Galibier Capital Management Ltd.

Quarterly Investment Review

Q4 2023

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"It is remarkable how much long-term advantage people like us have gotten by trying to be consistently not stupid, instead of trying to be very intelligent"

-Charlie Munger

Stock markets staged an amazing turnaround in the fourth quarter of 2023. On the back of more benign economic numbers that indicated that inflation was cooling, investors went from expecting interest rates to remain "higher for longer" to expecting multiple rate **cuts** in 2024. As is often said, stock markets are a discounting mechanism of future economic conditions and investors en masse jumped on the bullish train in the fourth quarter.

In physics, for every action there is an equal and opposite reaction. In economics, every action (e.g. a rate cut) may lead to multiple and uncertain reactions. Unlike physics, economic reactions are more difficult to predict. In particular, investors expecting the Fed to cut significantly next year should consider why the Fed might be compelled to do so. The Fed is concerned with controlling inflation and maximizing employment and these objectives are sometimes in conflict. So, if the Fed does cut next year, it is critical for investors to consider why the Fed chose to cut.

Galibier was very active in the fourth quarter. We made five new additions to our Canadian fund, three to our Opportunities fund and two to our Global fund. We didn't make these purchases because we expect rates to fall next year. Rather, we did so because these companies met our criteria to be included within the Galibier investable universe and their share prices had fallen to prices well below our estimate of intrinsic value.

While we have been active, we are being very prudent and careful. A lot of stocks look richly priced to us and we are not convinced that Central Banks will cut interest rates as aggressively as markets have anticipated. We also think that we may see a slight recession in 2024. We note that core inflation is still well above the Fed's targeted rate so they may keep rates higher for longer than investors have forecast.

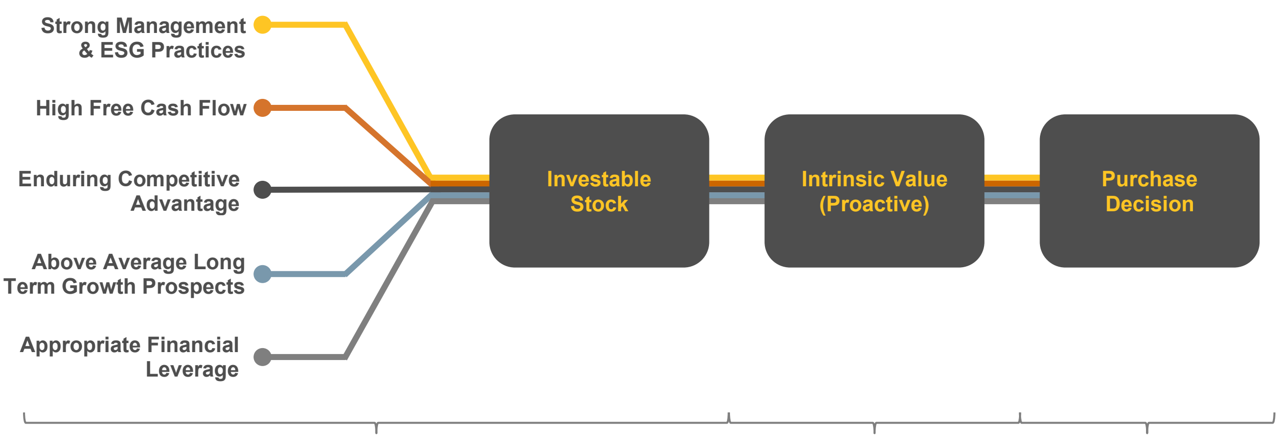
On a very sad note - the investing world lost one of its greatest practitioners in the fourth quarter with the death of Charlie Munger at age 99. Some of us at Galibier have been fortunate to attend the Berkshire Hathaway meeting on numerous occasions and even exchanged a few words with Mr. Munger. He has had a profound impact on our thinking and on the development of "The Galibier Way".

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….

Canadian Funds - Summary of Investment Results

Period ending: Dec31/2023	Since Inception (%)	10 Year (%)	5 Year (%)	3 Year (%)	1 Year (%)
Galibier Canadian Equity Pool (Inception date: Sep 27, 2012) (100% Canadian Equities)	**9.9**	**8.3**	**11.1**	**7.4**	**7.9**
S&P/TSX Composite Index (total return)	8.0	7.6	11.3	9.6	11.8
Galibier Opportunities Fund (Inception date: Oct 31, 2014) (generally 50%+ Canadian Equities)	**8.7**	**N/A**	**10.8**	**8.3**	**12.8**
S&P/TSX Composite Index (total return)	7.2	N/A	11.3	9.6	11.8
Steadyhand Small-Cap Equity Fund (Inception date: Sept 30, 2016) (Small / Mid Cap Canadian Equities, up to 30% U.S.)	**9.4**	**N/A**	**11.4**	**9.9**	**18.7**
S&P/TSX Small Cap Index (total return)	3.6	N/A	8.4	4.6	4.8

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. *Returns are presented only for periods during which Galibier has been registered as a portfolio manager.*

v. *The investment objectives of the Galibier Canadian Equity Pool, Galibier Opportunities Fund and the Steadyhand Small-Cap Equity Fund have not changed since the Funds' inception.*

vi. *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.*

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*

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

Galibier Canadian Equity Pool Summary of Results

Period ending: Dec31/2023	Since Sep27/12 (%)	10 Year (%)	5 Year (%)	3 Year (%)	1 Year (%)
Galibier Canadian Equity Pool	**9.9**	**8.3**	**11.1**	**7.4**	**7.9**

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 Notes and Disclaimer at the end of this document for information about the returns.

