



GFI Investment Counsel Ltd.

Preserving and growing family capital™

"Typically, and this is not well understood, his way of thinking is that there are disqualifying features to an investment. So he rifles through and as soon as you hit one of those it's done. Doesn't like the CEO, forget it. Too much tail risk, forget it. Low-margin business, forget it. Many people would try to see whether a balance of other factors made up for these things.

He doesn't analyze from A to Z; it's a time-waster."

Alice Schroeder on Warren Buffett's filtering process

Third Quarter 2014 Commentary

Good Opportunities Fund

Good Opportunities Fund gained 2.0% over the third quarter of 2014. The Fund closed the quarter with long holdings of about 81% in equities and 2% in convertible debentures. The Fund is short two companies that total 4.0% of assets, and it holds 17% in cash.

In the investment industry, unlike many qualitative endeavours, success or failure can be measured to a decimal place. And while strong investment results are important, if those results are generated randomly, they can do more harm than good to an investor's confidence that those results are repeatable over the long term.

At GFI, we focus on our investment process rather than results. A repeatable process leads to repeatable results.

A recent 60 Minutes profile of Nick Saban, head coach of the University of Alabama football team, provided a wonderful insight into the importance of process.

How does a story about a football coach tie into investing? While the two pursuits may not appear to have a lot in common, we believe there is a comparison to be made. Strong results only occur as a direct result of an extreme and unwavering focus on process. One cannot achieve outperformance simply by setting it as a goal. The goal is achieved by creating a methodology based on sound and proven principles, and then applying that methodology without compromise.

This 60 Minutes segment, which can be found online at: <http://www.cbsnews.com/videos/alabama-coach-nick-sabans-quest-for-perfection-2/>, highlights a specific game in which Alabama was winning by a wide margin late in a game. However, even during a game that was all but over, the centre and quarterback ended up in an altercation over the proper play call. Saban relished this moment. He had trained his team to be single-minded in the pursuit of implementing the team process, regardless of the situation. He marvelled that his two players would not waver from his guidance; from his process.

With our investment approach, we have found that no matter how small or large the decision or its impact on our portfolios, our process must be in place and must be adhered to. No decision can be taken for granted, nor can capital be used recklessly, regardless of how minute the decision. Over the years, we have refined our process, introducing new filters and due diligence methods to ensure we continue to improve as we gain experience. In future writings, we will expand on our process and the type of due diligence that we focus on.

Warm regards from the entire GFI team.

Daniel Goodman, CFA
President and Chief Investment Officer

Effie Wolle, CFA
VP 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.

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