

PORTFOLIO MANAGERS



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.



Stephen Groff,
CFA
Principal and
Portfolio Manager

Stephen Groff serves as a Principal and Portfolio Manager at Cambridge Global Asset Management. He is responsible for managing the Cambridge dividend equity mandates as well as co-managing Cambridge Canadian Equity Fund and Cambridge Pure Canadian Equity Fund.

PERFORMANCE

Performance (%)	3 Month	1 Year	3 Year	5 Year	10 Year	Since inception*
Cambridge Canadian Equity Corporate Class (Class F)	10.3	5.6	8.5	7.1	12.8	8.7

* Since-inception date: December 31, 2007.

PORTFOLIO COMMENTARY

The year began with a strong rally in equity markets, reversing much of the damage suffered in the fourth quarter of 2018. Equities took their cue from a dovish pivot by central banks, especially the U.S. Federal Reserve, on monetary policy, leaving investors to believe the soft patch in economic data will pass. The strong rally in equities over the first quarter of 2019 has led to a more balanced risk/reward environment overall; however, we are uncovering attractive opportunities at the company level through our bottom-up investment process.

The portfolio of Cambridge Canadian Equity Corporate Class (the “Fund”) had a strong quarter in terms of absolute performance (see performance table above).

Top contributors to performance over the quarter were Fund holdings in Keyera Corp. and Jacobs Engineering Group Inc. Keyera is an energy infrastructure company with an integrated and scale asset base in Western Canada. Keyera’s shares performed well as the company generated record cash flow and earnings during the quarter, while securing additional projects to drive future growth. Jacobs Engineering Group is an engineering and construction firm with significant exposure to government contracts. The company’s shares have performed well as margin expansion and top-line growth exceeded expectations and the integration of CH2M HILL Companies, Ltd. is progressing better than expected.

A top detractor from performance was the Fund’s holding in Great Canadian Gaming Corp. Great Canadian Gaming operates casinos in Ontario, B.C. and Atlantic Canada. The company continues to invest capital in its recently acquired Ontario gaming assets, which, in our view, represents a significant long-term opportunity for the company.

Over the quarter, we slightly reduced Fund holdings across almost all sectors, including a decrease in Emera Inc., a Fund holding in the utilities sector, with a corresponding increase in cash.

Equity sector weight

	Q1 2019 (%)	Q4 2018 (%)	Change (+/-)
Communication services	10.9	12.2	-1.3
Consumer discretionary	8.4	7.3	1.1
Consumer staples	4.4	4.0	0.4
Energy	13.2	14.0	-0.8
Financials	9.4	9.4	0.0
Health care	9.0	9.1	-0.1
Industrials	18.1	21.3	-3.2
Information technology	3.0	3.0	0.0
Materials	10.7	10.7	0.0
Real estate	0.0	0.0	0.0
Utilities	4.1	6.9	-2.8
Cash	8.8	2.1	6.7

Country weight

	Q1 2019 (%)	Q4 2018 (%)	Change (+/-)
Canada	44.6	48.8	-4.2
United States	42.0	44.3	-2.3
United Kingdom	4.7	4.8	-0.1
Cash	8.8	2.1	6.7

Top 10 holdings

	Country	Sector	Weight (%)
Jacobs Engineering Group Inc.	United States	Industrials	4.69
Tourmaline Oil Corp.	Canada	Energy	4.67
George Weston Ltd.	Canada	Consumer staples	4.43
Linde PLC	United States	Materials	4.39
Keyera Corp.	Canada	Energy	4.24
CSX Corp.	United States	Industrials	4.15
Canadian Pacific Railway Ltd.	Canada	Industrials	4.10
Emera Inc.	Canada	Utilities	4.09
Verizon Communications Inc.	United States	Communication services	3.75
Alphabet Inc.	United States	Communication services	3.74

Contributors and detractors

Contributors	Detractors
Keyera Corp.	Cboe Global Markets, Inc.
Jacobs Engineering Group Inc.	Activision Blizzard, Inc.
Tourmaline Oil Corp.	Great Canadian Gaming Corp.

We expect the global slowdown in economic growth to continue amid uncertainties around the trade dispute between the United States and China, China's economic growth and unstable European politics. We also expect global earnings growth to moderate in 2019, tracking the more subdued growth outlook.

In Canada, we continue to monitor several factors, including consumer debt, job growth, export numbers, and key leading and lagging indicators in the United States, and their impact on investments.

Abroad, we continue to monitor the United Kingdom's exit from the European Union as well as China's fiscal and monetary stimulus and the challenges it faces from high indebtedness, slowing property construction and poor demographics.

Given this backdrop, it is more challenging to find attractively valued investment opportunities. We are reviewing economic data for signs of stabilization or changes in trends that would impact economic prospects. We continue to focus on finding investments in durable, compounding businesses through a disciplined investment process and on building a resilient portfolio in areas that offer attractive compensation for the risk.

Note: Unless otherwise noted, all information provided is as at March 31, 2019.

Important Disclaimers

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.

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