Galibier Canadian Equity Pool

The investment objective of the Galibier Canadian Equity Pool is to achieve long-term capital appreciation through investments primarily in Canadian equity securities.

In Q4 2023, the Galibier Canadian Equity Pool generated a return of +6.4%. Since inception on September 27, 2012, the Canadian Pool's annualized return was +9.9% per year. At the end of the quarter, the active share[3] of the portfolio was 66%.

Canadian Equity Pool Top Holdings (Dec31/2023)

		Weight (%)
1.	Canadian Pacific Kansas City Ltd.	5.5
2.	Toronto Dominion Bank	5.2
3.	Royal Bank of Canada	5.0
4.	Manulife Financial Corp.	4.6
5.	Canadian Natural Resources Ltd.	4.6
6.	Restaurant Brands International Inc.	4.5
7.	CCL Industries Inc.	4.3
8.	Fairfax Financial Holdings Ltd.	4.2
9.	Cargojet Inc.	4.0
10.	Agnico Eagle Mines Ltd.	3.9
Total		**45.8**

Best performers during the quarter[2]

Cargojet up +33%

During the quarter, Cargojet (CJT) announced plans to cancel its growth capex plans of purchasing 4 Boeing 777s and to adjust its fleet size (planned sale of 4 Boeing 757s) in response to a slowdown in the freight markets. We view this fleet strategy reset favourably as the company is no longer pursuing their international expansion plans (outside contracted aircraft, crew, maintenance, and insurance with DHL) and it pulls forward the expected free cash flow generation materially. In addition, CJT also announced shareholder capital return plans through share buybacks of up to ~8.5% of shares outstanding over the next year and by increasing their dividends by 10%.

Canadian Imperial Bank of Commerce up +23%

The Canadian Imperial Bank of Commerce (CM) has shown strength thanks to its solid Q4 operating performance. As interest rates have stabilized and now even expected to decline, CM stands out as a potential beneficiary due to its substantial exposure to the Canadian mortgage market which will be positively impacted by rate declines. Furthermore, CM has consistently outperformed in expense management for several quarters. Based on the bank's guidance for 2024, it appears that CM will continue to exhibit strong expense management, characterized by low-single digit expense growth and positive operating leverage. Lastly, similar to other Canadian bank stocks, CM's valuation is highly attractive (8.5x 2024 EPS) with a 5.6% dividend yield.

MANULIFE FINANCIAL UP +19%

Manulife Financial (MFC) had a strong quarter as all of its core segments performed better than analysts' expectations. Results in Asia were very strong during the quarter, thanks to solid performance in Hong Kong attributed to the reopening of the border with mainland China. Most importantly, in December, MFC announced an agreement with Global Atlantic to reinsure $13 billion of reserves across its legacy U.S. long-term care. The market reacted positively to the news as it reduces MFC's exposure to one of its highest perceived risks. The deal also brings hope for further reductions in the long-term care business, which would further improve MFC's valuation and Return on Equity (ROE) over the longer term.

AGNICO EAGLE MINES UP +19%

Gold price surged by 12% over the quarter, reaching a record level of $2,060, and Agnico's share price mirrored this upward trend. Additionally, investors may anticipate substantial synergies for Agnico resulting from its alliance with Kirkland Lake Mining and its prominent position in the Abitibi Gold Belt.

Worst performers during the quarter[2]

CENOVUS ENERGY DOWN -21%

The primary factor contributing to Cenovus's (CVE) downturn in the quarter was the decline in oil prices. WTI commenced the quarter at $85.55/bbl, climbed to $93.68 in mid-September, but then dropped to $71.65 by year-end. This price decrease may lead to some investor disappointment as Cenovus's achievement of its debt floor, set at $4 billion (against a market cap of approximately $47 billion), has been postponed, with Q3 net debt reaching $5.98 billion. We anticipate that the net debt target will be met in Q2-Q3 2024.

At this juncture, the company has communicated its intention to allocate 100% of quarterly free cash flow towards shareholder returns, encompassing dividends and share repurchases. Presently, the company is returning about 50% of its free cash flow to shareholders, and the current dividend yield at CVE stands at around 2.5%.

