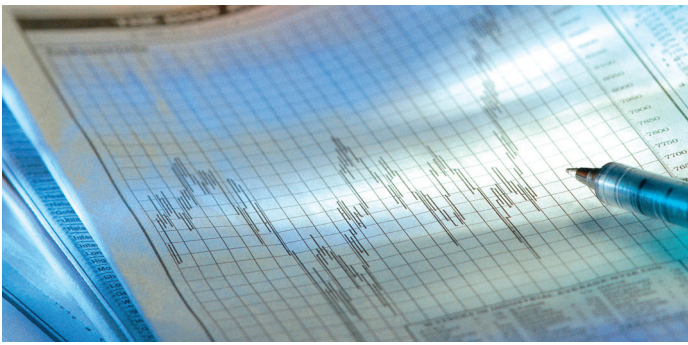


GoodQuarter

Q1'24



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“In any diversified portfolio, there will be both winners and losers, and the consideration that should determine which you should sell, if any, is certainly not the price at which you bought it originally.”

— Daniel Kahneman

Dear Valued Client,

We hope you had a wonderful winter and we are thrilled that spring weather is just around the corner!

Over the years, we have diligently curated a portfolio of outstanding businesses that has delivered an enviable long-term track record. During the first quarter of 2024, our equities gained a further 10%. Our portfolio embodies our core investment philosophy: sustainable growth, robust fundamentals and smart capital allocation. Our portfolio companies have weathered the storm of higher interest rates, and their prospects remain bright – even if cash flows might be temporarily reduced because of short-term challenges. While we are pleased with our equity gains over the past year and a half, we know with full certainty that volatile equity markets will inevitably return.

We have spent the past few quarters working on some important new projects. We are very excited to announce the launch of Good Equity Fund, our new pooled fund that has been designed to effectively manage the myriad of smaller government-incentivized savings vehicles like Tax-Free Savings Accounts (TFSA's), Registered Disability Savings Plans (RDSP's), Locked-In Retirement Accounts (LIRAs), Registered Education Savings Plans (RESP's) and First Home Savings Accounts (FHSA's). Please see page 2 for more information on the Good Equity Fund.

We also launched our podcast, “Conversations at GFI.” We hope this podcast does a good job of conveying our thoughts on businesses, the investment landscape and other topical & timely matters. We encourage you to subscribe to the podcast and reach out with any topics you would like us to cover in future episodes.

With mixed emotions we said goodbye to our Office Administrator Manny Augusto this quarter. Manny has decided to move overseas to explore Europe, work and live abroad. Manny was a wonderful part of the GFI team and we wish him all the best in his travels. He will be missed.

We look forward to seeing everyone in the coming months to discuss the markets, our portfolio and any financial questions you might have. As stewards of your capital, we remain committed to our mission: to compound your wealth responsibly. We will continue to seek exceptional businesses, nurture our existing holdings and explore new opportunities.

Thank you for your ongoing trust and partnership.

Sincerely,

Team GFI

Introducing Good Equity Fund

As communicated earlier this month, we are excited to announce the launch of Good Equity Fund on June 1, 2024. This new pooled fund will efficiently replicate our equity portfolio, providing diversification and identical performance to accounts.

Benefits

To illustrate the benefits of this structure, we'll take an RESP that has \$30,000 in the account, with a 100% allocation to equities. Our equity portfolio consists of 17 businesses, which we purchase in equal amounts at inception of an account. This means we would allocate approximately \$1,765 to each equity.

We cannot, however, purchase partial shares of a stock. One of our holdings, Constellation Software, trades at \$3,785 per share. In this specific example, we can either choose to exclude Constellation Software or to have twice the desired exposure to the company.

Good Equity Fund solves this problem, and offers the following benefits to your account:

- Full portfolio diversification
- Ongoing rebalancing
- The ability to purchase partial units or specific dollar amounts. This is beneficial for recurring deposits, as the full dollar amount can be invested
- No direct ownership of U.S. equities for estate planning purposes

Transitioning Existing Securities

At inception, we will transition all equities held in your RESP, TFSA, FHSA, LIRA, Life Income Fund (LIF) and RDSP accounts to Good Equity Fund. Securities that you own will be exchanged for new units of Good Equity Fund. Since your accounts are registered, there will be no tax implication for this transaction. Good Equity Fund is priced in Canadian dollars, and will own the same Canadian and U.S. securities as our equity composite.

Taxable accounts will not be transitioned to this new structure. Tax planning in non-registered accounts is an important benefit of separately managed accounts, and will therefore not be part of this transition.

Fee Structure

Good Equity Fund will not impact your management fees. There is a de minimis fee for all audit and valuation activities performed by third parties.

Liquidity and Distributions

Good Equity Fund will provide valuation and liquidity every week on Tuesday. Purchases or redemptions can be made until 4:00 p.m. (EST) each Tuesday. Dividends received from the underlying securities will be distributed to unitholders on a quarterly basis.

If you have any questions about Good Equity Fund, your accounts or any other matter, please reach out to our team.

New GFI Website

In March, you may have noticed that we launched a new GFI website. The website provides links to both our GFI portfolio management system and our primary custodian National Bank Independent Network website. Please note that if you have pop-ups blocked on your web browser, portions of the website may not work as seamlessly. We encourage you to reach out to the client service team if you require any assistance connecting to the client portal or navigating the new site.

The Insights tab of the web site now aggregates all our communications including our podcast, historical newsletters, client communications, press coverage and recommended books. Please let us know if you have any feedback, we are always looking to improve.

GFI Investment Counsel Ltd.

ABOUT US | OUR OFFERINGS | INSIGHTS | CONTACT | **GFI LOGIN** | NBIN LOGIN

Preserving and growing family capital™

Managing your money with discipline, reasonability, and not-so-common common sense

We had one goal when we started GFI in 2007: to build the firm that we would want to hire to manage our investments.

We built GFI upon a disciplined and thorough investment process. Relying on the teachings of many successful investors such as Warren Buffett and the late Charlie Munger, we are guided by a belief that there is no replacement for thorough research and steadfast discipline.

This philosophy has led to strong results for GFI clients. True to our vision, our principals and their families are significant investors in our full-service firm, investing directly alongside our more than 300 clients.

That's the GFI difference.

View our long-term model portfolio returns
GO THERE NOW

View our Good Opportunities Fund return
GO THERE NOW

500+
clients work with us

50+
years of combined investment experience

\$1.9B
in assets managed

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.
- 7.** 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."

Updates to our Disclosure Document

We wanted to remind clients who opened an account with us before October 2021 that the language to our Investment Management Agreement or Relationship Disclosure Documents have been updated. We sent a summary of changes with your Q4 2021 statements and will continue to prepare an acknowledgement of these changes at your next portfolio review. If you have any questions or would like to receive another copy of the change summary document, please do not hesitate to contact us.

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**.