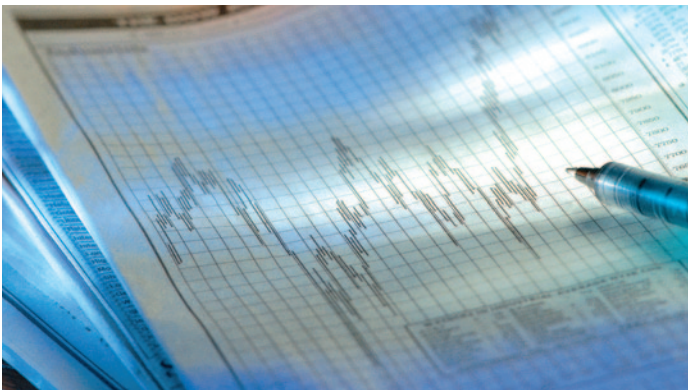


GoodQuarter

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2016



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“Be fearful when others are greedy, and be greedy when others are fearful.”

— Warren Buffett

Dear Valued Client,

The third quarter of 2016 was an exceptionally strong period for the stock prices of GFI-held equities. Nearly all our holdings posted strong operational results, which was punctuated by the announced acquisition of Whistler Blackcomb Holdings Inc. by Vail Resorts Inc. (see article on page 2). While the first half of the year was rather quiet in terms of performance, patience and discipline ultimately led to a strong third quarter.

Beyond our continuous effort to allocate client capital in the best businesses we can find, we also work diligently to ensure we help our clients control their emotional impulse to act irrationally during times of fear, while also encouraging them to consider equity purchases during market corrections. According to a 2014 Morningstar report¹ conducted on investor behaviour, for the 10-year period ending December 31, 2013, the average stock

fund returned 7.3% annually, while the average investor in those same funds earned 4.8%. This discrepancy was solely the result of investors mistiming the entrance to — and exit from — the stock market. Investors tend to panic and exit the market at exactly the wrong time, while also becoming greedy near market highs. These impulses have historically impacted investors' performance significantly. An investment advisor who keeps his or her clients' emotions in check during periods of market turmoil provides a great service.

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, MBA
Chief Investment Officer

