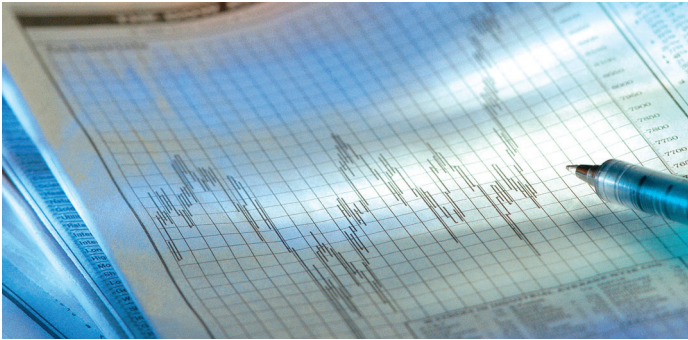


GoodQuarter

Q2'21



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“The stock market is designed to transfer money from the active to the patient.”

— Warren Buffett

Dear Valued Client,

We are pleased to report that we generated a strong equity return, 12.4% net of fees, for our clients over the first six months of 2021. This comes on the heels of a 2020 return of 21.4% and a 2019 return of 34.5% and results in a two-and-a-half-year annualized return of 27.5%. This means \$1,000,000 invested in equities with GFI on January 1, 2019 (two-and-a-half-years ago), is worth \$1,835,000 as of June 30, 2021. While we are proud of these short-term returns, we know that we will not generate the same figures every two-and-a-half years. These equity returns are simply a function of owning great businesses and resisting the urge to try to time the stock market. Our equity model, now just over 10-years old, has generated an annualized return of 18.1% since inception.

This return required us to stay invested in our holdings continuously. While GFI's annual returns will ebb and flow, our core investment approach, meaning the ownership of best-in-class businesses, will not change.

Our investment team is constantly working to ensure that our businesses maintain and grow their competitive positions in their industries. While we do not trade businesses in the portfolio unnecessarily, we are researching new businesses that we believe offer future potential for inclusion into accounts. On page three of our newsletter, we go into more detail about our investment process.

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Our software provider is now offering two-factor authentication for client logins. Please see below for more details about improving our online security.

Thank you for continuing to trust us with your assets. We ask, as always, that you please give us a call if you have any questions or concerns that you would like to discuss. We also want to once again thank the wonderful GFI team who work tirelessly for our clients each and every day.

Enjoy the summer!

DG and EW



Daniel Goodman, CFA
Chief Executive Officer



Effie Wolle, CFA, MBA
President and
Chief Investment Officer

Two-Factor Authentication

In response to the rise in phishing and cyberattacks, GFI is now providing clients with the option to enable two-factor authentication on our portal. Two-factor authentication is a verification process whereby a user is required to provide two different authentication factors to prove their identity. Simply put, once you enter your user ID and password on the GFI portal, instead of immediately gaining access, a one-time verification code will be sent to your mobile phone, which you will then be prompted to enter. This additional step adds an extra layer of security and ensures that the person gaining access to your online account is, in fact, you. It will also protect you in the event that your password is compromised.

If you are interested in enabling this security feature on the GFI portal, please contact our office and we will be happy to set this up for you. We strongly recommend two-factor authentication for all clients.

Investment Research and Selection

The investment team at GFI is always looking for new businesses to add to our portfolios. Due to our unique business model, we feel little pressure to replace existing businesses that continue to grow their earnings and improve their competitive positions. While this is somewhat contrary to the current ethos of too-frequent trading, we believe it is the best approach for building wealth.

It is equally important to highlight that when we believe a change in the portfolio is warranted, we act decisively. Last year, in the early days of the pandemic, our team recognized three businesses with futures that were no longer as promising as we had anticipated. We acted quickly and replaced these three stocks. While vaccines changed the course of the pandemic rather quickly, we had to make changes to the portfolio based on our knowledge at the time.

After some time, usually at around the five-year mark, the success of our investment purchases and/or sales of businesses can be accurately assessed. And, unfortunately, we are sometimes wrong, which is inevitable in our business.

A typical year for us is the replacement of one to three businesses. Interestingly, in 2011, we did not replace any businesses from our portfolio. That turned out to be one of our best years from an investment perspective.

Below is a table with examples of the length of time we have owned some of our holdings, and the returns clients have enjoyed since our initial purchase:

Stock	Date of Initial Purchase	Adjusted Purchase Price	June 30, 2021 Close	Approximate Total Return	Approximate Annualized Return
MSCI Inc.	February 11, 2015	\$52.56	\$533.08	914%	43.8%
Visa Inc.	June 28, 2012	\$30.38	\$233.82	670%	25.5%
Sherwin Williams Co.	July 29, 2016	\$95.32	\$272.45	186%	23.8%
CGI Group	September 14, 2011	\$18.15	\$112.39	519%	20.5%

Each of these businesses would have periodically decreased due to market sentiment, a quarterly earnings miss, and of course, a pandemic. However, over the fullness of time, companies' returns will mirror their earnings yield and long-term growth. We will continue to focus on these two attributes when making investments and ensure we are owning businesses that we can hold for years, rather than days. Over time, we believe that this approach will result in incredible wealth creation and we are lucky to partner with our like-minded clients that support us in our approach to investment management.

Our Client Commitments

Here are the promises we make to you (*formed over decades of industry experience*):

- 1. We will always** manage your money as if it was our own – and we don't take unnecessary risks with our own money.
- 2. We will never** claim to be able to time markets.
- 3. We will always** ensure you understand what we are saying.
- 4. We will** return your phone calls and emails promptly.
- 5. We will always** report your performance net of all fees.
- 6. We will always** disclose how and what we charge you.
- When comparing our performance to benchmarks, **we will always** use the appropriate benchmark and include dividends.
- 8. We will** manage your capital rationally.
- 9. We will never** discuss or use terms like "macro," "tactical," "sector rotation" or "absolute return."
- 10. We will never** chase the most recent investment trend.
- 11. We will** charge fair fees; not the fees we think we can get away with.
- 12. We will never** use the term "risk-adjusted" to justify poor results.
- 13. We will never** use Greek letters to explain our approach or rationalize our returns.
- 14. We will never** tout illiquid investments as if they are "less risky" just because they are private.
- 15. We will never** launch new products simply because a sector is "hot."

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@gfiic.com**.



GFI Investment Counsel Ltd.

Preserving and growing family capital™