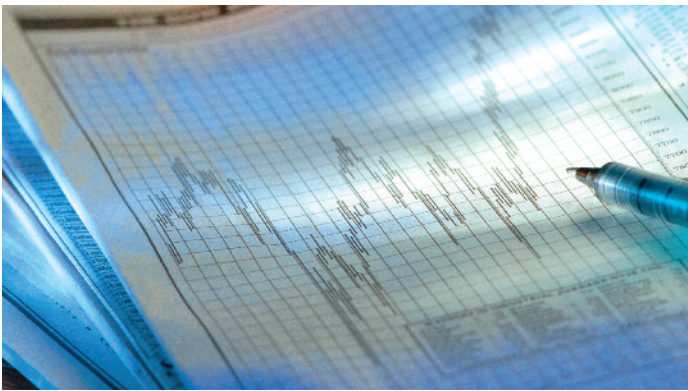


GoodQuarter

SPRING
2011



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"Judge each day not by the harvest you reap but by the seeds you plant."

- Robert Louis Stevenson

Dear Valued Client,

We are writing this commentary as Japan struggles to recover from the earthquake and tsunami that devastated the northeast part of that country. While our job includes keeping abreast of world events from an economic perspective, the loss of human life and challenges that now confront millions of individuals in Japan reminds us of those things that matter most. We remain confident that Japan will recover from this tragedy.

From an investment perspective, our accounts were not impacted by the recent events in Japan, as we do not hold Japanese securities or uranium miners. Additionally, the political events spreading across the Middle East have not impacted our portfolios, as we have very little exposure to the Middle East.

The political instability in North Africa and the Middle East has affected companies such as Suncor and SNC-Lavalin, both of which operate in Libya. While we do not own companies that conduct business in that part of the world, our portfolio is not immune to

global events. We believe our portfolio remains conservatively positioned, and should perform well regardless of any unforeseen global events.

The new GFI website is live. We encourage you to take a look at our new site at www.gfiic.com. You can still log in to your account using your existing username and password. If you have forgotten your username and password, please call Jeff at our office, and he will be happy to provide you with your login details.

As always, we thank you for your continued support.

Warm regards,

Daniel Goodman, CFA
President and Chief Executive Officer

Portfolio Changes

All quiet on the investment front

There were very few changes made to GFI's client portfolios during the first quarter of 2011. We did not purchase or dispose of any new equity positions during this period. We did, however, use available cash to add to existing positions where appropriate.

The current bond environment remains fairly challenging. As investors try to find higher-yielding securities, the prices of bonds increase, which drives down expected returns. The challenge is to ensure we are being adequately compensated for the risk we assume in the form of sufficient returns. Although we have found several bonds that satisfy our return requirements, the difficulty finding attractive opportunities has resulted in a slight cash position. We are comfortable holding cash instead of putting your capital at risk without sufficient compensation.

Good Opportunities Fund, our proprietary Fund, recently added two new positions that have exciting growth prospects. We continue to be pleased with the Fund's performance since the credit crisis that began in 2008.



TFSA and RRSPs

Better ways to save

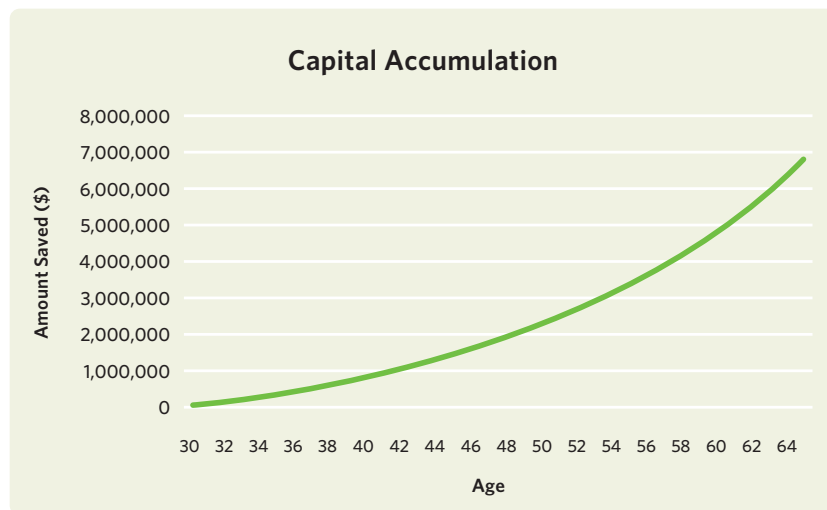
We have now entered the third calendar year since the introduction of the Tax-Free Savings Account (“TFSA”) program. TFSA’s allow Canadian residents 18 years of age and older to save and invest \$5,000 every year in after-tax income. Unlike Registered Retirement Savings Plans (“RRSPs”), TFSA’s do not qualify for a tax deduction, nor are they taxable at withdrawal. Rather, the program permits after-tax savings to accumulate tax free and allows you to use the funds without taxing the proceeds as income.

With the TFSA and RRSP programs, the government has now provided Canadian citizens with two savings programs in which to prepare for retirement.

Retirement savings: An example

Assume a married couple makes TFSA and RRSP contributions from their 30th through to their 65th birthdays. Further, let’s assume that both husband and wife earn large enough salaries that both are able to contribute the maximum of \$22,000 per year in RRSP contributions and \$5,000 in TFSA contributions. Together, the couple contributes a total of \$54,000 per year to these two programs. This is not a small sum, we admit, given the demands of life while raising a family.

This graph illustrates the growth in capital assuming a 6.0% rate of return (a figure we deem reasonable).



It is important to highlight that the \$7 million the graph illustrates the couple will reach by age 65 would be worth roughly \$2.5 million in today’s dollars due to the effects of inflation. If we assume the same 6.0% return at that time, the above-noted savings would provide for \$150,000 of income at retirement.

The government has provided generous retirement savings programs to Canadians. For those lucky enough to have excess income available to contribute to these programs, RRSPs and TFSA’s represent excellent starting points for long-term savings.

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.