Galibier Capital Management Ltd.

Quarterly Investment Review

Q4 2017

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Results

"Bad companies are destroyed by crisis. Good companies survive them. Great companies are improved by them."

-Andy Grove

This marks the 5th calendar year of Galibier managing money for investors. As of the end of 2017, Galibier now has close to $850MM under management.

Galibier's investment process is focused on both *identifying* and *valuing*, as Mr. Grove would say, "Great Companies". At Galibier, for a company to be "Great" it must adhere to Galibier's tests of greatness: to wit it must demonstrate a sustainable competitive advantage, have a management team with a demonstrated record of strong environmental, social and governance practices, generate economic earnings, be in a better than average growth industry and have appropriate financial leverage. Only if all these criteria are met can the company be included in the Galibier Investable Universe which currently numbers about 400+ names. Galibier then utilizes a proprietary process to proactively determine valuations of these companies. Intrinsic valuations are determined by projecting earnings, cash flows and balance sheet structure three to five years into the future and then determining intrinsic value today using company specific valuation measures and discount rates. From this process we construct concentrated portfolios of between 20-30 holdings. Galibier controls risk through business selection and the price paid -- NOT through excessive diversification.

During the fourth quarter of 2017, the Trump White House was able to effect a tax bill which was passed by both houses. The complexity of the tax bill is high and its ultimate impact on the global economy is still unclear. Its passing is likely to sustain optimism for further U.S. economic growth over the 2018 period. However, the markets have been rising in anticipation of an improving global economy and appear quite fully valued. A headwind to these relatively high valuations could come in the form of interest rate increases of which economists are projecting four in the U.S. and perhaps two in Canada. There are a number of other offsetting issues in the U.S. including civil unrest, the threat of terrorism and natural events such as hurricanes and wild fires. As well, the world is faced with an emerging threat from North Korea with limited prospects for a diplomatic resolution evident. Given this backdrop we would advise caution and expect to increase our exposure to global companies rather than U.S. centric ones.

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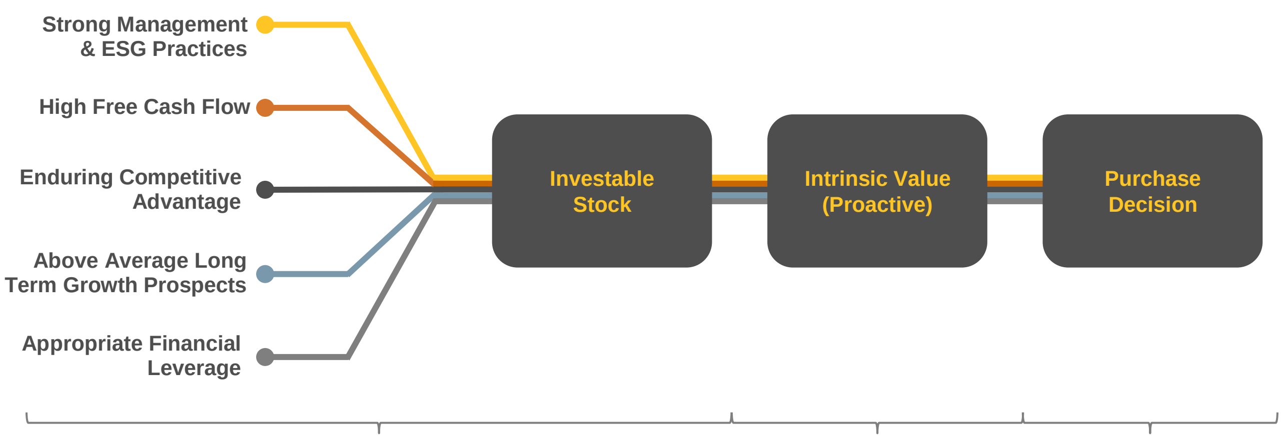
Galibier Capital Management Ltd.

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



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… ie. to be sanguine when others are discouraged and to be cautious when others are exuberant….

