Galibier Capital Management Ltd.

Quarterly Investment Review

Q1 2015

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Results

It has been a long, long winter…and a busy one here at Galibier. As always, we were hard at work valuing companies and developing investment theses. The markets were quite volatile and we were active as volatility can sometimes be the friend of the true investor.

We reduced the number of names in the portfolios during the quarter. The Canadian pool now has 29 names down from 30. The U.S. pool has 28, also down from 30. All of the 57 companies held in the portfolios demonstrate our five key criteria: an enduring competitive advantage, the potential for high free cash flow, strong management teams, above average growth and an appropriate level of financial leverage.

The 1st quarter of 2015 again provided sharply mixed returns in the overall Canadian and U.S. markets. U.S. returns in C$ were strongly positive due to the continued sharp decline in the Canada/U.S. exchange rate. The Canadian market generated performance of +2.6% (S&P/TSX) in Q1 while the U.S. market generated +10.4% (S&P500 C$). In Canada, the best performing sectors were Healthcare, Technology and Consumer Discretionary while the worst performing were Energy, Financials and Telecom. In the U.S., the market was led higher by the Healthcare and Consumer Discretionary sectors, offset by the worst performing sectors of Utilities and Energy.

For the year ended March 31/2015, performance in the overall Canadian market was +6.9% sharply lower than the +29.4% of the U.S. market (in C$).

Summary of Results

Period ending: Mar 31/2015	3 Months (%)	1 Year (%)	2 Year (%)	Since Inception (%)
Galibier Canadian Equity Pool	**3.1**	**11.4**	**21.2**	**19.6**
S&P/TSX Composite (total return)	2.6	6.9	11.4	11.1
Galibier U.S. Equity Pool	**9.9**	**17.7**	**26.7**	**25.1**
S&P500 (CAD, total return)	10.4	29.4	30.9	30.2

Note:
Return figures are gross of fees and fund expenses.
Return figures are annualized for periods greater than 1 year.
Inception date of the two 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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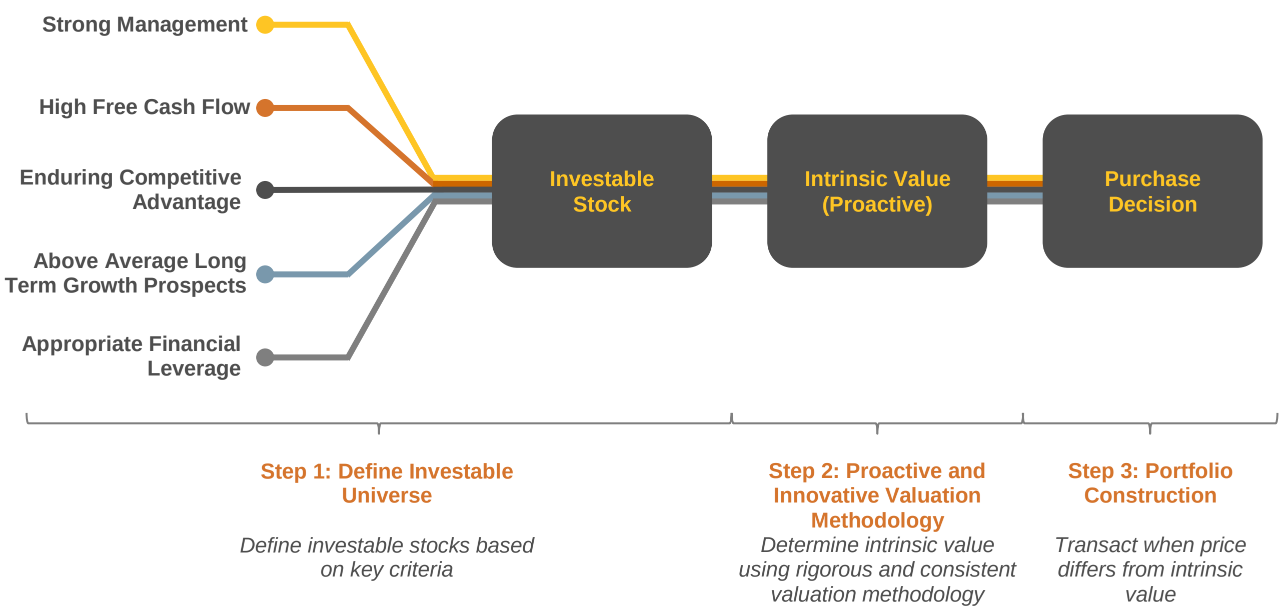
Galibier Capital Management Ltd.

