Galibier Capital Management Ltd.

Quarterly Investment Review

Q3 2017

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Results

"Far and away the best prize that life has to offer is the chance to work hard at work worth doing."

-Theodore Roosevelt

This reporting period coincides with Galibier's 5th anniversary.

Starting only with the personal accounts of its founders, Galibier now has close to $780MM under management and one of the best[1] long-term track records among Canadian money managers. We would like to thank our clients for giving us "the chance to work hard at work worth doing" and we look forward to many more years of continuing to implement the "Galibier Way".

Galibier is a process driven investment manager. The Galibier investment process accomplishes two fundamental things: it defines an investable universe of about 500 companies and then produces a proactive valuation of the companies within this universe. For a company to be included in the investable universe it must demonstrate a sustainable competitive advantage, have a management team with a demonstrated record of strong environmental, social and governance practices, generate economic earnings, be in a better than average growth industry and have appropriate financial leverage. Proactive valuations are determined by projecting earnings, cash flows and balance sheet structure three to five years into the future and then determining intrinsic value today using company specific valuation measures and discount rates. From this process we construct concentrated portfolios of between 20-30 holdings. Galibier controls risk through business selection and the price paid - - NOT through excessive diversification.

During the third quarter of 2017, the Trump White House continued to wrestle with self-inflicted wounds that have delayed and diminished policy changes around both healthcare reform and tax cuts. In addition, the U.S. is facing a number of troubling domestic issues including civil unrest, domestic terrorism and natural events such as hurricanes and wild fires. As well, the world is faced with an emerging threat from North Korea with limited prospects for a diplomatic resolution evident.

During the quarter, the S&P/TSX Composite Index provided a total return of +3.7% while the MSCI World Index (C$) was up +1.0%. Energy was the leading sector in both indices as oil prices rebounded in the quarter. For the year ended September 30th, the S&P/TSX was up +9.2% and the MSCI World Index was up +12.5%.

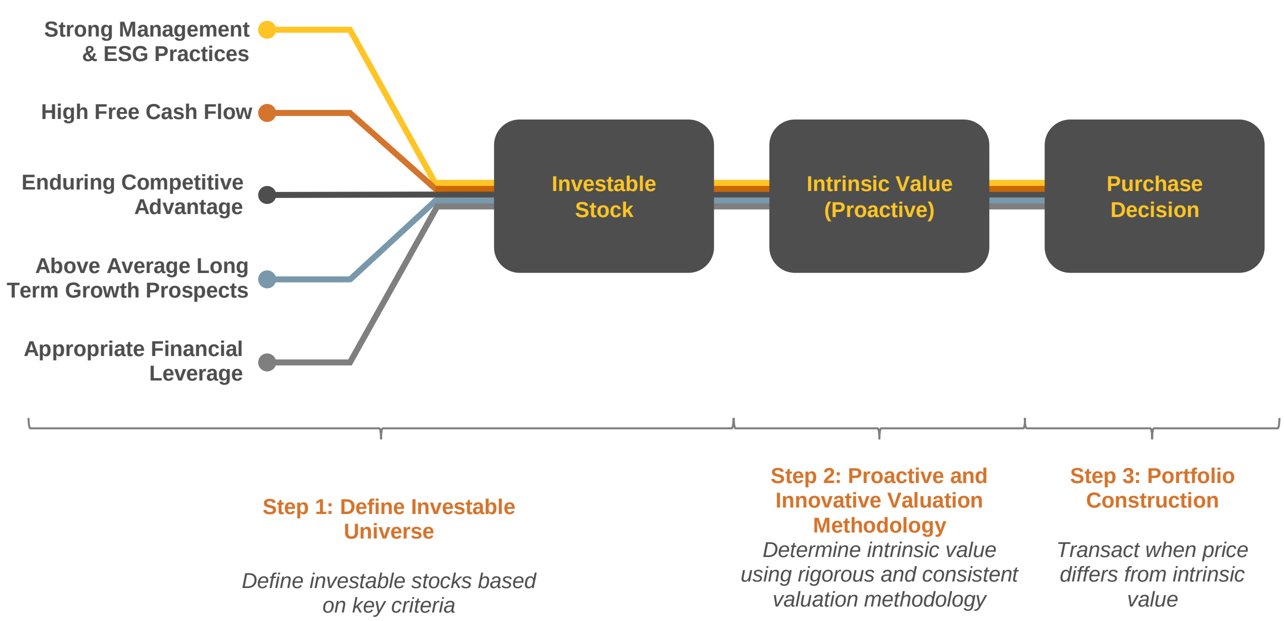
[1] Galibier Canadian Equity Pool was ranked 7th out of 107 funds in the Canadian Equity category over the four year period ending June 30, 2017 (source: RBC Investor & Treasury Services Q2 2017 Pooled Fund Survey)

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….

