Galibier Capital Management Ltd.

Quarterly Investment Review

Q4 2019

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"Too Legit, Too Legit to Quit"

- M.C. Hammer

Equity markets provided solid performance in the fourth quarter and were extraordinarily strong over 2019. In the quarter, the S&P/TSX Composite total return was 3.2% and MSCI World total return (CAD) was 6.3%. Over the 1-year period the S&P/TSX Composite and the MSCI World Index rallied 22.9% and 21.2%, respectively.

The strength of equity markets was due in large part to the continued dovish stance of central banks globally. In addition, the U.S. and China have made some incremental progress on trade talks. However, clouds on the horizon continue to include U.S. presidential impeachment proceedings, rising Middle East tensions, environmental catastrophes, uncertainly about the upcoming U.S. election and Brexit continuing to disrupt the European economic outlook.

In light of this uncertainty and the high valuations of some securities, Galibier elected to opportunistically reduce/eliminate certain positions within our portfolios.

In the past, we have discussed our focus on defining an investable universe and our unique and proprietary valuation methodology - the combination of which we term **The Galibier Way**. The key to our process is to derive an estimate of intrinsic value for all stocks in our investable universe.

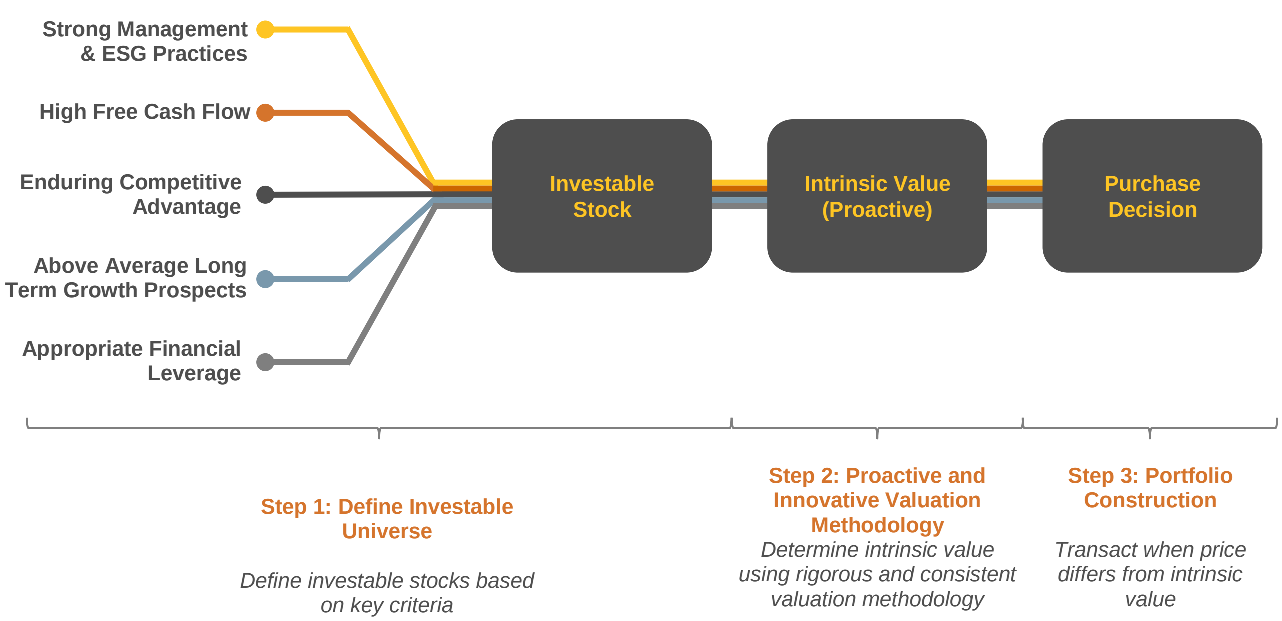
After a year of such significant equity returns in 2019, we are reminded of the old proverb "Trees don't grow to the sky." Several stocks within our portfolios became overvalued against our view of intrinsic value and therefore no longer offered an attractive future potential return. This delightful situation compelled us to reduce or exit numerous positions in both our Canadian and global equity portfolios throughout the quarter and replace those names with stocks offering better valuation propositions.

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….

