

Firm Brochure

This brochure provides information about the qualifications and business practices of MacDougall Investment Counsel Inc. If you have any questions about the contents of this brochure, please contact us at 514-394-2777. 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. Additional information about MacDougall Investment Counsel Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.



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Material Updates

The following material updates are contained in this version of MacDougall Investment Counsel Inc.'s Brochure, which was last updated on 12/22/2014:

- New business addresses:
 - 1000 de la Gauchetière West, Suite 2600, Montreal, Quebec, Canada H3B 4J1
 - 200 King Street West, Suite 1806, Toronto, Ontario M5H 3T4

For more information on these or any other matters, please do not hesitate to contact us.

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Advisory Business

MacDougall Investment Counsel Inc (MIC) has been an investment counselor since July 2003. MIC is a wholly owned subsidiary of MacDougall, MacDougall & MacTier Inc. (3Macs), a Canadian brokerage firm, Member of the Investment Industry Regulatory Organization of Canada (IIROC). 3Macs has been in business since 1849. As of December of 2014 MIC manages client assets in the amount of approximately \$122,000,000 on a discretionary basis.

MIC specializes in discretionary investment management for individuals, private corporations, and foundations. Our firm's approach to portfolio management features discipline, a focus on quality, and conservative risk management.

Investment Philosophy

At MIC we create investment portfolios that are tailored to the needs of each specific client and are managed on a segregated basis. We do this by incorporating each client's unique circumstances into his or her own distinct investment policy. Existing holdings, income requirements, tax considerations, time horizons, risk management and growth objectives are all taken into account in the process. We believe that the individual circumstances of each investor are a key determinant in the portfolio construction process.

Fees and Compensation

Our advisory service fees are between 0.5% and 2% yearly based on assets under management and your agreement with your individual advisor. Our fees are charged monthly or quarterly in arrears. Fees are deducted from Clients' assets. There are no other charges in connection with our advisory services. Clients will incur brokerage and other transaction costs. Please refer to sections on Brokerage Practices and on Client Referrals and Other Compensation for more information on brokerage and other transaction costs.

Performance-Based Fees and Side-By-Side Management

MacDougall Investment Counsel Inc. does not charge performance based fees.

Types of Clients

Our clients are individuals, private corporations, and foundations.

Methods of Analysis, Investment Strategies and Risk of Loss

MIC is a multiple strategy firm defined by its dedicated personalized services and high ethical standards. Each of our Portfolio Managers operates with an individualized strategy complemented by a distinct interpretive ability, based on their high level of expertise and longstanding experience in managing portfolios for clients. Investing involves risk, and even the best investing strategy cannot prevent loss which clients should be prepared to bear.

Strategy 1

We focus on quality, our client portfolios comprised largely of dominant companies that are market leaders, boasting sound finances and management that serves their shareholders. This is our playing field. We diversify sensibly across industry groups and impose limits on each holding in order to contain risk, but not to the extent of losing direction and muzzling performance.

We are investors in the classic sense, not hurly-burly traders. We consider investing to be more a contemplative than an action-oriented endeavour. We often buy against trend, for at times when others see problems we see value. Where some see risk we are looking at opportunity. This is where understanding the emotions and motivations of others in the marketplace, and “doing our homework”, can work to advantage. Though conjuring up fear in many, we see market volatility as an ally, providing low risk points of entry during selloffs and, at times of speculative excess, great selling prices.

Our investment time horizon extends beyond that of many market participants, another plus. Those competing in the high risk, short-term performance game are at times compelled to sell due to technical factors such as margin calls or fund redemptions that work against their clients’ best interests and have nothing to do with value, as occurred in 2008-2009. Not so encumbered, we see ourselves as competing in a marathon, as the tortoise outdistancing the exhausted hares. Our style is to win by not losing.

It is one thing to adopt a rational, calmly-conceived investment philosophy. Yet, acquiring and interpreting investment information is meaningless without the ability to implement. Operating as an investment boutique, our decision-making apparatus is lean, quick and decisive. We are not hampered by far flung, cumbersome committees, or conflicts of interest. Timing isn’t everything, but the ability to act opportunistically is a plus in today’s investment world. In economic teaching, ours is a business where size can be a disadvantage, presenting diseconomies of scale. We pledge to both our clients and ourselves not to get there.

