Quarterly Investment Review

Q2 2022

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"It's worth reminding ourselves from time to time that gyrations in a stock price may tell us absolutely nothing about the prospects of the company involved."

-Peter Lynch

Equity markets worldwide were down sharply in the second quarter of 2022. As expected, the Federal Reserve and other central banks continued their strategy of raising rates. It is worth noting that the June FOMC meeting included a 75bp increase to the Fed Funds rate - the largest hike in 28 years. The FOMC also took up its Fed Funds rate target from 2.8% to 3.9% in 2023 portending future rate increases. The quantitative easing of the last 2.5 years came to an end with the Fed beginning to sell Treasuries it had purchased, the outcome of which will reduce money supply. All these measures are being taken in the hopes of quelling runaway inflation by reducing demand. However, supply in key food and energy commodity complexes continue to be impacted by geopolitical factors including the war in Ukraine so inflation remains a concern.

Against this backdrop, equity markets sold off sharply worldwide. The Canadian market (S&P/TSX Composite) was down -13.2% in the quarter while global stocks as measured by the MSCI World Index declined -13.4% in Canadian dollar terms.

Interest rates act on asset prices as gravity acts on matter, the higher rates go, the higher the discount rate on asset prices and the lower equity prices go. In particular, in a raising interest rate environment, high P/E multiple stocks tend to sell off the most. In addition, the massive fund flows into passive index products have slowed which has had a negative impact on equity prices. Bonds also declined significantly in the quarter (down -5.7% as measured by the FTSE Canada Universe Bond Index). Other even more speculative asset classes such as cryptocurrency are selling off with Bitcoin down -57% in the quarter (as measured by the Bloomberg Galaxy Bitcoin Index).

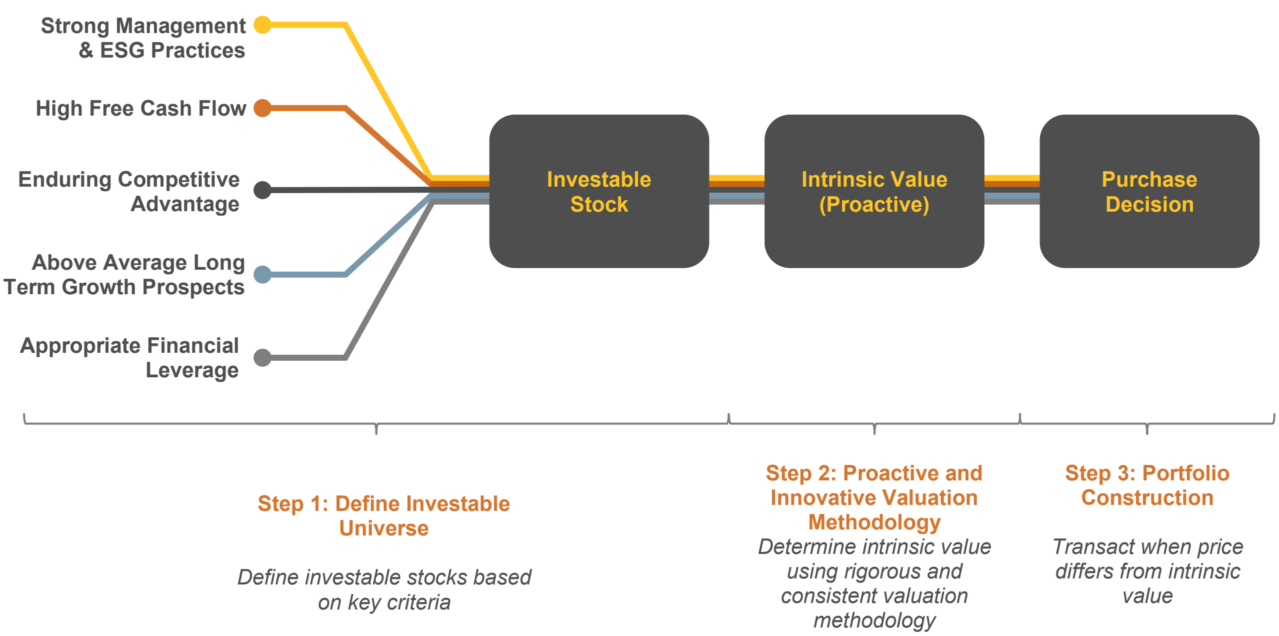
Against this challenging backdrop, the Galibier investment process is in full effect. With the general market sell off, the share price of some high-quality companies has fallen below their intrinsic values. As a result, Galibier has been very active. New positions include CAE in Canada and Apple, Amazon, Target and SARK all being purchased in the quarter.

