
Item 1 – Cover Page

D.A.C. Davis Investment Counsel, Inc.
(a Colorado Corporation)

79 Wellington Street West, Suite 3535, P.O.
Box 239, Toronto, Ontario, M5K 1J3, Canada

(416) 324-2200

May 17, 2012

This Brochure provides information about the qualifications and business practices of D.A.C. Davis Investment Counsel, Inc. (the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (416) 324-2200 or info@davisrea.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

D.A.C. Davis Investment Counsel, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about D.A.C. Davis Investment Counsel, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure, originally dated June 28, 2011, is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

On September 16, 2011, D.A.C. Davis Investment Counsel, Inc. re-located its office to 79 Wellington Street West, Suite 3535, P.O. Box 239, Toronto, Ontario, M5K 1J3, Canada.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure. This brochure was last updated on October 28, 2011.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting P. Zachary Curry, Senior Vice President at (416) 324-2200 or info@davisrea.com.

Additional information about D.A.C. Davis Investment Counsel, Inc. is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with D.A.C. Davis Investment Counsel, Inc. who are registered, or are required to be registered, as investment adviser representatives of D.A.C. Davis Investment Counsel, Inc.

Item 3 – Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation.....	1
Item 6 – Performance-Based Fees and Side-By-Side Management	2
Item 7 – Types of Clients	2
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	3
Item 9 – Disciplinary Information.....	3
Item 10 – Other Financial Industry Activities and Affiliations	3
Item 11 – Code of Ethics.....	4
Item 12 – Brokerage Practices	5
Item 13 – Review of Accounts	6
Item 14 – Client Referrals and Other Compensation	6
Item 15 – Custody.....	6
Item 16 – Investment Discretion	6
Item 17 – Voting Client Securities	7
Item 18 – Financial Information	7
Item 19 – Requirements for State-Registered Advisers	7

Item 4 – Advisory Business

D.A.C. Davis Investment Counsel, Inc., founded in 1990, is an investment management firm registered in the state of Colorado. D.A.C. Davis Investment Counsel, Inc. is 100% owned by Davis-Rea Ltd., a Canadian investment management corporation whose office is located in Toronto, Canada. As of March 31, 2012, D.A.C. Davis Investment Counsel, Inc. had assets under management of US\$4.52 million.

D.A.C. Davis Investment Counsel, Inc. provides discretionary investment management services to residents and citizens of the United States of America.

Item 5 – Fees and Compensation

D.A.C. Davis Investment Counsel, Inc. follows the fee schedule listed below:

1.50%	on the first	\$500,000
1.00%	on the next	\$500,000
3/4 of 1%	on the next	\$2,000,000
5/8 of 1%	on the next	\$2,000,000
1/2 of 1%	on the	Balance

All fees are subject to negotiation.

D.A.C. Davis Investment Counsel, Inc. charges fees as a percentage of assets under management. The specific manner in which fees are charged by D.A.C. Davis Investment Counsel, Inc. is established in a client's written agreement with D.A.C. Davis Investment Counsel, Inc. D.A.C. Davis Investment Counsel, Inc. bills its fees on a quarterly basis. Clients are billed in arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize D.A.C. Davis Investment Counsel, Inc. to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

D.A.C. Davis Investment Counsel, Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to D.A.C. Davis Investment Counsel, Inc.'s fee, and D.A.C. Davis Investment Counsel, Inc. shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that D.A.C. Davis Investment Counsel, Inc. considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Item 6 – Performance-Based Fees and Side-By-Side Management

D.A.C. Davis Investment Counsel, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

D.A.C. Davis Investment Counsel, Inc. currently provides portfolio management services to individuals and high net worth individuals.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

D.A.C. Davis Investment Counsel, Inc. manages investments for clients with a focus on dividend-paying, mid to large capitalization securities. Fundamental research is used to select investments, which are then allocated to clients based on their respective risk tolerances, which are outlined in their client profiles.

Investing entails an element of risk. Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of D.A.C. Davis Investment Counsel, Inc. or the integrity of D.A.C. Davis Investment Counsel, Inc.'s management. D.A.C. Davis Investment Counsel, Inc. has no information to report applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

A. Disclose if the Adviser or a Management Person is registered (or has a pending registration) as a broker-dealer or registered representative.

Not Applicable

B. Disclose if the Adviser or a Management Person is registered (or has a pending registration) as a futures commission merchant, commodity pool operator, commodity trading adviser or associated person of an FCM, CPO or CTA.

Not Applicable

C. Describe material business relationships that the Adviser or a Management Person has with a related person (as defined).

D.A.C. Davis Investment Counsel, Inc. is 100% owned by Davis-Rea Ltd., a Canadian investment management corporation whose office is located in Toronto, Canada.

D. If the Adviser recommends or selects other investment advisers for client accounts and receives direct or indirect compensation from, or otherwise has a relationship creating a conflict of interest as it relates to, those investment advisers describe the Adviser's practices, the related material conflicts and how the conflicts are addressed.

Not Applicable

Item 11 – Code of Ethics

D.A.C. Davis Investment Counsel, Inc. has adopted Standards of Ethics and a Code of Personal Conduct for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Standards of Ethics and a Code of Personal Conduct includes provisions relating to the confidentiality of client information, a prohibition on insider trading and personal securities trading procedures, among other things. All supervised persons at D.A.C. Davis Investment Counsel, Inc. must acknowledge the terms of the Standards of Ethics and a Code of Personal Conduct annually, or as amended, in its Policies & Procedures Manual.

