

Scotia INNOVA Portfolios[®]

Annual Information Form

Series A units (and Series T units where noted)

November 19, 2012

Scotia INNOVA Income Portfolio (Series T units available)
Scotia INNOVA Balanced Income Portfolio (Series T units available)
Scotia INNOVA Balanced Growth Portfolio (Series T units available)
Scotia INNOVA Growth Portfolio
Scotia INNOVA Maximum Growth Portfolio

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise.

The Portfolios and the units they offer under this annual information form are not registered with the U.S. Securities and Exchange Commission. Units of the Portfolios may be offered and sold in the United States only in reliance on exemptions from registration.

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NAMES AND FORMATION OF THE PORTFOLIOS

This is the Annual Information form of the Scotia INNOVA Income Portfolio, Scotia INNOVA Balanced Income Portfolio, Scotia INNOVA Balanced Growth Portfolio, Scotia INNOVA Growth Portfolio and Scotia INNOVA Maximum Growth Portfolio (in this document these funds are collectively referred to as the “Portfolios” and individually as a “Portfolio”).

Scotia Asset Management L.P. (“SAM” or the “Manager”) is the trustee and manager of the Portfolios. The head office of SAM and of the Portfolios is located at 40 King Street West, 52nd Floor, Toronto, Ontario, M5H 1H1. SAM can also be contacted via telephone toll-free, at 1-800-268-9269 (416-750-3863 in Toronto) or via email through its website at www.scotiabank.com. Information regarding Scotia Asset Management L.P. can be obtained on its website at www.scotiabank.com.

The following chart describes the manner in which each Portfolio was created and any amendments to the Portfolios:

Name of Portfolio	Jurisdiction	Creation and Amendments
Scotia INNOVA Income Portfolio	Ontario	<p>January 5, 2009</p> <ul style="list-style-type: none"> • Amendment to Schedule A to the Master Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 <p>November 1, 2009</p> <ul style="list-style-type: none"> • Master Declaration of Trust and Management Agreement assigned to Scotia Asset Management L.P. by Scotia Securities Inc. <p>December 11, 2009</p> <ul style="list-style-type: none"> • Amended and Restated Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 and December 11, 2009 <p>November 24, 2011</p> <ul style="list-style-type: none"> • Amended and Restated Master Declaration of Trust dated as of November 24, 2011 of the ScotiaFunds, which re-designates all “classes” of units as “series”. <p>February 21, 2012 (on or about)</p> <ul style="list-style-type: none"> • Aurion Capital Management Inc. appointed as sub-advisor.

Name of Portfolio	Jurisdiction	Creation and Amendments
Scotia INNOVA Balanced Income Portfolio	Ontario	<p>January 5, 2009</p> <ul style="list-style-type: none"> • Amendment to Schedule A to the Master Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 <p>November 1, 2009</p> <ul style="list-style-type: none"> • Master Declaration of Trust and Management Agreement assigned to Scotia Asset Management L.P. by Scotia Securities Inc. <p>December 11, 2009</p> <ul style="list-style-type: none"> • Amended and Restated Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 and December 11, 2009 <p>November 24, 2011</p> <ul style="list-style-type: none"> • Amended and Restated Master Declaration of Trust dated as of November 24, 2011 of SAM, which re-designates all “classes” of units as “series”. <p>February 21, 2012 (on or about)</p> <ul style="list-style-type: none"> • Aurion Capital Management Inc. appointed as sub-advisor.
Scotia INNOVA Balanced Growth Portfolio	Ontario	<p>January 5, 2009</p> <ul style="list-style-type: none"> • Amendment to Schedule A to the Master Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 <p>November 1, 2009</p> <ul style="list-style-type: none"> • Master Declaration of Trust and Management Agreement assigned to Scotia Asset Management L.P. by Scotia Securities Inc. <p>December 11, 2009</p> <ul style="list-style-type: none"> • Amended and Restated Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 and