Galibier Canadian Equity Pool Summary of Results

Period ending: Dec 31/2017	3 Months (%)	1 Year (%)	2 Year (%)	3 Year (%)	4 Year (%)	5 Year (%)	Since Sep 27/12 (%)
Galibier Canadian Equity Pool	**7.9**	**13.7**	**17.5**	**8.2**	**10.1**	**13.9**	**13.3**
S&P/TSX Composite (total return)	4.5	9.1	14.9	6.6	7.6	8.6	8.5

Notes:
1. *Return figures are gross of fees.*
2. *Return figures are annualized for periods greater than 1 year.*
3. *The Funds' returns are not guaranteed, the values change frequently and past performance may not be repeated.*
4. *Inception date of the fund is September 27, 2012.*
5. *Returns are presented only for periods during which Galibier has been registered as a portfolio manager.*
6. *The investment objectives of the Galibier Canadian Equity Pool have not changed since the Funds' inception.*
7. *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.*

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

Galibier Canadian Equity Pool

In Q4 2017, the S&P/TSX Composite Index provided a total return of +4.5%. The Galibier Canadian Equity Pool results were +7.9%. For the 1-year period ending Dec 31/2017, Galibier's Canadian Pool returned +13.7% versus the S&P/TSX up +9.1%. Over the past 5 years, the Canadian Pool's annualized return has been +13.9% per year which was ahead of the +8.6% annual return of the S&P/TSX. At the end of the quarter, the active share[iii] of the portfolio was 86%.

Canadian Equity Pool Top Holdings (Dec 31/2017)

		Weight (%)
1.	CIBC	6.5
2.	Cargojet Inc.	5.9
3.	Intertape Polymer Group Inc.	5.1
4.	Manulife Financial Corp.	5.0
5.	Industrial Alliance	5.0
6.	Dream Global REIT	4.8
7.	WSP Global Inc.	4.6
8.	Ag Growth International Inc.	4.5
9.	Cenovus Energy Inc.	4.3
10.	Exchange Income Corp.	4.2
Total		49.9

Best performers during the quarter[ii]

PURE TECHNOLOGIES UP +72%

Pure Technologies (PUR) was subject to a takeover bid in the quarter by its international partner, Xylem. Xylem has offered and the board of PUR have accepted the $9.00 per share offer. As a result, the shares rallied 100% to the offer price and were sold.

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.

INTERTAPE POLYMER GROUP UP +19%

Shares of Intertape (ITP) increased as margins widened with higher input costs being passed on to their customers in the quarter. Production issues that negatively impacted its newest facility have been addressed. With continuing robust demand for water-activated-tape, driven by growth in e-commerce, the company announced they will double production of the facility by 2019.

Cargojet up +16%

Once again, Cargojet (CJT) was a strong performer in the quarter. CJT is the provider of overnight cargo delivery service across Canada. As online retailers like Amazon expand their market share, Cargojet will continue to benefit from the demand for time sensitive delivery offerings like Amazon Prime. In order to become more vertically integrated, the company is taking additional service offerings in house, like ground handling and fueling, which not only reduces costs, but increases its control over timing and quality of the work. We believe Cargojet is well positioned to continue on this flight path.

Worst performers during the quarter[ii]

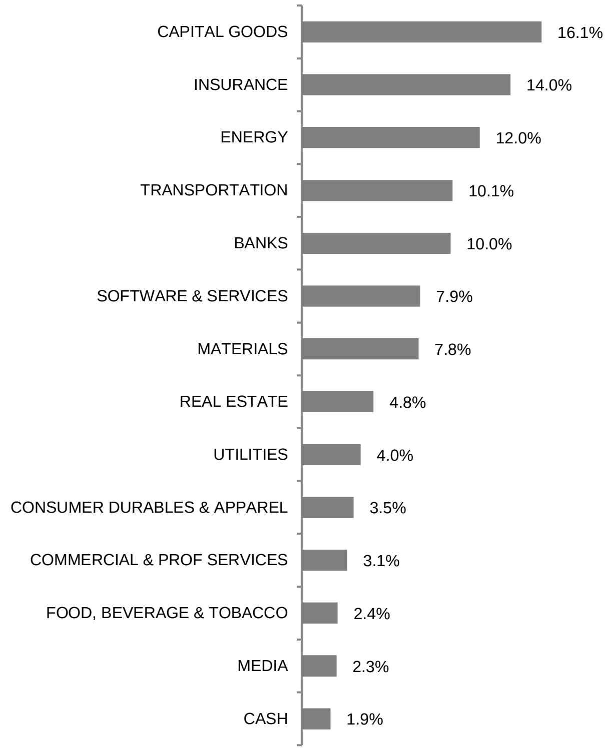
DHX Media down -12%

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.

Cenovus Energy down -8%

Despite oil prices recovering to over $60 by the end of the quarter, Cenovus did not move in the same direction. It appears that investors do not believe the oil price move, perhaps seeing the market as being engineered higher by supply cuts in the middle east and in particular, Saudi Arabia. As well, shale production and operating costs both support a lower for longer oil price forecast. However, at its current price, Cenovus is trading significantly below net asset value at WTI of $60.

