Galibier Capital Management Ltd.

Quarterly Investment Review

Q1 2020

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"Remaining calm in times of desperation makes way for opportunity"

-Simon Sinek

The first quarter of 2020 will likely go down in both social and economic history as a uniquely difficult time. All of us at Galibier would like to sincerely thank the frontline medical caregivers and essential service providers for their truly heroic efforts during this crisis.

During Q1 2020, equity markets were subject to extreme volatility and declining valuations. This pull back was due to three main coincident and related factors. The first was the consistent under estimation of the magnitude and depth of the COVID-19 virus by policy makers. The second was the realization of the need to suppress the spread of the virus by shutting down major portions of the global economy. The third was the demand and supply shocks in energy markets.

As a result of these factors and the generally high worldwide equity market valuations leading into the quarter, the market correction was severe. Almost all equity markets exited the quarter with double-digit losses.

The response by policy makers to provide monetary stimulus while simultaneously seeking to put portions of the economy into suspended animation has led to severe volatility in financial markets as well as a significant impact to the real economy. Monetary policy initiatives were implemented to cushion the economy during this period of slowdown and to hopefully allow for a measured restart of the economy.

The decisive monetary actions will be effective in keeping capital flowing and businesses and individuals solvent. Governments have also commenced significant fiscal programs focussed on buttressing medical facilities, vaccine development and physical infrastructure which will somewhat offset the reduction of consumption associated with the lock-downs around the world. In the medium term, more fiscal stimulus may be required to achieve the goal of this period which is just a temporary suppression of economic activity rather than a longer-term severe recession or potentially a depression.

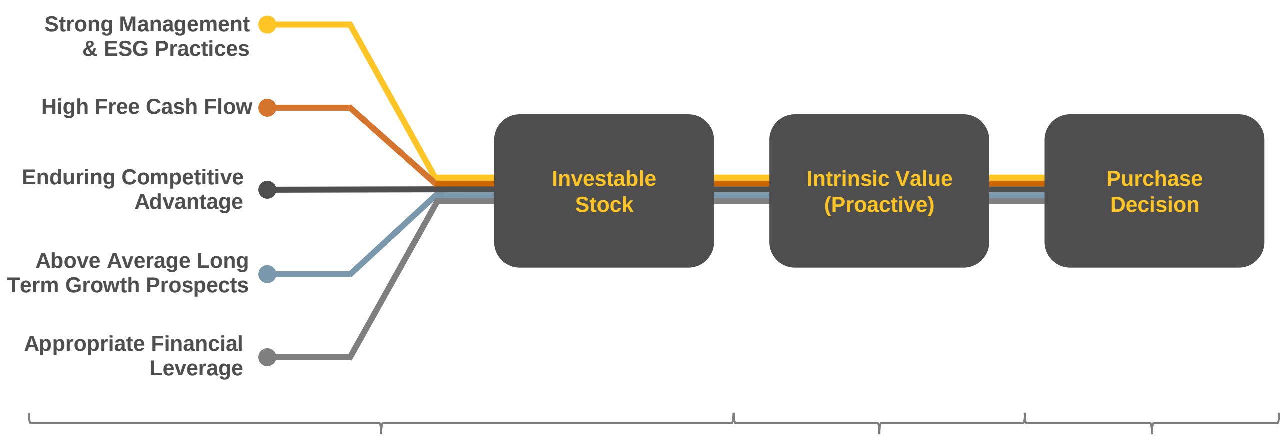
At Galibier, we continue to focus three to five years out. All business models in the post COVID-19 economy will likely be impacted, some positively and some negatively. For all of Galibier's holdings as well as new potential investments, our team of experienced investment professionals is focussed like never before on evaluating the durability of competitive advantages and assuring that the balance sheets of these companies contain no hidden financial risks despite a potential prolonged period of economic slowdown. We continue, as always, to measure investment opportunities against the yardstick of our five investment criteria and a proactive view on a rigorously defined intrinsic value.

