Scotia Canadian Corporate Bond LP (Unaudited)

STATEMENT OF NET ASSETS
As at

	June 30, 2013	December 31, 2012
ASSETS		
Investments at fair value	$142,764,984	$90,780,623
Cash	72,273	37,641
Accrued investment income	26	21
	142,837,283	90,818,285
LIABILITIES		
Accrued expenses	2,518	–
Unrealized depreciation on forward contracts	128,258	503,412
	130,776	503,412
Net Assets	$142,706,507	$90,314,873
NET ASSETS PER SERIES		
Series I Units	$142,706,507	$90,314,873
UNITS OUTSTANDING		
Series I Units	14,058,461	8,849,892
NET ASSETS PER UNIT		
Series I Units	$ 10.15	$ 10.21

STATEMENT OF OPERATIONS
For the six month periods ended June 30,

	2013	2012*
INVESTMENT INCOME		
Interest	$ 240	$ 62
EXPENSES		
Harmonized Sales Tax/Goods and Services Tax	727	–
Audit fees	1,553	–
Independent Review Committee fees	230	–
Filing fees	1,354	–
Legal fees	563	–
Unitholder reporting costs	2,477	–
Unitholder administration and service fees	7,028	–
	13,932	–
Net investment income (loss)	(13,692)	62
Net realized gain (loss) on investments sold	2,617,476	–
Forward fees	(370,130)	–
Change in unrealized appreciation (depreciation) of investments	(3,424,974)	–
Change in unrealized appreciation (depreciation) of forward contracts	375,154	–
Net gain (loss) on investments and transaction costs	(802,474)	–
Increase (decrease) in Net Assets from operations	$ (816,166)	$ 62
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Series I Units	$ (816,166)	$ 62
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT		
Series I Units	$ (0.06)	$0.00

STATEMENT OF CHANGES IN NET ASSETS
For the six month periods ended June 30,

	2013	2012*
NET ASSETS – BEGINNING OF PERIOD		
Series I Units	90,314,873	–
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Series I Units	(816,166)	62
UNIT TRANSACTIONS		
Proceeds from issue		
Series I Units	53,267,800	150,010
Payments on redemption		
Series I Units	(60,000)	–
	53,207,800	150,010
INCREASE (DECREASE) IN NET ASSETS		
Series I Units	52,391,634	150,072
NET ASSETS – END OF PERIOD		
Series I Units	$142,706,507	$150,072

* Fund's inception date was May 18, 2012.

Scotia Canadian Corporate Bond LP (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2013

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES* – 100.0%			
Energy – 16.9%			
276,791	Enbridge Inc.	12,131,750	12,236,930
383,674	Suncor Energy, Inc.	12,131,772	11,893,894
		24,263,522	24,130,824
Materials – 14.0%			
586,643	Barrick Gold Corporation	12,131,777	9,738,274
1,904,551	Kinross Gold Corporation	12,131,990	10,265,530
		24,263,767	20,003,804
Industrials – 17.1%			
117,982	Canadian National Railway Company	12,029,445	12,081,356
278,444	SNC-Lavalin Group Inc.	12,131,805	12,371,267
		24,161,250	24,452,623
Consumer Discretionary – 25.8%			
147,087	Canadian Tire Corporation, Limited, Class A	12,131,735	11,646,349
291,770	Gildan Activewear Inc.	12,131,797	12,443,991
224,330	Tim Hortons, Inc.	12,131,766	12,759,890
		36,395,298	36,850,230
EQUITIES* (cont'd)			
Financials – 26.2%			
747,491	Manulife Financial Corporation	12,131,779	12,580,274
432,043	Power Corporation of Canada	12,131,767	12,192,253
403,049	Sun Life Financial Inc.	12,131,775	12,554,976
		36,395,321	37,327,503
	TOTAL INVESTMENT PORTFOLIO	145,479,158	142,764,984
	Forward Contracts – (0.1)%		(128,258)
	OTHER ASSETS, LESS LIABILITIES – 0.1%		69,781
	NET ASSETS – 100.0%		142,706,507

* Pledged to cover the Fund's obligation under the forward contract.

FORWARD CONTRACTS

	Settlement Date	Counterparty	Notional Number of Units	Value to be Paid ($)	Value to be Received ($)	Appreciation/ (Depreciation) ($)
Scotia Private Canadian Corporate Bond Pool Series I	July 8, 2013	TD Global Finance	13,506,127	142,764,984	142,636,726	(128,258)

The Fund enters into forward contracts in order to provide a return similar to what would be achieved by an investment directly in units of the Scotia Private Canadian Corporate Bond Pool Series I (the "Reference Fund"). The Fund has entered into a forward purchase and sale agreement with TD Global Finance (the "Counterparty").

The Counterparty has a credit rating of AA- by Standard & Poor's.

Under the terms of the forward agreement, the Counterparty has agreed to pay the Fund an amount equal to the redemption proceeds of the number of Series I units of the Scotia Private Canadian Corporate Bond Pool specified in the forward agreement, in exchange for the Fund's equity portfolio.

