

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 Growth Companies Corporate Class F	1.3%	6.1%	13.5%	N/A	N/A	12.8%

Inception Date: July 29, 2014

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. Holdings in the technology, industrials and financials sectors were the top contributors to overall performance.

Within technology, Atlassian and Wix.com were strong performers, with shares in each company up about 54% and 19% respectively over the three-month period in U.S. dollar terms. Atlassian designs and develops enterprise software that enables the communication and collaboration of teams across an organization. The company reported very strong growth during the period that surpassed expectation and was supported by about 40% billings growth. Wix.com is the leader in the do-it-yourself website market and has been growing revenues over 40% annually since going public over five years ago. It has been very innovative historically and this has continued in the last year with the launch of a product called Wix Code – a website building tool that should further expose the company to the professional website developer market. We believe the potential for Wix Code is underappreciated.

In industrials, Middleby performed well during the period as the company rebounded from disappointing results in the previous quarter. Shares ended the period up about 24% in U.S. dollar terms. 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.

The portfolio's largest detractors in the quarter included consumer holdings BK Brasil and Seria. BK Brasil develops and operates Burger King franchises in Brazil. Since the initial public offering in late 2017, the economic environment has been a headwind and contributed to weaker than expected same-store sales growth for the company. Consumer holding Seria also detracted during the period. The company is Japan's second largest 100-yen retailer. The shares have been pressured this year as the company faces margin pressures associated with a deceleration in same-store sales growth and rising wage costs. We believe these headwinds will abate and the company is set to accelerate cash flow generation as it begins to harvest the benefits of its expansion strategy as the store base matures.

Equity sector weight

	Q3 2018 (%)	Q2 2018 (%)	Change (+/-)
Communication services	0.0%	0.0%	0.0%
Consumer discretionary	19.4%	23.0%	-3.6%
Consumer staples	5.4%	5.5%	-0.1%
Energy	6.5%	7.8%	-1.3%
Financials	20.9%	20.0%	0.9%
Health care	3.4%	3.9%	-0.5%
Industrials	15.6%	15.3%	0.3%
Information technology	18.7%	16.5%	2.2%
Materials	0.3%	0.2%	0.1%
Real estate	0.0%	0.0%	0.0%
Utilities	1.7%	1.8%	-0.1%
Cash	8.1%	6.0%	2.1%

Country weight

	Q3 2018 (%)	Q2 2018 (%)	Change (+/-)
United States	28.8%	25.7%	-1.2%
United Kingdom	20.3%	23.6%	0.6%
Japan	8.1%	7.1%	-0.2%
Sweden	7.8%	6.8%	-0.7%
Brazil	7.2%	7.4%	1.0%
Canada	6.5%	9.3%	0.5%
France	4.4%	4.0%	-0.2%
Germany	3.8%	4.1%	1.4%
Australia	3.1%	2.9%	-0.9%
Norway	1.9%	1.8%	0.8%
Mexico	0.0%	1.3%	0.0%
Cash	8.1%	6.0%	2.1%

Top 10 holdings

	Country	Sector	Weight
Middleby Corp.	United States	Industrials	6.23%
BK Brasil SA	Brazil	Consumer discretionary	4.01%
Athene Holding Ltd.	United States	Financials	3.73%
Wix.com Ltd.	United States	Information technology	3.60%
Signature Bank	United States	Financials	3.46%
Byggmax Group AB	Sweden	Consumer discretionary	3.45%
Tourmaline Oil Corp.	Canada	Energy	3.18%
Auto Trader Group PLC	United Kingdom	Information technology	3.16%
Burford Capital Ltd.	United Kingdom	Financials	3.05%
Qol Co. Ltd.	Japan	Consumer staples	2.64%

Contributors and detractors

Contributors	Detractors
Middleby Corp.	BK Brasil SA
Atlassian Corp.	Seria Co. Ltd.
Burford Capital Ltd.	Alfa Financial Software Holdings PLC

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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