

PORTFOLIO MANAGER



Greg Dean, CFA
Principal &
Portfolio Manager

Greg Dean is Lead Portfolio Manager of the Cambridge small and mid-cap equity strategies. Prior to joining CI in 2011, he was a research analyst at Fidelity Investments. He was named a TopGun Investment Mind (Platinum Class) in the Brendan Wood International Canadian investment rankings from 2012-2017. He was also awarded co-winner of the Breakout Fund Manager of the Year at the Morningstar Awards for 2015, along with Cambridge teammate Stephen Groff. Mr. Dean has ten years of investment management experience. He 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 Canadian Growth Companies Fund Class F	4.6%	8.1%	8.5%	12.3%	N/A	17.3%

Inception Date: February 15, 2011

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 4.6% during the quarter. Performance was driven by holdings in energy and technology sectors. Within energy, Storm Resources, Tourmaline Oil and Keyera were strong performers as rising oil prices drove the shares higher on expectations of higher future cash flows. Within technology, positions in Wix.com and Auto Trader performed well. Wix.com is the leader in the do-it-yourself website market and recently launched a product called Wix Code – a website building tool that should expand its addressable market to also include professional developers. We believe it has a strong platform, management team and market opportunity. Shares in the company were up over 25% during the quarter. Auto Trader also performed well with shares gaining more than 20% over the period as the company announced a good quarter and issued guidance that met expectations. We believe the firm can compound free cash flow at a double-digit rate and continue to generate strong returns for shareholders.

The quarter also included some holdings that detracted on an absolute basis, particularly within the financials sector. LendingTree ended the period lower after posting strong growth but disappointing the market by not raising guidance. They have a leading online consumer finance marketplace and continue to have a long growth runway with fundamental trends solidly intact. Signature Bank also ended the period lower as organic growth has slowed in recent quarters. We continue to view them as a high-quality mid-cap bank that offers good value and can continue to create value for shareholders going forward.

Equity sector weight

	Q2 2018 (%)	Q1 2018 (%)	Change (+/-)
Consumer discretionary	15.4%	15.8%	-0.4%
Consumer staples	6.0%	4.4%	1.6%
Energy	12.4%	15.1%	-2.7%
Financials	16.3%	14.9%	1.4%
Health care	1.1%	2.1%	-1.0%
Industrials	21.9%	20.5%	1.4%
Information technology	11.4%	11.7%	-0.3%
Materials	5.4%	6.0%	-0.6%
Real estate	1.9%	1.8%	0.1%
Telecommunications	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%
Cash	8.2%	7.7%	0.5%

Country weight

	Q2 2018 (%)	Q1 2018 (%)	Change (+/-)
Canada	49.7%	48.8%	0.9%
United States	24.8%	22.4%	2.4%
United Kingdom	13.6%	14.8%	-1.2%
Brazil	1.9%	1.7%	0.2%
Sweden	1.8%	3.1%	-1.3%
Australia	0.0%	1.5%	-1.5%
Cash	8.2%	7.7%	0.5%

Top 10 holdings

	Country	Sector	Weight
Middleby Inc.	United States	Industrials	4.88%
Keyera Corp.	Canada	Energy	3.97%
TFI International Inc.	Canada	Industrials	3.97%
B&M European Value Retail SA	United Kingdom	Consumer discretionary	3.74%
Boyd Group Income Fund	Canada	Industrials	3.65%
Tourmaline Oil Corp.	Canada	Energy	3.55%
Wix.com Ltd.	United States	Information technology	3.52%
Sleep Country Canada Holdings Inc.	Canada	Consumer discretionary	3.48%
Athene Holding Ltd.	United States	Financials	3.33%
Auto Trader Group PLC	United Kingdom	Information technology	3.29%

Contributors and detractors

Contributors	Detractors
Storm Resources Ltd.	Middleby Corp.
TFI International Inc.	LendingTree Inc.
Wix.com Ltd.	Signature Bank

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.

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

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2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7 | 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