Galibier Opportunities Fund
Quarterly Investment Review

Q4 2017

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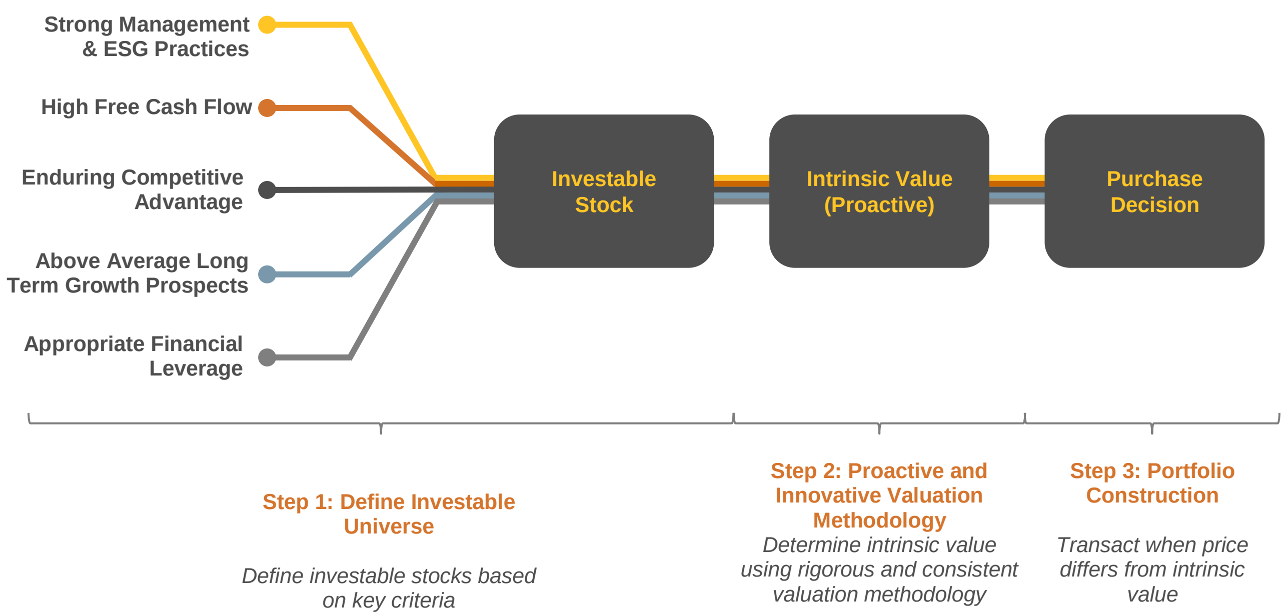
Galibier Capital Management Ltd.

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
- 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….

Summary of Results

Period ending: December 31/2017	3 months (%)	1 year (%)	2 year (%)	3 year (%)	Since Inception (%)
Galibier Opportunities Fund	**7.8**	**17.0**	**19.9**	**8.8**	**8.9**
S&P/TSX Composite (total return)	4.5	9.1	14.9	6.6	6.4

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.

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 2017, the Galibier Opportunities Fund's investment results were +7.8%. The one year return of the fund was +17.0%. Since its inception on October 31, 2014, the fund has provided a total return of +8.9% versus the S&P/TSX index which returned +6.4%.

Opportunities Fund Largest Positions (Dec 31/2017)

	Long positions	Weight (%)
1.	Starbucks Corp.	6.0
2.	Anheuser-Busch InBev NV	6.0
3.	Ryanair Holdings PLC ADR	5.8
4.	Fluor Corp.	5.3
5.	Nike Inc.	5.1
6.	Liquor Stores N.A. Ltd.	5.0
7.	Dream Global REIT	4.8
8.	Enghouse Systems Ltd.	4.6
9.	Echo Global Logistics Inc.	4.6
10.	Ag Growth International Inc.	4.6
Total		**51.8**

Best performers during the quarter[2]

Echo Global Logistics up +49%

After a few challenging quarters due to difficult industry dynamics, the shares of Echo Global Logistics rallied significantly in the fourth quarter. The tightening freight market, which was partially triggered by hurricanes Harvey and Irma, lead to increasing spot prices. After turning down contracted volumes at lower rates earlier in the year, Echo is a big beneficiary of the rise in spot pricing of freight rates. With the introduction of electronic logging devices (ELDs) in December 2017, we expect to see capacity removed from the trucking market, which is supportive of current spot pricing. We believe there is continued value to the network that Echo has built.