Galibier Canadian Equity Pool Summary of Results

Period ending: Dec 31/2019	Since Sep27/12 (%)	7 Year (%)	6 Year (%)	5 Year (%)	4 Year (%)	3 Year (%)	2 Year (%)	1 Year (%)
Galibier Canadian Equity Pool	**11.5**	**11.9**	**9.1**	**7.8**	**12.2**	**9.3**	**7.1**	**28.2**
S&P/TSX Composite (total return)	7.8	7.8	7.0	6.3	10.3	6.9	5.8	22.9

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 Note 1 and Disclaimer at the end of this document for information about the returns and benchmarks.

Galibier Canadian Equity Pool

In Q4 2019, the Galibier Canadian Equity Pool generated a return of +6.7% versus the 3.2% return of the index. Since inception on September 27, 2012, the Canadian Pool's annualized return has been +11.5% per year which was ahead of the +7.8% annual return of the index. At the end of the quarter, the active share[3] of the portfolio was 81%.

Canadian Equity Pool Top Holdings (Dec 31/2019)

		Weight (%)
1.	Cargojet Inc.	5.5
2.	Manulife Financial Corp.	5.2
3.	Enbridge Inc.	4.9
4.	Ag Growth International Inc.	4.8
5.	CCL Industries Inc.	4.5
6.	Spin Master Corp.	4.4
7.	WSP Global Inc.	4.3
8.	Parkland Fuel Corp.	4.3
9.	NFI Group Inc.	4.3
10.	Rogers Communication Inc.	4.1
Total		**46.3**

Best performers during the quarter[2]

SNC-Lavalin up +71%

Shares of SNC, a new holding in the fund, increased significantly during the quarter after being pressured by numerous company specific and political events throughout the past year. Shares reacted very positively to third quarter results which showed better execution by management as cost overruns were limited and revenue increased 11%. During the quarter, SNC was awarded 12 new contracts and increased backlog 9.7%, helping to demonstrate the recent political pressures have not damaged SNC's brand in the marketplace. Additionally, late in the quarter, shares reacted favourably to a settlement of the federal charges brought against the company arising from legacy activities in Libya between 2001 and 2011. We marginally reduced our position after these positive developments.

WSP Global up +15%

Shares in WSP increased steadily through the quarter as management executes its long term business plan to further grow the company. In its latest quarter, WSP increased revenue and profits by 15% and 19% and increased the midpoint of its guidance for the year. Over the medium term to 2021, the company should increase its business by 50% as it acquires more companies and grows organically providing more upside for the shares. One of the key competitive advantages for WSP is its ability to allocate capital to acquisitions and now with its larger scale this should be a self-funded model.

Park Lawn up +14%

Shares of Park Lawn (PLC), the funeral services company, were strong in the quarter which reflected the execution of its acquisition plan as well as organic growth opportunities as the company works toward achieving its 2022 goals. The management team has clearly laid out their plan for the next few years to capitalize on internal efficiencies, margin improvement and densification where appropriate. Complimenting this strategy with acquisitions will add new geographic markets and strengthen existing positions with attractive assets.

Parkland Fuel up +13%

Parkland Fuel had strong performance in the quarter as it executed on its integration of recent acquisitions. The company also continued to benefit from stronger than average “crack” spreads, driving outsized results from its fuel supply business. Guidance for full year profitability was increased along with the release of third quarter results. While crack spreads will eventually normalize, we continue to like the long-term outlook for the company. We also anticipate that its retail division should benefit from the introduction of its JOURNIE customer loyalty program which will be rolled out across Canada in 2020.

Worst performers during the quarter[2]

Alcanna down -14%

Shares of Alcanna struggled in the quarter as cannabis companies continued to see share prices pressured. Aurora, a cannabis producer that owns 25% of Alcanna, was rumoured to be considering the exit of its stake to raise cash, which put additional pressure on Alcanna’s share price. As the company undergoes a turnaround in its liquor business (which represents ~85% of the company’s annual revenue) its quarterly results demonstrated continued success in bringing back store traffic and the beginning of margin improvement, which should lead to dramatically improved results into 2020.

