



THE
SUMMIT™
PROGRAM

An Overview

Summit Program overview

Founded in 1994, the Summit Program is ScotiaMcLeod's premier investment program featuring **managed portfolios** of securities selected by leading money managers. The Program is founded on a highly disciplined **investment management consulting process** that has traditionally been reserved for large-scale institutional or pension fund investors.

Leveraging this process and drawing on a dedicated team of leading investment professionals, we will work with you to develop a highly customized strategy, select the best **money managers** to execute that strategy and provide ongoing performance evaluation and reviews. This gives you the peace of mind of knowing that your portfolio is being managed by experts regardless of its complexity.

With the Summit Program you enjoy the benefit of having a managed portfolio that includes individual stocks and bonds. Unlike pooled funds, a separately managed portfolio enables us to exercise greater control over your investment strategy, through customization and to avoid the higher expenses that can occur in a pooled solution.

With a minimum investment of \$500,000, costs, including asset allocation, manager selection, portfolio management, trading and performance reporting are covered by an all-inclusive quarterly fee.

managed portfolios

Portfolios of individual security positions that are managed by professional money managers

investment management consulting process

A disciplined, multi-step approach to managing an investment portfolio. The process includes a detailed investment plan, manager research and selection, portfolio construction, monitoring and ongoing review

money manager

An experienced investment professional who selects the securities for your portfolio with the backing of extensive resources

Key benefits

By investing in the Summit Program you will receive:

- A personalized **Investment Policy Statement**. Designed to reflect your needs and goals.
- Multi-level **diversification**. Provided by asset class, market capitalization, country and investment style to increase your portfolio's potential returns, while managing risk.
- Manager selection and due diligence by Northern Trust Global Advisors. A leading investment management consulting firm. Leveraging their expertise ensures that our money managers have been thoroughly researched and analyzed prior to adding them to your portfolio.
- Access to leading money managers. The Summit Program's money managers are typically only available to institutional investors and pension funds.
- Access to the Pinnacle Program Funds. A family of proprietary mutual funds featuring leading managers selected by Northern Trust.
- The opportunity for direct security ownership. The Summit Program's investment mandates are comprised of individual securities which generally have fewer tax implications than a pooled fund solution.
- Risk control. Checks and balances are used to manage your portfolio's overall risk.

investment policy statement

Your investment roadmap. The Investment Policy Statement documents your needs and goals and your tolerance for risk

diversification

Allocating the investments of a portfolio across various companies and types of securities, in various markets across the world, in order to minimize portfolio risk

Checks and balances control risk

The Summit Program includes a number of checks and balances to manage both market and manager risk.

Type of Risk Reduction	Benefit
Market Risk	<ul style="list-style-type: none">Your portfolio stays on track because we establish your investment strategy up front and review it regularly.
Manager Style Risk	<ul style="list-style-type: none">Multi-manager, multi-style portfolios, such as those offered by the Summit Program, reduce and control style risk unlike single manager portfolios.
Manager Selection Risk	<ul style="list-style-type: none">Our rigorous manager selection process leverages both quantitative and qualitative research.
Market Timing Risk	<ul style="list-style-type: none">Your portfolio can be rebalanced regularly to ensure that it remains in line with the asset mix set out in your Investment Policy Statement.
Active Management Risk	<ul style="list-style-type: none">Money managers are required to adhere to an investment mandate containing detailed investment guidelines to control and actively manage risk.
Manager Risk	<ul style="list-style-type: none">Extensive third party due diligence ensures that money managers' portfolios remain aligned with their mandates.

style

How a money manager selects the securities for a portfolio

investment mandate

Sets out strict parameters for a money manager on their portfolio and is used as a key component of ongoing due diligence

How we provide solutions

To help you achieve your investment goals and objectives, the Summit Program leverages a team of internal and external experts to create an ideal level of portfolio **optimization**.

Your Summit team will include:

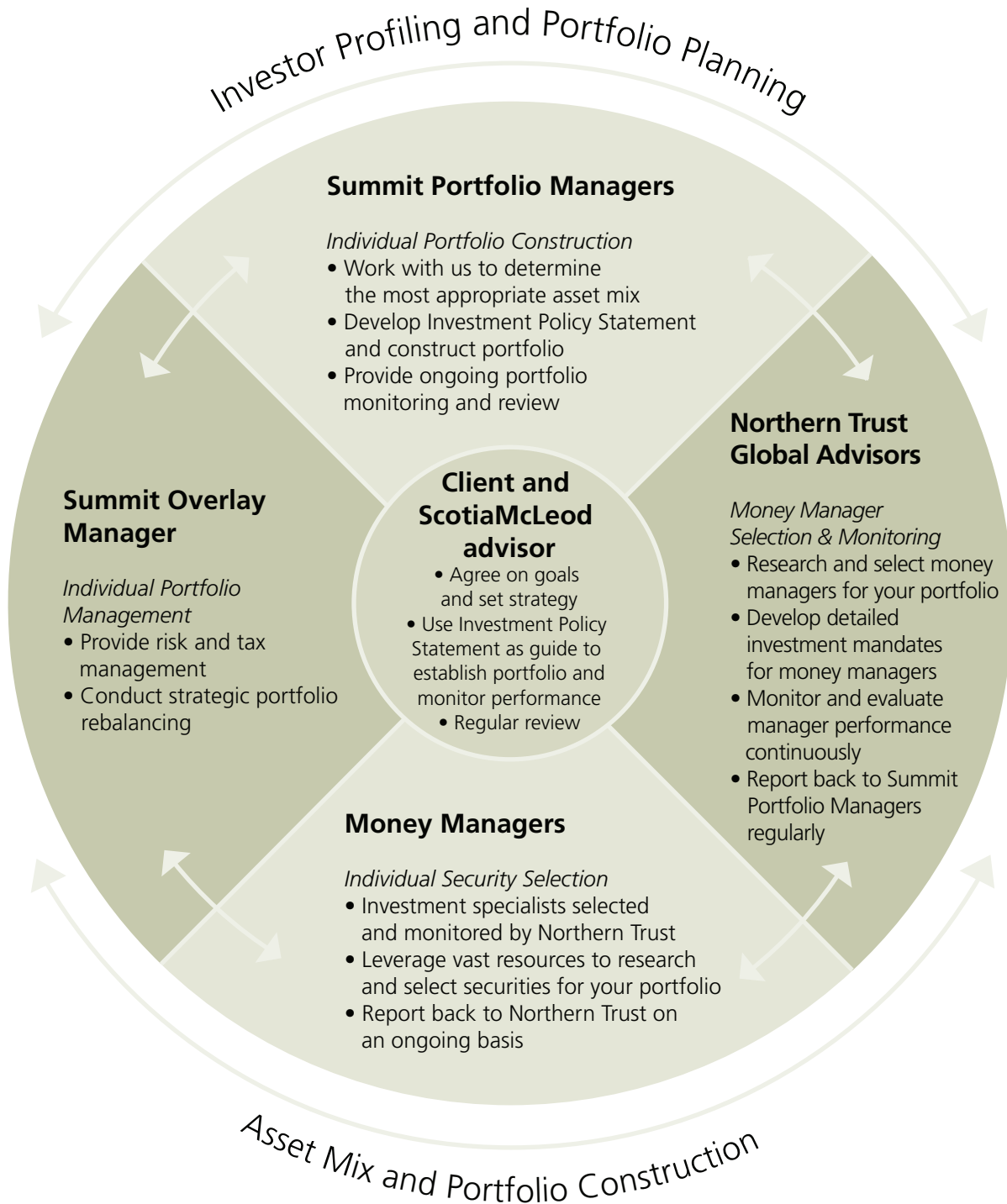
- Northern Trust Global Advisors
- The ScotiaMcLeod Summit Portfolio Managers
- Leading money managers from around the world
- The Summit Overlay Manager

optimization

Working to achieve the most favourable balance between risk and return

The value of our team of experts

By leveraging the value of our team of experts, we ensure that your portfolio is well positioned to meet your goals.



The value of Northern Trust Global Advisors

Selecting a money manager is one of the most important decisions that you can make. And yet, many investors lack the time or expertise to choose the manager whose investment style is best suited to achieving their unique investment goals, while managing risk.

With the Summit Program, we take a thorough approach. We examine our money manager's investment philosophy and style, their research capabilities, their buy and sell disciplines, and their overall qualifications.

To do this, we leverage the expertise of Northern Trust Global Advisors, a leading investment management consulting firm with decades of money manager selection expertise.

Their highly disciplined manager research, selection and **due diligence** process has attracted the business of more than 200 firms around the world.

It focuses on in-depth qualitative and quantitative analysis, as well as a sophisticated **scoring system** to arrive at a short list of potential managers. Only those managers with the most solid scoring results are selected.

