Galibier Opportunities Fund
Quarterly Investment Review

Q1 2021

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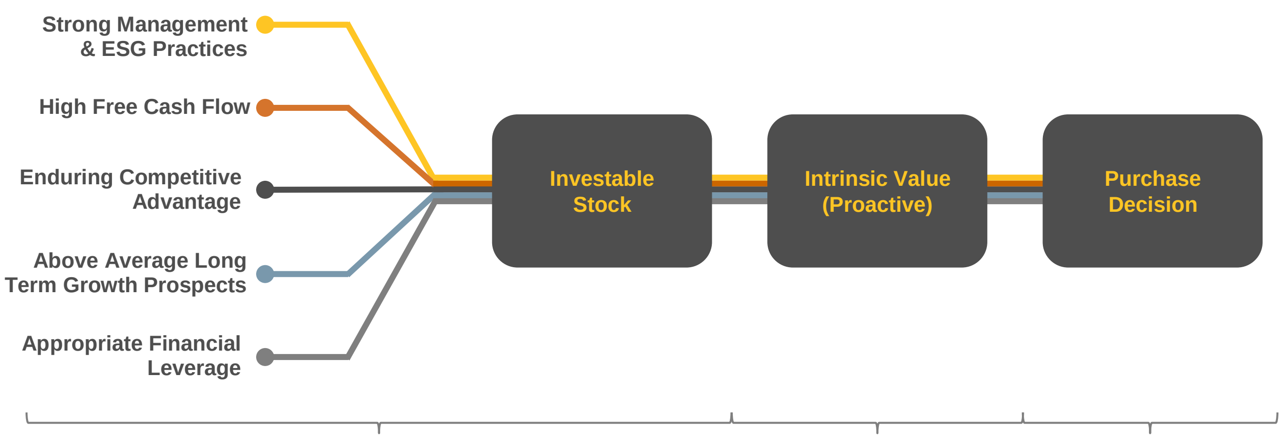
Galibier Capital Management Ltd.

At Galibier we work hard to (1) derive a measure of intrinsic value for a universe of investable stocks and (2) transact when market prices offer opportunities. To paraphrase Warren Buffett “Price is what you pay. [Intrinsic] Value is what you get.” Thus, while we welcome price to earnings multiple expansions, what really drives increases in the future value of companies is higher future earnings. Our investment process seeks to identify and value future earnings power and balance sheet structure using reasonable expectations about future economic conditions and high discount rates.

Galibier Investment Philosophy and Process – *The Galibier Way*

*Galibier follows a proactive and innovative **valuation** methodology*



Step 1: Define Investable Universe

Define investable stocks based on key criteria

Step 2: Proactive and Innovative Valuation Methodology

Determine intrinsic value using rigorous and consistent valuation methodology

Step 3: Portfolio Construction

Transact when price differs from intrinsic value

We Believe

- Companies have an intrinsic value that can be calculated
- Market prices do not always reflect intrinsic value
- Growth is a component of value
- Concentration is essential for generating alpha
- At some price, almost all stocks offer a value proposition
- Risk is the permanent loss of capital, not benchmark underperformance
- Investment companies should be independent and investor led
- The success of investment companies should be measured by the success of its clients
- An essential element towards investment success is to have a contrarian mindset… i.e. to be sanguine when others are discouraged and to be cautious when others are exuberant….

Summary of Results

Period ending: Mar 31/2021	Since Oct31/14 (%)	6 year (%)	5 year (%)	4 year (%)	3 year (%)	2 year (%)	1 year (%)	Year-to-date (%)
Galibier Opportunities Fund	**10.0**	**10.2**	**14.2**	**12.1**	**10.9**	**12.4**	**51.6**	**9.1**
S&P/TSX Composite (total return)	7.1	7.1	10.1	8.0	10.2	11.2	44.2	8.1

Notes:

- *i.* *Return figures are gross of fees.*
- *ii.* *Return figures are annualized for periods greater than 1 year.*
- *iii.* *The Funds' returns are not guaranteed, the values change frequently and past performance may not be repeated.*
- *iv.* *Inception date of the fund is October 31, 2014.*
- *v.* *Returns are presented only for periods during which Galibier has been registered as a portfolio manager.*
- *vi.* *The investment objectives of the Galibier Opportunities Fund have not changed since the Funds' inception.*
- *vii.* *All returns of the Galibier Opportunities Fund prior to November 30, 2014 are related to Galibier's proprietary accounts, as Galibier's employees were the sole investors in the Funds during this period of time. Canadian securities administrators have expressed concerns regarding marketing returns for proprietary accounts as firms can employ different strategies and take greater risks when managing its own investments without a fiduciary duty to third party investors.*
- *viii.* *Performance presentation consistent with recommendations from FCLTGlobal "Institutional Investment Mandates: Anchors for Long-term Performance" www.fcltglobal.org*

See Note 1 and Disclaimer at the end of this document for information about the returns and benchmarks.
Source: Galibier Capital Management Ltd, Bloomberg.

