



GFI Investment Counsel Ltd.

Preserving and growing family capital™

Third-Quarter 2012 Commentary

Good Opportunities Fund

Good Opportunities Fund gained 2.4% over the third quarter of 2012. Year-to-date, the Fund's net asset value has increased 10.5%.

Most global equity markets increased over the third quarter of 2012. This increase occurred despite headlines pointing to both positive and negative news. Our view regarding economic news is similar to Charlie Munger's, who quipped, "I have never taken a single course in economics nor tried to make a single dollar, ever, from foreseeing macroeconomic changes." We will continue our focus on finding best-in-class businesses while also selling short businesses in long-term decline.

The Fund continues to hold only high-conviction businesses. We added to the Fund's core investments, and purchased a new company that has an excellent business model and what we believe are healthy growth prospects.

We also sold a core holding that we have owned for three years. The investment was a quality retail franchise that had squandered capital in a foreign acquisition several years ago, but has since returned to its roots. After establishing a new-found discipline, the company regained its traditional valuation and its stock price increased at a pace of 18% per year while it was owned by the Fund.

At quarter end, the Fund had a net market exposure of roughly 79%. Good Opportunities Fund is not a market-neutral fund. Our goal is to own 10 to 15 great businesses.

With the Fund's cash position at more than 14% at the end of the period, we have been diligently searching for attractive investment opportunities in which to allocate your capital.

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

Sincerely,

Daniel Goodman, CFA
President and Chief Executive Officer

Effie Wolle, CFA
Vice President and Co-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.

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