Quarterly Investment Review

Q2 2024

Joseph Sirdevan, CFA
Graham Anderson, CPA, CFA
Kelvin Wong, CFA
Colin Pearson, CFA
Zohan Barkur
Jun Chuah, CFA
Hai Ho, CFA

"The world is not driven by greed, it's driven by envy"

- Charles Munger

Capital markets around the world are currently being driven by both greed and envy. This is neither a good nor a sustainable situation.

Speculation is an emotional activity. Investing is not**. Investing is a rational activity.** For an investment thesis to be good, it must stand to reason. It must be based on logic. Ben Graham (the Dean of Security Analysis and Warren Buffett's teacher and mentor) said that "Investing is most intelligent when it is most businesslike". At Galibier we seek to be as businesslike as possible.

The Galibier investment philosophy and process is outlined on the following page. Defining an Investable Universe of companies and proactively determining their intrinsic values are rational processes - - they do not depend on emotions. We are not seeking to reproduce an index and we are not in the business of parsing other investors' portfolios. The investment positions in Galibier's portfolio are the result of the businesslike application of our investment process. We will never deviate from this approach.

Concentration in the market continues, particularly in the U.S. According to CNBC, the top 10 stocks now account for over 35% of the S&P500 index which is up from 27% at the end of 2023 and 2.5 times the level of a decade ago. Concentration is not just in a few names but also in sectors with 6 of the top 10 names coming from the Technology Sector and the related Communications Sector. In Canada, the top 10 names in the S&P/TSX Index account for roughly 35% as well.

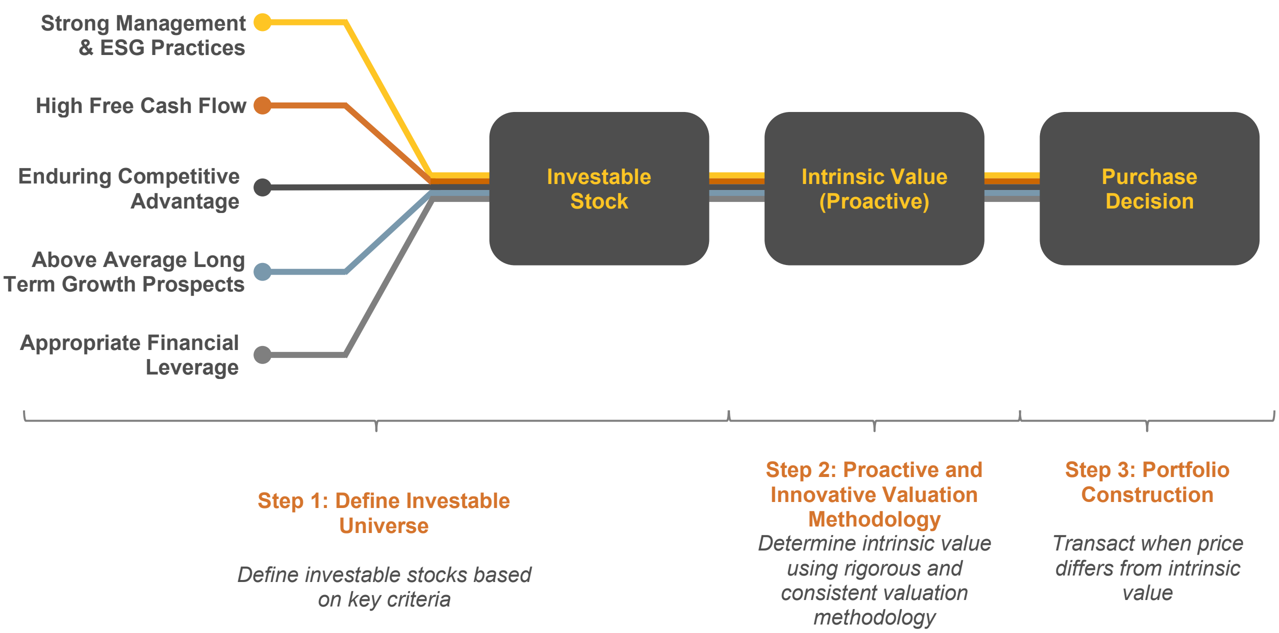
The Galibier investment process leads to investment portfolios that look nothing like the broader market indices. However, to call deviation from these concentrated and highly valued indices a 'risky' strategy strikes us as nonsensical. What is riskier? Investing in an index which is concentrated in a small number of highly valued companies from just a few sectors with fleeting competitive advantages - or buying a properly diversified portfolio of companies that meet Galibier's investment criteria and that have been purchased at reasoned prices? Time will tell…

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….

