

PORTFOLIO MANAGER



Stephen Groff

Principal & 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.

Stephen's career in the investment industry began in 2007 and he joined Cambridge in 2011. He was co-winner of the Morningstar Breakout Fund Manager of the Year award and a TopGun Investment Mind in the Brendan Wood International Canadian investment rankings from 2015 to 2019.

Prior to joining Cambridge, Stephen served as a Research Analyst at Fidelity Investments where he also managed a portion of Fidelity Canadian Disciplined Equity Fund.

Stephen holds 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 U.S. Dividend Fund (Class F)	10.2	17.5	12.6	12.7	13.4	9.1

* Since-inception date: June 14, 2006.

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 U.S. Dividend Fund (the "Fund") had a strong quarter in terms of absolute performance (see performance table above).

Top contributors to performance during the quarter were Fund holdings in Crown Holdings, Inc. and Viper Energy Partners LP. Crown Holdings is a leading company in the metal and transit packaging industry. The company delivered on its free cash-flow targets following the acquisition of Signode Packaging Systems Ltd., which was used to repay related debt. Viper Energy Partners is an oil and gas royalty company with significant acreage in the Permian Basin oil and gas fields in southwestern U.S. Despite volatile commodity prices during the quarter, Viper Energy Partners continued to grow production, cash flow and shareholder distributions. The company was also able to deploy capital toward mergers and acquisitions (M&A) and has completed a number of accretive transactions over the past year.

A top detractor from performance was the Fund's holding in Cboe Global Markets, Inc., the owner of the Chicago Board Options Exchange and the stock exchange operator BATS Global Markets, Inc. The company is in the final stages of integrating BATS global markets and could possibly pursue larger M&A going forward.

The Fund portfolio's cash level increased over the quarter. Exposure to the materials sector decreased while health care sector holdings increased.

Equity sector weight

	Q1 2019 (%)	Q4 2018 (%)	Change (+/-)
Communication services	9.3	9.3	0.0
Consumer discretionary	1.8	1.9	-0.1
Consumer staples	9.0	8.2	0.8
Energy	9.6	9.9	-0.3
Financials	14.0	14.9	-0.9
Health care	13.8	11.5	2.3
Industrials	6.8	7.6	-0.8
Information technology	9.1	9.9	-0.8
Materials	14.5	18.0	-3.5
Real estate	2.3	3.2	-0.9
Utilities	0.0	0.0	0.0
Cash	9.8	5.6	4.2

Country weight

	Q1 2019 (%)	Q4 2018 (%)	Change (+/-)
United States	90.2	94.4	-4.2
Cash	9.8	5.6	4.2

Top 10 holdings

	Country	Sector	Weight (%)
Verizon Communications Inc.	United States	Communication services	6.29
Black Stone Minerals, L.P.	United States	Energy	5.59
McKesson Corp.	United States	Health care	4.87
Philip Morris International Inc.	United States	Consumer staples	4.51
Walgreens Boots Alliance, Inc.	United States	Consumer staples	4.47
CSX Corp.	United States	Industrials	4.32
Broadcom Inc.	United States	Information technology	4.09
Viper Energy Partners LP	United States	Energy	4.04
Gilead Sciences, Inc.	United States	Health care	4.00
Crown Holdings, Inc.	United States	Materials	3.85

Contributors and detractors

Contributors	Detractors
Crown Holdings, Inc.	Walgreens Boots Alliance, Inc.
Philip Morris International Inc.	Activision Blizzard, Inc.
Viper Energy Partners LP	Cboe Global Markets, 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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Published May 2019.



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