Galibier Capital Management Ltd.

Galibier Opportunities Fund
Quarterly Investment Review

Q1 2018

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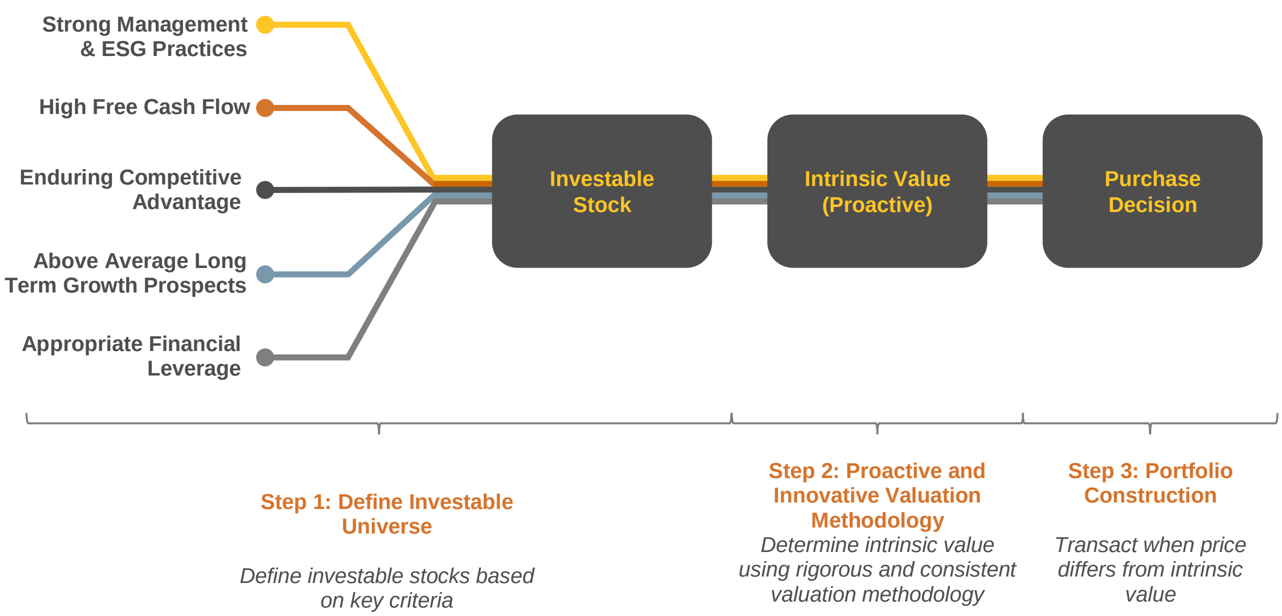
Galibier Capital Management Ltd.

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 – *The Galibier Way*

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
- 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….

Summary of Results

Period ending: Mar 31/2018	3 months (%)	1 year (%)	2 year (%)	3 year (%)	Since Inception (%)
Galibier Opportunities Fund	**3.3**	**15.6**	**19.2**	**9.4**	**9.2**
S&P/TSX Composite (total return)	-4.5	1.7	9.8	4.1	4.5

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 October 31, 2014.
v. Returns are presented only for periods during which Galibier has been registered as a portfolio manager.
vi. The investment objectives of the Galibier Opportunities Fund have not changed since the Funds' inception.
vii. All returns 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. 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.

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

Galibier Opportunities Fund

In Q1 2018, the Galibier Opportunities Fund's investment results were +3.3%. The one year return of the fund was +15.6%. Since its inception on October 31, 2014, the fund has provided a total return of +9.2% versus the S&P/TSX index which returned +4.5%.

Opportunities Fund Largest Positions (Mar 31/2018)

Long positions		Weight (%)
1.	Walgreens Boots Alliance Inc.	6.3
2.	Metro Inc.	6.1
3.	Ryanair Holdings PLC ADR	6.0
4.	Shire PLC	5.7
5.	Starbucks Corp.	5.6
6.	Anheuser-Busch InBev NV	5.4
7.	Dream Global REIT	4.9
8.	LVMH Moet Hennessy Louis Vuitton SE ADR	4.4
9.	Cargojet Inc.	4.2
10.	Ag Growth International Inc.	4.1
Total		**52.7**

Best performers during the quarter[2]

RYANAIR UP +21%

Ryanair appears to have put some of its labour problems behind it and progress continues to be made with key geographies. Overall there will be a small impact on cost structure but the company remains far and away the low cost provider in its markets. In terms of growth, the company sees some ability to raise prices to offset fuel price pressures and labour cost increases particularly in light of an improving competitive environment in Western Europe. Longer term, the company will continue to add to its destinations and city pairs. New fleet aircraft with improved economics as well as extended airport deals should drive significant sustainable growth.

