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Item 1 – Cover Page

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

41A Hazelton Avenue, Toronto, Ontario,

M5R 2E3, Canada

(416) 324-2200

June 11, 2024

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](mailto: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](http://www.adviserinfo.sec.gov).

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## Item 2 – Material Changes

In this section, we summarize material changes to our Brochure since the time of the last annual updating amendment.

Since the date of our last annual updating amendment we have the following to report:

Donald William Ritchie was made President of DAC Davis in March 2023.

Currently, our Brochure may be requested by Diane Bell, Chief Operating Officer at (416)324-2200 or [info@davisrea.com](mailto: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](http://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.

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#### **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, 2024, D.A.C. Davis Investment Counsel, Inc. had assets under management of US\$ 12.912,415 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:

1.75%	on the first	\$1,000,000
1.25%	on the next	\$2,000,000
3/4 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 fees are based on the market value of client assets under the Firm's management, including cash, accrued interest and accrued dividends. 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.

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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 Types of Clients**

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. Material risks include market risk and security-specific risk. Market risk involves conditions and events that affect all investments and can cause broad market losses. Security-specific risk involves conditions and events that affect a specific investment, potentially causing losses in that investment.

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## **Risk of Loss**

Investment Risk. Investing in securities incurs the risk of loss that clients should be prepared to bear. It should not be assumed that the future performance of any specific investment or investment strategy we recommend will be profitable or that we will achieve any specific rate of performance.

## **Risks of Public Securities**

The risk of investing in stocks includes adverse company-specific events or broader market and economic conditions that cause the price of a stock to decline resulting in the loss of some or all of your investment. Markets periodically experience recessions, panics, crashes and other periods of volatility that can cause substantial losses in the equity securities in clients' investment portfolios. The risk of investing in bonds includes interest rate changes that cause the price of bonds to decline, defaults on interest payments by the bond's issuer, or bankruptcy of the issuer. The risk of investing in mutual funds and ETFs includes but is not limited to a decline in value as the result of price declines of specific securities held by the mutual fund or ETF.

## **Cybersecurity**

The computer systems, networks and devices used by D.A.C. Davis and service providers to the Firm and its clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

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Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

### **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**

Neither D.A.C. Davis nor any of its management persons is registered, nor does D.A.C. Davis have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

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.A.C. Davis does not receive compensation from any third-party investment advisors in connection with the investment advisory services provided to D.A.C. Davis advisory clients.

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

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

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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 are restricted from 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



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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 Code of Personal Conduct by Diane Bell, Chief Operating Officer.

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.

D.A.C. Davis Investment Counsel, Inc. will not purchase securities of public companies related to our company or related to the officers of our company in the course of distribution or in the secondary markets for our client's accounts unless specifically instructed to do so in writing by our clients or written consent is obtained from our clients.

There are currently no public companies which are connected to our company and its officers.

## **Item 12 – Brokerage Practices**

For all D.A.C. Davis Investment Counsel, Inc.'s clients who use UBS Financial Services ("UBS") as their custodian, all of the securities trading is executed through the custodian of the accounts, and no soft dollar benefits are received from the buying and/or selling of securities in these accounts. D.A.C. Davis Investment Counsel, Inc. does receive proprietary research from the custodian (UBS), for which there is no additional charge.

For all D.A.C. Davis Investment Counsel, Inc.'s clients who use National Bank Independent Network ("NBIN") as their custodian, all of the securities trading is executed through non-custodian (external) broker-dealers, and soft dollar benefits may be received from the buying and/or selling of securities in these accounts. Soft dollars are a benefit to us because we do not have to pay for the research services we receive through soft dollars. Soft dollars present a potential conflict of interest because they create an incentive for us to select brokers based on our interest in receiving research rather than solely on our clients' interest in receiving best execution.

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D.A.C. Davis Investment Counsel, Inc. does not receive any research from the custodian (NBIN). All of the soft dollar benefits that may be received are eligible “research or brokerage services” under section 28(e) of the Securities Exchange Act of 1934.

The research we are provided through soft dollar arrangements may include, but is not limited to, analyses pertaining to specific securities, companies or sectors, market, financial and economic studies and forecasts, financial publications, portfolio management systems, and statistical and pricing services. The research we receive is used to service all client accounts, and not solely those whose client securities transactions were used to obtain the research.

### **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.

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## **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 Discretionary 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.