Canadian Funds - Summary of Investment Results

Period ending: Jun30/2024	Since Inception (%)	10 Year (%)	5 Year (%)	4 Year (%)	3 Year (%)	1 Year (%)	Year-to-date (%)
Galibier Canadian Equity Pool (Inception date: Sep 27, 2012) (100% Canadian Equities)	**10.3**	**7.4**	**8.9**	**14.2**	**5.3**	**12.8**	**8.4**
S&P/TSX Composite Index (total return)	8.2	6.9	9.3	12.3	6.0	12.1	6.1
Galibier Opportunities Fund (Inception date: Oct 31, 2014) (generally 50%+ Canadian Equities)	**9.1**	**N/A**	**8.8**	**11.8**	**5.8**	**10.5**	**8.1**
S&P/TSX Composite Index (total return)	7.5	N/A	9.3	12.3	6.0	12.1	6.1
Steadyhand Small-Cap Equity Fund (Inception date: Sept 30, 2016) (Small / Mid Cap Canadian Equities, up to 30% U.S.)	**10.0**	**N/A**	**10.1**	**16.6**	**8.0**	**12.9**	**9.3**
S&P/TSX Small Cap Index (total return)	**4.5**	N/A	8.1	13.1	1.3	14.4	8.8

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. *Returns are presented only for periods during which Galibier has been registered as a portfolio manager.*
v. *The investment objectives of the Galibier Canadian Equity Pool, Galibier Opportunities Fund and the Steadyhand Small-Cap Equity Fund have not changed since the Funds' inception.*
vi. *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.*
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*

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

Galibier Canadian Equity Pool Summary of Results

Period ending: Jun30/2024	Since Sep27/12 (%)	10 Year (%)	5 Year (%)	4 Year (%)	3 Year (%)	1 Year (%)	Year-to-date (%)
Galibier Canadian Equity Pool	**10.3**	**7.4**	**8.9**	**14.2**	**5.3**	**12.8**	**8.4**

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 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 Notes and Disclaimer at the end of this document for information about the returns.

Galibier Canadian Equity Pool

The investment objective of the Galibier Canadian Equity Pool is to achieve long-term capital appreciation through investments primarily in Canadian equity securities.

In Q2 2024, the Galibier Canadian Equity Pool generated a return of +0.6%. Since inception on September 27, 2012, the Canadian Pool's annualized return was +10.3% per year. At the end of the quarter, the active share[3] of the portfolio was 66%.

Canadian Equity Pool Top Holdings (Jun30/2024)

		Weight (%)
1.	Cenovus Energy Inc.	4.7
2.	Agnico Eagle Mines Ltd.	4.6
3.	Toronto Dominion Bank	4.4
4.	WSP Global Inc.	4.4
5.	Alimentation Couche-Tard Inc.	4.3
6.	Canadian Pacific Kansas City Ltd.	4.3
7.	CCL Industries Inc.	4.1
8.	Restaurant Brands International Inc.	4.0
9.	Premium Brands Holdings Corp.	3.9
10.	Manulife Financial Corp.	3.9
Total		**42.6**

Best performers during the quarter[2]

Hudbay Minerals up +31%

Shares of Hudbay performed well in the quarter, in line with the broader increase in copper prices driven by market expectations of an increasingly tight copper supply. During the quarter, Hudbay completed a ~$400M equity offering to accelerate the balance sheet deleveraging process and fund near-term growth options, including expansion opportunities at Constancia, the New Britannia gold mill in Northern Manitoba, and pre-stripping and mill improvements at the Copper Mountain mine in British Columbia. We remain bullish on the long-term fundamentals of copper, driven by increased demand for copper in global energy transition efforts, which far outpaces expected supply. We believe Hudbay has significant copper production growth prospects and is attractively valued.

Cargojet Inc up +25%

Shares of Cargojet outperformed during the quarter as the company announced a 3-year agreement to provide scheduled charter flights for Great Vision HK Express (a China based logistics provider), capitalizing on increased e-commerce demand out of China. We view this deal positively as Cargojet is able to leverage their current capacity to service the contract (no additional aircraft capex), implying significant operating leverage, and we believe there could be additional opportunities to expand its relationship with Great Vision HK Express by moving volumes through its domestic network. Cargojet has noted that it still has excess capacity to grow volumes 10-15% with their existing fleet.

