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Resurgence in Dividend Growth

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Gradual turn in sentiment

While North American stock markets reached a cyclical trough in March 2009, it has since taken 26 months plus an unprecedented amount of monetary and fiscal stimulus for the market to regain most of the value destroyed by the financial meltdown and global recession. Extremely low interest rates (thereby providing companies and consumers with more favorable access to capital), opportunistic restocking activity by emerging countries, a weak U.S. dollar, and trillions in dollars of stimulus packages coordinated by central banks worldwide have all contributed to this rebound. This has been a long and tumultuous recovery process but certainly central bank efforts to reflate the economy appear to have helped restore investor confidence and corporate balance sheets. There remains an abundant amount of risks but certainly, it appears that the broader economic outlook has stabilized and in certain cases, has started to show modest signs of recovery.

One interesting signal that has emerged over the past twelve months is a notable reversal in corporate and/or board strategy. Between 2007 and 2009, the highest priority for all companies was to bolster balance sheets as the economic outlook remained highly uncertain. At that time, balance sheets were heavily scrutinized and the term “stress tests” became almost cliché. In response, management teams and board of directors prepared for the worst case scenario by slashing dividends, halting share buyback activity, and in many cases raising both debt and equity at every opportunity. Closer to mid-2010, however, when it became apparent that the worst-case-economic meltdown was avoided, this sentiment started to gradually change as many companies found themselves positioned with excess capital. Accordingly, particularly in recent months, we have seen management teams and board of directors signal some increased comfort with the economy and their operating outlook by seeking ways to return some capital to shareholders through the recommencement of share buybacks and dividends and/or even the resumption of dividend growth.

List of S&P/TSX companies that have regularly increased dividends since 2009

Equity markets have been extremely volatile over the past several years as a near collapse of the global economy took its toll on investor confidence, corporate balance sheets, and even public finances. In an unstable environment with major daily, weekly, and monthly swings in share values, the investing environment becomes extremely difficult as there are both tremendous risks and opportunities. Hence, we continue to highlight the importance of dividend income as a component of total investment return. While it is important to have exposure to cyclical stocks and growth companies to position for the next economic cycle, it is equally important to enhance returns with a core list of strong dividend paying stocks in the portfolio.

For this reason, we have updated the table of Toronto-listed companies that have increased dividends in either 2009 or 2010. We continue to believe that dividend increases are often a good indicator of management’s and board of directors’ confidence in the strength of the company’s capital position and operating outlook. Companies that have consistently done so are likely a good place to start when looking for survivors of an economic downturn and leaders of the subsequent economic recovery. Furthermore, these companies also serve as a good starting point for investors looking for dividend growth stories.

Market Update

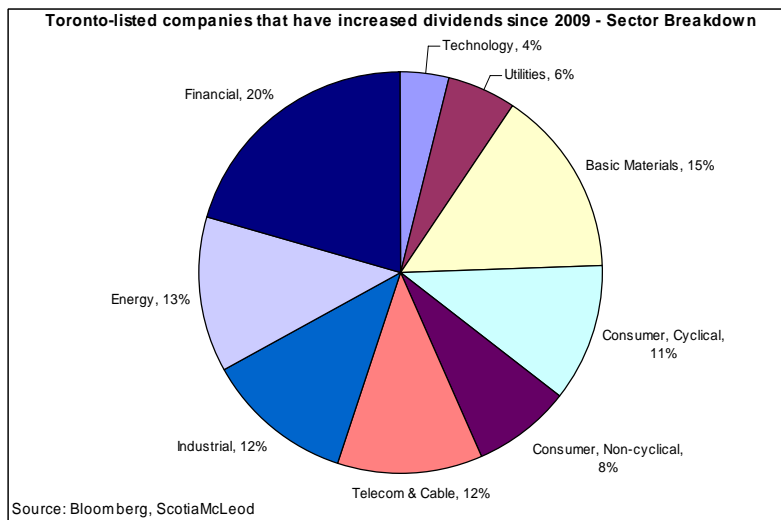
Under current market conditions and valuations, here are some of the strategies and views that we would like to share pertaining to the list of companies that have increased dividends in 2009 and/or 2010:

- At present, we would be inclined to place particular emphasis on the importance of dividends given that there are a number of lingering risks in the market place including:
 - a) developments in Japan with the recent earthquake, tsunami, and nuclear concerns;
 - b) geopolitical risks associated with the Middle East; and
 - c) lingering debt issues in Europe (ie. Greece's 10-yr bond yield at 13.6%, Ireland at 9.3%, etc.).
- Looking further out, however, we are still constructive on the market and would maintain a 'buy the dip' bias once this volatility eases. A few supporting themes for equity markets are:
 - a) despite these risks mentioned above, one has to keep it mind that another takeaway from all these recent developments is that central banks will maintain accommodative policies for a very long time (ie. low rates and possibly more stimulus);
 - b) the US economic picture is stabilizing and it does not appear that progressive, albeit slow, job growth will be impacted by these recent events;
 - c) investor sentiment was severely impaired over the past few years and our sense is that fear and cautiousness continues to dominate; and,
 - d) there is still an abundant amount of cash on the sidelines that has been waiting for a modest pullback in the market.
- Dividends provide a “bird in the hand” as shareholders are paid to wait for some market direction while retaining capital appreciation opportunities once the economy begins its next cycle. In the recent downturn between the end of 2006 and March 2011, the S&P 500 and the S&P/TSX Composite Index posted returns of -6.5% and +9.4%, respectively. When dividends are incorporated, however, the total returns for the indices rise to 2.5% and 23.3%, respectively.
- In June 2010, we published a list of Toronto-listed companies that regularly increased dividends over the course of the past two years and there were 103 companies that met the criteria. Revisiting this study recently, we find that there are now 127 companies that make the list. A core component to this trend relates to strong commodity prices which have resulted in higher cash flows for companies in the materials sector. In June 2010, there were seven basic material companies on our list and now, there are 19 companies from the same sector.
 - Some of the new additions to the overall list include Agnico-Eagle Mines (AEM), Algonquin Power (AQN), Astral Media (ACM.A), Bank of Nova Scotia (BNS), Calfrac (CFW), Canaccord Financial (CF), Canadian Tire (CTC.A), Equitable Group (ETC), Fiera Sceptre (FSZ), Guardian Capital (GCG), Potash Corp. (POT), Russel Metals (RUS), TD Bank (TD), and Viterro (VT).
 - With some signs of stabilization in the economy and more clarity from regulators on capital requirements for banking institutions, Scotia Capital believes that the major Canadian banks have now reached an inflection point where investors will likely see a return of both earnings and dividend growth after two years of lackluster increases.
- We reiterate that the list includes a number of companies that have a small market capitalization and may therefore be illiquid. As well, there are a number of companies on the list that are more cyclical and/or commodity-related in nature (13% energy, 11% consumer discretionary, 15% basic materials) and as

Market Update

such, we would not necessarily expect to see stable dividends over a longer-term period. Notwithstanding these potential exceptions, the list identifies a number of large capitalization stocks that have an excellent track record of operational performance and that have increased dividends over the past year. By no means will any of these companies necessarily continue to increase dividends in the near term (in fact, depending on economic outlook and commodity prices, there may even be a risk of dividend cuts) but nonetheless, this list should help to identify some of the stronger companies that could be added to a portfolio depending on risk tolerance, time horizon as well as sector and asset allocation.

- As listed below, there are 35 companies that have consistently increased dividends 3 or more times since the beginning of 2009. Both Bonterra Oil & Gas (BNE) as well as CI Financial (CIX) top the list with 6 dividend increases over the course of the past several quarters but it is worth noting that the two companies had lowered or suspended dividends in 2009. Some of our preferred names on this list at current prices include Rogers Communications (RCL.B), Canadian Natural Resources (CNQ), SNC Lavalin (SNC), and Thomson Reuters (TRI).
- Aside from the names mentioned above, companies where we see particularly compelling opportunities at current levels include Barrick Gold (ABX), Iamgold (IMG), Teck Resources (TCK.B), Genworth MI Canada (MIC), and TD Bank (TD).
- The ScotiaMcLeod Canadian Income Plus Guided Portfolio serves as a good reference point for investors seeking income-oriented investment ideas to enhance returns and to capitalize on the tax advantages of dividends. We note that 9 of the 15 holdings in the ScotiaMcLeod Income Plus Portfolio have increased their dividends since the beginning of 2009.