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….

Galibier Canadian Equity Pool Summary of Results

Period ending: Jun30/2022	Since Inception (%)	9 Year (%)	8 Year (%)	7 Year (%)	6 Year (%)	5 Year (%)	4 Year (%)	3 Year (%)	2 Year (%)	1 Year (%)	Year-to-date (%)
Galibier Canadian Equity Pool	**10.5**	**10.4**	**6.9**	**8.1**	**9.6**	**8.4**	**7.6**	**8.8**	**19.5**	**-1.8**	**-5.5**
S&P/TSX Composite (total return)	7.6	8.2	5.9	6.9	8.2	7.6	6.9	8.0	13.4	-3.9	-9.9

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 Q2 2022, the Galibier Canadian Equity Pool generated a return of -10.0%. Since inception on September 27, 2012, the Canadian Pool's annualized return was +10.5% per year which was ahead of the +7.6% annual return of the index. At the end of the quarter, the active share[3] of the portfolio was 76%.

Canadian Equity Pool Top Holdings (Jun30/2022)

		Weight (%)
1.	Canadian Pacific Railway Ltd.	5.3
2.	Manulife Financial Corp.	5.0
3.	Park Lawn Corp.	5.0
4.	Spin Master Corp.	4.8
5.	Northland Power Inc.	4.8
6.	CCL Industries Inc.	4.7
7.	Canadian Imperial Bank of Commerce	4.4
8.	Enbridge Inc.	4.3
9.	Intact Financial Corp.	4.3
10.	Empire Co. Ltd.	4.3
Total		**46.9**

Best performers during the quarter[2]

Cenovus Energy up +18%

WTI crude oil price rallied in the quarter closing at $105.76 (USD). At this price level, heavy oil producers such as Cenovus generate significant cash flow per barrel. Over the quarter, Cenovus agreed to purchase additional reserves by acquiring the remaining 50% of the Sunrise Oil Sands project from British Petroleum. Given its enormous reserves, Cenovus does not have to incur capital expenditures in order to find and develop additional barrels meaning that significant cash flow is available for debt reduction, share buy backs or dividend increases.

CAE up +16%

Shares of CAE increased following the release of its delayed full year results. Strong quarterly results, in addition to a recently hosted investor day, have given management multiple opportunities to communicate their longer-term goals for growth of the business on both the civil and defense platforms. Utilization rates in the civil training business continue to tick higher as commercial air traffic returns, and strong book-to-bill in the defense business suggests strong revenues ahead in that segment. Management continues to integrate several recently acquired businesses, which have helped CAE to offer customers a well-rounded and more diversified product offering than ever before.

CCL Industries up +8%

Shares of CCL reacted positively in the quarter after its results reflected the diversification and resilience of its business model. While label sales for hand sanitizer bottles have declined, it has been offset by labels for cosmetics, as an example. The geographic and end market diversification of the business has helped it to weather the challenges of the past few years. With large acquisitions still viewed as expensive, management has committed capital to a share buyback in order to take advantage of its strong balance sheet and cash flow generation. We continue to like management's disciplined and prudent approach to capital allocation which has served the company well.

CGI UP +3%

CGI outperformed in the quarter as its organic revenue growth hit a fifteen-year high, and management reiterated their goal of continuing to grow the top line at double digits. Management believes that digital transformation initiatives are not discretionary spending for customers and it is likely these projects continue uninterrupted despite macroeconomic concerns. We also believe that CGI is an attractive technology company for investors who have seen valuations in some of the high-flying technology names compress dramatically following the highs of late last year.

