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Jacques Maurice Group

ScotiaMcLeod, a division of Scotia Capital Inc.

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To achieve higher returns on common shares, we need access to the best research.

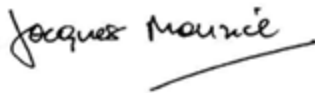
Over the years, we have come to the conclusion that both Bloomberg and Value Line research is superior to all the others.

I have included a sample of the first and last page of Bloomberg's listing of US corporations. You can see that the two most important columns are the total potential return for one year and the average ranking of all analysts who cover S&P 500 companies, where 5.0 is the highest score. You can see that we only hold and recommend large capitalisation enterprises for our clients. This daily research allows us to take advantage of the best entry points for our share purchases and avoid the ones with average or frankly poor potential.

The attached Value Line appendix on the securities with the best future growth potential includes only companies that, for the last ten years, have experienced average growth of 10% or more in every aspect of the overall sales, cash flow, earnings, dividends and book values, in addition to offering their shareholders ratios at least equal to this for the next three to five years.

We have also included an appendix on the importance and strength of dividends in a strategy for holding shares in the medium and long terms.

Sincerely,



Senior Wealth Advisor
Director, Wealth Management

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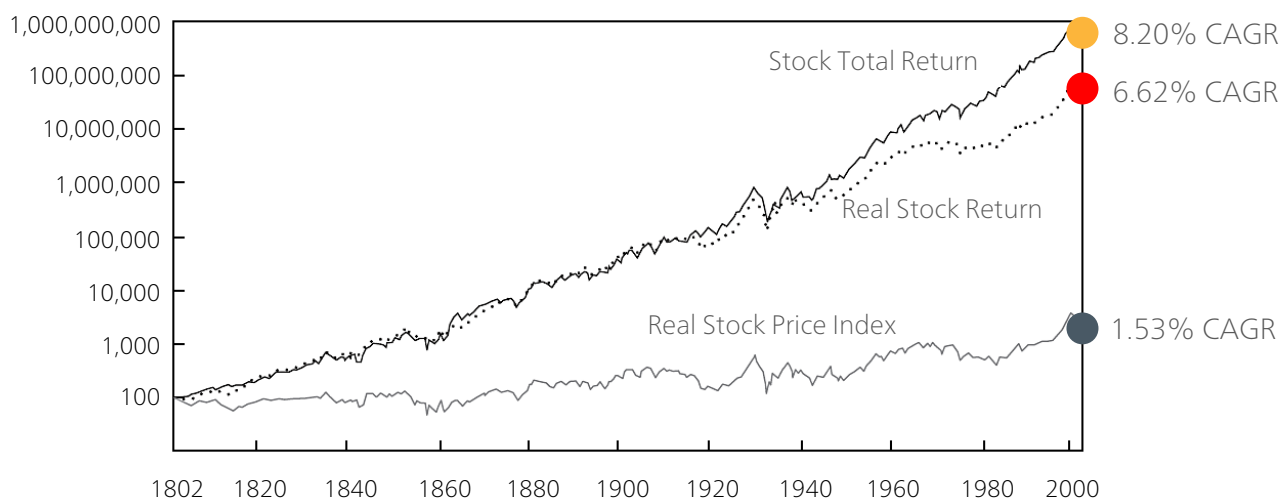
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The Power of Dividends

Investment Returns have been more about Dividends than Capital Gains

The chart below shows U.S. stock market returns since 1802. We can clearly see that equities have derived most of their returns from dividend income that has been reinvested, rather than solely from capital appreciation. Capital gains, shown in the Real Stock Price Index, is only a part of the big picture. Even after taking inflation into account; dividend income, dividend growth and the power of reinvesting dividends, have accounted for most of the return over the 200-year period.

Growth of \$100 invested over 200 years



Source: Arnott & Bernstein, FAJ, March/April 2002

The above returns are provided for illustrative purposes only. The performance presented represents historical performance of an unmanaged index. Returns would have been lower if they were subject to fees. Past performance is not an indicator of future results. The figure above is used only to illustrate the effects of the Compound Annual Growth Rate (CAGR) and is not intended to reflect future values or returns on investment.

Stock Total Return: The solid black line denotes the cumulative total return for equities since 1802, where \$100, with reinvestment of dividends, grows to **\$700 million** in 200 years.