SUMMARY OF INVESTMENT PORTFOLIO

	Percentage of Net Assets (%)	
Investment Category	June 30, 2013	December 31, 2012
Energy	16.9	24.8
Materials	14.0	25.7
Industrials	17.1	8.3
Consumer Discretionary	25.8	16.8
Financials	26.2	8.2
Telecommunication Services	–	8.3
Utilities	–	8.5
Forward Contracts	(0.1)	(0.6)

SUMMARY OF INVESTMENT PORTFOLIO OF THE REFERENCE FUND

	Percentage of Net Assets (%)	
Investment Category	June 30, 2013	December 31, 2012
Federal Bonds	6.0	3.2
Mortgage-Backed Securities	5.1	4.6
Corporate Bonds	87.6	91.0
Future Contracts	–	0.0

For equities, all common shares unless otherwise noted.

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Corporate Bond LP (Unaudited – Continued)

SUPPLEMENTARY SCHEDULES

As at June 30, 2013 and December 31, 2012

The Fund gains exposure to the return of the Scotia Private Canadian Corporate Bond Pool Series I (the "Reference Fund") through the use of forward contracts. As a result, the Fund is exposed to the financial instrument risks of the Reference Fund.

Interest rate risk (note 3)

The table below summarizes the Reference Fund's exposure to interest rate risk by the remaining term to maturity of its bond and debenture instruments. The Fund is indirectly exposed to its proportional share of the interest rate risk of the Reference Fund.

Interest Rate Exposure*	June 30, 2013	December 31, 2012
Less than 1 year	$ –	$ –
1-3 years	333,208,896	178,862,025
3-5 years	1,080,738,476	1,075,765,592
5-10 years	1,692,330,062	1,659,604,698
> 10 years	140,850,222	–
Total	$3,247,127,656	$2,914,232,315

* Excludes cash, money market instruments and preferred shares as applicable.

As at June 30, 2013, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, Net Assets would have decreased or increased, respectively, by $2,063,414, or approximately 1.4% of total Net Assets (December 31, 2012 – $1,102,842, or approximately 1.2% of total Net Assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk (note 3)

The table below summarizes the Fund's indirect exposure to credit ratings of the preferred shares, bond and debenture instruments, excluding cash and money market instruments, held by the Reference Fund.

	June 30, 2013		December 31, 2012	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net Assets (%)
AAA	14.2	14.0	10.9	10.8
AA	27.0	26.6	26.5	26.1
A	44.9	44.3	47.6	47.1
BBB	13.9	13.8	15.0	14.8
Total	100.0	98.7	100.0	98.8

Liquidity risk (note 3)

The table below summarizes a maturity analysis of cash flows associated with the maturities of the Fund's financial liabilities.

	June 30, 2013	December 31, 2012
	Less than 3 months	Less than 3 months
Accounts payable and accrued liabilities	$ 2,518	$ –
Unrealized depreciation on forward contracts	128,258	503,412
Total	$130,776	$503,412

Fair value classification (note 2)

As there have been no material changes to the classification of the Fund's financial instruments as outlined in the most recent audited annual financial statements, this disclosure is not repeated in these semi-annual financial statements. These semi-annual financial statements should be read in conjunction with the most recent audited annual financial statements.

Scotia Conservative Government Bond LP (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2013	December 31, 2012
ASSETS		
Investments at fair value	$158,292,003	$122,620,517
Cash	367,884	37,749
Accrued investment income	52	32
Unrealized appreciation on forward contracts	389,857	–
	159,049,796	122,658,298
LIABILITIES		
Redemptions payable	300,000	–
Accrued expenses	2,508	–
Unrealized depreciation on forward contracts	–	829,570
	302,508	829,570
Net Assets	$158,747,288	$121,828,728
NET ASSETS PER SERIES		
Series I Units	$158,747,288	$121,828,728
UNITS OUTSTANDING		
Series I Units	15,933,213	12,095,055
NET ASSETS PER UNIT		
Series I Units	$ 9.96	$ 10.07

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2013	2012*
NET ASSETS – BEGINNING OF PERIOD		
Series I Units	$121,828,728	$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Series I Units	(1,610,440)	62
UNIT TRANSACTIONS		
Proceeds from issue		
Series I Units	49,034,000	150,010
Payments on redemption		
Series I Units	(10,505,000)	–
	38,529,000	150,010
INCREASE (DECREASE) IN NET ASSETS		
Series I Units	36,918,560	150,072
NET ASSETS – END OF PERIOD		
Series I Units	$158,747,288	$150,072

* Fund's inception date was May 18, 2012.

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2013	2012*
INVESTMENT INCOME		
Interest	$ 198	$62
EXPENSES		
Harmonized Sales Tax/Goods and Services Tax	804	–
Audit fees	1,825	–
Independent Review Committee fees	270	–
Legal fees	659	–
Unitholder reporting costs	2,465	–
Unitholder administration and service fees	8,176	–
	14,199	–
Absorbed expenses	(14)	–
	14,185	–
Net investment income (loss)	(13,987)	62
Net realized gain (loss) on investments sold	1,613,323	–
Forward Fees	(434,335)	–
Change in unrealized appreciation (depreciation) of investments	(3,994,868)	–
Change in unrealized appreciation (depreciation) of forward contracts	1,219,427	
Net gain (loss) on investments and transaction costs	(1,596,453)	–
Increase (decrease) in Net Assets from operations	$(1,610,440)	$62
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Series I Units	$(1,610,440)	$62
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT		
Series I Units	$ (0.10)	$ –

