

PORTFOLIO MANAGER



Paul Marcogliese, CFA

**Fixed Income
Portfolio Manager**

Paul Marcogliese serves as a Fixed Income Portfolio Manager at Cambridge Global Asset Management. He is responsible for managing Cambridge Bond Fund and is the co-manager of Cambridge Asset Allocation Corporate Class, Cambridge Global High Income and Cambridge Monthly Income Funds.

Paul's career in the investment industry began in 1999 and he joined Cambridge in 2016.

Prior to joining Cambridge, Paul worked as a Portfolio Manager at MFS Investment Management Canada managing Canadian and international fixed-income portfolios. Prior to that, he was a Partner and Fixed Income Portfolio Manager at McLean Budden Asset Management.

Paul holds a Bachelor of Mathematics from the University of Waterloo, a Bachelor of Business Administration from Wilfrid Laurier University, and the Chartered Financial Analyst designation.

PERFORMANCE

Performance (%)	3 Month	1 Year	3 Year	5 Year	10 Year	Since inception
Cambridge Bond Fund (Class F)	2.2	7.1	N/A	N/A	N/A	9.5

Inception date: December 12, 2018

Source: Cambridge Global Asset Management, as at September 30, 2020.

PORTFOLIO COMMENTARY

This year has been one of extremes, from the most rapid economic contraction on record, to record stimulus measures and a massive equity rally, to valuation disconnects reaching near extreme levels in different sections of the market. The V-shaped recovery experienced in the second and third quarters has now begun to moderate with the expiration of some of the fiscal stimulus measures, rising unemployment and uncertainty regarding the containment of the COVID-19 pandemic. While the initial bounce in both economies and markets was impressive, the sustainability of that recovery is questionable. Much of the current market enthusiasm stems from the additional stimulus measures already taken and the prospect for further stimulus in the months to come.

The Fund returned 2.2% for the three-month period ended September 30, 2020.

The global pandemic has created a situation where economic outlooks are extremely challenged. It's more challenging to gain conviction when balancing the effect of unprecedented global fiscal and monetary stimulus against the greatest economic shock in modern history. At times like these when the economic outlook is more challenged, the process leans more on relative value in the fixed-income markets to drive returns. Currently, we believe U.S. Treasuries are more attractively valued relative to Canadian government bonds. Therefore, the Fund's portfolio holds a large amount of its duration risk in U.S. Treasuries. In addition, we believe Canadian preferred shares offer relatively better value than corporate bonds.

Portfolio characteristics

	Q3 2020	Q2 2020
Average credit rating	A	A
Yield to maturity	2.1%	2.0%
Duration	8.8 years	8.9 years
Foreign content	26.2%	27.4%

Sector weight

	Q3 2020 (%)	Q2 2020 (%)	Change (+/-)
Federal bonds	39.3	37.4	1.9
Provincial bonds	10.0	11.2	-1.2
Municipal bonds	11.8	11.5	0.3
Corporate bonds	27.2	29.0	-1.8
Preferred shares	9.9	10.1	-0.2
Common equity	0.0	0.0	0.0
Cash	1.8	0.8	1.0

Credit rating weight

	Q3 2020 (%)	Q2 2020 (%)	Change (+/-)
AAA	44.5	42.5	2.0
AA	20.4	20.6	-0.2
A	15.4	17.3	-1.9
BBB	12.4	11.6	0.8
BB or below	4.2	6.1	-1.9
Not rated/other	1.3	1.1	0.2
Cash	1.8	0.8	1.0

Top 10 holdings

	Weight
United States Treasury 2.63% 15-Feb-2029	9.75%
Government of Canada 1.25% 01-Mar-2025	7.29%
Bank of Montreal 3.19% 01-Mar-2028	5.69%
The Bank of Nova Scotia 3.1% 02-Feb-2028	5.38%
Canada Housing Trust No. 1 2.55% 15-Dec-2023	4.84%
Canada Housing Trust No. 1 2.25% 15-Dec-2025	4.63%
United States Treasury 3.0% 15-Aug-2048	4.56%
United States Treasury 1.5% 15-Feb-2030	3.24%
Constellation Software Inc. 8.75% 31-Mar-2040	2.66%
Royal Bank of Canada 4.9 % Non-cum First Pfd Registered Shares	2.27%

Performance attribution

Duration effect	-0.42%
Curve effect	0.66%
Security selection effect	1.91%
Yield enhancement effect	0.28%
Currency effect	-0.16%

Source: FactSet Research Systems Inc., as at September 30, 2020. Unless otherwise noted, all information is provided as at September 30, 2020.

IMPORTANT DISCLAIMERS

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all dividends/distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

This document is provided as a general source of information and should not be considered personal, legal, accounting, tax or investment advice, or construed as an endorsement or recommendation of any entity or security discussed. Every effort has been made to ensure that the material contained in this document is accurate at the time of publication. Market conditions may change which may impact the information contained in this document. All charts and illustrations in this document are for illustrative purposes only. They are not intended to predict or project investment results.

Certain statements in this document are forward-looking. Forward-looking statements (“FLS”) are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as “may,” “will,” “should,” “could,” “expect,” “anticipate,” “intend,” “plan,” “believe,” or “estimate,” or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what CI Investments Inc. and the portfolio manager believe to be reasonable assumptions, neither CI Investments Inc. nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

The opinions expressed in the communication are solely those of the author and are not to be used or construed as investment advice or as an endorsement or recommendation of any entity or security discussed. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies.

The author and/or a member of their immediate family may hold specific holdings/securities discussed in this document. Any opinion or information provided are solely those of the author and does not constitute investment advice or an endorsement or recommendation of any entity or security discussed or provided by CI Investments Inc.

Certain statements contained in this communication are based in whole or in part on information provided by third parties and CI Investments Inc. has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

Cambridge Global Asset Management is a division of CI Investments Inc. Certain funds associated with Cambridge Global Asset Management are sub-advised by CI Global Investments Inc., a firm registered with the U.S. Securities and Exchange Commission and an affiliate of CI Investments Inc.

CI Investments and the CI Investments design, Cambridge Global Asset Management are registered and unregistered trademarks of CI Investments Inc., its subsidiaries or affiliated entities. All other marks are the property of their respective owners.

© CI Investments Inc. 2020. All rights reserved.

Published October 30, 2020.



2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7 | www.ci.com

Head Office / Toronto
416-364-1145
1-800-268-9374

Calgary
403-205-4396
1-800-776-9027

Montreal
514-875-0090
1-800-268-1602

Vancouver
604-681-3346
1-800-665-6994

Client Services
English: 1-800-563-5181
French: 1-800-668-3528