

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	1.6%	7.2%	12.0%	11.2%	N/A	16.9%

Inception Date: February 15, 2011

PORTFOLIO COMMENTARY

Global financial markets were mixed during the quarter. Equity market leadership continued to narrow around the U.S., in contrast to international markets that broadly ended lower. Investors turned to rising trade tensions and concerns that global economic activity had peaked, which weighed on sentiment. The portfolio performed well in this environment, ending the period higher. Performance was driven by strong security selection overall and positive contributions from holdings in the industrials and technology sectors.

Within industrials, the portfolio's exposure to Middleby and TFI International contributed positively to performance. Middleby performed well during the period as the company rebounded from disappointing results in the previous quarter and saw shares advance about 24%. The company – a global leader in the foodservice equipment industry – was able to alleviate cautious sentiment and show that slowing organic sales and margin compression was transitory. We maintained our position throughout the period and Middleby remains the fund's top holding. We have owned and followed Middleby for many years and believe the company will continue to be a long-term compounder of value for our clients. Transforce benefitted from tight freight fundamentals, supported by the strong economic backdrop. The company reported robust volume and pricing growth which translated into strong revenue and cash flows for the company. Technology holding Wix.com also performed well. It is the leader in the do-it-yourself website market and has recently launched a product called Wix Code – a website building tool that should further expose the company to the professional website developer market. This product significantly expands its addressable market and could be meaningful to the company in the coming years, which we don't think is priced in today. Wix.com reported strong results and shares appreciated about 19% in the quarter.

The largest detractor within the portfolio was consumer holding BK Brasil. The company develops and operates Burger King franchises in Brazil. The economic environment has been a headwind and contributed to weaker than expected same-store sales growth for the company. In addition, the company was negatively impacted by the Brazilian trucker strikes and the FIFA world cup. We believe that growth should reaccelerate as the company maintains it can open 90-100 stores per year with attractive economics which should continue to drive strong EBITDA and cash flow growth.

Equity sector weight

	Q3 2018 (%)	Q2 2018 (%)	Change (+/-)
Communication services	0.0%	0.0%	0.0%
Consumer discretionary	13.4%	15.4%	-2.0%
Consumer staples	6.3%	6.0%	0.3%
Energy	14.3%	12.4%	1.9%
Financials	18.0%	16.3%	1.7%
Health care	1.1%	1.1%	0.0%
Industrials	21.2%	21.9%	-0.7%
Information technology	13.3%	11.4%	1.9%
Materials	4.1%	5.4%	-1.3%
Real estate	0.0%	1.9%	-1.9%
Utilities	0.0%	0.0%	0.0%
Cash	8.3%	8.2%	0.1%

Country weight

	Q3 2018 (%)	Q2 2018 (%)	Change (+/-)
Canada	48.3%	49.7%	-1.4%
United States	29.4%	24.8%	4.6%
United Kingdom	10.2%	13.6%	-3.4%
Brazil	1.9%	1.9%	0.0%
Sweden	1.9%	1.8%	0.1%
Cash	8.3%	8.2%	0.1%

Top 10 holdings

	Country	Sector	Weight
Middleby Inc.	United States	Industrials	5.18%
Wix.com Ltd.	United States	Information technology	4.11%
Tourmaline Oil Corp.	Canada	Energy	4.03%
Signature Bank	United States	Financials	3.94%
Boyd Group Income Fund	Canada	Industrials	3.90%
Brookfield Business Partners LP	Canada	Industrials	3.67%
B&M European Value Retail SA	United Kingdom	Consumer discretionary	3.46%
Keyera Corp.	Canada	Energy	3.40%
TFI International Inc.	Canada	Industrials	3.32%
Athene Holding Ltd.	United States	Financials	3.25%

Contributors and detractors

Contributors	Detractors
Middleby Inc.	BK Brasil SA
TFI International Inc.	Premium Brands Holdings Corp.
Burford Capital Ltd.	Sleep Country Canada Holdings Inc.

Our research efforts continue to focus on finding high-quality companies with identifiable competitive advantages at attractive prices. 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 apply our disciplined investment process with the objective to deliver strong risk-adjusted returns to clients over the long term.

Unless otherwise noted, all information is provided as at September 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