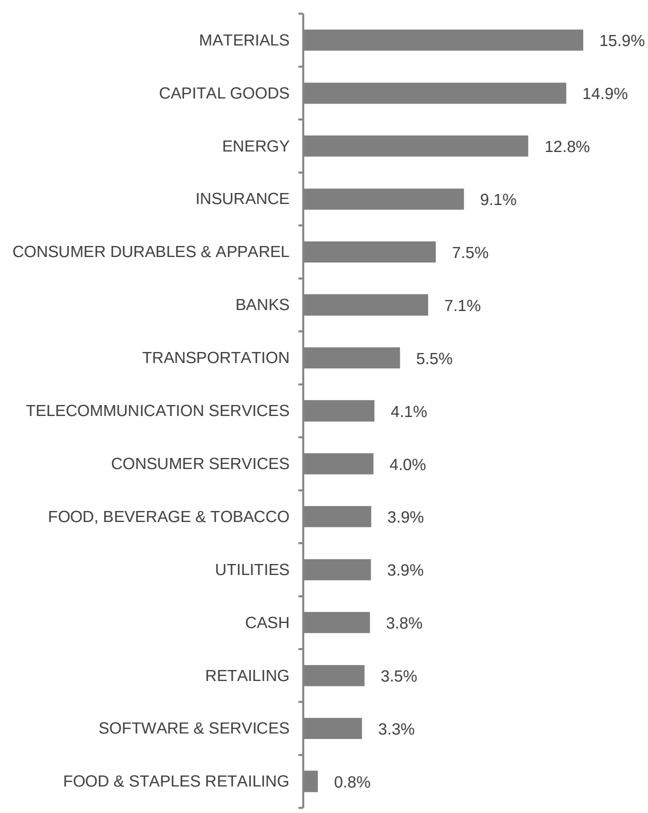
Dollarama down -6%

Shares of Dollarama (DOL) reacted negatively during the quarter as guidance for the fourth quarter fell short of investor expectations. However, during 2019 the company was able to significantly improve the amount of traffic through its stores which, along with new store openings, will help it sustain substantial revenue growth over the long term. Galibier took advantage of volatility in the price of DOL over the quarter by adding to the position as the stock declined below intrinsic value.

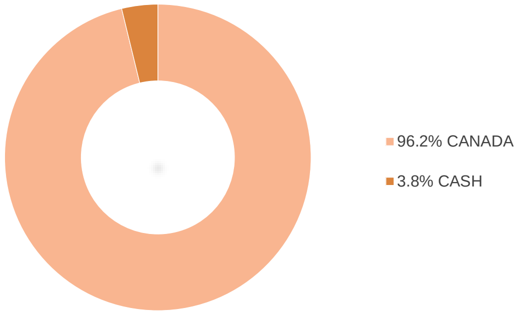
Nutrien down -5%

Nutrien (NTR) and the price of its key commodity, potash, were again negatively impacted in the quarter by abnormal weather that disrupted its clients and their demand for agricultural inputs. NTR and the industry have responded to the drop in demand by cutting production which will eventually lead to an increase in price. This is the 2nd year where the North American planting season has been disrupted which should mean there is plenty of pent up demand for agriculture nutrients in 2020. NTR holds low cost excess capacity which is a key part of its competitive advantage and will help it to grow profits over the long term. In the meantime, the company continues to reinvest excess cash flow into its retail network as well as dividend increases and share buybacks.

Canadian Equity Pool Industry Split (Dec 31/2019)



Canadian Equity Pool Geographic Split (Dec 31/2019)



Buys & Sells

During the quarter, we added three new positions to the portfolio: SNC-Lavalin Group, Rogers Communication and Gildan Activewear.

In addition, we added to numerous positions including Premium Brands Holdings, Dollarama, Cenovus Energy, Intertape Polymer Group, Bank of Nova Scotia, NFI Group and Cargojet.

We reduced our positions in Alcanna and West Fraser Timber and eliminated iA Financial and Boyd Group Services.

As a result of these transactions, the cash position decreased to 3.8% from 6.4% at the end of the prior quarter.

New Buys:

SNC-Lavalin Group Inc.

