Galibier Capital Management Ltd.

Quarterly Investment Review

Q3 2015

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Results

Happy 3rd Birthday Galibier!!!!! Thanks to all of you for your support.

The third quarter of 2015 was a challenging one for investors as concerns about the pace of economic recovery in the western world were intensified by evidence of a significant slowdown in China. In addition, commodity prices weakened sharply due to supply and demand imbalances which, coupled with a strong US$, had a further damaging effect on resource intensive markets such as Canada. As always, our investment team was applying the Galibier process to identify companies that meet our criteria and to develop investment theses and new investment opportunities.

Asset growth at Galibier continues to increase with AUM currently on track to reach C$300MM during the upcoming quarter and, now that we have a 3-year performance number, we expect to see further asset inflows. This is great news for our clients because asset inflows mean additional revenues that will ultimately allow us to hire more investors to seek out more investment opportunities.

Q3 2015 generated sharply negative returns in the overall Canadian and U.S. markets. During Q3, the Canadian market returned -7.9% (S&P/TSX) while the U.S. market generated -6.4% (S&P500 US$) and was a barely positive +0.5% in C$. In Canada, the best performing sectors were Consumer Staples, Info Tech and Telecom Services while the worst performing were Materials, Energy and Healthcare. In the U.S., the market was led higher by the Utilities, Consumer Staples and Consumer Discretionary sectors, offset by the worst performing sectors of Energy and Materials.

For the year ended September 30/2015, performance in the overall Canadian market was -8.4% sharply lower than the +19.2% of the U.S. market (in C$) due in large part to the C$ weakness.

Summary of Results

Period ending: September 30/2015	3 Months (%)	1 Year (%)	2 Year (%)	3 Year (%)	Since Inception (%)
Galibier Canadian Equity Pool	**-8.7**	**-6.0**	**9.7**	**12.0**	**12.0**
S&P/TSX Composite (total return)	-7.9	-8.4	5.0	5.7	5.7
Galibier U.S. Equity Pool	**-3.3**	**11.9**	**17.3**	**19.1**	**19.1**
S&P500 (CAD, total return)	0.5	19.2	24.6	24.6	24.4

Note:
Return figures are gross of fees and fund expenses.
Return figures are annualized for periods greater than 1 year.
Inception date of the Canadian and U.S. Pools is September 27, 2012.
See Note 1 and Disclaimer at the end of this document for information about the returns and benchmarks.
Source: Galibier Capital Management Ltd, Bloomberg.

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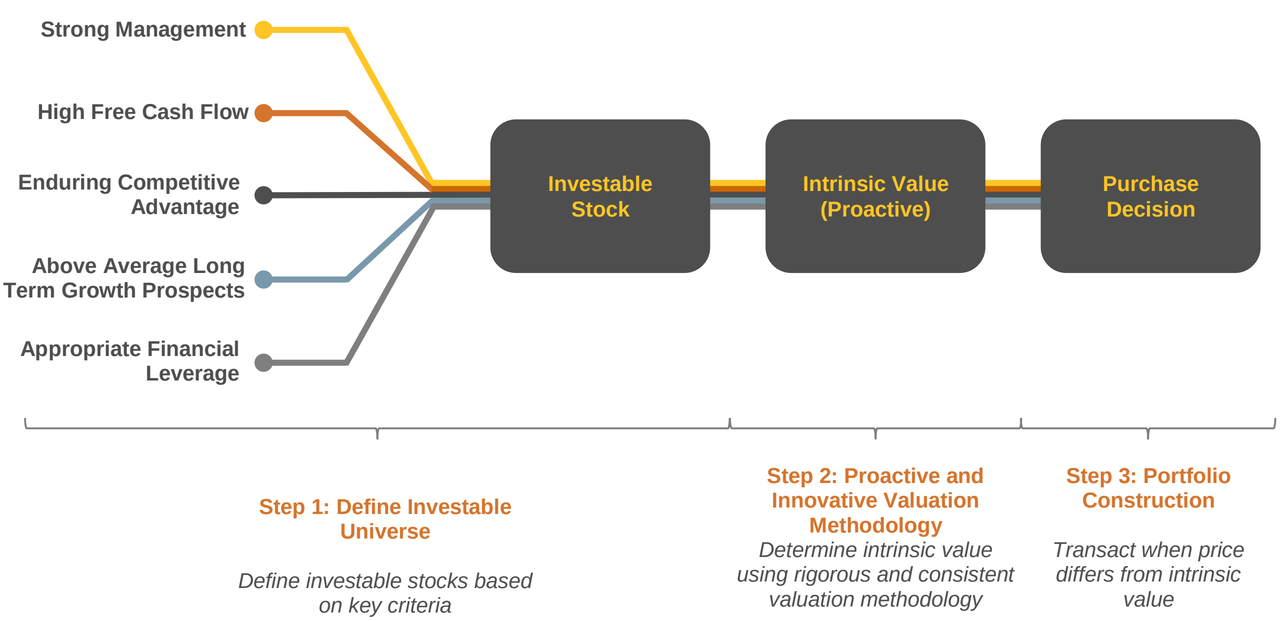
Galibier Capital Management Ltd.