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 – *The Galibier Way*

Galibier follows a proactive and innovative ***valuation*** *methodology*



Step 1: Define Investable Universe

Define investable stocks based on key criteria

Step 2: Proactive and Innovative Valuation Methodology

Determine intrinsic value using rigorous and consistent valuation methodology

Step 3: Portfolio Construction

Transact when price differs from intrinsic value

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
- Concentration is essential for generating alpha
- 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 Summary of Results

Period ending: Mar 31/2020	Since Sep27/12 (%)	7 Year (%)	6 Year (%)	5 Year (%)	4 Year (%)	3 Year (%)	2 Year (%)	1 Year (%)	Year-to-date (%)
Galibier Canadian Equity Pool	**6.0**	**5.5**	**1.6**	**-0.2**	**1.4**	**-3.8**	**-9.9**	**-20.0**	**-29.8**
S&P/TSX Composite (total return)	4.2	3.8	1.9	0.9	2.9	-1.9	-3.7	-14.2	-20.9

Notes:

i. *Return figures are gross of fees.*
ii. *Return figures are annualized for periods greater than 1 year.*
iii. *The Funds' returns are not guaranteed, the values change frequently and past performance may not be repeated.*
iv. *Inception date of the fund is September 27, 2012.*
v. *Returns are presented only for periods during which Galibier has been registered as a portfolio manager.*
vi. *The investment objectives of the Galibier Canadian Equity Pool have not changed since the Funds' inception.*
vii. *All returns of the Galibier Canadian Equity Pool prior to June 6, 2013 are related to Galibier's proprietary accounts, as Galibier's employees were the sole investors in the Funds during this period of time. 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.*
viii. *Performance presentation consistent with recommendations from FCLTGlobal "Institutional Investment Mandates: Anchors for Long-term Performance" www.fcltglobal.org*

Source: Galibier Capital Management Ltd, Bloomberg.
See Note 1 and Disclaimer at the end of this document for information about the returns and benchmarks.

Galibier Canadian Equity Pool

In Q1 2020, the Galibier Canadian Equity Pool generated a return of -29.8%. Since inception on September 27, 2012, the Canadian Pool's annualized return has been +6.0% per year which was ahead of the +4.2% annual return of the index. At the end of the quarter, the active share[3] of the portfolio was 79%.

Canadian Equity Pool Top Holdings (Mar 31/2020)

		Weight (%)
1.	Northland Power Inc.	5.8
2.	CCL Industries Inc.	5.6
3.	Manulife Financial Corp.	5.5
4.	Nutrien Ltd.	5.3
5.	Cargojet Inc.	5.0
6.	WSP Global Inc.	5.0
7.	Rogers Communication Inc.	4.8
8.	Canadian Imperial Bank of Commerce	4.7
9.	Intact Financial Corp.	4.5
10.	CGI Inc.	4.4
Total		**50.6**

Best performers during the quarter[2]

Canadian Natural Resources up +32%

Over the quarter, we switched out of our position in Cenovus and established a new position in Canadian Natural Resources (CNQ) at an average price of $14.38. With the volatility in oil price coupled with OPEC+ meetings on managing supply, CNQ's share price was also extremely volatile and we were able trim our position significantly as high as $19+ in order to maintain an appropriate weight in the fund.

Northland Power up +4%

Shares of Northland Power (NPI) were strong in the quarter relative to the broader market. This is a result of NPI's long term contracted revenue base on all its assets. Northland operates power generating assets under long term power purchase agreements which are all with government counterparties. While the company has put its disaster recovery plan into place including office employees working remotely and split shift policies at its operating facilities, we expect that there will be minimal impact from COVID-19 on its revenues. During the quarter, Northland also announced the acquisition of an offshore wind development company in South Korea, which is a market NPI had often highlighted as being of interest.

SNC-Lavalin up +2%

Shares of SNC-Lavalin continued to perform well during the first portion of the first quarter as the company improved operations, won new business and successfully moved the remaining fixed price contracts forward. With shares trading above our view of intrinsic value and implying no further cost issues with the remaining projects we exited the position during the quarter.

