

# Update on the Caldwell Canadian Value Momentum Fund



March Recap:

March 2018

The Fund gained 1.6% in March versus a loss of 0.2% for the S&P/TSX Composite Total Return Index ("Index"). The Index's performance was mixed on a sector level, with the strongest performance coming from REITS (+1.7%) and the Gold sub-sector (+6.8%) while Industrials (-2.4%) was the worst performer.

One of the core features of the CCVMF is investing in stocks that have the ability to unlock value regardless of the market's underlying performance. The Fund's out-performance this month is telling given its largest sector exposure - Industrials (38% of the portfolio at month end) - was also the market's worst performing sector. Looking at the CCVMF's individual holdings within Industrials, 8/10 (80%) out-performed the Industrials sector while 6/10 (60%) posted a positive return in a down market. This type of performance is the result of a high-conviction portfolio of stocks with strong company-specific catalysts, made possible by a proprietary, bottom-up, investment process.

**This is the 3rd consecutive month that the CCVMF out-performed the Index in a down market. Since inception (Aug 2011), the fund has outperformed the Index in 23 of 30 down months for a 77% success ratio. The CCVMF's return and down-capture in March led all of its peers in the Canadian Equity category. The CCVMF's down capture in March was actually negative (a good thing) given the Fund posted a positive return in a negative market.**

Top CCVMF performers in March were Premium Brands Holdings (PBH: +14%) and Stuart Olsen (SOX: +12%). While PBH reported a mixed quarter, issues seem to be temporary and the company continues to progress with its acquisition strategy, having announced 4 acquisitions that will be accretive to current year earnings. The company's guidance was in-line with the consensus estimate but did not include any contribution from these acquisitions. This suggests upside to the company's guide and analysts estimates have moved higher accordingly. Stuart Olsen had a very strong quarter with a 14% EBITDA beat driven by higher than expected margins. Leverage and payout positions have improved significantly and the company is making progress on its diversification efforts, evidenced by new contract wins.

No stocks were added to the portfolio in March.

The Fund held a 29% 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.

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— Caldwell Canadian Value Momentum Fund —

## PERFORMANCE COMPARISON

as at March 31, 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	0.0	1	10.8	1	11.9	1	11.1	1	1.3	1.2	49.4	57.4	-6.3	7.5		
Mawer New Canada - A	-3.3	2	-2.1	3	6.2	1	13.6	1	0.6	1.2	46.7	77.5	23.0	18.7		
Fidelity Canadian Opportunities Sr B	-2.6	2	-1.1	3	4.0	2	7.3	2	0.4	0.8	47.2	49.7	36.6	18.9		
Sionna Cdn Small Cap CIA	-3.0	2	-1.0	3	0.7	3	5.7	3	0.0	0.5	46.9	61.4	56.0	42.2		
TD Canadian Small Cap Equity	-5.4	3	-5.3	4	-0.8	4	5.8	3	-0.1	0.5	53.3	77.1	73.4	60.0		
Canadian Small/Mid Cap Category Avg	-4.8		-0.6	2	2.6		6.1		0.2	0.6	51.0	65.9	49.7	45.2		
<b>S&amp;P/TSX Small Cap TR</b>	<b>-7.7</b>		<b>-6.6</b>		<b>4.5</b>		<b>3.5</b>		<b>0.3</b>	<b>0.2</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		
vs. CIFSC Canadian Equity																
Caldwell Canadian Value Momentum Fund - Series O	0.0	1	10.8	1	11.9	1	11.1	1	1.3	1.2	105.9	88.3	16.7	27.9		
EdgePoint Canadian Portfolio Series A	-4.7	3	1.5	2	5.7	1	9.8	1	0.6	1.1	103.0	101.3	84.3	67.6		
Fidelity Canadian Disciplined Eq B	-4.3	3	-1.3	4	1.6	4	7.3	2	0.2	1.0	65.3	85.7	78.1	69.3		
Fidelity True North Sr B	-3.4	1	0.7	3	1.9	4	7.5	2	0.2	1.1	57.2	74.6	62.7	45.6		
Leith Wheeler Canadian Equity Series B	-3.8	2	2.5	2	5.1	1	8.0	1	0.5	0.7	124.4	114.9	123.9	114.9		
Mawer Canadian Equity A	-3.9	2	2.4	2	5.1	1	10.4	1	0.6	1.4	83.6	92.9	63.4	45.1		
Canadian Equity Category Avg	-4.1		1.5		3.6		6.9		0.4	0.9	88.5	90.6	88.5	82.4		
<b>S&amp;P/TSX Composite TR</b>	<b>-4.5</b>		<b>1.7</b>		<b>4.1</b>		<b>6.9</b>		<b>0.5</b>	<b>0.8</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

The Caldwell Canadian Value Momentum Fund Inception Date: August 8, 2011. Since Inception Return: 11.4%.

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.

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