

# Scotia Canadian Corporate Bond LP (Unaudited)

## STATEMENT OF NET ASSETS

As at

	June 30, 2012
<hr/>	
ASSETS	
Cash	\$150,072
Net Assets	<u>\$150,072</u>
NET ASSETS PER SERIES	
Series I Units	\$150,072
UNITS OUTSTANDING	
Series I Units	<u>15,001</u>
NET ASSETS PER UNIT	
Series I Units	<u>\$ 10.00</u>

## STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2012*
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INVESTMENT INCOME	
Interest	\$ 62
Increase (decrease) in Net Assets from operations	<u>\$ 62</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Series I Units	<u>\$ 62</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER SHARE	
Series I Units	<u>\$ —</u>

## STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2012*
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NET ASSETS – BEGINNING OF PERIOD	
Series I Units	\$ —
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Series I Units	<u>62</u>
UNIT TRANSACTIONS	
Proceeds from issue	
Series I Units	<u>150,010</u>
INCREASE (DECREASE) IN NET ASSETS	
Series I Units	<u>150,072</u>
NET ASSETS – END OF PERIOD	
Series I Units	<u>\$150,072</u>

\* Fund's inception date was May 28, 2012. Accordingly, there were no comparative figures shown.

# Scotia Conservative Government Bond LP (Unaudited)

## STATEMENT OF NET ASSETS

As at

	June 30, 2012
ASSETS	
Cash	\$150,072
Net Assets	<u>\$150,072</u>
NET ASSETS PER SERIES	
Series I Units	\$150,072
UNITS OUTSTANDING	
Series I Units	<u>15,001</u>
NET ASSETS PER UNIT	
Series I Units	<u>\$ 10.00</u>

## STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2012*
INVESTMENT INCOME	
Interest	\$ 62
Increase (decrease) in Net Assets from operations	<u>\$ 62</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Series I Units	<u>\$ 62</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER SHARE	
Series I Units	<u>\$ —</u>

## STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2012*
NET ASSETS – BEGINNING OF PERIOD	
Series I Units	\$ —
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Series I Units	<u>62</u>
UNIT TRANSACTIONS	
Proceeds from issue	
Series I Units	<u>150,010</u>
INCREASE (DECREASE) IN NET ASSETS	
Series I Units	<u>150,072</u>
NET ASSETS – END OF PERIOD	
Series I Units	<u>\$150,072</u>

\* Fund's inception date was May 28, 2012. Accordingly, there were no comparative figures shown.

# Scotia Canadian Income LP (Unaudited)

## STATEMENT OF NET ASSETS

As at

	June 30, 2012
ASSETS	
Cash	\$150,072
Net Assets	<u>\$150,072</u>
NET ASSETS PER SERIES	
Series I Units	\$150,072
UNITS OUTSTANDING	
Series I Units	<u>15,001</u>
NET ASSETS PER UNIT	
Series I Units	<u>\$ 10.00</u>

## STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2012*
INVESTMENT INCOME	
Interest	\$ 62
Increase (decrease) in Net Assets from operations	<u>\$ 62</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Series I Units	<u>\$ 62</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER SHARE	
Series I Units	<u>\$ —</u>

## STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2012*
NET ASSETS – BEGINNING OF PERIOD	
Series I Units	\$ —
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
Series I Units	<u>62</u>
UNIT TRANSACTIONS	
Proceeds from issue	
Series I Units	<u>150,010</u>
INCREASE (DECREASE) IN NET ASSETS	
Series I Units	<u>150,072</u>
NET ASSETS – END OF PERIOD	
Series I Units	<u>\$150,072</u>

\* Fund's inception date was May 28, 2012. Accordingly, there were no comparative figures shown.

# Notes to Financial Statements

As of June 30, 2012

## 1. Establishment of the Funds

Scotia Canadian Corporate Bond LP, Scotia Conservative Government Bond LP and Scotia Canadian Income LP (individually the “Fund” and collectively the “Funds”) are Ontario limited partnerships formed under the Limited Partnership Agreement dated May 18, 2012.

The manager and portfolio adviser of the Funds is Scotia Asset Management L.P. (“SAM” or the “Manager”).

The fiscal year end of each of the Funds is December 31.

## 2. Payments to General Partner

The general partner of the Funds is as follows:

### Fund

Scotia Canadian Corporate Bond LP  
Scotia Conservative Government Bond LP  
Scotia Canadian Income LP

### General Partner

Scotia Canadian Corporate Bond GP Inc.  
Scotia Conservative Government Bond GP Inc.  
Scotia Canadian Income GP Inc.

Under the Limited Partnership Agreement between the General Partner and the limited partners of the Fund, the General Partner is entitled to 0.01% of the net income of each fund (up to a maximum of \$3,000 per year) and 0.01% of the net loss of each fund.

## 3. Units of the Funds

An unlimited number of units may be issued for each Fund.

On May 18, 2012, one general partner unit was issued to the General Partner for cash consideration of \$10.00 per unit.

On May 18, 2012, 15,000 Series I units of Scotia Canadian Corporate Bond LP, Scotia Conservative Government Bond LP, and Scotia Canadian Income LP were acquired by Scotia INNOVA Income Portfolio Class, for cash consideration of \$10.00 per unit.

## 4. Summary of Significant Accounting Policies and Basis of Presentation

The financial statement of the Funds is prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). The following is a summary of significant accounting policies used by the Fund:

### Use of Estimates

The preparation of the financial statement in accordance with Canadian GAAP requires the Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement. These estimates are made based on information available as at the date of the financial statement. Actual results could materially differ from those estimates.

### Cash

Cash is comprised of cash on deposit and is stated at fair value.

### Valuation of Fund Units for Transaction Purposes

The net asset value per unit is calculated at the end of each day on which the Toronto Stock Exchange is open for business by dividing the net asset value of the series of the fund by the outstanding units of the series of the fund.

### Interest Income

Interest income is recognized on an accrual basis.

## 5. Expenses

The Manager is not entitled to a management fee payable by a fund in respect of Series I units. The management fee is negotiable and paid by unitholders directly to the Manager.

Each fund pays its operating expenses directly, including the costs and expenses related to the Independent Review Committee of the funds, the cost of any new government or regulatory requirements, any transaction costs, including all fees and costs related to derivatives and any borrowing costs (collectively, other fund costs), and taxes.

# Management's Responsibility For Financial Reporting

The accompanying financial statements have been prepared by the manager and approved by the Board of Directors of Scotia Asset Management G.P. Inc., as general partner for and on behalf of Scotia Asset Management L.P., the manager of the Funds. Management is responsible for the information and representations made in these financial statements.

Scotia Asset Management L.P. maintains appropriate processes to ensure that accurate, relevant and reliable financial information is produced. The financial statements have been produced in accordance with Canadian generally accepted accounting principles and include certain amounts based on estimates and assumptions made by Scotia Asset Management L.P. The significant accounting policies which Scotia Asset Management L.P. believes are appropriate for the Funds are described in Note 4 to the financial statements.



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Walter Pavan  
Chief Financial Officer  
Scotia Asset Management L.P.

August 9, 2012