Canadian Equity Pool Industry Split (Dec 31/2017)



Buys & Sells

During the quarter, two new names were added to the fund: CCL Industries Inc. and Pembina Pipeline Corp. In addition to numerous positive fund flow driven trades, the fund increased its weights in Ag Growth International Inc. and Liquor Stores NA Ltd.

The fund reduced its weights in Gildan Activewear Inc., Manulife Financial Corp., Maxar Technologies Ltd. and WSP Global Inc.

Two positions were eliminated during the quarter: Pure Technologies Ltd. and Veresen Inc.

As a result of these transactions, the cash position decreased to 1.9% from 3.3% at the end of the prior quarter.

New Buys:

CCL Industries Inc.

CCL Industries is a value added packaging company with an opportunity to continue growing through consolidation. Their largest business, labels, is the world's largest converter of pressure sensitive labels. CCL has a competitive advantage with their offering through global reach, breadth, scale of product, and long standing relationships. Their recent acquisition of Innovia brings not only a growth opportunity in polymer banknotes, but also anti-counterfeiting technology that can be applied in their packaging and labeling offerings. We believe CCL is well positioned to grow through future acquisitions as they add regional capabilities and technology that round out its product portfolio.

PEMBINA PIPELINE CORP.

While Pembina is a new name into the portfolio, we received the shares as the result of its acquisition of our holding in Veresen. Pembina owns and operates pipelines, gas gathering and processing facilities, as well as a liquids infrastructure and logistics business. The combined company has a significant growth profile ahead of it, with $6 billion in secured growth projects. Pembina has a strong track record of bringing in projects on time and within budget, with more than $4 billion worth of new projects placed in-service in 2017 alone. Despite working within the commodity sector, Pembina earns more than 80% of their EBITDA from fee-for-service contracts with high quality counterparties. We believe the company is well positioned for growth as they execute on many opportunities in the year ahead.

Canadian Equity Pool Dynamics (Dec 31/2017)

Measure	Canadian Pool	S&P/TSX Comp
FY1 P/E	17.8x	15.9x
Dividend Yield	2.9%	2.7%
Active Share[iii]	86%	-

Source: *Galibier Capital Management Ltd, Bloomberg*

Galibier Global Equity Pool Summary of Results								
Period ending: May 12/2017	-	-	QTD May12/17 (%)	1 Year (%)	2 Year (%)	3 Year (%)	4 Year (%)	Since Sept27/12 (%)
Galibier U.S. Equity Pool	**-**	**-**	**5.5**	**30.5**	**12.7**	**13.6**	**17.8**	**18.1**
S&P500 (CAD, total return)	-	-	4.4	26.7	16.5	19.1	21.6	22.4
Period ending: Dec 31/2017	3 months (%)	Since May12/17 (%)	-	-	-	-	-	-
Galibier Global Equity Pool	**6.5**	**3.3**	**-**	**-**	**-**	**-**	**-**	**-**
MSCI World (CAD, total return)	5.7	2.6	-	-	-	-	-	-

Notes:

1. *Return figures are gross of fees.*
2. *Return figures are annualized for periods greater than 1 year.*
3. *The Funds' returns are not guaranteed, the values change frequently and past performance may not be repeated.*
4. *Inception date of the fund is September 27, 2012. (From Sept 27, 2012 to May 12, 2017 as the Galibier U.S. Equity Pool and from May 12, 2017 to present as the Galibier Global Equity Pool.)*
5. *The investment objectives of the Galibier Global Equity Pool were changed on May 12, 2017. The following changes were made:*
    a) *The name changed from the Galibier U.S. Equity Pool to the Galibier Global Equity Pool.*
    b) *The investment objectives and investment strategies were updated to include investments in global equity securities.*
    c) *The benchmark changed from the S&P500 Index (CAD, total return) to MSCI World Index (CAD, total return).*
6. *Returns are presented only for periods during which Galibier has been registered as a portfolio manager.*
7. *All returns of the Galibier Global Equity Pool (formerly known as the Galibier U.S. 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.*

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

Galibier Global Equity Pool

The MSCI World Index returned +5.7% in Q4 2017 as measured in Canadian dollar terms. Galibier's investment results were +6.5% for the quarter. For the year ended December 31/2017, the Galibier Global Equity Pool's investment result was +14.5%. Over the past 5 years, the fund's annualized return has been +17.4%. At the end of the quarter, the active share[iii] of the portfolio was 97%.

