

Total Return - Growth Portfolio

Portfolio Managers
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Fact Sheet as of 9/30/2017

INVESTMENT OBJECTIVE

Our objective is to provide preservation and growth of capital by investing in equity and fixed income securities globally. Our equity focus is on high quality, large capitalization growth companies, and may include a modest allocation to select medium and smaller-sized growth companies. Asset allocation will reflect our outlook on the relative attractiveness of the appropriate asset classes.

Our equity strategy aims to balance risk and reward at both the stock and portfolio levels. To achieve this, we seek to invest in companies with attractive growth opportunities, sustainable competitive advantages, high and improving profitability, strong free cash flow, and solid balance sheets. We believe companies that exhibit all of the above characteristics are well positioned to compound value over the long term and should form the core of a client portfolio. We seek to purchase these companies at a significant discount to intrinsic value.

Bonds are selected that meet our fundamental credit criteria with the goal of providing attractive risk-adjusted returns. We actively manage the fixed income holdings to control risk, while seeking opportunities along the yield curve to incrementally improve returns. Overall portfolio risk is managed by limiting exposure to an asset class, sector, and individual position through rebalancing and a rigorous sell discipline.

As of September 30, 2017	QTD	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION ¹
Total Return Growth Composite	3.6%	12.2%	12.1%	7.4%	9.9%	6.2%	7.3%
Growth Benchmark²	3.4%	11.1%	12.6%	7.4%	9.2%	5.8%	6.9%

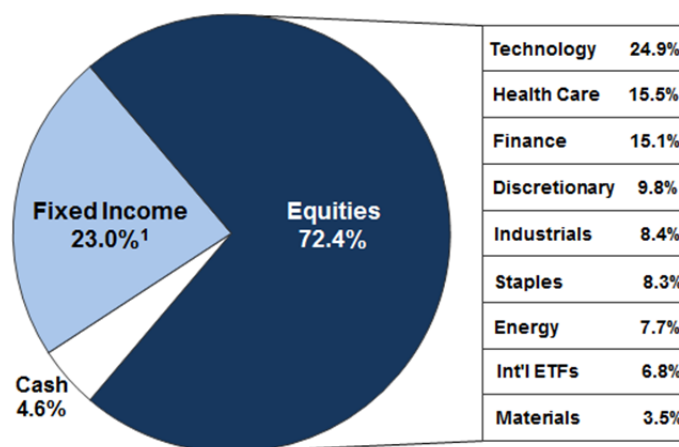
¹Inception date is December 31, 2003. Periods greater than one year are annualized. Performance shown is total return and gross of fees.

²Growth Benchmark: 54% S&P 500, 27.5% Barclays Intermediate Gov't/Credit Index, 13.5% MSCI ACW ex-U.S. Index and 5.0% Lipper Money Market Index. Prior to 2015 the fixed income index used in the benchmark was the Barclays Gov't/Credit Index.

TOP 10 EQUITY HOLDINGS

PNC Financial Services Group	3.7%
U.S. Bancorp	3.2%
Amazon.com	3.2%
Facebook Inc.	3.1%
Estee Lauder Companies	3.0%
Union Pacific Corp.	2.9%
iShares MSCI Emerging Market ETF	2.9%
Honeywell International Inc.	2.7%
Microsoft Corp.	2.7%
salesforce.com, inc.	2.7%

ASSET ALLOCATION



¹Includes: Corporate Bonds (18.0%), U.S. Gov't Agency/Mortgage Backed (2.7%), and Bond Funds (2.3%)

QUARTERLY COMMENTARY

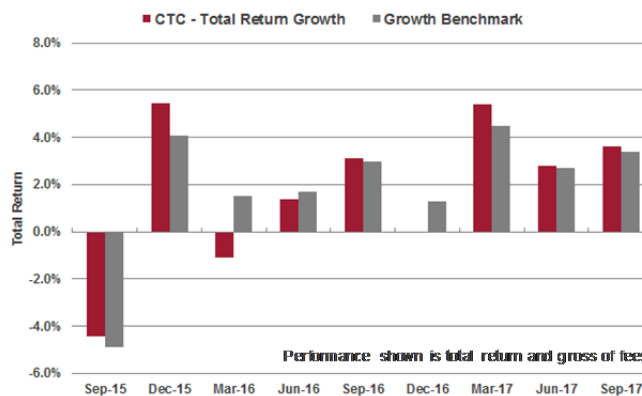
Domestic stocks measured by the S&P 500 continued to grind higher, increasing 4.5% in the third quarter driven by strong economic data and accelerating earnings growth. International markets, measured by the MSCI All-Country World Index (ex-U.S.) outperformed domestic indices for the third successive quarter this year, rising more than 6%. The Total Return Growth composite increased 3.6% in the third quarter, modestly ahead of the benchmark's 3.4% return and the Lipper Balanced Fund Index's 3.2% return. The composite's overweight stance in equities and better relative performance from bonds helped offset our modest international underweight.

The composite's equities increased 4.7% in the quarter, in line with the Global Equity Benchmark return of 4.8%.

Growth stocks outperformed value stocks for the third consecutive quarter and the composite's focus on quality growth companies provided upside compared to the S&P 500. Stock selection in the Consumer Staples, Financial and Technology sectors had a positive impact on relative performance, offset by weaker performance in Consumer Discretionary and Healthcare sectors. The largest individual contributors to equity performance in the quarter were Estee Lauder, PNC Financial, Facebook and Visa. The largest detractors were Chipotle Mexican Grill, Pioneer Natural Resources, and General Electric.

Interest rates declined in the quarter on weaker than expected inflation data and a flight-to-quality trade from North Korean tensions. The FOMC signaled its intention to raise short-term rates at the December meeting and will begin the process of unwinding the Federal Reserve's balance sheet in October with the sale of \$10 billion per month of securities. The composite's fixed income holdings returned 0.8%, while the Barclays Intermediate Government/Credit Index returned 0.6%. The portfolios benefitted from an overweight position in corporate bonds versus the benchmark as spreads on corporate bonds tightened in the quarter and outperformed the return on U.S. Treasuries.

Our portfolios remain overweight equities and underweight fixed income which is consistent with recent positioning. We remain constructive on the overall macroeconomic environment and expect corporate earnings to remain resilient. During the third quarter, we increased our international stock weighting in portfolios via the additions of JD.com, iShares MSCI European Financial Fund and iShares MSCI Emerging Market Fund and are now approaching neutral compared to the benchmark.



EQUITY CHARACTERISTICS

	TOTAL RETURN GROWTH	S&P 500
Number of Holdings	51	500
Dividend Yield ¹	1.5%	2.0%
Dividend Growth (5yr) ¹	8.6%	11.8%
ROE ¹	16.4%	14.0%
10 Year EPS Growth ¹	10.7%	2.7%
Beta ¹	0.99	1.00
Average Market Cap ¹	\$160.4	\$158.5
P/E Ratio (2017) ¹	32.2x	19.3x
Median Price to Book	4.5x	3.3x

¹Portfolio weighted average Source: Bloomberg

Portfolio characteristics represent a typical account invested according to this investment style. Actual account holdings may vary slightly. Fixed income allocation percentages exclude mutual funds.

FIXED INCOME CHARACTERISTICS

	TOTAL RETURN GROWTH	BARCLAYS ITERM GOV'T/CREDIT INDEX
Current Yield	3.6%	2.4%
Yield to Worst	2.4%	2.1%
Duration	4.1	4.0
Credit Quality	A+	AA
Corporate	86%	33%
Agency	10%	10%
US Treasury	0%	57%
Mortgage-Backed	1%	0%
Municipal	3%	0%

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