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 the first quarter the S&P/TSX provided a positive total return of +2.6%. The Galibier Canadian Equity Pool's investment results were slightly higher, up +3.1%. Over the longer term, Galibier's investment results have been consistently strong on both an absolute and a relative basis. For the 1-year period ending March 31, 2015, Galibier's Canadian Equity Pool returned +11.4% versus the S&P/TSX +6.9%. On a two year basis Galibier's annualized numbers are +21.2% vs. the S&PTSX at +11.4%. Since inception, the Canadian Pool has returned +19.6% per year vs. the index up +11.1%.

Canadian Equity Pool Top Holdings (Mar 31/2015)	Weight (%)
1. Bank of Nova Scotia	8.2
2. Intact Financial	5.7
3. CIBC	5.3
4. CGI Group Inc	4.8
5. WSP Global Inc.	4.3
6. MacDonald Dettwiler & Associates	4.0
7. AutoCanada Inc.	3.6
8. Martinrea International Inc	3.6
9. Northland Power Inc.	3.5
10. Evertz Technologies	3.5
Total	**46.5**

Best performers[2]

TRICON CAPITAL GROUP UP +29%

Tricon operates in three segments: homebuilding and development, U.S. single family rental and an emerging U.S. manufactured housing business. The company's business is almost completely in the United States so the strength of the U.S. dollar has been a significant tail wind for the company. Tricon has benefitted from improving conditions in the U.S. rental market driving value creation in its large portfolio of U.S. homes for rent. As well, the company is looking to securitize the cash flows from this portfolio which should be accretive to its net asset value.

WSP GLOBAL UP +21%

WSP benefited in the quarter from high levels of organic growth as well as recent acquisitions. The company's business and outlook is further supported by a substantial and growing backlog of business and additional M&A opportunities to further consolidate the consulting and engineering services industry. Shares offer an attractive dividend yield of 3.5%.

CGI UP+21%

Shares of CGI Group, a global technology consulting, integration and outsourcing company, increased during the quarter as profits continue to grow ahead of expectations. Additionally, investors feel the company is increasingly in a position to resume consolidating the industry as it has been 2 years since its last large acquisition (Logica). The company has also used its excess cash flow to reduce debt.

Worst Performers[2]

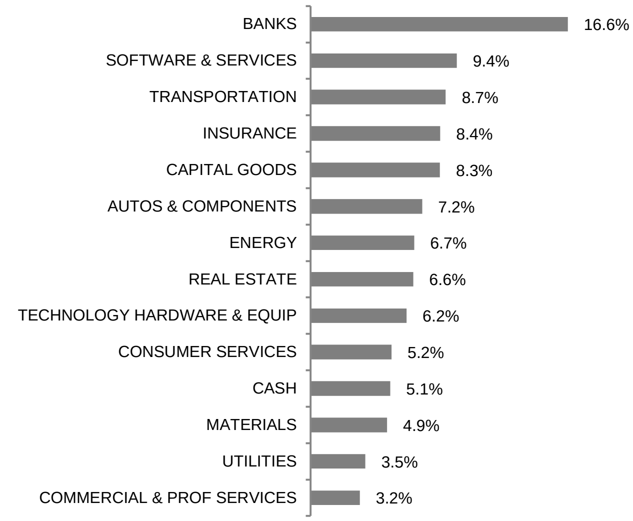
AUTOCANADA DOWN -28%

AutoCanada's share price was weak as a result of two factors. Initially, shares declined along with energy prices as close to half of the company's dealerships are located in Alberta and the market sold off all companies with energy exposure. Then in March, along with the quarterly results, management indicated that they had seen more weakness than expected in February new vehicle sales. They are taking action to reduce costs and are continuing with their acquisition strategy. We believe management is executing on the long term thesis and we remain invested in the shares.

BSM DOWN -27%

BSM Technologies is a leading provider of remote monitoring, fleet management and automated vehicle security systems. Shares of the company declined as investors are increasingly skeptical that the company can achieve its goal of increased profitability. Margins have been pressured recently as the company has pursued an initiative to outsource its manufacturing process which will lead to higher future margins. Going forward, profits should also benefit from the integration of recent acquisitions as well as a more favorable revenue mix due to increased levels of high margin, subscription revenue versus hardware sales.