Agnico Eagle Mines up +11%

Gold prices rose by about 4% in the quarter, closing at USD $2,327 per ounce. At these levels, gold miners are solidly profitable. Agnico's all-in sustaining costs (AISC) in the first quarter were around $1,190 per ounce, which stands out favorably against its peers. In an extractive industry such as mining, lower all-in costs than average are a source of competitive advantage. The strong cash flow performance at Agnico has led to debt reduction and credit rating upgrades—all good news.

Manulife Financial Corp up +9%

Manulife continued to be re-rated higher as the company delivered on its long-term strategic targets. The Core Return on Equity target was raised to 18%+ by 2027 from the current 16%, as Asia becomes a bigger part of Manulife's total earnings. The company projects a $22 billion cumulative 2024-2027 remittance target (60-70% of core earnings), which provides more than enough to support further dividend increases and share buybacks. Potential upside also comes from further legacy transactions, with Manulife suggesting another potential $5 billion Long-Term Care deal in the near term

Worst performers during the quarter[2]

Open Text Corp Down -21%

Open Text had another disappointing quarter as its preliminary FY2025 guidance was weaker than expected. Excluding the AMC business, the guidance implied flat to slightly negative organic growth. Open Text also pushed out its prior FY2026 targets to FY2027, as it takes time for revenue from new contracts to ramp up. On the bright side, Micro Focus's business has stabilized, with improved customer retention rates after integrating into Open Text's platform. Open Text's valuation is modest for a company with a high recurring revenue base, strong margin profile, and robust free cash flow generation, but we need proof of management's execution of their promises before committing any further dollars to the stock.

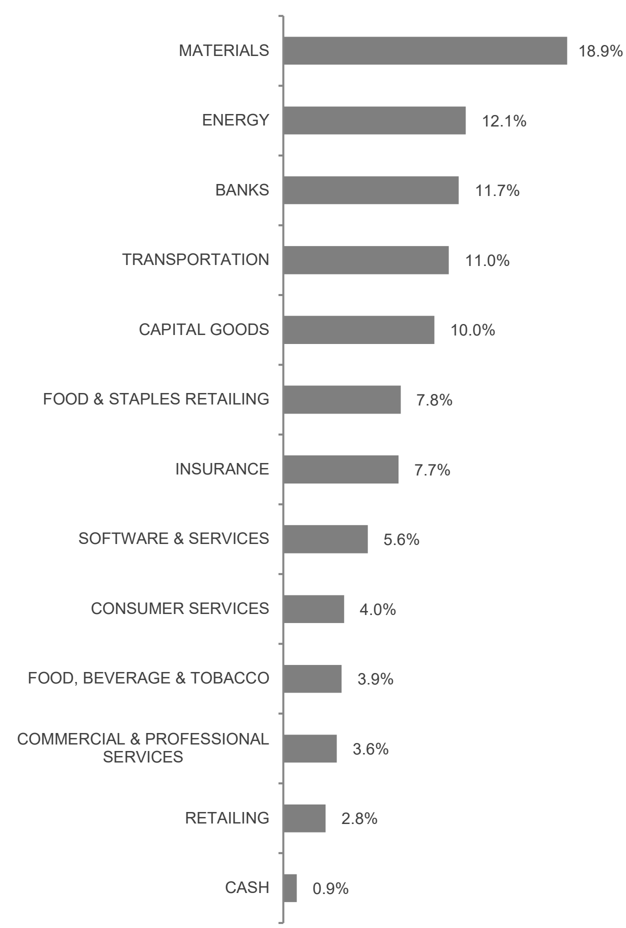
Boyd Group Services down -10%

Boyd Group Services Inc. (BYD) experienced a decline in its stock price following the release of its earnings report, primarily due to lower-than-expected EBITDA caused by supply surpassing demand levels. Management attributed this performance to mild winter weather, which led to decreased collision rates and appraisal volumes extending into early Q2, with expectations of normalization by June. During this period, management continues to negotiate pricing with insurers, enhance labor recruitment and retention efforts, and internalize scanning and recalibration services to bolster the EBITDA margin. We maintain a positive outlook on BYD's long-term acquisition strategy and its medium-term goal of doubling 2019 revenue by 2025, supported by management's reaffirmation of a robust growth pipeline. We took the recent decline in stock price as an opportunity to further increase our position.

