

Third Quarter 2024 Commentary

Good Opportunities Fund

Dear Valued Unitholder,

The fund increased by 8.2% this quarter and has increased by 17.4% year-to-date. Below, we comment on the last/lost decade in Canada.

Canada and the World

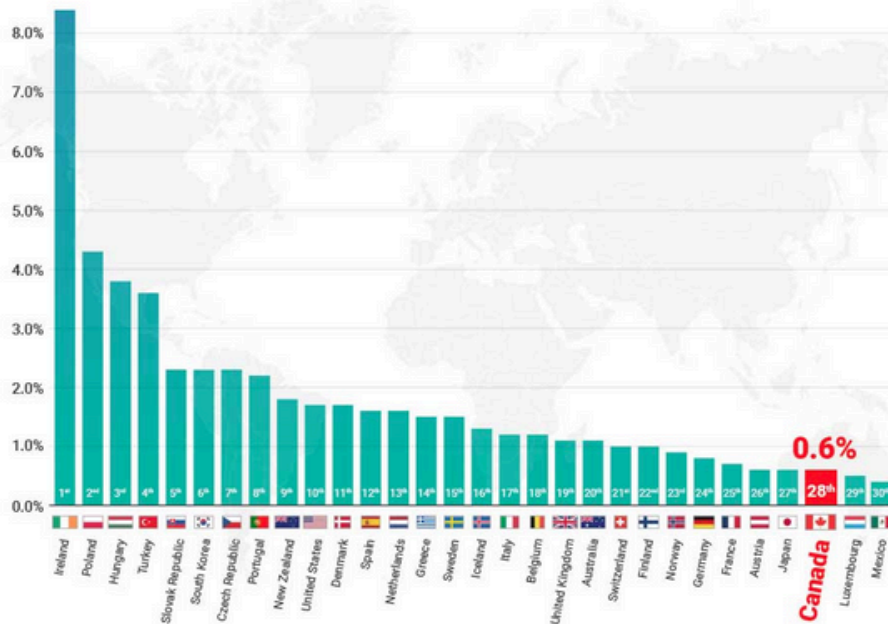
We all appreciate the power of compounding. Just a small difference in annual growth rates will compound over time into large differences in outcomes.

For example, a \$100,000 invested at a 6% annualized return vs. a 7% annualized return over 30 years. The former accumulates to \$575,000 and the latter becomes \$761,000, a difference of almost \$200,000 or nearly two times the starting amount.

Similarly, a small difference in annual growth rates of economic output per person between two very similar countries can lead to very different living standard decades from now.

Canada’s economic performance over the last decade has been extremely poor. We rank last among the major \$1 trillion+ economies and 3rd last amongst all OECD nations in economic growth.

Canada ranked almost dead last in growing GDP per person (2014 to 2022)



If you aren't willing to own a stock for 10 years, don't even think about owning it for 10 minutes.

— Warren Buffet

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From 2002 to 2014, our growth rates kept up with OECD averages. Our prosperity gap versus the USA is not new but has gotten substantially worse over the past decade. The gap in economic output between the US and Canada has gone from Canada being at 83% of the US level a decade ago to now being at roughly 75% of the US level. An 8% decline in 10 years is drastic underperformance.

If our slower rate of growth continues, the relative difference in economic living standards between the US and Canada will be the same in 20 years as the current relative difference between the US and Portugal today! Portugal is the poorest nation in Western Europe.

This is not simply abstract math; this has real impacts. It means less resources for our universities to offer world class education, it means a more strained and underinvested healthcare system, and a brain drain of our most ambitious talented young people abroad.

As savers and investors, we all understand that small differences in annual growth rates, though almost imperceptible in any given year, can lead to very large differences in outcomes over decades. We have the education system, natural resources and human capital to be a global leader; that should be our goal. Nothing less.

Thank You

As always, we appreciate your ongoing trust and confidence in our firm and look forward to working with you in the years ahead. We ask, as always, that you give us a call if you have any questions or concerns.

The GFI Team



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