Worst performers during the quarter[2]

AG GROWTH INTERNATIONAL DOWN -31%

After a strong start to the year, shares of Ag Growth International declined in the second quarter. Concerns over rising input costs and supply chain delays, which could pressure margins in the near term, are reasons why the shares were weaker. With continued uncertainty in the agricultural supply chain and strong backlogs to support its 2022 revenues, we believe that Ag Growth is well positioned to benefit from farmer spending and the need to build redundancy into global supply chains. As capital spending levels decline, we expect that free cash flow for Ag Growth will accelerate nicely, leading to a reduction in the debt outstanding and a re-rating of the business going forward.

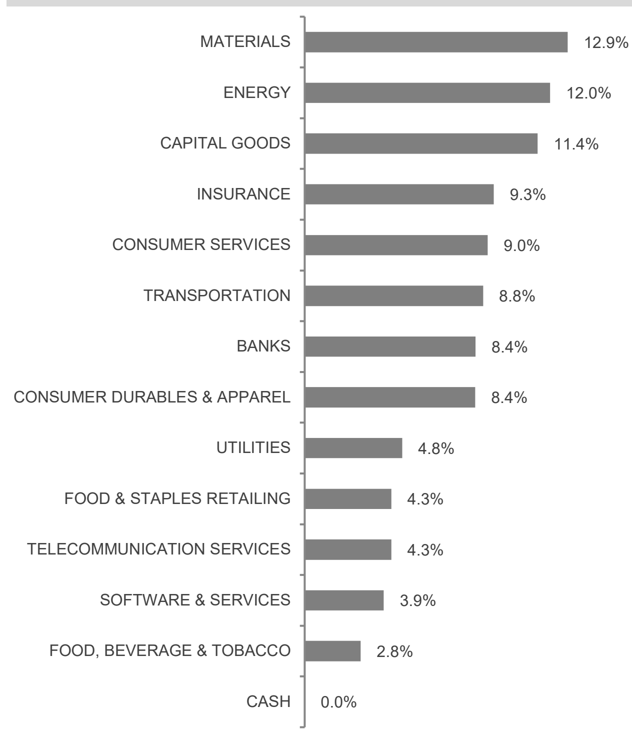
CARGOJET DOWN -25%

Cargojet shares declined during the quarter because of concerns around the economic health of the consumer, as well as the perceived risk of overcapacity in global air cargo markets long-term. While there is no doubt about the challenges facing the consumer, we are comforted by the long-term take or pay contracts that Cargojet operates within its domestic business. Late in the first quarter, it announced a significant new long-term contract with DHL, which will utilize most of the additional capacity being added into the Cargojet network over the next few years. We believe that business to be very secure as DHL has committed to the use of dedicated cargo aircraft in the future, even as commercial belly capacity returns. While the charter business could see some weakness, we are comfortable that Cargojet's superior performance and customer service will continue to make them a preferred provider in the charter business.

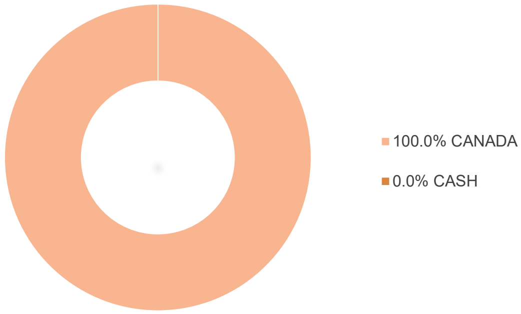
AGNICO EAGLE MINES DOWN -22%

Like many companies, gold producers signalled operational issues due to COVID-19 related absenteeism as well as rising energy and input costs were impacting margins. As well, bullion itself sold off over the quarter and was down about 4% over that time. Even at the current bullion price of $1740 (USD), Agnico Eagle trades below our estimate of intrinsic value while generating solid earnings per share and free cash flow per share. The implosion of the cryptocurrencies is likely to be a good sign for gold prices in the future as is the spectre of continued inflation. If the U.S. dollar were to weaken due to interest rate differentials this would also impact gold price favourably.