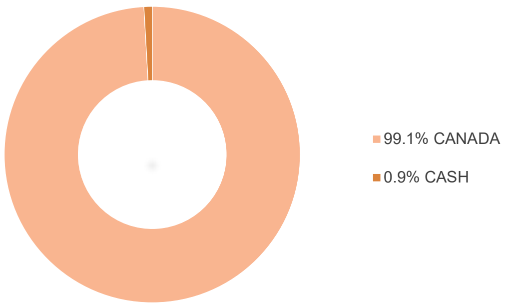
West Fraser Timber down -9%

Shares of West Fraser underperformed during the quarter as lumber markets remained challenged, with lumber prices generally below industry break-even levels. However, Oriented Strand Board (OSB) markets held up relatively well. As a low-cost lumber producer with a healthy balance sheet (net working capital of approximately C$1.6B, or ~C$19/share in Q1/24), we believe West Fraser is well positioned to weather near-term economic uncertainties and participate in a housing market recovery.

Canadian Equity Pool Industry Split (Jun30/2024)



Canadian Equity Pool Geographic Split (Jun30/2024)



Canadian Equity Pool Dynamics (Jun30/2024)

Measure	Canadian Pool	S&P/TSX Comp
Fwd 12M P/E	15.3x	14.3x
Dividend Yield	2.5%	3.1%
Number of Names	27	226
Active Share[3]	66%	-

Source: *Galibier Capital Management Ltd, Bloomberg*

Buys & Sells

During the quarter, we added one new name to the portfolio: Canadian Tire.

In addition, we added to our positions in numerous names including West Fraser Timber, Air Canada, and Boyd Group Services.

We reduced our positions in Fairfax Financial, Cargojet, Manulife, and Royal Bank of Canada among others. Two positions were eliminated from the portfolio: Spin Master, and Park Lawn.

As a result of these transactions, the cash position decreased to 0.9% from 1.2% at the end of the prior quarter.

New Buys:

Canadian Tire

We re-initiated a position in Canadian Tire this quarter. Canadian Tire is a unique retailer with a strong dealer network, proprietary brands accounting for nearly 40% of revenue, and one of the strongest loyalty programs in Canada. Despite the current weakness in the consumer market and over 60% of sales being discretionary, leading to a somewhat dismal near-term outlook, we believe these negatives are already priced in. Canadian Tire now owns its entire credit card business, which has cyclical earnings. However, we believe earnings will bottom out in 2024 at $12, giving the stock a very reasonable valuation of 11.5x P/E on depressed earnings. Additionally, the company offers a well-covered 5% dividend yield, providing income while we wait for a stronger consumer market and the potential upside of Canadian Tire selling its credit card business, which we believe would narrow the valuation gap with US peers

Galibier Opportunities Fund Summary of Results

Period ending: Jun30/2024	Since Oct31/14 (%)	5 Year (%)	4 Year (%)	3 Year (%)	1 Year (%)	Year-to-date (%)
Galibier Opportunities Fund	**9.1**	**8.8**	**11.8**	**5.8**	**10.5**	**8.1**

Notes:

i. *Return figures are gross of fees.*
ii. *Return figures are annualized for periods greater than 1 year.*
iii. *The Fund's 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 Notes and Disclaimer at the end of this document for information about the returns.
Source: Galibier Capital Management Ltd, Bloomberg.

Galibier Opportunities Fund

The investment objective of the Galibier Opportunities Fund is to achieve long-term capital appreciation by investing in a portfolio of long and short investments comprised primarily of equity securities.

In Q2 2024, the Galibier Opportunities Fund generated a return of -1.4%. Since its inception on October 31, 2014, the fund has provided an annual return of +9.1%.

Opportunities Fund Largest Positions (Jun30/2024)

	Long positions	Weight (%)
1.	Canadian Imperial Bank of Commerce	5.6
2.	Air Canada	5.5
3.	LVMH Moet Hennessy Louis Vuitton	4.8
4.	Diageo PLC	4.8
5.	ING Groep	4.8
6.	Cargojet Inc.	4.5
7.	Chubb Ltd.	4.5
8.	Restaurant Brands International Inc.	4.4
9.	Premium Brands Holdings Corp.	4.4
10.	MEG Energy Corp.	4.3
Total		**47.6**

Best performers during the quarter[2]

Hudbay Minerals up +31%

Shares of Hudbay performed well in the quarter, in line with the broader increase in copper prices driven by market expectations of an increasingly tight copper supply. During the quarter, Hudbay completed a ~$400M equity offering to accelerate the balance sheet deleveraging process and fund near-term growth options, including expansion opportunities at Constancia, the New Britannia gold mill in Northern Manitoba, and pre-stripping and mill improvements at the Copper Mountain mine in British Columbia. We remain bullish on the long-term fundamentals of copper, driven by increased demand for copper in global energy transition efforts, which far outpaces expected supply. We believe Hudbay has significant copper production growth prospects and is attractively valued.

