

# CAMBRIDGE GLOBAL EQUITY CORPORATE CLASS

## Q4-2020 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.*
Cambridge Global Equity Corporate Class, Series F*	9.2%	7.4%	8.4%	9.6%	8.5%
Benchmark: MSCI World Total Return Index	14.5%	11.8%	10.9%	13.3%	9.1%

\* Inception date of Cambridge Global Equity Corporate Class, Series F: December 31, 2007.

Source: CI Global Asset Management, as at December 31, 2020.

### PERFORMANCE SUMMARY

- Over the fourth quarter of 2020, Cambridge Global Equity Corporate Class, Series F (the Fund) returned 7.7% compared with the MSCI World Total Return Index (C\$), which returned 8.8%.
- The Fund underperformed its benchmark primarily due to the balanced positioning we maintained across market environments. There was a very strong cyclical recovery over the quarter and while the Fund's industrials and financials holdings benefited, the Fund's holdings in high-quality technology companies underperformed.

### CONTRIBUTORS TO PERFORMANCE

DuPont de Nemours Inc. was a strong contributor to performance. The company benefited from a recovery in demand for its industrials products. In addition, further clarity around the divestiture of its non-core Nutrition & Biosciences division further highlighted DuPont's value. Ashtead Group plc also contributed to the Fund's performance. Strong demand for specialty equipment rentals and a recovery in the construction market drove higher customer demand for Ashtead's services.

### DETRACTORS FROM PERFORMANCE

Salesforce.com, Inc. was among the leading detractors from Fund performance. Salesforce made a large acquisition at a premium historical valuation, which led to a dislocation in the price of its stock. We see the strategic merits in acquiring Slack Technologies, Inc. and becoming a more direct competitor to Microsoft but it will take time for that value to surface. Alibaba Group Holding Ltd. also detracted from performance. Chinese regulators took a more aggressive stance on competitive practices and these actions hurt Alibaba given its market dominance. Alibaba's chief subsidiary, Ant Group Co., Ltd. was also not spared and was required to adjust its activities.

### PORTFOLIO ACTIVITY

Parker-Hannifin Corp. was added to the Fund. We believe the shares of this high-quality industrial products manufacturer were attractively priced and presented a significant margin of safety. We reduced the Fund's position in McKesson Corp. The recovery in pharmacy prescription volumes led to a recovery in the company's valuation and a compression in the margin of safety.

## **MARKET OVERVIEW**

The significant economic contraction experienced in 2020 created pent-up demand by consumers and businesses as economies re-open. While current challenges could result in shorter-term volatility, we believe investors will increasingly focus on the post-vaccine recovery over the coming months. As bottoms up fundamental investors we are finding several opportunities to benefit through our industrial and material holdings while broadly remaining balanced in the risk exposures within the portfolio.

[For more information, please visit ci.com.](https://www.ci.com)

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