealth Management Inc. may be utilized in the future.

The value of any security or property to which, in the opinion of the valuation agent, in consultation with the Manager, the above principles should not be applied or are inappropriate (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair market value thereof determined in good faith in such manner as the valuation agent, in consultation with the Manager, from time to time adopts.

#### **ITEM 5      CALCULATION OF NET ASSET VALUE**

For reporting purposes other than financial statements, the "**Net Asset Value**" of the Company on a particular date is equal to (i) the Total Assets of the Company, less (ii) the aggregate value of the liabilities of the Company, less (iii) the stated capital of the Common Shares (\$100). The Net Asset Value for each of the Class A Shares and the Class J Shares of the Company (the "**Net Asset Value per Share**") is equal to the value of the assets of the Company allocated to that specific class less the Company's liabilities allocated to that specific class divided by the number of Class A Shares or Class J Shares, as applicable, then outstanding.

The valuation agent calculates the Net Asset Value per Share as at the close of business on each Valuation Date. The Manager makes available the Net Asset Value per Share with an explanation of the calculation at [www.edgepointwealth.com/Cymbria](http://www.edgepointwealth.com/Cymbria).

The Manager may suspend the calculation of Net Asset Value, if (a) for the whole or any part of a period during which normal trading is suspended on one or more stock exchanges, options exchanges or futures exchanges on which more than 50% of the Total Assets, less the value of EdgePoint Wealth Management Inc. are listed and traded; or (b) for any period during which the Manager determines that conditions exist which render impractical the sale of assets of the Corporation or which impair the ability of the Manager to determine the value of the assets of the Corporation. The suspension of the calculation of Net Asset Value shall terminate in any event on the first Business Day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Company, any declaration of suspension made by the Manager shall be conclusive.

Net Asset Value for the purposes of calculating the Management Fee and the Service Fee does not include the value of EdgePoint Wealth Management Inc. See ITEM 11 Fees and Expenses Payable by the Company.

The Net Asset Value per Share for the Class J Shares is not reduced by the amount of the Service Fee as the Class J Shares are not subject to the Service Fee. The valuation agent will calculate the Net Asset Value on a daily basis.

The Net Asset Value per Share is calculated in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that the Company may rely upon (which rules and policies may differ from Canadian generally accepted accounting principles). The Net Asset Value per Share is calculated in Canadian dollars.

For greater certainty, Net Asset Value excludes any allowance for tax on unrealized gains.

**ITEM 6 PURCHASES OF CLASS A SHARES AND CLASS J SHARES**

The issued and outstanding Class A Shares were initially issued to holders under the initial public offering of the Company. The Class A Shares are listed for trading on the TSX under the symbol CYB and may be purchased through the facilities of the TSX.

The issued and outstanding Class J Shares were initially issued to holders on a private placement basis. The Class J Shares are not listed on any stock exchange. Accordingly, there is no market through which the Class J Shares may be sold.

**ITEM 7 REDEMPTION OF SECURITIES**

The Shares are not redeemable.

**ITEM 8 RESPONSIBILITY FOR COMPANY OPERATIONS**

**Section 8.1 The Company**

In the constating documents of the Company, it is mandated that the majority of the Board of Directors be independent. The Board of Directors of the Company consists of a minimum of 3 and a maximum of 10 directors. The Board of Directors is currently composed of 3 directors, 2 of whom are unrelated directors within the meaning of the rules of the TSX and “independent” within the meaning of applicable securities legislation. Directors are appointed to serve on the Board of Directors by the holders of Common Shares until the time that they retire or are removed and successors are appointed. The name, municipality of residence, office and principal occupation of each of the directors and officers of the Company are as follows:

<u>Name and Municipality of Residence</u>	<u>Position with the Company</u>	<u>Principal Occupation</u>
Tye Bousada..... King City, Ontario	Co-Chief Executive Officer	Co-Chief Executive Officer, EdgePoint Investment Group Inc.
Geoff MacDonald..... Etobicoke, Ontario	Co-Chief Executive Officer	Co-Chief Executive Officer, EdgePoint Investment Group Inc.
Norman Tang <sup>1</sup> ..... Toronto, Ontario	Chief Financial Officer	Director of Finance, EdgePoint Investment Group Inc.
Diane Rossi..... Etobicoke, Ontario	Corporate Secretary	Director of Operations, EdgePoint Investment Group Inc.
Patrick Farmer <sup>1</sup> ..... Bolton, Ontario	Chairman of the Board of Directors	Chairman & Chief Operating Officer of EdgePoint Investment Group Inc.

James MacDonald <sup>1</sup> ..... Director Toronto, Ontario	Non-executive Securities	Chairman,	Cormark
Richard Whiting <sup>1,2</sup> ..... Director Toronto, Ontario	Private Investor		

<sup>1</sup>Member of the Audit Committee

<sup>2</sup>Chair of the Audit Committee

**James MacDonald** is the non-executive chairman of Cormark Securities, a trustee of the Cinram International Income Fund and a director of MDS Inc and Superior Plus Inc. Prior to 1997 he was Deputy Chairman of ScotiaMcLeod Inc.

**Richard Whiting** began his 35 year investment career with Great West Life Assurance, where he was an analyst and Portfolio Manager from 1965 to 1972. Mr. Whiting joined AGF Management Ltd. in 1972 where, during his 17 year tenure at AGF, he was the manager on the AGF Special Fund and the AGF American Growth Fund. Mr. Whiting was a Senior Vice-President and member of the Board of Directors of AGF. In 1990, he joined Bolton Tremblay where he was Vice-President, Director and Portfolio Manager of the firm’s US equity investments. Mr. Whiting joined Trimark Investment Management in 1993. During his seven year tenure at Trimark Investment Management, Mr. Whiting was Portfolio Manager of the Trimark Americas Fund. Mr. Whiting retired from AIM Trimark Investments in September 2000.

Except as set forth above, a brief description of the background of the directors and officers of the Company is listed under Section 8.2 The Manager.

## **Section 8.2 The Manager**

The Manager was incorporated pursuant to the *Business Corporations Act* (Ontario) on January 21, 2008. The office of the Manager is located at 1000 Yonge Street, Suite 200, Toronto, Ontario, M4W 2K2. More information can be found at [www.edgepointwealth.com](http://www.edgepointwealth.com) or by email at [info@edgepointwealth.com](mailto:info@edgepointwealth.com). The Manager is owned as to 100% directly or indirectly by Tye Bousada, Patrick Farmer, Robert Krembil and Geoff MacDonald.

### **The Management Agreement**

Pursuant to the management agreement between the Company and the Manager dated November 4, 2008 (the “**Management Agreement**”), the Company has retained the Manager to manage and administer the day-to-day business and affairs of the Company. The Manager may from time to time employ or retain any other person or entity to manage on behalf of the Manager or to assist the Manager in managing or providing administrative and investment advisory services to all or any portion of the Company’s assets and in performing other duties of the Manager as set out in the Management Agreement. The Manager has delegated certain of its duties and powers to the Investment Advisor and certain other service providers to the Company.

The Management Agreement continues until the termination of the Company unless terminated at an earlier time by the Manager. The Manager may resign upon 120 days’ notice to the Company.

### **Duties of the Manager**

The Manager’s duties include, without limitation, authorizing the payment of operating expenses incurred on behalf of the Company; preparing financial statements and financial and accounting information as required by the Company; ensuring that Shareholders are provided with financial statements and other reports as are required by applicable law from time to time; ensuring that the Company complies with regulatory requirements and applicable stock exchange listing requirements;

preparing the Company reports to Shareholders and the Canadian securities regulatory authorities; preparing income tax returns; making recommendations to the Board of Directors with respect to the amount of dividends (if any) to be made by the Company; and negotiating contractual agreements with third party providers of services, including registrars, transfer agents, custodians, auditors and printers.

The Manager is required to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Company, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

The Manager and each of its shareholders, directors, officers, employees and agents is indemnified and saved harmless by the Company for all liabilities, costs and expenses incurred in connection with any claim, action, suit or proceeding that is proposed or commenced or any other claim that is made against the Manager or any of its shareholders, directors, officers, employees or agents in the exercise of its duties as Manager if they do not result from the Manager's wilful misconduct, bad faith, negligence or reckless disregard of its duties and breach of its obligations as Manager under the Management Agreement. The Manager may assign its interest in the Management Agreement to an affiliate or a successor to all or substantially all of its business.

The Company is not able to terminate the Manager prior to the dissolution of the Company.

#### **Remuneration of Directors and Officers**

Under the terms of the Management Agreement and the Investment Advisory Agreement (as defined below), any directors, officers or employees of the Manager and/or the Investment Advisor who are also officers of the Company are paid by the Manager and/or the Investment Advisor, as applicable, for serving in such capacity and do not receive any remuneration directly from the Company.

#### **Conflicts of Interest**

The management services of the Manager under the Management Agreement and the portfolio advisory services of the Investment Advisor under the Investment Advisory Agreement will be exclusive to the Company and EdgePoint Wealth Management Inc. The Manager, the Investment Advisor and Messrs. Bousada, Farmer and MacDonald have agreed not to manage or promote publicly offered funds (except the Company), institutional assets, or any other investment related products in Canada, except publicly offered funds, institutional assets, and other investment related products managed by EdgePoint Wealth Management Inc. This exclusivity agreement, offered by the Manager and the Investment Advisor, have no fixed termination date and with respect to Messrs. Bousada, Farmer and MacDonald will not terminate as long as they are actively employed by the Manager or the Investment Advisor.

#### **Directors and Officers of the Manager**

The board of directors of the Manager consists of a minimum of 3 and a maximum of 10 directors. The board is currently comprised of four directors, none of whom are unrelated directors within the meaning of the rules of the TSX nor "independent" within the meaning of applicable securities legislation. Directors are appointed to serve on the board of directors of the Manager until such time as they retire or are removed and their successors are appointed.

The name, municipality of residence, position with the Manager and principal occupation of each director and officer are set out below:

<u>Name and Municipality of Residence</u>	<u>Position with the Manager</u>	<u>Principal Occupation</u>
Tye Bousada..... King City, Ontario	Co-Chief Executive Officer & Director	Co-Chief Executive Officer, EdgePoint Investment Group Inc.
Geoff MacDonald..... Etobicoke, Ontario	Co-Chief Executive Officer & Director	Co-Chief Executive Officer, EdgePoint Investment Group Inc.
Patrick Farmer ..... Bolton, Ontario	Chairman of the Board of Directors & Chief Operating Officer	Chairman & Chief Operating Officer, EdgePoint Investment Group Inc.
Geoff Goss..... Halifax, Nova Scotia	Director of Advisor Relations	Director of Advisor Relations, EdgePoint Investment Group Inc.
Norman Tang ..... Toronto, Ontario	Director of Finance	Director of Finance, EdgePoint Investment Group Inc.
Diane Rossi ..... Etobicoke, Ontario	Director of Operations	Director of Operations, EdgePoint Investment Group Inc.
Robert C. Krembil ..... Schomberg, Ontario	Director	President of Chiefswood Holdings Limited

A description of the experience and background relevant to the business of the Company for each of the directors and officers of the Manager is set out below.