Canadian Equity Pool Industry Split (Jun30/2022)



Canadian Equity Pool Geographic Split (Jun30/2022)



Canadian Equity Pool Dynamics (Jun30/2022)

Measure	Canadian Pool	S&P/TSX Comp
Fwd 12M P/E	15.0x	11.2x
Dividend Yield	2.6%	3.1%
Number of Names	25	239
Active Share[3]	76%	-

Source: *Galibier Capital Management Ltd, Bloomberg*

Buys & Sells

During the quarter, we added one new name to the portfolio: CAE Inc. In addition, we added to our positions in CIBC, Gildan Activewear, Restaurant Brands International and Manulife Financial.

We reduced our positions in numerous names including Cenovus Energy, Nutrien, Enbridge, Spin Master and Agnico Eagle Mines among others.

As a result of these transactions, the cash position decreased to 0.0% compared to 1.7% at the end of the prior quarter.

New Buys:

CAE Inc.

COVID-19 has been extremely disruptive to the global travel industry and airlines continue to work through the challenges resulting from being understaffed as demand for travel returns. With a continuing pilot shortage, demand for training services has rebounded quickly. We expect that as airlines look to reduce capital allocated to non-core businesses (i.e. training), CAE is very well positioned to sign outsourcing agreements, which improves its training center utilization. Ongoing conflict in Europe is driving more commitment to defense spending, which also bodes well for the demand for CAE's defense training and simulation business. CAE is well positioned to benefit from tailwinds in both of its largest segments. Lastly, action taken by management during COVID-19 including cost cutting initiatives and the realization of synergies will allow CAE to generate structurally higher margins in the future.

Galibier Global Equity Pool Summary of Results

Period ending: Jun30/2022	Since May12/17 (%)	5 year (%)	4 year (%)	3 year (%)	2 year (%)	1 year (%)	Year-to-date (%)
Galibier Global Equity Pool	**5.0**	**5.5**	**4.4**	**2.8**	**3.3**	**-15.0**	**-17.9**
MSCI World (CAD, total return)	6.5	7.5	6.3	6.5	6.2	-10.8	-18.8

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. *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 Q2 2022, the Galibier Global Equity Pool generated a return of -14.3%. Since inception on May 12, 2017, the Global Pool's annualized return was 5.0% per year. At the end of the quarter, the active share[3] of the portfolio was 88%.

Global Equity Pool Top Holdings (Jun30/2022)

		Weight (%)
1.	JPMorgan Chase & Co.	5.2
2.	Amazon.com Inc.	5.2
3.	Alphabet Inc.	5.0
4.	Berkshire Hathaway Inc.	4.7
5.	Wabtec Corp.	4.7
6.	Intel Corp.	4.5
7.	The Walt Disney Company	4.5
8.	Galaxy Entertainment Group Ltd.	4.4
9.	Applied Materials Inc.	4.3
10.	General Motors Co.	4.3
Total		**46.8**

Best performers during the quarter[2]

Tuttle Capital Short Innovation ETF up +8%

With rising interest rates, highly valued stocks often sell off. Over the quarter, the yield on the benchmark U.S. 10 Year Treasury bond rose from 2.34% to 3.01%. The technology and speculative stock laden Nasdaq fell sharply in the quarter. The Tuttle Capital Short Innovation ETF is positioned to take advantage of declining prices of speculative stocks, and it rallied commensurately.

ING Groep up +5%

ING has several potential long-term drivers of outperformance. In the short run, the uncertainty around the ultimate resolution of the war in Ukraine is weighing on equity valuations in the region. Longer term higher rates will lead to a widening of net interest margins. As well, ING is going to generate significant excess capital in the next few years. ING's management is also guiding to strong fee income growth. Trading at a single digit price to earnings multiple and a cash yield of ~7%, Galibier was happy to add to its position in ING over the quarter.

