

Investment Objective

The ScotiaMcLeod Canadian Income Plus Guided Portfolio is a lower risk portfolio of stocks and income trusts designed for conservative investors whose primary objective is regular income with modest capital appreciation. The portfolio comprises shares or trust units of conservative entities that are well established, financially strong, and have an excellent record of earnings and dividend growth. Diversification is achieved by making 10 to 15 investments over a minimum of four sectors.

Selection Criteria

Components of the Guided Portfolios are selected from the S&P/TSX Composite Index and/or the S&P/TSX Income Trust Index. In order to qualify for inclusion in any of the individual guided portfolios, companies must first satisfy a set of fundamental and quantitative criteria specific to those portfolios. For the Income Plus Portfolio, the criteria consist of: a) a dividend or cash distribution yield comprising a minimum of 40% of the current 10-year Government of Canada bond yield; b) a dividend or cash distribution policy with a steady track record and profile providing the potential for future growth; c) a minimum investment recommendation from Scotia Capital Equity Research of 2-Sector Perform; d) inclusion in the S&P/TSE Composite Index or S&P/TSX Income Trust Index; e) a minimum float capitalization of C\$750 million; f) an acceptable level of average daily trading volume; g) an investment grade credit rating; h) continually achieve certain financial performance thresholds and volatility tests.

Failure to satisfy any of these criteria will result in a position being removed from the Income Plus Portfolio and replaced by one that satisfies the portfolio's inclusion criteria.

Composition & Target Returns

Company Name	Sector	Rating *	Risk Ranking	Price 3FEB12	Div.	Target Price	Div. Yield	Target ROR
Shaw Communications Inc. (SJR.B)	Consumer Discretionary	1-SO	Medium	\$ 19.61	\$ 0.97	\$ 25.00	4.9 %	32.4 %
Crescent Point Energy Corp. (CPG)	Energy	1-SO	High	\$ 46.02	\$ 2.76	\$ 55.00	6.0 %	25.5 %
Enbridge Inc. (ENB)	Energy	1-SO	Low	\$ 38.48	\$ 1.13	\$ 42.00	2.9 %	12.1 %
Inter Pipeline Fund (IPL.UN)	Energy	1-SO	Medium	\$ 18.31	\$ 1.05	\$ 22.00	5.7 %	25.9 %
TransCanada Corporation (TRP)	Energy	1-SO	Low	\$ 41.50	\$ 1.68	\$ 47.00	4.0 %	17.3 %
Vermilion Energy Inc. (VET)	Energy	2-SP	High	\$ 45.63	\$ 2.28	\$ 45.00	5.0 %	3.6 %
Bank of Nova Scotia (BNS)	Financials	n.a.	n.a.	\$ 51.66	\$ 2.08	n.a.	4.0 %	n.a.
Calloway REIT (CWT.UN)	Financials	2-SP	Medium	\$ 27.00	\$ 1.55	\$ 27.75	5.7 %	8.5 %
Power Corporation of Canada (POW)	Financials	2-SP	Low	\$ 24.91	\$ 1.16	\$ 27.00	4.7 %	13.0 %
Royal Bank of Canada (RY)	Financials	1-SO	Low	\$ 53.33	\$ 2.16	\$ 63.00	4.1 %	22.2 %
Toronto-Dominion Bank (TD)	Financials	1-SO	Low	\$ 78.83	\$ 2.72	\$ 93.00	3.5 %	21.4 %
Rogers Communications Inc. (RCI.B)	Telecommunication Services	2-SP	Medium	\$ 38.63	\$ 1.42	\$ 39.00	3.7 %	4.6 %
TELUS Corporation (T)	Telecommunication Services	2-SP	Medium	\$ 56.78	\$ 2.20	\$ 55.00	3.9 %	0.7 %
Brookfield Renewable Energy Partners L.P. (BEP.UN)	Utilities	1-SO	Low	\$ 26.40	\$ 1.30	\$ 31.00	4.9 %	22.3 %
Emera Incorporated (EMA)	Utilities	2-SP	Low	\$ 32.90	\$ 1.35	\$ 33.00	4.1 %	4.4 %
Total Portfolio							4.5%	15.3%

* Rating definitions:

1-SO = Sector Outperform

2-SP = Sector Perform

3-SU = Sector Underperform

T = Tender

UR = Under Review

R = Restricted

Stocks at a Glance

Brookfield Renewable Energy Partners L.P.(BEP.UN)

Brookfield Renewable Energy (BEP) is one of the world's largest publicly traded (on both the TSX and NYSE) renewable power businesses with approximately \$13 billion of environmentally friendly renewable power generating assets in Canada, the U.S., and Brazil. The company is the product of a recently completed merger between the former Brookfield Renewable Power Fund and the international power assets of parent company Brookfield Asset Management (BAM), who now owns 73% of the combined entity. By virtue of the merger, BEP now represents the primary vehicle for any renewable power deals presented to BAM. BEP has around 4800 MW of mostly hydroelectric assets (170 generating stations) along with five wind farms.

