

PORTFOLIO MANAGERS



Robert Swanson*, CFA
Principal & Portfolio Manager

Robert Swanson serves as a Principal and Portfolio Manager at Cambridge Global Asset Management. He is the co-manager of Cambridge Asset Allocation, Cambridge Monthly Income Fund and Cambridge Global High Income Fund, and manages the Canadian equity strategies for Cambridge's Institutional clients.



Brandon Snow
Principal & Chief Investment Officer

Brandon Snow serves as the Principal and Chief Investment Officer at Cambridge Global Asset Management. He is responsible for leading the analyst team and directs the global research activities of the firm. Brandon is the Lead Portfolio Manager of Cambridge Canadian Equity Corporate Class and co-manager of Cambridge Asset Allocation Corporate Class and Cambridge Global Equity Corporate Class.



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.

PERFORMANCE

Performance	3 Month	1 Year	3 Year	5 Year	10 Year	Since inception
Cambridge Asset Allocation Corporate Class F	9.9%	0.6%	2.4%	3.4%	7.4%	5.9%

Inception Date: December 31, 2007

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

PORTFOLIO COMMENTARY

It has been one of the most remarkable years. The economy and the market experienced the most dramatic pull back since the great depression, only to stage one of the biggest comebacks in decades. Given the advanced stage of the latest economic expansion, we entered the year with a cautious approach within our asset allocation portfolios. The ensuing market sell off in March validated our cautious positioning, only to prove us wrong just two short months later. Given the magnitude of the business interruption and layoffs, we have maintained our conservative positioning. The markets have reacted enthusiastically to the corresponding record level of monetary stimulus provided by central bankers around the world. While the path toward economic normality is uncertain, the markets have assumed the stimulus will have an immediate impact.

The Fund returned 9.9% for the three months ending June 30, 2020.

Over the quarter, Franco-Nevada Corp. and Keyera Corp. were top contributors. Franco-Nevada is a resource royalty and investment company, with interests primarily in gold royalties. The royalty business offers exposure to the underlying resource, with limited capital investment requirements that allow it to earn strong returns on capital. Franco-Nevada offers high-quality exposure to gold prices and diversification within the portfolio. Keyera is an energy midstream business that engages in distribution, refining and marketing of finished petroleum products. Keyera is well positioned to weather the challenging operating environment as it has more visibility to revenues despite industry production levels forecasted to decline.

Wells Fargo & Co. and Enbridge Inc. were top detractors. Wells Fargo & Co. is a diversified financial services company providing a wide range of services to its largely U.S. customer base. Wells Fargo & Co. has not participated in the market recovery as the challenging environment will likely result in weaker loan growth going forward and higher non-performing loans. The company should re-rate higher if a lasting recovery takes hold. Enbridge Inc. provides energy transportation, distribution, and related services in North America and internationally. Enbridge operates a crude oil and liquids pipeline system and is involved in natural gas transmission and midstream businesses. The nature of its business offers better revenue visibility than traditional energy businesses. It is well positioned to withstand a challenging environment and benefit

from the economic rebound as it occurs.

Asset mix

	Q2 2020 (%)	Q1 2020 (%)	Change (+/-)
Equity	41%	49%	-8%
Fixed Income	56%	49%	7%
Cash	3%	1%	2%
Alternatives	0%	1%	-1%

Country weight

	Q2 2020 (%)	Q1 2020 (%)	Change (+/-)
Canada	64.7%	60.3%	4.4%
United States	28.0%	31.0%	-3%
United Kingdom	1.8%	4.4%	-2.6%
Japan	1.0%	1.1%	-0.1%
Cash	4.5%	3.2%	1.3%

Top 10 equity holdings

	Country	Sector	Weight
Franco-Nevada Corp.	Canada	Materials	2.63%
Fortis Inc.	Canada	Utilities	2.00%
Alimentation Couche-Tard Inc.	Canada	Consumer staples	1.83%
Fairfax Financial Holdings Ltd.	Canada	Financials	1.73%
Dollarama Inc.	Canada	Consumer discretionary	1.63%
McKesson Corp.	United States	Health care	1.63%
Microsoft Corp.	United States	Information Technology	1.49%
SPDR Gold Shares	United States	Exchange Traded Fund	1.46%
Anthem Inc.	United States	Health care	1.45%
Jacobs Engineering Group Inc.	United States	Industrials	1.39%

Contributors and detractors

Contributors	Detractors
Franco-Nevada Corp.	Fortis Inc.
Keyera Corp.	Enbridge Inc.
DuPont de Nemours, Inc.	Wells Fargo & Co.

Over the quarter, we eliminated positions in Boeing Company and CI Financial Corp. and increased the position in Microsoft Corp.

Given the uncertain nature of the COVID-19 pandemic and the timing of a vaccine, we anticipate ongoing bouts of business interruption will lead to greater market volatility. The market has recovered to pre-COVID-19 levels, in some cases exceeding those previous highs, thus it has likely priced in most of the good news coming from policy efforts to maintain economic and market stability. We would anticipate that the new normal economic growth rate will be slower than historical precedent, not unlike the pace we witnessed post the 2008-09 recession. While the valuation spread between defensive and cyclical issues is approaching extreme levels, we would not advocate rushing headlong into cyclical shares, but perhaps a gradual blending of more economically sensitive business into a core portfolio. From an asset allocation perspective, we continue to adhere to a more conservative stock/bond blend. As fundamental investors, our focus remains on identifying durable, high-quality businesses that can compound shareholder value through our disciplined bottom-up investment process.

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

Source: FactSet, as at June 30, 2020. Unless otherwise noted, all information is provided as at June 30, 2020.

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