At Galibier we work hard to (1) derive a measure of intrinsic value for a universe of investable stocks and (2) transact when market prices offer opportunities. To paraphrase Warren Buffett “Price is what you pay. [Intrinsic] Value is what you get.” Thus, while we welcome price to earnings multiple expansions, what really drives increases in the future value of companies is higher future earnings. Our investment process seeks to identify and value future earnings power and balance sheet structure using reasonable expectations about future economic conditions and high discount rates.

Galibier Investment Philosophy and Process

Galibier follows a proactive and innovative valuation methodology



We Believe

- Companies have an intrinsic value that can be calculated
- Market prices do not always reflect intrinsic value
- Growth is a component of value
- At some price, almost all stocks offer a value proposition
- Risk is the permanent loss of capital, not benchmark underperformance
- Investment companies should be independent and investor led
- The success of investment companies should be measured by the success of its clients
- An essential element towards investment success is to have a contrarian mindset… ie. to be sanguine when others are discouraged and to be cautious when others are exuberant….

Galibier Canadian Equity Pool

In Q3 2015, the S&P/TSX provided a negative total return of -7.9%. The Galibier Canadian Equity Pool's investment results were marginally worse at -8.7%. For the 1-year period ending September 30/2015, Galibier's Canadian Equity Pool returned -6.0% versus the S&P/TSX -8.4%. On a two year basis Galibier's annualized numbers are +9.7% vs. the S&PTSX at +5.0%. Since its inception which was three years ago, the Canadian Pool has returned +12.0% per year vs. the index +5.7%.

Canadian Equity Pool Top Holdings (Sept 30/2015)

	Weight (%)
1. Bank of Nova Scotia	7.2
2. CIBC	5.7
3. Cenovus Energy Inc.	5.3
4. MacDonald Dettwiler & Associates	4.8
5. CGI Group Inc.	4.6
6. Intact Financial	4.3
7. WSP Global Inc.	4.3
8. Cargojet Inc.	4.2
9. Boyd Group Income Fund	4.0
10. Industrial Alliance Ins. & Fin. Services	3.9
Total	**48.3**

Best performers[2]

Boyd Group Income Fund Up +18%

Boyd Group, a consolidator of auto body shops in several U.S. states and in Canada, continues to benefit from strong revenue growth and margin improvements. Past acquisitions plus strong organic growth of 4.7% led to a 38% increase in revenue for the quarter. The company's focus on operational improvements through its "WoW Operating Way" initiative and higher throughput of its facilities due to organic growth, led to a 30bps improvement in margins for the company. All of the above trends should continue to benefit the company and its share price going forward.

WSP Global Up +16%

Shares of WSP Global moved higher in Q3 as the company continues to consolidate the engineering services industry with 3 acquisitions in the quarter. Additionally, successful integration of previous acquisitions is helping to sustain organic growth, which reached 5% in the quarter. Furthermore, contract wins such as the Pacific Highway upgrade project in Australia and the California High-Speed Rail project helped to sustain the company's project backlog. Shares in the company are further supported by a dividend yield of 3.3% as the company balances investment in growth and returning cash to shareholders.