Real Stock Return: The dotted line includes reinvestment of dividends but takes into account inflation and shows the stock's return less inflation. The \$100 invested grew to **\$37 million** in real terms.

Real Stock Price Index: The line in the bottom show the wealth accumulation from price appreciation alone, net of both inflation and dividends. If an investor had placed \$100 in stocks in 1802 and spent the average dividend yield of 4.9% for the next 200 years, they would have a portfolio worth **\$2,099**, net of inflation. Quite a difference!

“Do you know the only thing that gives me pleasure? It’s to see my dividends coming in.”

- John D. Rockefeller -

Summit Program®

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HIGHEST GROWTH STOCKS

(To be included, a company's annual growth of sales, cash flow, earnings, dividends and book value must together have averaged 10% or more over the past 10 years and be expected to average at least 10% in the coming 3-5 years.)

Table with columns: Page No., Stock Name, Ticker, Recent Price, Growth Past 10 Years, Est'd Growth 3-5 Years, Time-liness, Safety Rank, Beta, Current P/E Ratio, % Est'd Yield, Estimated 3-5 Year Price Appreciation, Industry Group, Industry Rank. Rows include AAON, Advance Auto Parts, Aetna Inc., Alaska Air Group, Alphabet Inc., AMERSOURCEBERGEN, Apple Inc., ARM Holdings plc, Astronics Corp., BJ's Restaurants, Balchem Corp., Big Lots Inc., Boston Beer 'A', Buffalo Wild Wings, Cal-Maine Foods, Calavo Growers, Cantel Medical Corp., Carter's Inc., Celanese Corp., Celgene Corp., Centene Corp., Cerner Corp., Chemed Corp., Cigna Corp., Cognex Corp., Cognizant Technology, Copart, Inc., CoStar Group, Ctrip.com Int'l ADR, Danaher Corp., Dollar Tree, Inc., Edwards Lifesciences, Endo Int'l plc, F5 Networks, FactSet Research, G-III Apparel Group, Gartner Inc., Gilan Activewear, Hain Celestial Group, Healthcare Svcs., HEICO Corp., Hologic, Inc., Hormel Foods, Hunt (J.B.), ITC Holdings, Infosys Ltd. ADR, Intuit Inc., j2 Global, Jones Lang LaSalle, Juniper Networks, LKQ Corp., Lam Research, Manhattan Assoc., MAXIMUS Inc., McKesson Corp., MEDNAX, Inc., Microsemi Corp., Middleby Corp. (The), Mono Muffler Brake, Monster Beverage, Netflix, Inc., NIKE, Inc., 'B', Novo Nordisk ADR, NutriSystem Inc., Old Dominion Freight, Omnicell, Inc., Open Text Corp., Perrigo Co, plc, PolyOne Corp., Priceline Group (The), Red Hat, Inc., Red Robin Gourmet, Rollins, Inc., Ross Stores, Royal Gold, SEI Investments, Schnitzer Steel, Sherwin-Williams, Sinclair Broadcast, Skechers U.S.A., Skyworks Solutions, Smith (A.O.), Southwest Airlines, Starbucks Corp., Stericycle Inc., Synaptics, TJX Companies, Taiwan Semic. ADR, TASEX Int'l, Tesoro Corp., Tractor Supply, United Therapeutics, UnitedHealth Group, Universal Health Sv., 'B', Urban Outfitters, VCA Inc., Walgreens Boots, WebMD Health, XO Group.

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S&P 500 - Potential Return, Consensus Ratings