Name of Portfolio	Jurisdiction	Creation and Amendments
		<p>December 11, 2009</p> <p>November 24, 2011</p> <ul style="list-style-type: none"> Amended and Restated Master Declaration of Trust dated as of November 24, 2011 of SAM, which re-designates all “classes” of units as “series”.
Scotia INNOVA Growth Portfolio	Ontario	<p>January 5, 2009</p> <ul style="list-style-type: none"> Amendment to Schedule A to the Master Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 <p>November 1, 2009</p> <ul style="list-style-type: none"> Master Declaration of Trust and Management Agreement assigned to Scotia Asset Management L.P. by Scotia Securities Inc. <p>December 11, 2009</p> <ul style="list-style-type: none"> Amended and Restated Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 and December 11, 2009 <p>November 24, 2011</p> <ul style="list-style-type: none"> Amended and Restated Master Declaration of Trust dated as of November 24, 2011 of Scotia Funds, which re-designates all “classes” of units as “series”.
Scotia INNOVA Maximum Growth Portfolio	Ontario	<p>January 5, 2009</p> <ul style="list-style-type: none"> Amendment to Schedule A to the Master Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 <p>November 1, 2009</p> <ul style="list-style-type: none"> Master Declaration of Trust and Management Agreement assigned to Scotia Asset Management L.P. by Scotia Securities Inc.

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		<p>December 11, 2009</p> <ul style="list-style-type: none"> • Amended and Restated Declaration of Trust of the ScotiaFunds dated as of February 14, 2005 and amended and restated as of April 23, 2007 and December 11, 2009 <p>November 24, 2011</p> <ul style="list-style-type: none"> • Amended and Restated Master Declaration of Trust dated as of November 24, 2011 of SAM, which re-designates all “classes” of units as “series”.

INVESTMENT RESTRICTIONS AND PRACTICES

The Portfolios’ simplified prospectus contains detailed descriptions of the investment objectives, investment strategies and risk factors for the Portfolios. In addition, the Portfolios are subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 *Mutual Funds* (“NI 81-102”), which are designed, in part, to ensure that the investments of the Portfolios are diversified and relatively liquid and to ensure the appropriate administration of the Portfolios. Except for the deviations described below, each Portfolio is managed in accordance with these restrictions and practices. The Portfolios have permission from securities regulatory authorities to deviate from certain provisions of NI 81-102 and from certain provisions of securities legislation as described below.

The fundamental investment objectives of a Portfolio may not be changed without the approval of a majority of voting unitholders.

Self-Dealing Restrictions for Dealer-Managed Mutual Funds

The Portfolios are subject to restrictions when dealing with, or investing in, the Manager or parties related to the Manager. In the case of certain self-dealing activities, NI 81-102 and National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”) permit the Manager to seek approval of the Independent Review Committee of the Portfolios and in other cases, an exemption from the Canadian Securities Authorities (“CSA”) must be obtained as well. The Manager has obtained certain exemptions from the CSA.

In some cases, the Independent Review Committee of the Portfolios has given its approval, as a standing instruction, for the Portfolios to engage in an activity or transaction and in other cases, the approval must be sought on a case by case basis. Pursuant to such exemptions and approvals, and provided certain conditions imposed by the CSA or the Independent Review Committee are met, the Portfolios may:

- (a) purchase securities of a Canadian reporting issuer during the period of distribution to the public of the securities and for the 60-day period following the period of

distribution notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer, provided that, amongst others:

- (i) in the case of equity securities, the offering is pursuant to a prospectus;
 - (ii) in the case of debt securities, the debt security has and continues to have an approved rating;
- (b) purchase securities of a Canadian reporting issuer which are (i) equity securities, or (ii) convertible securities, such as special warrants, which automatically permit the holder to purchase, convert or exchange such convertible securities into other equity securities of the reporting issuer once such other equity securities are listed and traded on an exchange in a private placement during the period of distribution of the securities and for the 60-day period following the period of distribution notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer;
- (c) purchase non-government debt securities which do not have an approved rating during the period of distribution of the debt securities and for the 60-day period following the period of distribution notwithstanding that a related underwriter, such as Scotia Capital Inc., participates in offering the securities of such issuer;
- (d) if a public quotation in common use is available, purchase securities from, or sell securities to, the Manager, a portfolio advisor or trustee of the Fund; a partner, director or officer; associate or affiliate of any of the foregoing or certain small issuers, of which a partner, director or officer of the Fund or of the Manager or portfolio advisor of the Fund is a partner, director, officer or securityholder (collectively “Related Parties”), where they are acting as principal;
- (e) purchase from, or sell to, related dealers that are acting as principal dealers in the Canadian debt securities market, debt securities provided the bid and the ask price of the security is readily available;
- (f) purchase equity securities of a Related Party, such as common shares of The Bank of Nova Scotia (“Scotiabank”), in the secondary market; and
- (g) purchase in a primary distribution or treasury offering, debt securities of a related party, with terms to maturity of 365 days or more, or purchase in the secondary market debt securities of a Related Party.

The Manager has applied for an exemption from the CSA to permit the portfolios to invest in equity securities of an issuer that is not a reporting issuer in Canada during a distribution of the securities of the issuer, whether pursuant to a private placement of the issuer in Canada or in the United States or a prospectus offering of the issuer in the United States of securities of the same class, and for the 60-day period following the period of distribution, even if an affiliate of the Manager acts as underwriter in the private placement or prospectus offering, provided the issuer is at the time a registrant in the United States, the Independent Review Committee (“**IRC**”)

approves of the investment and the purchase is carried out in compliance with certain other conditions.

Derivatives

The Portfolios may use or invest in derivative instruments consistent with their investment objectives and as permitted by the CSA. The Portfolios may use derivatives to hedge against certain investment risks, such as currency and interest rate fluctuations and stock market volatility. The Portfolios may also invest in derivatives for non-hedging purposes, such as creating exposure to domestic and international financial markets, investing in financial market downturns and facilitating and reducing the cost of portfolio transactions. Investing in, or using, derivatives is subject to certain risks.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Portfolios may enter into securities lending, repurchase and reverse repurchase transactions consistent with their investment objectives and as permitted by the applicable securities and tax legislation. A securities lending transaction is where a fund lends certain qualified securities to a borrower in exchange for a negotiated fee without triggering a disposition of the securities for tax purposes. A repurchase transaction is where a fund sells a security at one price and agrees to buy it back from the same party at a specified price on a specified date. A reverse repurchase transaction is where a fund buys securities for cash at one price and agrees to sell them back to the same party at a specified price on a specified date. Securities lending, repurchase and reverse repurchase transactions involve certain risks. If the other party to these transactions goes bankrupt or is for any reason unable to fulfil its obligations under the agreement, the fund may experience difficulties or delays in receiving payment. To address these risks, any securities lending, repurchase or reverse repurchase transactions entered into by a fund will comply with applicable securities legislation, including the requirement that each agreement be, at a minimum, fully collateralized by investment grade securities with a value of at least 102% of the market value of the securities subject to the transaction. The funds will enter into securities lending, repurchase or reverse repurchase transactions only with parties that we believe, through conducting credit evaluation, have adequate resources and financial ability to meet their obligations under such agreements ("qualified borrowers"). In addition, the funds will not expose more than 10% of the total value of their assets with any one entity under these agreements. In the case of securities lending, repurchase or reverse repurchase transactions, the aggregate market value of all securities lent and sold by a fund will not exceed more than 50% of the total value of the assets of that Fund, not including collateral or cash held.

