



**GFI Investment Counsel Ltd.**

*Preserving and growing family capital™*

## First Quarter 2012 Commentary

# Good Opportunities Fund

The Good Opportunities Fund gained 6.0% over the first quarter of 2012.

Global equity markets rose considerably over the first quarter of 2012. We do not subscribe to a “risk-on, risk-off” mentality and, thus, our long-held businesses largely benefitted from the rising tide. During the first quarter, we added to the Fund’s core investments, while selectively selling short two new businesses we believe to be materially overvalued. Both of these new short positions were initiated at 1% of assets, which allows us to trust our judgement rather than overreact to a temporary price spike.

At the end of the quarter, the Fund had a net market exposure of roughly 62%. As mentioned previously, we do not target a market-neutral approach and, as a result, the Fund remains net long.

With cash at an elevated 30% of the Fund’s net assets, we continue to search for what we believe to be attractive new investment opportunities.

We thank you again for allowing us to manage your valuable assets, and we ask that you please contact us with any questions, concerns, or recommendations you may have.

Sincerely,

Daniel Goodman, CFA  
President and Chief Investment Officer

Effie Wolle, CFA, MBA  
Vice President, Investments

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:

**GoodFunds**

2 St. Clair Ave. East, Suite 1204  
Toronto, Ontario, M4T 2T5  
Tel: 416.488.8825  
Toll-Free: 866.955.5300  
Email: [info@gfiic.com](mailto:info@gfiic.com)