Galibier Opportunities Fund

In Q1 2021, the Galibier Opportunities Fund generated a return of +9.1%. Since its inception on October 31, 2014, the fund has provided an annual return of +10.0%.

Opportunities Fund Largest Positions (Mar 31/2021)

	Long positions	Weight (%)
1.	Maple Leaf Foods Inc.	5.6
2.	Park Lawn Corp.	5.5
3.	NFI Group Inc.	5.4
4.	Canadian Imperial Bank of Commerce	5.1
5.	Premium Brands Holdings Corp.	5.1
6.	Berkshire Hathaway Inc.	5.1
7.	Anheuser-Busch InBev NV ADR	5.0
8.	Restaurant Brands International Inc.	5.0
9.	Finning International Inc.	4.4
10.	AstraZeneca PLC ADR	4.3
Total		**50.5**

	Short positions	Weight (%)
1.	Tesla Inc.	(7.5)
Total		**(7.5)**

Best performers during the quarter[2]

Ag Growth up +49%

Shares of Ag Growth International benefitted during the quarter from both an improved agricultural outlook as well as rising backlogs across the company. Agricultural commodity prices are extraordinarily strong, which puts more money in farmer's pockets, driving demand for equipment across the farm. Along with reporting its fourth quarter results, Ag Growth said backlogs were at record levels across the globe. This follows on two years of uncertainty related to trade wars, tariffs and then COVID-19, so spending that was delayed and deferred is now translating into orders for 2021. SureTrack, the technology platform that Ag Growth has been building out over the past few years, is gaining scale and starting to attract attention from investors.

Fluor up +43%

After putting past issues behind them, Fluor is now focused on executing on future business. The company continues to advance its large LNG project in Canada and are well positioned to benefit from the proposed infrastructure plan by the U.S. government. These events as well as investors gaining greater confidence in management's turnaround plan have led to an advance in the share price during the quarter

Spin Master up +21%

Spin Master continues to benefit from parents' spending dollars to keep their children happy and occupied during the battle against COVID-19. The fourth quarter financial results were strong, including digital revenues reported which were a positive surprise, highlighting the strength of the Toca Boca and Sago Mini platforms. Margins in 2019 and 2020 were depressed after some operational issues with its distribution centers. Heading into 2021 with those issues resolved, Spin Master provided guidance to get back to more historical margin levels, in the mid-to-high teens, which was well above investor expectations.

PREMIUM BRANDS UP +19%

Shares of Premium Brands advanced in the quarter as near term demand trends are strong and above the company's target for 4-6% organic volume growth. Customers gained during the pandemic as well as recovery by existing customers that were most impacted by the pandemic (airlines, dine-in restaurants and cruise ships) are both helping growth. Additionally, the company's M&A strategy continues to advance and during the first quarter it acquired two companies. The company is likely to achieve its medium term target for $6bn in revenue which should continue to benefit the share price.

Worst performers during the quarter[2]

CARGOJET DOWN -24%

After a year of strong share price performance in 2020, Cargojet shares were weaker during the first quarter. In February, the company announced a capacity expansion, including the purchase and conversion of five 767 aircraft and two 777 aircraft. This incremental capacity will be used in the domestic market to support growing demand and replace spare aircraft. On the international side, Cargojet will use the 777's to build out international routes, expanding outside of the domestic market where they are protected by cabotage. Cargojet is making this move to benefit from the ongoing shortage of belly cargo capacity, resulting in significant growth opportunities over the next few years.

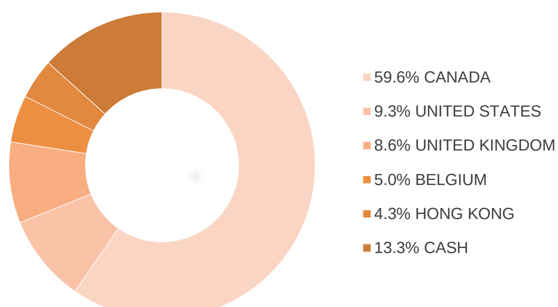
KIRKLAND LAKE GOLD DOWN -19%

Gold producers' stock prices are very much tied to the price of the underlying commodity. Gold prices have been volatile in the last two years, rising from the mid $1500's in January 2020 to just over $2,000/oz in late July 2020 and then has drifted lower ending the quarter at just over $1700/oz (USD). Gold's attraction as a store of value for investors is a function of inflationary expectations, interest rates and investor sentiment. We expect all of these factors to keep gold prices relatively strong in the medium term. As well, Kirkland Lake is attractively valued - trading well below its Net Asset Value using a price of $1800/oz and pays a solid dividend of 2.2% while offering capital gain potential.

