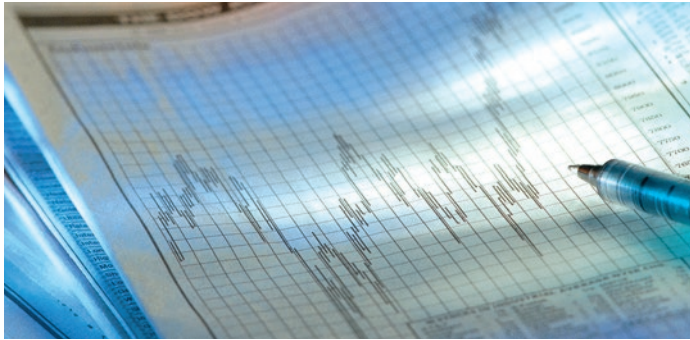


GoodQuarter

Q1'20



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“Be fearful when others are greedy and greedy when others are fearful”

— Warren Buffett

Dear Valued Client,

We are living through a moment in history that will not soon be forgotten. Over the years, health experts have repeatedly warned about the potential for a global pandemic. Unfortunately, those predictions have now come true. We will let the medical experts opine on the appropriate length of time for self-isolation, the right amount of space required for social distancing and the longer-term consequences of the virus. Our job is to provide our thoughts on the investment landscape going forward, to manage all portfolios with a long-term lens and to help clients navigate the current emotional roller coaster to the best of our abilities.

Of the many client conversations we have had since COVID-19 became a widespread concern in North America, there was one specific call that we wanted to highlight. We were speaking with a specialist physician at a major hospital in the GTA that is preparing to treat the potential tsunami of COVID-19 patients who will shortly arrive at

the hospital's emergency room. We'll call this individual Dr. Smith. Dr. Smith, who is 49 years of age, described the cessation of the hospital's normal buzz and the "Twilight Zone"-like feeling in the hospital in anticipation of the coming flood of patients. The coming weeks, he said, were going to be extremely challenging.

In the same conversation, Dr. Smith asked, "What's the easiest way to send money to add to my investments?" And that question prompted a conversation about what the team at GFI refers to as "optimistic realists." When we asked Dr. Smith how he could have both viewpoints (that the virus is going to get worse before it gets better, but that the investment landscape is primed for long-term gains after recent historic losses), he simply said, "I don't need my savings for 15-20 years, and this seems like a great time to add to my investments." We felt this clarity of thought was worth sharing. It's exactly our thinking at this moment.

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Our approach to staying invested isn't always popular. When we advise clients that we believe the best course of action is to stay invested as per their customized financial plan, we know we likely won't be proven right in a week or a month. Many people will be tempted to say "I told you so" in the short term, but that doesn't make them correct. We believe we will be on the right side of the debate in due time. For clients approaching or in retirement, risk mitigation is undertaken at inception of our relationship, and that risk mitigation is achieved through the appropriate asset mix.

Health scare aside, this crisis has one other important distinction from previous stock market declines. Society is at home, staring at the news and watching stock prices. The mind starts to wander and consider only the next 24 hours. People are naturally tempted to react to the latest information they're seeing with a change to their investment strategy. That short termism exacerbates the problem.

With respect to the economic recovery, we believe different industries will return to "business as usual" at different times. Fast food restaurants will re-open before sit down restaurants, and society will take time returning to gyms and other activities. Airlines and the travel industry may be restricted on their international routes for quite some time. Commerce will re-open, but it will take time to ramp up. We entered this crisis without owning any companies in the travel, hotel or energy industries. Some of these decisions were the direct result of our investment process, others simply a result of good fortune.

The federal government has already made some substantial changes with respect to tax filing deadlines and Registered Retirement Income Fund (RRIF) withdrawals. We discuss these items and a new form we are using to protect our older clients on pages 2 & 3 of this newsletter.

Most importantly, we want to thank our clients, employees and our country's amazing healthcare professionals. Thank you, our clients, for making our job significantly easier by understanding our approach and being able to focus on the long term, especially through challenging times like these. Our employees are working seamlessly from their homes, responding to client requests in the same timely manner that you are accustomed. We are so lucky to have the team we do, and we cannot thank every member of the GFI team enough. To our healthcare professionals, some of whom are also clients, you are a modern-day army that is keeping us safe. Thank you for putting your safety at risk every day for all of us.

We ask, as always, that you please give us a call if you have any questions or concerns that you would like to discuss.



Daniel Goodman, CFA
President and
Chief Executive Officer



Effie Wolle, CFA, MBA
Chief Investment Officer

Trusted Contact Person

As the senior demographic in Canada continues to experience rapid growth, so too has the regulatory guidance protecting these individuals.

Although we acknowledge that age is not the only factor in identifying vulnerable clients, we believe in protecting all our older clients and adopting practices that reflect their diverse circumstances and needs.

As part of our strategy, some of you may have recently been asked to designate a Trusted Contact Person (TCP) on your account. A TCP is an adult (typically a family member, close friend or caregiver) who you trust with your personal information and who your financial advisor can contact if there are any concerns regarding your well being, including concerns over such things as financial exploitation. Ideally, your TCP is an individual (or individuals) who does not have a financial interest in your account and is not involved in any of your financial decisions (i.e., it should not be a spouse or power of attorney). The TCP does not have power to make changes to your account, but is more of a resource for your financial advisor in the event that your financial advisor is concerned about your mental capacity or any wrongdoing by an outside party. As an example, we may contact your TCP to confirm changes to your life that may have influenced a recent transaction or request that is somewhat out of the ordinary.

By obtaining a completed TCP form, we are not only looking out for our clients' best interests, but also adding an extra layer of protection against financial vulnerability.

Relief Measures

As a result of the COVID-19 outbreak, the Government of Canada has released the following measures to help Canadian families through this difficult time. Note that this is a partial list as of the day of writing (and is subject to change):

- The minimum withdrawal for RRIFs has been reduced by 25% for 2020.
- The tax filing deadline for personal tax returns has been extended to June 1, 2020.
- The payment for any income tax amounts that are owed on or after March 18, 2020, can be deferred until September 1, 2020.
- The one-week waiting period to receive employment insurance (EI) sickness benefits has been waived.
- For self-employed individuals who do not qualify for EI, an Emergency Care Benefit will be introduced in April. The Emergency Care Benefit will also be available to those who are unable to work because they are caring for a family member with COVID-19, as well as to parents who are unable to earn an income as a result of school closures.

Please refer to: <https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html> for more information.

GFI Investment Counsel

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 Good Opportunities Fund (“the Fund”), an alternative investment fund available to accredited investors. 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, and risks and opportunities.

For more information about GFI Investment Counsel or the Good Opportunities Fund, please call **416.488.8825** or email info@giic.com.