Scotia Conservative Government Bond LP (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2013

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
EQUITIES* – 99.7%			
Energy – 17.1%			
310,688	Enbridge Inc.	13,617,455	13,735,516
431,068	Suncor Energy, Inc.	13,617,438	13,363,108
		27,234,893	27,098,624
Materials – 13.8%			
629,373	Barrick Gold Corporation	13,015,434	10,447,592
2,134,451	Kinross Gold Corporation	13,617,797	11,504,691
		26,633,231	21,952,283
Industrials – 16.8%			
129,587	Canadian National Railway Company	13,208,803	13,269,709
303,054	SNC-Lavalin Group Inc.	13,210,124	13,464,689
		26,418,927	26,734,398
Consumer Discretionary – 25.6%			
165,380	Canadian Tire Corporation, Limited, Class A	13,617,389	13,094,788
327,343	Gildan Activewear Inc.	13,617,469	13,961,179
238,999	Tim Hortons, Inc.	12,913,116	13,594,263
		40,147,974	40,650,230
EQUITIES* (cont'd)			
Financials – 26.4%			
839,030	Manulife Financial Corporation	13,617,457	14,120,876
484,779	Power Corporation of Canada	13,617,442	13,680,463
451,208	Sun Life Financial Inc.	13,617,457	14,055,129
		40,852,356	41,856,468
	TOTAL INVESTMENT PORTFOLIO	161,287,381	158,292,003
	Forward Contracts – 0.3%		389,857
	OTHER ASSETS, LESS LIABILITIES – 0.0%		65,428
	NET ASSETS – 100.0%		158,747,288

* Pledged to cover the Fund's obligation under the forward contract.

FORWARD CONTRACTS

	Settlement Date	Counterparty	Notional Number of Units	Value to be Paid ($)	Value to be Received ($)	Appreciation/ (Depreciation) ($)
Scotia Private Short-Mid Government Bond Pool Series I	Jul. 8, 2013	TD Global Finance	15,266,606	158,292,003	158,681,860	389,857

The Fund enters into forward contracts in order to provide a return similar to what would be achieved by an investment directly in units of the Scotia Private Short-Mid Government Bond Pool Series I (the "Reference Fund"). The Fund has entered into a forward purchase and sale agreement with TD Global Finance (the "Counterparty").

The Counterparty has a credit rating of AA- by Standard & Poor's.

Under the terms of the forward agreement, the Counterparty has agreed to pay the Fund an amount equal to the redemption proceeds of the number of Series I units of the Scotia Private Short-Mid Government Bond Pool Series I specified in the forward agreement, in exchange for the Fund's equity portfolio.

In order to permit the Fund to pay monthly distributions, operating expenses or other liabilities, and meet redemption requests, the terms of the forward agreement provide that the forward contract may be settled in whole or in part at any time prior to the settlement date at their discretion.

SUMMARY OF INVESTMENT PORTFOLIO

	Percentage of Net Assets (%)	
Investment Category	June 30, 2013	December 31, 2012
Energy	17.1	24.9
Materials	13.8	25.7
Industrials	16.8	8.3
Consumer Discretionary	25.6	16.8
Financials	26.4	8.2
Telecommunication Services	–	8.3
Utilities	–	8.5
Forward Contracts	0.3	(0.7)

SUMMARY OF INVESTMENT PORTFOLIO OF THE REFERENCE FUND

	Percentage of Net Assets (%)	
Investment Category	June 30, 2013	December 31, 2012
Federal Bonds	67.0	61.4
Provincial Bonds	32.6	37.3
Futures Contracts	0.0	0.0

SUPPLEMENTARY SCHEDULES

As at June 30, 2013 and December 31, 2012

The Fund gains exposure to the return of the Scotia Private Short-Mid Government Bond Pool Series I (the "Reference Fund") through the use of forward contracts. As a result, the Fund is exposed to the financial instrument risks of the Reference Fund.

Interest rate risk (note 3)

The table below summarizes the Reference Fund's exposure to interest rate risk by the remaining term to maturity of its bond and debenture instruments. The Fund is indirectly exposed to its proportional share of the interest rate risk of the Reference Fund.

Interest Rate Exposure*	June 30, 2013	December 31, 2012
Less than 1 year	$ –	$ –
1-3 years	360,840,589	199,655,550
3-5 years	217,009,358	183,436,959
5-10 years	807,081,272	834,116,586
> 10 years	–	–
Total	$1,384,931,219	$1,217,209,095

* Excludes cash, money market instruments and preferred shares as applicable.

As at June 30, 2013, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, Net Assets would have decreased or increased, respectively, by $2,292,924, or approximately 1.4% of total Net Assets (December 31, 2012 – $1,606,902, or approximately 1.3% of total Net Assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk (note 3)

The table below summarizes the Fund's indirect exposure to credit ratings of the preferred shares, bond and debenture instruments, excluding cash and money market instruments, held by the Reference Fund.

	June 30, 2013		December 31, 2012	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net Assets (%)
AAA	67.3	67.0	62.2	61.4
AA	18.2	18.1	24.6	24.3
A	14.5	14.5	13.2	13.0
Total	100.0	99.6	100.0	98.7

Liquidity risk (note 3)

The table below summarizes a maturity analysis of cash flows associated with the maturities of the Fund's financial liabilities.