Worst performers during the quarter[2]

CENOVUS DOWN -77%

Over the quarter, the price of crude oil fell about 66% to around the $20-$21 level. This was due to the threat of oversupply from Saudi Arabia who were seeking to regain market share at the expense of other producing countries coupled with unprecedented demand destruction as a result of the sharp economic slowdown in response to the COVID-19 virus. At current oil prices and given Cenovus is primarily a heavy oil producer with even smaller profit margin because of low bitumen prices, we made the decision to swap our holdings to the much higher margin Canadian Natural Resources over the quarter.

SPIN MASTER DOWN -67%

Shares of Spin Master (TOY) had very disappointing performance during the first quarter. In January, the company press released that it would fail to meet its previous fourth quarter 2019 guidance due to operational issues resulting from the consolidation of distribution facilities in the North East United States. Then, as COVID-19 started to cause shutdowns and closures in China, TOY's supply chain network was at risk of further disruption. While Spin Master does not own any manufacturing facilities, it does use third-party manufacturing in its supply chain, with China accounting for roughly 60%. Finally, along with reporting its fourth quarter results, the company announced that the issues within its distribution facilities were more complicated to resolve than initially expected, leading to lowered guidance for the full year of 2020. We are frustrated with the self-inflicted damage from the distribution facility consolidation, but hopeful that the company can get this fixed quickly and return to operating as the innovative toy company they have proven to be in the past.

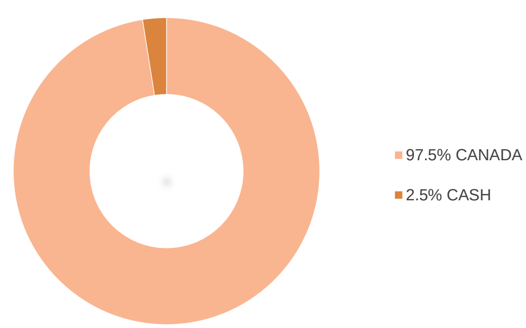
AG GROWTH INTERNATIONAL DOWN -62%

Shares of Ag Growth were down significantly during the first quarter. Ag Growth, along with the market, sold off on fears of recession as COVID-19 spread around the world. Specific to the company, Ag Growth continued to invest in its new technology platform, SureTrack, which is acting as a drag on profitability as it ramps up. The company also saw orders they had originally expected to be placed late in 2019 being delayed into 2020 with the uncertainty around trade agreements and tariffs. Ag Growth plays an essential role in providing equipment to farmers as well as commercial crop, feed, seed and fertilizer customers. While COVID-19 has created significant short-term uncertainty, we are certain that people will continue to eat, which drives demand for Ag Growth products.

