

## ACTIVE INSIGHT

Our investment process focuses on identifying value-creating businesses with durable competitive advantages. These advantages allow the companies to generate excess returns within their industries, in turn allowing them to reinvest in their business or distribute capital to shareholders above and beyond their peers. After identifying a value-creating business, the weight we hold in the fund is driven by the risk/reward that we see, because a great company can be a bad stock if purchased at the wrong price.

Over the last year, four new companies have entered the top 10 equity holdings within the portfolio. These equity holdings have made it into the top 10 through our disciplined fundamental investment process and by rebalancing the portfolio into the most attractive risk/reward opportunities.

## FUND COMMENTARY

Global financial markets extended their rally during the fourth quarter, capping a strong year. The synchronized global economic expansion gained momentum as the economic outlook improved throughout the year. In this healthy economic environment, the portfolio was up about 1.9% during the quarter. This return lagged the benchmark due to weak security selection within the fund's equity exposure, as well as conservative positioning overall with an underweight to equities and an overweight to fixed income and cash.

Performance within equities was driven by security selection in the health care sector. Shares of Gilead Sciences declined about 11% during the quarter. The company announced quarterly results which beat expectations, but lowered the top end of its 2017 guidance which caused some concerns regarding short-term trends. The shares have since bounced back to recover these losses at the time of writing. Shares of information technology holding Symantec were also weak, closing about 14% lower during the quarter. The company gave back its second quarter gains following quarterly results that revealed some slowing in its enterprise segment. Despite the weak short-term results, Symantec remains a holding within the portfolio as the longer-term thesis of stabilization in its core businesses and the potential for additional capital allocation through mergers and acquisitions remains intact.

Security selection within the industrials sector was a bright spot, with shares of Finning up about 12% during the quarter. The heavy equipment distributor has experienced improving demand trends throughout the year as its energy sector customers in the oil sands of northern Alberta continue to recover.

During the quarter we made some adjustments to the fund's asset mix. The cash and equivalents exposure declined from 9.1% to 3.9% over the period, while exposure to equities and fixed income increased by about 2.5% each. We have been reducing the cash and equivalents holdings within the fund over the last six months, allocating primarily to shorter term fixed-income securities. This has added some incremental yield to the portfolio at an attractive risk/reward level.

As we look forward, we remain focused on identifying attractive risk/reward opportunities in value-creating businesses. Market sentiment has improved significantly over the last year and valuations have expanded accordingly. We are comfortable taking on less risk than the market when risk appetite is high and opportunities are harder to find – a description that fits today's environment.

## PERFORMANCE

Returns as of December 31, 2017 (in %)	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (12/31/2007)
Cambridge Asset Allocation Corporate Class Class F	3.2	3.2	5.4	9.3	6.9	6.9

This commentary is published by CI Investments Inc. It is provided as a general source of information and should not be considered personal investment advice or an offer or solicitation to buy or sell securities. Every effort has been made to ensure that the material contained in this commentary is accurate at the time of publication. However, CI Investments Inc. cannot guarantee its accuracy or completeness and accepts no responsibility for any loss arising from any use of or reliance on the information contained herein. This commentary may contain forward-looking statements about the fund, its future performance, strategies or prospects, and possible future fund action. These statements reflect the portfolio managers' current beliefs and are based on information currently available to them. Forward-looking statements are not guarantees of future performance. We caution you not to place undue reliance on these statements as a number of factors could cause actual events or results to differ materially from those expressed in any forward-looking statement, including economic, political and market changes and other developments. 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. ©CI Investments, the CI Investments design and logo and Cambridge are registered trademarks of CI Investments Inc. Cambridge Global Asset Management is a division of CI Investments Inc. Certain funds associated with Cambridge Global Asset Management are sub-advised by CI Global Investments Inc., a firm registered with the U.S. Securities and Exchange Commission and an affiliate of CI Investments Inc. Published January 2018.



2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7 | [www.ci.com](http://www.ci.com)

**Head Office / Toronto**  
416-364-1145  
1-800-268-9374

**Calgary**  
403-205-4396  
1-800-776-9027

**Montreal**  
514-875-0090  
1-800-268-1602

**Vancouver**  
604-681-3346  
1-800-665-6994

**Client Services**  
English: 1-800-563-5181  
French: 1-800-668-3528