	June 30, 2013	December 31, 2012
	Less than 3 months	Less than 3 months
Accounts payable and accrued liabilities	$302,508	$ –
Unrealized depreciation on forward contracts	–	829,570
Total	$302,508	$829,570

Fair value classification (note 2)

As there have been no material changes to the classification of the Fund's financial instruments as outlined in the most recent audited annual financial statements, this disclosure is not repeated in these semi-annual financial statements. These semi-annual financial statements should be read in conjunction with the most recent audited annual financial statements.

Scotia Canadian Income LP (Unaudited)

STATEMENT OF NET ASSETS

As at

	June 30, 2013	December 31, 2012
ASSETS		
Investments at fair value	$186,784,466	$115,078,950
Cash	54,132	32,614
Accrued investment income	27	13
	186,838,625	115,111,577
LIABILITIES		
Unrealized depreciation on forward contracts	1,439,474	545,634
Accrued expenses	3,043	–
	1,442,517	545,634
Net Assets	$185,396,108	$114,565,943
NET ASSETS PER SERIES		
Series I Units	$185,396,108	$114,565,943
UNITS OUTSTANDING		
Series I Units	18,513,220	11,225,079
NET ASSETS PER UNIT		
Series I Units	$ 10.01	$ 10.21

STATEMENT OF OPERATIONS

For the six month periods ended June 30,

	2013	2012*
INVESTMENT INCOME		
Interest	$ 218	$ 62
EXPENSES		
Harmonized Sales Tax/Goods and Services Tax	865	–
Audit fees	2,000	–
Independent Review Committee fees	296	–
Filing fees	929	–
Legal fees	726	–
Unitholder reporting costs	2,582	–
Unitholder administration and service fees	9,288	–
	16,686	–
Absorbed expenses	(6)	–
	16,680	–
Net investment income (loss)	(16,462)	62
Net realized gain (loss) on investments sold	2,646,825	–
Forward fees	(477,016)	–
Change in unrealized appreciation (depreciation) of investments	(4,491,343)	–
Change in unrealized appreciation (depreciation) of forward contracts	(893,840)	–
Net gain (loss) on investments and transaction costs	(3,215,374)	–
Increase (decrease) in Net Assets from operations	$(3,231,836)	$ 62
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Series I Units	$(3,231,836)	$ 62
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT		
Series I Units	$ (0.19)	$0.00

STATEMENT OF CHANGES IN NET ASSETS

For the six month periods ended June 30,

	2013	2012*
NET ASSETS – BEGINNING OF PERIOD		
Series I Units	114,565,943	–
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Series I Units	(3,231,836)	62
UNIT TRANSACTIONS		
Proceeds from issue		
Series I Units	74,262,001	150,010
Payments on redemption		
Series I Units	(200,000)	–
	74,062,001	150,010
INCREASE (DECREASE) IN NET ASSETS		
Series I Units	70,830,165	150,072
NET ASSETS – END OF PERIOD		
Series I Units	$185,396,108	$150,072

* Fund's inception date was May 18, 2012.

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Income LP (Unaudited – Continued)

STATEMENT OF INVESTMENT PORTFOLIO

As at June 30, 2013

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
	EQUITIES* – 100.7%		
	Energy – 17.0%		
362,071	Enbridge Inc.	15,869,573	16,007,159
501,567	Suncor Energy, Inc.	15,869,580	15,548,577
		31,739,153	31,555,736
	Materials – 14.1%		
765,538	Barrick Gold Corporation	15,869,603	12,707,931
2,483,535	Kinross Gold Corporation	15,869,789	13,386,254
		31,739,392	26,094,185
	Industrials – 17.3%		
154,660	Canadian National Railway Company	15,766,040	15,837,184
363,815	SNC-Lavalin Group Inc.	15,869,610	16,164,300
		31,635,650	32,001,484

Number of Shares	Issuer	Average Cost ($)	Fair Value ($)
	EQUITIES* (cont'd)		
	Consumer Discretionary – 26.0%		
192,289	Canadian Tire Corporation, Limited, Class A	15,869,611	15,225,443
382,032	Gildan Activewear Inc.	15,869,609	16,293,665
293,501	Tim Hortons, Inc.	15,869,599	16,694,337
		47,608,819	48,213,445
	Financials – 26.3%		
979,001	Manulife Financial Corporation	15,869,606	16,476,587
564,955	Power Corporation of Canada	15,869,586	15,943,030
529,695	Sun Life Financial Inc.	15,869,662	16,499,999
		47,608,854	48,919,616
	TOTAL INVESTMENT PORTFOLIO	190,331,868	186,784,466
	Forward Contracts – (0.7)%		(1,439,474)
	OTHER ASSETS, LESS LIABILITIES – 0.0%		51,116
	NET ASSETS – 100.0%		185,396,108

* Pledged to cover the Fund's obligation under the forward contract.