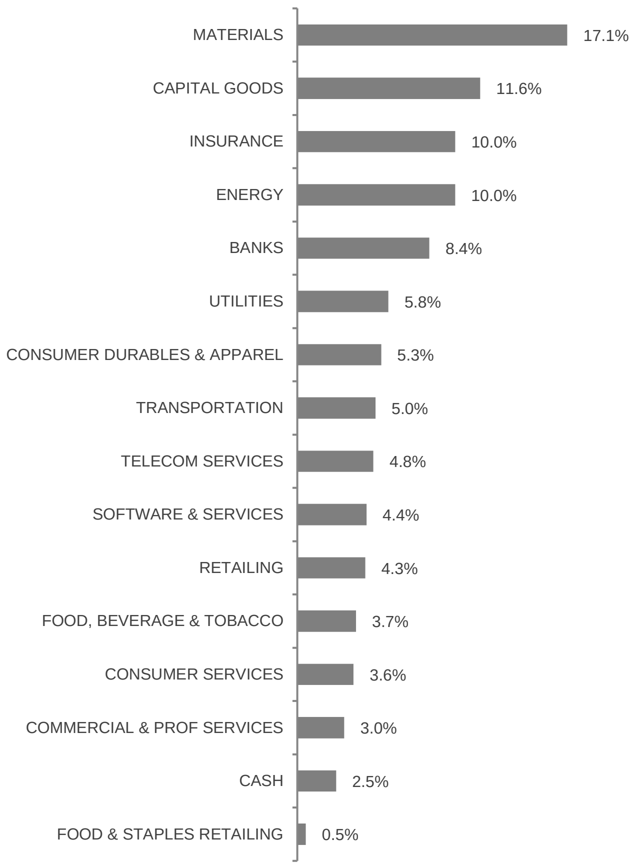
GILDAN ACTIVEWEAR DOWN -52%

Shares of Gildan (GIL) came under severe pressure after the government instituted the closure of most retail stores which disrupted demand for Gildan's products. In addition, the lockdown in Honduras to slow the spread of COVID-19 has caused Gildan to stop producing its product temporarily. Near term revenue and earnings for the company will be significantly lower than initially thought. However, Gildan has significant liquidity and balance sheet room to weather this period. Longer term, Gildan's competitive advantage derived from its low cost manufacturing will enable market share gains and a recovery in profits. Additional shares in the company were purchased during the quarter as they traded below our view of intrinsic value.

Canadian Equity Pool Geographic Split (Mar 31/2020)



Canadian Equity Pool Industry Split (Mar 31/2020)



Buys & Sells

During the quarter, we added two new positions to the portfolio: Canadian Natural Resources Ltd. and Waste Connections Inc.

In addition, we added to numerous positions including CGI, Parkland Fuel, Gildan Activewear, Ag Growth International, Nutrien, Spin Master, CCL Industries, CIBC, Park Lawn and others.

We reduced our positions in numerous names including Cargojet, Enbridge, Premium Brands, WSP Global, Rogers Communications, Intact Financial, Dollarama and others.

We eliminated two positions: Cenovus Energy and SNC-Lavalin Group.

As a result of these transactions, the cash position decreased to 2.5% from 3.8% at the end of the prior quarter.

New Buys:

Waste Connections Inc.

Waste Connections is a company that we have followed for a long time at Galibier. We have always liked its model of focussing in exclusive markets where it is able to earn higher margins and higher free cash flow conversion than its peers. The waste management industry has desirable characteristics as it is highly recurring in nature and allows for high network benefits, through route density and internalization of waste at company owned landfills, where appropriate. Waste Connections has always been our preferred name in the space and with the market selloff during the quarter, we were able to initiate a position at an attractive entry price for a long-term investor.

Canadian Natural Resources Ltd.

This is the third time that we have owned shares in Canadian Natural Resources (CNQ). This senior producer's production mix is weighted more than average towards lighter and also upgraded oil streams, both of which command significantly higher margins than a typical heavy oil producer such as MEG or Cenovus. Given the collapse in oil prices and the commensurate impact on margins across the spectrum of oil grades, CNQ is one of the few Canadian oil companies that can earn a positive margin at these depressed oil prices.

Canadian Equity Pool Dynamics (Mar 31/2020)

Measure	Canadian Pool	S&P/TSX Comp
Fwd 12M P/E	18.3x	13.9x
Dividend Yield	4.1%	4.0%
Number of Names	25	231
Active Share[3]	79%	-

Source: *Galibier Capital Management Ltd, Bloomberg*

Galibier Global Equity Pool Summary of Results

Period ending: Mar 31/2020	Since May12/17 (%)	2 year (%)	1 year (%)	Year-to-date (%)
Galibier Global Equity Pool	**2.7**	**0.7**	**-6.2**	**-18.1**
MSCI World (CAD, total return)	2.4	1.4	-4.5	-13.3

Notes:

i. *Return figures are gross of fees.*
ii. *Return figures are annualized for periods greater than 1 year.*
iii. *The Funds' returns are not guaranteed, the values change frequently and past performance may not be repeated.*
iv. *Inception date of the fund is May 12, 2017.*
v. *The investment objectives of the Galibier Global Equity Pool have not changed since the Funds' inception.*
vi. *Returns are presented only for periods during which Galibier has been registered as a portfolio manager.*
vii. *Performance presentation consistent with recommendations from FCLTGlobal "Institutional Investment Mandates: Anchors for Long-term Performance" www.fcltglobal.org*

Source: Galibier Capital Management Ltd, Bloomberg.
See Note 1 and Disclaimer at the end of this document for information about the returns and benchmarks.