Bank of Nova Scotia (BNS)

Bank of Nova Scotia is the third-largest Canadian chartered bank in terms of assets by market capitalization. The bank is comprised of three operating divisions: Domestic Banking including a significant Wealth Management operation, International Banking which includes an ownership interest of 97% in Grupo Scotiabank in Mexico, and wholesale activities through Scotia Capital Inc., a Canadian investment dealer with international investment banking operations.

Calloway REIT (CWT.UN)

Calloway REIT (CWT.UN) owns a 24.3 million sq. ft. portfolio of predominantly large format unenclosed retail properties. Its single largest tenant is Wal-Mart, which accounts for 27% of gross rents and anchors 76% of its properties. Geographically, portfolio revenue is split between ON (59% of revenues), QC (14%), BC (9%), AB (3%), MB (5%), SK (4%), and the Maritime provinces (6%). The REIT has a strategic relationship with SmartCentres, a Canadian-based private developer of retail properties, and Wal-Mart, Canada's largest development partner. As a result, Mitchell Goldhar, SmartCentres' owner, is CWT's largest unitholder with 24.7% economic and 25% voting interests. Calloway's stated goal is to be the landlord of choice for retailers. By selecting convenient locations close to consumers and leasing to strong tenants in well designed centres, Calloway will maximize returns to Unitholders, and retailers will prosper.

Crescent Point Energy Corp.(CPG)

Crescent Point Energy Trust (CPG) was created on September 5, 2003, through the merger of Crescent Point Energy Ltd. and Tappit Resources Ltd. - a transaction that included the spin-out of a separate junior oil & gas explorer (StarPoint Energy). Since then, production has grown from roughly 7,300 boe/d to over 50,000 boe/d today through both acquisitions and a successful drilling program. In July of 2009 the Trust converted to a corporation to create Crescent Point Energy Corp. CPG's strategy focuses on acquiring, developing, and exploiting large resource plays with an ultimate target of long-term growth.

Emera Inc.(EMA)

Emera Inc.(EMA) is an electric utility company which offers diversified energy services in the province of Nova Scotia (through Nova Scotia Power Inc.), and Maine (Bangor Hydro- Electric) including electric power generation, transmission, and distribution. The company also supplies bunker oil used in shipping, diesel fuel, and light fuel in addition to the delivery of Sable Island natural gas through gas pipelines to markets in the Maritime provinces and northeastern United States (Maritimes & Northeast Pipeline). Emera also owns and manages electrical utility operations in the Caribbean.

Enbridge Inc. (ENB)

Enbridge Inc. (ENB) provides energy transportation, distribution and related services internationally. Enbridge owns and operates the largest crude oil pipeline in North America. Other investments include Enbridge Gas (100%), U.S.-based Enbridge Energy Partners (11%), Enbridge Income Fund (72%), Quebec-based Noverco (32%), the U.S. Alliance Pipeline (50%), the Vector Pipeline (60%), Colombia's OCENSA (25%), Spain's CLH (25%), and 100% of the Norman Wells, Athabasca Oil Pipelines as well as interests in 11 gas transmission and gathering pipelines in five major pipeline corridors in the Gulf of Mexico. The breakdown of revenue attributable to each business segment consists of: gas distribution and services 86%, liquid pipelines 9%, gas pipelines 3%, and sponsored investments 2%. President and CEO: Patrick Daniel.

Inter Pipeline Fund (IPL.UN)

Inter Pipeline Fund (IPL) is structured as a limited partnership with midstream operations including 4.8 million barrels of storage capacity and an oil pipeline-gathering network which transports petroleum products within Alberta and now moves about a third of all oil sands product through Cold Lake, Corridor, and Polaris. Midstream assets typically encompass all operations and processes between upstream or production assets, and downstream or refining and marketing operations. In addition, IPL has ownership in three major NGL (Natural Gas Liquids) extraction facilities at Cochrane and Empress, Alberta. Inter Pipeline's bulk liquids storage business is based in Europe, with 8 million barrels of capacity primarily in the U.K. and Germany. The company is managed and controlled by a general partner and remains in a limited partnership structure.