Short Selling

The underlying ScotiaFunds in which the Portfolios invest, other than money market funds, (each, a "Permitted Fund"), have received exemptive relief from Canadian securities regulatory authorities from certain requirements in NI 81-102 in order to sell securities short, to provide a security interest over Permitted Fund assets in connection with the short sales and to deposit Permitted Fund assets with dealers as security in connection with such transactions. A Permitted Fund may engage in Short Selling consistent with its investment objectives and as permitted by the CSA. A short sale by a Permitted Fund involves borrowing securities from a lender which are

then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Permitted Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Permitted Fund pays interest to the lender. If the value of the securities declines between the time that the Permitted Fund borrows the securities and the time it repurchases and returns the securities, the Permitted Fund makes a profit for the difference (less any interest the Permitted Fund is required to pay to the lender). In this way, the Permitted Fund has more opportunities for gains when markets are generally volatile or declining.

The Permitted Funds engage in short selling only within certain controls and limitations. All short sales are effected only through market facilities through which those securities normally are bought and sold. Securities are sold short only for cash and the Permitted Fund receives the cash proceeds within normal trading settlement periods for the market in which the short sale is made. As well, at the time securities of a particular issuer are sold short by a Permitted Fund, the aggregate market value of all securities of that issuer sold short will not exceed 5% of the total net assets of the Permitted Fund. The aggregate market value of all securities sold short by a Permitted Fund will not exceed 20% of its total net assets on a daily marked-to-market basis. The Permitted Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. The Permitted Fund also will hold cash cover (as defined in NI 81-102) in an amount, including the Permitted Fund's assets deposited with lenders, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by a Permitted Fund to purchase long positions other than cash cover.

UNITS OF THE PORTFOLIOS

What are units and series of units of the Portfolios?

A Portfolio may offer one or more series of units. Each series is intended for different investors. Each series of units of a Portfolio may have different management fees and other expenses attributable to that series of units.

Each of the Portfolios is authorized to issue an unlimited number of series divided into an unlimited number of units, each of which represents an equal undivided interest in the property of that particular Portfolio. Each series participates in its proportionate share of the distributions of net income and net realized capital gains in a calendar year. The value of each unit will fluctuate proportionately with the market value of the assets of a Portfolio.

As a holder of units of a Portfolio, you have the rights described below. Fractional units carry the rights and privileges and are subject to the restrictions and conditions described for units in the proportions that they bear to one unit, except that any holder of a fractional unit is not entitled to vote in respect of such fractional unit.

When issued, units of each Portfolio are fully paid and non-assessable and have no pre-emptive or conversion rights. Fractions of units may also be issued. As a holder of units of a Portfolio, you are entitled to require the Portfolio to redeem your units at the price described under *How to Sell Units*. Your units are generally redeemable without restriction. Upon

liquidation or termination of a Portfolio, each unitholder is entitled to participate ratably in the assets of the Portfolio.

Each unitholder of the Portfolio is entitled to vote on certain amendments to the Master Declaration of Trust in accordance with such document or where required by securities legislation. A separate series vote is required if a particular series is affected in a manner that is different from other series. At a unitholder meeting called to vote on these issues, a unitholder will be entitled to one vote per unit of a Portfolio.

Subject to any exemption of the CSA obtained by a Portfolio, the following matters currently require unitholder approval pursuant to securities legislation:

- the appointment of a new manager, unless the new manager is an affiliate of SAM;
- a change in the fundamental investment objectives of a Portfolio;
- a decrease in the frequency of calculating the NAV per unit of a Portfolio;
- changing the basis of the calculation of a fee or expense that is charged to a Portfolio in a way that could result in an increase in charges to the Portfolio. No unitholder approval will be required if a Portfolio is at arm's length to the person or company charging the fee or expense and if written notice is sent to unitholders at least 60 days before the effective date of the change that could result in an increase in charges to the Portfolio;
- introducing a fee or expense, to be charged to a Portfolio or directly to its unitholders by the Portfolio or the Manager in connection with holding units of the Portfolio, in a way that could result in an increase in charges to the Portfolio or its unitholders;
- in certain limited circumstances, a merger of a Portfolio into another mutual fund where the unitholders of the Portfolio will become the unitholders of another mutual fund as a result of the merger; and
- in certain limited circumstances, a merger of a Portfolio into another Portfolio (the "Continuing Portfolio") where the merger would be a significant change for the unitholders of the Continuing Portfolio. At unitholder meetings, unitholders are entitled to one vote for each whole unit owned by them.