SNC-Lavalin is an engineering company with a specialty in transportation, buildings, design, planning and the nuclear industry. The company and stock were under significant pressure during the past year due to execution issues in its commodities segment, the mispricing of some fixed price contracts and a government investigation into past misconduct. This caused the shares to decline significantly below our view of intrinsic value to a level that ascribed little value to the engineering division. Additionally, steps by management to exit fixed priced construction work reduces the risk to shareholders from further cost overruns on projects. After working to verify the brand of SNC was not damaged in its industry by recent events, as this is a key aspect of its competitive advantage, Galibier initiated a position in the company.

Gildan Activewear Inc.

Gildan Activewear (GIL), the low cost manufacturer and marketer of active wear products, including T-shirts, fleece tops and bottoms, and sport shirts was added to the portfolio after a significant decline in its share price. Lower than expected revenue growth and reduced guidance for the year had sent shares in GIL down 30% resulting in a significantly lower valuation. GIL's competitive advantage lies in its vertically integrated, low-cost production capabilities and ability to innovate a commodity product. The company should benefit from global retailers increasing shelf space for private label brands as a way to differentiate their product offerings. Many will look to Gildan to produce the product. Recent investments in capacity will allow revenue to increase significantly while capital expenditures decline. With an undercapitalized balance sheet, we expect the company will continue to return excess capital to shareholders through increased dividends and share buybacks.

Rogers Communications Inc.

Rogers Communications (RCI) is the leading wireless provider in Canada with 11 million subscribers and is a major provider of high-speed internet service in the eastern part of the country. Additionally, the company offers pay-tv, traditional telephone service and owns several media properties including Sportsnet and the Toronto Blue Jays. Shares of RCI fell significantly after its quarterly results disappointed investors due to a falloff in revenue from overage fees in its wireless segment. While negative in the short term, this is a result of intentional moves by management to move its wireless data offering to an unlimited nature. Over the medium term this will increase usage, improve customer satisfaction, lower churn and increase profits. This comes as the company is launching 5G service which is designed to lower the cost for operators to deliver data service. Galibier purchased shares in this steady cash flow producer at 14.5x free cash flow and below our calculation of intrinsic value. The company's key competitive advantage comes from its scale in wireless as well as its spectrum holdings which is a finite resource.

Canadian Equity Pool Dynamics (Dec 31/2019)

Measure	Canadian Pool	S&P/TSX Comp
Fwd 12M P/E	**20.0x**	15.0x
Dividend Yield	**2.7%**	3.0%
Number of Names	**25**	234
Active Share[3]	**81%**	-

Source: *Galibier Capital Management Ltd, Bloomberg*

Galibier Global Equity Pool Summary of Results

Period ending: Dec 31/2019	Since May12/17 (%)	2 year (%)	1 year (%)
Galibier Global Equity Pool	**11.0**	**13.0**	**26.8**
MSCI World (CAD, total return)	8.4	9.8	21.2

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 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 Note 1 and Disclaimer at the end of this document for information about the returns and benchmarks.

Galibier Global Equity Pool

In Q4 2019, the Galibier Global Equity Pool generated a return of +7.8% versus the 6.3% return of the index. Since inception on May 12, 2017, the Global Pool's annualized return has been +11.0% per year which was ahead of the +8.4% annual return of the index. At the end of the quarter, the active share[3] of the portfolio was 95%.

Global Equity Pool Top Holdings (Dec 31/2019)

		Weight (%)
1.	AstraZeneca PLC ADR	5.6
2.	Booking Holdings Inc.	5.3
3.	Koninklijke Philips NV ADR	5.2
4.	ING Groep NV ADR	5.1
5.	Schneider Electric SE	4.5
6.	Emerson Electric Co.	4.3
7.	Alphabet Inc.	4.3
8.	Heidelberg Cement AG	4.3
9.	JPMorgan Chase & Co.	4.1
10.	Voya Financial Inc.	4.0
Total		**46.7**

Best performers during the quarter[2]

RYANAIR UP +29%

Shares of Ryanair, the leading low-cost airline in Europe, increased during the quarter as the company announced it had increased revenue 11% so far in its current fiscal year. Growth in the number of passengers, as well as higher ancillary revenue, more than offset lower fares. Additionally, the competitive dynamics in the European airline are improving. Restructuring at its major competitors and the bankruptcy of others has all helped to lower capacity growth in the industry which in turn should help improve pricing for RYA going forward. After adding to the position earlier in the year at lower levels it was trimmed in the quarter as it approached intrinsic value.

