



GFI Investment Counsel Ltd.

Preserving and growing family capital™

*"Investing should be more like watching paint dry or watching grass grow.
If you want excitement, take \$800 and go to Las Vegas."*

Paul Samuelson

Second-Quarter 2013 Commentary

Good Opportunities Fund

Good Opportunities Fund gained 6.7% over the second quarter of 2013. The Fund closed the quarter with long holdings of 69% in equities and 8% in convertible debentures. The Fund is short one company totalling 3% of its assets. Please note that our focus is on ownership of best-in-class businesses that meet our stringent criteria for portfolio inclusion. We do not focus on the management of market exposure, beta or other terms used to identify the stock market as a whole.

The two businesses we own that increased most in value over the quarter were CGI Group and Stamps.com common stock. Stamps.com increased 58% over the quarter, and was responsible for the lion's share of the Fund's performance. The lone holding to lose value (of the Fund's 11 holdings) was Guardian Capital, which was down 0.5%. We try to avoid losses, and we are happy that our approach of owning concentrated positions in great businesses continues to mitigate the Fund's downside. One of our unitholders recently asked us to provide a little more detail in our quarterly report. We therefore thought we would list some key attributes of our investment approach:

1. We do our own work. Independently. Believe it or not, this is quite rare in the industry. We do not rely on other analysts' reports. We have different goals than sell-side analysts. We search company filings for different information.
2. We do not rely on a greater fool to save us. We do not buy a stock and assume someone will pay more than us for this business down the road. We hold the business for the long term on the expectation that share buybacks, income, growth, and dividends will provide us with a strong rate of return.
3. Two minds actively manage the portfolio. Not one. Not a committee. Neither is intimidated by the other. We speak freely and we actively question each other.
4. We do not fear portfolio inactivity. The right thing for our unitholders is often doing nothing at all. If you owned the only McDonald's franchise on a busy stretch of the 401 highway, you probably wouldn't look to sell it daily.

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5. We find eight-15 great businesses. We can't stomach owning too many. We'd rather have more money in what we strongly believe are better opportunities.
6. We use proprietary checklists designed to ensure we stay disciplined and focused on the right things.
7. We focus on owning businesses with earnings predictability. Otherwise, how do you know how much the business is worth?
8. We have patience. Businesses develop over years. Markets trade in seconds.
9. We avoid hubris. We will be wrong. We have been wrong. We are only as good as our last few decisions. We keep each other humble.
10. We are a small fund. We are nimble. We will continue to limit our growth.

We hope this list gives you some insight into the management of our Fund and the thinking we follow at GFI Investment Counsel. We believe these attributes, along with a constant quest to learn and improve, will continue to provide the underpinnings for the Fund's success. Our approach (in one form or another) has been used successfully by many great capital allocators. We hope to follow in their footsteps. We believe the Fund's success will continue to be based on discipline and adherence to our investment philosophy. 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. We welcome the opportunity to discuss your thoughts and our investment style one on one.

Sincerely,

Daniel Goodman, CFA
President and Chief Executive Officer

Effie Wolle, CFA
Vice President and Co-Chief Investment Officer