Galibier Opportunities Fund
Quarterly Investment Review

Q4 2016

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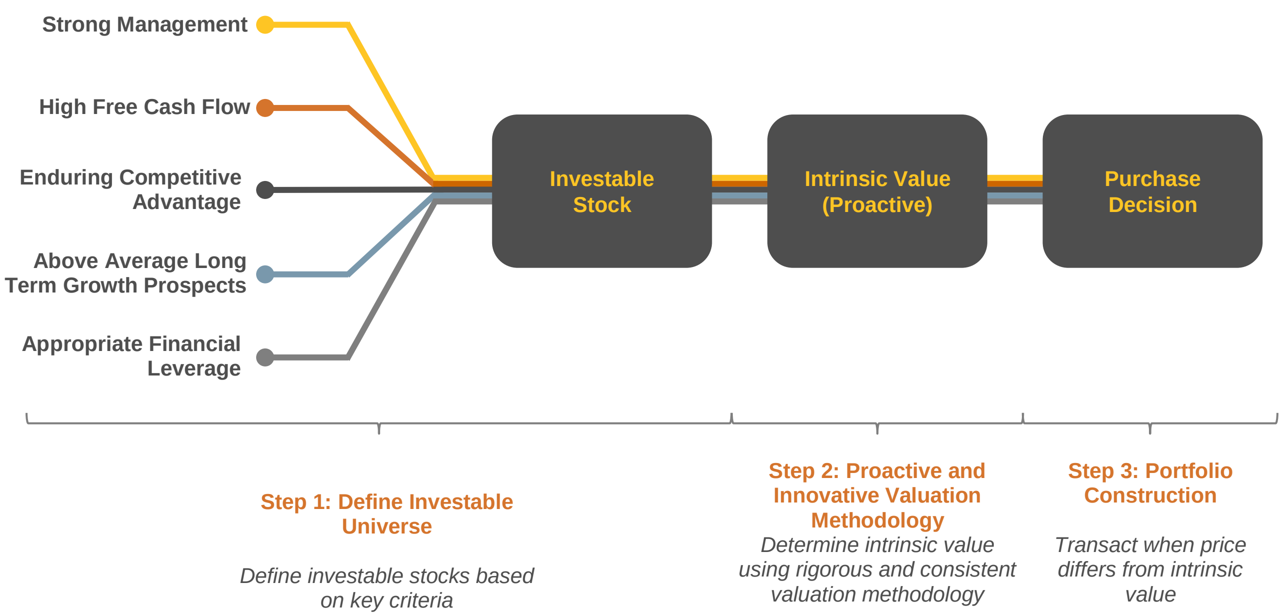
Galibier Capital Management Ltd.

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

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
- 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….

Summary of Results

Period ending: Dec 31/2016	3 months (%)	1 year (%)	2 year (%)	Since Inception (%)
Galibier Opportunities Fund	**5.1**	**23.0**	**5.0**	**5.3**
S&P/TSX Composite (total return)	4.5	21.1	5.4	5.2

Note:
Return figures are gross of fees and fund expenses.
Return figures are annualized for periods greater than 1 year.
Inception date of the Galibier Opportunities Fund is October 31, 2014.
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 Q4 2016, the Galibier Opportunities Fund's investment results were 5.1%. Since its inception on October 31, 2014, the fund has provided a total return of 5.3% versus the S&P/TSX index which returned 5.2%.

Galibier Opportunities Fund Top Holdings (Dec 31/2016)	Weight (%)
1. Cargojet Inc.	6.3
2. Biogen Inc.	5.5
3. DHX Media	5.3
4. Echo Global Logistics Inc.	5.1
5. Zimmer Biomet Holdings Inc.	5.1
6. Enghouse Systems Ltd.	4.8
7. Liquor Stores N.A. Ltd.	4.6
8. DREAM Global REIT	4.5
9. Kering ADR	4.5
10. Northland Power Inc.	4.5
Total	**50.2**

Best performers during the quarter[2]

Exchange Income Corp. up +20%

Exchange Income (EIF) was a positive contributor in the quarter following continued strong execution on its growth platforms and new business wins. EIF, along with their partners at Airbus, were awarded the Canadian Fixed Wing Search and Rescue contract and PAL Aerospace (an EIF company), won a 20 year contract for maintenance on those new aircraft. In addition, Exchange was added to the TSX Composite Index in December, which drove demand for shares from those investors who track that index.

Ag Growth International up +19%

Ag Growth reported strong third quarter results with improvement in both margins and volumes across all product lines. During the quarter, the company continued to build out its fertilizer platform and announced the acquisition of Yargus Manufacturing, a U.S. based manufacturer of fertilizer handling equipment. In addition to the strong financial results, the integration of the 2016 Brazilian acquisition, Entringer, is ahead of schedule with commissioning of its new factory now expected in early 2017. We continue to be excited about the long-term international opportunity available to Ag Growth, especially with the new Brazilian production facility ramping up in 2017.

Industrial Alliance up +14%

Industrial Alliance (IAG) reported solid financial results in the quarter with strong performance across several key metrics including profitability. In addition to the strong results, there is initial evidence that the prior difficulties in the mutual fund segment seem to be receding. Lastly, the prospect of slowly rising interest rates is significantly positive for IAG as the company has the highest interest rate exposure of the Canadian insurance companies.

Badger Daylighting up +13%

Badger Daylighting shares posted strong returns in the quarter driven by financial results that were largely in line with expectations and by renewed market interest in energy focused names following the November OPEC meeting. Badger's geographic and end market diversification has proven to be a continuing competitive advantage, allowing the company to hold margins fairly steady despite weakness in energy end markets. Badger continues to execute on growing its non-energy related business, with continued relocation of 20% of its fleet over the past year.

