

PORTFOLIO MANAGER



Stephen Groff
Principal &
Portfolio Manager

Stephen Groff, Principal and Portfolio Manager, is Lead Portfolio Manager of the Cambridge dividend suite of funds, including Cambridge Canadian Dividend Fund, Cambridge U.S. Dividend Fund and Cambridge Global Dividend Fund. Mr. Groff has over 10 years of investment management experience and was award co-winner of the Morningstar Breakout Fund Manager of the Year in 2015 and a TopGun Investment Mind in the Brendan Wood International Canadian investment rankings for 2015, 2016, and 2017. Prior to joining CI Investments in 2011, he was a research analyst at Fidelity Investments, where he managed a portion of Fidelity Canadian Disciplined Equity Fund.

He 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 Canadian Dividend Fund Class F	-2.8%	3.8%	6.9%	11.3%	8.5%	8.2%

Inception Date: June 14, 2006

PORTFOLIO COMMENTARY

The first quarter ushered in a renewed period of volatility for financial markets. Investor sentiment grew cautious as the prospects for future interest rate hikes rose along with inflation expectations. Rising trade tensions between the U.S. and China also caused further angst among investors. Although the economic backdrop improved and corporate earnings continued to grow during the period, the combination of elevated expectations and high valuations left little margin for error as the market narrative shifted towards inflation and trade-related risks.

Against this backdrop, the fund returned -2.8% during the quarter. The volatility did create opportunities in the period and the fund was able to deploy cash into new or existing holdings at attractive levels. Cash positions declined to about 9% over the period. We deployed the cash into areas of the market where we saw attractive risk-reward opportunities, establishing new positions or adding to existing holdings. On a sector basis, utilities and telecommunication services saw the largest increase in weight.

These sector weights are a residual of our bottom-up investment research process. When evaluating the investment merits of a business, we look at a broad range of scenarios to determine the potential risk-reward of making an investment. This evaluation is part of our ongoing due diligence process and helps us prepare for potential volatility. We will be ready to act if a compelling risk-adjusted return opportunity presents itself.

Equity sector weight

	Q1 2018 (%)	Q4 2017 (%)	Change (+/-)
Consumer discretionary	3.6%	6.6%	-2.9%
Consumer staples	14.3%	15.1%	-0.7%
Energy	15.8%	13.9%	1.9%
Financials	14.4%	12.3%	2.2%
Health care	0.0%	0.0%	0.0%
Industrials	9.7%	11.0%	-1.3%
Information technology	4.9%	4.5%	0.4%
Materials	5.2%	6.3%	-1.2%
Real estate	8.2%	9.5%	-1.3%
Telecommunications	2.4%	0.0%	2.4%
Utilities	12.5%	4.0%	8.5%
Cash	9.0%	17.0%	-8.0%

Country weight

	Q1 2018 (%)	Q4 2017 (%)	Change (+/-)
Canada	68.6%	62.0%	6.6%
United States	22.4%	21.0%	1.4%
Cash	9.0%	17.0%	-8.0%

Top 10 holdings

	Country	Sector	Weight
Walgreens Boots Alliance Inc.	United States	Consumer staples	5.83%
Fortis Inc.	Canada	Utilities	4.06%
Hydro One Ltd.	Canada	Utilities	3.98%
Intact Financial Corp.	Canada	Financials	3.94%
TFI International Inc.	Canada	Industrials	3.85%
Canadian Natural Resources Ltd.	Canada	Energy	3.82%
Fairfax Financial Holdings Ltd.	Canada	Financials	3.60%
Keyera Corp.	Canada	Energy	3.48%
RioCan REIT	Canada	Real estate	3.46%
Store Capital Corp.	United States	Real estate	3.36%

Contributors and detractors

Contributors	Detractors
Viper Energy Partners LP	Alimentation Couche-Tard Inc.
CCL Industries Inc.	Canadian Natural Resources Ltd.
Cargojet Inc.	Walgreens Boots Alliance Inc.

Unless otherwise noted, all information is provided as at March 31, 2018.

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