**Tye Bousada** is Co-Chief Executive Officer and a Director of the Manager. Mr. Bousada is also President, and Portfolio Manager of the Investment Advisor. He holds a Chartered Financial Analyst designation and has over 14 years experience in the investment industry, including almost 9 years as an investment manager with Trimark Investment Management and AIM Trimark Investments. During the last 8 years at AIM Trimark Investments, Mr. Bousada was a manager of the Trimark Fund, a large global equity fund. Prior to joining Trimark Investment Management in 1999, Mr Bousada spent almost 3 years at Ontario Teachers Pension Plan Board as an Investment Analyst and Portfolio Manager.

**Geoff MacDonald** is Co-Chief Executive Officer and a Director of the Manager. Mr. MacDonald is also Chief Investment Officer, and Portfolio Manager of the Investment Advisor. He holds a Chartered Financial Analyst designation and has almost 16 years experience in the investment industry, including approximately 9 years as an investment manager with Trimark Investment Management and AIM Trimark Investments. Prior to joining Trimark Investment Management in 1998, Mr. MacDonald spent almost 4 years at Ontario Teachers Pension Plan Board as an Investment Analyst and Portfolio Manager.

**Patrick Farmer** is Chairman and Chief Operating Officer of the Manager. Mr. Farmer is also Chief Compliance Officer of the Investment Advisor. Mr. Farmer is Chief Executive Officer of EdgePoint Wealth Management Inc.. He holds a Chartered Financial Analyst designation and has almost 24 years experience in the investment industry, including approximately 14 years as an investment manager and Chief Investment Officer at Trimark Investment Management and AIM Trimark Investments. Prior to joining Trimark Investment Management in 1993, Mr. Farmer spent 7 years as a Fixed Income Portfolio Manager/Trader/Analyst with Crown Life Investment Management and Crown Life Insurance Company.

*Norman Tang* is the Chief Financial Officer of the Company and Director of Finance of the Manager. Prior to joining EdgePoint, Mr. Tang was a Senior Manager for KPMG LLP's Financial Institutions and Real Estate assurance practice where he worked from September 2000 to January 2009.

Mr. Tang is a Chartered Accountant.

*Geoff Goss* is Director of Advisor Relations of the Manager. Mr. Goss was Regional Director for Brandes Investment Partners from June 2006 to May 2008 where he was responsible for serving financial advisors and institutional clients in the Atlantic Provinces and Toronto. Prior to joining Brandes Investment Partners, Mr. Goss was Regional Vice President from 1996 to 2008 and employed by Trimark Investment Management/AIM Trimark Investments from January 1993 to April 2006 during which time, Mr. Goss built and maintained relationships and served financial advisors in the Atlantic Provinces, Ontario, Manitoba, Saskatchewan and Alberta. From 1997-2000 Mr. Goss successfully built and managed a team of wholesalers serving financial advisors in various regions across Canada.

Mr. Goss graduated from Mount Allison University in 1991 with a Bachelor of Commerce degree.

*Diane Rossi* is the Director of Operations for the Manager. From April 2006 to June 2008, Ms. Rossi led the Client Administration department for Burgundy Asset Management where she was responsible for servicing institutional and high net worth private clients. Prior to joining Burgundy Asset Management in 2006, Ms. Rossi was employed by Trimark Investment Management since April 1992 where she held the position of Assistant Vice President of Operations for Trimark Investment Management and AIM Trimark Investments since 1999. During Ms. Rossi's 14 year career at Trimark Investment Management and AIM Trimark Investments she was instrumental in building the back office administration team. Ms. Rossi has a history of implementing innovative solutions to maximize operational efficiencies and creating a culture focused on the provision of superior service.

*Robert C. Krembil*, B.A., M.B.A., LL.D., CFA is a principal shareholder of the Manager. Mr. Krembil is currently the President of Chiefswood Holdings Limited and associated companies including Chiefswood Investment Management Inc. Mr. Krembil is Chairman of The Krembil Foundation and a Director of Battlestone Capital Corporation, SOS Personal Learning Solutions Ltd., and the Toronto General and Western Hospital Foundation. Mr. Krembil is a member of the Dean's Advisory Council for Schulich School of Business. Mr. Krembil was educated at the University of Saskatchewan, B.A., 1963; York University, M.B.A., 1971; The Institute of Chartered Financial Analysts, CFA., 1971 and received a Doctors of Law, (honoris causa) from York University in 2000. In 2005 Mr. Krembil became a Member of the Order of Canada. Prior to July 2000, Mr. Krembil was Chairman and Chief Executive Officer, Trimark Financial Corporation, which he co-founded in 1981. Trimark Financial Corporation became one of Canada's leading mutual fund companies before being sold to AMVESCAP PLC in 2000. Mr. Krembil has over 40 years experience as an investment analyst and portfolio manager. Mr. Krembil remains actively engaged in philanthropy and investment management on behalf of the Chiefswood Companies and The Krembil Foundation.

### **Section 8.3 Investment Advisor**

Pursuant to the investment advisory agreement between the Company, the Manager and the Investment Advisor dated November 4, 2008 (the "**Investment Advisory Agreement**"), the Investment Advisor has been retained by the Manager, on behalf of the Company, as the Investment Advisor to provide investment advisory services to the Company pursuant to the Investment Advisory Agreement. The sole shareholder of the Investment Advisor is the Manager.

## Key Personnel of the Investment Advisor

The team that is primarily responsible for the portfolio includes the following personnel:

<u>Name and Municipality of Residence</u>	<u>Position with the Investment Advisor</u>	<u>Principal Occupation</u>
Tye Bousada..... King City, Ontario	President & Chief Executive Officer	Co-Chief Executive Officer, EdgePoint Investment Group Inc.
Geoff MacDonald..... Etobicoke, Ontario	Chief Investment Officer	Co-Chief Executive Officer, EdgePoint Investment Group Inc.
Patrick Farmer ..... Bolton, Ontario	Chief Compliance Officer	Chairman & Chief Operating Officer, EdgePoint Investment Group Inc.

A description of the experience and background relevant to the business of the Company for each of the directors and officers of the Investment Advisor is set out above under Section 8.2 The Manager.

## The Investment Advisory Agreement

Pursuant to the Investment Advisory Agreement, the Investment Advisor will manage the assets held by the Company in accordance with the Investment Objective and Investment Restrictions of the Company. In consideration for the services provided by the Investment Advisor pursuant to the Investment Advisory Agreement, the Investment Advisor will receive from the Manager an investment advisor fee as agreed to from time to time.

The Investment Advisory Agreement may be terminated by the Manager, on behalf of itself and on behalf of the Company, or the Investment Advisor (i) on 10 days' written notice to the other parties for an uncured material breach by the other party following 30 days' written notice of such breach; (ii) immediately certain events of insolvency or bankruptcy of the other parties; (iii) upon 60 days' written notice to the other parties; or (iv) immediately, in the event that a court of competent jurisdiction establishes that the other party has committed any fraudulent act in the performance of their duties thereunder. The Investment Advisory Agreement will terminate in accordance with its terms upon the termination of the Company.

## Duties of the Investment Advisor

Under the Investment Advisory Agreement, the Investment Advisor is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Company and its Shareholders and must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Investment Advisor is not liable in carrying out its duties under the Investment Advisory Agreement, including for any loss or diminution in value of the Company's assets or any loss or damage caused to the Company or any Shareholder relating to permitted loans or indebtedness of the Company or for any insufficiency of income from or any depreciation in the value of any investments in or upon which any of the moneys of or belonging to the Company shall be invested or by virtue of the acquisition or disposition of any such investments or for any other loss or damage to the Company's assets which may occur during or in the course of the performance by the Investment Advisor of its rights, duties, powers, discretions, authorities, obligations and responsibilities under the Investment Advisory Agreement, except to the extent that the loss or damage results from the wilful misconduct, bad faith, negligence or reckless disregard by the Investment Advisor of its duties, obligations and responsibilities, or the Investment Advisor has failed to meet its standard of care.

The Investment Advisor and each of its directors, officers, employees and agents are indemnified and saved harmless by the Manager and the Company for all liabilities, costs and expenses incurred in connection with any claim, action, suit or proceeding that is proposed or commenced or any other claim that is made against the Investment Advisor or any of its officers, directors, employees or agents in the exercise of its duties as Investment Advisor if they do not result from the Investment Advisor's wilful misconduct, bad faith, negligence or reckless disregard of its duties, breach of its obligations under the Investment Advisory Agreement or failure to meet its standard of care.

The services of the Investment Advisor under the Investment Advisory Agreement are exclusive to the Company and EdgePoint Wealth Management Inc.

The Investment Advisory Agreement may be terminated by the Manager, on behalf of itself and the Company or the Investment Advisor on (a) 10 days written notice to the other party for an uncured material breach of the Investment Advisory Agreement following 30 days' written notice of such breach, (b) immediately upon the insolvency or liquidation of the other party (and in the case of the Manager, either the Manager or the Company) or if the other party becomes bankrupt or passes a resolution approving its winding-up or dissolution or in the case of its deemed dissolution or makes a general assignment for the benefit of its creditors, (c) upon the provision of 60 days' written notice to the other party, (d) immediately by either party in the event that a court of competent jurisdiction establishes the other party has committed any fraudulent act in the performance of its duties under the Investment Advisory Agreement.

#### **Section 8.4 Brokerage Arrangements**

The primary consideration in portfolio transactions is generally the prompt execution of orders in an efficient manner at the most favourable price.

In selecting and monitoring dealers and negotiating commissions, the Manager considers the dealer's reliability, the quality of its execution services on a continuing basis and its financial condition. When more than one dealer is believed to meet these criteria, preference may be given to dealers who provide research or statistical material or other services to the Company or to the Manager or its affiliates. Such services include advice, both directly and in writing, as to the value of the securities; the availability of securities, or purchasers or sellers of securities; as well as analysis and reports concerning issues, industries, securities, economic factors and trends. This allows the Manager to supplement its own investment research activities and obtain the views and information of others prior to making investment decisions. The Manager is of the opinion that, because this material may be analyzed and reviewed by its staff, its receipt and use does not tend to reduce expenses but may benefit the Company by supplementing the Manager's research. Brokerage transactions may also be allocated to dealers affiliated with the Manager, on terms, including fees and commissions, not less favourable than would be offered to other similar clients of such affiliated dealers.