Because unitholders are not charged sales commissions or redemption fees when they invest in or redeem units of the Portfolios, unitholder meetings are not required to approve any increase in the fees or expenses charged by non-arm's length parties to the Portfolios if these unitholders are notified of the change at least 60 days before the effective date of the increase.

Series A Units and Series T Units

The series of units of a Portfolio have different fees and are intended for different investors. All of the Portfolios issue Series A units. Each of the Portfolios, other than Scotia INNOVA Growth Portfolio and Scotia INNOVA Maximum Growth Portfolio, also issue

Series T units. All unitholders of a Portfolio are entitled to vote at a meeting of unitholders whenever the matter concerns all unitholders of the Portfolio.

How the Units are Valued

How much a Portfolio is worth is called its “net asset value”. When a Portfolio calculates its net asset value, it determines the market value of all of its assets and subtracts all of its liabilities. Separate net asset values are calculated for each series of a Portfolio at the end of each day based on each series’ share of the Portfolio’s net asset value as determined in accordance with the Portfolio’s Master Declaration of Trust. The series net asset value per unit (“NAV per unit”) is calculated daily by dividing (1) the amount equal to the value of that series’ share of assets of a Portfolio, less that series’ share of the common expenses of the Portfolio and less that series’ specific expenses by (2) the total number of units of that series outstanding at such time. A unit’s net asset value is very important because it is the basis on which units of a Portfolio are purchased and redeemed. The series net asset value per unit of a Portfolio varies from day to day. A Portfolio calculates the net asset value of the units at the close of business on each valuation date. Every day that the Toronto Stock Exchange is open for trading or each other day required for tax, accounting or distribution purposes of each year is a “Valuation Date”. In unusual circumstances, calculation of the net asset value per unit may be suspended, subject to obtaining any necessary regulatory approval.

Valuation of Portfolio Securities and Liabilities

The net asset value of a Portfolio must be calculated using the fair value of the Portfolio’s assets and liabilities.

The value of the assets of a Portfolio are calculated using the following valuation principles:

1. the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to shareholders of record on a date as of which the net asset value is being determined) and interest, accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager has determined that any such amount is not worth the full amount thereof, in which event the value shall be the fair value as determined by the Manager;
2. the value of any security which is listed on a stock exchange or traded on an over-the counter market will be (A) the closing sale price on that day or, (B) if there is no such closing price, the average of the bid and the ask price at that time, or (C) if no bid or ask price is available, the price last determined for such security for the purpose of calculating net asset value of the Portfolio. The value of interlisted securities shall be computed in accordance with directions laid down from time to time by the Manager. Notwithstanding the foregoing, if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Portfolio upon the disposal of securities necessary to reflect any redemption of Units, the value

thereof shall be the fair value of such securities as determined by the Manager. In calculating the value of foreign securities listed on securities exchanges outside of North America, the Manager will place values on such securities which appear to most closely reflect the fair value of such securities at the time of net asset value calculation;

