

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	Price 15JUN10	Div.	Target Price	Div. Yield	Target ROR
Shaw Communications Inc. (SJR.B)	Consumer Discretionary	2-SP	Medium	\$ 20.15	\$ 0.88	\$ 22.00	4.4 %	13.5 %
Thomson Reuters Corporation (TRI)	Consumer Discretionary	1-SO	Low	\$ 39.78	U\$ 1.19	\$ 45.00	3.1 %	16.2 %
Shoppers Drug Mart Corporation (SC)	Consumer Staples	1-SO	Low	\$ 34.50	\$ 0.90	\$ 48.00	2.6 %	41.7 %
Crescent Point Energy Corp. (CPG)	Energy	n.a.	n.a.	\$ 39.50	\$ 2.76	n.a.	7.0 %	n.a.
Enbridge Inc. (ENB)	Energy	1-SO	Low	\$ 49.95	\$ 1.70	\$ 57.00	3.4 %	17.5 %
TransCanada Corporation (TRP)	Energy	1-SO	Low	\$ 36.90	\$ 1.60	\$ 44.00	4.3 %	23.6 %
Bank of Montreal (BMO)	Financials	1-SO	Low	\$ 63.00	\$ 2.80	\$ 70.00	4.4 %	15.6 %
Bank of Nova Scotia (BNS)	Financials	n.a.	Low	\$ 51.40	\$ 1.96	\$ 60.00	3.8 %	20.5 %
Great-West Lifeco Inc. (GWO)	Financials	n.a.	n.a.	\$ 25.23	\$ 1.23	n.a.	4.9 %	n.a.
National Bank (NA)	Financials	2-SP	Low	\$ 58.98	\$ 2.48	\$ 70.00	4.2 %	22.9 %
Royal Bank of Canada (RY)	Financials	2-SP	Low	\$ 54.71	\$ 2.00	\$ 68.00	3.7 %	27.9 %
Sun Life Financial Inc. (SLF)	Financials	n.a.	n.a.	\$ 30.61	\$ 1.44	n.a.	4.7 %	n.a.
Toronto-Dominion Bank (TD)	Financials	1-SO	Low	\$ 73.48	\$ 2.44	\$ 90.00	3.3 %	25.8 %
Rogers Communications Inc. (RCI.B)	Telecommunication Services	1-SO	Medium	\$ 37.65	\$ 1.28	\$ 40.00	3.4 %	9.6 %
TELUS Corporation (T)	Telecommunication Services	2-SP	Medium	\$ 39.24	\$ 2.00	\$ 39.00	5.1 %	4.5 %
Total Portfolio							4.2%	20.0%

* 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

Bank of Montreal (BMO)

Bank of Montreal (BMO) is the fourth-largest Canadian chartered bank in terms of assets and the fifth-largest by market capitalization. The bank owns investment dealer BMO Capital Markets (formerly BMO Nesbitt Burns) and a network of community banks in the Chicago area under the Harris brand.

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.

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.

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.

Great West Lifeco Inc. (GWO)

Great-West Lifeco Inc. (GWO) has prominent positions in its core insurance product lines in Canada, along with niche positions in the United States and now Europe. GWO's highly diversified earnings profile should produce predictable annual earnings growth. The common thread throughout the significantly expanded platform is the group insurance and group wealth management business. The company is #1 in

group insurance premiums in both Canada and the United Kingdom and #1 in the Canadian group savings market, as well as #2 in the U.S. public/nonprofit group savings market.

National Bank of Canada(NA)

National Bank of Canada (NA) is the sixth largest Canadian chartered bank and a leading financial institution in Quebec. The bank offers a full suite of banking services including corporate and investment banking. NA is an active player on international capital markets and, through its subsidiaries, is involved in securities brokerage, insurance, and wealth management. Based on cash earnings, Personal & Commercial banking represents 49% of the bank's business, 40% comes from Financial Markets, while 11% is derived from Wealth Management. 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 a diversified communications company whose core business is providing broadband cable television, high-speed internet, digital phone, satellite direct-to-home television service, and other telecommunications services. Largely western Canada-based, the company serves 3.4 million customers, including 2.2 million cable subscribers, more than 1.5-million internet, almost 900,000 satellite TV, and 610,000 residential phone customers. Shoppers Drug Mart (SC)

Founded in 1962, Shoppers Drug Mart is one of Canada's premier retailers and most widely recognized brand names and operates a nationwide network of Shoppers Drug Mart/Pharmaprix retail drug stores and Shoppers Home Health Care stores. Shoppers is a defensive consumer staples company. Consumer staples are household necessities

that are used on a daily basis. Reliance on these products tends to generate stable sales and earnings for these companies through both good and challenging economic conditions. The company's product mix is divided into two main categories, front-end store merchandise and pharmacy. Shoppers offers over 1,800 high quality private label branded products under its 'Life' brand. Shoppers Drug Mart is a growth company in a growing industry. Management is increasing the number of stores and square footage per store. High margin cosmetics and private label products are also being emphasized. The company should also benefit from demographic trends including an aging population and increasing drug sales, and an increasing interest on health and wellness. The breakdown of revenue attributable to each business segment consists of: front store merchandise 53%, pharmacy operations 47%.