Galibier Canadian Equity Pool Summary of Results							
Period ending: Sep 30/2017	3 Months (%)	1 Year (%)	2 Year (%)	3 Year (%)	4 Year (%)	5 Year (%)	Since Sep 27/12 (%)
Galibier Canadian Equity Pool	**0.9**	**10.3**	**12.7**	**6.1**	**11.1**	**12.3**	**12.3**
S&P/TSX Composite (total return)	3.7	9.2	11.7	4.5	8.3	8.1	8.0

Notes:

1. *Return figures are gross of fees.*
2. *Return figures are annualized for periods greater than 1 year.*
3. *The Funds' returns are not guaranteed, the values change frequently and past performance may not be repeated.*
4. *Inception date of the fund is September 27, 2012.*
5. *Returns are presented only for periods during which Galibier has been registered as a portfolio manager.*
6. *The investment objectives of the Galibier Canadian Equity Pool have not changed since the Funds' inception.*
7. *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.*

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 Q3 2017, the S&P/TSX Composite Index provided a total return of +3.7%. The Galibier Canadian Equity Pool results were +0.9%. For the 1-year period ending Sept 30/2017, Galibier's Canadian Pool returned +10.3% versus the S&P/TSX up +9.2%. Over the past 5 years, the Canadian Pool's annualized return has been +12.3% per year which was ahead of the +8.1% annual return of the S&P/TSX.

Canadian Equity Pool Top Holdings (Sep 30/2017)		
		Weight (%)
1.	CIBC	6.2
2.	Manulife Financial Corp.	5.4
3.	Cargojet Inc.	5.4
4.	Cenovus Energy Inc.	5.0
5.	Industrial Alliance	5.0
6.	Dream Global REIT	4.6
7.	Intertape Polymer Group Inc.	4.6
8.	MacDonald, Dettwiler & Associates	4.5
9.	Exchange Income Corp.	4.4
10.	WSP Global Inc.	4.4
Total		49.5

Best performers during the quarter[2]

CENOVUS ENERGY UP +31%

Cenovus recovered somewhat from the second quarter bloodbath that resulted from the dismal, ill-timed and ill-informed decisions by Cenovus management to purchase Conoco's share of the Christina Lake and Foster Creek heavy oil plays as well as some other assets. Happily in the third quarter, Cenovus partially made good on its pledge to sell some non-core assets in order to reduce its debt load. As of today, this process is approximately half done. This, coupled with increasing oil prices over the quarter, led to some recovery in Cenovus' share price. We took advantage of the extremely low prices in Cenovus shares late in the second quarter and added significantly to our position as we believed that the stock offered significant asset value support even at low energy prices.

EXCHANGE INCOME UP +7%

While it was a volatile journey, shares of Exchange Income Corp. ended up over the quarter. The shares sold off following the release of quarterly results, where elevated growth capital spending pushed free cash flow negative. While new capital investments drive future revenues, over spending could lead to equity issuances over the long term. During the quarter, shares rebounded due to further disclosure from management, expectations of positive free cash flow in the second half of the year, and business opportunities from fighting fires in northern Manitoba.

CARGOJET UP +7%

Cargojet (CJT) had strong performance in the quarter, as its strong market position is being recognized by investors. E-commerce, driven by CJT's relationship with several online retailers including Amazon, has grown at significant rates. The company continues to sign new charter partnerships, driving incremental revenues outside of its core overnight operating hours. Management continues to execute on operational improvements and optimizations. We believe the company is well positioned heading into the end of the year and the all-important holiday shopping period.

PURE TECHNOLOGIES UP +6%

Pure Technologies, which holds a dominant position in the pipeline inspection industry, strengthened during the quarter as results demonstrated the operational improvements investors have been waiting for. The profit margin increased to 18% as changes made in 2016 are now starting to bear fruit. Going forward, the company will continue to grow as delayed projects materialize and potential new awards, such as the 800-mile inspection of pipeline in southern California, are added to the company's backlog. The company has no debt, continues to invest in growth, pays a reasonable dividend and has a management team that is significantly aligned with shareholders through their stock ownership.