Taiwan Semiconductor up +30%

We view Taiwan Semiconductor (TSMC) as one of the largest beneficiaries of the massive AI wave. As AI continues to be in the investor's spotlight, TSMC's position as the sole supplier of AI-driven chips for NVIDIA and Apple has been highly appreciated by the market, reflected in its strong stock performance during the quarter. In the long term, as computational requirements for large language models increase, TSMC's leading-edge foundry capacity becomes more strategic and scarcer. This helps sustain TSMC's pricing power over the long term and facilitates further R&D investments to solidify its technology leadership.

The company is very well-managed, highly cash-generative, and still trading at a reasonable valuation.

Cargojet Inc up +25%

Shares of Cargojet outperformed during the quarter as the company announced a 3-year agreement to provide scheduled charter flights for Great Vision HK Express (a China based logistics provider), capitalizing on increased e-commerce demand out of China. We view this deal positively as Cargojet is able to leverage their current capacity to service the contract (no additional aircraft capex), implying significant operating leverage, and we believe there could be additional opportunities to expand its relationship with Great Vision HK Express by moving volumes through its domestic network. Cargojet has noted that it still has excess capacity to grow volumes 10-15% with their existing fleet.

Apple Inc up +24%

Apple is one of the mega-cap companies that are heavily influencing index returns due to its substantial weight in the index. In fact, with an index weight of 6.6%, just behind Microsoft at 7.2% and tied with Nvidia at 6.6%, it is the world's third-largest company. The company is well-managed, but with a top line of $360-$370 billion, it is extremely hard to grow materially year to year. In fact, the bottom line has been somewhat flat for a few years now. However, EPS has grown as the company has aggressively reduced share count through substantial share buybacks. Early in June, the company announced its long-awaited AI plans. These plans are impactful because Apple has a huge installed base of 2 billion iPhones, many of which cannot run the operating system that enables Apple's AI offering. Thus, the market is expecting a potentially huge upgrade cycle in the next few years.

Worst performers during the quarter[2]

Interfor Corp down -22%

Shares of Interfor underperformed during the quarter as lumber markets remained challenged, with lumber prices generally below industry break-even levels. In response, Interfor announced further production curtailments, reducing lumber production by approximately 175 million board feet between May and September 2024. The company stated that this reduction represents just under 10% of its normal operating capacity. As one of the lowest-cost lumber producers, we believe Interfor is well positioned to weather near-term weaknesses and participate in a rebound in the U.S. housing market.

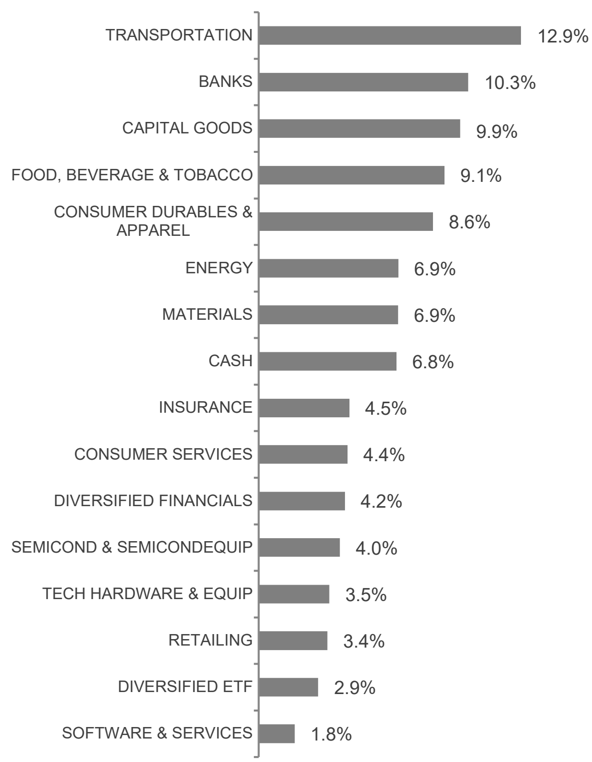
Open Text Corp down -21%

Open Text had another disappointing quarter as its preliminary FY2025 guidance was weaker than expected. Excluding the AMC business, the guidance implied flat to slightly negative organic growth. Open Text also pushed out its prior FY2026 targets to FY2027, as it takes time for revenue from new contracts to ramp up. On the bright side, Micro Focus's business has stabilized, with improved customer retention rates after integrating into Open Text's platform. Open Text's valuation is modest for a company with a high recurring revenue base, strong margin profile, and robust free cash flow generation, but we need proof of management's execution of their promises before committing any further dollars to the stock.

