

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 U.S. Dividend Fund Class F	0.4%	1.6%	7.7%	14.7%	9.2%	8.5%

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 0.4% during the quarter as the U.S. market – an area we are less exposed to given the risk objective of the fund – continued to be driven by growth and momentum factors. 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 13% at quarter-end, a 6% decline from where we started the year. We deployed the cash broadly, establishing new positions or adding to existing holdings. On a sector basis, consumer staples and telecommunication services saw the largest increase in weight.

The 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	6.1%	6.6%	-0.5%
Consumer staples	17.0%	11.3%	5.7%
Energy	10.9%	12.4%	-1.5%
Financials	2.9%	3.6%	-0.7%
Health care	5.8%	7.7%	-1.9%
Industrials	5.1%	5.7%	-0.6%
Information technology	9.7%	9.0%	0.7%
Materials	15.1%	13.3%	1.8%
Real estate	4.5%	7.0%	-2.5%
Telecommunications	5.1%	0.0%	5.1%
Utilities	4.3%	3.9%	0.4%
Cash	13.5%	19.5%	-6.0%

Country weight

	Q1 2018 (%)	Q4 2017 (%)	Change (+/-)
United States	75.2%	67.4%	7.8%
Canada	6.4%	7.9%	-1.5%
Belgium	2.9%	2.4%	0.5%
Netherlands	2.1%	2.8%	-0.7%
Cash	13.5%	19.5%	-6.0%

Top 10 holdings

	Country	Sector	Weight
Walgreens Boots Alliance Inc.	United States	Consumer staples	7.45%
Viper Energy Partners LP	United States	Energy	5.39%
Verizon Communications Inc.	United States	Telecommunications	5.15%
Store Capital Corp.	United States	Real estate	4.98%
Symantec Corp.	United States	Information technology	4.74%
Exelon Corp.	United States	Utilities	4.29%
CSX Corp.	United States	Industrials	3.92%
Black Stone Minerals LP	United States	Energy	3.80%
Extended Stay America Inc.	United States	Consumer discretionary	3.38%
Praxair Inc.	United States	Materials	2.99%

Contributors and detractors

Contributors	Detractors
Viper Energy Partners LP	Walgreens Boots Alliance Inc.
Ahold Delhaize N.V.	Franco-Nevada Corp.
Extended Stay America Inc.	Verizon Communications Inc.

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

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