3. the value of the securities of any other mutual fund will be the net asset value per security on the Valuation Date or, if the day is not a valuation date of the mutual fund, the net asset value per security on the most recent valuation date for the mutual fund;
4. the value of long positions in clearing corporation options, options on futures, debt-like securities and warrants that are traded on a stock exchange or other markets will be the closing sale price on the Valuation Date or, if there is no such sale price, the average of the bid and ask prices at that time, all as reported by any report in common use or authorized as official by the stock exchange or, if no bid or ask price is available, the last reported closing sale price of such security;
5. where a covered clearing corporation option or over-the-counter option is written by the Portfolio the premium received by the Portfolio will be reflected as a deferred credit which will be valued at an amount equal to the value of the clearing corporation option or over-the-counter option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the net asset value of the Portfolio; the securities, if any, which are the subject of a written clearing corporation option or over-the-counter option will be valued in a manner listed above for listed securities in paragraph (2) above;
6. the value of any standardized futures contract or forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the standardized futures contract or forward contract, as applicable, on the Valuation Date, unless "daily limits" are in effect, in which case fair market value shall be based on the value of the underlying interest on the Valuation Date as determined in a manner by the Manager in its discretion;
7. the value of any restricted security shall be determined based on the discretion of the manager, such that it is fair and reasonable and in accordance with the valuation policy set out by the manager; and
8. the value of any security or other asset for which a market quotation is not readily available, will be its fair value on that day determined in such manner as the Manager deems to be appropriate.

For the purpose of any conversion of monies from any other currency to Canadian currency, the current rate of exchange as quoted to such Portfolio by its bankers as nearly as practicable at the time as of which the net asset value is being computed shall be used.

Neither SAM nor the predecessor manager has exercised its discretion to deviate from the valuation principles described above in the last three years.

The Manager will deviate from these valuation principles in circumstances where the above methods do not accurately reflect the fair value of a particular security at any particular time, for example, if trading in a security was halted because of significant negative news about a company.

While National Instrument 81-106 requires investment funds to determine fair value, it does not require investment funds to determine fair value in accordance with the Canadian Institute of Chartered Accountants (“CICA”) Handbook. Each Portfolio calculates the net asset value of the securities of the Portfolio on the basis of the valuation principles set forth in this annual information form. The valuation principles of the Portfolios differ in some respects from the requirements of the CICA Handbook, which are used for financial reporting purposes. The main differences are that SAM generally will determine the fair value of (i) securities traded on a stock exchange, by using the closing price on the exchange and (ii) bonds, debentures and other debt obligations, by using the average of bid and ask prices.

HOW TO PURCHASE AND SELL UNITS OF THE PORTFOLIOS

How to Purchase Units

Units of the Portfolios are offered for sale on a continuous basis at their NAV per unit from time to time, computed in the manner described under *How the Units are Valued*. There are generally no sales commissions or other fees payable on the purchase of units. Series A units may be purchased directly from Scotia Securities Inc., ScotiaMcLeod and Scotia iTRADE, each a division of Scotia Capital Inc., in such provinces and territories where Scotia Securities Inc., ScotiaMcLeod and Scotia iTRADE are qualified to receive orders for purchase or with dealers and brokers qualified in your province or territory. Series A units and Series T units are available to all investors. Series T units are intended for investors seeking stable monthly distributions. Orders to purchase units of the Portfolios may also be placed with representatives of Scotia Securities Inc. at branches of Scotiabank and The Bank of Nova Scotia Trust Company (“Scotiustrust”).

All orders for units of a Portfolio will be forwarded to the Portfolio for acceptance or rejection and the Portfolio reserves the right to reject any order in whole or in part. Dealers and brokers must transmit an order for units to the head office of a Portfolio and must make such transmittal wherever practical by courier, priority post or telecommunications facility without charge to you on the same day your completed purchase order is received. As a security policy (which may be changed at the discretion of the Manager) the Portfolios, except as provided below, generally will not accept purchase orders placed by telephone or wire directly by an investor. The decision to accept or reject your purchase order will be made promptly and, in any event, within one business day of receipt of your order by the Portfolio. Telephone orders and

Internet orders may be placed with Scotia Securities Inc. representatives at branches or call centres of the Scotiabank Group. Speak to your registered investment professional for details. If your order is rejected, all monies received with your order will be returned to you immediately.

The minimum amount for initial purchases of any series of units of the Portfolios is \$50,000 and for subsequent purchases it is \$100.

The minimum amounts may be varied or waived at any time without notice at the absolute discretion of the Manager. The Manager reserves the right to terminate your account with a Portfolio if the NAV of your investment in the Portfolio falls below the applicable minimum for an initial purchase. Your dealer or broker may impose higher minimum initial or additional investment amounts.