Power Corporation (POW)

Power Corporation is a diversified management holding company with a 66.1% interest in Power Financial Corporation (PWF). Power Financial itself is a holding company with positions in Great West Lifeco, IGM Financial Inc. and Pargesa Holdings S.A. In addition to Power Financial, Power Corporation holds a 100% interest in Victoria Square Ventures Inc., Gesca Ltée and Square Victoria Digital Properties Inc. Power Corporation also holds a 4.3% interest in CITIC Pacific Ltd., one of China's largest diversified Hong Kong-traded companies with activities concentrated in infrastructure, trading and distribution, and property in both Hong Kong and China.

Rogers Communication (RCI.B)

Rogers provides cable television, broadband internet access and video retailing through Rogers Cable Inc. It operates the largest wireless carrier and cable TV operation in Canada, with 7.41M wireless customers, 2.30M cable customers, 1.51M Internet customers, and 1.02M telephone customers at 31 Mar 2008. It has major cable system clusters in Toronto, Ottawa, Mississauga, Kitchener, London (ON), NB, and NL. It owns 6.6M shares of CCA (14%), 3.4M shares of CGO (20%), the Toronto Blue Jays, the Rogers Centre, TV and radio broadcasting and magazine publishing assets. Rogers Wireless represents over 75% of NAV while cable contributes just 20%. The breakdown of revenue attributable to each business segment consists of: wireless telecommunications 53%, wired telecommunications 34%, and media 13%.

Royal Bank of Canada (RY)

Royal Bank is the largest Canadian chartered bank in terms of assets and market cap. The bank owns investment dealer RBC Capital Markets and RBC Insurance. In the United States, the bank provides banking and wealth management services through RBC Centura and RBC Dain Rauscher. The bank comprises four main business segments: Canadian Banking, Wealth Management, U.S. and International Banking, and RBC Capital Markets. The breakdown of revenue attributable to each business segment consists of: commercial banking 53%, wealth management 18%, capital markets 18%, insurance 11%. President & CEO: Gordon Nixon.

Shaw Communications Inc.(SJR.B)

Shaw Communications Inc. is the largest cable TV company in Canada, with 2.3 million basic cable subscribers, 1.8 million high-speed Internet subscribers, and 1.2 million VoIP (internet telephony) subscribers as at 28 Feb 2011. Shaw has major system clusters in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, and Saskatoon. Shaw owns all of Concom (including its DTH satellite TV operation with 906,000 subscribers) and conventional and specialty TV assets acquired last year through the purchase of CanWest's broadcasting business.

Telus Corp. (T)

TELUS is Canada's third-largest telecommunications company and the incumbent in Alberta, BC, and parts of Quebec. It offers local, long distance, data, wireless, and computer outsourcing services. As at 31 Mar 2008, TELUS serviced 4.37M network access lines (including its competitive local exchange carrier lines in Ontario and Quebec) and 1.04M high-speed Internet subscribers. TELUS Mobility provides service to approximately 5.66M wireless subscribers across Canada, and its CDMA and iDEN digital networks cover 95% of the Canadian population. The breakdown of revenue attributable to each business segment consists of: wireline 53%, wireless services 47%.

Toronto Dominion Bank (TD)

Toronto-Dominion Bank is the second-largest Canadian chartered bank based on assets and the second-largest by market capitalization. The bank offers a range of banking and advisory services to individuals, businesses, financial institutions, governments, and multinational corporations. The bank acquired 100% ownership in

TD Banknorth Inc. in 2007 and acquired Commerce Bancorp in the U.S. north east in early 2008. TransCanada Corp. (TRP)

TransCanada Corp. (TRP) owns and operates the largest Canadian gas pipeline (Mainline) and Alberta's largest gas-gathering pipeline system (Alberta System). TransCanada is focused on natural gas transmission and power services. TRP also owns several equity and master limited partnership (MLP) interests in U.S. pipelines, 100% of a gas co-generation plant in the U.S. Northeast (Ocean States), 47.9% of Bruce Nuclear A, and 31.6% of Bruce Nuclear B. TRP recently purchased ANR from El Paso for \$3.7 billion. The breakdown of revenue attributable to each business segment consists of: pipelines 53%, energy 47%.