Fluor up +23%

Since our purchase, Fluor has shown steady share price appreciation as the company recovers from several problem projects. During the quarter the company won several new contracts for large, complex engineering and construction projects including a major project to reconstruct Puerto Rico's power grid that was heavily damaged during the past hurricane season. For the first time in three quarters, the company announced positive net bookings. After adding $3.2 billion to its backlog in the third quarter, new project wins in the fourth quarter should allow Fluor to further improve its book-to-bill ratio, bolster its backlog as well as future cash flow growth.

Nike up +21%

It appears that Nike is making very good progress as it transitions its business model in parallel with consumers shifting 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 to allow 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.

ENGHOUSE SYSTEMS UP +19%

Enghouse Systems, a consolidator of software systems, showed improved operating performance in its latest quarter. Quarterly revenue increased 7% compared to the prior year and profits (as measured by EBTIDA) increased 10%. Additionally, the company has a significant amount of excess capital to deploy on acquisitions, one of its key competitive advantages. It ended its fiscal year with over $70 million of excess cash which should fund two years of value creating M&A, further growth in profits and a higher share price.

Worst performers during the quarter[2]

DHX MEDIA DOWN -12%

Shares of DHX were pressured as the company's guidance for 2018 fell short of investor expectations. Specifically, management's expectation for free cash flow generation was low versus the increased level of debt after the acquisition of the Peanuts brand in the third quarter. In light of this, the board has determined it is in the best interest of the company to evaluate strategic alternatives. The sale process will likely see the Canadian broadcast assets (Family Channel) sold separately from the content creating assets and content library. Valuations of media assets have been increasing due to competitive intensity in the video distribution business from the likes of Netflix, Amazon Prime, etc. At the current valuation, the stock trades well below our estimate of net asset value.

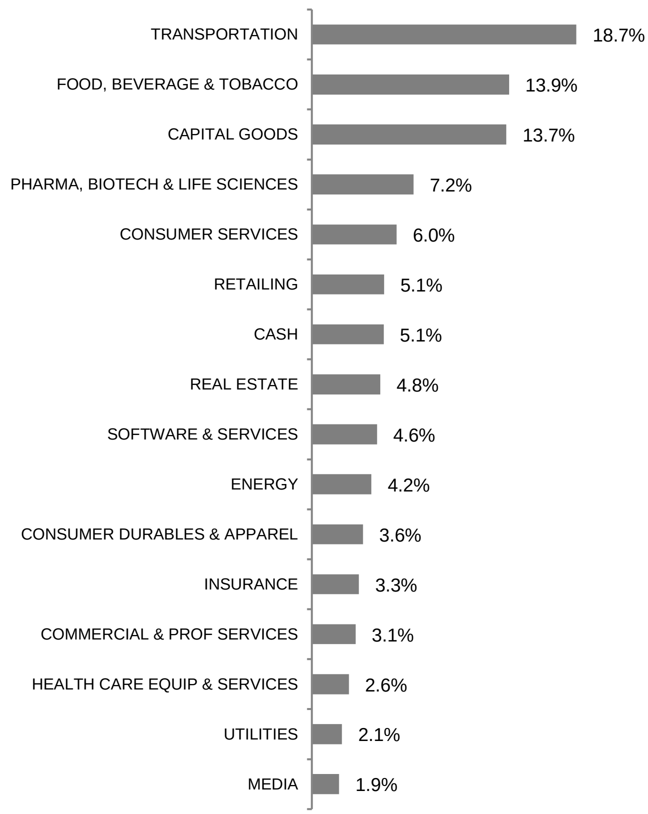
MEG ENERGY DOWN -6%

MEG languished over the quarter as investors questioned the strength in oil prices. This, plus the relatively high level of debt, dampened price moves in MEG. We believe that MEG offers a significant value proposition at the current quote. As well, the company has the option of selling some pipeline assets which would largely mitigate any balance sheet risk.

