Galibier Capital Management Ltd.

Galibier Opportunities Fund
Quarterly Investment Review

Q3 2021

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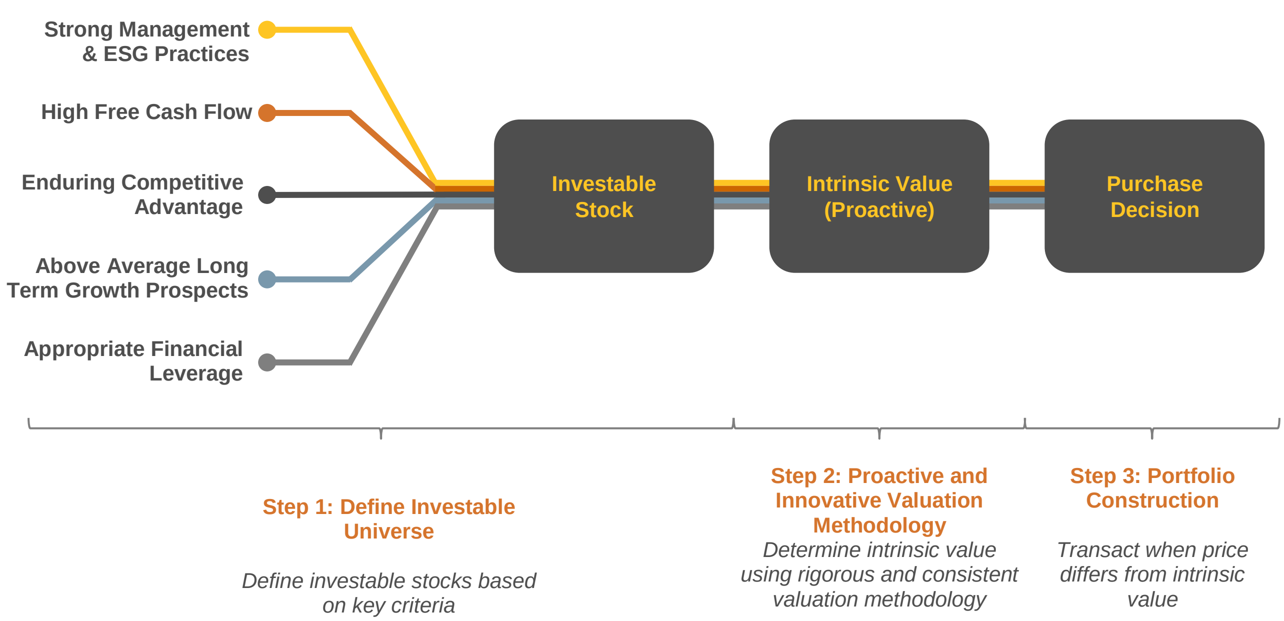
Galibier Capital Management Ltd.

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… i.e. to be sanguine when others are discouraged and to be cautious when others are exuberant….

Summary of Results

Period ending: Sep 30/2021	Since Oct31/14 (%)	6 year (%)	5 year (%)	4 year (%)	3 year (%)	2 year (%)	1 year (%)	Year-to-date (%)
Galibier Opportunities Fund	**9.7**	**13.0**	**12.2**	**11.8**	**8.8**	**10.6**	**21.6**	**12.0**
S&P/TSX Composite (total return)	7.9	10.4	9.6	9.7	11.1	13.1	28.0	17.5

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.*
viii. *Performance presentation consistent with recommendations from FCLTGlobal "Institutional Investment Mandates: Anchors for Long-term Performance" www.fcltglobal.org*

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 2021, the Galibier Opportunities Fund generated a return of -3.4%. Since its inception on October 31, 2014, the fund has provided an annual return of +9.7%.