D.A.C. Davis Investment Counsel, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which D.A.C. Davis Investment Counsel, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which D.A.C. Davis Investment Counsel, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. D.A.C. Davis Investment Counsel, Inc.'s employees and persons associated with D.A.C. Davis Investment Counsel, Inc. are required to follow D.A.C. Davis Investment Counsel, Inc.'s Standards of Ethics and a Code of Personal Conduct. Subject to satisfying this policy and applicable laws, officers, directors and employees of D.A.C. Davis Investment Counsel, Inc. and its affiliates may trade, for their own accounts, in securities which are recommended to and/or purchased for D.A.C. Davis Investment Counsel, Inc.'s clients. The Standards of Ethics and a Code of Personal Conduct are designed to assure that the personal securities transactions, activities and interests of the employees of D.A.C. Davis Investment Counsel, Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of D.A.C. Davis Investment Counsel, Inc.'s clients. In addition, employees require pre-clearance of many transactions, and restricts

trading in close proximity to client trading activity. Nonetheless, because the Standards of Ethics and a Code of Personal Conduct in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Standards of Ethics and a Code of Personal Conduct, and to reasonably prevent conflicts of interest between D.A.C. Davis Investment Counsel, Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with D.A.C. Davis Investment Counsel, Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. D.A.C. Davis Investment Counsel, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

D.A.C. Davis Investment Counsel, Inc.'s clients or prospective clients may request a copy of the firm's Standards of Ethics and a Code of Personal Conduct by contacting P. Zachary Curry, Senior Vice President.

It is D.A.C. Davis Investment Counsel, Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. D.A.C. Davis Investment Counsel, Inc. will also not cross trades between client accounts.

Item 12 – Brokerage Practices

All of the securities trading for D.A.C. Davis Investment Counsel, Inc.'s client accounts is executed through the custodian of the accounts, and no soft dollar commissions are generated from the buying and / or selling of securities in D.A.C. Davis Investment Counsel, Inc.'s client accounts. D.A.C. Davis Investment Counsel, Inc. does receive proprietary research from the custodian, for which there is no additional charge.

Item 13 – Review of Accounts

All D.A.C. Davis Investment Counsel, Inc. client accounts are reviewed on a regular basis to ensure accuracy and adherence to client guidelines. Client profiles are updated at a minimum of once per year. D.A.C. Davis Investment Counsel, Inc. provides quarterly summaries and valuation reports to all of its clients.

Item 14 – *Client Referrals and Other Compensation*

No compensation is paid by D.A.C. Davis Investment Counsel, Inc. for client referrals.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. D.A.C. Davis Investment Counsel, Inc. urges you to carefully review such statements and compare such official custodial records to the quarterly account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

D.A.C. Davis Investment Counsel, Inc. receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. This discretion is given to D.A.C. Davis Investment Counsel, Inc. through an executed and accepted Investment Management Agreement.

When selecting securities and determining amounts, D.A.C. Davis Investment Counsel, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to D.A.C. Davis Investment Counsel, Inc. in writing.

Item 17 – Voting *Client* Securities

Clients may obtain a copy of D.A.C. Davis Investment Counsel, Inc.’s complete proxy voting policies and procedures upon request. Clients may also obtain information from D.A.C. Davis Investment Counsel, Inc. about how D.A.C. Davis Investment Counsel, Inc. voted any proxies on behalf of their account(s). If they choose, clients may direct D.A.C. Davis Investment Counsel, Inc., in writing, to vote their proxies in a specified manner.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about D.A.C. Davis Investment Counsel, Inc.’s financial condition. D.A.C. Davis Investment Counsel, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

John M. O’Connell – Director, Chairman, President, Secretary & CEO

John graduated from York University in Toronto, Canada, with a Bachelor of Arts degree (Economics). John is a Chartered Financial Analyst and a current member of the CFA Institute.

John has more than 25 years of investment experience, and in his previous role, he founded another Investment Adviser, where John advised on assets under management exceeding \$2.8 billion. John provides the strategic direction of D.A.C. Davis Investment Counsel, Inc., and is Chairman of its Investment Committee.

Douglas A.C. Davis – Director & Vice Chairman

Doug graduated from Princeton University in Princeton, New Jersey, where he studied Economics. Doug also holds a Master of Business Administration degree from the University of Western Ontario in London, Canada.

Doug has spent the last 31 years of his career with D.A.C. Davis Investment Counsel, Inc. and its predecessor corporations. His skills include securities analysis and portfolio management, and Doug is a key member of the Adviser's Investment Committee.

P. Zachary Curry – Director, Senior Vice President, Chief Compliance Officer & COO

Zach graduated from the University of Western Ontario in London, Canada, with a Bachelor of Arts degree in Financial & Economic Studies. Zach also holds a Master of Business Administration degree from the University of Western Ontario.

Prior to joining D.A.C. Davis Investment Counsel, Inc., Zach spent 4 years in the research and investment banking departments of two boutique investment corporations. Zach is a member of the Adviser's Investment Committee, and his skills include research and portfolio management.