The NAV per unit for the purpose of issuing units is the NAV per unit next determined following receipt of a purchase order. No unit certificates will be issued by the Portfolios.

Payment for all orders of units must be received at the head office of the Portfolios on or before the third business day from (but not including) the day the subscription price for the units is determined. Where payment of the subscription price is not received, a Portfolio is deemed to have received and accepted on the first business day following such period an order for redemption of the units and the redemption proceeds are applied to reduce the amount owing to the Portfolio in respect of the purchase of the units. If the amount of the redemption proceeds exceeds the subscription price of the units, the Portfolio is permitted to retain the excess. If the amount of the redemption proceeds is less than the issue price of the units, Scotia Securities Inc., as principal distributor of Series A units of the Portfolios, must pay to the Portfolio the amount of the deficiency. Scotia Securities Inc. is entitled to collect such amounts together with its costs, charges and expenses in so doing and interest thereon from dealers or brokers making the order for units. Those dealers or brokers may, in turn, collect such amounts from the investor who failed to pay the subscription price. Where no other dealers or brokers have been involved in an order for units, Scotia Securities Inc. is entitled to collect such amounts described above from the investor who has failed to make payment for the units ordered.

Other than the short-term trading fee described below, the Portfolios do not charge for redemptions, but reserve the right to impose redemption fees from time to time, upon providing unitholders 60 days written notice of the amount and particulars of such fee. The Portfolios currently have no intention to impose such fees on any of the series described in this annual information form during the next 12 months.

Sales Charges

Series A and Series T units of the Portfolios are no load. That means you do not pay a sales commission when you buy, switch or sell these units through us or our affiliates.

Sales Commissions

The Manager may pay employees of Scotia Securities Inc. an up-front sales commission of up to 1% of the amount invested by a unitholder.

Service Fees and Sales Incentive Programs

The Manager may pay Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE employees or other registered brokers and dealers a service fee on Series A and Series T units of the Portfolios. This fee is calculated daily and paid monthly and, subject to certain conditions, is based on the value of the Series A and Series T units you hold. From time to time, prizes such as cash or merchandise, may be awarded in connection with sales of units of the Portfolios to individual Scotia Securities Inc. employees. SAM may pay brokers and dealers a referral fee of up to one-half of any advisory fee paid by its clients in the first year. See *Dealer compensation* in the Portfolios' simplified prospectus for details about service fees and sales incentive programs.

In addition, Scotiabank may also include sales of units of the Portfolios in its general employee incentive programs which involve many different Scotiabank products.

How to Switch Portfolios

You can switch from one Portfolio to another Portfolio as long as you are eligible to hold the particular series of the Portfolio into which you switch. When your order is received, the units of the first Portfolio are sold, and the proceeds are used to buy units of the second Portfolio. If you switch units within 31 days of buying them, you may have to pay a short-term trading fee.

Switches from a series of units of another ScotiaFund purchased under the deferred sales charge option or low load sales charge option to Series A or Series T units of the Portfolios may be subject to a redemption fee. You may only switch between funds valued in the same currency. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable.

How to Reclassify Units

You can change your units of one series to another series of units of the same Portfolio, as long as you are eligible to hold that series. Your dealer may charge you a fee to reclassify your units.

How to Sell Units

You may at any time sell your units back to a Portfolio by following the procedures described in the following section, unless at that time the Portfolio's obligation to purchase your units has been temporarily suspended by the Portfolio with, where necessary, the prior consent of the Ontario Securities Commission. Your request to have a Portfolio buy back your units constitutes a "redemption" by the Portfolio when completed and may be referred to in this annual information form as a "sell order" to the Portfolio. The redemption price for the units which are the subject of your sell order will be the NAV next determined following receipt of your sell order by the Portfolio. Payment for your units sold will be issued by cheque within three business days after receipt by the Portfolio of your sell order. **The Manager cannot accept sell orders specifying a forward date or price, and sell orders will not be implemented before the Manager has actually received payment for units issued to you under a prior purchase order.**

