

PORTFOLIO MANAGERS



Greg Dean, CFA
Portfolio Manager

Greg Dean serves as a Principal and Portfolio Manager at Cambridge Global Asset Management. He is responsible for managing Cambridge's small and mid-cap equity funds, including Cambridge Growth Companies Corporate Class, Cambridge Canadian Growth Companies Fund and Cambridge Pure Canadian Equity Fund.



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 Pure Canadian Equity Fund (Class F)	12.5	0.3	6.9	4.5	N/A	13.5

* Since-inception date: February 15, 2011.

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 Pure Canadian Equity Fund (the "Fund") had a strong quarter in terms of absolute performance (see performance table above).

Top contributor to performance for the quarter was the Fund's holding in Smartsheet Inc. a leader in the workflow management space, targeting business users. The company has a product that is addressing the large and fast-growing workflow management market. Smartsheet employs an efficient 'land and expand' go-to-market strategy that allows customers to test its product before paying for additional functionality, which should drive durable long-term growth and high margins for the company over time. Smartsheet currently has relationships with 60% of the Fortune 500 companies. As the company's attractive long-term prospect has become more widely appreciated by the market, we have been trimming the Fund's position in Smartsheet as the risk/reward opportunity for holding the company's shares has deteriorated.

A top detractor from performance was the Fund's holding in Spin Master Corp., a leading children entertainment company that creates, designs and manufactures a diversified portfolio of innovative toys. The company continues to manage through recent disruption related to the Toys 'R' Us bankruptcy to deliver sales and cash-flow growth. Spin Master continues to develop a strong pipeline that should contribute to the company's growth in future years.

During the quarter, we reduced the Fund's exposure to the industrials and financials sectors while increasing the Fund's cash level from slightly above 1% to nearly 8% of Fund assets.

Equity sector weight

	Q1 2019 (%)	Q4 2018 (%)	Change (+/-)
Communication services	0.0	0.0	0.0
Consumer discretionary	12.9	11.0	1.9
Consumer staples	10.1	9.4	0.7
Energy	19.0	20.5	-1.5
Financials	14.0	16.4	-2.4
Health care	4.8	4.1	0.7
Industrials	15.3	19.7	-4.4
Information technology	6.7	7.2	-0.5
Materials	9.4	9.3	0.1
Real estate	0.0	0.0	0.0
Utilities	0.0	1.2	-1.2
Cash	7.8	1.2	6.6

Country weight

	Q1 2019 (%)	Q4 2018 (%)	Change (+/-)
Canada	82.5	89.3	-6.8
United States	9.7	9.5	0.2
Cash	7.8	1.2	6.6

Top 10 holdings

	Country	Sector	Weight (%)
Great Canadian Gaming Corp.	Canada	Consumer discretionary	5.40
Tourmaline Oil Corp.	Canada	Energy	4.85
Premium Brands Holdings Corp.	Canada	Consumer staples	4.83
Boyd Group Income Fund	Canada	Industrials	4.71
Brookfield Business Partners L.P.	Canada	Industrials	4.15
Keyera Corp.	Canada	Energy	4.02
TFI International Inc.	Canada	Industrials	4.02
PrairieSky Royalty Ltd.	Canada	Energy	3.95
Winpak Ltd.	Canada	Materials	3.72
Stella-Jones Inc.	Canada	Materials	3.54

Contributors and detractors

Contributors	Detractors
Smartsheet Inc.	Winpak Ltd.
Brick Brewing Co. Ltd.	Spin Master Corp.
Boyd Group Income Fund	BioSyent Inc.

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 China 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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