Top Potential Return - 1 Year

Company	Ticker	Sector	Price	Yield	Consensus	Potential	Analyst Ratings			Consensus	Market Cap
					Target	Total Return	Buy	Hold	Sell	Rating	
H&R Block Inc	HRB	Consumer Discretionary	\$20.24	4.0%	\$31.56	60%	5	7	0	3.8	4,541,970,862
Western Digital Corp	WDC	Information Technology	\$40.87	4.9%	\$61.20	55%	19	11	0	4.2	9,512,152,221
Delta Air Lines Inc	DAL	Industrials	\$41.67	1.3%	\$62.40	51%	14	1	0	4.9	32,151,798,605
Mallinckrodt PLC	MNK	Health Care	\$62.52	0.0%	\$92.54	48%	13	2	0	4.7	6,996,917,422
Mylan Inc/PA	MYL	Health Care	\$41.71	0.0%	\$59.94	44%	13	8	0	4.2	20,466,590,891
Williams Cos Inc/The	WMB	Energy	\$19.39	13.2%	\$25.14	43%	6	5	0	4.1	14,543,773,244
Marathon Petroleum Corp	MPC	Energy	\$39.08	3.3%	\$53.50	40%	16	3	0	4.7	20,682,049,573
Alexion Pharmaceuticals Inc	ALXN	Health Care	\$139.28	0.0%	\$194.59	40%	14	8	0	4.3	31,201,528,442
Allergan Inc/United States	AGN	Health Care	\$216.56	0.0%	\$297.75	37%	18	4	0	4.6	85,568,258,306
Apple Inc	AAPL	Information Technology	\$93.74	2.4%	\$125.59	36%	41	6	2	4.6	513,453,819,500
Tesoro Corp	TSO	Energy	\$79.69	2.5%	\$106.50	36%	8	11	0	3.8	9,554,079,205
First Solar Inc	FSLR	Information Technology	\$55.84	0.0%	\$75.93	36%	12	10	0	4.1	5,709,366,775
Seagate Technology PLC	STX	Information Technology	\$21.77	11.6%	\$26.41	33%	7	19	6	3.1	6,497,990,780
Celgene Corp	CELG	Health Care	\$103.41	0.0%	\$137.23	33%	21	4	1	4.5	80,098,147,199
Netflix Inc	NFLX	Consumer Discretionary	\$90.03	0.0%	\$119.14	32%	25	17	4	3.9	38,559,741,324
Vertex Pharmaceuticals Inc	VRTX	Health Care	\$84.34	0.0%	\$111.60	32%	17	8	0	4.3	20,861,487,530
Micron Technology Inc	MU	Information Technology	\$10.75	0.0%	\$14.17	32%	19	9	3	4.1	11,148,213,422
Gilead Sciences Inc	GILD	Health Care	\$88.21	2.1%	\$113.40	31%	17	10	0	4.3	119,492,955,119
Electronic Arts Inc	EA	Information Technology	\$61.85	0.0%	\$80.82	31%	19	5	0	4.6	19,130,790,720
Eli Lilly & Co	LLY	Health Care	\$75.53	2.7%	\$96.35	30%	17	10	0	4.3	83,372,808,761
Google Inc	GOOG	Information Technology	\$693.01	0.0%	\$898.83	30%	12	2	0	4.6	481,059,437,195
Valero Energy Corp	VLO	Energy	\$58.87	4.1%	\$73.29	29%	16	6	0	4.5	27,655,837,159
Google Inc	GOOGL	Information Technology	\$707.88	0.0%	\$909.35	28%	45	5	0	4.8	481,059,437,195
Legg Mason Inc	LM	Financials	\$32.11	2.7%	\$40.36	28%	10	4	0	4.4	3,458,507,027
News Corp	NWSA	Consumer Discretionary	\$12.42	1.6%	\$15.73	28%	6	6	0	4.0	7,316,627,336
Perrigo Co PLC	PRGO	Health Care	\$96.67	0.6%	\$122.69	28%	7	12	2	3.5	13,843,365,761
Alliance Data Systems Corp	ADS	Information Technology	\$203.31	0.0%	\$258.74	27%	23	4	1	4.5	12,017,840,739
Carnival Corp	CCL	Consumer Discretionary	\$49.05	2.9%	\$60.93	27%	14	9	0	4.2	37,034,067,748
CBRE Group Inc	CBG	Financials	\$29.63	0.0%	\$37.60	27%	9	0	0	4.9	9,903,623,794
Southwest Airlines Co	LUV	Industrials	\$44.61	0.7%	\$56.30	27%	12	6	0	4.3	28,491,818,282
Royal Caribbean Cruises Ltd	RCL	Consumer Discretionary	\$77.40	1.9%	\$95.71	26%	21	8	2	4.2	16,659,684,360
Lam Research Corp	LRCX	Information Technology	\$76.40	1.6%	\$94.53	25%	17	2	0	4.8	12,193,260,078
Abbott Laboratories	ABT	Health Care	\$38.90	2.7%	\$47.69	25%	15	7	0	4.4	57,309,108,393
Anthem Inc	ANTM	Health Care	\$140.77	1.8%	\$173.67	25%	13	7	0	4.3	37,015,894,232
NIKE Inc	NKE	Consumer Discretionary	\$58.94	1.1%	\$72.98	25%	27	7	0	4.6	99,297,501,065
Delphi Automotive PLC	DLPH	Consumer Discretionary	\$73.63	1.6%	\$90.75	25%	18	2	0	4.8	20,321,880,000
Biogen Idec Inc	BIIB	Health Care	\$274.99	0.0%	\$342.83	25%	16	9	0	4.3	60,236,969,510
General Motors Co	GM	Consumer Discretionary	\$31.80	4.8%	\$38.06	24%	11	10	1	3.9	48,966,446,957
Akamai Technologies Inc	AKAM	Information Technology	\$50.99	0.0%	\$63.35	24%	12	11	2	3.8	8,970,470,564
Avago Technologies Ltd	AVGO	Information Technology	\$145.75	1.3%	\$178.59	24%	28	2	0	4.9	56,907,790,170
Aetna Inc	AET	Health Care	\$112.27	0.9%	\$137.69	24%	14	6	1	4.2	39,361,862,000
Facebook Inc	FB	Information Technology	\$117.58	0.0%	\$145.02	23%	47	4	1	4.7	336,655,727,029
Kroger Co/The	KR	Consumer Staples	\$35.39	1.2%	\$43.15	23%	18	6	1	4.4	34,062,175,269
XL Group PLC	XL	Financials	\$32.73	2.4%	\$39.35	23%	11	6	1	4.1	9,558,345,972
Harris Corp	HRS	Information Technology	\$80.01	2.5%	\$96.11	23%	8	1	0	4.8	9,973,580,702
Starbucks Corp	SBUX	Consumer Discretionary	\$56.23	1.4%	\$68.14	23%	24	6	0	4.6	82,371,327,000