Northland Power Up +12%

Northland Power had positive performance over the quarter as they continued to execute on their two major development projects. Gemini is their initial offshore wind project in the North Sea and, while it will not begin producing power until 2017, the construction continues to move along on time and on budget. Nordsee One, their second offshore wind project coming in service at the end of 2017, is also moving along as planned. We continue to like Northland Power as it offers an attractive dividend yield on its shares (6.2%) but also offers well defined and significant earnings growth potential, which is uncommon in the utility sector.

Worst Performers[2]

McCoy Global Down -42%

McCoy is facing the same malaise that is impacting many suppliers to the oil industry. Demand for its products, which are chiefly components of oil rig drilling systems, is down significantly. In response, the company cut its dividend in the quarter which exacerbated the share price selloff. The company's balance sheet is pristine and the company has said it is on the hunt for acquisitions and will employ a bottom fishing strategy given market conditions.

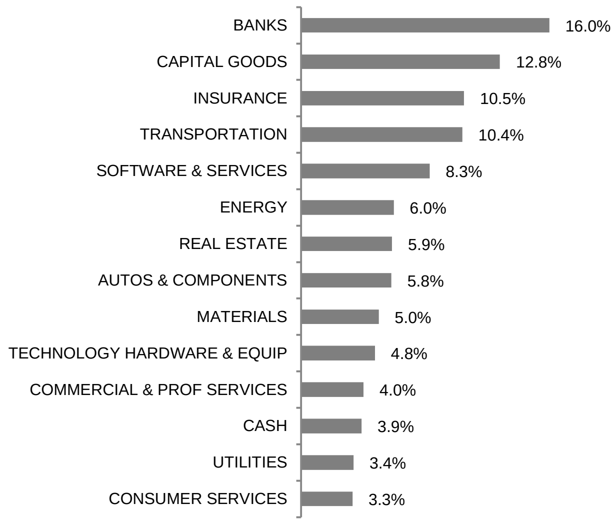
AutoCanada Down -37%

Shares of AutoCanada (ACQ) were weak during the quarter as concerns continued over economic activity in Western Canada. Just under half of ACQ's dealerships are located in Alberta, where vehicle sales have declined as a result of weaker energy prices. Management has also slowed down the pace of acquisitions, which have historically been a driver of the share price, as they do additional due diligence before committing to transactions. Despite current weakness, management is optimistic that Alberta will be a solid long term market for them, and they continue to make acquisitions there. They are also optimistic that one or more original equipment manufacturers will allow public company ownership in the coming year, which will be a significant positive for AutoCanada.

PURE TECHNOLOGIES DOWN -29%

Shares of Pure Technologies were negatively impacted by weak company performance during the quarter. Historic investments to support growth, coupled with a delay in the signing of two contracts, had a negative impact on the company's operating margin. Going forward the company is sized to achieve significantly higher levels of revenue at higher than historic margins. Management demonstrated their confidence with this objective as the majority of their compensation is now tied to increases in EBITDA and revenue per share over the next 3 years.

Canadian Equity Pool Industry Split (Sept 30/2015)



Buys & Sells-Canada

New Buys:

INDUSTRIAL ALLIANCE INSURANCE & FINANCIAL SERVICES

Industrial Alliance (IAG) is a Quebec headquartered life insurance and wealth management company. The company has grown by making intelligent small to midsize acquisitions which have proven to be both synergistic and earnings accretive. The fund's position in IAG was purchased at close to book value with a current ROE in the low-teens that may increase to the mid-teens. This potential, coupled with an excellent and highly experienced management team, makes us very excited about potentially strong returns from IAG in the future.

Over the third quarter the fund added to its positions in Ag Growth, AutoCanada, Boyd, CIBC, CargoJet, Cenovus, CGI, Goldcorp, Macdonald Dettwiler, MTY Corp, Pure Technologies and TransForce.