Sun Life Financial Inc (SLF)

Sun Life provides services to individuals and corporate customers in the areas of insurance, mutual funds, investment management, trust services and banking services. Geographically diversified, Sun Life (SLF) operates in Canada, the U.S., the U.K., Asia, and South America. Half of the company's assets under management are managed by 83%-owned subsidiary, MFS, the 11th-largest U.S. fund company based on domestic retail mutual fund AUM. In the U.S., Sun Life's 2001 acquisition of Keyport elevated Sun Life to the top 16 in fixed and variable annuity AUM. Sun Life is the Canadian leader in individual & group insurance premiums, individual annuity premiums, and defined contribution pension plan AUM.

The Thomson Reuters Corporation (TRI)

Thomson Reuters Corporation is a global leader in the delivery of information services to business professionals in a number of industries, including capital markets, legal, tax & regulatory, health care, and scientific. As a result of the merger of The Thomson Corporation and Reuters Group Plc, the firm is the largest provider of market data, applications, and information solutions to customers in the securities and investment management industry. Over 90% of the firm's information solutions are delivered to clients electronically, with customers paying on an annual or multi-year subscription basis.

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%. President and CEO: Hal Kvisle.

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.

Comparative Canadian Bank Information

Bank	Symbol	SC-Rec	Risk	1 Yr Target
Bank of Montreal	BMO	1-SO	Low	\$65.00
Bank of Nova Scotia	BNS	2-SP	Low	\$55.00
CIBC	CM	3-SU	Low	\$75.00
National Bank	NA	2-SP	Low	\$75.00
Royal Bank	RY	1-SO	Low	\$75.00
Toronto-Dominion Bank	TD	2-SP	Low	\$80.00

The supervisors of the Portfolio Advisory Group own securities of the following companies:
Bank of Montreal, Bank of Nova Scotia, TELUS Corporation

The author of the report owns securities of the following companies:
Royal Bank of Canada, Sun Life Financial Inc., Toronto-Dominion Bank

The Bank of Nova Scotia is a Related Issuer of Scotia Capital Inc.
Bank of Nova Scotia

Kevin Choquette, a member of Kevin Choquette's household and/or an account related to Kevin Choquette own securities of this issuer.
Bank of Montreal, Bank of Nova Scotia, Royal Bank of Canada, Toronto-Dominion Bank

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

The Head of Equity Research/Supervisory Analyst, in his/her own account or in a related account, owns securities of this issuer.
Bank of Montreal, Bank of Nova Scotia, Crescent Point Energy Corp., Enbridge Inc., Great-West Lifeco Inc., Rogers Communications Inc., Royal Bank of Canada, Shoppers Drug Mart Corporation, Sun Life Financial Inc., TELUS Corporation, Toronto-Dominion Bank, Thomson Reuters Corporation, TransCanada Corporation

Vincent Delisle, a member of Vincent Delisle's household and/or an account related to Vincent Delisle own securities of this issuer.
National Bank

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, Crescent Point Energy Corp., Enbridge Inc., Great-West Lifeco Inc., National Bank, Royal Bank of Canada, Shaw Communications Inc., Sun Life Financial Inc., TELUS Corporation, Toronto-Dominion Bank, TransCanada Corporation

Scotia Capital USA Inc. or its affiliates has received compensation for investment banking services in the past 12 months.
Bank of Montreal, Enbridge Inc., National Bank, Royal Bank of Canada, Shaw Communications Inc., Sun Life Financial Inc., TELUS Corporation, Toronto-Dominion Bank, Thomson Reuters Corporation, TransCanada Corporation

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

Scotia Capital USA Inc. or its affiliates expects to receive or intends to seek compensation for investment banking services in the next 3 months.
TELUS Corporation

Scotia Capital USA Inc. had an investment banking services client relationship during the past 12 months.
Bank of Nova Scotia, Royal Bank of Canada, Thomson Reuters Corporation

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 this issuer.

Bank of Montreal, Enbridge Inc., Great-West Lifeco Inc., National Bank, Rogers Communications Inc., Royal Bank of Canada, Shaw Communications Inc., Sun Life Financial Inc., TELUS Corporation, Toronto-Dominion Bank, Thomson Reuters Corporation, TransCanada Corporation

The Fundamental Research Analyst/Associate has visited material operations of this issuer.

Rogers Communications Inc., Shoppers Drug Mart Corporation, Shaw Communications Inc., TELUS Corporation, Thomson Reuters Corporation

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Bank of Montreal, Bank of Nova Scotia, Crescent Point Energy Corp., Enbridge Inc., Great-West Lifeco Inc., Rogers Communications Inc., Royal Bank of Canada, Shaw Communications Inc., Sun Life Financial Inc., TELUS Corporation, Thomson Reuters Corporation, TransCanada Corporation

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Bank of Nova Scotia

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Thomson Reuters Corporation

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