NUTRIEN DOWN -10%

Nutrien's share price has been under pressure as agricultural inputs experienced a weakening trend throughout most of 2023, returning to or approaching their long-term averages. This follows a substantial rally in 2022 due to the conflict in Ukraine, a key global agricultural region. Year over year, the price of potash has declined by 25% in the US Midwest and up to 40% in Brazil, while the price of nitrogen is down by 30-40%. Potash is currently priced at USD$405, within the longer-term range of $350-$450. Similarly, nitrogen is around $300 (NOLA), significantly lower than its 2022 peak of $900.

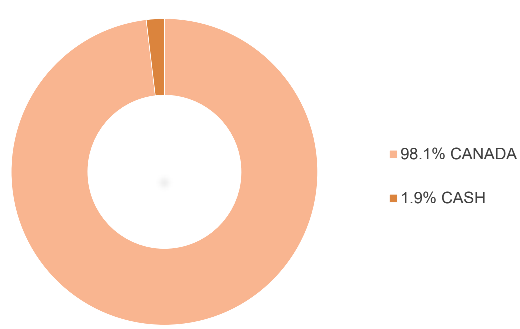
Looking ahead, there is optimism for a recovery in potash prices, driven by strong demand in the coming year after two years of reduced application by farmers. However, one potential concern for potash is a significant increase in supply as BHP's Jansen mine comes online. If potash demand remains robust, the new supply is expected to be absorbed. Retail operations at Nutrien are also anticipated to improve as high-cost inventory phases out, leading to expanding margins. Capex is also projected to decline by $300 million to the $2.3 billion level, contributing to an increase in free cash flow. This allows for potential share buybacks and a moderate dividend increase. The current dividend yield stands at 3.8%.

CAE INC DOWN -10%

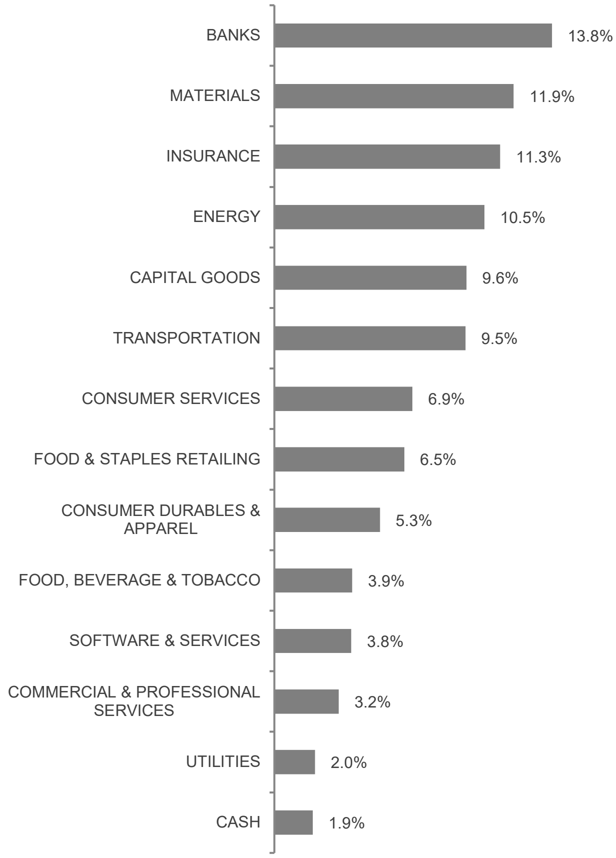
Shares of CAE underperformed in the quarter as the delayed recovery in CAE's defense business overshadowed solid results in their civil aviation segment. In the defense segment, CAE continues to work down their problematic legacy contracts and expects margins to increase positively in FY2025. CAE's civil segment continues to perform well, supported by strong pilot training demand and the ongoing recovery in commercial aviation.

We believe at its current share price; the market is being overly punitive on CAE's Defense business. We took advantage of the market's sell-off of CAE shares during the quarter and increased our position when the stock price dipped below $26.

Canadian Equity Pool Geographic Split (Dec31/2023)



Canadian Equity Pool Industry Split (Dec31/2023)



Buys & Sells

During the quarter, we added five new names to the portfolio: Alimentation Couche-Tard, Boyd Group Services, Fairfax Financial Holdings, Finning International, and Royal Bank of Canada.

In addition, we added to our positions in numerous names including Toronto-Dominion Bank, Nutrien, Cenovus Energy, and Restaurant Brands International among others.

We reduced our positions in numerous names including Enbridge, Intact Financial, Northland Power, and Canadian Imperial Bank of Commerce among others. Five positions were eliminated from the portfolio: Parkland Corp, NFI Group, Gildan Activewear, Bank of Nova Scotia, and Ag Growth International.

As a result of these transactions, the cash position decreased to 1.9% from 2.9% at the end of the prior quarter.

New Buys:

Alimentation Couche-Tard

Alimentation Couche-Tard is the world's second-largest owner of gas stations, trailing only 7-Eleven, boasting more than 15,000 locations. However, it stands out as potentially the best-managed among its peers. Unfortunately for the company, gasoline consumption is expected to remain flat or only increase slightly over the next five years in most regions. Couche-Tard is, however, poised to gain market share both organically and through acquisitions.