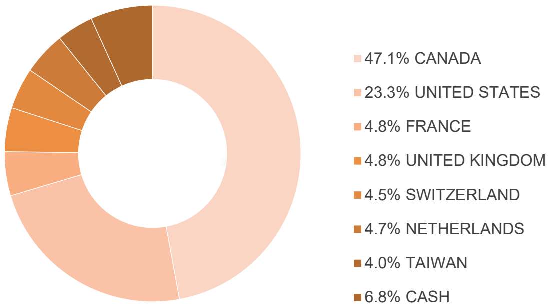
Proshares Ultrapro Short QQQ ETF down -19%

The Proshares Ultrapro Short QQQ (SQQQ) is an ETF that offers an inverse return to that of the Nasdaq Composite Index, except it is three times levered. So, if the Nasdaq Composite falls 1%, the SQQQ rises 3%. We only own this product in our Opportunities Fund, where it provides a hedge against what we believe is the highly speculative and overvalued Nasdaq market.

Industry Split (Jun30/2024)



Geographic Split (Jun30/2024)



Buys & Sells

During the quarter, we added three new names to the portfolio: Air Canada, Greenbrier Companies, and Nike Inc.

In addition, we added to our position LVMH Moet Hennessy, Proshares Ultrapro Short ETF, Berkshire Hathaway, and Hudbay Minerals.

We reduced our positions in Generac Holdings, Savaria Corp, and Taiwan Semiconductor among others. Two positions were eliminated from the portfolio: Oshkosh Corp, and Spin Master Corp.

New Buys:

Air Canada

Air Canada is Canada's largest domestic and international airline. We believe Air Canada's current valuation is very compelling, trading at a significant discount to its U.S. peers despite significantly improving its financial performance over the last few years. The airline has a healthy balance sheet, with a Q1 2024 leverage ratio of approximately 0.9x, and solid margins. While there are near-term concerns, such as capex investments and pending pilot contract negotiations, we believe Air Canada is well positioned to continue improving its financial performance and embark on shareholder capital returns, including share repurchases and dividends, over the coming years.

Greenbrier Companies

A true heavy industrial company, Greenbrier designs and manufactures railroad freight cars as well as ocean-going marine barges. In the last few years, the company has been growing its rail car leasing business, which has led to expanding margins, as leasing margins are materially higher than manufacturing ones. Additionally, in 2024, we expect Greenbrier to benefit from a mix shift in its orders to higher-margin refrigerated and tank cars.

Nike Inc

We initiated a position in Nike Inc. after the stock fell 20% following a disappointing 2025 guidance. Nike projected a 10% revenue drop in the first quarter of FY2025 as the company recalibrates its growth strategy and product innovation pipeline. We view this issue as temporary and remain bullish on Nike's long-term growth prospects, driven by strong brand equity and current investments in products and the distribution network. In our view, the valuation has become attractive enough to compensate for the perceived risks in investing in Nike at this point.

Opportunities Fund Dynamics (Jun30/2024)

Measure	Opportunities Fund	S&P/TSX Comp
Fwd 12M P/E	15.9x	14.3x
Dividend Yield	2.2%	3.1%
Number of Names	24	226

Galibier Global Equity Pool Summary of Results

Period ending: Jun30/2024	Since May12/17 (%)	5 Year (%)	4 Year (%)	3 Year (%)	1 year (%)	Year-to-date (%)
Galibier Global Equity Pool	**8.3**	**8.5**	**10.1**	**5.5**	**13.6**	**12.6**

Notes:

i. *Return figures are gross of fees.*
ii. *Return figures are annualized for periods greater than 1 year.*
iii. *The Fund's 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 Notes and Disclaimer at the end of this document for information about the returns.

Galibier Global Equity Pool

The investment objective of the Galibier Global Equity Pool is to achieve long-term capital appreciation through investments primarily in equity securities of companies located around the world.

In Q2 2024, the Galibier Global Equity Pool generated a return of +2.6%. Since inception on May 12, 2017, the Global Pool's annualized return was +8.3% per year. At the end of the quarter, the active share[3] of the portfolio was 85%.