#### **Section 8.5 Custodian**

Citibank Canada (the "**Custodian**") is the custodian and valuation agent of the Company's assets pursuant to a custodian agreement between the Manager and the Custodian effective September 9, 2008 (the "**Custodian Agreement**"). The address of the principal office of the Custodian is 2920 Matheson Boulevard, East, Mississauga, Ontario L4W 5J4.

The Custodian may employ sub-custodians as considered appropriate by the Company in the circumstances. If the Custodian has delivered possession of securities to a third party (other than an affiliate of the Custodian or an appointed sub custodian) in connection with its services as custodian, it will not be responsible or liable for the holding or control of such securities for any loss of or diminution in value of such securities.

## **Section 8.6 Auditors**

The auditors of the Company are KPMG LLP, Toronto, Ontario.

## **Section 8.7 Registrar and Transfer Agent**

Computershare Investor Services Inc. is the registrar, transfer agent and distribution agent for the Shares. The register and transfer ledger is kept by the registrar at its principal stock and bond transfer offices located in Toronto, Ontario.

## **ITEM 9 CONFLICTS OF INTEREST**

### **Section 9.1 Principal Holders of Securities**

The Manager owns of record and beneficially 100% of the outstanding common shares of the Company (the “**Common Shares**”). All of the Common Shares of the Company have been lodged in escrow with Computershare Trust Company of Canada pursuant to an agreement dated November 4, 2008 among the holders thereof and Computershare Trust Company of Canada (the “**Escrow Agreement**”). Under the Escrow Agreement, none of the Common Shares of the Company may be disposed of or dealt with in any manner until all the Class A Shares and Class J Shares have been retracted, without the express consent, order or direction in writing of the Ontario Securities Commission except that the Common Shares may be pledged to a Canadian chartered bank as collateral to secure a *bona fide* debt to such bank. The holders of Common Shares are not entitled to receive dividends and are entitled to one vote per Common Share. The Common Shares are redeemable and retractable at a price of \$1.00 per Common Share. The Common Shares rank subsequent to both the Class A Shares and Class J Shares with respect to distributions on the dissolution, liquidation or winding-up of the Company.

The Manager owns of record and beneficially 100% of the outstanding common shares of the Investment Advisor.

The Manager is controlled indirectly by Tye Bousada, Patrick Farmer, Robert Krembil and Geoff MacDonald all of whom are officers and/or directors of the Manager. Messrs. Bousada, Farmer, Krembil and MacDonald beneficially own, directly and indirectly, 100% of the Manager.

As at March 12, 2010, The Krembil Foundation, controlled by Robert Krembil, owns 1,000,000 Class J Shares, representing approximately 11% of the issued and outstanding Class J Shares outstanding. No other person owns more than 10% of the issued and outstanding Class A Shares or Class J Shares.

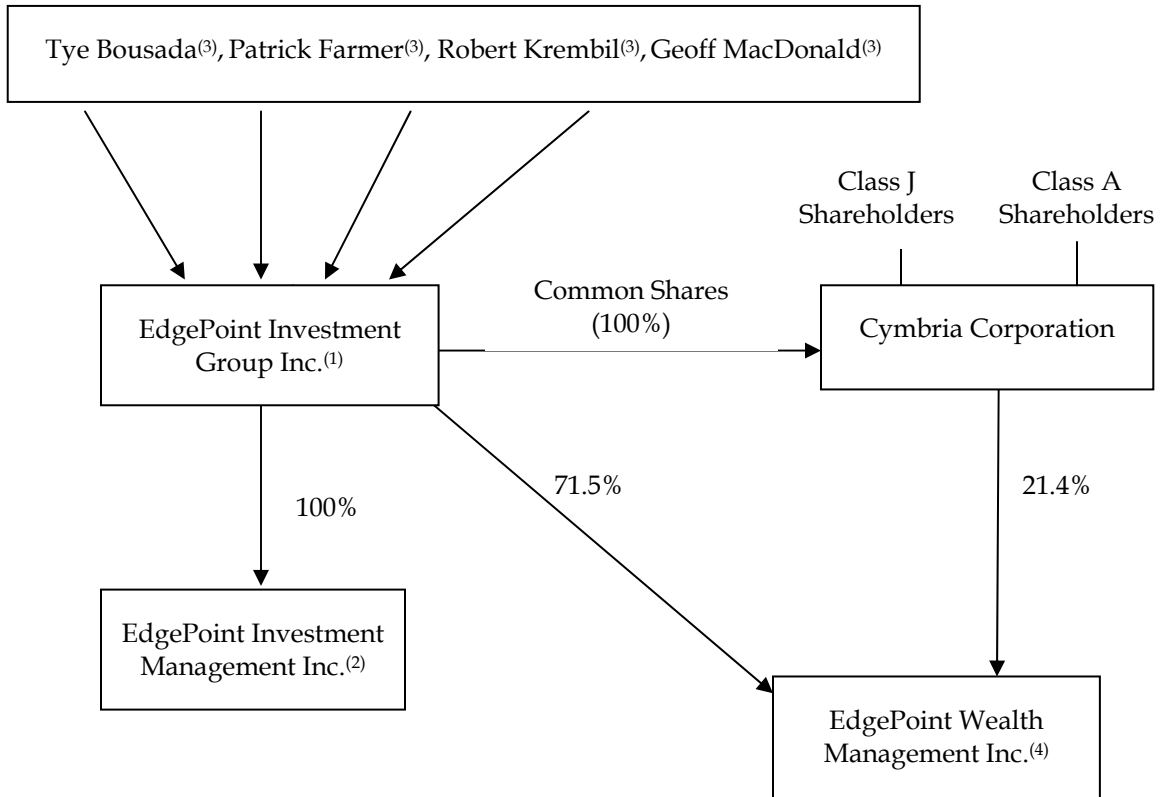
As at March 12, 2010, in aggregate, directors and senior officers of the Company own 0.9% of the issued and outstanding Class A Shares and 26.3% of the issued and outstanding Class J Shares.

### **Section 9.2 Securities Held by Member of the Independent Review Committee**

As at March 12, 2010, the members of the IRC did not hold any securities of the Manager. In addition, the percentage of securities of each class or series of voting securities beneficially owned directly or indirectly, in aggregate, by all members of the IRC in any service provider or in any one or more Canadian chartered bank which provides a loan facility or other credit to the Company or Manager is less than 1%.

### Section 9.3 Affiliated Entities

The following chart illustrates the Company and its affiliated entities as at March 12, 2010:



<sup>(1)</sup> EdgePoint Investment Group Inc. provides management services to the Company pursuant to the Management Agreement.

<sup>(2)</sup> EdgePoint Investment Management Inc. provides portfolio advisory services to the Company pursuant to the Investment Advisory Agreement, as well as provides portfolio advisory services to EdgePoint Wealth Management Inc.

<sup>(3)</sup> Indirect holdings.

<sup>(4)</sup> The remaining 7.1% is owned by employees of EdgePoint Wealth Management Inc.

The Manager and Investment Advisor are affiliated entities. The amount of fees paid by the Company to the Manager and the Investment Advisor is contained in the audited financial statements of the Company.

Tye Bousada, Patrick Farmer and Geoff MacDonald are senior officers and/or directors of the Manager and the Investment Advisor.

## ITEM 10 COMPANY GOVERNANCE

### Section 10.1 Introduction

The Company has its own Board of Directors (the "Board") and Audit Committee which are responsible for the overall stewardship of the business and affairs of the Company. The Board consists of 3 directors, 2 of whom are independent of management. Details regarding the names, principal occupations, recent relevant experience and background of the individual members of the

Board are set out in Section 8.2 of this Annual Information Form. The Board and management believe that the number of directors is appropriate.

The Board members are also members of the Audit Committee. The Audit Committee consists of 3 members, 2 of whom are independent. The responsibilities of the Audit Committee include, but are not limited to, review of the Company's financial statements and the annual audit performed by KPMG LLP ("**KPMG**"), the auditors of the Company; oversight of internal controls and of the Compliance with tax laws and regulations. KPMG reports to the Board of Directors and the Audit Committee and KPMG have direct communication channels to discuss and review specific issues as appropriate.

The Board is responsible for developing the Company's approach to governance issues. To ensure the proper management of the Company and compliance with regulatory requirements, the Board of Directors has adopted policies, procedures and guidelines relating to business practices, risk management control, and internal conflicts of interest. As part of managing its business practices, the Board has adopted a Whistleblower Policy, a Privacy Policy and a Proxy Voting Policy. The Whistleblower Policy establishes a procedure for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters pertaining to the Company. The Privacy Policy dictates the manner in which the Company and the Manager may collect, use and disclose personal information regarding shareholders. The Privacy Policy is available for viewing at <http://edgepointwealth.com/privacy-legal.aspx>. The Proxy Voting Policy is described in Section 10.5 Proxy Voting. As part of its risk management, the Board has adopted a Disclosure Policy. The Disclosure Policy sets out guidelines that aim to ensure that complete, accurate and balanced information is disclosed to the public in a timely, orderly and broad-based manner in accordance with securities laws and regulations. Incorporated in the Disclosure Policy is a policy relating to insider trading. As part of managing potential internal conflicts of interest, the Board has adopted a Code of Business Ethics which includes policies for personal trading. The Code of Business Ethics and Insider Trading Policy address, among other things, ethical business practices and handling of material information and purchasing or selling of securities by insiders.

## **Section 10.2 Independent Review Committee**

National Instrument 81-107 *Independent Review Committee for Investment Funds* ("**NI 81-107**") requires the Manager to have policies and procedures relating to conflicts of interest and the Manager has such policies and procedures in place.

In accordance with NI 81-107, the Manager has appointed the Independent Review Committee to deal with potential conflict of interest matters between the Manager and the Company.

The Independent Review Committee functions in accordance with applicable securities law, including NI 81-107. The mandate of the Independent Review Committee is to review and provide its decisions to the Manager on conflict of interest matters that the Manager has referred to the Independent Review Committee for review. The Manager is required to identify conflict of interest matters inherent in its management of the Company and request input from the Independent Review Committee in respect of how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest. The Independent Review Committee has adopted a written charter which it follows when performing its functions and is subject to requirements to conduct regular assessments. In performing their duties, members of the Independent Review Committee are required to act honestly, in good faith and in the best interests of the Company and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Independent Review Committee reports annually to Shareholders of the Company which report is available free of charge upon request to the Manager and will also be posted on the Manager's website at [www.edgepointwealth.com/Cymbria](http://www.edgepointwealth.com/Cymbria).