Organic growth will primarily stem from a focus on the interior of the store, following the rebranding of the majority of their locations to Circle K. Inorganic growth is anticipated through acquisitions, such as the recent purchase of nearly 2,000 locations from TotalEnergies. Engagements with the company about the future of electric vehicles lead us to believe that Couche-Tard is well-prepared for the eventual transition.

We foresee their market share growth translating into earnings per share (EPS) growth of 10% over the next five years, while the company itself believes it can achieve mid-teens EPS growth. Even if the company falls short of its projections, an occurrence that would be a first, we are content to pay 18x for 10% EPS growth, especially when coupled with one of the best management teams in Canada.

Boyd Group Services

During the quarter, we added shares of a former holding, Boyd Group Services Inc. (BYD), to our portfolio. BYD is the second-largest collision repair network in North America. The ongoing margin pressure, driven by an industry-wide labour shortage attributed to rising wages, is beginning to subside due to BYD's proactive effort to negotiate improved pricing with the insurance companies. This led to stable free cash flow and, along with the company's strong balance sheet, created an opportunity for BYD to consolidate the fragmented industry further and achieve its medium-term goal of doubling the business size by 2025 based on 2019 revenues. BYD resumed their acquisition effort and added 78 new locations within the first ten months of 2023. We expect the trajectory to persist in the medium term, enhancing BYD's negotiating leverage and pricing power with the insurance partners.

Fairfax Financial Holdings

Fairfax Financial Holdings Limited is a holding company primarily engaged in property and casualty insurance, reinsurance, and associated investment management. We believe that Fairfax Financial Holdings (FFH) should experience a sustainable re-rating due to organic expansion in its insurance operations. This expansion is likely to enhance the company's Return on Equity (ROE) and increase the growth rate potential of its book value, adding greater consistency to both metrics. FFH appears well-positioned for the current rate environment, having secured a much higher run-rate of operating investment income due to the rise in bond yields and its short-duration portfolio. Trading at less than 1x book value, FFH is at a deep discount compared to its peers, which we find unjustifiable given its high earnings visibility driven by underwriting discipline and a favorable market environment.

Finning International

Finning International (FTT) is the largest Caterpillar (CAT) dealer in the world with exclusive rights to sales and service of the CAT product line in Western Canada, South America (Chile, Argentina and Bolivia) and UK & Ireland. The company's share price has been under pressure in H2/23 due to overall market concerns over sustainability of FTT's earnings against an uncertain macroeconomic backdrop. We believe the resiliency of FTT's earnings supported by a much larger share of revenues from product support and an improved cost discipline is underappreciated by the markets. In addition, healthy commodity prices are expected to support solid end-market demand in FTT's territories.

At our purchase price, the company offers an attractive price-to-earnings (P/E) multiple of approximately 10x, a free cash flow yield of around 10%, and a dividend yield of 2.6%.

Royal Bank of Canada

The Royal Bank of Canada (RY) remains the best Canadian bank overall, and we identified a great opportunity to initiate our position in RY at a very attractive valuation. In addition to delivering stable margins (excluding trading) at the all-bank level and experiencing good margin expansion in Canadian Banking, RY also continues to demonstrate a clear focus on expense control by reducing headcount. The acquisition of HSBC Canada's business has finally been approved, and its U.S. subsidiary, City National, is expected to be profitable in FY 2024. Lastly, RY's strong capital base and potential share buybacks are additional positive catalysts that support the stock in the short and medium term.

Canadian Equity Pool Dynamics (Dec31/2023)

Measure	Canadian Pool	S&P/TSX Comp
Fwd 12M P/E	16.4x	14.0x
Dividend Yield	2.5%	3.2%
Number of Names	27	225
Active Share[3]	66%	-

Source: *Galibier Capital Management Ltd, Bloomberg*

Galibier Opportunities Fund Summary of Results

Period ending: Dec31/2023	Since Oct31/14 (%)	5 year (%)	3 year (%)	1 year (%)
Galibier Opportunities Fund	**8.7**	**10.8**	**8.3**	**12.8**

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

Galibier Opportunities Fund

The investment objective of the Galibier Opportunities Fund is to achieve long-term capital appreciation by investing in a portfolio of long and short investments comprised primarily of equity securities.

In Q4 2023, the Galibier Opportunities Fund generated a return of +6.1%. Since its inception on October 31, 2014, the fund has provided an annual return of +8.7%.