Worst performers during the quarter[2]

INTERTAPE POLYMER GROUP DOWN -26%

Shares of Intertape (ITP) declined following weak second quarter results. The disappointment was primarily due to an increase in costs as the price for a key commodity input (butyl-acrylate) increased substantially due to a product shortage and short-term production issues at its newest facility as they increase volumes. This combination caused management to reduce 2017 expectations by 6.5%. These short term issues should resolve over the next few quarters as the supply of inputs normalizes or ITP and the industry increase the price of their products. We used this low share price to increase our initial position to a full weight.

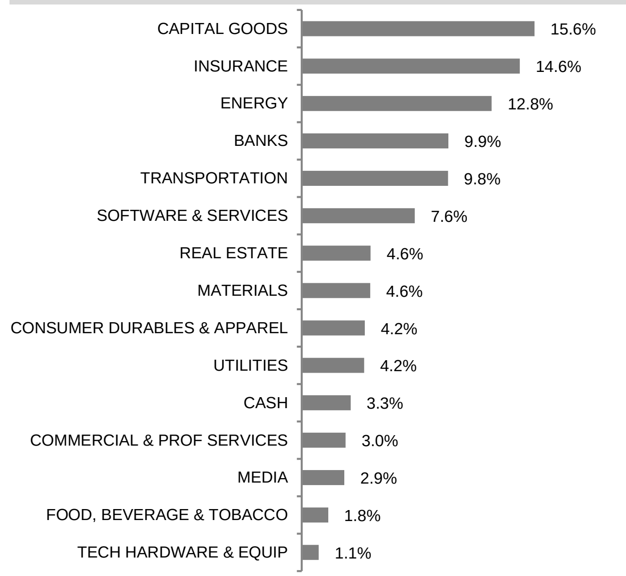
PARKLAND FUEL DOWN -14%

Shares of Parkland declined during the third quarter as the result of two concerns. The first concern was the renewed focus on the role of electronic vehicles in the future. While we believe the number of electric vehicles will grow over time, we expect it will be a gradual build, and the need for fueling stations will remain for decades. The second concern is the refinery that Parkland acquired with the recently closed Chevron acquisition. While admittedly operating refineries is not their core competency, a significant portion of the production is going into Parkland's network, which we believe limits the risk profile.

DHX MEDIA DOWN -9%

Shares of DHX were pressured during the quarter as results fell well short of management and investor expectations. A mix shift to third party distribution, two canceled live-action shows, production deliveries pushed into next quarter and changes in currency values were all reasons for the miss. As a result of all of these issues, management's credibility has been exhausted with investors. Due to the disappointing execution and high level of debt, the Board of Directors has initiated a strategic review which could see them monetize a portion of the assets or sell the whole company. The demand for content continues to be strong which should provide a positive backdrop for any potential sale.

Canadian Equity Pool Industry Split (Sep 30/2017)



Buys & Sells

During the quarter, the fund added to its positions in a number of names including Intertape Polymer Group Inc., Parkland Fuel Corp., Liquor Stores N.A. Ltd., MacDonald, Dettwiler & Associates and Dream Global REIT. The fund reduced its position in DHX Media.

One position was eliminated: Martinrea International Inc.

As a result of these transactions, the cash position decreased slightly to 3.3% from 3.6% at the end of the prior quarter.

Canadian Equity Pool Dynamics (Sep 30/2017)

Measure	Canadian Pool	S&P/TSX Comp
FY1 P/E	17.4x	16.0x
Dividend Yield	3.1%	2.8%
Active Share	88%	-

Source: *Galibier Capital Management Ltd, Bloomberg*

Galibier Global Equity Pool Summary of Results								
Period ending: May 12/2017	-	-	QTD May12/17 (%)	1 Year (%)	2 Year (%)	3 Year (%)	4 Year (%)	Since Sept27/12 (%)
Galibier U.S. Equity Pool	**-**	**-**	**5.5**	**30.5**	**12.7**	**13.6**	**17.8**	**18.1**
S&P500 (CAD, total return)	-	-	4.4	26.7	16.5	19.1	21.6	22.4
Period ending: Sep 30/2017	3 months (%)	Since May12/17 (%)	-	-	-	-	-	-
Galibier Global Equity Pool	**-1.1**	**-3.0**	**-**	**-**	**-**	**-**	**-**	**-**
MSCI World (CAD, total return)	1.0	-3.0	-	-	-	-	-	-

Notes:

1. *Return figures are gross of fees.*
2. *Return figures are annualized for periods greater than 1 year.*
3. *The Funds' returns are not guaranteed, the values change frequently and past performance may not be repeated.*
4. *Inception date of the fund is September 27, 2012. (From Sept 27, 2012 to May 12, 2017 as the Galibier U.S. Equity Pool and from May 12, 2017 to present as the Galibier Global Equity Pool.)*
5. *The investment objectives of the Galibier Global Equity Pool were changed on May 12, 2017. The following changes were made:*
   a) *The name changed from the Galibier U.S. Equity Pool to the Galibier Global Equity Pool.*
   b) *The investment objectives and investment strategies were updated to include investments in global equity securities.*
   c) *The benchmark changed from the S&P500 Index (CAD, total return) to MSCI World Index (CAD, total return).*
6. *Returns are presented only for periods during which Galibier has been registered as a portfolio manager.*
7. *All returns of the Galibier Global Equity Pool (formerly known as the Galibier U.S. 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.*

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

The MSCI World Index returned +1.0% in Q3 2017 as measured in Canadian dollar terms. Galibier's investment results were -1.1% for the quarter.

Global Equity Pool Top Holdings (Sep 30/2017)		
		Weight (%)
1.	Alphabet Inc.	5.2
2.	Kering ADR	4.7
3.	Emerson Electric Co.	4.7
4.	Nike Inc.	4.6
5.	J.P. Morgan Chase & Co.	4.6
6.	Echo Global Logistics Inc.	4.5
7.	Anheuser-Busch Inbev NV ADR	4.5
8.	Zimmer Biomet Holdings Inc.	4.4
9.	Starbucks Corp	4.4
10.	Biogen Inc.	4.2
Total		**45.8**

Best performers during the quarter[2]

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.

Schneider Electric up +9%

Schneider Electric (SU), a relatively new position in the portfolio, performed well in the quarter. Company results showed an improvement in organic growth as demand for low-voltage data-centre products, building-automation and automation in discrete industries helped revenue growth. Adding to the positive results, the company bolstered its software and services offering with the acquisition of Aveva, a U.K. engineering software developer. SU will combine its own software assets into the standalone entity realizing significate cost savings as well as a higher trading multiple. SU will own 60% of the new entity.

Worst performers during the quarter[2]

Alliance Data Systems down -17%

Alliance Data Systems (ADS) shares weakened during the quarter following the release of its second quarter results. Full year guidance was lowered modestly on delays of program launches in the Brand Loyalty business segment. While management remains confident that these revenues will still be achieved, they have been delayed into 2018 compared to previous expectations of late 2017. We believe ADS is well positioned with its customer data analytics capabilities, diversified portfolio of credit card relationships and established Air Miles loyalty program.

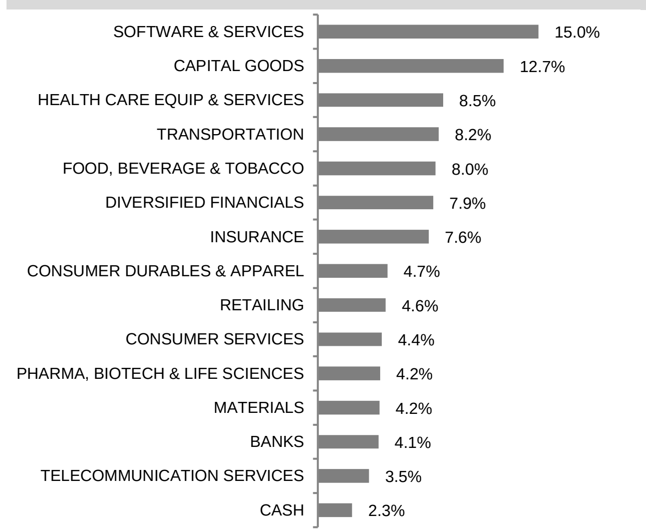
Nike down -15%

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.

Global Equity Pool Industry Split (Sep 30/2017)



Buys & Sells

During the quarter, one new name was added to the portfolio: Fluor Corp. In addition to the new name, the fund added to its positions in Starbucks Corp., Deutsche Telekom AG ADR, Echo Global Logistics Inc., Heidelberg Cement AG, Nike Inc., Anheuser-Busch Inbev NV ADR and Schneider Electric SE.

The fund reduced its exposure to Kering ADR, Alliance Data Systems, Thermo Fisher Scientific Inc. and Biogen Inc. One position was eliminated: Davita Inc.

As a result of these transactions, the cash position decreased slightly to 2.3% from 2.9% at the end of the prior quarter.

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.

Global Equity Pool Dynamics (Sep 30/2017)

Measure	Global Pool	MSCI World
FY1 P/E	17.6x	16.1x
Dividend Yield	1.5%	2.4%

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, 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).*