

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.

MacDougall Investment Counsel Inc.

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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., a Canadian brokerage firm, Member of the Investment Industry Regulatory Organization of Canada (IIROC), in business since 1849. MIC manages client assets in the amount of approximately \$147,800,000 on a discretionary basis.

MacDougall Investment Counsel (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 specific client and are managed on a segregated basis. We do this by incorporating each client's unique circumstances into his or her own distinctive 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 1.5% yearly based on assets under management and our fees are negotiable and 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.

Type 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 high net worth 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.

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. (MAC), a Canadian broker-dealer member of the Investment Industry Regulatory Organization of Canada (IIROC) and registered with the Canadian Securities Commissions.

MIC and MAC operate as two separate entities. However, certain officers and directors of MIC are also officers and directors of MAC. MAC provides administrative services to MIC and MAC personnel assigned to them are subject to a confidentiality policy. MIC's Portfolio Managers provide portfolio management services only to MIC clients and have no other client business activity.

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 passes 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 MAC, our parent company, at the most favorable execution. We have no agreements for soft dollar benefits and research with broker-dealers.

➤ ***Brokerage for client referrals***

We are considering the most favorable execution for clients' trades, unless the client has requested that trades be executed by a specific broker-dealer. 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***

MIC does not routinely recommend, request or require that a client direct us to execute transactions through a specific broker-dealer. Directing 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 directed 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 commission 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 objective and risk such as material changes to client situation reported by the client, significant deposits in or withdrawals from the portfolio. 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 pays a referral fee to MacDougall, MacDougall & MacTier for the referral of clients. This fee is a percentage of the annual investment management fee charged to referred client accounts. It should be noted that 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. Note that representatives of MacDougall, MacDougall & MacTier 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 MAC.

When MAC is used as custodian, MAC will promptly send to the client copies or other written notifications of all instructions issued by MIC to MAC, and furnish the client with copies of all confirmations of purchases, sales and other transactions for the client account, as well as account statements on a quarterly basis at minimum. When MAC is not the custodian of the client account, 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 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 decision 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 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

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 and Chief Compliance Officer

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 and Chief Compliance Officer of MacDougall, MacDougall & MacTier Inc., the parent company of MacDougall Investment Counsel Inc. Noah spends approximately 90% of his time in that role.

Joel Raby Portfolio Manager

Joel Raby's investment career spans 42 years. He has wide-ranging experience in securities analysis, portfolio management and asset allocation, in both the private wealth and institutional client sectors. He successfully transitioned from institutional to private wealth management, building a successful firm based on a disciplined quality-oriented investment style, integrity and a strong customer service ethic. Following its sale, Joel has since looked after family investments and managed a global equity fund. He serves as a corporate director and advisor and offers his time to several community organizations. He is currently the Chair of the McGill University endowment fund investment committee. He is a graduate of McGill University (B. Comm.), holds an MBA from The Wharton School, University of Pennsylvania, and is a Chartered Financial Analyst (CFA).

Ian Osler, CFA
Portfolio Manager

Ian Osler (born in 1954) has 30 years experience in the investment business. He spent several years as an equity analyst at various financial organizations. He also has many years experience as a mutual fund portfolio manager and as a manager of portfolios for high net wealth individuals. Ian joined MIC in June 2010 and prior to that he was a self-employed private wealth manager. Ian has an economics degree from Queen's University, and the CFA designation.

Ian Nakamoto MBA, CFA
Portfolio Manager

Ian Nakamoto (born in 1955) has over 30 years of investment and financial analysis experience at various financial organizations. Ian became Director of Research at MacDougall, MacDougall & MacTier Inc. in September 2003 and also serves on the Investment Policy Committee at MAC. Ian analyses the basic materials and financial service sectors. Ian joined MIC in February 2010 and spends his time equally between MIC and MAC. He receives his compensation from MAC. He has an MBA and holds the Chartered Financial Analyst designation.

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.

William Black
Director

Bill Black has been a portfolio manager at MacDougall, MacDougall & MacTier Inc., MacDougall Investment Counsel's parent company, since 2002. He holds a bachelor's degree from Queen's University.

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.

Derek Rennie
Director

Derek Rennie has been a portfolio manager at MacDougall, MacDougall & MacTier Inc., MacDougall Investment Counsel's parent company, since 1994. Derek graduated with a Bachelor of Business from Brock University.