Galibier Capital Management Ltd.

Galibier Opportunities Fund
Quarterly Investment Review

Q3 2017

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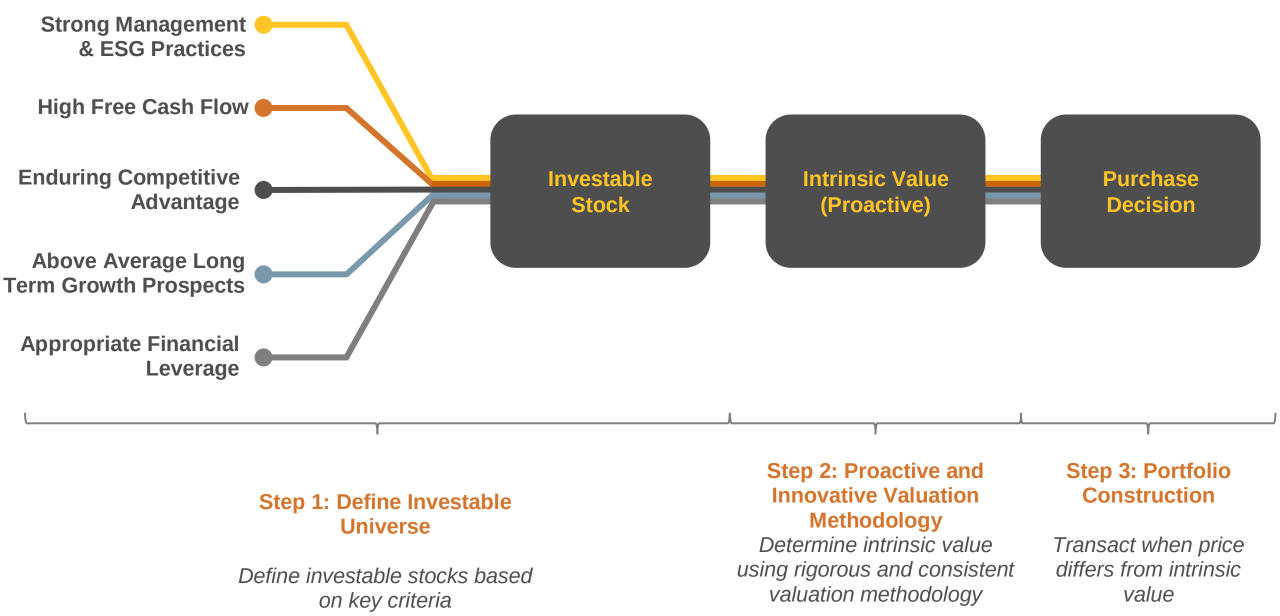
Galibier Capital Management Ltd.

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
- 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: Sep 30/2017	3 months (%)	1 year (%)	2 year (%)	Since Inception (%)
Galibier Opportunities Fund	**1.5**	**14.1**	**15.5**	**6.9**
S&P/TSX Composite (total return)	3.7	9.2	11.7	5.4

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 Q3 2017, the Galibier Opportunities Fund's investment results were 1.5%. The one year return of the fund was 14.1%. Since its inception on October 31, 2014, the fund has provided a total return of 6.9% versus the S&P/TSX index which returned 5.4%.

Opportunities Fund Largest Positions (Sep 30/2017)

Long positions		Weight (%)
1.	MEG Energy Corp.	6.6
2.	Anheuser-Busch InBev NV	6.0
3.	Starbucks Corp.	5.8
4.	Liquor Stores N.A. Ltd.	5.7
5.	Ryanair Holdings PLC	5.5
6.	Fluor Corp.	5.4
7.	Exchange Income Corp.	5.1
8.	Echo Global Logistics Inc.	4.8
9.	Cargojet Inc.	4.8
10.	Dream Global REIT	4.7
Total		**54.4**

Best performers during the quarter[2]

MEG Energy up +44%

Strengthening oil prices, coupled with increased production and cash flow generation, impacted MEG's valuation positively. This company has a levered balance sheet which means that its equity valuation is particularly sensitive to oil price changes. Galibier has taken advantage of the volatile MEG share price by adjusting our position size around our estimates of fair value using an oil price range of US$45 on the low end and US$55 the on high end. We are mindful of the level of debt in MEG. However, investors are to be comforted that the company has significant asset coverage against this liability in the form of valuable mid-stream assets that could be monetized if required.

Kering up +12%

Kering, the owner of leading fashion brands Gucci, Yves Saint Laurent (YSL), Bottega Veneta and Puma continued to produce superb operating performance across a number of its luxury brands, in particular Gucci and YSL. Investors were delighted with this operating performance and bid the stock up sharply in the quarter. In the last year, the stock has more than doubled as a result. Mindful of this price performance we have been reducing our position in Kering as we find better opportunities for capital re-deployment.

Fluor up +11%

Fluor Corporation (FLR), a global leader in the engineering and construction industry, performed well for the portfolio after we initiated a position in early September. We identified FLR out of a screen of high quality "fallen angels". The shares rebounded after a disappointing quarter caused the price to fall below our view of intrinsic value. The company is well positioned to benefit from its improving end markets and executing on its substantial backlog of business.

