

Update on the Caldwell Canadian Value Momentum Fund



February Recap:

February 2018

The Fund fell 0.7% in February versus a more substantial loss of 3.0% for the S&P/TSX Composite Total Return Index ("Index"). The decline in the Index was broad-based, with only the Technology (+5.8%) and Industrials (+1.3%) sectors posting positive returns. Energy (-6.4%), Health Care (-10.1%) and Gold (-11.7%) were the worst performers.

This is the 2nd consecutive month that the CCVMF out-performed the Index in a down market. Since inception (Aug 2011), the fund has outperformed the Index in 22 of 29 down months for a 76% success ratio. For the month of February, the CCVMF's down capture was 22.5% which ranks in the top 1% of all Canadian Equity funds.

Just a quick reminder that, unlike many Canadian Equity strategies that can have significant exposure to the U.S. and foreign exchange rates, the CCVMF invests entirely in Canadian stocks or cash.

Top CCVMF performers in February were North American Energy Partners ("NOA": +9%) and CGI Group ("GIB.A": +6.5%). NOA was added to the portfolio last month and significantly out-performed its sector (Energy -6.4%) on the back of a solid earnings report in which the company re-iterated their strong outlook. EBITDA is expected to grow 15% annually through 2019 driven by new project wins, successful service agreement renewals and continued expansion into non-oilsands projects. CGI also had a strong earnings report on an acceleration in revenue growth (constant currency growth moved to 4.9% versus 2.5% the prior quarter). Bookings also set an 8-quarter high as demand for the company's Digital and Intellectual Property "IP" solutions remains strong given increasing IT budgets at CGI's customers.

Two stocks were added to the portfolio in February: ATS Automation "ATA" and New Flyer Industries "NFI". ATS is a leading provider of automated manufacturing solutions and serves a diverse set of clients across the Healthcare/Life Sciences (49% of revenue), Transportation (27%), Energy (13%) and Consumer Products (12%) industries. Demand trends are strong with rising wages, re-shoring, scarce low-wage labour, and higher quality control leading companies to turn to automation. Particularly noteworthy secular demand drivers are in healthcare, where manufacturers face increasingly stringent regulations, and in transportation, driven by electric vehicles. ATS also has a robust M&A pipeline that should provide additional growth opportunities. Lastly, the company has a new CEO that is looking to drive 5% of margin expansion by driving a culture of process-driven improvement. New Flyer was sold from the portfolio in late 2017 as the stock hit our sell signals. We re-initiated the position after another attractive acquisition and the company's investor day, which highlighted continued strong demand trends and further runway for product line growth and margin expansion. NFI's leadership position in electric buses has also become more clear, which removes a source of negative sentiment on the stock.

The Fund held a 36% cash weighting at month end. As previously discussed, we expect cash balances to move lower as we progress through the CCVMF's investment process. In the meantime, we look forward to tracking the progress of the portfolio's holdings as we see a meaningful and diverse set of catalysts to drive continued growth.

We thank you for your continued support.