Opportunities Fund Largest Positions (Dec31/2023)

Long positions		Weight (%)
1.	Cargojet Inc.	7.9
2.	Savaria Corp.	6.5
3.	Canadian Imperial Bank of Commerce	6.3
4.	Cenovus Energy Inc. (Warrants)	6.2
5.	Diageo PLC	5.9
6.	Restaurant Brands International Inc.	5.3
7.	Target Corp.	5.1
8.	Premium Brands Holdings Corp.	4.8
9.	Truist Financial Corp.	4.5
10.	Oshkosh Corp.	4.4
Total		**56.9**

Best performers during the quarter[2]

Cargojet up +33%

During the quarter, Cargojet (CJT) announced plans to cancel its growth capex plans of purchasing 4 Boeing 777s and to adjust its fleet size (planned sale of 4 Boeing 757s) in response to a slowdown in the freight markets. We view this fleet strategy reset favourably as the company is no longer pursuing their international expansion plans (outside contracted aircraft, crew, maintenance, and insurance with DHL) and it pulls forward the expected free cash flow generation materially. In addition, CJT also announced shareholder capital return plans through share buybacks of up to ~8.5% of shares outstanding over the next year and by increasing their dividends by 10%.

Truist Financial Corp up +28%

Truist Financial Corp (TFC) has rebounded strongly after a relatively disappointing performance in the previous quarter. Operationally, the strength in the stock during Q4 2023 was due to stronger-than-expected net interest income and a lower provision for credit losses, partially offset by weaker-than-expected noninterest income and elevated expenses. TFC also benefited from the decline in yields during the quarter, which supported the bank's margin. Finally, the potential monetization of its insurance business reassured investors about TFC's capital adequacy to meet regulatory requirements.

Target Corp up +26%

Our thesis for owning Target was based on the belief that the company became significantly stronger after the pandemic. Target managed to gain a substantial market share during the pandemic, resulting in a 33% increase in sales per square foot. Although the higher sales per square foot were expected to lead to improved margins, Target suffered from growing pains in terms of inventory management and inefficient SG&A spending.

We initiated our position in response to the share price reacting to these margin issues. However, during the quarter, Target reported earnings before interest and taxes (EBIT) margins that exceeded expectations, leading to a very positive reaction in the share price. If Target maintains the historical level of 6% EBIT margins, the company should report $10 in earnings per share (EPS), and we believe there is potential for longer-term margin improvement due to higher store productivity. While Target remains somewhat inexpensive, we decided to trim our position during the quarter.

Canadian Imperial Bank of Commerce up +23%

The Canadian Imperial Bank of Commerce (CM) has shown strength thanks to its solid Q4 operating performance. As interest rates have stabilized and even expected to decline, CM stands out as a clear beneficiary due to its substantial exposure to the Canadian mortgage market. Furthermore, CM has consistently outperformed in expense management for several quarters. Based on the bank's guidance for 2024, it appears that CM will continue to exhibit strong expense management, characterized by low-single digit expense growth and positive operating leverage. Lastly, similar to other Canadian bank stocks, CM's valuation is highly attractive (8.5x 2024 EPS) with a 5.6% dividend yield.

Worst performers during the quarter[2]

Cenovus Energy Warrants down -29%

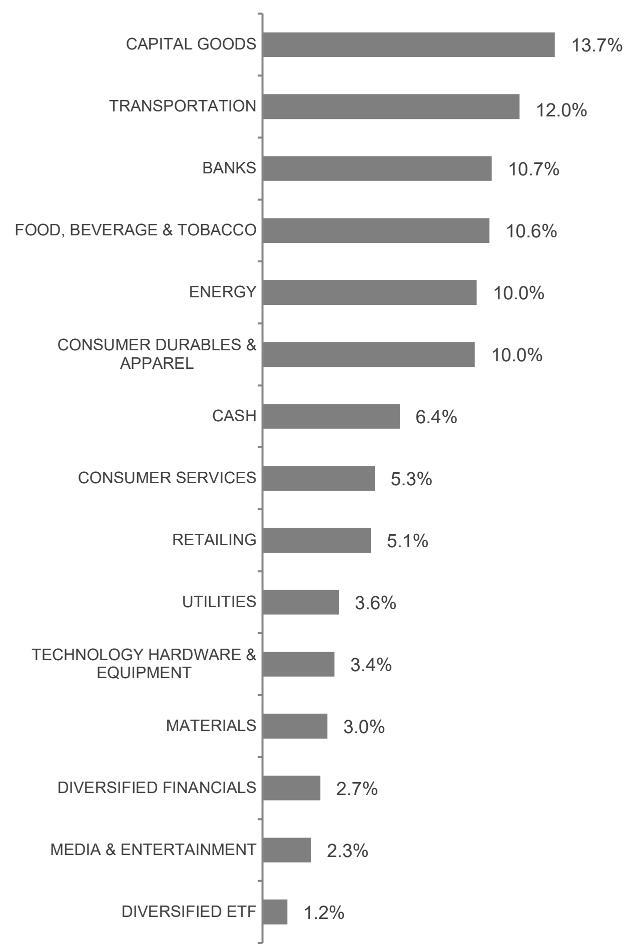
The primary factor contributing to Cenovus's (CVE) downturn in the quarter was the decline in oil prices. WTI commenced the quarter at $85.55/bbl, climbed to $93.68 in mid-September, but then dropped to $71.65 by year-end. This price decrease may lead to some investor disappointment as Cenovus's achievement of its debt floor, set at $4 billion (against a market cap of approximately $47 billion), has been postponed, with Q3 net debt reaching $5.98 billion. We anticipate that the net debt target will be met in Q2-Q3 2024.