Opportunities Fund Largest Positions (Sep 30/2021)

Long positions		Weight (%)
1.	Park Lawn Corp.	6.1
2.	Cenovus Energy Inc. Warrants	5.4
3.	Canadian Imperial Bank of Commerce	5.4
4.	Kirkland Lake Gold Ltd.	5.2
5.	Premium Brands Holdings Corp.	5.0
6.	AstraZeneca PLC ADR	4.8
7.	Maple Leaf Foods Inc.	4.6
8.	Berkshire Hathaway Inc.	4.5
9.	VF Corp.	4.5
10.	Restaurant Brands International Inc.	4.3
Total		**49.8**

Short positions		Weight (%)
1.	Tesla Inc.	(7.6)
Total		**(7.6)**

Best performers during the quarter[2]

Kirkland Lake Gold up +11%

Kirkland Lake Gold (KL) and Agnico Eagle Mines (AEM) have agreed to a merger of equals with a conversion ratio of 1 KL share for 0.7935 AEM share. The deal makes a lot of sense strategically, as they have several mines/properties relatively close to each other as well as the opportunity to share best practices and best people. The culture of both companies is very similar. Importantly, one of the attractions of Galibier towards KL was that it only operated in highly environmentally and politically safe regions: Canada and Australia. AEM has similar country mining footprint although AEM also has mining operations in two other jurisdictions: Finland and Mexico, which adds a bit of geopolitical risk to the combined entity. Anthony Makuch becomes CEO of the combined entity while Sean Boyd becomes executive chairman. Boyd was an excellent CEO at AEM but Makuch has had strong exploration success at KL and we think this is a good evolution. The size of the combined entity reduces single mine risk and will approach annual production of 3.6 million ounces going to 4 million ounces as the recently acquired Detour Gold assets ramp up.

Cargojet up +10%

Cargojet was a strong performer during the quarter as the company is seeing increased demand for its cargo services because of ongoing global supply chain delays. New capacity is being contracted out before the planes are even delivered, speaking to the extremely strong demand environment for cargo capacity. As an example, DHL has recently announced it will no longer use commercial aircraft capacity to move its cargo, rather it will be contracting entirely with dedicated cargo aircraft which indicates an even stronger relationship between DHL and Cargojet going forward.

PARK LAWN UP +10%

Shares of Park Lawn were strong during the quarter as the company signaled a strong pipeline of potential acquisition opportunities lies ahead. The company completed an equity issue in August to have the financing available to fund future acquisitions. We believe the operating culture at Park Lawn, where it keeps the local brands in the communities following an acquisition, is a superior model in the death care industry where reputation and trust is critical during vulnerable times for its customers. We believe that even as COVID-19 recedes, it will remain a trigger event for families to pre-plan for end-of-life celebrations, which will be a driver for Park Lawn's pre-need business.

Worst performers during the quarter[2]

ALIBABA GROUP DOWN -33%

In July, China stepped up its campaign for common prosperity and its anti-monopoly rhetoric where they went from targeting select companies to entire industries. Our view is that these policies are not anti-business nor anti-profit. The country still needs profitable companies to drive innovation which is one of China's long-term goals. China's internet companies have grown very rapidly, and the government is trying to fit a decade's worth of regulation into 2021. The market questions what regulations will be announced next which has depressed multiples across all Chinese companies. What hasn't changed is Alibaba's core business of Tmall and Taobao growing revenue double digits from the strength of Chinese consumption. Our long-term earnings estimates have only slightly changed as we see Alibaba investing more back into the economy. We are still projecting a 20% earnings per share compound annual growth rate leading to a single digit cash-adjusted P/E multiple in 2024 and beyond which should re-rate as regulatory headwinds ease.

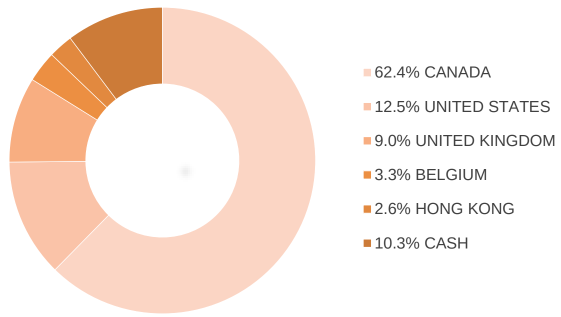
AG GROWTH DOWN -26%

Shares of Ag Growth International underperformed during the quarter following the disclosure of two lawsuits along with its second quarter results. The lawsuits are related to the bin collapse incident back in September of 2020 and are likely to take some time to be resolved. In the meantime, demand for agricultural equipment remains strong around the globe and outside of Western Canada as forecasted harvests are in good shape. Like many companies, Ag Growth faces headwinds with cost of inputs rising, specifically steel, which could see some short-term margin pressure until pricing increases are fully passed through to customers.