Source: Bloomberg

S&P 500 - Potential Return, Consensus Ratings Bottom Potential Return - 1 Year

Company	Ticker	Sector	Price	Yield	Consensus	Potential	Analyst Ratings			Consensus	Market Cap
					Target	Total Return	Buy	Hold	Sell	Rating	
Wal-Mart Stores Inc	WMT	Consumer Staples	\$66.87	3.0%	\$65.16	0%	5	23	2	3.2	209,889,702,029
General Mills Inc	GIS	Consumer Staples	\$61.34	3.0%	\$59.56	0%	4	14	4	3.0	36,460,590,341
Starwood Hotels & Resorts Worldwide Inc	HOT	Consumer Discretionary	\$81.88	1.8%	\$80.46	0%	4	18	2	3.1	13,818,063,150
Sysco Corp	SYX	Consumer Staples	\$46.07	2.7%	\$44.78	0%	4	8	3	3.1	26,011,272,833
Paychex Inc	PAYX	Information Technology	\$52.12	3.2%	\$50.29	0%	2	13	7	2.5	18,769,509,334
Jacobs Engineering Group Inc	JEC	Industrials	\$44.58	0.0%	\$44.23	-1%	8	12	2	3.5	5,462,700,307
Parker-Hannifin Corp	PH	Industrials	\$116.02	2.2%	\$112.53	-1%	3	18	1	3.2	15,674,600,868
Cincinnati Financial Corp	CINF	Financials	\$66.01	2.9%	\$63.50	-1%	1	2	1	3.0	10,857,299,848
Owens-Illinois Inc	OI	Materials	\$18.46	0.0%	\$18.22	-1%	4	9	0	3.6	2,988,805,657
Exxon Mobil Corp	XOM	Energy	\$88.40	3.4%	\$84.21	-1%	8	13	6	3.1	366,881,329,064
Clorox Co/The	CLX	Consumer Staples	\$125.23	2.5%	\$120.36	-1%	1	12	5	2.6	16,210,467,604
Alcoa Inc	AA	Materials	\$11.17	1.1%	\$10.87	-2%	7	9	1	3.7	14,686,828,569
Motorola Solutions Inc	MSI	Information Technology	\$75.19	2.2%	\$72.19	-2%	4	10	2	3.3	13,134,598,384
Western Union Co/The	WU	Information Technology	\$20.00	3.2%	\$18.95	-2%	5	17	7	2.9	9,911,961,840
VeriSign Inc	VRSN	Information Technology	\$86.40	0.0%	\$84.60	-2%	1	4	3	2.5	9,372,285,274
Dun & Bradstreet Corp/The	DNB	Industrials	\$110.41	1.7%	\$105.17	-3%	1	6	2	2.8	3,999,080,894
HCP Inc	HCP	Financials	\$33.83	6.8%	\$30.46	-3%	2	9	7	2.4	15,790,451,050
Consolidated Edison Inc	ED	Utilities	\$74.60	3.6%	\$68.83	-4%	0	12	6	2.3	21,923,320,210
Torchmark Corp	TMK	Financials	\$57.89	1.0%	\$54.82	-4%	1	8	6	2.3	7,019,156,711
Emerson Electric Co	EMR	Industrials	\$54.63	3.5%	\$50.32	-4%	4	17	4	3.0	35,133,415,717
Fossil Group Inc	FOSL	Consumer Discretionary	\$40.50	0.0%	\$38.42	-5%	2	9	4	2.7	1,949,475,276