Consistent Dividend Growers		
Ticker	Company	# of dividend increases since 2009
BNE	Bonterra Oil & Gas	6
CIX	CI Financial	6
BCE	BCE Inc.	5
MKX	MKS Inc.	4
MG	Magna International	4
CTY	Calian Technologies	4
HLF	High Liner Foods	4
PNG	Pacific Northern Gas	4
HCG	Home Capital Group	4
CMG	Computer Modelling	4
AGI	Alamos Gold	3
YRI	Yamana Gold	3
GLN	Gentel Inc.	3
RCL.B	Rogers Comm.	3
SJR.B	Shaw Communications	3
TRI	Thomson Reuters Corp	3
THI	Tim Hortons	3
MRU.A	Metro Inc.	3
CEU	Cdn Energy Services	3
CNQ	Cdn Natural Resources	3
ENB	Enbridge	3
MTL	Mullen Group	3
PSI	Pason Systems	3
TRP	TransCanada	3
AD	Alaris Royalty	3
IFC	Intact Financial	3
WFC	Wall Financial	3
CCL.B	CCL Industries	3
CNR	CN Railway	3
SNC	SNC Lavalin	3
CSU	Constellation Software	3
ACO.X	Atco Ltd	3
CU	Cdn Utilities	3
EMA	Emera Inc.	3
FTS	Fortis	3

Source: TSX, Bloomberg, ScotiaMcLeod

Companies that have increased dividends in 2009 or 2010 (page 1 of 3)

