

MONTHLY UPDATE

MAY 2018



— Caldwell Canadian Value Momentum Fund —

May Recap: The Fund gained 2.3% in May versus a gain of 3.1% for the S&P/TSX Composite Total Return Index ("Index"). The Index's performance was driven by strong performance in Technology (+7.8%), Industrials (+6.7%) and Materials (+5.5%) while yield-sensitive sectors continued to feel the pressure: Utilities (-1.9%) and Telecom (-0.6%). We suspect that there are many Canadian investors that are still under-water in their portfolios year-to-date, especially those that were sold on the 'safety' of dividends. While the Index is essentially flat year-to-date, the Utilities sector is -10.4% (think Transalta, Fortis and Algonquin Power), the Telecom sector is -7.7% (led by BCE, down 10.5%) and the Consumer Staples sector is -6.1% (led by market darling Alimentation Couche-Tard Inc. ("ATD.B"), down 17.5%).

Top CCVMF performers in May were BRP Inc. ("DOO": +16.3%) and ATS Automation ("ATA": +15.4%). BRP reported a knock-out quarter on May 31st with broad-based strength in sales (+19% y/y) as new products continue to perform very well. Gross margin was 160 bps higher y/y and FY guidance was raised on both the top and bottom lines. The stock saw strength going into the earnings release as channel-checks indicated strong product positioning and share gains. ATA also reported a very strong quarter, posting a 3rd straight quarter of double-digit revenue and triple-digit margin expansion. Bookings were strong with the backlog now sitting at record levels. The new CEO seems to be executing very well and re-iterated the target for 500 bps of margin expansion. The trend of automation seems to be accelerating as companies confront rising wages, scarcity of low-wage labor and regulatory increases in quality control.

One stock was added to the portfolio in May: Yangarra Resources ("YGR"). Yangarra is an oil and gas company with an operational focus on light oil development in the Cardium formation in West Central Alberta. The company is a low-cost organic growth story; production has increased from 2,000 barrel of oil equivalent per day ("boe/day") in 2015 to 7,500 boe/day currently through innovative drilling and completion techniques that have allowed the company to access parts of the Cardium that were previously inaccessible. The company's costs rank amongst the lowest in their oil-weighted peer group (with full cycle returns amongst the highest), while the balance sheet is strong and valuation is in line with peers. We expect the company to continue releasing good results as they make their way to a 15,000 boe/day production target by 2019.

The Fund held a 29.3% cash weighting at month-end which is down to 17% at the time of writing. 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.

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MONTHLY UPDATE
PERFORMANCE COMPARISON
As at May 31th, 2018



Fund Name	Returns				Annualized Returns				Portfolio Characteristics					
	YTD		1 YR		3 YR		5 YR		Sharpe Ratio		Upside Capture		Downside Capture	
	Return	Quartile	Return	Quartile	Return	Quartile	Return	Quartile	3 YR	5 YR	3 YR	5 YR	3 YR	5 YR
vs. CIFSC Canadian Small/Mid Cap Equity														
Caldwell Canadian Value Momentum - Series O	2.3	1.0	9.6	1.0	11.6	1.0	11.4	1.0	1.2	1.2	46.9	56.6	-6.3	8.8
Mawer New Canada A	-3.9	4.0	-0.3	4.0	4.1	2.0	12.5	1.0	0.4	1.1	35.9	69.8	23.0	20.5
Fidelity Canadian Opportunities Sr B	1.0	2.0	1.7	3.0	4.1	2.0	7.6	3.0	0.4	0.9	46.1	49.3	36.6	20.6
Sionna Cdn Small Cap Eq Cl A	0.6	2.0	6.7	1.0	0.8	3.0	6.3	3.0	0.0	0.6	46.1	59.4	56.0	42.1
TD Canadian Small Cap Equity	0.1	2.0	2.9	3.0	0.3	4.0	6.9	3.0	0.0	0.6	56.8	77.2	73.4	62.0
Canadian Small/Mid Cap Category Avg	-1.2		3.9		2.9		6.9		0.3	0.7	51.0	64.4	49.7	45.6
S&P/TSX Small Cap TR	-1.4		6.2		5.1		5.5		0.3	0.3	100.0	100.0	100.0	100.0
vs CIFSC Canadian Equity														
Caldwell Canadian Value Momentum - Series O	2.3	1.0	9.6	1.0	11.6	1.0	11.4	1.0	1.2	1.2	104.6	87.3	30.5	31.6
EdgePoint Canadian Portfolio Series A	-2.2	4.0	2.4	4.0	5.6	2.0	10.1	1.0	0.6	1.2	97.5	97.4	93.3	68.9
Fidelity Canadian Disciplined Eq B	0.6	2.0	4.6	3.0	3.2	4.0	8.1	2.0	0.4	1.1	73.0	86.0	81.9	71.0
Fidelity True North Sr B	1.0	1.0	4.0	4.0	3.3	4.0	7.7	2.0	0.4	1.2	64.8	74.1	67.8	51.2
Leith Wheeler Canadian Equity Series B	1.0	1.0	10.1	1.0	6.8	1.0	8.7	1.0	0.7	0.8	120.8	113.6	117.1	118.9
Mawer Canadian Equity A	0.0	2.0	6.0	3.0	6.4	1.0	10.7	1.0	0.8	1.4	86.3	91.5	63.7	48.5
Canada Fund Canadian Equity	0.0		6.2		4.9		7.7		0.6	1.0	89.9	89.9	88.6	84.3
S&P/TSX Composite TR	0.2		7.7		5.4		8.0		0.6	0.9	100.0	100.0	100.0	100.0

The Caldwell Canadian Value Momentum Fund Inception date: August 8, 2011. Since Inception Return: 11.5%.

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