ScotiaMcLeod is one of very few firms to provide their clients with the expertise of Northern Trust Global Advisors.

due diligence

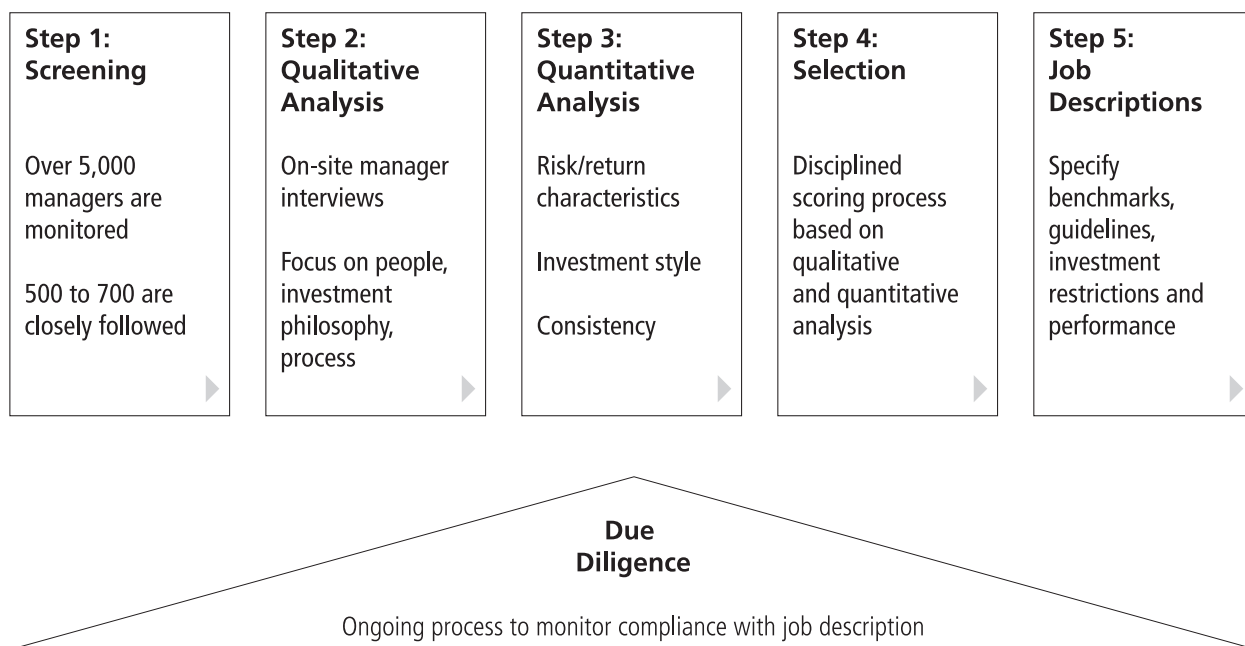
The process of monitoring manager performance on an ongoing basis from a qualitative and quantitative perspective

scoring system

A system that ranks all managers on a variety of qualitative and quantitative criteria using a scale of 1 to 5, 1 being the lowest and 5 being the highest

Manager evaluation process

Northern Trust provides each of the money managers who have been selected for the Summit Program with a detailed job description for their respective investment mandate. The description specifies benchmarks, management guidelines, investment restrictions and expected performance standards.



Once the money managers are selected, Northern Trust conducts an extensive analysis of each manager's performance on a quarterly basis to ensure that they are meeting their return targets, while managing the associated investment risk accordingly.

The value of the Summit Portfolio Managers

The **Summit Portfolio Managers** are integral players in our disciplined investment management consulting process. We will leverage their expertise to define your portfolio's optimal asset allocation and select the money managers that will execute this allocation.

In addition to the initial portfolio design and assisting with its ongoing maintenance, the Summit Portfolio Managers also work closely with Northern Trust forming an integral part of the money manager selection and due diligence processes.

The Summit Portfolio Managers are also responsible for chairing the Summit Program's Quarterly Investment Review Committee to which Northern Trust reports its findings. This Committee consists of professionals from ScotiaMcLeod's research and portfolio management groups and is responsible for reviewing money manager performance and voting on any manager changes or recommendations set forth by Northern Trust.

summit portfolio managers

Seasoned investment professionals who leverage sophisticated asset allocation tools to create sound portfolios that increase potential returns while mitigating risk

The value of leading money managers

In today's highly competitive investment environment, when it comes to money managers there are thousands to choose from. With the disciplined manager selection process of the Summit Program, we have narrowed the field to a select few whose expertise has typically been reserved for large-scale institutional investors and pension funds. Each of these managers also have unique areas of specialization, be it by asset class, **market capitalization**, geographic allocation or investment style.

When it comes to investment style, there are generally two broad categories of money managers to choose from: Value and Growth.