Jennifer Radman, CFA
jradman@caldwellinvestment.com

Mario Mainelli, CFA
mmainelli@caldwellinvestment.com

Update on the Caldwell Canadian Value Momentum Fund



PERFORMANCE COMPARISON

as at February 28, 2018

Fund Name	Returns				Annualized Returns				Portfolio Characteristics					
	YTD		1YR		3YR		5YR		Sharpe Ratio		Upside Capture		Downside Capture	
	Return	Quartile	Return	Quartile	Return	Quartile	Return	Quartile	3YR	5YR	3YR	5YR	3YR	5YR
vs. CIFSC Canadian Small/Mid Cap Equity														
Caldwell Canadian Value Momentum Fund - Series O	-1.5	1	13.0	1	11.7	1	11.4	1	1.3	1.2	49.4	59.3	-5.3	9.5
Mawer New Canada - A	-4.1	3	-1.2	3	5.5	1	13.8	1	0.5	1.2	46.7	78.3	25.7	20.0
Fidelity Canadian Opportunities Sr B	-2.6	1	0.3	3	3.1	2	7.3	3	0.3	0.8	47.2	48.8	40.0	19.1
Sionna Cdn Small Cap CIA	-3.6	2	-1.3	3	-0.4	4	6.0	3	-0.1	0.6	46.9	62.9	60.0	43.6
TD Canadian Small Cap Equity	-5.4	4	-4.9	4	-1.0	4	6.4	3	-0.2	0.6	53.3	78.9	71.3	60.9
Canadian Small/Mid Cap Category Avg	-4.2		1.2		2.5		6.4		0.2	0.6	51.0	65.8	48.1	45.0
S&P/TSX Small Cap TR	-6.6		-4.4		3.6		4.0		0.2	0.2	100.0	100.0	100.0	100.0
vs. CIFSC Canadian Equity														
Caldwell Canadian Value Momentum Fund - Series O	-1.5	1	13.0	1	11.7	1	11.4	1	1.3	1.2	105.9	88.3	16.9	25.2
EdgePoint Canadian Portfolio Series A	-5.6	4	0.0	4	5.2	1	9.8	1	0.5	1.1	103.0	101.3	85.0	67.6
Fidelity Canadian Disciplined Eq B	-3.8	2	0.3	4	1.5	4	7.4	2	0.2	1.0	65.3	85.7	73.9	68.1
Fidelity True North Sr B	-2.6	1	2.4	3	1.9	4	7.8	1	0.2	1.2	57.2	74.6	58.7	41.8
Leith Wheeler Canadian Equity Series B	-3.2	2	5.2	1	4.6	1	8.1	1	0.4	0.7	124.4	114.9	120.8	112.5
Mawer Canadian Equity A	-3.3	2	4.2	2	5.1	1	10.6	1	0.6	1.4	83.6	92.8	58.9	42.5
Canadian Equity Category Avg	-3.7		3.2		3.2		7.0		0.4	0.9	88.5	90.6	86.6	81.3
S&P/TSX Composite TR	-4.4		3.2		3.5		6.9		0.4	0.8	100.0	100.0	100.0	100.0

The Caldwell Canadian Value Momentum Fund Inception Date: August 8, 2011. Since Inception Return: 11.3%.

The information contained in this document is designed to provide general information related to investment alternatives and strategies and is not intended to be investment or any other advice applicable to the circumstances of individual investors. We strongly recommend you to consult with a financial advisor prior to making any investment decisions. Unless otherwise specified, information in this document is provided as of the date of first publication and will not be updated. All information herein is qualified in its entirety by the disclosure found in the CCVMF's most recently filed simplified prospectus. Information contained in this document has been obtained from sources we believe to be reliable, but we do not guarantee its accuracy. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing in this product. Unless otherwise indicated, rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed; their values change frequently and past performance may not be repeated. The CCVMF is a publicly offered mutual fund that offers its securities pursuant to simplified prospectus dated July 20, 2017. The CCVMF was not a reporting issuer prior to that date and formerly offered its securities privately as follows: Series F and Series I since March 28, 2014 and Series O since August 8, 2011. The expenses of the CCVMF would have been higher during the period prior to becoming a reporting issuer had the fund been subject to the additional regulatory requirements applicable to a reporting issuer. Inception Date: August 8, 2011. Principal Distributor: Caldwell Securities Ltd.

Jennifer Radman, CFA
jradman@caldwellinvestment.com

Mario Mainelli, CFA
mmainelli@caldwellinvestment.com

Caldwell Investment Management Ltd. | 150 King Street W, Suite 1702 | P.O. Box 47 | Toronto, ON | M5H 1J9
Tel: 416-593-1798 | 1-800-256-2441 | Fax: 416-862-2498 | funds@caldwellinvestment.com | www.caldwellinvestment.com