FORWARD CONTRACTS

	Settlement Date	Counterparty	Notional Number of Units	Value to be Paid ($)	Value to be Received ($)	Appreciation (Depreciation) ($)
Scotia Canadian Income Series I	Jul. 8, 2013	TD Global Finance	13,754,292	186,784,466	185,344,992	(1,439,474)

The Fund enters into forward contracts in order to provide a return similar to what would be achieved by an investment directly in units of the Scotia Canadian Income Series I (the "Reference Fund"). The Fund has entered into a forward purchase and sale agreement with TD Global Finance (the "Counterparty").

The Counterparty has a credit rating of AA- by Standard & Poor's.

Under the terms of the forward agreement, the Counterparty has agreed to pay the Fund an amount equal to the redemption proceeds of the number of Series I units of the Scotia Canadian Income Series I specified in the forward agreement, in exchange for the Fund's equity portfolio.

In order to permit the Fund to pay monthly distributions, operating expenses or other liabilities, and meet redemption requests, the terms of the forward agreement provide that the forward contract may be settled in whole or in part at any time prior to the settlement date at their discretion.

SUMMARY OF INVESTMENT PORTFOLIO

	Percentage of Net Assets (%)	
Investment Category	June 30, 2013	December 31, 2012
Energy	17.0	24.8
Materials	14.1	25.7
Industrials	17.3	8.2
Consumer Discretionary	26.0	16.7
Financials	26.3	8.2
Telecommunication Services	0.0	8.3
Utilities	0.0	8.5
Forward Contracts	(0.7)	(0.4)

SUMMARY OF INVESTMENT PORTFOLIO OF THE REFERENCE FUND

	Percentage of Net Assets (%)	
Investment Category	June 30, 2013	December 31, 2012
Federal Bonds	46.4	35.3
Provincial Bonds	20.3	29.3
Municipal Bonds	1.1	1.2
Mortgage-Backed Securities	3.3	3.4
Corporate Bonds	28.3	29.8
Futures Contracts	0.0	0.0

For equities, all common shares unless otherwise noted.

The accompanying notes are an integral part of the financial statements.

Scotia Canadian Income LP (Unaudited – Continued)

SUPPLEMENTARY SCHEDULES

As at June 30, 2013 and December 31, 2012

The Fund gains exposure to the return of the Scotia Canadian Income Fund Series I (the "Reference Fund") through the use of forward contracts. As a result, the Fund is exposed to the financial instrument risks of the Reference Fund.

Interest rate risk (note 3)

The table below summarizes the Reference Fund's exposure to interest rate risk by the remaining term to maturity of its bond and debenture instruments. The Fund is indirectly exposed to its proportional share of the interest rate risk of the Reference Fund.

Interest Rate Exposure*	June 30, 2013	December 31, 2012
Less than 1 year	$ 136,040,606	$ –
1-3 years	299,063,916	603,863,598
3-5 years	713,343,249	626,735,002
5-10 years	3,193,314,535	3,193,313,737
> 10 years	1,939,735,537	1,495,753,678
Total	$6,281,497,843	$5,919,666,015

* Excludes cash, money market instruments and preferred shares as applicable.

As at June 30, 2013, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, Net Assets would have decreased or increased, respectively, by $4,179,347, or approximately 2.3% of total Net Assets (December 31, 2012 – $2,068,957, or approximately 1.8% of total Net Assets). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk (note 3)

The table below summarizes the Fund's indirect exposure to credit ratings of the preferred shares, bond and debenture instruments, excluding cash and money market instruments, held by the Reference Fund.

	June 30, 2013		December 31, 2012	
	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net Assets (%)	Percentage of Total Bond and Debenture Instruments (%)	Percentage of Net Assets (%)
AAA	52.4	52.2	41.7	41.4
AA	26.5	26.3	36.5	36.1
A	17.1	17.0	17.4	17.2
BBB	4.0	3.9	4.4	4.3
Total	100.0	99.4	100.0	99.0

Liquidity risk (note 3)

The table below summarizes a maturity analysis of cash flows associated with the maturities of the Fund's financial liabilities.

	June 30, 2013	December 31, 2012
	Less than 3 months	Less than 3 months
Accounts payable and accrued liabilities	$ 3,043	$ –
Unrealized depreciation on forward contracts	1,439,474	545,634
Total	$1,442,517	$545,634

Fair value classification (note 2)

As there have been no material changes to the classification of the Fund's financial instruments as outlined in the most recent audited annual financial statements, this disclosure is not repeated in these semi-annual financial statements. These semi-annual financial statements should be read in conjunction with the most recent audited annual financial statements.

Notes to Financial Statements (Unaudited)

For the periods indicated in Note 1.

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 each formed under a Limited Partnership Agreement dated May 18, 2012.

Throughout this document, the limited partners are referred to as unitholders.

The general partner of each Fund is as follows:

Fund	General Partner
Scotia Canadian Corporate Bond LP	Scotia Canadian Corporate Bond GP Inc.
Scotia Conservative Government Bond LP	Scotia Conservative Government Bond GP Inc.
Scotia Canadian Income LP	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.

The fiscal year end of each of the Funds is December 31. The inception date for each Fund is as follows:

Scotia Canadian Corporate Bond LP	May 18, 2012
Scotia Conservative Government Bond LP	May 18, 2012
Scotia Canadian Income LP	May 18, 2012

The Statement of Investment Portfolio of each of the Funds is as at June 30, 2013. The Statements of Net Assets are as at June 30, 2013 and December 31, 2012, and the Statements of Operations and Statements of Changes in Net Assets are for the six month period ended June 30, 2013 and the period from May 18, 2012 to June 30, 2012. Throughout this document, reference to the reporting period refers to the reporting period described above.