Apple up +5%

Shares of Apple were weak over the quarter due to indiscriminate selling by investors spooked by the prospect of higher rates. Given our proactive view of intrinsic value, we took advantage of this favourable development to re-establish a position in Apple late in the quarter at an attractive valuation after the stock sold off. After our purchase, the stock subsequently rallied off its lows.

Galaxy Entertainment up +3%

The news from China regarding the relaxation of domestic travel continued to support the share price of

Galaxy Entertainment Group in the quarter. The company received a six-month extension for its concession license until the end of the year while the Macau government finalizes the new gaming law. Galaxy Macau phase 3 was completed during the quarter and will open to the public as market conditions improve and China gradually exits its zero-tolerance COVID-19 policy.

Worst performers during the quarter[2]

WALT DISNEY DOWN -29%

Shares of Disney were down during the quarter. In line with our expectations, Disney has continued to beat estimates on both park profitability and Disney+ subscribers. Our long-term projection of earnings per share remains largely unchanged. What did change in this quarter was Netflix's valuation as it admitted to the market that it is struggling to grow which took its valuation from a peak enterprise-value-to-sales of 9.5x down to 2.8x today. This has flowed through to the shares of Disney despite Disney having a different business model that allows it to monetize the same content multiple times. Although we are not valuing Disney on a sum-of-the-parts basis, we believe we are paying around $10 a share for the streaming services which implies limited to no profitability for its streaming services which we believe is unfair. We added to our position towards the end of the quarter.

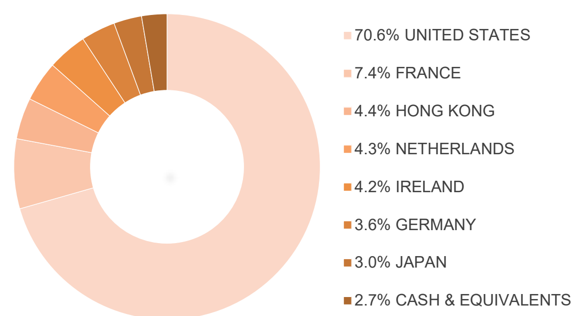
APPLIED MATERIALS DOWN -29%

Applied Materials and other makers of equipment to manufacture semiconductors are well positioned to see strong structural growth over the next decade. The industry is anticipated to have mid-to-high single digit growth in sales of semiconductor chips as cars to dishwasher get more chips. The industry will also benefit as semiconductors continue to shrink which requires more costly capital. However, this industry is cyclical as capital expenditures can be delayed or cancelled, particularly on the memory side. The market has quickly priced in a recession leading to a slowdown of sales. While our initial purchase was back in the first quarter, we believe that Applied Materials is trading at 13 times 'recession scenario' 2023 earnings per share. Applied Materials typically trades at 15 times earnings through the cycle and the current 13 times trough earnings is too low.

