

Preserving and growing family capital™

"Our country's businesses will continue to efficiently deliver goods and services wanted by our citizens. Metaphorically, these commercial 'cows' will live for centuries and give ever-greater quantities of 'milk' to boot. Their value will be determined not by the medium of exchange, but rather by their capacity to deliver milk. Proceeds from the sale of the milk will compound for the owners of the cows, just as they did during the 20th century when the Dow increased from 66 to 11,497 (and paid loads of dividends as well)."

Warren Buffett, 2011 Letter to Berkshire's Shareholders

First Quarter 2017 Commentary

Good Opportunities Fund

Dear Valued Client,

The Fund generated a return of 6.2% over the first quarter of 2017. During the period, we introduced a new investment to the fund, SiteOne Landscape Supply, Inc. ("SiteOne"). SiteOne distributes landscape supplies in North America, primarily to residential and commercial landscape professionals. The business should benefit from significant growth opportunities and SiteOne is expected to only be mildly impacted by technological change. We are excited to be owners in this business for years to come. We also took a short position in a company with a business model that has been under tremendous stress. The company has a highly indebted balance sheet as well and, from our experience, this combination of factors tends to result in a substantial decrease in equity value. We also purchased a small amount of put options on the company's stock to increase the Fund's exposure with limited downside.

In this letter, we include an article on Sears that highlights the importance of independent thinking when making investment decisions. Note that we use Sears only as an example to help illustrate our point. We do not own – nor have we ever owned – shares in Sears.

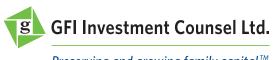
Thank you for your continued support. We are always available if you would like to discuss your investments or any other matter.

Daniel Goodman, CFA

President and Chief Executive Officer

Effie Wolle, CFA

Chief Investment Officer



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Why doing our own research pays in any market

Highlighting the importance of looking under the hood when making key investment decisions

On March 21st, Sears released its annual report, which contained this sentence:

"Our historical operating results indicate substantial doubt exists related to the Company's ability to continue as a going concern."

In reaction to that sentence and sentiment, Sears' stock dropped 11%. Watching the continuous deterioration of Sears specifically – and retail in general – over the last half decade, this rapid sell-off came as something of a surprise to us. Who were the shareholders selling the stock because they just then realized that Sears was at risk of serious distress? For clarity, we do not own Sears' stock.

The company released its third-quarter report three months earlier that highlighted a 14% decrease in sales compared to the previous year, as well as a continued trend of sales deterioration. From previously released public information and other filings, a shareholder should have known the following:

- The retailer had \$4.3 billion of debt \$1.2 billion of which was coming due in 2017
- Total cash on the balance sheet was only \$258 million
- The company had burned through approximately \$5 billion of cash in the last three years as a result of operating losses and having to sell assets to fund a significantly troubled pension plan (which is still underfunded by \$2 billion)
- Sears' controlling shareholder had lent the company approximately \$500 million in 2016 to keep it afloat
- Sears was on track to burn at least \$1 billion dollars a year indefinitely, with no prospect for profitability in sight*



*All figures in US\$

Basic math suggests the company will be restructured shortly. This situation confirms two of GFI's investment beliefs. Firstly, the events of March 21st and 22nd illustrate that the market is not efficient. We hope to continue to take advantage of these inefficiencies.

Secondly, GFI continues to believe in the importance of doing one's own homework. Do not rely on the U.S. Securities and Exchange Commission, auditors, other investors or third-party analysts to perform due diligence on your behalf. In order for us to invest with conviction, we must do all our analysis in-house. We analyze financial statements, read and listen to management interviews, speak to customers, and attempt to read all available information to try to paint a full picture of the health of a business. As in most pursuits, it is critical not to blindly follow other investors (regardless of their reputation) into popular stocks when our own research is telling us a different story.

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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