

*"In the short run, the market is a voting machine but in the long run, it is a weighing machine."
– Benjamin Graham*

Third Quarter 2018 Commentary

Good Opportunities Fund

The Fund generated a return of 2.9% over the third quarter and 8.3% over the first nine months of 2018.

It is always tempting to try to time markets in order to avoid stock market declines; however, research has shown that attempts to time the stock market are futile. For the past nine years, pundits and industry participants alike have suggested that another credit-crisis is a mere days away, yet markets continued to climb month after month.

Over the longer term, stock prices are driven by company earnings. In 2008, Visa, Inc., one of our longest-held businesses, earned US\$1.7 billion and had 3.1 billion shares outstanding, earning roughly \$0.55 per share. In 2017, Visa earned US\$8.3 billion and had 2.37 billion shares outstanding, earning roughly \$3.50 per share. In addition, Visa paid a modest, but ongoing dividend that further added to returns. Visa's stock has grown tenfold since 2008 - from approximately \$14 to \$140 - but it's important to remember that the stock experienced a number of declines, of approximately 10% each, along the way. In other words, volatility is part of equity investing.

Visa is a dream business that pays dividends, buys back shares and has consistently grown its revenue by double digits. While no business is perfect and we have to be aware of new entrants in the payments space, when we find businesses of this nature, we buy them and hold them until future prospects are threatened.

Thank you for believing in our common-sense approach to investing. We are always available if you have any questions or concerns.



Daniel Goodman, CFA
President and Chief Executive Officer



Effie Wolle, CFA
Chief Investment Officer

A redemption charge may be charged on units tendered for redemption within the first year following their purchase at the rate of 2.5% during the first 90 days, 2% during days 91-180 and 1% during days 181-365. See "Redeeming Units - Short Term Trading Fee" in the Fund's Offering Memorandum.

The above performance figures are net of management fees and performance fees. Please review the Good Opportunities Fund Offering Memorandum for detailed descriptions of strategies, objectives, and risk factors. The above is provided for informational purposes only and is qualified in its entirety by the Fund's Offering Memorandum. Past performance may not be indicative of future results and there is no assurance that any of the Fund's investment objectives will be met.

We have cited a common index used in Canada for general comparison with our fund. However, our fund may not necessarily be representative of the index used and the volatility of our portfolio may vary substantially compared to this index for reasons which include, but are not limited to: (i) our fund may hold or have held a larger percentage of small cap securities and a higher concentration in specific securities and industries; (ii) our fund may use short selling and leverage strategies and hold private investments.

The S&P 500 (CAD) Index measures the total Canadian Dollar return of the broader U.S. economy through changes in the aggregate market value of 500 stocks representing all major industries and assumes reinvestment of dividends.

Please contact us for more information at:

GFI
45 St. Clair Ave. W., Suite 1000
Toronto, Ontario, M4T 2T5
Tel: 416.488.8825
Toll-Free: 866.955.5300
Email: info@gfiic.com