ScotiaMcLeod Income Plus Portfolio	Q1 '09	Q2 '09	Q3 '09	Q4 '09	Q1 '10	Q2 '10	Q3 '10	Q4 '10	Q1 '11	Implied Yield (April 11, 2011)	Sector
Airboss of America	0.0125	0.0125	0.02	0.02	0.02	0.03	0.03	0.03	0.03	1.2%	Basic Materials
AEM	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.16	0.3%	Basic Materials
AGI	0.00	0.00	0.00	0.00	0.015	0.015	0.015	0.015	0.025	0.4%	Basic Materials
ABX	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.12	0.12	0.8%	Basic Materials
CCO	0.06	0.06	0.06	0.06	0.07	0.07	0.07	0.07	0.10	1.0%	Basic Materials
ELD	0.00	0.00	0.00	0.00	0.00	0.00	0.025	0.025	0.025	0.0%	Basic Materials
FNV	0.07	0.07	0.07	0.07	0.07	0.075	0.075	0.075	0.075	0.8%	Basic Materials
G	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.075	0.094	0.3%	Basic Materials
IMG	0.015	0.015	0.015	0.015	0.02	0.02	0.02	0.02	0.02	0.4%	Basic Materials
K	0.02	0.02	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.7%	Basic Materials
MDI	0.03	0.03	0.03	0.03	0.03	0.03	0.037	0.037	0.037	0.8%	Basic Materials
PAA	0.00	0.00	0.00	0.00	0.025	0.025	0.025	0.025	0.025	0.2%	Basic Materials
POT	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.07	0.2%	Basic Materials
RGL	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.11	0.11	0.7%	Basic Materials
RUS	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.275	3.9%	Basic Materials
S	0.036	0.036	0.036	0.036	0.036	0.036	0.036	0.038	0.038	1.8%	Basic Materials
TCK.B	0.00	0.00	0.00	0.00	0.00	0.10	0.10	0.15	0.15	0.0%	Basic Materials
WFT	0.14	0.03	0.03	0.03	0.03	0.03	0.06	0.03	0.14	0.2%	Basic Materials
YRI	0.01	0.01	0.01	0.01	0.01	0.015	0.02	0.03	0.03	0.3%	Basic Materials
A4H	0.00	0.00	0.00	0.15	0.20	0.20	0.20	0.20	0.20	3.2%	Communications
ACM.A	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.1875	1.3%	Communications
BCE	0.385	0.385	0.405	0.405	0.435	0.435	0.4575	0.4575	0.4925	4.9%	Communications
CCA	0.12	0.12	0.12	0.14	0.14	0.14	0.14	0.17	0.17	1.3%	Communications
CGO	0.08	0.08	0.08	0.10	0.10	0.10	0.10	0.12	0.12	0.9%	Communications
CJR.B	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.18	0.19	2.8%	Communications
GLN	0.0825	0.09	0.09	0.09	0.0975	0.0975	0.0975	0.0975	0.1475	1.1%	Communications
MHR	0.24	0.255	0.255	0.255	0.255	0.27	0.27	0.27	0.27	2.1%	Communications
MDZ.A	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.13	0.14	0.0%	Communications
MDF	0.00	0.00	0.00	0.050	0.050	0.07	0.07	0.07	0.07	0.0%	Communications
MXK	0.10	0.125	0.125	0.15	0.15	0.175	0.175	0.20	0.20	1.7%	Communications
RCLB	0.29	0.29	0.29	0.29	0.32	0.32	0.32	0.355	0.355	2.3%	Communications
SUR.B	0.21	0.21	0.21	0.21	0.22	0.22	0.22	0.23	0.23	3.7%	Communications
T	0.475	0.475	0.475	0.475	0.475	0.50	0.50	0.525	0.525	4.6%	Communications
TRI	0.28	0.28	0.28	0.28	0.29	0.29	0.29	0.29	0.31	3.9%	Communications
ATD.B	0.035	0.035	0.035	0.035	0.04	0.04	0.04	0.05	0.05	3.0%	Communications
GBT.A	0.045	0.045	0.045	0.05	0.05	0.06	0.06	0.06	0.06	0.6%	Consumer, Cyclical
CTC.A	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.215	0.9%	Consumer, Cyclical
DILB	0.125	0.125	0.125	0.125	0.125	0.15	0.15	0.15	0.15	1.3%	Consumer, Cyclical
IDG	0.00	0.10	0.10	0.10	0.10	0.11	0.11	0.11	0.11	1.6%	Consumer, Cyclical
INDG	0.04	0.045	0.045	0.045	0.045	0.055	0.055	0.055	0.055	3.1%	Consumer, Cyclical
PJC.A	0.07	0.07	0.07	0.07	0.07	0.07	0.09	0.09	0.09	1.8%	Consumer, Cyclical
LNF	0.03	0.03	0.03	0.03	0.06	0.06	0.06	0.06	0.06	2.1%	Consumer, Cyclical
LNR	0.03	0.03	0.03	0.03	0.06	0.06	0.06	0.06	0.06	1.1%	Consumer, Cyclical
MG	0.09	0.00	0.00	0.00	0.00	0.09	0.15	0.18	0.25	0.0%	Consumer, Cyclical
RET.A	0.18	0.18	0.18	0.18	0.18	0.20	0.20	0.20	0.20	4.2%	Consumer, Cyclical
RCH	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.11	1.2%	Consumer, Cyclical
SC	0.215	0.215	0.215	0.215	0.225	0.225	0.225	0.225	0.25	2.2%	Consumer, Cyclical
THI	0.10	0.10	0.10	0.10	0.13	0.13	0.13	0.13	0.17	1.1%	Consumer, Cyclical
UNS	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.12	1.7%	Consumer, Cyclical

Dividend increase
Dividend decrease

1. For companies that pay dividends on an annual or semi-annual basis, we have pro-rated the amount to quarterly data.

Source: Bloomberg, ScotiaMcLeod

Companies that have increased dividends in 2009 or 2010 (page 2 of 3)