In sum, our portfolio construct, with emphasis on fundamental value and sound diversification, is designed to deliver a lower volatility experience than the markets in general. It is particularly attuned to the sophisticated investor seeking performance, and peace of mind, looking to grow capital in a high quality manner.

Strategy 2

We use a value investment style when selecting equities for client portfolios. Equity investments follow stringent criteria with research conducted primarily in-house. We have self-imposed investing constraints. We avoid low quality or marginally profitable companies. We also make the assumption that when a stock is purchased it will be held for an extended period of time. This forces a careful decision to be made. Value investing is a process that rewards patience. It also often involves being in a minority because by definition a value stock can be out of favor.

Strategy 3

We work to create tangible value for our clients through the use of a proprietary portfolio management system that balances return against risk and recovery. We believe that very few investment advisors account for the speed in which securities can recover from market downturns. We do. This is a core differentiator of our group. We think how and why we do this is worth looking into. We determine the client's risk and objectives, we then screen the universe of acceptable securities for either the individual securities or ETFs that have proven to be the most suitable and best performing for the portfolio. When we review a "product" such as an ETF, we compare three elements to choose an appropriate strategy. We compare returns, both positive and negative, and how quickly the strategy recovers from downturns to assess suitability. When we are focusing on growth, we will put more emphasis on returns and less on risk. When we are focusing on stability, we focus more on the downside and on recovery and purchase the investments that have consistently smaller losses and quicker recovery times. When we are choosing individual stocks we focus on fundamental research overlaid with relative strength technical analysis. We will diversify across a minimum of 5 of the primary sectors. The sectors we buy are also based upon them being the highest five ranked on a relative strength analysis.

Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Other Financial Industry Activities and Affiliations

MIC is the wholly owned subsidiary of MacDougall, MacDougall & MacTier Inc. (3Macs), a Canadian broker-dealer member of the Investment Industry Regulatory Organization of Canada (IIROC) and registered with the Canadian Securities Commissions.

MIC and 3Macs operate as two separate entities. However, certain officers and directors of MIC are also officers and directors of 3Macs. 3Macs provides administrative services to MIC and 3Macs personnel assigned to those roles are subject to a confidentiality policy. In general, MIC's Portfolio Managers provide portfolio management services only to MIC clients and have no other client business activity. MIC's portfolio managers may also engage in other activities such as acting as licensed life insurance agents. Such activities are not provided through MIC but may be provided through MacDougall Wealth Management Inc., an affiliate. MIC oversees such activities in order to ensure that the services are provided to you in a manner that is fair and that minimizes any potential conflicts of interest.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

MIC adheres to the AIMR Code of Ethics and Standards of Professional Conduct, meaning:

- Acting with integrity, competence, dignity, and in an ethical manner when dealing with the public, clients, prospects and employers, employees;
- Practicing and encouraging others to practice in a professional and ethical manner;
- Striving to maintain and improve competence;
- Using reasonable care and exercising independent professional judgment.

We will provide a copy of our code of ethics to any client or prospective client upon request.

MIC will not recommend, buy or sell securities for which our Portfolio Managers or related persons have a material financial interest.

MIC always puts client interests first. This means recommendations on securities will be considered first for clients and buys and sells will be executed for clients before Portfolio Managers and access persons.

Brokerage Practices

➤ ***Selection of broker-dealers for client transactions***

Unless the Client chooses a specific broker-dealer, MIC will execute client trades through 3Macs, our parent company, at the most favorable execution. 3Macs is an introducing broker for Fidelity Clearing Canada, and all trades and trade confirmations are performed and delivered by Fidelity. We have no agreements for research or other soft dollar benefits with broker-dealers.

➤ ***Brokerage for client referrals***

We do not consider client referrals when selecting or recommending broker-dealers to execute client trades. In the last fiscal year we did not direct any client transactions to a particular broker-dealer in return for client referrals.

