

PORTFOLIO MANAGERS



Robert Swanson, CFA*

Principal &
Chief Market
Strategist

Robert Swanson is the Lead Portfolio Manager of Cambridge High Income Fund and Cambridge Monthly Income Fund, and co-manager of Cambridge Asset Allocation Corporate Class. His 34-year career includes extensive experience managing equity, income and balanced portfolios. Prior to his current role, he was lead manager of several mutual funds at Fidelity Investments with combined assets under management exceeding \$20 billion.

Mr. Swanson holds a B.Sc. in finance from Northern Illinois University, an MBA from Northwestern University, and the Chartered Financial Analyst designation.



Brandon Snow

Principal & Chief
Investment Officer

Brandon Snow is the Lead Portfolio Manager of Cambridge Canadian Equity Corporate Class and Cambridge Global Equity Corporate Class and co-manager of Cambridge Asset Allocation Corporate Class. Mr. Snow was named a Top 10 Investment Mind in 2014 and in 2015 was named as one of Canada's TopGun Investment Minds by Brendan Wood International Canadian investment rankings. Prior to joining CI in 2011, he was portfolio manager of two Canadian-focused equity funds at Fidelity Investments.

Mr. Snow received a BA in economics and financial management from Wilfrid Laurier University.

PERFORMANCE

Performance	3 Month	1 Year	3 Year	5 Year	10 Year	Since inception
Cambridge Asset Allocation Corporate Class F	1.5%	1.8%	3.9%	7.0%	6.2%	6.5%

Inception Date: December 31, 2007

PORTFOLIO COMMENTARY

We entered the quarter with a strong economic backdrop underpinned by accelerating corporate earnings, synchronized economic growth and the recent passage of tax reform legislation in the U.S. that is expected to stimulate capital spending and bolster growth in the world's largest economy. While it was evident that the economic backdrop was constructive, investors began to focus more intently on risks around inflation pressures, trade negotiations and rising short-term interest rates that have led to increased volatility this year. This volatility has created opportunities to deploy cash into new and existing positions that met our investment process criteria and had reached our buy targets.

The portfolio delivered a positive return of 1.5% during the quarter. Performance was driven by strong absolute contributions from holdings in the materials, energy and industrials sectors. On a relative basis, the portfolio's underweight exposure to equities and overweight exposure to fixed income detracted. Security selection within equities also detracted during the quarter, particularly within the health care and consumer staples sectors.

Within consumer staples, positions in Philip Morris International and Walgreens Boots Alliance ended lower. Philip Morris was negatively impacted when the company lowered growth expectations for a new product that reduces the health risks associated with tobacco products. Walgreens was negatively impacted after Amazon announced a more aggressive push into the pharmacy industry with the \$1B purchase of a business called Pillpack. Amazon's health care push has been rumored for some time and Walgreens strategy remains the same – to focus on improving the customer experience, develop deeper payor relationships, and drive operational efficiencies. It also announced a \$10B buyback representing approximately 15% of its market cap, reflecting the company's confidence in its strategy and competitive position.

Asset mix

	Q2 2018 (%)	Q1 2018 (%)	Change (+/-)
Equity	50%	49%	1%
Fixed Income	43%	45%	-2%
Cash	2%	2%	0%
Alternatives	5%	4%	1%

Country weight

	Q2 2018 (%)	Q1 2018 (%)	Change (+/-)
Canada	62.2%	64.3%	-2.1%
United States	32.1%	29.9%	2.2%
United Kingdom	3.4%	3.4%	0.0%
Germany	0.5%	0.5%	0.0%
Monaco	0.2%	0.2%	0.0%
Switzerland	0.1%	0.2%	-0.1%
Belgium	0.0%	0.1%	-0.1%
Cash	1.5%	1.5%	0.0%

Top 10 equity holdings

	Country	Sector	Weight
CSX Corp.	United States	Industrials	2.19%
Athene Holding Ltd.	United States	Financials	2.11%
Tourmaline Oil Corp.	Canada	Energy	2.01%
Anthem Inc.	United States	Health care	1.99%
Nutrien Ltd.	Canada	Materials	1.91%
Praxair Inc.	United States	Materials	1.87%
Canadian Pacific Railway Ltd.	Canada	Industrials	1.85%
Gilead Sciences Inc.	United States	Health care	1.80%
Keyera Corp.	Canada	Energy	1.74%
Emera Inc.	Canada	Utilities	1.68%

Contributors and detractors

Contributors	Detractors
CSX Corp.	Symantec Corp.
Nutrien Ltd.	Philip Morris International Inc.
Electronic Arts Inc.	Athene Holding Ltd.

We will remain disciplined to our bottom-up fundamental investment process that targets attractive risk-reward opportunities. When evaluating the investment merits of a business, we look at a broad range of scenarios to determine the potential upside as well as the potential downside in making an investment. This evaluation is an integral part of our investment process and helps us prepare for potential volatility. We will continue to monitor these developments and be ready to act if a compelling risk-adjusted return opportunity presents itself.

*Mr. Swanson is associated with CI Global Investments Inc., a firm registered with the U.S. Securities and Exchange Commission and an affiliate of CI Investments Inc. Certain funds associated with Cambridge Global Asset Management are sub-advised by CI Global Investments Inc.

Unless otherwise noted, all information is provided as at June 30, 2018.

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