Archer-Daniels-Midland Co	ADM	Consumer Staples	\$39.94	3.0%	\$36.60	-5%	1	12	0	3.2	23,450,982,602
Windstream Holdings Inc	WIN	Telecommunication Service	\$8.68	6.9%	\$7.59	-6%	1	9	3	2.7	835,747,967
Caterpillar Inc	CAT	Industrials	\$77.72	4.0%	\$69.53	-7%	2	17	3	2.9	45,380,057,173
Deere & Co	DE	Industrials	\$84.11	2.9%	\$75.95	-7%	5	12	6	2.9	26,522,050,851
Range Resources Corp	RRC	Energy	\$44.11	0.2%	\$41.00	-7%	20	19	1	3.9	7,487,476,034
United Rentals Inc	URI	Industrials	\$66.93	0.0%	\$62.15	-7%	6	11	3	3.3	5,923,465,699
Newmont Mining Corp	NEM	Materials	\$34.97	0.3%	\$32.37	-7%	8	12	1	3.7	18,552,665,748
St Jude Medical Inc	STJ	Health Care	\$76.20	1.6%	\$69.06	-8%	8	17	0	3.6	21,615,622,606
Flowserve Corp	FLS	Industrials	\$48.81	1.6%	\$44.13	-8%	3	15	2	3.1	6,363,209,121
Apache Corp	APA	Energy	\$54.40	1.8%	\$48.86	-8%	11	19	5	3.3	20,591,091,914
ONEOK Inc	OKE	Energy	\$36.15	6.8%	\$30.60	-9%	5	11	3	3.2	7,595,008,864
Cummins Inc	CMI	Industrials	\$117.03	3.3%	\$102.89	-9%	4	19	3	3.1	19,935,591,210
Allegheny Technologies Inc	ATI	Materials	\$16.34	2.0%	\$14.48	-9%	3	3	3	3.0	1,779,631,296
Helmerich & Payne Inc	HP	Energy	\$66.12	4.2%	\$56.67	-10%	10	16	7	3.2	7,141,660,806
National Oilwell Varco Inc	NOV	Energy	\$36.04	0.6%	\$31.00	-13%	7	26	6	3.1	13,589,459,072
Noble Corp plc	NE	Energy	\$11.23	0.7%	\$9.63	-14%	10	16	13	2.9	2,731,167,714
Joy Global Inc	JOY	Industrials	\$21.30	0.2%	\$18.32	-14%	7	11	3	3.3	2,085,948,575
Ensc PLC	ESV	Energy	\$11.96	0.3%	\$10.18	-15%	3	21	11	2.7	3,603,693,446
Diamond Offshore Drilling Inc	DO	Energy	\$24.26	0.0%	\$19.18	-21%	2	21	12	2.4	3,327,736,024
Southwestern Energy Co	SWN	Energy	\$13.43	0.0%	\$10.05	-25%	5	26	10	2.7	5,273,512,827
Murphy Oil Corp	MUR	Energy	\$35.74	3.9%	\$25.14	-26%	0	15	5	2.5	6,154,131,144
Transocean Ltd	RIG	Energy	\$11.08	0.0%	\$8.00	-28%	2	12	24	1.9	4,044,931,568
Freeport-McMoRan Inc	FCX	Materials	\$14.00	0.0%	\$9.99	-29%	2	16	1	3.1	17,528,364,406
Chesapeake Energy Corp	CHK	Energy	\$6.87	0.0%	\$4.26	-38%	2	21	11	2.5	4,675,516,154
Denbury Resources Inc	DNR	Energy	\$3.86	0.0%	\$2.25	-42%	1	11	7	2.4	1,340,811,372

Source: Bloomberg