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

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). In applying Canadian GAAP, the Manager may make estimates and assumptions that affect the reported amounts in the financial statements. Actual results may differ from such estimates. The significant accounting policies followed by the Funds are summarized below.

(a) Financial instrument disclosures

Financial instrument disclosures include a three-level fair value hierarchy which provides information about the relative observability of inputs to the fair value measurement of financial assets and liabilities. The levels are defined as follows:

- Level 1: Fair value is based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is based on inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. This is inclusive of bonds and debentures that are based on multi-dealer pricing, short-term notes carried at amortized cost, foreign equity securities in markets closing before 4:00 pm Eastern time and securities not actively traded and considered illiquid; and
- Level 3: Fair value is based on at least one significant non-observable input that is not supported by market data for the financial assets or liabilities.

The three-level fair value hierarchy, transfers between levels and reconciliation of level 3 financial instruments are disclosed in the respective Fund's supplementary schedules.

As there have been no material changes to the classification of the Funds' financial instruments as outlined in the most recent audited annual financial statements, this disclosure is not repeated in these semi-annual financial statements. These semi-annual financial statements should be read in conjunction with the most recent audited annual financial statements.

(b) Valuation of investments

The fair value of investments as at the financial reporting period end dates are determined as follows:

(i) In accordance with Accounting Guideline 18, "Investment Companies", investments are deemed to be categorized as held for trading and are required to be recorded at fair value as defined in CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement" ("Section 3855"). Investments that are traded in an active market on a recognized public stock exchange and over-the-counter markets are valued at their bid prices for investments held and ask prices for investments sold short. Securities with no available bid, or a quoted value determined by the Manager to be inaccurate or unreliable, are valued in such a manner as in the opinion of the Manager most accurately reflects the instrument's fair value. The application of Section 3855 impacts the valuation and disclosure of the Net Assets of an investment fund for financial reporting purposes ("Net Assets"). The value used to determine the Funds' daily price for purchase and redemption of units ("Pricing NAV" or "Net Asset Value") is not affected by this accounting policy.

(ii) North American equities are valued at last bid market price recorded by the security exchange on which the security is principally traded. Non-North American equities are valued at fair value provided by an independent pricing source.

(iii) Fixed income securities, including bonds and mortgage-backed securities, are valued at the current bid price quoted by major dealers in such securities.

(iv) Short-term notes are carried at amortized cost, which in the opinion of the Manager, approximates fair value.

(v) Investments in underlying funds are valued based on the Net Asset Value per unit provided by the underlying fund's manager at the end of each valuation date.

(vi) Realized gains or losses on foreign currency forward contracts would arise as a result of the closing of a position on the settlement date. The net realized gain or loss is reported as "Net realized gain (loss) on currency forwards" in the Statement of Operations. Open foreign currency forward contracts are valued at the gain or loss that would arise as a result of closing the position on the valuation date. The unrealized gain or loss, for the period is reflected in the Statement of Operations as "Change in unrealized appreciation (depreciation) of currency forwards".

(vii) Financial assets and liabilities other than investment securities are valued at cost or amortized cost. These balances are short-term in nature; therefore, their carrying values approximate fair values.

(c) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Transaction costs directly attributable to the acquisition or disposal of an investment are expensed and are included in "Transaction costs" in the Statement of Operations. The investment cost of a security represents the amount paid and is determined on an average cost basis excluding transaction costs. Dividend income is recognized on the ex-dividend date and interest is recognized on an accrual basis. Realized gain or loss on the sale of short-term debt instruments are recorded as an adjustment to interest income.

(d) Forward Contracts

As part of its investment strategy, the Funds may enter into forward contracts in order to gain exposure to the return of a specific fund (the "Reference Fund"). Under the terms of a forward contract, the Funds agree to purchase or sell a basket of Canadian equity securities at maturity of the forward contract (or may settle in whole or in part, earlier in order to fund redemptions), for a price determined by reference to the Net Asset Value of the Reference Fund, less the costs of the forward contracts and hedging. In the case of certain early termination events, the Fund may be required to pay defined costs of the counterparty, including in relation to its loss of ability to hedge. The Canadian equity securities or other securities acceptable to the counterparty are pledged to the counterparty as security for the obligations of the Fund under the forward contract. The Fund may enter into securities lending transactions in relation to the Canadian equity securities.

These contracts are valued at the gain or loss that would arise as a result of closing the position on each valuation date. The unrealized gain or loss is reflected in the Statements of Operations as Change in unrealized appreciation (depreciation) of forward contracts. When the contracts are closed out, the net realized gain or loss is reflected in the Statements of Operations as part of Net realized gain (loss) on investments sold.

(e) Foreign currency

Amounts denominated in foreign currencies are converted into Canadian dollars as follows:

(i) fair value of investments, forward and spot currency contracts and other assets and liabilities at the rates of exchange prevailing as at the valuation date; and

(ii) purchase and sale of investments and investment income at the rates of exchange prevailing on the respective dates of such transactions.

