Cambridge Canadian Equity Corporate Class (Class A)

Also available: Class F, W, I & T

OBJECTIVE
This fund’s objective is to achieve long-term capital growth by investing, directly or indirectly, primarily in equity securities of Canadian companies. Indirect investments may include convertible securities, derivatives, equity-related securities and securities of other mutual funds. Any change to the investment objective must be approved by a majority of the votes cast by shareholders at a meeting called to consider the change.

Compound Returns and Quartile Rankings (as at February 28, 2013)
This table shows the historical annual compound total return of the fund compared with the Globefund Group Average and the fund’s quartile ranking within the Globefund Peer Group. The returns listed below are percentages. Performance of the fund versus its official benchmark can be found in the Management Report of Fund Performance (MRFP). See the related document section on this web page.

Performance Data
This chart shows you the fund’s annual performance and how an investment would have changed over time.

Asset Class

Canadian Equity 52.0%
International Equity 5.0%
United States Equity 30.0%
Cash 13.1%

Equity Sectors

Materials 4.0%
Energy 14.2%
Information Technology 12.4%
Consumer Staples 18.4%
Other 18.8%
Financials 10.3%
Industrials 16.8%
Consumer Discretionary 4.9%

Geographic Composition

Canada 52.0%
Bermuda 3.9%
Denmark 1.0%
United States 30.0%
Other 13.1%

Source: CI Investments and The Globe and Mail Inc.
Fund Advisor Profile

Cambridge Advisors is led by Alan Radlo, who has more than 25 years of investing experience and a successful track record of strong performance. Cambridge Advisors as a division of CI Investments, benefits from CI’s financial strength, its administrative support and investments in technology that support Cambridge’s research, portfolio management and trading operations. (Cambridge Advisors is the business name of CI Global Investments Inc.)

Commentary

As at December 31, 2012

Equity markets in most of the world had a strong quarter, aided by moderate economic recovery and diminishing concern over debt problems in Europe. New rounds of economic stimulus in the United States and Europe, along with better than expected economic and employment statistics, provided a major boost, particularly in international markets. The Canadian market, hampered by negative returns in materials, particularly precious metals, and energy issues, was still able to outperform the U.S. due to the strength of the financials sector.

Our Canadian equity portfolios handily outperformed the S&P/TSX Composite Index during the fourth quarter, and were among the top performers among all Canadian mutual funds – led by Cambridge Canadian Growth Companies. Our domestic portfolios were propelled by overweight positions in industrials, consumer staples and information technology, which were the S&P/TSX’s top–performing sectors during the quarter. Among stocks that contributed most to this performance were Raging River Exploration, Celtic Exploration, Loblaw, Enghouse Systems and Alimentation Couche–Tarde.

Our U.S. and global equity portfolios overcame challenges presented by a strengthening Canadian dollar to keep pace with their benchmarks. Cambridge American Equity was aided by overweight positions in health care and industrials, and an underweight in energy.

In our income–oriented portfolios, we continued to favour stocks over bonds, with dividend–paying equities being more attractive from both a yield and valuation perspective. Among bonds, the prospects are better for corporate and high–yield bonds.

We expect markets to advance this year, buoyed by continuing low interest rates and accommodative monetary policies in the United States and Europe, although growth will be limited. The global economy is expected to grow at a slightly higher rate than in 2012, led by emerging market and Asian countries.