The fund reduced exposure to Intact Financial, Manulife and WSP and eliminated the position in Journey Exploration.

As a result of these transactions along with fund flows, the cash position in the fund increased to 3.9% from the 1.5% position as of June 30th.

Canadian Equity Pool Dynamics (Sept 30/2015)

Measure	Canadian Pool	S&P/TSX Comp
FY1 P/E	16.9x	14.4x
Dividend Yield	3.2%	3.3%

Source: *Galibier Capital Management Ltd, Bloomberg*

Galibier U.S. Equity Pool

The S&P500's performance in the quarter was +0.5% in Canadian dollar terms. Galibier's investment results were behind those of the index at -3.3% for the quarter. For the year ended September 30/2015, the U.S. market was up +19.2% (S&P500 C$) while Galibier's investment result was +11.9%. On a three year basis, the U.S. market returned +24.6% per year vs Galibier's return of +19.1%.

US Equity Pool Top Holdings (Sept 30/2015)	
	Weight (%)
1. Priceline Group, Inc.	5.6
2. VISA Inc.	4.8
3. Express Scripts Holding Co	4.7
4. Booz Allen Hamilton Inc.	4.6
5.Thermo Fisher Scientific Inc.	4.5
6. Sanofi SA (ADR)	4.5
7. Google Inc.	4.4
8. AIG	4.3
9. JPMorgan Chase & Co	4.3
10. Echo Global Logistics, Inc.	4.1
Total	**45.8**

Best performers[2]

Google Up +26%

Shares of Google responded positively to several fundamental improvements in its recent quarter. Accelerating "paid-click volume", improved mobile monetization, a doubling of mobile watch time on YouTube and a further reduction in capital expenditures were taken positively by investors who bid the shares up 16% in one day. Google also announced it will reorganize its corporate structure going forward with the corporate entity being reincarnated as Alphabet. This should allow for improved clarity on the various businesses within Google and improve the alignment of segment leaders with the performance of their business unit.

Priceline Up +15%

Priceline is benefitting from the network effect of its business model. As well a stabilizing US$ is a positive as Priceline derives a very significant portion of its earnings from overseas operations. We believe the company was oversold earlier in the year even while it continued to put up very solid numbers and operating performance. Priceline continues to offer the potential of good share price performance into the future.

Booz Allen Hamilton Up +12%

Booz Allen had strong performance in the quarter as they continue to execute on their top line and margin improvement targets. They have also seen bid activity start to pick up in their end markets. There had been some concern in the market as the company had a major contract, SURVIAC, which was coming to an end, but they were able to replace the majority of that revenue with a mix of newly awarded contracts. We continue to like their trusted position within the United States Defence community as well as the opportunities for growth in their commercial, international and cyber security businesses.

Worst Performers[2]

Iconix Brand Group Down -42%

Shares of Iconix declined significantly in the quarter on the departure of its CEO and weak financial performance. The recent CEO departure, along with additional executive departures earlier this year, has caused significant pressure on the stock which is now trading at the distressed level of 6.5X 2015 earnings guidance. As a reminder, Iconix licenses brands to other companies that manufacture and sell the products through major retailers, typically on multi-year contracts. The result should be very predictable licensing revenues generated with little capital investment and thus very high returns on invested capital. While recent management upheaval has overshadowed this aspect of the company, we are focused on evaluating the ability of the new management team to return investor focus to the cash generating nature of the company.

