

# The art of communication.



**I**ndustry-leading financial expertise. An impressive range of investment products and services. A reputation for innovation. A commitment to build long-term relationships.

These are the hallmarks of ScotiaMcLeod's success, and explain why we are one of Canada's leading full-service investment firms. For decades, ScotiaMcLeod advisors have focused on understanding your unique needs, providing innovative and professional advice, and developing lasting one-to-one relationships based on a high level of trust. We have helped thousands of Canadians achieve financial success by providing them with exceptional advice and leading-edge products, as well as access to domestic and global markets. We have built our reputation by demonstrating that we can deliver relevant solutions to help you achieve your financial goals.

**ScotiaMcLeod. Building Relationships for Life.**

## An approach you can count on

### A professional process for the individual investor

*When peace of mind is important to you, it's essential that your portfolio be in good hands.*

That's why we created the Pinnacle Program, a unique solution that lets you work with your dedicated ScotiaMcLeod advisor to define your goals and implement an investment strategy that focuses on managing your portfolio's investment risk.

Through the discipline of the investment management consulting process, we gain a thorough understanding of your risk tolerance. We use the proven practice of diversification to customize an investment mix suitable for your objectives. With the expertise of outside consultants, we evaluate the investment styles and philosophies of investment managers around the world. We build a portfolio diversified by asset class and investment management style and comprised of leading mutual funds available exclusively to Pinnacle Program investors. All Pinnacle Program Funds are subject to extensive, ongoing review. You also benefit from a personalized Investment Policy Statement and regular investment reviews.

You can rest assured that ScotiaMcLeod backs up its serious commitment to the investment management consulting process by ensuring that all our advisors undergo rigorous training. Benefit from a truly consultative process with your ScotiaMcLeod advisor and find out how we have elevated communication to an art.



### The Pinnacle Program Difference

Working with your ScotiaMcLeod advisor, you will:

- Participate in our proven step-by-step process to help you determine the appropriate level of risk commensurate with your long-term objectives
- Establish an investment strategy and structure a customized portfolio
- Benefit from the expertise of our carefully selected investment managers
- Enjoy regular consultations and access to our exclusive Pinnacle Funds

The Pinnacle Program may be the right solution for you if you have investable assets in excess of \$50,000.



## Let's work together

### fostering one-to-one relationships

Getting good advice and personal service these days is no easy task. So you'll welcome the change offered by your ScotiaMcLeod advisor.

We are committed to developing practical action plans that help you to realize your goals for the future. Through the Pinnacle Program, we take that commitment one step further by responding to your needs, answering your questions, and providing you with regular investment advice. In addition to helping you establish your financial objectives, we determine an investment structure to help you meet your goals, select a mix of Pinnacle Program Funds that best reflects your tolerance for risk and desired rate of return, continually monitor and evaluate your portfolio to ensure it remains on track, and meet with you on a regular basis to discuss your evolving needs.

Invest with the Pinnacle Program and enjoy the advantages of long-term relationships.

### A proven investment process

Through the Pinnacle Program, your advisor will help you:

Step 1: Establish your investment objectives and risk tolerance

Step 2: Determine your asset mix and select the appropriate Pinnacle Program Funds

Step 3: Develop a personalized Investment Policy Statement

Step 4: Review and evaluate your investment program

Step 5: Review your Investment Policy Statement annually



# Supporting beams and retaining walls

## **Building a solid foundation, step-by-step.**

To build a framework for the future, it helps to have a well-conceived blueprint. That's the idea behind the Pinnacle Program's step-by-step investment process. Here's how it works:

### 1 Your goals are our guides

*Step 1: Establish your investment objectives and risk tolerance*

Ever wondered how much money you need to reach your goals? Want to compare different hypothetical portfolios to see their levels of risk? Interested in selecting an asset mix that lets you maximize your potential long-term returns? Just ask your ScotiaMcLeod advisor. As part of your initial confidential consultation, and with the aid of sophisticated computer-based tools, we will work with you in an effort to assess your investment objectives, time horizon, return expectations, and risk tolerance.

### 2 Finding funds that are right for you

*Step 2: Determine your asset mix and select Pinnacle Program Funds*

Using that information, we determine the proportion of your funds that should be held within five main asset classes: cash and cash equivalents, fixed income investments, Canadian equities, U.S. equities, and international equities. After we recommend an appropriate asset mix we further diversify by investment management style.

