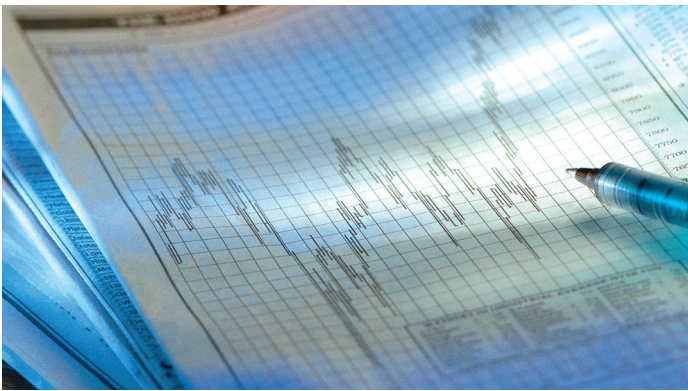


GoodQuarter

FALL
2011



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*“If you’re an investor, you’re looking at what the asset is going to do.
If you’re a speculator, you’re commonly focusing on what the price of the object
is going to do, and that’s not our game”*

— Warren Buffett, 1997 Berkshire Hathaway Annual Meeting

Dear Valued Client,

We are happy to report that your accounts have increased in value year-to-date to September 30, 2011. Even during these volatile times, we remain focused on ensuring you own excellent businesses with characteristics that help them through periods of economic uncertainty. Although we cannot predict the future, we can make reasonable assessments as to which businesses will thrive over the longer term. Our consistent message of conservatism and balance continues to pay dividends for client accounts. Below, we show the year-to-date net returns of our client portfolios, as well as their returns over the one-, three-, and five-year periods.

Our year-to-date positive returns have been a function of stock selection, asset allocation, and discipline. We continue to strive to be better at our craft and to improve our process and results.

As always, we are investing your capital the only way we know how ... carefully. Please contact us today with any comments, suggestions, or concerns you may have.

Warm regards,



Daniel Goodman, CFA
President and Chief Executive Officer

Effie Wolle
Vice President, Investments

GFI Investment Counsel Balanced Portfolio

YTD	1 year	3 year	5 year	Inception	
4.4%	7.9%	6.1%*	4.4%*	6.2%*	
2010	2009	2008	2007	2006	2005
8.9%	21.0%	-14.3%	5.7%	7.4%	12.0%

GFI Investment Counsel Equity Balanced

YTD	1 year	3 year	5 year	Inception	
4.2%	8.5%	6.0%	3.8%	6.1%	
2010	2009	2008	2007	2006	2005
12.5%	20.7%	-22.8%	7.8%	9.5%	11.1%