BRICK BREWING UP +17%

Shares of Brick Brewing (BRB) were strong in the quarter as they rebounded from investor concerns over the integration of its Kitchener facility following the closure and sale of its operations in Formosa. As Ontario continues to roll out more grocery stores offering beer, we expect craft brewers like BRB will gain shelf space. As we head into warmer weather, we expect excitement to continue around the line-up of products that Brick has to offer, including many new flavour options within the Margaritaville brand.

CARGOJET UP +17%

Cargojet (CJT) shares continued to perform well in the quarter. CJT is a provider of overnight cargo delivery service across Canada. As retailers like Amazon expand its market share, Cargojet will continue to benefit from the demand for time sensitive delivery offerings like Amazon Prime. Bricks and mortar and other online retailers must offer similar shipping times in order to be competitive. On the operations side of the business, Cargojet is taking additional service offerings in-house, like ground handling and fueling, which not only reduces costs but increases its control over timing and quality of the work.

DREAM GLOBAL UP +14%

Dream Global (DRG) shares were strong in the quarter as the company continued to execute on its diversification and capital recycling plans. With operations in Germany, Austria, Belgium and the Netherlands, the management team has successfully diversified the real estate portfolio geographically and by tenant. We expect DRG will continue to make accretive deals when available and anticipate its relative valuation discount versus European peers to close in the future.

EXCHANGE INCOME DOWN -12%

Despite solid fourth quarter operating results, the shares of Exchange Income Corp. were weaker during the quarter. The company recently announced the acquisition of Moncton Flight College and a partnership with Wasaya Group, both of which should be synergistic to its core airline business. After meeting with the CEO, Mike Pyle, to discuss the two announcements, we believe the new capital investments should lead to solid revenue and earnings growth in 2018 and into the future.

Worst performers during the quarter[2]

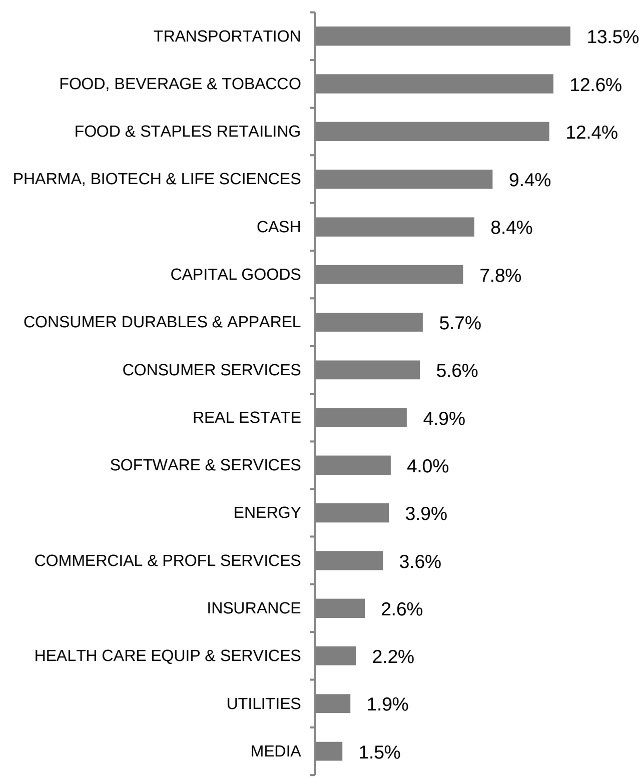
DHX MEDIA DOWN -15%

Shares of DHX Media remained under pressure as the company's strategic review has taken longer than anticipated. The company now expects the review to be completed prior to June 30, one quarter later than originally planned. Additionally, recognising that the company has not performed to expectations the board of directors replaced senior management. Long-time shareholder and Chairman, Michael Donovan, has returned to the CEO position. In the meantime, the company has signed numerous licensing deals for its library and new shows with long term partners such as Netflix, Tencent and Turner Networks. The outcome of the strategic review should, at a minimum, allow the company to reduce debt levels with the potential for a larger transaction to sell the whole company. Either outcome should be positive for the share price which remains well below our estimate of intrinsic value.

