

**Goodreid Investment Counsel Corp.**

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**Form ADV Part 2A  
Brochure**

This brochure provides information about the qualifications and business practices of Goodreid Investment Counsel Corp., a registered investment advisor. Registration does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at (416) 364-0890. 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 Goodreid Investment Counsel Corp. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Material Changes**

Since our last update, this brochure has been amended in a number of ways to conform with SEC requirements. As it relates to the information provided in this brochure, the nature of our business operations and services has not changed materially since our last brochure update.

**Item 3 - Table of Contents**

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#### **Item 4 - Advisory Business**

Goodreid Investment Counsel is a private, employee-owned investment management firm, established over 25 years ago. The principal owner of our business is Gordon Reid.

We focus primarily on providing discretionary investment management services to high net worth investors and small institutions. We offer a managed portfolio approach enabling us to provide investment portfolios tailored to meet the individuals needs and objectives of our clients. With over 100 years of combined industry experience, our portfolio managers employ a consistent, disciplined investment process to ensure that a client's portfolio is made up of quality debt offerings and some of the world's best companies. Our investment universe includes common stocks issued by domestic and foreign companies, bonds issued by governments and domestic companies and preferred shares issued by domestic companies. Asset allocation is personalized for each individual client to ensure the appropriate balance between capital appreciation and preservation.

As at August 31, 2016, our firm managed client assets of about US\$ 134,500,000 on a discretionary basis and US\$ 26,800,000 on a non-discretionary basis.

#### **Item 5 - Fees and Compensation**

Goodreid charges a management fee based on a percentage of assets under management. The percentage of assets charged per annum for investors is listed in the following table by asset level:

- 1.25% on assets up to \$2,000,000
- 1.00% on next \$3,000,000
- Negotiable over \$5,000,000

Goodreid charges the above management fee at the end of each quarter. As our management fees are charged in arrears, Goodreid does not offer refunds as services have already been performed. Goodreid arranges with their broker-dealer/custodian to have its management fee automatically deducted from the client's brokerage account. The client's broker-dealer/custodian will send statements, at least quarterly, to the Client that will reflect the advisory fee paid to Goodreid.

Our management fee is exclusive of, and in addition to brokerage commissions, transaction fees, or other related costs and expenses associated with client accounts. These additional charges are imposed by the broker dealer/custodian holding the account and not paid to Goodreid. Our brokerage practices are discussed under Item 12 of this brochure.

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

Not applicable.

## **Item 7 – Types of Clients**

Goodreid manages portfolios and provides investment advice for individuals, pensions, estates, trusts, corporations, charitable and endowment funds. Our minimum client account size is \$500,000; however, smaller amounts may be accepted at the discretion of management.

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

Investment opportunities are identified using multiple approaches. Some are identified by studying the rate and composition of economic activity and growth. This approach reveals secular long-term trends, short-term cyclical and global macro themes that will favor certain sectors of the economy and companies that may benefit.

Other investment ideas are identified by evaluating and comparing each company's individual characteristics to identify those which are most likely to achieve superior results driven by competitive advantages that are exploited by skillful operational and financial management.

All these investment ideas are further tested using three types of analytical frameworks:

1. Quantitative: Multivariate ranking and screening of publicly listed securities.
2. Fundamental: Applying traditional industry and company analysis to determine valuation.
3. Technical: Analysis of price and volume trends

The highest conviction investment candidates are those investment ideas that can be validated against these three analytical frameworks. This universe of investments becomes the basis upon which our portfolios are built.

We manage portfolio risk by understanding and applying the principles of modern portfolio construction, which include:

- Diversify across multiple asset classes
- Limit individual security and sector weightings
- Be sensitive to intersecting themes and concentration
- Be aware of liquidity and trading considerations
- Rebalancing regularly

We have the discipline to sell a given position when:

- Company fundamental deteriorate
- There is a change in operating environment
- Earnings are disappointing
- Valuation become too high
- A better opportunity emerges

All investments come with the risk of losing money. There can be no assurance that a specific investment, nor a portfolio of investments, will achieve its investment objectives. Past performance should not be viewed as a guide to future returns. Investors should be prepared for the risk of loss.

**Item 9 – Disciplinary Information**

There is no history of reportable material legal or disciplinary events by our firm or our employees.

**Item 10 – Other Financial Industry Activities and Affiliations**

Not Applicable.

**Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Goodreid has adopted a Code of Ethics to address the standards of business conduct that are required by each employee, officer and director of our firm. The Code focuses primarily on fiduciary duty and obligations to comply with applicable laws, treatment of confidential information, and conflicts of interest.

A copy of Goodreid's Code of Ethics is available upon request to Tony Brebner, Chief Compliance Officer, at (416) 364-0890.

In order to supervise the personal trading activities of employees and related persons and manage the conflicts that may arise from personal trading, Goodreid has established appropriate policies and procedures, including monthly reviews of personal brokerage account statements and a requirement to seek pre-clearance for personal trades.

**Item 12 – Brokerage Practices**

We have relationships with a number of custodians and will recommend that our clients establish account(s) with the custodian best suited to their needs based on such factors as portfolio size, fees and commissions and client preference.

**Item 13 – Review of Accounts**

We monitor client accounts on a continuous basis and conduct formal reviews at least quarterly. Such reviews are conducted by the designated portfolio manager or associate portfolio manager responsible for the client account.

Goodreid's custodians provide clients with trade confirmations for all portfolio transactions for which the firm has initiated. The confirmations detail all pertinent information concerning the trades, including quantity or principal amount, execution price and any commissions and fees associated with the transaction. Clients also receive monthly account statements from their custodian showing the activity in their account and the value of cash and securities at the period end.

Goodreid provides quarterly performance reports to all clients which present their portfolio holdings and activity in comprehensive detail, in addition to their portfolio performance over time and as compared to an appropriate benchmark.

**Item 14 – Client Referrals and Other Compensation**

Not applicable.

**Item 15 – Custody**

Clients of Goodreid receive account statements directly from their account custodian on at least a quarterly basis. Clients are urged to compare their custodial account statements against their investment performance report that they receive directly from us.

**Item 16 – Investment Discretion**

Goodreid provides portfolio management services to its clients on a discretionary basis. Our clients enter into an Investment Management Agreement with us which specifies, among other things, the nature of our authority over client accounts. In order to exercise our discretionary authority, our clients grant us trading authority over the custodial account(s) that fall under Goodreid's mandate.

**Item 17 – Voting Client Securities**

Goodreid has an obligation to review and vote proxies in the best interests of its clients and the portfolios it manages on their behalf. Our client's custodians are instructed to forward all proxies to Goodreid. Unless specifically instructed otherwise by the client, we will vote all proxies received on behalf of its clients. There may, however, be circumstances in which we decide not to vote a proxy; in such cases, we document the reason for not voting. Goodreid's portfolio managers will ensure that all proxies are reviewed, analyzed and voted in the best interests of clients, and in accordance with any client instructions and the firm's internal policies and procedures. In all cases, clients' interests are

placed ahead of Goodreid's interests. Goodreid will disclose, upon written request, proxy voting records to clients.

**Item 18 – Financial Information**

There is no financial condition that is reasonably likely to impair Goodreid's ability to meet its contractual commitments to clients.

**Item 19 – Requirements for State-Registered Advisers**

Not applicable.