Galibier Global Equity Pool

In Q1 2020, the Galibier Global Equity Pool generated a return of -18.1%. Since inception on May 12, 2017, the Global Pool's annualized return has been +2.7% per year which was ahead of the +2.4% annual return of the index. At the end of the quarter, the active share[3] of the portfolio was 94%.

Global Equity Pool Top Holdings (Mar 31/2020)

		Weight (%)
1.	Koninklijke Philips NV ADR	5.1
2.	AstraZeneca PLC ADR	5.0
3.	Alphabet Inc.	5.0
4.	AbbVie Inc.	4.4
5.	Oshkosh Corp.	4.4
6.	Medtronic PLC	4.3
7.	Schneider Electric SE	4.2
8.	Emerson Electric Co.	4.0
9.	Visa Inc.	3.9
10.	Galaxy Entertainment Group Ltd.	3.8
Total		**44.1**

Best performers during the quarter[2]

NIKE UP +13%

The volatility of names such as Nike played into Galibier's proactive view of valuation. Shares of Nike sold off with the rest of the market on fears about demand and an economic slowdown which gave us a chance to purchase the stock at around $63. The world's largest athletic shoe and apparel maker has a pristine balance sheet and excellent long-term growth potential. We have owned Nike in the past and actually sold out of our position at a time when its share price was above $75 in 2018 as we believed it had reached full value. After initiating a position in the quarter, the stock subsequently rebounded sharply and traded above our estimate of intrinsic value so we exited the position and redeployed the capital into other names.

COLGATE-PALMOLIVE UP +4%

Colgate (CL), a former holding in the Global Equity Fund which we had exited on valuation earlier in the year at around $70, sold off during the quarter to the $62.50 level where we repurchased our position. Colgate generates high profit margins relative to its peers which demonstrates its enduring competitive advantage. CL's product lines provide consumers with a high utility to value ratio and are low on the hierarchy of needs. Colgate has a commanding leadership in global market share of oral care (Colgate), household products (Ajax, Palmolive) and pet foods (Hill's) and is a truly global company with more than 60% of its revenues earned outside of the United States.

VISA UP +6%

One of our all-time favourite companies and long-time Galibier holding, Visa, became very attractively valued over the quarter and we repurchased our position at $142-$143. We had sold Visa on valuation in 2019 at prices between $150-$152. With concerns about viral transmission on paper money, Visa's already formidable long-term growth prospects have now become even better.

UNILEVER UP +3%

We had been considering adding Unilever (UL) to the fund for a few months and we were finally given an attractive entry point during the quarter. While the company will be negatively impacted from COVID-19 in 2020, it will be short lived and has limited impact on its intrinsic value over the long term. Thanks to the market selloff we were able to initiate a position in Unilever at prices well below our calculation of intrinsic value.

Worst performers during the quarter[2]

SCHLUMBERGER DOWN -53%

On the backdrop of expectations for a prolonged period of depressed oil prices, Schlumberger (the world's largest oil field service company) stock reached all-time lows during the quarter before rebounding somewhat. Responding to low oil and gas prices, producers around the world have significantly cut plans for capex which hurts demand for Schlumberger's services in the near term. We anticipate the company's cost restructuring initiatives will offset some of the blow to its near term fundamentals. Over the quarter we reduced our position in the name and redeployed the capital into other opportunities.

ING GROUP DOWN -53%

European financials faced a bit of a lockdown themselves as regulators "requested" that they suspend dividends until the 4th quarter. Well capitalized ING was widely owned on its yield so this development impacted share price. As well, concerns about its loan book's U.S. energy exposure were heightened during the quarter as a result of the sharp decline in energy prices. We significantly trimmed our position in ING and redeployed this capital into other names such as Truist (the merged entity of BB&T and SunTrust) which has solid prospects and a very attractive valuation.