Fees and expenses of the Independent Review Committee are paid by the Company. Compensation for each member of the Independent Review Committee is \$13,000 per member per annum plus \$1,000 per meeting, with an additional \$5,000 for the chair allocated amongst the public funds managed by the Manager.

The Manager has appointed the following members to the Independent Review Committee, which will also act as the independent review committee for other investment funds managed by the Manager:

*David Cohen* has been Vice-President of Modico Canada Ltd. since June 2003. Modico Canada Ltd. is a real estate investment company. Prior to June 2003, Mr. Cohen held a senior sales position at one of Canada's largest mutual fund companies based in Toronto.

*Joseph Shaw* is Assistant Vice President and Managing Director, John Hancock Financial Services, Inc., a wholly owned subsidiary of Manulife Financial. Mr. Shaw's current responsibilities include the origination, structuring and management of public and private corporate debt across a wide range of industries such as telecom, technology, media, healthcare, chemicals, retail and manufacturing. Mr. Shaw was previously Regional Vice President, Manulife Financial, while managing the firm's Mid-Atlantic real estate finance office located in Washington, DC and was responsible for origination, underwriting, loan structuring and monitoring in Virginia, Maryland, the District of Columbia, Delaware and West Virginia.

*Scott Cooper* is Vice President Brand Marketing, Canadian and Innovation at Molson Canada. Mr. Cooper is responsible for leading the brand marketing of Molson Canadian and driving the innovation agenda for the company. Prior to joining Molson, Mr. Cooper held senior positions in marketing and sales, most recently as the Vice President of Marketing and Innovation for Sobeys Inc. where he led Brand Strategy, Communications, Consumer Insights and Relationship Marketing nationally. Previous to this Mr. Cooper was employed by Unilever for eight years in progressively senior sales and marketing roles. Mr. Cooper has previously been employed by Cadbury Chocolate Canada, Cott Beverages and SC Johnson.

Mr. Cooper is a graduate of the University of Western Ontario with an Honours Business Administration degree and a Bachelor of Arts in Political Science.

### **Section 10.3 Use of Derivatives**

The Investment Advisor currently uses derivative instruments and is allowed to use derivative instruments in certain circumstances. Accordingly, the Manager has not adopted written policies and procedures setting out objectives or goals for derivatives trading. The decision as to the use of derivatives is made by the Investment Advisor. When the Investment Advisor uses derivatives, it complies with the requirements contained in NI 81-102. The Manager tests for compliance with these requirements on a monthly basis and compliance with these requirements is monitored by the Manager's Governance and Oversight Committee as part of the Investment Advisor's review process. The Manager has adopted policies and procedures to oversee the currency hedging activity and such activity is monitored by the Manager's Chief Compliance Officer.

The Investment Advisor may choose to use derivatives such as options, forward contracts, and other permitted derivatives as long as the use of these derivatives is consistent with the Company's objectives and is permitted by law. It may use derivatives (i) to hedge against losses from movements in stock markets, currency exchange rates or interest rates; or (ii) to gain indirect exposure to individual securities or markets instead of buying the securities directly; or (iii) to seek to generate additional income, or (iv) to profit from declines in financial markets. It is not anticipated, that as and when used, derivatives will comprise a material portion of the portfolio.

#### **Section 10.4 Securities Lending**

The Manager does not currently lend securities, but is allowed to lend securities in certain circumstances. However, in order to assist in achieving its investment objective, the Company may, consistent with the investment Strategy and subject to the investment restrictions as set out in "ITEM 2 Investment Restrictions", lend securities to borrowers acceptable to the Company pursuant to the terms of a securities lending agreement between the Company and such borrower (a "**Securities Lending Agreement**"). Under a Securities Lending Agreement: (i) the borrower will pay to the Company a negotiated securities lending fee and will make compensation payments to the Company equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Company will receive collateral security consisting of cash in Canadian dollars, Canadian or U.S. dollar debt obligations of, or guaranteed by, the Government of Canada, a province of Canada, the U.S. or one of the states of the U.S., or such other collateral as shall be agreed upon and which is prescribed by NI 81-102. Furthermore, the Company only enters into securities lending agreements with parties that have the approved credit ratings as mandated by NI 81-102. Immediately after the Company enters into each securities lending transaction, the aggregate market value of all securities loaned by the Company in securities lending transactions and not yet returned to it, will not exceed 50% of the Total Assets of the Company, and for such purpose collateral held by the Company for the loaned securities shall not be included in Total Assets. The Company has adopted the provisions of NI 81-102 with respect to lending portfolio securities (as if the Company were subject to NI 81-102).

The Manager and the Investment Advisor manage the risks associated with securities lending transactions by ensuring that the Company must hold collateral worth no less than 102% of the value of the loaned securities and the amount of collateral is adjusted daily to ensure this level is maintained. The collateral may only consist of cash, qualified securities or securities that can be immediately converted into identical securities to those that have been loaned. The Manager will review at least annually the policies and procedures related to securities lending transactions to ensure that the risks associated with such transactions are being properly managed.

The Custodian will act as the agent for the Company in administering the securities lending transactions of the Company. The risks associated with these transactions will be managed by requiring that the Company's agent enter into such transactions for the Company with reputable and well-established Canadian and foreign brokers, dealers and institutions. The agent is required to maintain internal controls, procedures and records including a list of approved third parties based on generally accepted creditworthiness standards, transaction and credit limits for each third party, and collateral diversification standards. Each day, the agent will determine the market value of the securities loaned by a Company under a securities lending transaction and the cash or collateral held by the Company for such transactions. If, on any day, the market value of the cash or collateral is less than 102% of the market value of the borrowed or sold securities, on the next day the borrower will be required to provide additional cash or collateral to the Company to make up the shortfall.

#### **Section 10.5 Proxy Voting**

The Manager has delegated the authority for voting of proxies for securities held by the Company to the Investment Advisor. The Investment Advisor votes proxies for the Company in accordance with the written procedures and guidelines adopted by the Investment Advisor.

The Investment Advisor will take reasonable steps to ensure that proxies are received and voted in accordance with the best interests of the Company, which generally means voting proxies with a view to enhancing the value of the shares held in the Company. The financial interest of the Company is the primary consideration in determining how proxies should be voted.

In general, the Investment Advisor will vote proxies in accordance with the recommendation of management of the issuer. However, if it is in the best interest of the Company to vote against management's recommendation, the Investment Advisor in conjunction with the Manager (and legal counsel if considered necessary), will review the merit of such a voting position by consulting all relevant information in reaching a decision on how to vote. The rationale for such decision will be documented in writing and approved by the Chief Investment Officer and the Chief Compliance Officer.

The Investment Advisor is sensitive to conflicts of interest that may arise in the proxy decision-making process. For example, conflicts of interest may arise when: (i) proxy votes regarding non-routine matters are solicited by an issuer who has a separate institutional account relationship with the Investment Advisor; (ii) the Investment Advisor has material business relationships with participants in proxy contests, corporate directors or director candidates; or (iii) an employee of the Investment Advisor has a material personal interest in the outcome of a particular matter before shareholders.

The Investment Advisor is committed to resolving all conflicts in its client's best interests. The Investment Advisor has developed policies and procedures to serve the best interests of its clients, and accordingly, will generally vote pursuant to its Guidelines when conflicts of interest arise. When there are proxy voting proposals, however, that give rise to conflicts of interest that are not addressed by the guidelines, the Chief Compliance Officer will forward the matter to the Independent Review Committee for review.

The Investment Advisor generally does not vote proxies when the cost of voting on a particular proxy proposal could exceed the expected benefit to the Company. Some countries have laws that prevent the Investment Advisor from selling shares for a period of time before or after a shareholder meeting. The Investment Advisor may decide not to vote shares of foreign stocks subject to these restrictions when it believes the benefit from voting the shares is outweighed by the interest of maintaining client liquidity in the shares.

On a semi-annual basis, the Investment Advisor provides the Manager with a certificate attesting to the Investment Advisor's compliance with the Proxy Voting Policies and Procedures and the Guidelines in respect of the Corporation.

The policies and procedures that the Company follows when voting proxies relating to portfolio securities are available on request, at no cost, by contacting the Manager at 1000 Yonge Street, Suite 200, Toronto, Ontario, M4W 2K2; by calling toll free: 1.866.757.7207; or by e-mailing at [info@edgepointwealth.com](mailto:info@edgepointwealth.com).

The Company will post the proxy voting record for the most recent period ended June 30 on [www.edgepointwealth.com/Cymbria](http://www.edgepointwealth.com/Cymbria) no later than August 31 of each year. The Company will send the most recent copy of the proxy voting policies and procedures and proxy voting record, without charge, to any Shareholder upon a request made by the Shareholder after August 31.

#### **Section 10.6 Short-Term Trading Policy**

The Class A Shares are traded on the TSX under the symbol "CYB" and the Class J Shares are not listed on an exchange. The Company does not have policies and procedures in place to monitor, detect and deter short-term trading.

## **ITEM 11 FEES AND EXPENSES PAYABLE BY THE COMPANY**

### **Section 11.1 Management Fee**

Pursuant to the terms of the Management Agreement, the Manager will not charge a management fee (the “**Management Fee**”) until November 5, 2011 with respect to the Net Asset Value per Share attributable to the Class A Shares. Beginning on and including November 5, 2011, the Manager will charge a management fee at an annual rate of 0.75% of Net Asset Value of the Shares attributable to the Class A Shares, plus applicable taxes for. Beginning on, and including November 5, 2015 the Manager will charge a management fee at an annual rate of 1.00% of Net Asset Value of the Shares attributable to the Class A Shares, plus applicable taxes. Fees payable to the Manager will be calculated and payable monthly based on the average Net Asset Value calculated on each valuation date during that month. For the purposes of calculating the fee payable to the Manager in its capacity as manager, the value of EdgePoint Wealth Management Inc. will not be included in Net Asset Value. The Company pays to the Manager a quarterly service fee equal to the Service Fee described below.

Pursuant to the terms of the Management Agreement, the Manager will charge a management fee at an annual rate of 0.50% of Net Asset Value of the Shares attributable to the Class J Shares, plus applicable taxes.

### **Section 11.2 Service Fee**

The Manager pays registered dealers a fee (the “**Service Fee**”) equal to 1.00% per annum of the aggregate Net Asset Value per Share attributable to the Class A Shares (excluding the value of the EdgePoint Wealth Management Inc.) held at the end of each calendar quarter by clients of dealers, inclusive of applicable taxes, until November 4, 2015. Thereafter, there will be no Service Fee. There is no service fee paid on the Net Asset Value attributable to the Class J Shares.

