

PORTFOLIO MANAGER



Robert Swanson, CFA*
Principal &
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Robert Swanson provides guidance on macro-economic trends and asset allocation strategies for the Cambridge Global Asset Management team. He is also Lead Portfolio Manager of Cambridge High Income Fund and Cambridge Monthly Income Fund, and co-manager of Cambridge Asset Allocation Corporate Class. His 34-year career includes extensive experience managing equity, income and balanced portfolios. Prior to his current role, he was lead manager of several mutual funds at Fidelity Investments with combined assets under management exceeding \$20 billion.

Mr. Swanson holds a B.Sc. in finance from Northern Illinois University, an MBA from Northwestern University, and the Chartered Financial Analyst designation.

PERFORMANCE

Performance	3 Month	1 Year	3 Year	5 Year	10 Year	Since inception
Cambridge Monthly Income Fund Class F	1.0%	5.6%	4.4%	6.0%	N/A	6.7%

Inception Date: January 9, 2012

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. Performance was driven by security selection and positive contributions from holdings in the consumer and industrials sectors.

Within the consumer sector, the portfolio's holding in Walgreens performed well during the quarter as shares rose about 21%. The shares rebounded from a difficult second quarter as investors began to recognize the value in the business. Alimentation Couche-Tard also performed well as shares rose 13% during the quarter. The company recorded its best same-store sales growth in at least seven years, attributed partially to a newly created Chief Marketing Officer position and a push into other fast-growing categories. The combination of successfully integrating recent acquisitions and stronger organic growth has supported fundamentals.

Within industrials, the portfolio's holding in CSX contributed to performance. CSX continued to make steady progress on its network efficiency plans, while the volume and pricing environment remained robust. The company also continued to sell non-core assets which has freed up capital to be returned to shareholders and improved asset turns. These ongoing operational enhancements will structurally improve the margin and cash flow profile of the business that will benefit the company well into the future.

One of the largest detractors within the portfolio included materials holding Franco-Nevada. Franco-Nevada was negatively impacted by uncertainty around the continued development of its Cobre Panama project. If the project were to be suspended permanently it would be a blow to the company's future royalty stream earnings. The shares ended the quarter down about 16%.

Asset mix

	Q3 2018 (%)	Q2 2018 (%)	Change (+/-)
Equity	53%	45%	8%
Fixed Income	45%	53%	-8%
Cash	2%	2%	0%
Alternatives	0%	0%	0%

Country weight

	Q3 2018 (%)	Q2 2018 (%)	Change (+/-)
Canada	57.1%	54.5%	2.6%
United States	28.9%	28.0%	0.9%
United Kingdom	5.3%	8.5%	-2.8%
Germany	1.7%	1.7%	0.0%
Brazil	1.3%	0.3%	1.0%
Switzerland	1.2%	1.1%	0.1%
Austria	0.9%	0.9%	0.0%
Australia	0.7%	0.9%	-0.2%
Japan	0.5%	0.5%	0.0%
Monaco	0.3%	0.3%	0.0%
Belgium	0.0%	1.2%	-1.2%
Cash	2.1%	2.1%	0.0%

Top 10 equity holdings

	Country	Sector	Weight
Walgreens Boots Alliance Inc.	United States	Consumer staples	2.84%
Verizon Communications Inc.	United States	Communication services	2.22%
Black Stone Minerals LP	United States	Energy	2.09%
Crown Holdings Inc.	United States	Materials	1.82%
Hydro One Ltd.	Canada	Utilities	1.29%
Philip Morris International Inc.	United States	Consumer staples	1.28%
Roche Holding Ltd.	Switzerland	Health Care	1.16%
Symantec Corp.	United States	Information technology	1.16%
Alimentation Couche-Tard Inc.	Canada	Consumer staples	1.15%
Gilead Sciences Inc.	United States	Health Care	1.10%

Contributors and detractors

Contributors	Detractors
Walgreens Boots Alliance Inc.	Domino's Pizza Group PLC
Viper Energy Partners LP	Franco-Nevada Corp.
Alimentation Couche-Tard Inc.	Caltex Australia Ltd.

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.

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

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