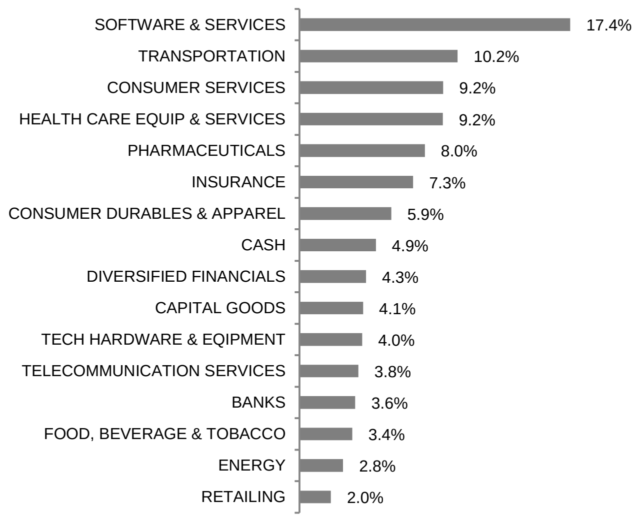
Echo Global Down -35 %

Shares of Echo Global were weak in the quarter due to concerns over economic weakness. Like many industrial names, the shares declined due to a softer market outlook and worries about declining transportation volumes. During the quarter Echo closed the acquisition of Command Transportation, which we believe will be a significant positive in driving the growth of the business. As a result of the acquisition, management also updated their long-term revenue and EBITDA targets to well above market expectations, which is in line with our expectations. We took advantage of the price weakness in ECHO to add to our positions in the name.

Las Vegas Sands Down -21 %

Las Vegas Sands (LVS) has been caught up in some policy changes in Macau which have led to a slowdown in casino visits and gambling activity that has particularly impacted the ultra-high net worth segment of the market. Las Vegas Sands is much more mass market focused and we expect a more muted impact of this slowdown. The company is poised to open a new hotel, mall and casino complex in 2016 which should lead to a step function up in earnings power. We also expect the regulatory environment to ease somewhat in the next few months. With a dividend yield of around 6% we added to our position in LVS during the quarter.

US Equity Pool Industry Split (Sept 30/2015)



Buys & Sells

New Buys:

Thermo Fisher Scientific Inc. (TMO)

Created through the merger of Fisher Scientific (chemical reagents) and Thermo Electron (analytical instruments) Thermo Fisher is the largest and most diversified player in life sciences and analytical technology. The company’s competitive advantage lies in the breadth of it's offering catalog and scope of client relationships. This affords it the ability to cross sell existing customers into new revenue streams. Key senior management has also been with the company for over 15 years. At current valuations (P/E of 15x 2016 eps), we believe the stock allows us outsized return potential.

VF Corp (VFC)

VF Corp is a consumer products company with a strong diversified portfolio of brands with iconic history including North Face, Vans, Wrangler, Lee and Nautica among others. The company's distribution model is multi-channel with a strong online business and over 1250+ company owned stores both in domestic and international markets. These channels provide multiple avenues of entry and presence to the consumer. VF Corp's brands still have significant geographic expansion potential particularly in the Asia-Pacific region. The company has ample room for increased leverage of its pristine balance sheet to utilize its demonstrated success in making accretive acquisitions.

Over the quarter the fund added to its positons in National Oilwell Varco, BB&T, CSX, Echo Global, Emerson Electric, Las Vegas Sands and Met Life. Positions were reduced in Apple, Google and Ross Stores. Three names were eliminated in the fund: Trimble, ConocoPhilips and Holly Frontier.

As a result of these transactions as well as funds flows, the cash position of the fund was 4.9% as of September 30th, down somewhat from 5.4% at the end of June.

U.S. Equity Pool Dynamics (Sept 30/2015)

Measure	U.S. Pool	S&P500
FY1 P/E	14.6x	14.8x
Dividend Yield	2.0%	2.3%

Source: *Galibier Capital Management Ltd, Bloomberg*

Notes:

1. *When evaluating the performance of any investment, it is important to compare it against an appropriate benchmark in order to make an informed assessment of the account's performance based on its investment strategy. Galibier utilizes broad market indexes such as the S&P/TSX Composite index and the S&P 500 index for this purpose as they are the most well-known indices and are most likely to resemble the investment strategy of the accounts. It is important to note that benchmarks do not include operating charges and transaction charges as well as other expenses related to the account's investments, which may affect its performance.*

2. *Performance % represents the percentage return to the pool during the most recent quarter and includes the impact of market price changes, buys, sells, and dividends (if any).*