

PORTFOLIO MANAGER



Greg Dean, CFA
Principal &
Portfolio Manager

Greg Dean is Lead Portfolio Manager of the Cambridge small and mid-cap equity strategies. Prior to joining CI in 2011, he was a research analyst at Fidelity Investments. He was named a TopGun Investment Mind (Platinum Class) in the Brendan Wood International Canadian investment rankings from 2012-2017. He was also awarded co-winner of the Breakout Fund Manager of the Year at the Morningstar Awards for 2015, along with Cambridge teammate Stephen Groff. Mr. Dean has ten years of investment management experience. He 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 Canadian Growth Companies Fund Class F	-14.4%	-9.2%	5.9%	5.9%	N/A	14.1%

Inception Date: February 15, 2011

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 was not immune to the pullback and ended the period lower in absolute terms. Performance was driven by positive contributions from holdings in the consumer and financials sector, while energy-exposed businesses were among the largest detractors.

Consumer holding BK Brasil was a standout performer during the quarter. Shares of the Brazilian fast food operator were up nearly 70% as sentiment recovered sharply during the quarter. The weakness was in part due to a challenging macro backdrop in Brazil, but a change in political leadership in the second half of 2018 was well received by markets. Despite this environment, the fast food chain was able to grow same store sales over 8% in the quarter compared to the previous year. The company is also on track to achieve its expansion target of 100 stores in 2018.

Financial sector holding Echelon Financial was a strong contributor and saw its shares rise about 12% in the quarter. The strong performance was driven by the company's announcement to sell its insurance business that will generate proceeds of \$175m. The business was sold to at an attractive price of +40% premium to book value.

Within energy, Teekay Offshore Partners, Tourmaline Oil and Keyera were each among the top five detractors over the period. Their share prices declined about 48%, 25% and 25% respectively during the quarter as oil prices fell and slowing economic growth weighed on resource prices. Despite the pullback during the quarter, Tourmaline and Keyera ended the year as top 10 holdings within the portfolio.

Equity sector weight

	Q4 2018 (%)	Q3 2018 (%)	Change (+/-)
Communication services	1.7%	0.0%	1.7%
Consumer discretionary	17.9%	13.4%	4.5%
Consumer staples	5.2%	6.3%	-1.1%
Energy	13.0%	14.3%	-1.3%
Financials	22.0%	18.0%	4.0%
Health care	0.9%	1.1%	-0.2%
Industrials	20.1%	21.2%	-1.1%
Information technology	8.8%	13.3%	-4.5%
Materials	4.6%	4.1%	0.5%
Real estate	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%
Cash	5.8%	8.3%	-2.5%

Country weight

	Q4 2018 (%)	Q3 2018 (%)	Change (+/-)
Canada	49.5%	48.3%	1.2%
United States	30.3%	29.4%	0.9%
United Kingdom	9.5%	10.2%	-0.7%
Sweden	2.6%	1.9%	0.7%
Brazil	2.3%	1.9%	0.4%
Cash	5.8%	8.3%	-2.5%

Top 10 holdings

	Country	Sector	Weight
Middleby Inc.	United States	Industrials	5.21%
Signature Bank	United States	Financials	4.47%
Boyd Group Income Fund	Canada	Industrials	4.19%
Great Canadian Gaming Corp.	Canada	Consumer discretionary	3.93%
Burford Capital Ltd.	United Kingdom	Financials	3.61%
Tourmaline Oil Corp.	Canada	Energy	3.60%
Premium Brands Holdings Corp.	Canada	Consumer staples	3.57%
Athene Holding Ltd.	United States	Financials	3.46%
Black Stone Minerals LP	Canada	Energy	3.36%
Keyera Corp.	Canada	Energy	3.32%

Contributors and detractors

Contributors	Detractors
BK Brasil SA	Teekay Offshore Partners LP
Echelon Financial Holdings Inc.	Brookfield Business Partners LP
LendingTree Inc.	Sleep Country Canada Holdings 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.

Morningstar Awards © Morningstar Inc. All Rights Reserved.

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