ScotiaMcLeod Income Plus Portfolio	Implied Yield (April 11, 2011)										Sector
	Q1 '09	Q2 '09	Q3 '09	Q4 '09	Q1 '10	Q2 '10	Q3 '10	Q4 '10	Q1 '11	Yield	
ACC	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.07	0.085	Consumer, Non-cyclical
CITY	0.15	0.17	0.17	0.17	0.20	0.20	0.20	0.22	0.22	0.25	Consumer, Non-cyclical
EMP.A	0.175	0.185	0.185	0.185	0.200	0.200	0.200	0.200	0.200	0.200	Consumer, Non-cyclical
HLF	0.0625	0.0625	0.07	0.075	0.075	0.085	0.085	0.085	0.085	0.09	Consumer, Non-cyclical
LASA	0.215	0.27	0.27	0.27	0.27	0.29	0.29	0.29	0.29	0.29	Consumer, Non-cyclical
MRU.A	0.1375	0.1375	0.1375	0.1375	0.17	0.17	0.17	0.17	0.17	0.1925	Consumer, Non-cyclical
RBA	0.09	0.09	0.10	0.10	0.10	0.10	0.10	0.105	0.105	0.105	Consumer, Non-cyclical
SAP	0.14	0.14	0.145	0.145	0.145	0.145	0.16	0.16	0.16	0.16	Consumer, Non-cyclical
TCL.A	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.11	0.11	Consumer, Non-cyclical
VRX	0.375	0.09	0.09	0.09	0.09	0.095	0.10	0.00	0.00	0.00	Consumer, Non-cyclical
BNE	0.40	0.38	0.42	0.48	0.54	0.63	0.66	0.66	0.72	0.72	Energy
CFW	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.0375	0.0375	Energy
CEU	0.2376	0.2376	0.2376	0.2376	0.18	0.20	0.24	0.28	0.32	0.32	Energy
CNQ	0.0525	0.0525	0.0525	0.0525	0.075	0.075	0.075	0.075	0.075	0.09	Energy
ENB	0.37	0.37	0.37	0.37	0.425	0.425	0.425	0.425	0.425	0.49	Energy
ESI	0.085	0.085	0.085	0.0875	0.0875	0.0875	0.0875	0.0875	0.0875	0.0950	Energy
IMO	0.10	0.10	0.10	0.10	0.10	0.11	0.11	0.11	0.11	0.11	Energy
MTL	0.23	0.00	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.25	Energy
NKO	0.03	0.03	0.03	0.30	0.03	0.03	0.06	0.06	0.06	0.06	Energy
PNG	0.23	0.23	0.25	0.25	0.28	0.28	0.28	0.30	0.30	0.30	Energy
PSI	0.06	0.06	0.07	0.07	0.07	0.08	0.08	0.085	0.085	0.085	Energy
SCLA	0.065	0.07	0.07	0.07	0.075	0.075	0.075	0.075	0.075	0.075	Energy
SU	0.05	0.05	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	Energy
TLM	0.05625	0.05625	0.05625	0.05625	0.05625	0.0625	0.0625	0.0625	0.0625	0.0625	Energy
TOT	0.09	0.09	0.03	0.03	0.03	0.03	0.03	0.04	0.04	0.04	Energy
TRP	0.38	0.38	0.38	0.38	0.40	0.40	0.40	0.40	0.42	0.42	Energy
ACD	0.065	0.065	0.065	0.065	0.065	0.065	0.065	0.075	0.075	0.075	Financial
AGF.B	0.25	0.25	0.25	0.25	0.26	0.26	0.26	0.26	0.26	0.26	Financial
AD	0.31	0.21	0.21	0.21	0.22	0.24	0.24	0.25	0.26	0.26	Financial
BNS	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.52	Financial
BOX.un											Financial
CF	0.00	0.00	0.00	0.05	0.05	0.05	0.05	0.05	0.05	0.075	Financial
CWB	0.11	0.11	0.11	0.11	0.11	0.11	0.13	0.13	0.13	0.13	Financial
CSF	0.065	0.065	0.065	0.10	0.10	0.10	0.10	0.10	0.10	0.12	Financial
CIX	0.00	0.260	0.15	0.16	0.18	0.195	0.195	0.205	0.215	0.215	Financial
ETC	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.11	0.11	Financial
FFH	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.50	2.50	2.50	Financial
FSZ	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.08	Financial
MIC	0.00	0.00	0.00	0.22	0.22	0.22	0.22	0.26	0.26	0.26	Financial
GS	0.12	0.12	0.12	0.125	0.125	0.125	0.125	0.125	0.125	0.1375	Financial