Global Equity Pool Top Holdings (Jun30/2024)

		Weight (%)
1.	LVMH Moet Hennessy Louis Vuitton	6.3
2.	Berkshire Hathaway Inc.	6.2
3.	ING Groep	5.6
4.	Alphabet Inc.	5.6
5.	JPMorgan Chase & Co	5.4
6.	Microsoft Corp.	5.2
7.	Wabtec Corp.	5.0
8.	Thermo Fisher Scientific Inc.	5.0
9.	Diageo PLC	5.0
10.	Apple Inc.	4.8
Total		**54.1**

Best performers during the quarter[2]

Taiwan Semiconductor up +30%

We view Taiwan Semiconductor (TSMC) as one of the largest beneficiaries of the massive AI wave. As AI continues to be in the investor's spotlight, TSMC's position as the sole supplier of AI-driven chips for NVIDIA and Apple has been highly appreciated by the market, reflected in its strong stock performance during the quarter. In the long term, as computational requirements for large language models increase, TSMC's leading-edge foundry capacity becomes more strategic and scarcer. This helps sustain TSMC's pricing power over the long term and facilitates further R&D investments to solidify its technology leadership. The company is very well-managed, highly cash-generative, and still trading at a reasonable valuation.

Apple Inc up +24%

Apple is one of the mega-cap companies that are heavily influencing index returns due to its substantial weight in the index. In fact, with an index weight of 6.6%, just behind Microsoft at 7.2% and tied with Nvidia at 6.6%, it is the world's third-largest company. The company is well-managed, but with a top line of $360-$370 billion, it is extremely hard to grow materially year to year. In fact, the bottom line has been somewhat flat for a few years now. However, EPS has grown as the company has aggressively reduced share count through substantial share buybacks. Early in June, the company announced its long-awaited AI plans. These plans are impactful because Apple has a huge installed base of 2 billion iPhones, many of which cannot run the operating system that enables Apple's AI offering. Thus, the market is expecting a potentially huge upgrade cycle in the next few years.

ALPHABET INC UP +22%

The majority of Alphabet's outperformance came from their first-quarter earnings release. Over the past two years, Alphabet has focused on achieving more with less. This quarter was a prime example, with revenue increasing by 15% while adjusted operating costs rose by only 4%. Although shares are now trading around 20 times 2025 earnings on an ex-cash basis, we still appreciate the company and its valuation, but our enthusiasm has tempered compared to previous years. We took this opportunity to trim our position during the quarter.

ING GROEP UP +10%

ING delivered another solid quarter, focusing on increasing fee income as a percentage of its revenue mix. The bank targets EUR 5 billion in fee income for FY2027, aiming to increase fees from 16% in 2023 to 20%. Investors are also encouraged by ING's shift in capital allocation between its Retail Banking and Wholesale Banking divisions, with a focus on allocating 55% of the bank's risk-weighted assets to Retail banking, which offers a significantly higher return on equity (ROE). Finally, bolstered by its robust capital base, ING remains on track to maintain one of the most compelling shareholder distribution trajectories among European banks.

Worst performers during the quarter[2]

TARGET CORP DOWN -15%

The bulk of the underperformance occurred when Target reported their first-quarter results. Target had reported very strong fourth-quarter results, which made them one of our top performers last quarter and likely set expectations too high for investors. We used the strong fourth-quarter results to significantly reduce our exposure to Target. Our thesis on Target has been that they are one of the stronger US retailers, and their competitive positioning improved during the pandemic, with a 39% increase in sales per square foot from 2019. Target experienced their recession early when their inventory ballooned in 2022, but has been recovering margin each quarter since then. We expect Target to achieve higher margins than pre-pandemic levels in the medium term, although some investors may perceive the timeline as extended due to higher SG&A in the quarter, which does not change our model. In the near term, we foresee low-teens EPS growth until growth levels off to a high single-digit EPS growth algorithm. We believe this growth trajectory is underappreciated, especially with Target trading near 13x P/E for calendar year 2025.

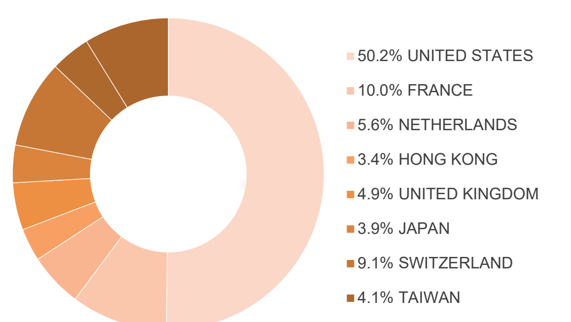
DIAGEO PLC DOWN -14%

The alcohol industry continues to experience a hangover following a period of overconsumption during the pandemic. Initially, there was an expectation of volume growth in 2024 in the United States, Diageo's largest market. However, industry data sources indicate that there has been no volume growth so far this year. Diageo, as the largest spirits company globally, holds only a 10% market share, suggesting ample room for both organic and inorganic growth. As the industry resumes growth, we anticipate Diageo returning to a revenue growth rate of 5% or more, with near 10% EPS growth.