At this juncture, the company has communicated its intention to allocate 100% of quarterly free cash flow towards shareholder returns, encompassing dividends and share repurchases. Presently, the company is returning about 50% of its free cash flow to shareholders, and the current dividend yield at CVE stands at around 2.5%. In the case of the warrants, the price decline was a bit more severe than the underlying Cenovus shares.

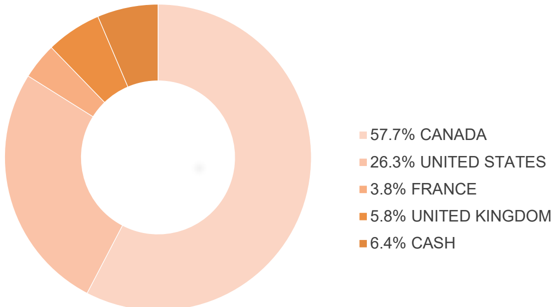
MEG Energy down -3%

Similar to the situation with Cenovus, the main factor behind MEG's slight downturn in the quarter was the decrease in oil prices. WTI started the quarter at $85.55/bbl, rose to $93.68 in mid-September, but subsequently fell to $71.65 by year-end. Meg, priced at $24, is considered attractive with a Net Asset Value (NAV) exceeding $30, assuming a long-term $70 WTI oil price.

Industry Split (Dec31/2023)



Geographic Split (Dec31/2023)



Buys & Sells

During the quarter, we added 3 new names to the portfolio: Diageo PLC, MEG Energy, and Proshares Ultrapro Short ETF.

In addition, we added to our position in numerous names including Cenovus Energy, Savaria Corp, LVMH Moet Hennessy Louis Vuitton, and Premium Brands Holding Corp among others.

We reduced our positions in numerous names including The Walt Disney Company, Truist Financial, Northland Power, and Aritzia among others. Four positions were eliminated from the portfolio: NFI Group, Estee Lauder, AXS Short Innovation ETF, and Ag Growth International.

New Buys:

DIAGEO PLC

Diageo, the owner of brands such as Johnnie Walker, Crown Royal, and Smirnoff, stands as the largest spirits company globally, holding a 10% market share and a 4% share of the global alcohol market. Over the past decade, the company has remarkably reshaped its portfolio to achieve greater diversification and has strategically shifted toward faster-growing markets.

We anticipate Diageo to further increase its market share, leading to mid-single-digit revenue growth and double-digit earnings per share (EPS) growth. Recent underperformance for the company seems to be centred around concerns related to surpassing strong North American sales during the pandemic. Nonetheless, Diageo is poised to sustain some of the best volume growth among high-quality global staples companies, despite currently trading at one of the lowest valuations in its peer group. We believe that paying 18 times next year's earnings presents a very favourable entry point for a high-quality compounder.

MEG ENERGY

We initiated a position in Meg Energy during the quarter because it is a heavy oil producer with a substantial reserve life. Furthermore, MEG is trading at a significant discount to our estimated Net Asset Value (NAV) of $30-$36, based on a price strip of $70-$80 for WTI. MEG also presents itself as a potential acquisition target for a larger player looking to strengthen its oil reserves.

PROSHARES ULTRAPRO SHORT QQQ ETF

ProShares UltraPro Short QQQ seeks investment results, before fees and expenses, that correspond to three times the inverse (-3x) of the daily performance of the Nasdaq-100 Index. This instrument is intended to be a short-term investment that allows us to profit from declines in the tech-heavy and volatile NASDAQ index, which exhibited very strong performance last year and which we feel is overvalued. It also serves as a hedge for some of our long positions in U.S. tech names.

Galibier Global Equity Pool Summary of Results

Period ending: Dec31/2023	Since May12/17 (%)	5 year (%)	3 year (%)	1 year (%)
Galibier Global Equity Pool	**7.0**	**8.6**	**4.4**	**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 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 Notes and Disclaimer at the end of this document for information about the returns.

Galibier Global Equity Pool

The investment objective of the Galibier Global Equity Pool is to achieve long-term capital appreciation through investments primarily in equity securities of companies located around the world.

In Q4 2023, the Galibier Global Equity Pool generated a return of +5.5%. Since inception on May 12, 2017, the Global Pool's annualized return was +7.0% per year. At the end of the quarter, the active share[3] of the portfolio was 86%.

Global Equity Pool Top Holdings (Dec31/2023)

		Weight (%)
1.	Diageo PLC	6.0
2.	Berkshire Hathaway Inc.	5.7
3.	Alphabet Inc.	5.3
4.	ING Groep NV	5.1
5.	LVMH Moet Hennessy Louis Vuitton	5.1
6.	Thermo Fisher Scientific Inc.	5.0
7.	WABTEC Corp.	5.0
8.	Roche Holdings Ltd.	4.9
9.	Target Corp.	4.9
10.	JP Morgan Chase & Co	4.7
Total		**51.7**

Best performers during the quarter[2]

Truist Financial up +28%

Truist Financial Corp (TFC) has rebounded strongly after a relatively disappointing performance in the previous quarter. Operationally, stronger-than-expected net interest income and a lower provision for credit losses, partially offset by weaker-than-expected noninterest income and elevated expenses. TFC also benefited from the decline in yields during the quarter, which supported the bank's margin. Finally, the potential monetization of its insurance business reassured investors about TFC's capital adequacy to meet regulatory requirements.