➤ ***Directed Brokerage***

Except as set out above, MIC does not routinely recommend, request or require that a client direct us to execute transactions through a specific broker-dealer. Directing to a specific brokerage could limit our ability to achieve the most favorable execution of client transactions, and this practice may cost clients more.

We will permit a client to request that trades be directed to a certain brokerage but may be unable to achieve most favorable execution of client transactions. For example, in a directed brokerage account, the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

➤ ***Aggregation of orders for various client accounts***

MIC will not intentionally favor or disfavor any client or class of clients in the allocation of investment opportunities, so that to the greatest extent practical, such opportunities will be allocated among clients over a period of time on a fair and equitable basis. Aggregating orders will allow allocating investment opportunities evenly among clients and reduce the cost if a single transaction is executed.

Review of Accounts

Clients are contacted annually to determine if any material information has changed. Other events could trigger a review of investment objectives and risk, such as material changes to client situation reported by the client, significant deposits in or withdrawals from the portfolio, or material changes in the marketplace. Based on the information provided to MIC, a review of the client's investments will be undertaken by the advising Portfolio Manager(s) to determine if the client's current investments reflect their revised investment objectives and needs.

We provide quarterly comprehensive portfolio valuations that list all securities and their respective costs and market values.

Client Referrals and Other Compensation

MIC may pay a referral fee to 3Macs for the referral of clients. If applicable, this fee is a percentage of the annual investment management fee charged to referred client accounts. This fee does not represent any additional cost to the client. Rather, it is deducted from MIC's investment management fee and is paid on an ongoing basis as long as MIC manages the account. Representatives of 3Macs are unable to give advice regarding any transactions that they are not registered to give advice on.

Custody

MIC will at no time have custody or physical control of the assets held in the client account. The client has the choice to give custody of their assets to a custodian of his/her choice or to 3Macs. 3Macs is an introducing broker for Fidelity Clearing Canada and as such, Fidelity has actual custody and control over client securities if a client chooses 3Macs as their broker. 3Macs may have custody over client cash balances.

When 3Macs is the broker, Fidelity, on behalf of 3Macs, will promptly send to the client copies or other written notifications of all instructions issued by MIC to 3Macs, and Fidelity will furnish the client with copies of all confirmations of purchases, sales and other transactions for the client's account, as well as account statements on a quarterly basis at minimum. When 3Macs is not the broker, the client will need to agree with his custodian on what will be reported in terms of instructions, purchases, sales and other transactions initiated by MIC, as well as account statements for the client account.

The client should carefully review documentation provided by the custodian, including account statements, and compare them to MIC's quarterly portfolio valuations that list all

securities and their respective costs and market values. Any discrepancies should be reported to MIC immediately.

Investment Discretion

A Discretionary Investment Management Agreement providing the terms and conditions under which the account will be managed will be signed by the client at the opening. The client authorizes MIC to make buy and sell decisions, carry out transactions and provide investment management advice for the client account in accordance with the client's investment objectives and risk tolerance as outlined in the client Investment Policy Statement (IPS).

The client may make changes in his or her investment objectives at any time by communicating them to MIC.

The client will advise MIC of any restrictions that may be applicable to investments for the account, including, without limitation, any restrictions on the client's legal ability to trade in securities and any other tax, pension or other legal requirements that may be applicable to the investments that may be made for the account.

In the management of the account, MIC will exercise such care and prudence as would be expected of an experienced investment counsel, in accordance with the client's investment objectives and risk tolerance as outlined in the IPS.

Voting Client Securities

In circumstances where clients have authorized MIC to vote their securities, clients are invited to give instructions to their custodians to forward materials relating to corporate activities requiring voting to MIC. Voting decisions will be made by Portfolio Managers in the best interest of the client and be executed in a timely manner. If a conflict of interest is identified between a portfolio manager and a client, the portfolio manager will disregard his own interest. If MIC's interest is in conflict with that of a client, MIC will disclose this situation to the client and request voting instructions from the client. Details of voting decisions will be made available in writing to clients who so request. Where the client has not authorized MIC to vote their securities, clients will receive their proxies and other solicitations directly from the custodian or transfer agent. Clients are encouraged to contact their Portfolio Manager with questions about a particular solicitation.