BIOGEN UP +11%

Biogen's (BIIB) core franchise products, Avonex and Tysabri, are leaders in the global multiple sclerosis market. The launch of Tecfidera further extends BIIB's dominance in this chronic indication. Growth is expected as the Spinraza (which treats spinal muscular atrophy) launch has been better than forecasts. Longer term, block buster potential exists in Biogen's drug development of treatments for Alzheimer's disease. This is potentially an enormous market for the company. Even longer term, the company has some pipeline exposure to significant unmet needs in a number of neurological indications. While the valuation of Biogen has moved up somewhat, the company still trades at a mid-teens earnings multiple. Given the strong upward price move in the quarter we trimmed our position slightly.

Worst performers during the quarter[2]

NIKE DOWN -15%

Nike is in the midst of a transition as consumers shift their purchasing patterns. To this end, Nike is aggressively building out its direct to consumer network which consists of both company stores / showrooms and a sophisticated website. This strategy has the potential of allowing Nike to cut out the retail middleman, respond more quickly to changing customer preferences and offer consumers a level of customization that should lead to enhanced margins. However, this transition will take time. In the meantime, Nike is enduring a bit of a loss of market share in some categories as Adidas has been quite competitive with its recent offerings. Longer term, we believe Nike's direct to consumer strategy, as well as competitive advantages in scale, brand and key sponsorship relationships, will allow it to regain its “mojo” and continue to dominate the global athletic footwear, equipment and apparel market. At its current valuation the company is trading well below our estimate of intrinsic value and also well below the Adidas multiple. We took advantage of this weakness to add to our position over the quarter.

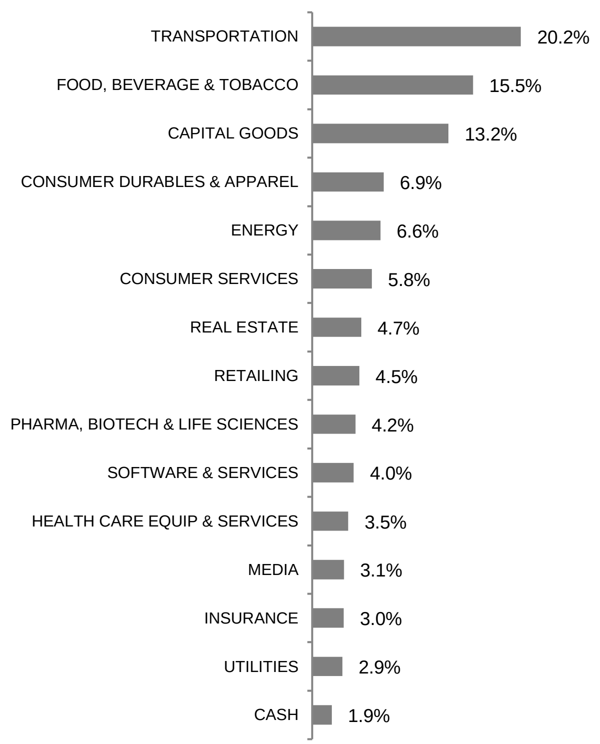
ZIMMER BIOMET DOWN -12%

Zimmer shares sold off during the quarter following the pre-release of its quarterly results, departure of its chief executive officer and lowered full year guidance. Similar to issues experienced in previous quarters, Zimmer has had difficulty with production delays on some key products, which lead to increasing difficulty in recapturing previously delayed sales. We expect the focus of the company is firmly on improving production execution and then converting that capacity into sales. We expect 2018 results will reflect the true earnings power of the company and their product portfolio.

STARBUCKS DOWN -11%

Starbucks experienced slightly lower than expected growth rates in its US stores in the quarter which likely led to investors reducing their expectations for the company. We remain extremely excited about the longer term growth plane that Starbucks is poised to offer. Among its many drivers of growth we would highlight menu innovations leading to exploitation of more day parts for food offerings, new store formats including the Premium Roastery offering and an enormous opportunity from its loyalty card which allows for digital enhancements, up-selling and increases switching costs away to competitors. The company is pursuing leveraging its brand into grocery channels such as Nespresso compatible pods, K-cups and the like. A key driver of future growth is geographic expansion of its store network from the current 14,000 outlets. In particular China offers the potential for huge growth in Starbucks footprint over the medium term.

Industry Split (Sep 30/2017)



Buys & Sells

One new position was added to the fund in the quarter: Fluor Inc.

In addition, we added to several names including Starbucks Corp., Echo Global Logistics Inc., Ag Growth International Inc., Enghouse Systems Ltd., Anheuser-Busch Inbev NV ADR and Dream Global REIT.

We reduced our positions in Biogen Inc., Kering ADR, and DHX Media Ltd.

Two positions were eliminated during the quarter: Marintrea International Inc. and we covered our short position in Ulta Beauty Inc.

New Buys:

FLUOR CORP.

Fluor is a global engineering and construction firm that specializes in larger, more-complex construction and development projects for major industrials, miners, utilities, and governments. Shares of this global leader came under pressure as costs for certain projects came in above original estimates and large projects in the nuclear industry, which Fluor was involved in, came under review and financial distress. This created an attractive entry point as the stock fell below our view of its intrinsic value. Future growth should come from delivering against its current substantial backlog of business and new business to build infrastructure to support the increase in volume of oil and gas output in the U.S. Fluor's competitive positioning is supported by its significant brand within its industry, vertical integration allowing for lower cost of delivery and strategic partnerships with other niche industry leaders. Fluor is also supported by its strong balance sheet with $2.25 per share of net working capital.

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).*

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, with the Nova Scotia Securities Commission as a Portfolio Manager, with the Autorité des Marchés Financiers in Quebec as a Portfolio Manager and Investment Fund Manager and with the Alberta Securities Commission as a Portfolio 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 Global 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.