Target Corp up +26%

Our thesis for owning Target was based on the belief that the company became significantly stronger after the pandemic. Target managed to gain a substantial market share during the pandemic, resulting in a 33% increase in sales per square foot. Although the higher sales per square foot were expected to lead to improved margins, Target suffered from growing pains in terms of inventory management and inefficient SG&A spending.

We initiated our position in response to the share price reacting to these margin issues. However, during the quarter, Target reported earnings before Interest and taxes (EBIT) margins that exceeded expectations, leading to a very positive reaction in the share price. If Target maintains the historical level of 6% EBIT margins, the company should report $10 in earnings per share (EPS), and we believe there is potential for longer-term margin improvement due to higher store productivity. While Target remains inexpensive, we decided to trim our position during the quarter.

SCHNEIDER ELECTRIC UP +18%

During the quarter, Schneider held an investor day where they emphasized their long-term secular growth. Schneider is a key player in combating climate change through the "electrification of everything." As vehicles and appliances shift to electric power and alternative energy sources are integrated into the grid, there will be a multi-decade period of infrastructure investment to support this transition. Additionally, Schneider has significant exposure to the expansion of power-hungry data centers, a trend that was already robust and has further accelerated with the increased focus on AI data centers.

This comprehensive outlook has led to a target of 7-10% organic growth until 2027, coupled with an annual expansion of 50 basis points in earnings before interest, taxes, depreciation, and amortization (EBITDA) margin. While we find ourselves slightly below the company’s targets, achieving these figures would imply double-digit EBITDA growth and approximately 15% earnings per share (EPS) growth, supporting their current 20 times price-to-earnings (P/E) multiple.

WABTEC CORP UP +17%

The excellent performance of Wabtec, the leading global supplier of air brakes and compressors for train cars, is evident once again in its solid quarterly results. The company's earnings per share (EPS) progression is as follows: 2020: $3.77, 2021: $4.27, 2022: $4.88, and the estimated EPS for 2023 is approximately $5.80. With a backlog increase of 13% to $7.1 billion and revenue around $9.5 billion, the company is well-positioned for strong future demand trends. In the locomotive segment, which was acquired from General Electric in 2019, Wabtec is set to outpace its competitors by being the first to market with a 100% battery-powered long-haul locomotive for mainline service.

Worst performers during the quarter[2]

GALAXY ENTERTAINMENT DOWN -9%

Galaxy Entertainment Group (Galaxy) reported earnings in line with expectations for the quarter; however, the market responded with a sell-off, similar to other Hong Kong stocks in the casino and travel sectors in recent months. This decline is attributed to weakening demand witnessed across various consumer discretionary categories in China. Notwithstanding these concerns, Macau has exhibited consistent improvement throughout 2023. The Gross Gaming Revenue (GGR) in Macau rebounded from 46% of the 2019 level in January 2023 to 81% in December, despite the challenges posed by the crackdown on junkets during the pandemic. This underscores the enduring resilience and robust growth potential in the Macau gaming market. We remain optimistic that Galaxy would be best positioned to capitalize on this growth trajectory with its recently opened Galaxy Macau Phase 3 and the upcoming Phase 4 development projects within this capacity-constrained environment.

DIAGEO PLC DOWN -5%

During the quarter, Diageo, the global leader in spirits, revised down their medium-term growth plan. In mid-November, they maintained their medium-term revenue growth target of 5-7%. However, they acknowledged that achieving this growth would come at a higher cost, resulting in flat earnings before interest and taxes (EBIT) margins instead of the previously expected margin expansion, which would have led to 6-9% EBIT growth.

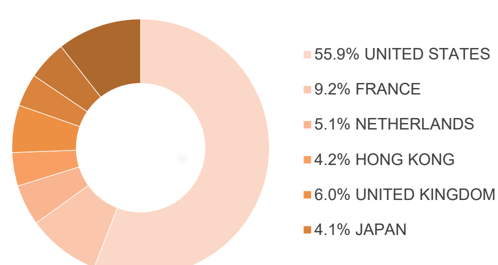
While this development was disappointing, we appreciate that the company is prioritizing sales growth over margin expansion. We view Diageo as a best-in-class consumer staples company that is currently trading at 18 times price-to-earnings (P/E). This valuation represents a discount compared to other high-quality consumer staples companies.