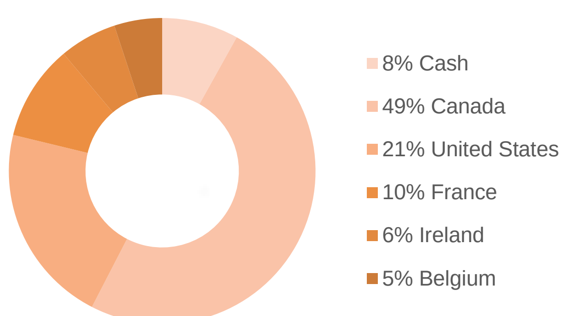
BIOGEN DOWN -13%

Investors in Biogen (BIIB) endured exceptional volatility over the quarter. The stock initially rallied from $334 to $370 and then sold down to $260. Biogen has a steady stream of earnings from its existing drug portfolio focused on multiple sclerosis and oncology. With the steady cash flow from this business, Biogen is developing a novel therapy for Alzheimer's treatment which has a potentially huge positive impact on future earnings power. During the quarter, BIIB announced that it was adding to the size of the trial for this drug which, although inconclusive, investors took as a negative. Happily in the quarter we significantly sold down our position in BIIB in the $335-$365 range and then bought the position back at $271-$288.

Industry Split (Mar 31/2018)



Geographic Split (Mar 31/2018)



Buys & Sells

Three new positions were added to the fund in the quarter: Metro Inc., Walgreens Boots Alliance Inc. and LVMH Moet Hennessy Louis Vuitton SE ADR.

In addition, the fund added to several names including MEG Energy Corp., Stericycle Inc., Shire PLC and Biogen Inc.

The fund reduced its positions in Ryanair Holdings PLC ADR, Enghouse Systems Ltd. and Gildan Activewear Inc.

Four positions were eliminated: Kering ADR, Nike Inc., Fluor Corp. and Echo Global Logistics Inc.

New Buys:

Metro Inc.

Metro is a leading Canadian food retailer and distributor with over 850 stores in Ontario and Quebec under banners such as Metro, Super C, Adonis, Food Basics and Brunet. The company is in the middle of acquiring Jean Coutu Group, which will add more than 400 stores primarily in Quebec and solidify its dominance in that market. Shares of the company were added to the portfolio as they fell below our view of intrinsic value. Management has consistently delivered a mid-teen return on invested capital and has been able to manage profitability in a time of industry deflation. Under this same team the company and its share price is well positioned to benefit from integrating Jean Coutu which will allow for at least $75m in cost synergies.

LVMH Moet Hennessy Louis Vuitton SE ADR

Louis Vuitton Moet Hennessy (LVMH) is a powerhouse of global luxury brands across categories including leather goods, wine and spirits, perfumes, jewelry, and the successful retailing concept Sephora. The management team has a proven track record of managing the brand portfolio for the long-term by successfully avoiding markdowns and controlling distribution in order to preserve the company's competitive advantage. Going forward, LVMH stands to compound in value as it continues to grow its revenues at a high single digit rate with continuous volume growth from high net worth populations around the world and pricing gains from new product development and innovation.

Walgreens Boots Alliance Inc.

The U.S. population is aging and this is driving growth in overall prescription drugs. Walgreens, the largest retail pharmacy in the U.S., is a prime beneficiary of this trend and we expect the company's strong competitive advantage to drive above average growth through further market share gains. Because of its scale, Walgreens benefits from strong bargaining power when sourcing drugs from suppliers as well as when negotiating reimbursement fees with payers. In addition, its nationwide store network provides significant value to insurers who look to partner with Walgreens in order to offer convenience to their members. The shares have sold off over the past few months due to uncertainty driven by Amazon-related rumors and vertical integration in the drug industry (ie: CVS Health merging with Aetna). During the quarter we took advantage of this uncertainty to take a position in the company at an attractive free cash flow yield of 7.7%.

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. For the Galibier Opportunities Fund, Galibier utilizes the S&P/TSX Composite index for this purpose as it is a broad market index, one of the most well-known indices and is most likely to resemble the investment strategy of the fund. 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).*