Foreign exchange gain (loss) on purchases and sales of foreign currencies are included in "Net realized gain (loss) on foreign exchange" in the Statement of Operations.

(f) Securities lending

Some of the Funds may enter into securities lending transactions. These transactions involve the temporary exchange of securities for collateral with a commitment to return the same securities to the Fund on a future date. The income earned from these securities lending transactions is recorded in the Statement of Operations. The fair value of the securities lent and collateral held is determined on a daily basis. The securities lending arrangement can be terminated by the borrower, the securities lending agent or the Fund at any time.

(g) Increase (decrease) in Net Assets from operations per unit

"Increase (decrease) in Net Assets from operations per unit" is disclosed in the Statement of Operations and represents, for each Series of units, the increase or decrease in Net Assets from operations for the period attributable to each Series divided by the average number of units outstanding for the corresponding Series during the period.

(h) Cash

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

3. Discussion of financial instrument risk

Each Fund's investment activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk, and other price risk), credit risk and liquidity risk. Each Fund's investment practices include portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on each Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor each Fund's securities and financial market developments. The risks are measured using a method that reflects the expected impact on the results and Net Assets attributable to unitholders of the Funds from reasonably possible changes in the relevant risk variables.

Funds obtain exposure to the returns of a Reference Fund through forward contracts. These Funds are indirectly exposed to market risk, credit risk, and liquidity risk in the event that the Reference Funds invest in financial instruments that are subject to those risks.

A Fund's exposure to market risk, credit risk and liquidity risk, where applicable, is disclosed in the respective Fund's Supplementary Schedules. Where the exposure to a particular risk is not disclosed, the Manager has assessed the potential impact of that risk to be not significant.

(a) Market risk

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or the fair values of interest-bearing financial instruments. Each Fund's exposure to interest rate risk is concentrated in its investments in debt securities (such as bonds and debentures) and interest rate derivative instruments, if any. Short-term investments and other assets and liabilities are short-term in nature and/or non-interest bearing and are not subject to a significant amount of interest rate risk due to fluctuations in the prevailing levels of market interest rates.

(ii) Currency risk

Currency risk is the risk that the value of foreign investments will fluctuate due to changes in the foreign exchange rates of those currencies in relation to the Fund's functional currency, which is generally the Canadian dollar, which are denominated in U.S. dollars. Other financial assets (including dividends and interest receivable and receivable for investments sold) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Funds may enter into foreign exchange forward contracts or currency futures contracts for hedging purposes to reduce their foreign currency risk exposure.

(iii) Other price risk

Other price risk is the risk that the fair value of a Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk is mainly in equities and commodities. The maximum risk resulting from these financial instruments is equivalent to their fair value, except for written options and future contracts sold, where possible losses can be unlimited.

(b) Credit risk

Credit risk is the risk that the counterparty of a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Where the Fund invests in debt instruments, this represents the main concentration of credit risk. The fair value of debt instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure to the Fund. Credit risk may also exist in relation to counterparties of futures and currency forward contracts. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is only made on a purchase once the securities have been received by the broker.

The Fund may enter into forward contracts with one or more counterparties pursuant to which the counterparty will be required to sell or purchase from the applicable fund the Canadian equity securities. In entering into a forward contract the Fund will be fully exposed to the credit risk associated with the counterparty, which exposure will be determined by reference to the net asset value of securities of the relevant Reference Fund. The Fund will have no recourse or rights against the assets of the Reference Funds. A counterparty has no responsibility for the returns on the applicable Reference Fund. The securities do not represent an interest in, or an obligation of the Reference Fund, the counterparty or any affiliate thereof. The counterparty to a forward contract may default on its obligations and the rights of the Fund may be limited to those of a creditor of the counterparty.

A Fund may enter into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have approved credit rating and the market value of cash or securities held as collateral must be at least 104% of the fair value of the securities loaned as at the end of each trading day.

(c) Liquidity risk

The Fund's exposure to liquidity risk arises primarily from the daily cash redemption of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed of. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity and has the ability to borrow up to 5% of its Net Asset Value for the purpose of funding redemptions. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in securities that are not traded in an active market and may be illiquid. Illiquid securities are identified in the respective Fund's Statement of Investment Portfolio.

4. Unitholders' equity

Units issued and outstanding represent the capital of each Fund. Each of the Funds may issue an unlimited number of units. Each unit is redeemable at the option of the unitholder in accordance with the Limited Partnership Agreement, ranks pari passu with all other units of the Fund, and entitles the unitholder to a proportionate undivided interest in the Net Asset Value of the Fund. Unitholders are entitled to distributions when declared. The Funds have no restrictions on capital or specific capital requirements. SAM manages the capital of the Funds in accordance with the Funds' investment objectives.

The units of each Series of the Funds are issued and redeemed at their Pricing NAV per unit which is determined as of the close of business on each day that the Toronto Stock Exchange is open for trading. The Pricing NAV per unit is calculated by dividing the NAV of the Fund by the total number of outstanding units of each Series.