VAIL RESORTS DOWN -4%

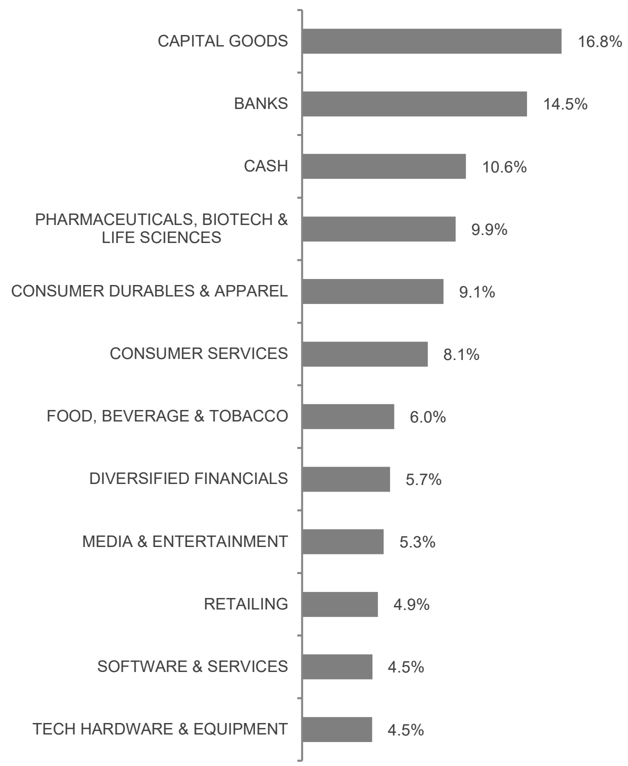
We acquired Vail towards the end of the quarter, recognizing that unfavorable weather conditions had impacted skiers and believing that the poor start to the season had already been factored into the stock price.

We are confident that we made the right investment at a 6% free cash flow yield and will be rewarded over the longer term even if the company's guidance faces headwinds due to a slower start to the season.

Global Equity Pool Geographic Split (Dec31/2023)



Global Equity Pool Industry Split (Dec31/2023)



Buys & Sells

During the quarter, we added two new names to the portfolio: Roche Holdings, and Vail Resorts.

In addition, we added to our positions in LVMH Moet Hennessy Louis Vuitton, Diageo PLC, Berkshire Hathaway, and Microsoft.

We reduced our positions in numerous names including Alphabet, Schneider Electric, Truist Financial, Target Corp., and Shimano Inc. among others. Three positions were eliminated from the portfolio: The Walt Disney Company, Estee Lauder, and AXS Short Innovation ETF.

As a result of these transactions, the cash and equivalents position increased to 10.6% from 1.8% at the end of the prior quarter.

New Buys:

Roche Holdings

We have steered clear of holding Roche, one of the world’s largest pharmaceutical companies, for nearly a decade due to the challenges posed by one of the industry’s most severe patent cliffs. Three drugs at Roche, which used to contribute more than half of the revenue, have declined by 75% over the past 10 years. Meanwhile, the rest of the portfolio has shown a compound annual growth rate (CAGR) of 9%. With the old top three drugs now accounting for only 11% of revenue, we believe we are at an inflection point where the company is poised to return to revenue growth.

Roche's near-term revenue growth, estimated at around 5%, is highly predictable as it stems from on-market drugs with patents extending into the next decade. Trading at 12 times price-to-earnings (P/E) with a near 4% dividend yield, we view Roche as very inexpensive given the quality and predictability of the business.

Vail Resorts

Vail Resorts is one of the most unique companies we have ever encountered. In North America, only one new ski resort has been developed since the turn of the century. Vail resorts account for nearly 20% of ski days in North America, more than twice that of their nearest competitor. The Vail experience is irreplaceable. Vail leverages its scale to create a network effect with its EPIC pass, increasing resort utilization organically across its portfolio. Additionally, the EPIC pass provides valuable data to drive ancillary sales on top of lift tickets, generating incremental revenue from a fixed asset. This strategy should lead to strong organic growth, complemented by a management team with a history of value-creating capital allocation.

Despite the stock's decline this year due to a slow start to the ski season and macroeconomic concerns, Vail is currently trading at 11x enterprise value to earnings before interest, taxes, depreciation, and amortization (EV/EBITDA), offering a nearly 6% free cash flow yield and a 3.9% dividend yield.

Global Equity Pool Dynamics (Dec31/2023)

Measure	Global Pool	MSCI World
Fwd 12M P/E	18.3x	18.2x
Dividend Yield	1.7%	2.0%
Number of Names	19	1,480
Active Share[3]	86%	-

Source: *Galibier Capital Management Ltd, Bloomberg.*

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 for this purpose as it is a well-known index and is 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.*

   The S&PTSX Composite is an unmanaged index of common stocks. Its performance is considered representative of the performance of the Canadian market. The index returns do not take into account any fees and expenses. The returns of the S&P/TSX Composite are provided for reference purposes to show how the performance of the fund fared relative to the market as a whole. The composition of the holdings of the fund and the index vary, because the holdings of the fund are comprised of individuals equities selected on the basis of the fund's investment objectives and strategies.

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.*