



## Update on Caldwell Canadian Value Momentum Fund

### Accredited Investors Only

	January 2017	1 Year	3 Year	5 Year	Since Inception*
Caldwell CDN Value Momentum Fund "CCVMF"	-0.4%	24.4%	8.2%	12.8%	11.3%
S&P/TSX Composite Total Return Index	0.8%	23.6%	7.1%	7.5%	6.8%

\*Compounded Annual Return since August 15, 2011

**January Recap:** The Fund declined 0.4% in January versus a gain of 0.8% for the S&P/TSX Composite Total Return Index ("Index"). The Canadian market/Index was once again dominated by commodity performance with gold stocks accounting for 70% of the market's gain.

Top CCVMF performers in January were Calian Group (+10%) and IBI Group (+6.5%). A new analyst recently launched coverage of Calian, which means that more investors are looking at the story. Under-covered companies is one area where the CCVMF has done well to find value. This is the 3rd analyst now following Calian and we see more opportunity for additional coverage, especially given the new CEO's focused growth plan, strong return on equity and free cash flow profile, and attractive valuation. IBI Group has made great strides on its balance sheet, having paid down debt to reduce leverage and interest costs and increase flexibility. The company has outpaced peers on organic revenue growth and should benefit from planned infrastructure spend in both Canada and the U.S. We see continued opportunity for the stock to close its valuation discount to peers.

Four stocks were added to the portfolio in January: Ag Growth International (AFN), Enerflex (EFX), Transcontinental (TCL.A) and TFI International (TFII). Ag Growth is a leading manufacturer of grain handling and storage equipment. The company has significant growth drivers as it penetrates new geographies and markets (fertilizer) and benefits from growing grain volumes and infrastructure development. Enerflex is a leading provider of equipment used in natural gas infrastructure, including compression, refrigeration and processing. The company is well positioned to benefit from the building of infrastructure around new natural gas plays, particularly in the U.S. Transcontinental is a commercial printing company that is diversifying into the flexible packaging industry. High cash flow generated by its dominance and efficiency in printing is being directed to growing its packaging business line. The stock trades at a significant valuation discount to the market and its largest printing peer; the expectation is that this valuation discount will close as printing becomes less of a proportion of overall earnings. TFI International is a trucking and logistics company operating across the U.S. and Canada. It is starting to benefit from an uptick in the trucking cycle and should benefit from well timed asset purchases and sales. The company is also well positioned to benefit from continued growth in eCommerce as it provides same-day/last mile local delivery services.

The Fund was fully invested at month end. 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.

Wishing you and all of our investors continued success,

The CCVMF Team

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