OSHKOSH UP +23%

Shares in Oshkosh Corporation (OSK), a manufacturer of specialty trucks and access equipment such as aerial lifts, rallied sharply in the quarter. This strong performance was due to investors re-examining OSK's earnings power in light of continued strong U.S. economic performance as well as its diversified customer base. The company dominates several disparate markets including aerial lifting platforms, fire and cement trucks and military vehicles. The company's balance sheet is crystal clean with significant excess cash which is fueling stock buy backs. Trading at a price to earnings multiple of 12.5x, Oshkosh is starting to look fully valued and, as a result, we materially reduced our position in the name over the quarter.

JPMorgan up +17%

JPMorgan (JPM) has now become the largest U.S. bank in terms of assets and its competitive advantage comes from both low funding costs and scale advantages. Over the quarter the bank reported better than expected earnings led by strong underwriting revenues and decent net interest income development. With the Federal Reserve on hold and given its large Tier 1 Capital surplus, JPM can make "tuck in" acquisitions, invest in geographic diversification, continue to raise dividends and buy back stock to fuel sustained earnings growth. Trading at a price to book of 1.8x versus its return on equity range of 12.5%-13.5%, JPM looks fairly valued at the current quote.

AbbVie up +16%

Pharmaceutical company AbbVie continued to rebound after being oversold when it announced its intention to acquire Allergan. Additionally, our AbbVie investment thesis is that once the Allergan deal is finalized, the non-Humira portfolio can outgrow the patent cliff from Humira. Recently launched follow-ons to Humira, Skyrizi and Rinvoq, are exceeding company and street expectations as they have far exceeded Humira in efficacy, safety and ease of use. They have earned their spots as best in class treatments and should alone offset half of the Humira patent cliff. During the Q3 results, AbbVie raised its dividend 10%, highlighting its strong free cash flow and now yields more than 5%. After strong capital appreciation, we trimmed our position and redeployed the proceeds into other names.

Worst performers during the quarter[2]

Anheuser-Busch down -15%

Shares of Anheuser-Busch (BUD) underperformed during the quarter as the company reported disappointing overall volume growth, principally driven by ongoing market share losses in its U.S. domestic product portfolio. BUD was at a meaningful weight in our fund at the beginning of the year and performed well throughout 2019. We had been steady sellers as the valuation multiple expanded and the shares recovered after a weak 2018. At a current valuation of 18x free cash flow, we believe the shares continue to trade at a meaningful discount to intrinsic value and that investors continue to underappreciate the company's "premiumization" strategy and growth through product mix changes to higher price point products. As a result, we recently increased our position in BUD.

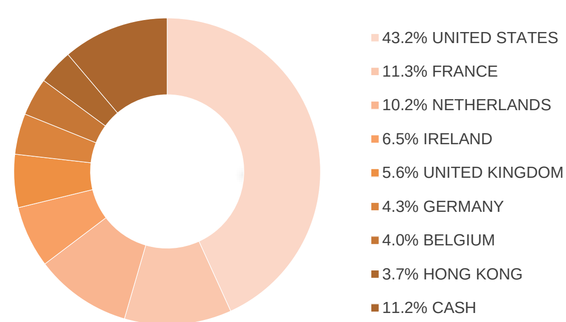
Colgate-Palmolive down -8%

Shares of Colgate (CL) were somewhat weak over the fourth quarter as the company's financial performance was pressured by higher raw material and packaging costs. Countering this, the company announced a "Global Growth and Efficiency Program" to both cut expenses as well as increase investment in product adjacencies and new markets. As well, the company is revisiting its pricing strategy to hopefully pass through some of the raw material cost increases. At 23x expected 2020 earnings per share, CL looks close to fully valued. Some have posited that CL is an interesting takeover candidate by private equity or other companies seeking a global leader with very stable business lines.