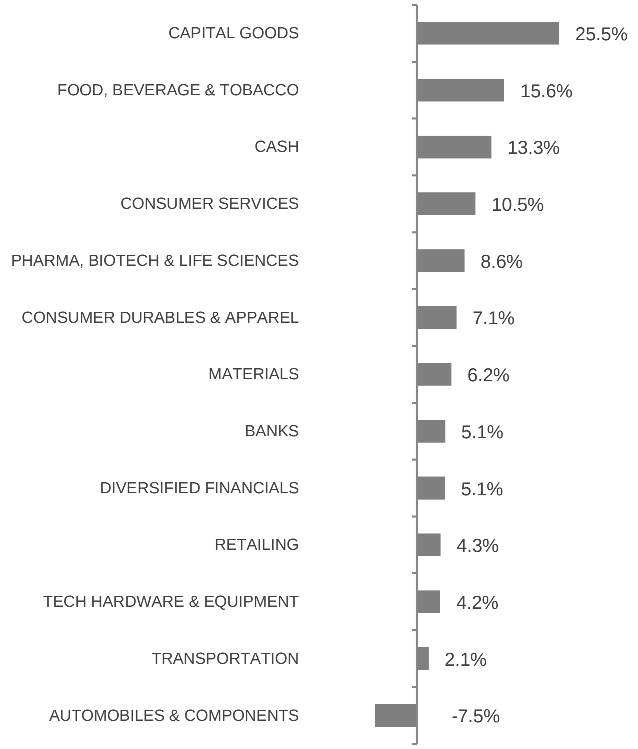
ANHEUSER-BUSCH DOWN -12%

Anheuser-Busch (ABI) had decent results in 2020 as the brewer benefitted from increased at-home consumption as well as consumers' desire for comfort and familiarity that mainstream beer brands can provide during difficult times. In addition, the company was highly successful in adapting to the rapidly growing shift towards online ordering and they are now a top three market share leader in the fast growing U.S. seltzer market. That being said, the shares underperformed during the quarter after reporting 2020 fourth quarter results in February as the outlook for operating margins in 2021 was below that of sell-side analysts' expectations given a lower than anticipated recovery of the "on-trade" channel (i.e. restaurants) for the year ahead. We see this situation as temporary and have conviction that ABI's operating margins will normalize to its full potential within a reasonable time frame as the on-trade channel eventually reopens. Hence, we believe shares of ABI to be attractively valued at this point and we added to our position during the quarter.

Geographic Split (Mar 31/2021)



Industry Split (Mar 31/2021)



Buys & Sells

During the quarter, we added two new names to the portfolio: Savaria Corp. and Alibaba Group Holdings ADR.

In addition, we added to several positions including Anheuser-Busch, Kirkland Lake Gold, Fluor and Cargojet among others.

We reduced our positions in Interfor, Spin Master, Ag Growth International and Raytheon Technologies among others.

New Buys:

Alibaba Group Holdings ADR

Alibaba is the leader in e-commerce in China with more than one trillion USD worth of goods passing through its platform in the past year. To size this number, it is 62% of e-commerce consumption in China and 18% of total Chinese consumption. E-commerce growth should be higher than the near double digit Chinese consumption growth. Additionally, Alibaba currently has a 4% take rate which is moving higher but remains below half the level of Amazon (the take rate is the percentage of fees and commissions that the company collects on sales over its platform by third-party sellers). Overall, we should see mid-teens revenue growth with earnings per share growing even faster. We initiated a position in Alibaba at the end of the quarter while the government was targeting Jack Ma with Alibaba's subsidiary Ant Financial seeing the most risk. We have taken down our value for Ant to $13 a share (from $39) and handicapped our valuation on the core e-commerce valuation. Even with this conservative valuation framework we see an annualized mid-20s percent return over the next five years.

Savaria Corp.

Savaria is a provider of accessibility products for both residential and commercial markets. We expect that the experience in retirement and long-term care homes during the pandemic will lead to more seniors staying in their homes if possible, which in turn drives demand for accessibility products. Savaria is one of the only publicly listed companies in this fragmented industry and we believe that its clean balance sheet positions them well to act as a consolidator of the industry. The recent acquisition of Handicare cements Savaria's position as the largest global accessibility company. The Bourassa family has a long involvement with the company as well as a significant share ownership position, so they are aligned with shareholders in driving the growth and success of the company.

Notes:

1. *When evaluating the performance of any investment, it is important to compare it against an appropriate benchmark in order to make an informed assessment of the account's performance based on its investment strategy. Galibier utilizes broad market indexes such as the S&P/TSX Composite index, the MSCI World Index and the S&P 500 index for this purpose as they are the most well-known indices and are most likely to resemble the investment strategy of the accounts. It is important to note that benchmarks do not include operating charges and transaction charges as well as other expenses related to the account's investments, which may affect its performance.*

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