Financial Information

This section is not applicable to MIC because we do not require or solicit prepayment of fees and have no custody of client funds or securities.

Principal Executive Officers and Management Persons

Randy Ambrosie President and CEO, Director

Randy Ambrosie has worked in the investment industry and served in senior leadership roles in both Canada and the United States for more than 25 years. From February 2010 to August 2013 he was President and CEO of Accretive 360 Inc., an investment advisor consulting firm which he successfully sold. Prior to that he was president of AGF Management Limited, and before that held various senior roles with investment management firms. Randy holds a Bachelor of Commerce in business from the University of Manitoba. Randy is also the CEO of MacDougall, MacDougall & MacTier Inc., the parent company of MacDougall Investment Counsel Inc. Randy spends approximately 90% of his time in that role.

Noah Billick General Counsel, Chief Compliance Officer & Director

Noah Billick has spent his entire career in the investment management industry. From April 2010 to June 2013 he was Vice-President, Legal Affairs and Chief Compliance Officer at Palos Management Inc., an investment fund manager, portfolio manager and investment bank. Prior to that he was an associate at a major Canadian law firm in its Corporate and Securities Litigation group. Noah holds two law degrees and an MBA from McGill University and a Bachelor of Arts from Bard College. Noah is also the General Counsel, Chief Compliance Officer and Director of MacDougall, MacDougall & MacTier Inc., the parent company of MacDougall Investment Counsel Inc. Noah spends approximately 90% of his time in that role.

John Culbert Chief Financial Officer

John has served in various senior financial roles in private financial companies in Canada for over 15 years. John is a Chartered Accountant. John is also the Chief Financial Officer of MacDougall, MacDougall & MacTier Inc., the parent company of MacDougall Investment Counsel Inc. John spends approximately 50% of his time in that role.

Timothy Price Director

Tim Price has been a portfolio manager at MacDougall, MacDougall & MacTier Inc., MacDougall Investment Counsel's parent company, since 1984. He holds an Honours Bachelor of Commerce degree from Queen's University and is a Chartered Financial Analyst (CFA) and a chartered accountant.

Part 2B of Form ADV: Brochure Supplement

**Miles Clyne
Ian Osler
Joel Raby**

MacDougall Investment Counsel Inc.
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(514) 394-2777

This brochure supplement provides information about the individuals listed above that supplements the MacDougall Investment Counsel Inc. brochure. You should have received a copy of that brochure. Please contact Noah Billick at (514) 394-3097 if you did not receive MacDougall Investment Counsel Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about the individuals listed above is available on the SEC's website at www.adviserinfo.sec.gov

Miles Clyne

Full Legal Name: Miles Alexander Clyne

Born: 1959

Item 2: Educational Background & Business Experience

Business Experience

MacDougall Investment Counsel Inc., Investment Counsel, 2014 to Present

Raymond James Ltd., Investment Advisor, 2007 to 2014

Education

Fellow of the Canadian Securities Institute, 2002

The FCSI is the highest honour and most senior credential in Canadian financial services. It is reserved solely for an elite group of experienced financial services professionals that meet the highest standards for advanced education, ethical conduct, industry experience and peer endorsement. In order to obtain the FSCI, applicants must pass a series of exams administered by the Canadian Securities Institute and have 7 years of relevant work experience within the past 10 years. An FCSI is required to uphold the highest ethical standards and set the code of conduct in one's field. As part of maintenance requirements, an FCSI must sign an Ethical Conduct Statement annually.

Chartered Investment Manager, 2013 (previously the Canadian Investment Manager designation, originally obtained in 2002)

The CIM is a path toward providing discretionary investment management services in Canada. Obtaining the CIM requires a series of exams that are administered by the Canadian Securities institute. To be eligible for the CIM designation an individual must have at least 2 years of experience within the past 5 years involved in an investment management capacity that includes applying or supervising any aspect of the investment management process.

Financial Management Advisor, 2001

The financial management advisor (FMA) is a professional designation of the Canadian Securities Institute (CSI), the official educator of the Canadian securities industry. The FMA certifies that the designation-holder qualified to provide personal financial planning services. In order to obtain the FMA, applicants must pass a series of six exams that test, among other matters, the applicant's applied comprehension of theoretical material.