Worst performers during the quarter[2]

BIOGEN INC. DOWN -8%

Like most of the drug and health care sector, Biogen (BIIB) has sold off on concerns about price controls under President-elect Trump. We continue to see significant competitive advantage in Biogen due to its position as a leader in multiple sclerosis treatment. Additionally, there is significant earnings power potential in BIIB's pipeline with compounds in development for Alzheimer's and other neurological indications. Revenue growth is anticipated to be quite strong over the next 3-5 years.

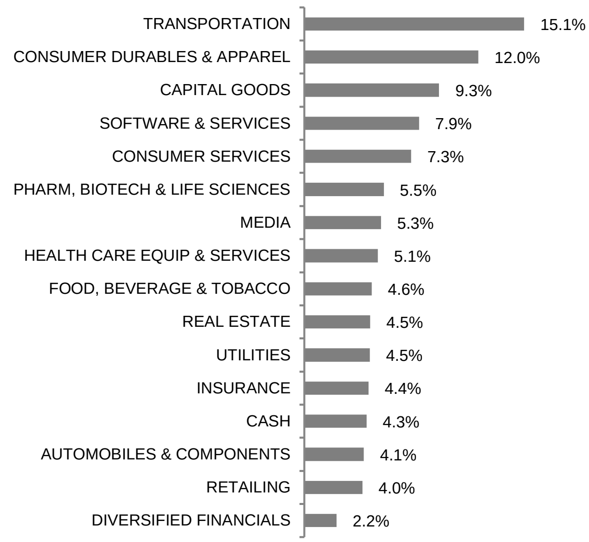
GILDAN ACTIVEWEAR DOWN -7%

Lackluster retail sales in 2016 caused a cyclical inventory correction for Gildan's key customers which negatively impacted Gildan's revenue, margin and stock price last quarter. The stock was further pressured by President Elect Trump's comments around instituting import tariffs on products brought into the USA. Gildan imports its products from multiple international facilities under the Central American Free Trade Agreement into the U.S. Any changes to the agreement would be a mass undertaking and would affect all industry participants with higher prices for consumers the likely outcome. Gildan's position as low cost producer with significant unused capacity and market share gains should result in higher earnings and cash flow through 2017. Additionally, the company continues to build excess capital through annual generation of $300mm excess cashflow and is under levered with $500mm of debt capacity. This excess capital will be invested in future acquisitions, further share buybacks and dividend increases.

COMPUTER MODELLING GROUP DOWN -6%

The portfolio's holding in Computer Modelling Group (CMG) detracted from performance for a second quarter in a row as the company's results were further pressured by a lack of spending from its clients in the oil and gas sector. The company continues to manage expenses to protect margins during the difficult industry conditions and the recent strength in the price of oil should help the company as it negotiates software renewals with a large portion of its customers in January. The higher price of oil should also improve CMG's customer's confidence to spend greater amounts on production which will flow through to spending on CMGs products and help its upcoming product cycle. As an industry leader with a high level of recurring revenue, no debt and strong cash flow, CMG is well positioned to weather this difficult period for the industry and support its 4% dividend yield.

Industry Split (Dec 31/2016)



Buys & Sells

Three new names were added to the fund in the quarter: New Flyer Industries, Nike Inc. and Zimmer Biomet Holdings Inc.

In addition, we added to several names including DREAM Global REIT, Gildan Activewear and Northland Power.

The fund reduced its exposure to Ag Growth, Badger Daylighting, Biogen, Cargojet, Exchange Income, Industrial Alliance, Kering and Polaris Industries. One position was eliminated during the quarter: Aritizia Inc.

As a result of these transactions, the cash position grew to 4.3% from 1.6% at the end of Q3.

New Buys:

NEW FLYER INDUSTRIES

New Flyer is the largest manufacturer of transit buses and motor coaches in North America. The company offers internal combustion and electric options as well as an aftermarket parts and service business. In late 2015, the U.S. government announced a five-year funding deal under the title FAST (Fix America's Surface Transportation), which should provide a positive tailwind to the industry. We like New Flyer's dominant market share positioning as well as the cost savings and synergy opportunities available following the integration of the Motor Coach Industries acquisition in 2015.

Nike Inc.

We took advantage of a sharp selloff in Nike's share price (down 24%) to purchase the stock in the $52-$53 range. Galibier's analysis of the company suggests that it is suffering from short-term competitive pressures from both Under Armor and Adidas who have been winning share on the margin. Nike is countering with increased innovation and is investing heavily in the direct-to-consumer retail channel, which we believe will position it well in the medium term. The company's financial position is pristine with almost $5/share of cash (~10% of share price). Based on our forecast of medium to longer term earnings recovery, we see Nike as having significant upside.

Zimmer Biomet Holdings Inc.

Zimmer Biomet is one of the largest orthopedics companies in the world. Its dominant position in knee and hip replacement products enable it to offer one-stop shopping to hospital buying groups, which is a source of competitive advantage. The shares came under pressure following a weak third quarter earnings report as a result of an inventory shortage in some of their most popular products. After talking with the company, we believe the inventory issues are short term in nature and expect them to be resolved by mid-2017. We took advantage of the market's short-term focus to build a position in a leading health care company at a discount to its intrinsic value.

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. For the Galibier Opportunities Fund, Galibier utilizes the S&P/TSX Composite index for this purpose as it is a broad market index, one of the most well-known indices and is most likely to resemble the investment strategy of the fund. 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).*

Disclaimer