Vermilion Energy Inc. (VET)

Vermilion Energy Inc. is an international oil and gas producer with operations both onshore and offshore in Western Canada, Australia, France, Ireland, and the Netherlands, and Australia; approximately 70% of production is from outside Canada. More than 60% of current production is oil, mostly light sweet crude. The company started in 1994 as a junior exploration and production company and then converted to an energy trust in 2003. The initial distribution rate of \$0.17 per unit per month was increased to \$0.19 per unit per month in December of 2007, and has never been reduced. Vermilion subsequently converted to a corporation in 2010. The company's reserve and production growth comes from a combination of development drilling, reservoir optimization and strategic acquisitions.

The ScotiaMcLeod Guided Portfolios are model portfolios of equity and fixed income securities designed for individual investors. Managed by the firm's Portfolio Advisory Group, the guided portfolios include Canadian and U.S. equity portfolios and Canadian fixed income portfolios. The objective of the equity portfolios is to provide individual investors with superior investment returns for various investment objectives and levels of risk. The objective of the fixed income portfolios is to track the performance of the Scotia Capital Markets Bond Universe index and its components. For further information on the Guided Portfolios, please contact your ScotiaMcLeod Investment Executive.

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Royal Bank of Canada Rogers Communications Inc. Power Corporation of Canada Toronto-Dominion Bank Enbridge Inc. Bank of Montreal TELUS Corporation TransCanada Corporation Bank of Nova Scotia

The supervisors of the Portfolio Advisory Group own securities of the following companies:
Bank of Nova Scotia

Scotia Capital Restriction -- U.S. (American) Bank of Nova Scotia

Scotia Capital Restriction -- Canada Bank of Nova Scotia

Sylvia Chrominska, Group Head of Global Human Resources and Communications for The Bank of Nova Scotia, is on the Board of Directors of Emera Inc. Emera Incorporated

Scotia Capital (USA) Inc. or its affiliates has managed or co-managed a public offering in the past 12 months. Bank of Montreal Bank of Nova Scotia Brookfield Renewable Energy Partners L.P. Calloway REIT

Canadian Imperial Bank of Commerce Crescent Point Energy Corp. Emera Incorporated Enbridge Inc. Inter Pipeline Fund National Bank Rogers Communications Inc. Royal Bank of Canada Shaw Communications Inc. TELUS Corporation Toronto-Dominion Bank Vermilion Energy Inc.

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The issuer paid a portion of the travel-related expenses incurred by the Fundamental Research Analyst/Associate to visit material operations of the following issuer(s): Vermilion Energy Inc.

Scotia Capital Restriction Bank of Nova Scotia

Scotia Capital Inc. and its affiliates collectively beneficially own in excess of 1% of one or more classes of the issued and outstanding equity securities of the following issuer(s): Bank of Montreal Canadian Imperial Bank of Commerce Emera Incorporated Enbridge Inc. Inter Pipeline Fund National Bank Power Corporation of Canada Rogers Communications Inc. Royal Bank of Canada Shaw Communications Inc. TELUS Corporation Toronto-Dominion Bank TransCanada Corporation The Bank of Nova Scotia is the parent company and a related issuer of Scotia Capital Inc. Bank of Nova Scotia

The Fundamental Research Analyst/Associate has visited material operations of the following issuer(s): Emera Incorporated Enbridge Inc. Inter Pipeline Fund Rogers Communications Inc. Shaw Communications Inc. TELUS Corporation Vermilion Energy Inc.

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Imperial Bank of Commerce Crescent Point Energy Corp. Emera
Incorporated Enbridge Inc. Inter Pipeline Fund National Bank Rogers
Communications Inc. Royal Bank of Canada Shaw Communications Inc.
TELUS Corporation Toronto-Dominion Bank TransCanada Corporation
Vermilion Energy Inc.

This issuer owns 5% or more of the total issued share capital of the
Bank of Nova Scotia. Bank of Montreal Royal Bank of Canada
Toronto-Dominion Bank

Comparative Canadian Bank Information

Bank	Symbol	SC-Rec	Risk	Target
Bank of Montreal	BMO	3-SU	Low	\$66
Bank of Nova Scotia	BNS	n.a.	n.a.	\$
CIBC	CM	1-SO	Low	\$93
National Bank	NA	3-SU	Low	\$82
Royal Bank	RY	1-SO	Low	\$63
Toronto-Dominion Bank	TD	1-SO	Low	\$93