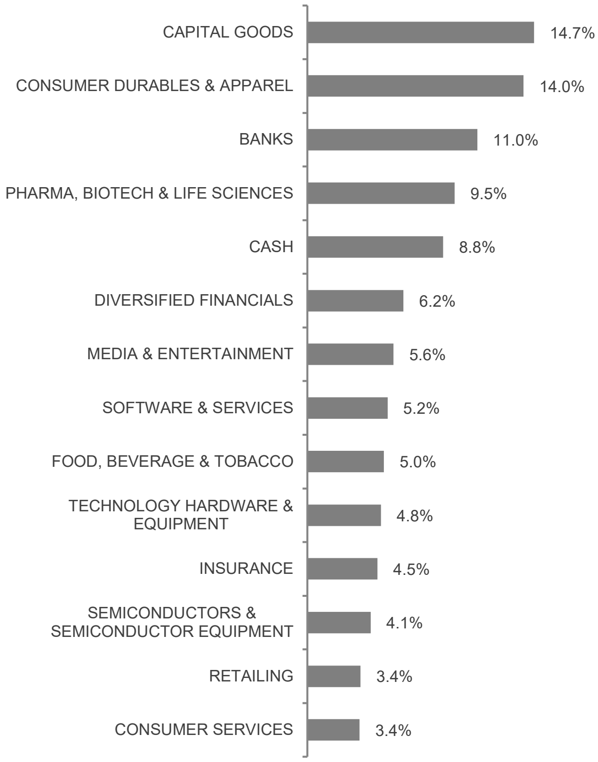
LVMH MOET HENNESSY DOWN -14%

The world's largest luxury goods company has assembled an incredible portfolio of leading brands, including Louis Vuitton, Dior, and Bulgari. We expect this aggregation of brands to be sustained through further acquisitions. The stock did sell off over the quarter, likely due to continued slowness in China and concerns about the U.S. and Western Europe slowing in 2024. With the multiple back to 21x, we substantially increased our weight in the name to 6.3% of the portfolio, boosting it to become our largest global position.

Global Equity Pool Geographic Split (Jun30/2024)



Global Equity Pool Industry Split (Jun30/2024)



Buys & Sells

During the quarter, we added two new names to the portfolio: Greenbrier Companies, and Nike Inc.

In addition, we added to our position in LVMH Moet Hennessy.

We reduced our positions in Alphabet, Generac Holdings, Wabtec Corp, and Taiwan Semiconductor. Two positions were eliminated from the portfolio: Oshkosh Corp, and Vail Resorts.

As a result of these transactions, the cash and equivalents position increased to 8.8% from 6.1% at the end of the prior quarter.

New Buys:

Greenbrier Companies

A true heavy industrial company, Greenbrier designs and manufactures railroad freight cars as well as ocean-going marine barges. In the last few years, the company has been growing its rail car leasing business, which has led to expanding margins, as leasing margins are materially higher than manufacturing ones. Additionally, in 2024, we expect Greenbrier to benefit from a mix shift in its orders to higher margin refrigerated and tank cars.

Nike Inc

We initiated a position in Nike Inc. after the stock fell 20% following a disappointing 2025 guidance. Nike projected a 10% revenue drop in the first quarter of FY2025 as the company recalibrates its growth strategy and product innovation pipeline. We view this issue as temporary and remain bullish on Nike's long-term growth prospects, driven by strong brand equity and current investments in products and the distribution network. In our view, the valuation has become attractive enough to compensate for the perceived risks in investing in Nike at this point.

Global Equity Pool Dynamics (Jun30/2024)

Measure	Global Pool	MSCI World
Fwd 12M P/E	15.9x	14.3x
Dividend Yield	2.2%	3.1%
Number of Names	24	1,430
Active Share[3]	85%	-

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 for this purpose as it is a well-known index and is 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.*

   The S&PTSX Composite is an unmanaged index of common stocks. Its performance is considered representative of the performance of the Canadian market. The index returns do not take into account any fees and expenses. The returns of the S&P/TSX Composite are provided for reference purposes to show how the performance of the fund fared relative to the market as a whole. The composition of the holdings of the fund and the index vary, because the holdings of the fund are comprised of individuals equities selected on the basis of the fund's investment objectives and strategies.

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.*