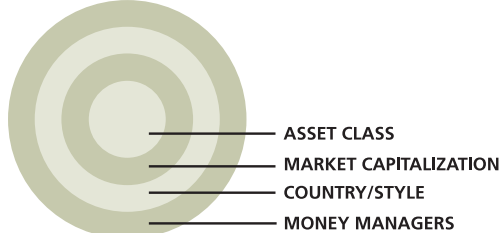
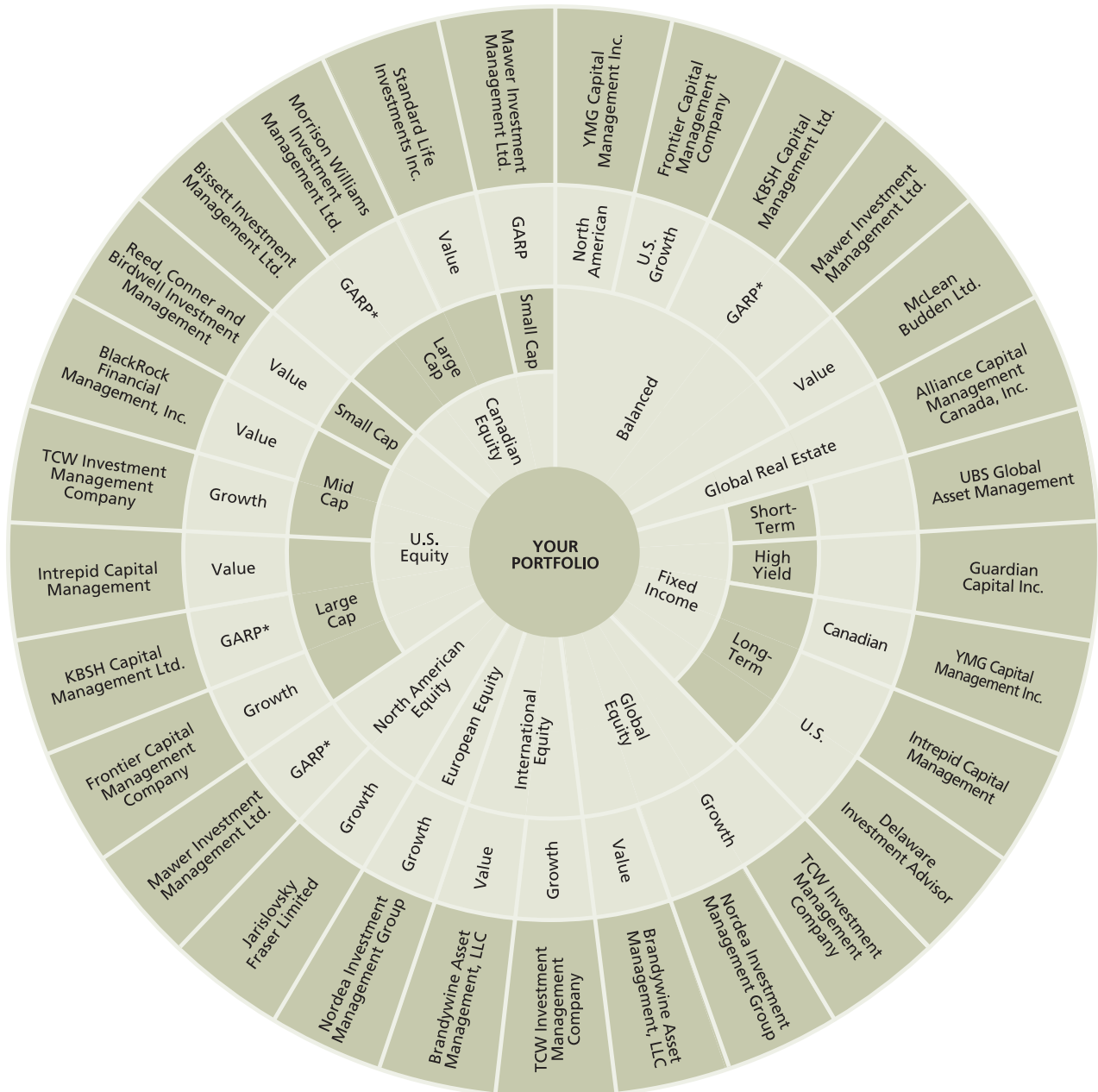
- Value managers look for quality companies that are undervalued or out of favour. The companies are typically characterized by above average dividend yield and moderate, but predictable, earnings growth.
- Growth managers look for companies that are growing earnings, reinvesting capital and have a high return on equity. The companies typically have had higher returns than value-type companies, but have a higher level of risk.

market capitalization

The total value of a company, calculated by multiplying the current price per share by the number of shares outstanding

The value of multi-level diversification

By providing you with optimal exposure to leading money managers in numerous specialized areas, we can ensure that your portfolio provides you with multi-level diversification to increase your potential investment returns, while effectively managing your overall risk exposure.