ANHEUSER-BUSCH INBEV DOWN -5%

Global demand for beer continues to be slowing. The investment thesis at global super brewer Anhueuser-Busch (BUD) comes from the potential for significant cost cutting under the stewardship of its owners, 3G Capital, who also engineered a radical improvement in operations at Kraft Heinz. Improving cost structure at BUD, coupled with high free cash flow means that the company can de-lever which will drive earnings growth and provide for multiple expansion. We see good prospects for BUD over the medium term as a result.

Industry Split (Dec 31/2017)



Buys & Sells

Two new positions were added to the fund in the quarter: Shire PLC ADR and Stericycle Inc.

In addition, we added to several names due to positive fund flows including Dream Global REIT, Liquor Stores NA Ltd., Ag Growth International Inc., Starbucks Corp., Enghouse Systems Ltd., New Flyer Industries Inc., Industrial Alliance, Nike Inc. Ryanair Holdings PLC ADR, Exchange Income Corp., Anheuser-Busch Inbev NV ADR, Fluor Corp. and Brick Brewing Co.

We reduced our positions in Gildan Activewear Inc., Echo Global Logistics Inc., Kering ADR, and MEG Energy Corp.

New Buys:

Stericycle Inc.

Stericycle (SRCL) is the largest domestic provider of regulated medical waste management to large-quantity generators (such as hospitals and pharmaceutical companies) and small-quantity generators (such as medical and dental offices). The company also provides secure document destruction through its Shred-It subsidiary. Through acquisitions, the company has been buttressing its dominance in medical waste management to become a provider of a number of ancillary services with competitive advantage defined by its ability to offer medical and non-medical customers regulatory compliance and risk control in waste management. About 50% of Stericycle's consolidated sales now come from document destruction and nonmedical hazardous waste management. And with its suite of services, SRCL offers customers a bundled service offering which is unique in the industry and buttresses SRCL's competitive advantage. The company generates very high free cash flow which should allow for rapid debt pay down.

Shire PLC ADR

Shire is a pharmaceutical company headquarter in Ireland. It has market leading franchises in a number of indications including haematology, immunology, rare diseases and neuroscience. A number of its products are used in indications with small patient populations and by nature of their small size these markets are less at risk of entry by competitors. Shire's haemophilia franchise does face competition from Roche's recently approved ACE910 drug but we believe the market is overly discounting this development. The stock has sold off sharply from its all-time high of $260+ to its current quote of $150 representing an under 10X P/E on 2018 estimated earnings. At this level of earnings we believe that the market is ascribing no value to either the hemophilia franchise or to Shire's research & development pipeline. The company has undertaken a strategic review of its neuroscience business and a spin off or sale could unlock further 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

Galibier Capital Management Ltd. ("Galibier") is registered with the Ontario Securities Commission as a Portfolio Manager and Investment Fund Manager, with the British Columbia Securities Commission as a Portfolio Manager, with the Nova Scotia Securities Commission as a Portfolio Manager, with the Autorité des Marchés Financiers in Quebec as a Portfolio Manager and Investment Fund Manager and with the Alberta Securities Commission as a Portfolio Manager. This summary does not constitute an offer to sell or buy any securities. All information and opinions as well as any figures indicated herein are subject to change without notice.

The Galibier Canadian Equity Pool, the Galibier Global Equity Pool and the Galibier Opportunities Fund (the "Funds") are available to accredited investors as that term is defined under Canadian securities legislation. An investment in the Funds will involve significant risks due, among other things, to the nature of the Funds' investments.

All return figures for the Funds are gross of fees and fund expenses. Indicated rates of return are historical returns, including changes in security value and reinvestment of all distributions and does not take into account any applicable income taxes payable by any security holder that would have reduced returns.

The Funds' returns are not guaranteed, the values change frequently and past performance may not be repeated.