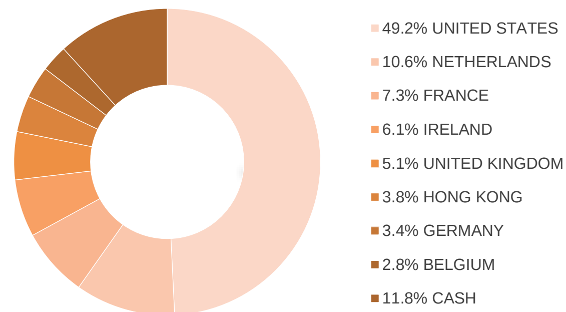
ANHEUSER-BUSCH DOWN -41%

Like most other consumer businesses, Anheuser-Busch is facing severe headwinds from demand destruction given the ongoing global situation with COVID-19. More specifically, the shutdown of non-essential businesses, including hospitality premises such as restaurants and bars where Anheuser-Busch holds a strong distribution advantage has severely impacted the company's revenues. The situation remains fluid in the near-term and we continue to monitor it closely. That being said, we anticipate Anheuser-Busch to be a primary beneficiary once economic activity resumes and we believe the company is currently trading at a significant discount to its intrinsic value.

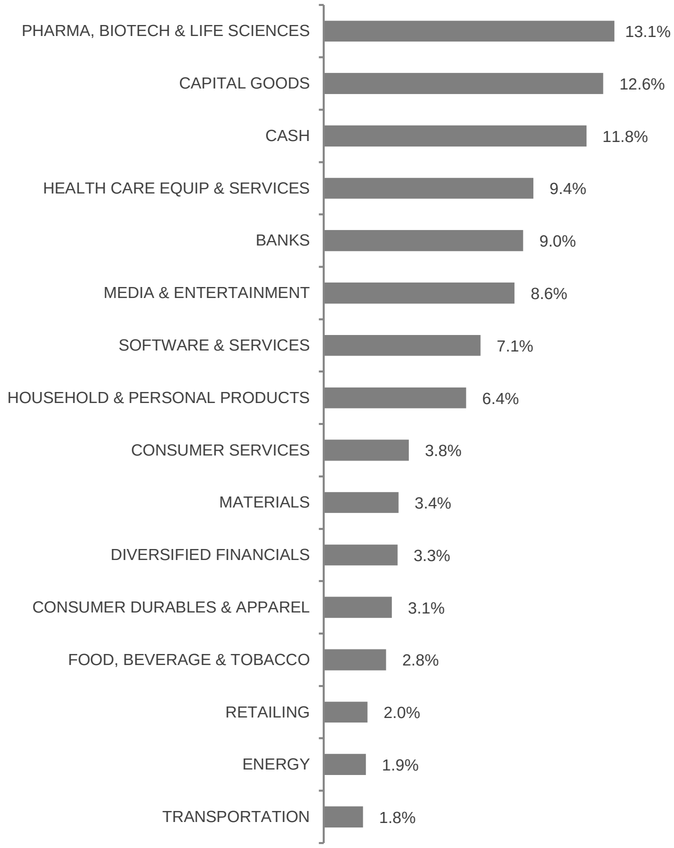
TRUIST FINANCIAL DOWN -39%

Truist (TFC), a company that was formed by the merger of BB&T and Suntrust in December of 2019, has been a long time holding of Galibier since its BB&T days. The combined entity is the sixth largest bank in the U.S. and is a true 'super regional' player. Longer term earnings power will be enhanced by significant synergies being realized as a result of the merger. In the short run, the Fed's actions to cut short term rates and other monetary measures to enhance liquidity coupled with the real economic impact of the COVID-19 lockdown is leading to some concern on earnings, loan losses and provisioning for all financial institutions. We took advantage of significant volatility in TFC's share price weakness to add slightly to our position over the quarter.