*Annualized

BEHAVIOURAL INVESTING

Overconfidence Bias

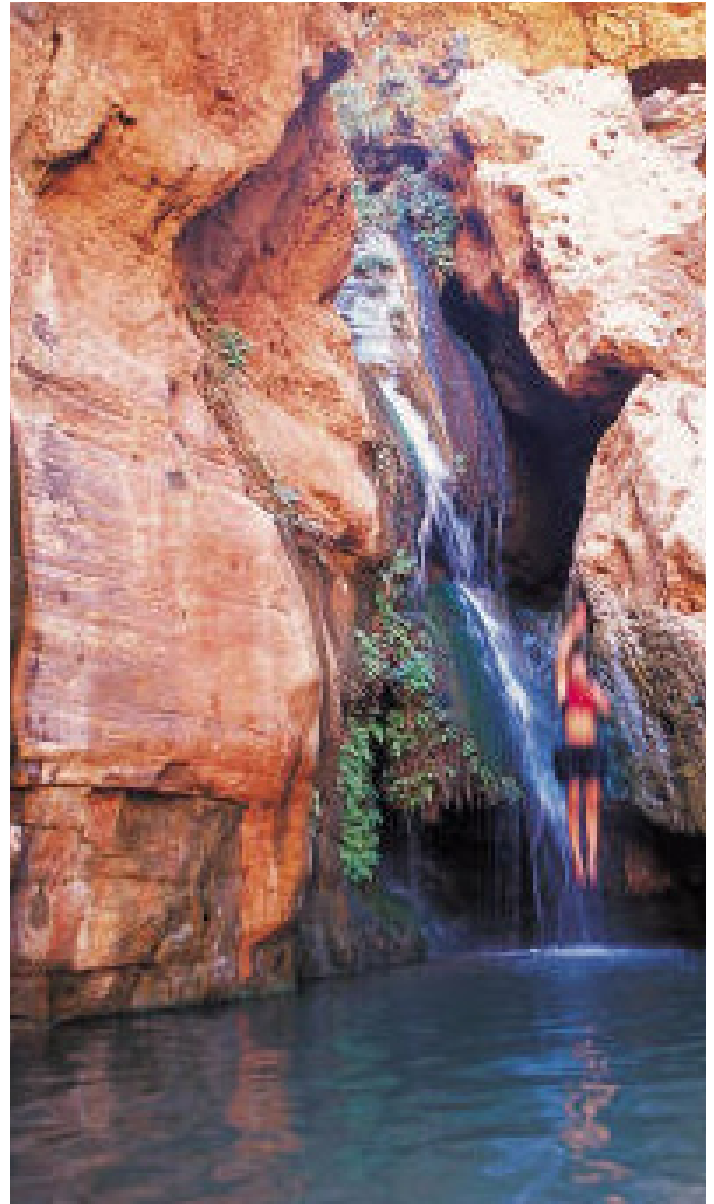
Overconfidence can result in underperformance

In the second in our series of articles on behavioural investing, we wanted to highlight “overconfidence” bias. Overconfidence is the tendency for investors to place too much confidence in their ability to predict the future. Equity investments, for example, can surprise investors on the downside as a result of abnormal operational results, regulatory changes, fraud, deceit, and a myriad of other unexpected occurrences and/or revelations.

As investors, we try to mitigate overconfidence bias by diversifying beyond the ownership of only a handful of securities, as well as through diversification across different assets and sectors. While an investment in a sector (such as energy) can be effective, an investor’s entire portfolio should not place too much emphasis on only one sector, geographic region, or asset class ... keeping in mind the pitfalls associated with overconfidence bias.

The GFI investment methodology is focused on not over-diversifying our clients’ portfolios. GFI client accounts generally own shares in 13 to 15 businesses, with holdings in 10 to 15 bonds. With this level of concentration, you benefit from diversification and the performance of our strongest investment ideas. We are happy to note that this strategy has had a positive impact on your performance to date.

Look for the next article on behavioural investing in our next issue of *GoodQuarter*.



GFI Investment Counsel and GoodFunds

GFI Investment Counsel ("GFI") provides tailored investment portfolios to families, foundations, trusts and corporations. We work closely with our clients to customize investment accounts that coincide with our clients' unique requirements. GFI focuses on preserving and growing client capital through intense due diligence, focus and discipline.

In January 2008, GFI launched the Good Opportunities Fund ("the Fund"), an alternative investment fund available to accredited investors. The Fund is the first in the "GoodFunds" series of investment products. The Fund focuses on a select group of investment opportunities that provide an attractive risk/reward dynamic regardless of asset class or market capitalization. The Fund is managed with a focus on understanding the businesses, their capital structure, risks and opportunities.

The highest compliment our clients give us is the referral
of their family, friends, and business associates.

If you know anyone who would benefit from working with GFI Investment Counsel,
please refer them to our office, call us at 416.488.8825, or email us at info@gfiic.com.

Additional information can be found on our website at www.gfiic.com.

For more information about GFI Investment Counsel, the Good Opportunities Fund,
or GoodFunds, please call **416.488.8825** or email info@gfiic.com.

