

*"Someone's sitting in the shade today because someone planted a tree a long time ago."*  
*Warren Buffett*

## Third Quarter 2017 Commentary

# Good Opportunities Fund

The Fund generated a return of 1.4% over the third quarter of 2017, and has gained 13.6% year to date. During the quarter, we added one core investment to the portfolio with a low-cost business model, a "sticky" client base and excellent growth prospects. The Fund benefited from our short positions (combined with our put options) as the stock price of our largest short holding decreased materially during the quarter, which had a positive effect on performance.

Our current short holdings are dominated by media companies with significant leverage, poor content and a reliance on the business models of yesterday — in which cable companies paid constantly escalating fees to content providers with sub-par content. We believe the equity values of leveraged content providers will continue to deteriorate over time as HBO, Netflix, Amazon, Hulu and other new entrants offer more attractive product offerings.

While the media often implies that securities need to be traded daily, we believe the opposite is true. That is, the long-term approach of holding quality companies in industries with a bright future generally requires little alteration. However, action must be brisk and decisive when change is required. We are very pleased with our portfolio of businesses today and are constantly monitoring our holdings to assess whether any one holding needs replacement.

The S&P 500 Index reached a new peak in October 2007 before falling more than 50% (peak-to-trough) as the United States and most of the world entered the Financial Crisis. Such gut-wrenching volatility was painful and led many investors to question the value of long-term investing. Ten years on, however, investors that remained invested since the peak in October 2007 more than doubled their money for an annualized return of nearly 7.5% (in U.S. dollar terms). You would have earned that 7.5% annualized return even had you been unlucky enough to have purchased at the 2007 peak.



**GFI Investment Counsel Ltd.**

*Preserving and growing family capital™*

We will be moving our offices a half a block west to 45 St. Clair Ave West in December. The new space will be larger and offers a design and layout that suits the needs of our growth. We will be sure to send you an e-mail confirming our move date in the weeks to come and we look forward to welcoming you to our new space in 2018.

In celebrating ten years as a firm, we have our clients to thank. We could not have grown without your continued trust and support. Thank you for believing in our common-sense approach to investing.

We are always available to talk.

Daniel Goodman, CFA  
President and Chief Executive Officer

Effie Wolle, CFA  
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.

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