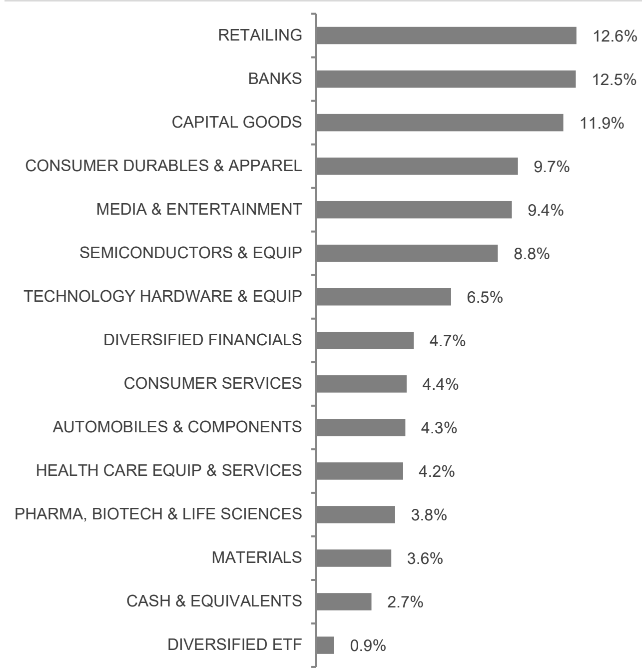
SCHNEIDER ELECTRIC DOWN -26%

Schneider's end markets have never been stronger as we switch our energy consumption from fossil fuels to electricity as well as further adoption of renewable energy and electric vehicles. During the quarter Schneider reported strong quarterly sales and re-iterated full year guidance of 7-9% revenue growth. As well, peers have reported robust book-to-bill ratios of greater than 1.3x. Some of this demand is most likely being pulled forward to avoid supply chain issues and price increases which could lead to a weaker than expected 2023. We believe the sell off in Schneider is from macroeconomic concerns in 2023. We continue to hold Schneider for the secular growth even if there is a slight interruption in in the coming year from macroeconomic events. At 15 times next years earnings, Schneider has not been this inexpensive since the early days of the pandemic.

Global Equity Pool Geographic Split (Jun30/2022)



Global Equity Pool Industry Split (Jun30/2022)



Buys & Sells

During the quarter, we added four new names to the portfolio: Amazon, Apple, Target and the Tuttle Capital Short Innovation ETF. In addition, we added to our positions in numerous names including LVMH, Shimano, JPMorgan, General Motors and Walt Disney among others.

We reduced our positions in Berkshire Hathaway, Wabtec and VF Corp. Five positions were eliminated from the portfolio: Voya Financial, Raytheon Technologies, GSK, AstraZeneca and Anheuser-Busch Inbev.

As a result of these transactions, the cash and equivalents position increased to 2.7% from 1.5% at the end of the prior quarter.

New Buys:

Apple Inc.

We took advantage of the sharp selloff in U.S. equites to re-enter Apple at $131 (down from its high of $182). We have owned AAPL in the past and consider it one of the finest companies in the world. Its competitive position is incredibly strong, and the management team is extremely shareholder focussed. In addition to the healthy and sustained demand for its products, the company returns its remarkable free cash flow to its shareholders in massive buybacks. The company has reduced its share count by 40% over the last 10 years.

Amazon.com inc.

Amazon was a new buy for Galibier in the quarter at $118, down from its high of $188. In addition to being the world's largest online retailer, it also owns Amazon Web Services (AWS), the world's most comprehensive cloud platform. We expect revenue growth into the future from geographic expansion of retailing operations as well as new product developments at AWS. Our purchase price is a price to cashflow multiple of ~12X and a free cash flow yield of >4%.

Target Corp.

Target has underperformed year to date as sales growth has slowed versus a strong 2021 that was influenced by COVID-19. Target's main issue was over ordering for 2022 with the assumption that sales patterns would be similar to 2021 and supply chains would make it difficult to maintain just in time delivery. During the first half of the year, Target will be discounting to clear out its warehouses which nearly halved its expected earnings per share for 2022. The silver lining is that sales appear to be unaffected by the profit warning. Target has done an excellent job of investing in itself since Brian Cornell took over as CEO in 2014. Target's stores look nicer and they are adding locations plus it has formed new partnerships and brought in better brands (both owned and national). Target should be able to outgrow its peers and maintain its higher sales per square foot which will lead to higher than historical margins in the future. Target is trading at 13 times next year's earnings per share on conservative estimates.

Tuttle Capital Short Innovation ETF

Tuttle Capital Short Innovation ETF (SARK) is an exchange traded fund launched by Collaborative Investment Series Trust. The fund invests, through derivatives, in stocks of companies operating across diversified sectors. The fund employs a short strategy and uses derivatives such as swaps to create its portfolio. The fund seeks to track -1x the daily performance of the ARK Innovation ETF. Given the incredibly low interest rate environment, our view is that the majority of companies owned by the ARK Innovation ETF were significantly overvalued and due for a correction.

Global Equity Pool Dynamics (Jun30/2022)

Measure	Global Pool	MSCI World
Fwd 12M P/E	16.2x	14.3x
Dividend Yield	2.0%	2.2%
Number of Names	25	1,513
Active Share[3]	88%	-

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.*