Whistler Blackcomb Acquired

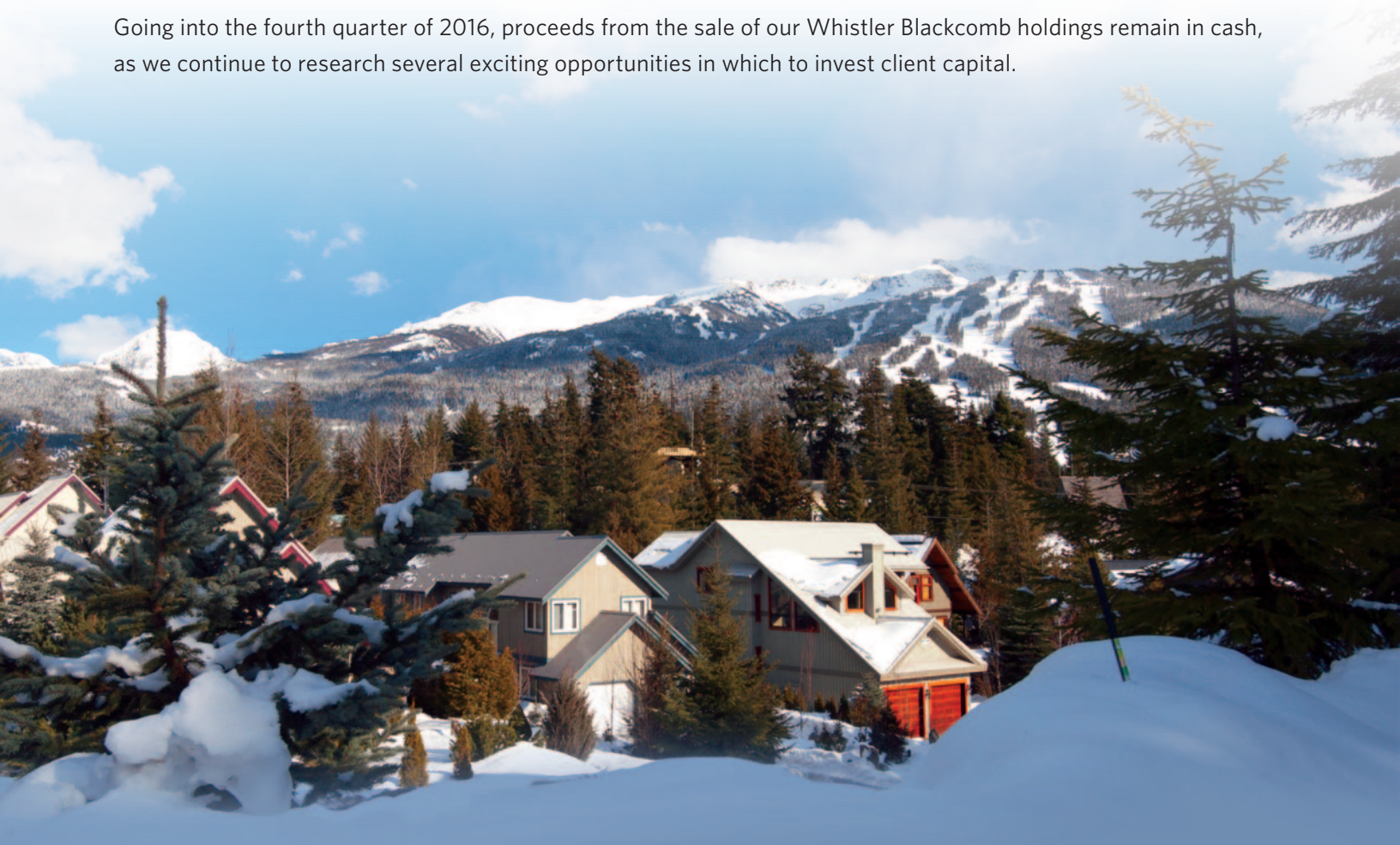
Vail buys Whistler Blackcomb

In January of 2014, GFI bought shares of Whistler Blackcomb Holdings Inc. for client accounts. Whistler Blackcomb has many of the attributes that we look for in a great business. The company has raised its prices at a higher rate than the rate of inflation over the past decade, grew the moat of its core business by investing capital in its main asset (a world-class ski facility), paid a quarterly dividend and managed its expenses closely. In our discussions with management, it was obvious that the leaders of the company were thinking long term about the business and its potential.

This past August, Vail Resorts Inc. made a stock and cash offer for Whistler Blackcomb at a 46% premium to Whistler Blackcomb's closing price on the previous trading day. Including dividends, GFI's annualized return from our holding in Whistler Blackcomb was approximately 42%, and we sold all client-held Whistler Blackcomb stock at the offer price.

While we did not purchase Whistler Blackcomb (or any other investment) on the expectation of a potential buyout, we are always seeking to invest in businesses with reasonable cash flow multiples and unique product/service offerings. These attributes have resulted in the acquisition of one of our 15 equity investments in each of the last four years. This is a statistic we are proud of — and that has led to an investment track record that has compounded client capital at attractive rates of return.

Going into the fourth quarter of 2016, proceeds from the sale of our Whistler Blackcomb holdings remain in cash, as we continue to research several exciting opportunities in which to invest client capital.



New laws governing advisors in Canada

As we enter 2017, there are a number of new rules being introduced across Canada's wealth management industry. The most significant of these changes is the requirement for all advisors to disclose the fees and commissions they charge to investors in an easier-to-understand format.

At GFI, we have been disclosing all our fees in a transparent manner since our first full year of operation as a standalone investment counsel. We do not charge commissions, nor do you pay custodial fees. Our fee is an all-inclusive figure for clients. As a result, there is nothing we have to do to prepare for the coming changes. Below is an excerpt from our first-ever GoodQuarter client newsletter discussing fees. Many years ago, we felt that you had a right to know what you are paying, as well as the importance fees play in your net investment returns.

Investment Counselor Fees *What you do know can save you money*

Fees are often only reluctantly disclosed by many in the investment industry. At GFI, we pride ourselves on being a fair-cost provider and we remain fully cognizant of the need to disclose all fees charged to our clients, thus ensuring you have a strong understanding of such charges.

It is important to note that, as an investment counselor, **our charges may be considered tax-deductible expenses**. Although we refrain from giving specific tax advice, we strongly encourage you to consult with your tax advisor to ascertain whether you can deduct any fees charged by a service provider. Your accountant can also help determine relevant fee deductibility.

We encourage you to have your tax professional review the Canada Revenue Agency Income Tax Interpretation Bulletin no. IT-238R2, dated October 6, 1983. Those who are web-inclined may access this document by visiting: <http://www.cra-arc.gc.ca/E/pub/tp/it238r2/it238r2-e.html>. Your tax professional can also call the Canada Revenue Agency to request a copy of this bulletin.

Please also remember that the staff at GFI are always available to discuss fees — or any other topic — with you and/or your professional advisors.

January 14, 2008

We are pleased that the entire industry will now illustrate the fees charged to their clients in a more transparent manner, as we have always believed that clients have a right to know what they are paying for the services they are being provided.

As always, please reach out to us at 416.488.8825 if you have any questions regarding fees or any of the other regulatory changes being introduced in Canada over the coming year. We'd love to hear from you!



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@gfic.com.