**Asset allocation is the most significant factor affecting a portfolio's performance. Simply stated, it involves investing assets in different types of investments that allow you to balance your desired return with the level of risk that is most appropriate for your personal situation. For instance, equity investments historically provide the highest returns, but tend to come with a higher degree of risk. Conversely, fixed income or cash investments tend to be less volatile, but over the long term do not offer equivalent returns to equities. Investing in a combination of various asset classes allows you to enhance portfolio performance while controlling your investment risk.**

### 3 Your strategic roadmap

*Step 3: Develop a personalized Investment Policy Statement*

Once your portfolio is structured, you get the chance to review and approve your personal Investment Policy Statement. This customized document outlines our understanding of your goals and objectives, and the investment strategy we agree upon to help you reach them. We refer to this Policy to make any future recommendations regarding your portfolio. And, as your circumstances change, we'll modify your Policy – and your asset mix – to keep pace with your evolving needs.

### 4 Investing for the long-term

*Step 4: Review and evaluate your investment program*

Anyone who has watched the markets in recent years is familiar with volatility. And anyone whose priorities have changed over time understands the importance of flexibility. That's why we are committed to frequently assessing your portfolio to ensure it stays current and continues to reflect your needs. Each quarter, you also receive a Program Performance and Portfolio Summary, which lets you:

- Assess the performance of your total portfolio against your long-term goals
- Review your Fund holdings, including unit costs and market values
- View additions and/or withdrawals to the portfolio, income earned, fees paid for the quarter, and unrealized gains or losses

### 5 Assessing your strategy

*Step 5: Review your Investment Policy Statement*

Your life doesn't stay the same, so why should your investment mix? The Pinnacle Program acknowledges this reality. In response to market fluctuations, your asset mix may need to be re-balanced. Should your objectives change, we will work together to develop a new Investment Policy Statement. After all, we understand that investing is for the long term.

## Checks and balances



### **selecting the right investment managers**

In keeping with our commitment to helping you achieve your financial goals, we regularly monitor the Pinnacle Program. We retain the services of Northern Trust Global Advisors, a leading consultant to pension fund clients, to help us screen some of the best investment managers in the world to ensure that only the most suitable are interviewed and hired.

To make sure the investment managers we select continue to meet our high standards, the ScotiaMcLeod Investment Review Committee meets each quarter to assess each fund. The Committee – which is comprised of Northern Trust Global Advisors, research analysts, experienced bond and equity traders, portfolio managers, and senior management – also evaluates the amount of risk each manager takes to achieve returns. Finally, it reviews investment style consistency and the changing economic environment.

By following a rigorous system of sophisticated checks and balances, we ensure your investment plan continues to work the way it was originally intended to.

The choices you make each day form the foundation of your tomorrows. Our strength is in helping you make intelligent investment decisions.



## Reach your long-term goals

### ... with a fee-based solution

A proven step-by-step process. The opportunity for in-depth communication. An investment strategy based on your unique financial objectives. Extensive screening and monitoring of the industry's leading investment managers. These are the benefits offered by the Pinnacle Program, and upon which your advisor's recommendations are based. Pinnacle is available for a fee calculated as a percentage of assets within your portfolio.

We take the time to understand your financial goals so that we can implement an appropriate – and personalized – investment strategy.



The simple pleasures are the ones most treasured.



Make informed investment decisions in consultation with the experts. And discover the art of communication.



## A virtuous circle

### **A process that revolves around your needs**

You need advice about managing your investment risk to reach your long-term goals. We have solutions. Through your ScotiaMcLeod advisor and the Pinnacle Program's step-by-step process, we gain a complete and comprehensive understanding of your financial objectives and tolerance for risk.

The advantage? You benefit from an investment strategy that is in keeping with your risk tolerance and that continuously reflects your needs.

The Pinnacle Program is an asset allocation service that invests in the Pinnacle Program mutual funds. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments and the use of an asset allocation service. Please read the simplified prospectus of the Pinnacle Program Funds carefully before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. ScotiaMcLeod is

a division of Scotia Capital Inc., a wholly-owned subsidiary of, and separate entity from, The Bank of Nova Scotia. Units of the Pinnacle Program Funds are not insured by the Canada Deposit Insurance Corporation, the Régie d'assurance-dépôts du Québec or by any other government deposit insurer. Units of the Pinnacle Program Funds are not guaranteed in whole or in part by the Bank of Nova Scotia.

Building Relationships for Life



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