Dividend increase
Dividend decrease

1. For companies that pay dividends on an annual or semi-annual basis, we have pro-rated the amount to quarterly data.

Source: Bloomberg, ScotiaMcLeod

Companies that have increased dividends in 2009 or 2010 (page 3 of 3)

ScotiaMcLeod Income Plus Portfolio	Implied Yield (April 11, 2011)										Sector
	Q1 '09	Q2 '09	Q3 '09	Q4 '09	Q1 '10	Q2 '10	Q3 '10	Q4 '10	Q1 '11	Yield	
GMP Capital	0.10	0.05	0.05	0.05	0.05	0.05	0.06	0.06	0.08	1.3%	Financial
GCG	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.04	1.4%	Financial
Home Capital Group	0.13	0.14	0.15	0.16	0.16	0.16	0.16	0.18	0.18	1.1%	Financial
IFC	0.32	0.32	0.32	0.32	0.34	0.34	0.34	0.34	0.37	2.7%	Financial
Laurentian Bank	0.34	0.34	0.34	0.36	0.36	0.36	0.36	0.39	0.39	2.9%	Financial
MKAN Mortgage	0.25	0.25	0.25	0.26	0.26	0.26	0.26	0.26	0.27	7.2%	Financial
Melcor Developments	0.05	0.05	0.075	0.075	0.075	0.075	0.10	0.10	0.10	1.9%	Financial
Nationa Bank	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.66	0.66	3.2%	Financial
Sprott Inc.	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.03	0.03	1.3%	Financial
TD Bank	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.66	2.9%	Financial
TMX Group	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.40	0.40	3.8%	Financial
Wall Financial	0.075	0.075	0.10	0.10	0.50	0.50	0.125	0.125	0.50	11.5%	Financial
Ag Growth	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.57	0.60	4.3%	Industrial
CAE Inc.	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04	0.04	1.0%	Industrial
CCL Industries	0.15	0.15	0.15	0.15	0.16	0.16	0.16	0.175	0.175	2.0%	Industrial
Cdn Pacific Railway	0.2475	0.2475	0.2475	0.2475	0.2475	0.27	0.27	0.27	0.27	1.6%	Industrial
CN Railway	0.2525	0.2525	0.2525	0.2525	0.27	0.27	0.27	0.27	0.33	1.5%	Industrial
Evertz Technologies	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.10	0.10	1.9%	Industrial
Exco Technologies	0.0175	0.0175	0.0175	0.0175	0.02	0.02	0.02	0.025	0.025	1.9%	Industrial
Finnig International	0.11	0.11	0.11	0.11	0.11	0.12	0.12	0.12	0.12	1.6%	Industrial
Marsulex	0.16	0.16	0.185	0.185	0.185	0.185	0.185	0.185	0.185	5.1%	Industrial
Nexvetta	0.05	0.05	0.05	0.05	0.05	0.05	0.065	0.065	0.065	1.5%	Industrial
SNC Lavalin	0.15	0.15	0.15	0.15	0.17	0.17	0.17	0.17	0.21	1.3%	Industrial
Stella Jones	0.09	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.12	0.9%	Industrial
Torontom Industries	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.16	1.9%	Industrial
Viterra	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.025	3.0%	Industrial
WaterFurnace Energy	0.18	0.18	0.18	0.18	0.18	0.18	0.22	0.22	0.22	0.0%	Industrial
Computer Modelling	0.15	0.18	0.18	0.18	0.18	0.18	0.18	0.20	0.20	2.7%	Technology
Constellation Software	0.054	0.054	0.054	0.054	0.065	0.065	0.065	0.065	0.500	0.4%	Technology
Enghouse Systems	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.04	0.04	1.6%	Technology
TECSYS Inc.	0.01	0.01	0.0125	0.0125	0.0125	0.0125	0.0125	0.0125	0.015	2.6%	Technology
WIN	0.00	0.0125	0.0125	0.0125	0.0125	0.0125	0.0125	0.0125	0.025	0.8%	Technology
Algonquin Power	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	4.6%	Utilities
ACO X	0.25	0.25	0.25	0.25	0.265	0.265	0.265	0.265	0.285	1.8%	Utilities
CUJ	0.3525	0.3525	0.3525	0.3525	0.375	0.375	0.375	0.375	0.4025	2.8%	Utilities
Enera Inc.	0.2525	0.2525	0.2525	0.2525	0.2725	0.2725	0.2725	0.2725	0.325	3.5%	Utilities
FTS	0.26	0.26	0.26	0.26	0.28	0.28	0.28	0.28	0.29	4.7%	Utilities
Keyera Corp.	0.4456	0.4456	0.4456	0.4471	0.45	0.45	0.45	0.45	0.46	4.7%	Utilities
TransAlta Corp.	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	5.7%	Utilities