Global Equity Pool Top Holdings (Dec 31/2017)		
		Weight (%)
1.	Anheuser-Busch Inbev NV ADR	5.1
2.	Nike Inc.	4.9
3.	Fluor Corp.	4.9
4.	Ryanair Holdings PLC ADR	4.8
5.	Heidelberg Cement AG	4.5
6.	Alphabet Inc.	4.5
7.	Shire PLC	4.3
8.	Deutsche Telekom AG ADR	4.3
9.	Starbucks Corp.	4.2
10.	Echo Global Logistics Inc.	4.1
Total		**45.6**

Best performers during the quarter[ii]

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.

Kering up +18%

Kering, the owner of leading fashion brands Gucci, Yves Saint Laurent (YSL), Bottega Veneta and Puma produced another quarter of superb operating performance across a number of its luxury brands, in particular Gucci and YSL. Investors continue to be delighted with this operating performance and in the last year, the stock has more than doubled as a result. Mindful of this price performance, we have been reducing our position in Kering as we find better opportunities for capital re-deployment.

Worst performers during the quarter[ii]

Deutsche Telekom down -5%

Investors in Deutsche Telecom (DTE) own a large European telecom provider as well as a large piece of the third largest U.S. cellular company through DTE's 64.3% ownership of T-Mobile. The stock trades at a significant discount to its net asset value but investors were disappointed that the long rumoured sale of T-Mobile did not materialize. Happily, the yield support of 3.8% rewards investors until value can be unlocked from the T-Mobile stake.

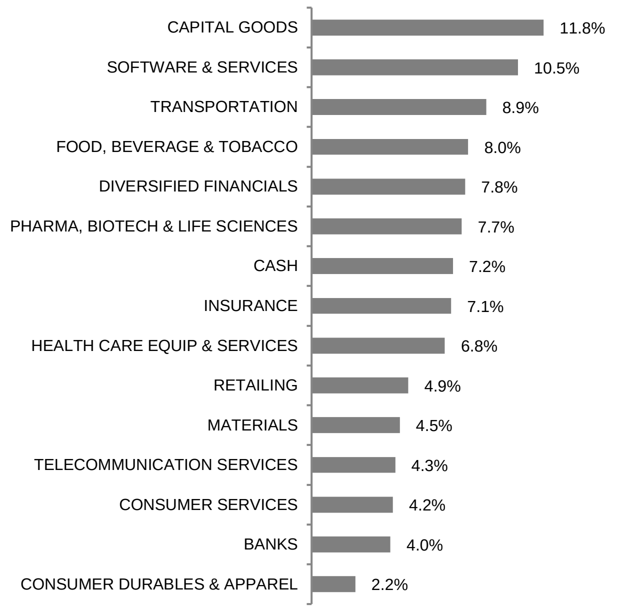
Anheuser-Busch Inbev down -5%

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.

American International Group down -2%

The fourth quarter was a difficult one for global property and casualty insurance companies. Natural disasters such as wild fires and hurricanes have led to very high losses for the companies. Paradoxically this distressing short term impact generally yields stronger long term results for the industry as the industry is forced to raise (or harden) pricing en masse with favourable impact on earnings.

Global Equity Pool Industry Split (Dec 31/2017)



Buys & Sells

During the quarter, one new name was added to the portfolio: Shire PLC ADR. In addition to the new name, the fund added to several positions due to fund flows including American International Group, Anheuser-Busch Inbev NV ADR, BB&T Corp., Deutsche Telekom AG ADR, Fluor Corp., Heidelberg Cement AG, ING Groep NV ADR, MetLife Inc., Nike Inc., Ryanair Holdings PLC ADR and Starbucks Corp.

The fund reduced its exposure to Echo Global Logistics Inc. and Kering ADR. Alliance Data Systems Corp. was eliminated from the portfolio.

As a result of these transactions, the cash position rose to 7.2% from 2.3% at the end of the prior quarter.

New Buys:

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.

Global Equity Pool Dynamics (Dec 31/2017)

Measure	Global Pool	MSCI World
FY1 P/E	17.6x	16.8x
Dividend Yield	1.5%	2.3%
Active Share[iii]	97%	-

Source: *Galibier Capital Management Ltd, Bloomberg*

Notes:

i. *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.*

ii. *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).*

iii. *Active share: a measure of the percentage of stock holdings in a portfolio that differ from the benchmark index.*

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. 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.