Global Equity Pool Geographic Split (Mar 31/2020)



Global Equity Pool Industry Split (Mar 31/2020)



Buys & Sells

During the quarter, we added five new names to the portfolio: Nike, Walt Disney, Visa, Unilever PLC ADR and Schlumberger.

In addition, we added to numerous positions including Oshkosh, Medtronic PLC, Truist Financial, Emerson Electric, Thermo Fisher and others.

We reduced our positions in numerous names including Booking Holdings, Ryanair Holdings PLC ADR, AstraZeneca PLC ADR, ING Groep NV ADR, Colgate-Palmolive and others.

We exited three positions: Nike, Remy Cointreau and Walgreens Boots Alliance.

As a result of these transactions, the cash position increased to 11.8% from 11.2% at the end of the prior quarter.

New Buys:

Nike Inc.

The world's largest athletic shoe and sports apparel company was a long time holding in the Fund but we exited in 2018. The company has a very strong global brand and distribution system and derives significant sales in China. As well, it has a highly developed and growing on line retailing presence which is leading to expanding margins. In the quarter, the volatility in the U.S. market gave us an opportunity to re-enter the name at a very attractive price.

The Walt Disney Co.

We have wanted to own the "House of Mouse" for many years as it is a global content powerhouse with one third of the box office and nearly a century worth of content and characters. Given its positioning, Disney is the best equipped for the rapidly changing world of content distribution. In five years, Disney will have one of the strongest distribution channels through Disney+, Hulu and ESPN+ which eventually will have better economics than traditional TV. It only took three months for Disney+ to get to the same number of subscribers that Netflix had after six years and we expect further subscriber growth through the aggressive launch of Disney+ around the world. Admittedly, we bought Disney too early through the COVID-19 sell off. At the close of the quarter, half the value of the stock is the direct-to-consumer assets and we are paying less than a 10x multiple for the rest of the earnings in 2024 which includes very little value being ascribed to the Disney parks.

Visa Inc.

Visa is the world's largest electronic payments network for both credit (Visa) and global ATM networks (Visa/Plus). The company is incredibly profitable with a net profit margin of around 50% and remarkably high return on equity of 30%. The company has extremely high free cash flow and was purchased with a current year free cash flow yield of 4.4% which is well below its historical valuation levels.

Unilever PLC ADR

Unilever (UL) is one of the preeminent global consumer packaged goods companies. UL has leading market share in 85% of its sales. Its global reach is unprecedented with sales in 190 countries and the highest emerging market exposure among peers. Despite being a leader in good categories and good geographies, Unilever has been lagging its potential as they have lost market share. When we met with the CFO of Unilever in February, we were comforted that management had successfully identified and addressed the recent failures. We believe the company will improve its growth trajectory in the near term.

SCHLUMBERGER LTD.

Schlumberger (SLB) is the world's leading oilfield services consultant and benefits from advantages of scale, technology leadership and a long standing history of being the preferred service provider to national oil companies across the world. Consequently, 70% of Schlumberger's revenues are derived from international markets which is positive as barriers to entry (mainly from relationships) are much higher, capex investments tend to be more resilient and capex in these markets is anticipated to grow in the mid-single-digits following years of under-investment. In addition, the new CEO has launched many strategic initiatives such as exiting businesses where SLB can no longer differentiate its services with a superior technology offering (ie: pressure pumping). We anticipate this will benefit its cost structure and therefore margins regardless of the oil price environment.

Global Equity Pool Dynamics (Mar 31/2020)

Measure	**Global Pool**	MSCI World
Fwd 12M P/E	15.8x	14.9x
Dividend Yield	2.7%	2.9%
Number of Names	25	1,643
Active Share[3]	94%	-

Source: *Galibier Capital Management Ltd, Bloomberg, MSCI Inc.*

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, the MSCI World 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).*

3. *Active share: a measure of the percentage of stock holdings in a portfolio that differ from the benchmark index. Data source: Bloomberg.*