The Manager will pay the Service Fee to the relevant dealers as soon as practicable following the end of the relevant calendar quarter.

### **Section 11.3 Operating Expenses of the Company**

The Company is responsible for various operating expenses incurred by the Company, the Manager, and the Investment Advisor.

In addition to the Management Fee, the Service Fee and any debt servicing costs, the Company pays all of its own expenses, the Investment Advisor’s expenses incurred in connection with its duties as the Investment Advisor, and all administration expenses incurred by the Manager for its duties as the Manager to the Company. The Company is not responsible for salaries to Messrs Bousada, Farmer, Krembil and MacDonald. Such fees and expenses to be borne by the Company includes, without limitation: fees and expenses payable to the Board of Directors; fees and expenses payable to the Independent Review Committee; brokerage and trading commissions and other expenses associated with the execution of transactions in respect of the portfolio; the Investment Advisor’s expenses incurred in connection with its duties as the Investment Advisor (including due diligence costs and research expenses); fees payable to the Registrar and Transfer Agent of the Shares or other securities of the Company; fees payable to the Custodian and/or sub-custodians of the portfolio securities and other assets of the Company as well as the fees of the fund valuation agent and other service providers; expenses relating to the monitoring of the relationships with the Custodian, the transfer agent, and other organizations serving the Company; legal, audit, and valuation fees and expenses; costs and expenses relating to the offering and issue of securities of the Company (including the costs of printing and preparing offering documents, legal expenses, auditing expenses, and other reasonable out-of-pocket expenses); fees payable for listings, the maintenance of listings and filings or other requirements of stock exchanges on which any of the securities of the Company are listed or

quoted; securities regulatory authorities' participation fees; salaries, benefits and/consulting fees and other administrative expenses and costs incurred in connection with the Company's continuous disclosure public filing requirements and investor relations; the preparation and supervision costs relating to the calculation and publication of the Net Asset Value; the provision of office supplies, and clerical services; costs and expenses of preparing, printing, and mailing financial and other reports to Shareholders, material for Shareholders' meetings and securities regulatory filings; costs and expenses of communication; costs and expenses arising as a result of complying with all applicable securities legislation and other applicable laws, regulations and policies; all taxes (including income, capital, federal goods and services tax, and provincial/territorial sales taxes); the provision of such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Company.

## ITEM 12 CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Shares. This summary is applicable to a Shareholder who, for purposes of the Tax Act, holds the Shares as capital property, and deals at arm's length and is not affiliated with the Company. The Shares will generally be considered capital property to a Shareholder unless either the holder holds such Shares in the course of carrying on a business of buying and selling securities or the holder has acquired the Shares in a transaction or transactions considered to be an adventure in the nature of trade. Certain Shareholders who might not otherwise be considered to hold their Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to have the Shares, and every other "Canadian security" (as defined in the Tax Act), owned by such holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Shareholders should consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available or advisable, in their particular circumstances.

This summary is not applicable to a Shareholder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules); (ii) that is a "specified financial institution" or a "restricted financial institution"; (iii) an interest in which is a "tax shelter investment"; or (iv) to which the "functional currency" reporting rules in section 261 of the Tax Act apply, (all within the meaning of the Tax Act). Such Shareholders should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, the Tax Proposals and counsel's understanding of the administrative and assessing practices and policies of the CRA which have been made publicly available prior to the date hereof. No assurance can be given that the Tax Proposals will be enacted as proposed, if at all. This summary does not take into account or anticipate any other changes in law, whether by legislative, regulatory, administrative or judicial decision or action or changes in the administrative practices and policies of the CRA and does not take into account other federal tax considerations or provincial, territorial or foreign income tax legislation or considerations.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Shares. The income and other tax consequences of acquiring, holding and disposing of Shares will vary according to the status of the Shareholder, the province or provinces in which the Shareholder resides or carries on business and, generally, the Shareholder's own particular circumstances. Accordingly, the following description of income tax matters is of a general nature only and is not intended to constitute advice to any particular holder. Prospective Shareholders should consult their own tax advisors with respect to the income tax consequences of investing in Shares, based on the Shareholder's particular circumstances.**

## **Section 12.1 Status of the Company**

This summary assumes that the Company will continue to qualify as a “public corporation” and will not be a “specified financial institution” for the purposes of the Tax Act at all relevant times.

Provided that the Class A Shares are listed on a designated stock exchange (which includes the Toronto Stock Exchange), the Shares will be qualified investments for trusts governed by registered retirement savings plans, tax-free savings accounts (“TFSA”), registered education savings plans, registered retirement income funds, registered disability savings plans and deferred profit sharing plans.

## **Section 12.2 Taxation of the Company**

In computing income for a taxation year, the Company is required to include in income all dividends received by the Company in the year. In computing taxable income, the Company will generally be permitted to deduct all dividends received by it from taxable Canadian corporations. The Company is generally not permitted a deduction in computing taxable income for dividends received by it from other corporations.

The Company is required to include in income one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in the year from a disposition of investments held by the Company as capital property and will generally be entitled to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) against taxable capital gains realized in the year of a disposition, the three preceding years or any subsequent year, to the extent and under the circumstances described in the Tax Act. In general, the amount of any capital loss otherwise determined arising from a disposition or deemed disposition of shares held as capital property may be reduced by the amount of dividends previously received thereon, or deemed received thereon which were deductible in computing taxable income, to the extent and under the circumstances described in the Tax Act. Analogous rules apply where the Company is, directly or through a trust or partnership, a member of a partnership or a beneficiary of a trust which owns shares.

The Company is also required to include in computing income other sources of income, including interest, gains from certain derivatives and dividends from corporations other than taxable Canadian corporations.

The Company may invest in securities that are not denominated in Canadian dollars. Proceeds of disposition of securities, distributions, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars in accordance with the rules in the Tax Act in that regard. The Company may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to the Canadian dollar.

The Company may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay tax to such countries. Generally, in computing the amount of its Canadian income taxes, the Company will be entitled to claim credits in respect of such foreign taxes paid (or so treated as paid) by the Company, including foreign taxes withheld at source, to the extent permitted by the detailed rules in the Tax Act. To the extent that a tax credit is not claimed, the Company will generally be able to deduct any such foreign taxes paid.

The Company is generally entitled to deduct in computing its income reasonable administrative expenses and interest payable by it on money borrowed to purchase securities. The Company is generally entitled to deduct reasonable expenses of issuing shares at the rate of 20% per taxation year subject to pro ration in the case of short taxation years. Any non-capital losses incurred by the Company may generally be carried forward or back in accordance with the rules and limitations

contained in the Tax Act and deducted in computing the taxable income of the Company. Tax Proposals released for public comment on October 31, 2003 (the “**October 31 Proposed Amendments**”) may deny losses realized in a year in respect of a business or property if in the year it is not reasonable to expect that the taxpayer will realize a cumulative profit from that business or property for the period in which the taxpayer has carried on, and can reasonably be expected to carry on, that business or has held, and can reasonably be expected to hold, that property. For these purposes, profit does not include capital gains. If the October 31 Proposed Amendments applied to the Company, certain losses in respect of a business or property of the Company could be denied. On February 23, 2005 the Department of Finance announced that it will, at an early opportunity, release an alternative to the October 31 Proposed Amendments for comment. To date, such alternative Tax Proposal has not been released.

### **Section 12.3 Taxation of Shareholders**

#### *Disposition of Shares*

In general, a Shareholder will realize a capital gain (or capital loss) on a disposition, or a deemed disposition, of such Share (other than to the Company), equal to the amount by which the proceeds of disposition of the Share, net of any costs of disposition, exceed (or are less than) the adjusted cost base of the Share to the Shareholder.

A Shareholder will be required to include in income one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in the year of a disposition of the Shares and will generally be entitled to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) against taxable capital gains realized in the year of a disposition, the three preceding years or any subsequent year, to the extent and under the circumstances described in the Tax Act.

In general, in the case of a Shareholder that is a corporation, the amount of any capital loss otherwise determined arising from a disposition or deemed disposition of Shares may be reduced by the amount of dividends previously received thereon, or deemed received thereon, to the extent and under the circumstances described in the Tax Act. Analogous rules apply where a corporation is, directly or through a trust or partnership, a member of a partnership or a beneficiary of a trust which owns Shares.

A Shareholder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation” as defined in the Tax Act may be liable to pay, in addition to the tax otherwise payable under the Tax Act, a refundable tax of 6<sup>2</sup>/<sub>3</sub>% of its “aggregate investment income” for the year which is defined to include an amount in respect of taxable capital gains.

#### *Taxation of Dividends on Shares*

Dividends (including deemed dividends) received on the Shares by a Shareholder who is an individual (other than by certain trusts) will be included in the individual’s income and will be included in computing income but will generally be subject to the gross-up and the dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations. To the extent the Company designates the dividends as “eligible dividends” in the prescribed manner, the Shareholder will be subject to the enhanced gross-up and dividend tax credit rules.

Dividends (including deemed dividends) received on the Shares by a Shareholder that is a corporation will be included in computing the corporation’s income and will generally be deductible in computing the corporation’s taxable income with the result that no tax will generally be payable by such Shareholder in respect of such dividends (other than pursuant to Part IV of the Tax Act as described below).

A Shareholder that is a “private corporation”, as defined in the Tax Act, or any other corporation controlled by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a 33<sup>1</sup>/<sub>3</sub>% refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Shares to the extent such dividends are deductible in computing its taxable income.

#### *Alternative Minimum Tax*

Individuals, including certain trusts, are subject to an alternative minimum tax. Generally, dividends received or deemed to be received on the Shares and capital gains realized on a disposition or deemed disposition of Shares may increase a holder’s liability for alternative minimum tax. Holders should consult their own advisors with respect to the potential application of the alternative minimum tax.

#### **Section 12.4 Taxation of Registered Plans**

Generally, trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, tax-free savings accounts, registered disability savings plans and deferred profit sharing plans will not be subject to tax on dividends paid to it by the Company or on any gains realized on a disposition of Shares.

Notwithstanding that the Shares may be a qualified investment for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax on the Shares held in the TFSA if such shares are a “prohibited investment” for the purposes of section 207.01 of the Tax Act. The Shares will generally be a “prohibited investment” if the holder of the TFSA does not deal at arm's length with the Company for the purposes of the Tax Act or has a “significant interest” (as defined in the Tax Act) in the Company or a corporation, partnership with which the Company does not deal at arm's length for the purposes of the Tax Act. Such holders are urged to consult their own tax advisors.

#### **Section 12.5 Tax Implications of the Company’s Distribution Policy**

The Company does not currently intend to pay regular dividends or other distributions, but may do so if, as and when determined by the Board of Directors. In the event that dividends are paid, the tax consequences to Shareholders will be as described above, under “Taxation of Dividends on Shares”.