GARP* - Groth at a Reasonable Price

The value of the Summit Optimized Portfolios

Founded on the strengths of the Summit Program, the Summit Optimized Portfolios are a comprehensive suite of portfolios featuring multiple money managers in a single account.

The Summit Optimized Portfolios were created and will be monitored by Northern Trust, leveraging the proven asset allocation and money manager selection processes that have been used in the Summit Program since its inception in 1994.

In addition to the many benefits of the Summit Program, what makes the Summit Optimized Portfolios one of Canada's most unique investment solutions is their use of an **Overlay Manager**. As a member of ScotiaMcLeod's Summit Portfolio Management Team, the role of the Summit Overlay Manager is to:

- Provide an additional level of portfolio management. The Overlay Manager focuses on managing your portfolio from a risk and tax management perspective.
- Oversee your consolidated account. The Overlay Manager executes trades, facilitates cash flows and co-ordinates overlapping holdings on behalf of your money managers.
- Provide **strategic rebalancing**. The Overlay Manager provides strategic portfolio rebalancing, by asset type and money manager, to ensure that your portfolio continues to work toward meeting your unique goals.

Together, these services act as a solid complement to the portfolio management that will be provided by Northern Trust Global Advisors, the Summit Portfolio Management Team and your money managers.

overlay manager

A seasoned investment professional who provides risk and tax management for a portfolio in addition to strategic rebalancing

strategic rebalancing

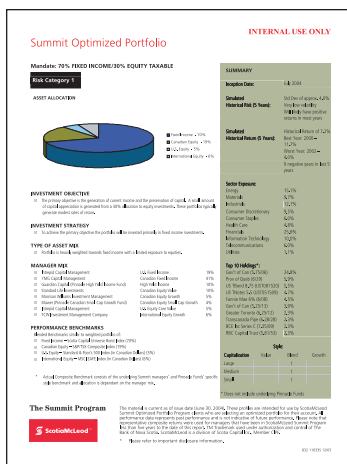
Returning a portfolio to the asset allocation that is set out in the Investment Policy Statement when a target is achieved

The value of outstanding service

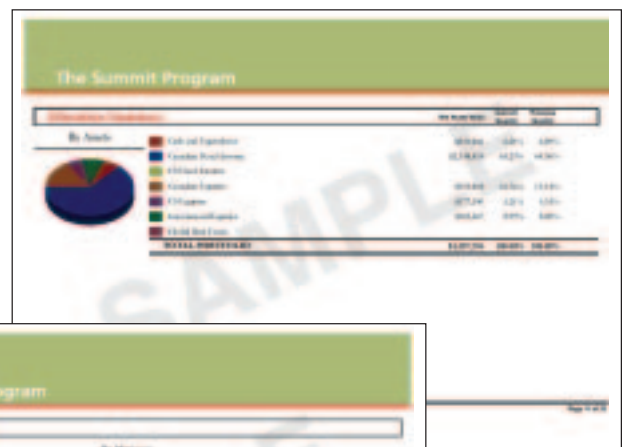
In addition to our disciplined investment management consulting process carried out by our dedicated team of experts, as a Summit client, you will also benefit from a comprehensive suite of customized services including:

- Detailed Portfolio profiles and quarterly performance commentaries
- Comprehensive quarterly performance reporting
- Annual gain/loss reporting
- Ongoing Portfolio monitoring and formal annual reviews
- Access to retirement, financial and estate planning

Portfolio profiles



Created by Northern Trust Global Advisors, the Portfolio profiles include each Portfolio's investment objective, asset mix, performance benchmark and risk category.



Quarterly performance reporting

The Summit Program's quarterly performance reports provide customized summaries of Portfolio performance relative to an established benchmark.



The Summit Commitment

Outstanding service. An integrated approach to your finances. Personalized portfolio recommendations based on a disciplined investment management consulting process. Involvement of a dedicated team of experts with diverse investment specialties.

These are the cornerstones of the Summit Program that will help you achieve your financial goals.

Pinnacle Program Funds - Disclosures

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.

Before executing any tax strategy, you should consult with your tax advisor.

E. & O.E.

Building Relationships for Life



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