Dividend increase
Dividend decrease

1. For companies that pay dividends on an annual or semi-annual basis, we have pro-rated the amount to quarterly data.

Source: Bloomberg, ScotiaMcLeod

Market Update

The author(s) of the report own(s) securities of the following companies.

Bank of Nova Scotia,

The supervisors of the Portfolio Advisory Group own securities of the following companies.

BCE Inc., TELUS Corporation, Shoppers Drug Mart Corporation, Suncor Energy Inc., TransCanada Corporation, Bank of Nova Scotia, Canadian National Railway Company,

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

The Honourable Michael J.L Kirby is a director of Indigo Books and Music Inc. and is a director of the Bank of Nova Scotia. **Indigo Books & Music Inc.**

Thomas C. O'Neill is a director of BCE Inc and is a director of the Bank of Nova Scotia. **BCE Inc.**

Paul D. Sobey, President & CEO of Empire Company Limited, is a director of The Bank of Nova Scotia. **Empire Company Limited**

David A. Dodge is a director of Canadian Utilities Limited and is a director of the Bank of Nova Scotia. **Canadian Utilities Limited**

Ronald Brenneman is a director of BCE Inc and is a director of the Bank of Nova Scotia. **BCE Inc.**

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**

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Scotia Capital USA Inc. had an investment banking services client relationship during the past 12 months. **Bank of Nova Scotia, National Bank, Potash Corporation of Saskatchewan, Inc., Talisman Energy Inc., Teck Resources Limited, Toronto-Dominion Bank, Viterra Inc.**

Scotia Capital USA Inc. had a non-investment banking securities-related services client relationship during the past 12 months. **SPRINT NEXTEL CORP**

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): **Agnico-Eagle Mines Limited, Alamos Gold Inc., Barrick Gold Corporation, Goldcorp Inc., Keyera Corp., Kinross Gold Corporation, Pan American Silver Corp.**

Scotia Capital Restriction **Bank of Nova Scotia**

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Market Update

Corporation, Thomson Reuters Corporation, TMX Group Inc., Toronto-Dominion Bank, TransAlta Corporation, TransCanada Corporation

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Market Update

Comparative Canadian Bank Information

Bank	Symbol	Scotia Capital Recommendation	Risk Rating	1 Yr Target
Bank of Montreal	BMO	2-Sector Perform	Low	\$68.00
Bank of Nova Scotia	BNS	2-Sector Perform	Low	\$72.00
CIBC	CM	1-Sector Outperform	Low	\$105.00
National Bank	NA	3-Sector Underperform	Low	\$90.00
Royal Bank	RY	1-Sector Outperform	Low	\$75.00
Toronto-Dominion Bank	TD	1-Sector Outperform	Low	\$105.00