### **ITEM 13 REMUNERATION OF DIRECTORS AND OFFICERS**

#### **Section 13.1 Board of Directors and Officers of the Company**

Each independent member of the Board of Directors will be paid such remuneration for their services as the Board of Directors may, from time to time, determine. Until otherwise determined, such compensation for each director is \$20,000 per year, which may be paid in Shares of the Company, for each independent director. The Company will also reimburse all members of the Board of Directors for out-of-pocket expenses for attending meetings of the Board of Directors and committees of the Board of Directors.

Under the terms of the Management Agreement and the Investment Advisory Agreement, any directors, officers or employees of the Manager and/or the Investment Advisor who are also officers of the Company shall be paid by the Manager and/or the Investment Advisor, as applicable, for serving in such capacity and shall not receive any remuneration directly from the Company.

#### **Section 13.2 Independent Review Committee**

Compensation for each member of the Independent Review Committee is \$13,000 per member per annum plus \$1,000 per meeting, with an additional \$5,000 for the chair allocated amongst the public

funds managed by the Manager. For the period ended December 31, 2009, expenses for the Independent Review Committee attributable to the Company were paid in the amount of \$36,268.

### **Section 13.3      Deferred Share Unit Plan**

The Company established a Deferred Share Unit Plan (the “**DSU Plan**”) to promote the interests of the Company by attracting and retaining qualified persons to serve on the Board of Directors and the Independent Review Committee and to afford such persons an opportunity to receive a portion of their compensation for serving as a member of the Board or Independent Review Committee in the form of securities of the Company. A deferred share unit is a bookkeeping entry equivalent in value to a Class A Share credited to the participant’s account (each a “**DSU**”).

Each participant in the DSU Plan may elect, once each calendar year, to be paid a percentage of his or her annual retainer in the form of DSUs, with the balance being paid in cash. Each participant is entitled to redeem his or her DSUs commencing on the business day immediately following the date upon which a participant ceases to hold any position as a member of the Board of Directors or Independent Review Committee, as applicable, and is no longer otherwise employed by the Company, including in the event of the death of the participant.

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting Shares, such proportionate adjustments, if any, as the Board in its discretion may deem appropriate to reflect such change, shall be made with respect to the number of DSUs outstanding under the DSU Plan.

The Board may at any time, and from time to time, and without Shareholder approval, amend any provision of the DSU Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation: (a) amendments to the termination provisions of the DSU Plan; (b) amendments necessary or advisable because of any change in applicable securities laws; (c) amendments to Section 4 relating to the administration of the Plan; and (d) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the Toronto Stock Exchange, including amendments of a “clerical” or “housekeeping” nature. Notwithstanding the foregoing the Board shall not be permitted to amend: (a) in order to increase the maximum number of DSUs which may be issued under the DSU Plan or to increase the maximum value of equity that a participant may be eligible to receive on an annual basis under the DSU Plan together with all other security based compensation arrangements of the Company; (b) the amendment provisions of the DSU Plan in any manner; (c) amendments to the transferability of DSUs provided for in the DSU Plan; or (d) the definition of “Participant”; in each case without first having obtained the approval of a majority of the holders of Common Shares.

The Board may decide to discontinue granting awards under the DSU Plan at any time in which case no further DSUs shall be awarded or credited under the Plan. Any DSUs which remain outstanding in a participant’s account at that time shall continue to be dealt with according to the terms of the DSU Plan. The DSU Plan shall terminate when all payments owing pursuant to the DSU Plan have been made and all DSUs have been cancelled in all participants’ accounts.

Mr. James MacDonald, a director of the Company, along with David Cohen, Scott Cooper and Joseph Shaw, all members of the Independent Review Committee, have made an irrevocable election to receive 100% of their annual retainer in the form of DSUs until such time as they are no longer a participant in the DSU Plan.

## **ITEM 14 MATERIAL CONTRACTS**

The only material contracts entered into by the Company or the Manager during the past two years other than during the ordinary course of business, are as follows:

- (a) the Articles;
- (b) the Management Agreement;
- (c) the Investment Advisor Agreement;
- (d) the Custodian Agreement;
- (e) the Unanimous Shareholders Agreement; and
- (f) the Escrow Agreement.

Copies of the foregoing documents may be examined during normal business hours at the principal office of the Company located at 1000 Yonge Street, Suite 200, Toronto, Ontario, M4W 2K2 and can also be found under the Company's profile at [www.sedar.com](http://www.sedar.com).

## **ITEM 15 LEGAL AND ADMINISTRATIVE PROCEEDINGS**

There are no ongoing legal or administrative proceedings material to the Company, pursuant to which the Company or the Manager is a party.

## **ITEM 16 OTHER MATERIAL INFORMATION**

### **Section 16.1 Loan Facility**

The Manager, on behalf of the Company, may enter into loan facilities which could permit the Company to borrow up to an amount not exceeding 25% of the value of the Total Assets of the Company, measured at the time of the borrowing. If due to market movement, leverage exceeds this amount the Investment Advisor will take measures to remedy the situation in a timely fashion.

The interest rate, fees and expenses under any loan facility are expected to be typical of similar credit facilities and prime brokerage accounts of this nature. No assurance can be given that a loan facility will be available on terms acceptable to the Manager at the time the Company intends to borrow. Currently, there is no outstanding amount borrowed on the Company's loan facility.

### **Section 16.2 Risk Factors**

There are many risks associated with an investment in Shares, some of which are outlined below.

#### **Risk Factors Related to an Investment in the Company**

##### ***Reliance on the Manager and the Investment Advisor***

The Manager is responsible for providing, or arranging for the provision of management and administrative services, including investment and portfolio management services, required by the Company. Investors who are not willing to rely on the Manager and the Investment Advisor should not invest in Shares.

The Company and the Manager rely on the ability of the Investment Advisor to actively manage the Company's assets pursuant to the Investment Advisory Agreement. The Investment Advisor will make the investment decisions in respect of the portfolio upon which the success of the Company will depend significantly. No assurance can be given that the approach utilized by the Investment Advisor in respect of the portfolio will prove successful.

#### ***Reliance on Key Personnel***

The Company, Manager and Investment Advisor depend, to a great extent, on the services of a limited number of individuals in connection with the services provided to the Company. The loss of such services or the loss of some key individuals could impair the ability of the Company, Manager and Investment Advisor to perform its management and administrative activities on behalf of the Company.

#### ***Lack of Redemption Feature***

The lack of a redemption feature may lead to a market price of the Shares that may be below Net Asset Value per Share.

#### ***The Company is Controlled by the Manager***

The Company may be considered to be effectively controlled, indirectly, by the Manager. The Company's business and affairs are controlled by the Manager, which owns 100% of the Common Shares which are the only voting shares in the capital of the Company. As a result, the Company is governed by the Board of Directors which is elected by the Manager. The holders of Shares will not have the right to vote on matters other than those outlined in Section 3.3 Meetings and Acts Requiring Shareholder Approval.

#### ***Trading Price of the Shares Relative to Net Asset Value***

Securities of certain exchange listed investment funds in Canada have traded at a discount from their net asset values. This risk associated with securities of a listed corporation is a risk separate and distinct from the risk that the Company's Net Asset Value may decrease. The Company cannot predict whether the Shares will trade at a discount from, a premium to, or at the Company's Net Asset Value.

The market price of the Shares will likely be affected by macroeconomic developments around the world and market perceptions of the attractiveness of various economies, industries or companies.

The market price of the Shares at any given point in time may not accurately reflect the Company's long-term value. The market price of the Shares is determined by, among other things, the relative demand and supply of the Shares in the market, the Company's investment performance and investor perception of the Company's overall attractiveness as an investment as compared with other investment alternatives.

#### ***No Guaranteed Return***

There is no guarantee that an investment in the Company will earn any positive return in the short term or long term.

### ***Future Dilution***

Where, in the opinion of the Board of Directors and the Manager, additional capital is necessary or desirable to carry on the investment activities of the Company, the Company may create and issue additional Shares at a price and otherwise on terms and conditions determined by the Board of Directors and the Manager as provided for in the constating documents of the Company. Depending on the price at which such additional securities of the Company are offered for sale, the issuance of such additional securities could result in a dilution to existing Shareholders. In creating and issuing additional securities of the Company, the Board of Directors and the Manager will comply with the requirements of applicable securities legislation and will act in the best interests of the Company and its Shareholders.

### ***Enforcement of Rights***

The Company's assets may be held in accounts by custodians, or pledged to creditors of the Company as per applicable law, in jurisdictions outside of Canada so that there can be no assurance that judgments obtained in Canadian courts will be enforceable in any of those jurisdictions. It is possible that events such as the expropriation, confiscatory taxation or nationalization of foreign bank deposits or other assets may occur, which may result in the Company being unable to enforce its legal rights or protect its investments.

Legal principles relating to corporate affairs and the validity of corporate procedures, directors' fiduciary duties and liabilities and shareholders' rights may differ from those that may apply in other jurisdictions. Shareholders' rights under foreign law may not be as extensive as those that exist under the laws of Canada. The Company may therefore have more difficulty asserting its rights as a shareholder of a foreign company in which it invests than it would as a shareholder of a comparable Canadian company.

### ***Potential Lack of Investment Diversification***

The Company does not have any specific limits on holdings in securities of issuers in any one industry or size of issuer. Although the portfolio will generally be diversified, this may not be the case at all times if the Manager deems it advantageous for the Company to be less diversified. Accordingly, the portfolio may be more susceptible to fluctuations in value resulting from adverse economic conditions affecting a particular industry or segment of issuers than would be the case if the Company were required to maintain wide diversification.

### ***Inability to Obtain or Maintain Required Registrations***

The Company may be required to be registered to trade in foreign securities in certain jurisdictions. An inability to obtain or maintain such registrations may adversely affect the portfolio if the Manager is unable to sell securities already in the portfolio or purchase securities in certain jurisdictions.

### ***Short Sale Equity Positions***

The Company may engage in short selling securities. A short sale of a security may expose the Company to losses if the price of the security sold short increases because the Company may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited, since there is no limit on how much the price of a security will appreciate before the short position is closed out. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to

be repaid before the Company wishes to do so, thereby requiring the Company to borrow the security elsewhere or purchase the security in the market at an unattractive price. If numerous lenders of the security in the market simultaneously recall the same security, a “short squeeze” may occur, whereby the market price of the borrowed security may increase significantly. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be purchased due to supply and demand constraints in the marketplace.