For the periods ended June 30, 2013 and June 30, 2012, the following numbers of units were issued, reinvested and redeemed:

	2013			2012		
Fund	**Units Issued**	**Units Reinvested**	**Units Redeemed**	**Units Issued**	**Units Reinvested**	**Units Redeemed**
Scotia Canadian Corporate Bond LP						
Series I Units	5,214,457	–	5,888	15,000	–	–
Scotia Conservative Government Bond LP						
Series I Units	4,878,379	–	1,040,221	15,000	–	–
Scotia Canadian Income LP						
Series I Units	7,307,887	–	19,746	15,000	–	–

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, legal fees, the cost of any new government or regulatory requirements, audit fees, unitholder communication costs, any transaction costs, including all fees and costs related to derivatives and any borrowing costs (collectively, other fund costs), and taxes. The Manager, at its sole discretion, absorbs operating expenses otherwise payable by certain Series. The absorbed expenses are reflected in the Statement of Operations. The Manager may cease to absorb expenses at any time.

The Fund pays the counterparty of the forward agreement a forward fee of 0.35 percent on the notional value of the forward contract. The Fund also pays a hedge fee consisting of borrowing and collateral costs. Both forward and hedge fees are calculated and paid monthly in arrears and reported as Forward fees in the Statements of Operations.

6. Client brokerage commissions

There were no broker commissions or soft dollars paid during period ended in connection with portfolio transactions.

7. Related party transactions

(a) SAM, a wholly-owned subsidiary of the Bank of Nova Scotia ("BNS"), is the manager and portfolio adviser of the Funds. Pursuant to the Master Management Agreement, the Manager is not entitled to any management fees from the Funds in respect of the Series I Units of the Funds. In addition, BNS is the custodian of the Funds and earns a fee for providing custody and related services. The custodian fees are disclosed in separate line items in the Statement of Operations.

(b) The Manager may enter into transactions and service arrangements with its affiliates. Scotia Capital Inc. may be involved in the purchase and sale of portfolio securities and currency forward contracts.

8. Income taxes

No provision for income taxes has been recorded in these financial statements as the earnings or loss of a Fund is allocated to the limited partners and the General Partner, who are responsible for any income taxes applicable thereto.

Character Conversion Transactions Tax Measures

Under proposed changes in the Federal Budget announced on March 21, 2013, gains realized on the sale of Canadian securities by the Funds under a derivative forward agreement, where the term of the agreement or, where the agreement is part of a series, the series exceeds 180 days, will be treated as ordinary income rather than capital gains. Further to a Department of Finance press release dated July 11, 2013, derivative forward agreements entered into by the Funds will be grandfathered until the end of 2014, provided the derivative forward agreements stays within certain growth limits and the derivative forward agreements settle prior to 2015. It is expected that the grandfathering will be available to derivative forward agreements entered into by the Funds.

Management continues to assess the proposed changes and its impact to the Funds.

9. Future accounting changes

On December 12, 2011, the Canadian Accounting Standards Board ("AcSB") extended the deferral of the mandatory International Financial Reporting Standards ("IFRS") changeover date for investment entities to fiscal year beginning on or after January 1, 2014. Consequently, the Funds will adopt IFRS beginning January 1, 2014 and will publish the first financial statements, prepared in accordance with IFRS, for the semi-annual period ending June 30, 2014. The June 30, 2014 semi-annual and December 31, 2014 annual financial statements will include an opening Statement of Net Assets as at January 1, 2013 ("the transition date"), and comparative financial information prepared in accordance with IFRS.

In addition, on May 12, 2011, the International Accounting Standards Board ("IASB") issued IFRS 13 – "Fair Value Measurement", which defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosure about fair value measurements. It only applies when other IFRS standards require or permit fair value measurement. If an asset or a liability measured at fair value has a bid price and an ask price, it requires valuation to be based on a price within the bid-ask spread that is most representative of fair value. It allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. This may result in eliminating the difference between the net asset value per unit and net assets per unit under current Canadian GAAP.

Furthermore, in October 2012, the IASB issued Investment Entities (Amendments to IFRS 10 – "Consolidated Financial Statements", IFRS 12 – "Disclosure of Interests in Other Entities" and IAS 27 – "Separate Financial Statements"), which define an investment entity and introduce an exception to the consolidation requirements. The amendments require an investment entity to measure investments in most controlled subsidiaries at fair value through profit or loss in accordance with IFRS 9 – "Financial Instruments". The amendments also introduce new disclosure requirements for these entities and apply for annual periods beginning on or after January 1, 2014.

The Manager has developed a changeover plan to meet the implementation date published by the AcSB. The key elements of the plan include identifying differences between the Funds' current accounting policies and those the Funds expects to apply under IFRS, as well as any accounting policy and implementation decisions and their resulting impact, if any, on the net assets or net asset value of the Funds.

Based on the Manager's analysis to date, there will likely be no material impact to the net asset value per unit of each series of the Funds due to the changeover to IFRS. The major qualitative changes that will result from the adoption of IFRS will be in the areas of fair valuation, cash flow presentation, classification of net assets representing unitholders' equity, and additional note disclosures. However, this present determination is subject to change resulting from the issuance of new standards or new interpretations of existing standards.

10. Subsequent Event

Manager Name Change

On or about September 30, 2013, the Manager will change its name from Scotia Asset Management L.P. to 1832 Asset Management L.P.

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 2 to the financial statements.

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

August 8, 2013