Item 3: Disciplinary Information

Mr. Clyne has no disciplinary history.

Item 4: Other Business Activities

Mr. Clyne is president and sole shareholder of Two Rivers Investment Management Ltd., a company that provides portfolio analysis software licensing services. He is not involved in any significant non-investment-related business activities.

Item 5: Additional Compensation

Mr. Clyne does not receive any economic benefit from a non-advisory client for the providing of advisory services.

Item 6: Supervision

Supervisor: Noah Billick

Title: General Counsel, Chief Compliance Officer & Director

Phone Number: (514) 394-3097

Mr. Clyne is supervised by Noah Billick or his designates. Mr. Clyne's trades on behalf of client accounts are verified on a daily basis for suitability, internal compliance, general securities law compliance, and anti-money laundering rules. Any discrepancies are quickly addressed and resolved.

Ian Osler

Full Legal Name: Ian Featherstone Osler
Born: 1954

Item 2: Educational Background & Business Experience

Education

Queens University, Bachelors of Arts (Honours), Economics

Business Experience

MacDougall Investment Counsel Inc., 2010 to Present
Self-employed, family office, 2003-2010

Designations

Chartered Financial Analyst, 1986

The CFA is considered to be the one of premier financial designations in the world. Issues by the CFA Institute, candidates must either hold an undergraduate degree and 4 years of professional experience involving investment decision-making, or 4 years of qualified work experience. Candidates must pass a series of three challenging exams covering material ranging from securities analysis, valuation, portfolio management, and quantitative analytical methods. More information is available at www.cfainstitute.org.

Item 3: Disciplinary Information

Mr. Osler has no disciplinary history.

Item 4: Other Business Activities

Mr. Osler is not involved in any other investment-related business activities, nor is he involved in any significant non-investment-related business activities.

Item 5: Additional Compensation

Mr. Osler does not receive any economic benefit from a non-advisory client for the providing of advisory services.

Item 6: Supervision

Supervisor: Noah Billick

Title: General Counsel, Chief Compliance Officer & Director
Phone Number: (514) 394-3097

Mr. Osler is supervised by Noah Billick or his designates. Mr. Osler's trades on behalf of client accounts are verified on a daily basis for suitability, internal compliance, general securities law compliance, and anti-money laundering rules. Any discrepancies are quickly addressed and resolved.

Item 2: Educational Background & Business Experience

Full Legal Name: Joel Henry Raby

Born: 1948

Education

McGill University, Bachelor of Commerce, 1969

University of Pennsylvania, The Wharton School of Finance and Commerce, Masters of Business Administration, 1971

Business Experience

MacDougall Investment Counsel Inc., 2012 to Present

Joel Raby Asset Management Inc., 2007-2012

Designations

Chartered Financial Analyst, 1977

The CFA is considered to be the one of premier financial designations in the world. Issues by the CFA Institute, candidates must either hold an undergraduate degree and 4 years of professional experience involving investment decision-making, or 4 years of qualified work experience. Candidates must pass a series of three challenging exams covering material ranging from securities analysis, valuation, portfolio management, and quantitative analytical methods. More information is available at www.cfainstitute.org.

Item 3: Disciplinary Information

Mr. Raby has no disciplinary history.

Item 4: Other Business Activities

Mr. Raby is a member of a committee of McGill University that selects third party investment managers for the McGill University Endowment and Pension funds. He is not involved in any significant non-investment-related business activities.

Item 5: Additional Compensation

Mr. Raby does not receive any economic benefit from a non-advisory client for the providing of advisory services.

Item 6: Supervision

Supervisor: Noah Billick

Title: General Counsel, Chief Compliance Officer & Director
Phone Number: (514) 394-3097

Mr. Raby is supervised by Noah Billick or his designates. Mr. Raby's trades on behalf of client accounts are verified on a daily basis for suitability, internal compliance, general securities law compliance, and anti-money laundering rules. Any discrepancies are quickly addressed and resolved.