### *Leverage*

The Company may borrow additional capital to invest in securities comprising the portfolio for the purpose of enhancing the potential returns of the Company. The risk to Shareholders may increase if securities purchased with borrowed money decline in value. While the use of leverage can increase the rate of return, it can also increase the magnitude of loss in unprofitable positions beyond the loss which would have occurred if there had been no borrowings. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried. Leveraging will thus tend to magnify the losses or gains from investment activities.

If at any time leverage exceeds 25% of Total Assets or an amount owed is called by a lender, the Company may be required to liquidate securities in the portfolio to comply with the restriction or to repay the indebtedness. Such sales may occur at a time when the market for the securities in the portfolio is depressed, affecting the value of the portfolio and the return to the Company. In addition, the Company may not be able to renew loan facilities on acceptable terms.

There can be no assurance that the borrowing strategy employed by the Company will enhance returns, and it may, in fact, reduce returns.

### *Conflicts of Interest*

The Manager, the Investment Advisor and their respective directors and officers and their respective affiliates and associates may engage in, the promotion, management or investment management of one or more funds or trusts which invest in securities similar to the portfolio of the Company.

Although none of the directors or officers of the Manager or the Investment Advisor will devote his or her full time to the business and affairs of the Company, each will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Company.

The Manager and its principals control and operate EdgePoint Wealth Management Inc. The Manager and its affiliates may provide other services to the Company and EdgePoint Wealth Management Inc. both of which are related parties to the Manager.

### *Changes in Legislation and Administrative Policy*

There can be no assurance that certain laws applicable to the Company, including income tax laws, will not be changed in a manner which could adversely affect the value of the Company. In addition, there can be no assurance that the administrative policies and assessing practices of the CRA will not be changed in a manner which adversely affects the Shareholders. The Company may also be affected by changes in regulatory requirements, customs, duties or other taxes in Canada or foreign

jurisdictions. Such changes could, depending on their nature, benefit or adversely affect the Company.

## **Risk Factors Relating to the Portfolio**

### ***Foreign Security Risk***

The value of foreign securities may be influenced by foreign government policies, lack of information about foreign companies, political or social instability and the possible levy of foreign withholding tax. There may be lower standards of government supervision and regulation in foreign financial markets. Foreign stock markets may also be less liquid and more volatile. In addition, the securities markets of many countries have at times in the past moved relatively independently of one another due to different economic, financial, political and social factors. This may reduce gains the Company derived from movements in a particular market. The Company may have difficulty enforcing legal rights in jurisdictions outside Canada, with regards to its foreign securities held.

Owning foreign securities can also expose the Company to foreign currency risk. Since exchange rate fluctuations are beyond the Company's control, there can be no assurance that such fluctuations will not have an adverse effect on the Company's operations or on the trading value of the Shares. Although the Company may use hedging strategies to limit its exposure to currency fluctuations, there can be no assurance that such hedging strategies will be successful or that they will mitigate the risk of such fluctuations.

### ***Tax Risk***

There can be no assurance that the tax laws applicable to the Company under the Tax Act or under foreign tax regimes will not be changed in a manner which could adversely affect the Company.

### ***Foreign Currency Exposure***

The portfolio includes securities denominated in foreign currency. Accordingly, the Net Asset Value will fluctuate depending on the rate of exchange between the Canadian dollar and such foreign currencies. Proceeds of disposition of securities, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars in accordance with the rules in the Tax Act in that regard. The Company may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to the Canadian dollar. An increase in the Canadian dollar relative to these foreign currencies may have an adverse effect on the Net Asset Value.

### ***General Economic, Political, and Market Conditions***

The success of the Company's activities may be affected by general economic, political and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Company's assets. Unexpected volatility or illiquidity could impair the Company's profitability. Recent market conditions may adversely affect global companies and the pricing of their securities.

### ***Potential for Limited Liquidity in Some Portfolio Investments***

Some of the securities in which the Company intends to invest may be thinly traded and some may have no market at all including, but not limited to, the Company's private investments. It is possible that the Company may not be able to sell portions of such positions without facing substantially

adverse prices. If the Company is required to transact in such securities or other assets before their intended investment horizon, the performance of the Company could suffer.

#### ***Investments in Private Issuers***

Issuers whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. The Company's portfolio may consist of securities issued by privately held issuers. There is generally little or no publicly available information about such issuers and the Company must rely on the diligence of the Manager to obtain the information necessary for its decision to invest in them. There can be no assurance that the diligence efforts of the Manager will uncover all material information about the privately held business necessary for the Company to make a fully informed investment decision.

#### ***Valuation Risk for Illiquid Assets***

The Company may invest in illiquid assets, including EdgePoint Wealth Management Inc. Illiquid assets, including EdgePoint Wealth Management Inc., that have not had recent trading activity or are not publicly available have inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investment. The valuation process for these investments, including EdgePoint Wealth Management Inc., is subjective to a degree and, to the extent that these valuations are inaccurate, will be reflected in the Net Asset Value of the Shares.

#### ***Concentration Risk***

The Company may concentrate its investments in securities of a small number of issuers. The result is that the securities in which the Company invests may not be diversified across many sectors or they may be concentrated in specific regions or countries. The Company may also have a significant portion of its portfolio invested in the securities of a single issuer. A relatively high concentration of assets in a single or small number of investments may reduce the diversification of the Company.

#### ***Derivative Risk***

While derivatives can be useful for hedging against losses, making indirect investments and gaining exposure to financial markets and other assets, they have certain risks including: (i) no guarantee that hedging will be effective, (ii) no guarantee a market will exist for some derivatives which could prevent the Company from making a profit or limiting its losses, (iii) exchange traded derivatives may lack liquidity, (iv) trading limits may be imposed that could prevent execution of the derivative contract, (v) price of a derivative may not accurately reflect the value of the underlying asset, and (vi) counterparty to a derivative contract may not be able to honour its obligations under the contract

#### ***Regulatory Risk***

Some industries, such as financial services, health care and telecommunications, are heavily regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding.

### *Trading Value on Foreign Exchanges*

The relatively small market capitalizations of, and trading values on, certain foreign stock exchanges may cause the Company's investments in securities listed on these exchanges to be comparatively less liquid and subject to greater price volatility than comparable Canadian or U.S. investments.

### *Stock Exchange Risk*

Stock exchanges, have in the past, experienced problems such as temporary exchange closures, broker defaults, settlement delays and broker strikes that, if they occur again in the future, could affect the market price and liquidity of the securities in which the Company invests. In addition, the governing bodies of the various stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Disputes have also occurred from time to time among listed issuers, the stock exchanges and other regulatory bodies, and in some cases those disputes have had a negative effect on overall market sentiment. In addition, there have been delays and errors in share allotments relating to initial public offerings, which in turn affect overall market sentiment and lead to fluctuations in the market prices of the securities of those issuers and others in which the Company may invest.

### *Potential Investment and Repatriation Restrictions; Exchange Controls*

Foreign investment in the securities of foreign issuers may be restricted or controlled to varying degrees. These restrictions or controls may limit or preclude foreign investment in certain industries and increase the costs and expenses of the Company. The ability of the Company to invest in certain issuers may be restricted, and there can be no assurance that additional restrictions on investments permissible for under foreign guidelines will not be imposed in the future. The ability of the Company to invest in foreign securities, exchange foreign currencies into Canadian dollars and repatriate investment income, capital and proceeds of sales realized from its investments in foreign securities may be subject to the foreign laws. Under certain circumstances, such as a change in law or regulation, governmental registration or approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors may be required. In addition, foreign governments may impose temporary restrictions on foreign capital remittances abroad. The Company could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the Company of any restrictions on investments.

### *Less Stringent Corporate Disclosure, Governance and Regulatory Requirements in Certain Jurisdictions Throughout the World*

In addition to smaller size, lesser liquidity and greater volatility, some foreign securities markets are less developed than Canadian securities markets. Disclosure and regulatory standards are in many respects less stringent than Canadian standards. Issuers in these foreign markets are subject to accounting, auditing and financial standards and requirements that differ, in some cases significantly, from those applicable to Canadian issuers. In particular, the assets and profits appearing on the financial statements of a foreign issuer may not reflect its financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with Canadian generally accepted accounting principles.

There is less regulation and monitoring in some foreign securities markets and the activities of investors, brokers and other participants than in Canada. Moreover, issuers of securities in these foreign markets are not subject to the same degree of regulation as are Canadian issuers with respect to such matters as insider trading rules, tender offer regulation, shareholder proxy requirements and

the timely disclosure of information. There is also less publicly available information about some foreign issuers than Canadian issuers.

#### ***Political, Economic, Social, and Other Factors***

The value of the Company's assets may be adversely affected by political, economic, social and other factors, changes in foreign law or regulations and the status of relations between countries. In addition, the economy of foreign jurisdictions may differ favourably or unfavourably from the Canadian economy in such respects as the rate of GDP growth, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. Foreign governments may exercise significant influence over many aspects of the economy. Accordingly, foreign government actions in the future could have a significant effect on the economy of such foreign jurisdiction, which could affect market conditions, and prices and yields of securities in the Company's portfolio.

#### ***Counterparty Risk***

Due to the nature of some of the investments that the Company may undertake, the Company relies on the ability of the counterparty to the transaction to perform its obligations. In the event that a counterparty fails to complete its obligations, the Company bears the risk of loss of the amount expected to be received under options, forward contracts or securities lending agreements or other transactions in the event of the default or bankruptcy of a counterparty.

#### ***Sensitivity to Interest Rate Fluctuations***

The market price of the Shares may be affected by the level of interest rates prevailing from time to time. In addition, the Net Asset Value may be highly sensitive to interest rate fluctuations because the value of the Company's investments will fluctuate based on interest rates. Further, any decrease in the Net Asset Value resulting from an increase in interest rates may also negatively affect the market price of the Shares. Increases in interest rates will also increase the Company's costs of borrowing.

#### ***Use of a Prime Broker/Custodian to Hold Assets***

Some or all of the Company's assets may be held in one or more margin accounts due to the fact that the Company may use leverage and engage in short selling. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the Company's assets in such accounts, which may result in a potential loss of such assets. As a result, the Company's assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, the Company may experience losses due to insufficient assets at the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded. In addition, the prime broker is unlikely to be able to provide leverage to the Company, which would affect adversely the Company's returns.

#### ***Options and Futures Transactions***

The Company may utilize derivatives. The use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) hedging to reduce risk does not guarantee that there will not be a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Company wants to complete the derivative contract, which could prevent the Company from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the

Company from completing the derivative contract; (iv) the Company could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; and (v) if the Company has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the Company could experience a loss and, for an open futures or forward contract, a loss of margin deposits with that dealer. In circumstances where there is an interest rate hedge employed, total return on the portfolio may be higher with the hedge than without it when interest rates rise significantly, but total return may be lower than it otherwise would be in a stable to falling interest rate environment.

