



GFI Investment Counsel Ltd.

Preserving and growing family capital™

Third Quarter 2011 Commentary

Good Opportunities Fund

The Good Opportunities Fund gained 3.6% over the third quarter of 2011, and gained 10.4% over the nine-month period ended September 30, 2011. The Fund significantly outperformed the S&P 500 Index (C\$) over both periods.

As you can see from the attribution analysis on our Fund Fact Sheet, the Fund's gains have stemmed from our long and short positions as well as from our portfolio protection strategy. Core Fund positions including Stamps.com Inc. and The Jean Coutu Group (PJC) Inc. continue to operate profitable businesses with high returns on invested capital. The Fund's gains over the past nine-month period have been partially the result of these companies' strong stock price appreciation. The Fund's short positions, which have mainly focused on overleveraged and eroding businesses, have also provided strong returns thus far in 2011. Many of these shorts have now been covered. Lastly, our portfolio protection strategy (using put options), which was bought cheaply in the spring, has been mostly unwound – as increased volatility and investor concern provided us with a good exit point.

Our most important risk-mitigation tool is the due diligence we perform on our core portfolio positions. Our holdings have little debt on their balance sheets, benefit from recurring revenue, and have simple business models. These attributes help us sleep better at night than if we were to invest instead in esoteric derivatives that may or may not provide true portfolio protection.

At quarter end, the Fund had net market exposure of roughly 70%, including our single, 2% short position. This exposure included 10 long positions. We do not target a market neutral approach and, thus, our Fund remains net long.

With a cash position of 24%, we have been researching several exciting opportunities in which to deploy this capital. We continue to be comfortable holding cash and waiting for what we believe to be the strongest-possible investment opportunities.

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

Sincerely,

Daniel Goodman, CFA

President and 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:

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