Canadian Equity Pool Industry Split (Mar 31/2015)



Buys & Sells

During Q1 2015, one new position was added to the Canadian pool: Canadian Imperial Bank of Commerce (CIBC). Two existing names were removed from the portfolio: Cogeco Cable and Paramount Resources, both because of valuations exceeding our view of intrinsic value.

CIBC

At its current price, CIBC offers an attractive value proposition. It has the highest dividend yield of its peers, and is the cheapest on a P/E basis trading at 9.6X estimated 2016 eps estimates. CIBC has significant excess capital versus its regulated capital requirements which will allow it to return capital to shareholders through dividend increases or buybacks or to fund acquisitions likely in the wealth management space. Such acquisitions, if properly executed, would likely result in a multiple re-rating at CIBC. We are also pleased with Victor Dodig's appointment to the bank CEO position as he has long time experience in the wealth management business. At an average cost of just under $93 we think CIBC has significant upside to our estimate of its long term intrinsic value.

Names added to in the quarter include AutoCanada, Bank of Nova Scotia, BSM, CargoJet, Cenovus, CGI, Dream Global, Evertz, Genworth, Goldcorp, MDA, Manulife, Martinrea, Northland Power, Pure, Transforce and WSP Global.

We reduced positions slightly in Air Canada and Intact Financial,

As a result of these transactions, the net reduction of one name in the portfolio, and the flows into the Canadian Pool during the quarter, the cash position increased to 5% versus the 1.5% level at the end of the fourth quarter of 2014.

Canadian Equity Pool Dynamics (Mar 31/2015)

Measure	Canadian Pool	S&P/TSX Comp
FY1 P/E	18.6x	15.3x
Dividend Yield	2.9%	2.8%

Source: *Galibier Capital Management Ltd, Bloomberg*

Galibier U.S. Equity Pool

The S&P500's performance in the quarter was +10.4% in Canadian dollar terms. Galibier's investment results were slightly behind the index at +9.9% for the quarter. For the year ended March 31/2015, the US market was up 29.4% (S&P500 C$) while Galibier's investment result was +17.7%. On a two year basis the US market returned +30.9% per year vs Galibier's return of +26.7%. Since inception the Fund has returned 25.1% per year vs. the market up 30.2%.

US Equity Pool Top Holdings (Mar 31/2015)	
	Weight (%)
1. Express Scripts Holding Co	4.8
2. Google Inc.	4.6
3. Priceline Group Inc.	4.4
4. VISA Inc.	4.2
5. Cummins Inc.	4.0
6. Sanofi SA (ADR)	4.0
7. Verizon Communications Inc.	4.0
8. AIG	4.0
9. Booz Allen Hamilton Inc.	3.9
10. Iconix Brand Group	3.8
Total	**41.7**

Best performers[2]

Cognizant up +30%

Cognizant is a U.S. headquartered IT services firm that has been increasing revenue at a mid-teens rate. Cognizant is well positioned to continue this growth as its customers increase spending on the IT services that it provides. During the quarter, shares in the company reacted positively to management's outlook for 2015 where it guided for revenue of $12+bn and EPS approaching $3.

Apple up +24%

The world's largest company by market capitalization reported spectacular financial results during the quarter driven by the strong sales of its iPhone 6. This, coupled with the enormous cash hoard and continued very high free cash flow, drove significant share price appreciation. Investors are also anticipating new sources of sales from the Apple watch and there is significant speculation about Apple entering other verticals (Automotive? Enhanced video offering?) Galibier took some profits in AAPL over the quarter at the $129+ level as the company's value is approaching our view of fair value.

Ross Stores up +22%

Ross Stores had strong performance in the quarter after releasing earnings that beat street expectations. The management team also announced a continuation of their share buyback as well as an 18% increase in their dividend. We are very pleased with the execution of management and their commitment to returning capital to shareholders. New store openings are proceeding as planned and same store sales results remain strong. We remain positive on the long term outlook and continue to be invested in Ross Stores shares.