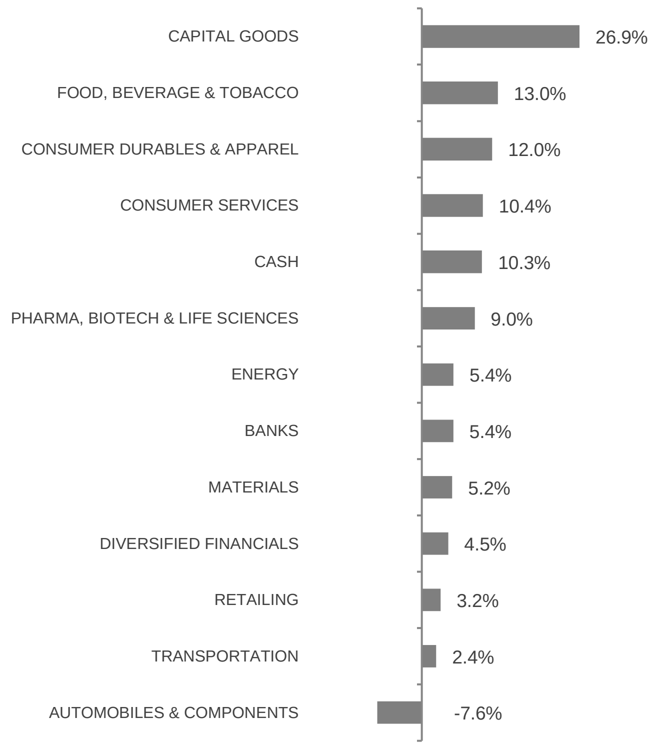
ANHEUSER-BUSCH DOWN -20%

Not unlike other beer brewers, shares of Anheuser-Busch (ABI) have underperformed during the quarter as indications of rapid and significant cost inflation in barley, aluminum, and transportation input costs increasingly became reality. ABI cannot realistically offset significant and rapid inflationary cost pressures with corresponding price increases over such short time periods and therefore the outlook for profit margins over the next year is now worse versus expectations only a few months ago. Still, we do have strong conviction in ABI's pricing power and therefore for operating margins to normalize in time, especially as its mix of premium beers such as Stella Artois, Michelob, Corona, and Budweiser in emerging markets (where the brand holds distinct premium positions in both Asia and Africa) continuously become a bigger representation of the company's total sales. In addition, we also see a re-opening of the on-trade channel in emerging markets as another eventual tailwind that will further support operating margin normalization in time. Finally, given ABI's market capitalization of $110 billion USD, free cash flow generation of over $6 billion USD per year, and management's ongoing priority to de-lever the balance sheet, we see attractive shareholder returns over the near-term as the balance sheet strengthens and continue to see the shares as trading for a significant discount to our estimate of intrinsic value based on normalized margins.

Geographic Split (Sep 30/2021)



Industry Split (Sep 30/2021)



Buys & Sells

During the quarter, we added one new name to the portfolio: Wabtec Corp. In addition, we added to Cenovus Energy, Anheuser-Busch, Ag Growth International, VF Corp., Fluor and Park Lawn.

We reduced our positions in Spin Master, Kirkland Lake Gold and AstraZeneca. Two positions were eliminated: Cisco Systems and Interfor.

New Buys:

Wabtec Corp.

We are excited about the addition of leading rail freight component and locomotive manufacturer, Wabtec. The company holds a 75% market share in freight components and a 70% market share in the U.S. locomotive market – a position it gained from its acquisition of GE's transportation business in 2018. We see several positive investment merits to this business. First, a complete patent portfolio (numbered at ~7,000) resulting in high barriers to entry and a sustainable technology leadership position in this industry. Secondly, high margin and regulatory-driven maintenance products and aftermarket services representing 60% revenues mitigate the cyclical nature of original equipment orders in the railroad industry. Thirdly, with low capital requirements and a strong competitive moat, Wabtec is a highly free cash flow generative business, and we expect management to return the majority of the excess funds to shareholders. We are very excited about Wabtec's near-term growth prospects in locomotive retrofits from helping railroads achieve their new carbon emission reduction initiatives. In the longer term, the fleet continues to age and new replacement locomotives will be required. In addition to management working on achieving their cost synergy goals from the acquisition of GE Transportation, we believe Wabtec has an attractive fundamental outlook and the shares trade at a discount to our estimate of intrinsic value.

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