

**PORTFOLIO MANAGER**



**Greg Dean, CFA**  
Principal &  
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.

Greg's career in the investment industry began in 2008 and he joined Cambridge in 2011. He was co-winner of the Breakout Fund Manager of the Year at the Morningstar Awards for 2015 and was named a TopGun Investment Mind (Platinum Class) in the Brendan Wood International Canadian investment rankings from 2012 to 2019.

Prior to joining Cambridge, Greg was a research analyst at Fidelity Investments where he managed a portion of Fidelity Canadian Disciplined Equity Fund.

Greg 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 Growth Companies Corporate Class (Class F)	12.1	1.3	13.7	N/A	N/A	11.6

\* Since-inception date: July 29, 2014.

**PORTFOLIO COMMENTARY**

The portfolio of Cambridge Growth Companies Corporate Class (the "Fund") had a strong first quarter of 2019 in terms of absolute performance (see performance table above), driven by security selection within the information technology, financials and industrials sectors. Selection within the consumer discretionary sector detracted from the Fund's performance, as did the Fund's allocation to cash.

Top contributors to performance over the quarter were Fund holdings in LendingTree, Inc. and Smartsheet Inc. LendingTree is an online aggregator that offers a broad range of financial services products to U.S. customers. We expect the company to demonstrate +20% EBITDA (earnings before interest, taxes, depreciation and amortization) growth organically for the next few years, combined with gradual margin expansion. LendingTree has a management team that is aligned with shareholders as the founder/CEO owns 17% of the company, something we view favourably. Also, we believe the recent acquisition of QuoteWizard.com LLC offers significant accretion that will be achieved over the next few years. As LendingTree's shares have appreciated, the risk/reward opportunity for holding the company's shares has become less attractive although the long-term fundamentals of the business remain bright. Smartsheet is a leader in the workflow management space, targeting business users. We believe Smartsheet employs an efficient 'land and expand' go-to-market strategy that allows customers to test the company's product before paying for additional functionality, which should drive durable long-term growth and high margins over time. Smartsheet currently has relationships with 60% of the Fortune 500 companies. As the company's attractive long-term prospects have become more widely appreciated by the market, we have been trimming our 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 Bygghmax Group AB, a do-it-yourself building material retailer in the Nordic countries. The company experienced numerous challenges in 2018, including very challenging weather, tariffs on lumber that drove costs up and the restructuring of its outdoor solarium business that contributed to the company's challenge to drive top-line growth and improve margins. Despite this, the company was successful with new store openings and raising prices to offset rising lumber costs.

## Equity sector weight

	Q1 2019 (%)	Q4 2018 (%)	Change (+/-)
Communication services	2.6	2.6	0.0
Consumer discretionary	18.5	22.6	-4.1
Consumer staples	4.8	3.0	1.8
Energy	4.9	6.2	-1.3
Financials	24.8	26.6	-1.8
Health care	0.0	0.0	0.0
Industrials	20.0	17.8	2.2
Information technology	14.4	14.1	0.3
Materials	0.1	0.2	-0.1
Real estate	0.0	0.0	0.0
Utilities	0.0	0.0	0.0
Cash	9.9	6.9	3.0

## Country weight

	Q1 2019 (%)	Q3 2018 (%)	Change (+/-)
United States	26.5	27.5	-1.0
United Kingdom	25.4	26.1	-0.7
Canada	9.8	8.3	1.5
Japan	8.6	6.8	1.8
Sweden	5.2	5.5	-0.3
Australia	5.2	4.4	0.8
Norway	3.6	3.5	0.1
France	3.3	4.6	-1.3
Germany	2.5	2.3	0.2
Brazil	0.0	4.1	-4.1
Cash	9.9	6.9	3.0

## Top 10 holdings

	Country	Sector	Weight (%)
The Middleby Corp.	United States	Industrials	5.07
LendingTree, Inc.	United States	Financials	4.57
Byggmax Group AB	Sweden	Consumer discretionary	4.27
Signature Bank	United States	Financials	4.16
AMA Group Ltd.	Australia	Consumer discretionary	4.02
Oslo Børs VPS Holding ASA	Norway	Financials	3.57
Alfa Financial Software Holdings PLC	United Kingdom	Information technology	3.55
Burford Capital Ltd.	United Kingdom	Financials	3.34
Euronext N.V.	France	Financials	3.29
B&M European Value Retail S.A.	United Kingdom	Consumer discretionary	3.16

## Contributors and detractors

Contributors	Detractors
LendingTree, Inc.	Byggmax Group AB
Smartsheet Inc.	Aston Martin Lagonda Global Holdings PLC
The Middleby Corp.	Qol Holdings Co., Ltd.

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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