

PORTFOLIO MANAGER



Brandon Snow

Principal &
Chief Investment Officer

Brandon Snow leads the analyst team and directs the global research activities at Cambridge Global Asset Management. He is Lead Portfolio Manager of Cambridge Canadian Equity Corporate Class and Cambridge Global Equity Corporate Class and co-manager of Cambridge Asset Allocation Corporate Class. Mr. Snow was named a Top 10 Investment Mind in 2014 and in 2015 was named as one of Canada's TopGun Investment Minds by Brendan Wood International Canadian investment rankings. Prior to joining CI in 2011, he was portfolio manager of two Canadian-focused equity funds at Fidelity Investments.

Mr. Snow received a BA in economics and financial management from Wilfrid Laurier University.

PERFORMANCE

Performance	3 Month	1 Year	3 Year	5 Year	10 Year	Since inception
Cambridge Canadian Equity Corporate Class F	-10.0%	-6.0%	5.0%	6.4%	11.3%	7.9%

Inception Date: December 31, 2007

PORTFOLIO COMMENTARY

The year ended with a bout of volatility as sentiment deteriorated rapidly and investors focused on the downside risks to the global economy. The market quickly extrapolated the lagged impact of headwinds stemming from rising interest rates, trade tariffs, Brexit and the U.S. government shutdown as volatility returned. While economic growth may have peaked, the silver lining to the pullback is that risk assets have become more attractive. The portfolio ended the quarter lower in absolute terms but outperformed its benchmark, the S&P/TSX Composite Index (-10.1%). Performance was driven by positive contributions from holdings in the utilities and materials sectors.

Within utilities, the portfolio's holdings in Emera and Hydro One performed well and were positive contributors as shares ended up about 10% and 4% respectively on the quarter. At Emera, while fundamentals were relatively unchanged, investor appetite for the relative stability of utilities rose given the concerns surrounding economic growth during the quarter. Hydro One performed well as the potential acquisition of U.S.-based Avista was denied by regulators. The acquisition would have increased leverage significantly, while also potentially negatively impacting their credit rating.

Materials sector holding Franco-Nevada performed well and ended the quarter up nearly 20%. The company performed well during the quarter, rising along with gold prices. Gold prices rallied as volatility and risk aversion rose during the period. Currency was also a tailwind to performance as the portfolio's U.S. dollar exposure contributed over 200 basis points to relative performance.

The largest detractors in the portfolio were Activision Blizzard and Tourmaline Oil as their shares declined about 44% and 19% respectively during the period. Although Activision announced good results, guidance into the final quarter of the year was weaker than expected and user engagement declined. Tourmaline's shares were weak during the quarter as oil and gas prices fell. Concerns regarding slowing economic growth weighed on resource prices. We believe these issues will pass and both companies were top 10 holdings in the portfolio at year end.

Equity sector weight

	Q4 2018 (%)	Q3 2018 (%)	Change (+/-)
Communication services	12.2%	9.8%	2.4%
Consumer discretionary	7.3%	9.8%	-2.5%
Consumer staples	4.0%	6.5%	-2.5%
Energy	14.0%	10.0%	4.0%
Financials	9.4%	12.7%	-3.3%
Health care	9.1%	7.7%	1.4%
Industrials	21.3%	19.3%	2.0%
Information technology	3.0%	3.3%	-0.3%
Materials	10.7%	11.8%	-1.1%
Real estate	0.0%	0.4%	-0.4%
Utilities	6.9%	6.9%	0.0%
Cash	2.1%	1.7%	0.4%

Country weight

	Q4 2018 (%)	Q3 2018 (%)	Change (+/-)
Canada	48.8%	50.3%	-1.5%
United States	44.3%	44.9%	-0.6%
United Kingdom	4.8%	3.1%	1.7%
Cash	2.1%	1.7%	0.4%

Top 10 holdings

	Country	Sector	Weight
CSX Corp.	United States	Industrials	5.43%
Tourmaline Oil Corp.	Canada	Energy	4.41%
Keyera Corp.	Canada	Energy	4.35%
Linde PLC	United States	Materials	4.25%
George Weston Ltd.	Canada	Consumer staples	4.00%
Jacobs Engineering Group Inc.	United States	Industrials	3.98%
Activision Blizzard Inc.	United States	Communication services	3.79%
Emera Inc.	Canada	Utilities	3.77%
Athene Holdings Ltd.	United States	Financials	3.63%
Alphabet Inc.	United States	Communication services	3.62%

Contributors and detractors

Contributors	Detractors
Franco-Nevada Corp.	Activision Blizzard Inc.
Verizon Communications Inc.	Tourmaline Oil Corp.
Emera Inc.	Finning International Inc.

As quality fundamental investors, our focus remains on identifying durable, compounding businesses through our disciplined bottom-up investment process. Overall, equity valuations have normalized in recognition of slowing economic growth, central bank tightening and the late stage economy which has raised concerns regarding future economic growth prospects. This has created opportunities to apply our fundamental research process to identify attractive risk/reward opportunities. Following the market volatility last year and particularly in the fourth quarter of 2018, companies with higher cyclical exposure have begun to look more attractive. We will continue to monitor these developments, remain patient and be ready to act if a compelling risk-adjusted return opportunity presents itself.

Unless otherwise noted, all information is provided as at December 31, 2018.

This commentary is published by CI Investments Inc. It is provided as a general source of information and should not be considered personal investment advice or an offer or solicitation to buy or sell securities. Every effort has been made to ensure that the material contained in this commentary is accurate at the time of publication. Market conditions may change which may impact the information contained in this document. This commentary may contain forward-looking statements about the fund, its future performance, strategies or prospects, and possible future fund action. These statements reflect the portfolio managers' current beliefs and are based on information currently available to them. Forward-looking statements are not guarantees of future performance. We caution you not to place undue reliance on these statements as a number of factors could cause actual events or results to differ materially from those expressed in any forward-looking statement, including economic, political and market changes and other developments. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Unless otherwise indicated and except for returns for periods less than one year, the indicated rates of return are the historical annual compounded total returns including changes in security value. All performance data assume reinvestment of all distributions or dividends 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. ®CI Investments, the CI Investments design and logo and Cambridge are registered trademarks of CI Investments Inc. 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.

The Brendan Wood TopGuns recognition is given to buy-side analysts through voting of sell-side professionals casting their ballots for the investors they personally believe to be the leaders of thought in the industry during the past year. TopGuns are those that garnered the upper decile of sell-side nominations. All TopGuns recognitions are subjective judgments and opinions, based on the experience of Brendan Wood and on information obtained by them from third parties on whose responses they have relied in good faith. There has been independent verification by Brendan Wood.

Published January 2019.



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