### **Risks Related to an Investment in EdgePoint Wealth Management Inc. by the Company**

#### ***The Company's Interest in EdgePoint Wealth Management Inc. is a Minority Interest***

The interest in EdgePoint Wealth Management Inc. held by the Company is a minority interest with the Manager holding the majority interest. Control over the direction and management of EdgePoint Wealth Management Inc. resides with the Manager and indirectly, the shareholders of the Manager.

#### ***Lack of Public Market***

There is currently no public market for the securities of EdgePoint Wealth Management Inc. and it is anticipated that there will not be an active public market developed or sustained for such securities.

#### ***Competitive Environment for EdgePoint Wealth Management Inc.***

EdgePoint Wealth Management Inc. operates in a highly competitive environment, with competition based on a variety of factors, including the range of products offered, brand recognition, investment performance, business reputation, financing strength, the strength and continuity of institutional, management and sales relationships, quality of service, level of fees charged and the level of commissions and other compensation paid.

EdgePoint Wealth Management Inc. competes with a large number of mutual fund companies and other providers of investment products, investment management firms, broker dealers, banks, insurance companies and other financial institutions. Some of these competitors have greater capital and other resources, and offer more comprehensive lines of products and services, than EdgePoint Wealth Management Inc.. The trend toward greater consolidation within the investment management industry has increased the strength of a number of EdgePoint Wealth Management Inc.'s competitors. Additionally, there are few barriers to entry by new investment management firms, and the successful efforts of new entrants have resulted in increased competition. Competitors of EdgePoint Wealth Management Inc. are also seeking to expand market share by offering different products and services than offered by EdgePoint Wealth Management Inc.. There can be no assurance that EdgePoint Wealth Management Inc. will grow its standing in the market or its market share, and that may adversely affect the business, financial condition or operating results of EdgePoint Wealth Management Inc.

#### ***Risks of Significant Redemptions of EdgePoint Wealth Management Inc.'s Assets Under Management***

EdgePoint Wealth Management Inc. earns revenue primarily from management fees earned for advising and managing pools of assets. These revenues depend largely on the value and composition of mutual fund assets under management. The level of assets under management is influenced by three factors: (i) sales, (ii) redemption rates, and (iii) investment performance. Sales and redemptions may fluctuate depending on market and economic conditions, investment performance, and other factors. Recent market volatility has contributed to significant redemptions and diminished sales for

participants in the Canadian wealth management industry. The success of EdgePoint Wealth Management Inc. is dependent on its ability to achieve superior returns relative to its competitors. If the funds managed by EdgePoint Wealth Management Inc. are unable to achieve investment returns that are competitive with or superior to those achieved by other comparable investment products offered by competitors, should a sizeable number of clients seek to terminate their agreements with EdgePoint Wealth Management Inc. and withdraw their assets or should investment management agreements pursuant to which the managers manage a major percentage of EdgePoint Wealth Management Inc.'s assets under management be terminated, there would be a material adverse effect on EdgePoint Wealth Management Inc.'s management fee revenue and profitability.

***Access to Distribution Channels for EdgePoint Wealth Management Inc.***

Access to the third party distribution channel for investment funds is highly competitive. Consolidation within this channel has resulted in the acquisition of several dealers by EdgePoint Wealth Management Inc.'s competitors. As a result of these consolidations, these dealers, including bank-owned dealers, may offer solely or partially their related proprietary investment funds which could have an adverse effect on the Company's operations and prospects.

***Costs of Regulatory Compliance and Risks of Regulatory Change for EdgePoint Wealth Management Inc.***

EdgePoint Wealth Management Inc. is heavily regulated in almost all jurisdictions where it carries on business. Laws and regulations applied at the national and provincial level generally grant governmental agencies and self-regulatory bodies broad administrative discretion over the activities of EdgePoint Wealth Management Inc., including the power to limit or restrict business activities. Possible sanctions include the revocation or imposition of conditions on licenses to operate certain businesses, the suspension or expulsion from a particular market or jurisdiction of any of EdgePoint Wealth Management Inc.'s business segments or their key personnel or financial advisors, and the imposition of fines and censures. It is also possible that the laws and regulations governing EdgePoint Wealth Management Inc.'s operations or particular investment products or services could be amended or interpreted in a manner that is adverse to EdgePoint Wealth Management Inc.. To the extent that existing or future regulations affecting the sale or offering of EdgePoint Wealth Management Inc.'s products or services or EdgePoint Wealth Management Inc.'s investment strategies cause or contribute to reduced sales of EdgePoint Wealth Management Inc.'s products or lower margins or impair the investment performance of EdgePoint Wealth Management Inc.'s products, EdgePoint Wealth Management Inc.'s aggregate assets under management and its revenues may be adversely affected.

***Management Fees are Based on Assets Under Management and are Therefore Subject to Market Risk, Currency Risks, Interest Rate Risks and Similar Risks***

EdgePoint Wealth Management Inc.'s ability to maintain its management fee structure is dependent on the ability to provide investors with products and services that will cause investors to be willing to pay those fees. There can be no assurance that EdgePoint Wealth Management Inc. will not come under competitive pressures to lower fees or that it will be able to retain the current fee structure or, with such fee structure, retain their investors in the future. Changes to management fees, commission rates, structures or service fees related to the sale of mutual funds and closed-end funds could have an adverse effect on EdgePoint Wealth Management Inc.'s operating results.

### **Section 16.3 Investment in EdgePoint Wealth Management Inc.**

The Manager has established EdgePoint Wealth Management Inc., a wealth management company which is intended to manage publicly offered mutual funds, institutional assets, and any other investment related products in Canada.

As of the date hereof, the Company owns a 21.4% interest in EdgePoint Wealth Management Inc. while the Manager owns 71.5%. EdgePoint Wealth Management Inc. has reserved for issuance a number of equity shares equivalent to 10% of the outstanding equity shares held in the aggregate by the Company and the Manager. As of the date hereof, 6.9% of this 10% reserve has been issued. Upon issuance of the reserved shares, the interests of the Company, the Manager and other holders of shares will be diluted in a consistent manner relative to their interest in EdgePoint Wealth Management Inc. at the time of issuance.

The Manager provides administrative services to EdgePoint Wealth Management Inc. and is reimbursed for any expenses and costs related to the provision of such services, but does not otherwise earn fees from these services. The Investment Advisor provides portfolio advisory services to EdgePoint Wealth Management Inc. and is reimbursed for any expenses and costs related to the provision of such services but does not otherwise earn fees from these services. The Investment Advisor only provides portfolio advisory services to EdgePoint Wealth Management Inc. and the Company, but EdgePoint Wealth Management Inc. may retain sub advisors other than the Investment Advisor.

#### **Unanimous Shareholders Agreement**

The shareholders of EdgePoint Wealth Management Inc., along with any future shareholders, have entered into a unanimous shareholders agreement (the “**Unanimous Shareholders Agreement**”) that governs the actions of such shareholders. Below is a summary of the material terms of the Unanimous Shareholders Agreement.

Pursuant to the Unanimous Shareholders Agreement, any material transaction involving EdgePoint Wealth Management Inc. requires prior approval of the Board of Directors, if EdgePoint Wealth Management Inc.:

- (a) purchases or acquires an asset from a related party;
- (b) sells, transfers or disposes of an asset to a related party;
- (c) leases a property to or from a related party;
- (d) acquires a related party through an amalgamation, arrangement or otherwise;
- (e) issues a security to a related party, except in respect of share issuances to employees which do not exceed, in the aggregate, the number of shares reserved for such issuances as described under “Investment in EdgePoint Wealth Management Inc.”;
- (f) subscribes for a security of a related party;
- (g) assumes or otherwise becomes subject to a liability of a related party;
- (h) borrows from, or lends to, a related party;
- (i) releases, cancels or forgives a debt owed by a related party;

- (j) materially amends the outstanding debt owed by or to a related party; or
- (k) provides a guarantee on behalf of a related party.

For the purposes hereof, “related party” shall have the meaning ascribed thereto under applicable securities laws.

If the Manager, directly or indirectly (including through an offer to purchase all of the shares of the Manager), receives a *bona fide* third party offer to purchase its interest EdgePoint Wealth Management Inc., the Company has the right to require the third party purchaser to purchase all, but not less than all, of its shares in EdgePoint Wealth Management Inc. on the same terms and conditions applicable to the transfer of shares by the Manager. In the event that the Company exercises its “piggy-back” rights, the Manager may not sell its interest in EdgePoint Wealth Management Inc. unless the third party purchaser also purchases the Company’s interest in EdgePoint Wealth Management Inc. on the same terms and conditions.

EdgePoint Wealth Management Inc. has agreed to provide to the Company and its Board of Directors all financial statements and all other information related to its financial condition and business operations.

Pursuant to the provisions of the Unanimous Shareholders Agreement, the Board authorized certain non-arms length loans from the Manager and a director of the Manager to EdgePoint Wealth Management Inc.

#### **Section 16.4 Accounting Changes**

In 2005, changes to Canadian GAAP were implemented by the Accounting Standards Board of the Canadian Institute of Chartered Accountants with the introduction of section 3855 Financial Instruments - Recognition and Measurement. Section 3855 applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2006. Section 3855 requires, among other things, that public securities be priced at the closing bid for long positions and the closing ask price for short positions. Currently, most securities are valued by investment funds at the last trade or closing price. The Canadian securities regulatory authorities (“CSRA”) acknowledged that the new standard resulted in significant difficulties for investment funds when calculating net asset value for purposes other than financial statements. Amendments to NI 81-106, in force on September 8, 2008, permit investment funds to have two different net asset values: one for financial statement purposes, which is to be prepared in accordance with Canadian GAAP (referred to as “net assets” under NI 81-106) and another for all other purposes, including unit pricing (referred to as “net asset value” under NI 81-106). The amendments to NI 81-106 also require that the notes to the financial statements disclose the net asset value per security as at the date of the financial statements compared to the net assets per security as shown on the statement of net assets and to provide an explanation of the differences between these amounts.

**Cymbria Corporation**  
**EdgePoint Investment Group Inc.**  
**1000 Yonge Street, Suite 200**  
**Toronto, Ontario M4W 2K2**

Additional information about the Company is available in the Company's most recently filed management reports of fund performance and financial statements. You can get a copy of these documents at no cost, by calling toll free 1-866-757-7207, or from your dealer. The management reports of fund performance and financial statements are also available on the Company's website at [www.edgepointwealth.com/cymbria](http://www.edgepointwealth.com/cymbria). These documents and other information about the Company are also available at [www.sedar.com](http://www.sedar.com).