Worst Performers[2]

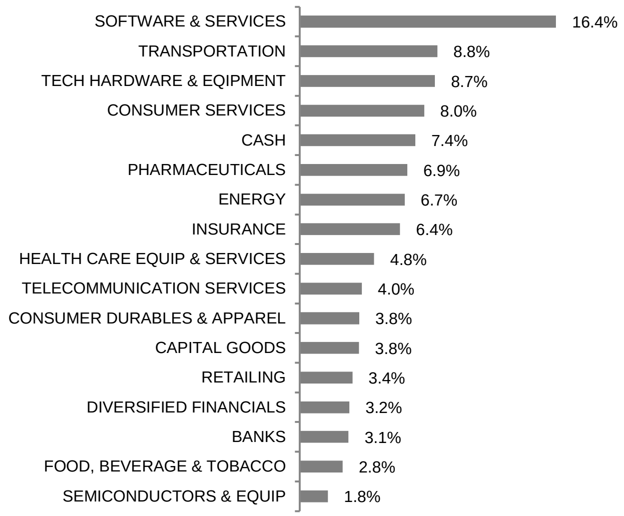
National Oilwell Varco down -16%

National Oilwell Varco, the world's largest supplier of components to the oil industry, has been at the centre of a perfect storm due to sharply declining oil prices and a significant slowdown of drilling activities on a global basis. With oil rigs being laid down, demand for the company's products are falling sharply and earnings will be hurt. As well, for oil prices to recover, supply must be reduced for a prolonged period and therefore medium term prospects for Varco are muted at best. We believe the company offers decent value at this level and continue to hold.

ConocoPhillips down -0.3%

ConocoPhillips is another victim of the oil price collapse and resultant sharp decline in its earnings power. This is felt more at a *producer* like Conoco than at an *integrated* player such as Exxon or Chevron, as Conoco does not have significant downstream refining operations to mute the impact of falling oil price. The company has announced plans to reduce its labour force in order to cut costs. With a dividend yield of 4.6% we are getting paid to wait (the company will be cutting capital expenditures in line with cash flow so we believe the dividend is relatively safe in the near term). However we are closely watching the energy situation and its impact on the company in the medium and longer term.

US Equity Pool Industry Split (Mar 31/2015)



Buys & Sells

Over the course of the 1st quarter, the U.S. Equity Pool added one new position-Echo Global Logistics. It exited positons in International Business Machines and Chevron. The fund added to its exposure in Emerson Electric, Gilead Life Sciences, Las Vegas Sands and Trimble Navigation. The Fund reduced positions in Apple, Ross Stores and Ultratech.

ECHO GLOBAL LOGISTICS

Echo Global Logistics is a third party logistics provider specializing in small and medium clients. They operate a capital light model, matching shippers with optimized transportation solutions and acting as an outsourced transportation department for their clients. Aggregating volumes together creates a strong network effect, which leads to cost savings for customers. Management has executed well against their long term targets and looks to continue growth both organically and through acquisitions.

The cash position of the U.S. Pool at March 31/2015 was 7.4% versus the 3.1% cash weight as of Dec 31/2014.

U.S. Equity Pool Dynamics (Mar 31/2015)

Measure	U.S. Pool	S&P500
FY1 P/E	17.0x	15.5x
Dividend Yield	1.6%	2.0%

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

Disclaimer

Galibier Capital Management Ltd. ("Galibier") is registered with the Ontario Securities Commission as a Portfolio Manager and Investment Fund Manager, with the British Columbia Securities Commission as a Portfolio Manager and with the Autorité des Marchés Financiers in Quebec as a Portfolio Manager and Investment Fund Manager. This summary does not constitute an offer to sell or buy any securities. All information and opinions as well as any figures indicated herein are subject to change without notice.

The Galibier Canadian Equity Pool, the Galibier U.S. Equity Pool and the Galibier Opportunities Fund (the "Funds") are available to accredited investors as that term is defined under Canadian securities legislation. An investment in the Funds will involve significant risks due, among other things, to the nature of the Funds' investments.

All return figures for the Funds are gross of fees and fund expenses. Indicated rates of return are historical returns, including changes in security value and reinvestment of all distributions and does not take into account any applicable income taxes payable by any security holder that would have reduced returns.

The Funds' returns are not guaranteed, the values change frequently and past performance may not be repeated.

All returns of the Galibier Canadian Equity Pool and the Galibier U.S. Equity Pool prior to June 6, 2013 and of the Galibier Opportunities Fund prior to November 30, 2014 are related to Galibier's proprietary accounts, as Galibier's employees were the sole investors in the Funds during this period of time. Returns are presented only for periods during which Galibier has been registered as a portfolio manager. The investment strategies of the Funds have not changed since the Funds' inception. Canadian securities administrators have expressed concerns regarding marketing returns for proprietary accounts as firms can employ different strategies and take greater risks when managing its own investments without a fiduciary duty to third party investors.