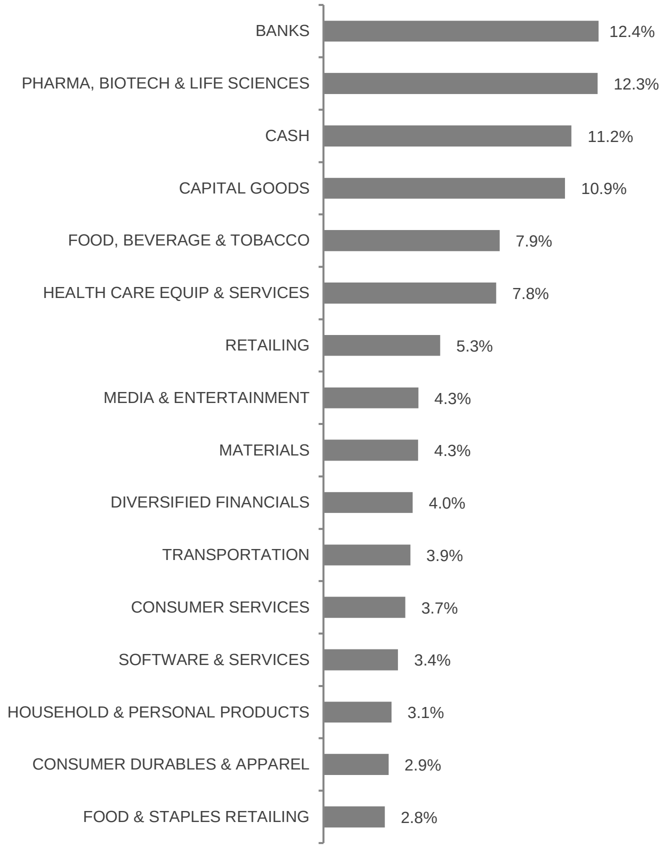
Heidelberg Cement AG down -1%

Shares in Heidelberg, a leading global cement and aggregate company were flat over the quarter. This muted performance was due to a slowed pace of large infrastructure projects. However, price increases more than offset reduced volumes leading to decent revenue generation. In the near term, Heidelberg has been impacted by fears about slowing economic growth. In the medium term, we see prospects as positive as global infrastructure is in need of significant investment. In the longer term, rising water levels associated with global warming and other impacts from severe weather should provide secular growth in demand for cement.

Global Equity Pool Geographic Split (Dec 31/2019)



Global Equity Pool Industry Split (Dec 31/2019)



Buys & Sells

During the quarter, we added one new name to the portfolio: Rémy Cointreau SA.

In addition, we added to our positions in Anheuser-Busch Inbev ADR, Koninklijke Philips NV ADR, Booking Holdings, ING Groep NV ADR and AstraZeneca PLC ADR.

We reduced our positions in Oshkosh, Ryanair Holdings PLC ADR, AbbVie, Walgreens Boots Alliance, Emerson Electric and LVMH Moet Hennessy Louis Vuitton SE ADR.

As a result of these transactions, the cash position increased to 11.2% from 9.8% at the end of the prior quarter.

New Buys:

Rémy Cointreau SA

Rémy Cointreau is principally known for its premium portfolio of high-end cognac brands such as Rémy Martin and Louis XIII. This is a high quality company benefitting from both pricing power and high barriers to entry due to the extensive working capital investment required to age inventory as well as strict appellation requirements specific to the region of Cognac in France. Rémy Cointreau is currently going through a transitory year as management decided earlier in 2019 to exit its low-margin spirits distribution business, resulting in stalled revenue growth for the group due to the loss of sales but nonetheless without a corresponding hit to group level EBITDA. In addition, the company's cognac sales into the U.S. were further dampened during the year due to wholesaler's cyclical purchasing behavior, here again without a corresponding hit to the company's sell through to consumers. We believe those issues to be transitory in nature and therefore irrelevant to the long-term earnings power and growth potential of the company. Hence, during the quarter we took advantage of investors' short term focus to take a position in this high quality compounder, effectively making Rémy Cointreau a core holding of the portfolio.

Global Equity Pool Dynamics (Dec 31/2019)

Measure	Global Pool	MSCI World
Fwd 12M P/E	**17.2x**	16.5x
Dividend Yield	**1.7%**	2.4%
Number of Names	**23**	1,646
Active Share[3]	**95%**	-

Source: *Galibier Capital Management Ltd, Bloomberg, MSCI Inc.*

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).*

3. *Active share: a measure of the percentage of stock holdings in a portfolio that differ from the benchmark index. Data source: Bloomberg.*