Short-term trading (including “market-timing” trading) can increase a Portfolio’s expenses, which affects all unitholders of the Portfolio. The Manager has systems in place to monitor for short-term trades. These systems have the capability to detect and mark any redemption or switching that occurs within 31 days of the purchase of the relevant units. If it is determined that a redemption or switch constitutes a short-term trade, the Portfolio will charge a fee of 2% of the amount redeemed or switched. This short-term trading fee is retained by the Portfolio. While the fee will generally be paid out of the redemption proceeds of the Portfolio in question, SAM has the right to redeem units of other Portfolios in your account without notice to you to pay for the short-term trading fee. SAM may, in its sole discretion, decide which units should be redeemed and the manner in which to do so. SAM may waive the fee in certain circumstances and in its sole discretion.

The short-term trading fee does not apply to: (i) transactions that do not exceed a certain minimum dollar amount, as determined by the Manager from time to time; (ii) automatic rebalancing that is part of the service offered by SAM; (iii) trades initiated by SAM; (iv) regularly scheduled RRIF or LIF payments; and (v) regularly scheduled Automatic Withdrawal Plan payments and cash equivalent funds.

The Manager may cause the redemption of all outstanding units of a Portfolio held by a unitholder after giving 10 days written notice if the aggregate NAV of such units in a Portfolio declines below the minimum initial purchase amounts described under *How to Purchase Units*.

How to Submit a Sell Order

The following is a summary of the procedure that you must follow when submitting a sell order. The Manager, however, may from time to time adopt additional permissible procedures and, if so, will advise all unitholders of such procedures.

Your sell order must be in writing and bear an authorized signature from your bank, trust company or registered dealer or broker and such other evidence of proper authority as a Portfolio may reasonably require. Any sell order by a corporation, trust, partnership, agent, fiduciary, surviving joint owner or estate must be accompanied by customary documentation evidencing the signatory’s authority. Sell orders are effective only when all documentation is in order and received by the head office of a Portfolio. Any of these requirements may be waived at any time without notice in the absolute discretion of the Manager. Your sell order may be submitted to Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE in such provinces and territories where Scotia Securities Inc., ScotiaMcLeod or Scotia iTRADE are qualified to sell units of the Portfolios. Sell orders may also be submitted to your registered dealer or broker. You may also submit your sell order to representatives of Scotia Securities Inc. at branches of Scotiabank and Scotiitrust. Dealers and brokers must transmit the particulars of a sell order to a Portfolio on the same day it is received at no charge to the investor and to make such transmittal wherever practical by courier, priority post or telecommunications facility. As a security policy (which may be changed at the discretion of the Manager), the Portfolios will generally not accept sell orders placed by telephone, wire or by other electronic means directly from unitholders.

If a unitholder fails to provide a Portfolio with a duly completed sell order within ten business days of the date on which the NAV was determined for purposes of the sell order, the

Portfolio is deemed to have received and accepted, as of the close of business on the tenth business day, an order for the purchase of the equivalent number of units being redeemed and will apply the amount of the redemption proceeds to the payment of the issue price of such units. If such amount is less than the redemption proceeds, the Portfolio is permitted to retain the excess. If such amount exceeds the redemption proceeds, Scotia Securities Inc., as principal distributor of Series A units of the Portfolios, must pay the applicable Portfolio the amount of the deficiency. Scotia Securities Inc. is entitled to collect such amount together with its costs and interest thereon from dealers or brokers placing the redemption order and those dealers or brokers may collect such amounts from the investor who failed to provide the duly completed sell order. Where no other dealers or brokers have been involved in a redemption order, Scotia Securities Inc. is entitled to collect such amounts described above directly from the investor who failed to provide the duly completed sell order.

All sell orders will be processed in the order in which they are received. Sell orders involving transfers to or from Registered Plans (defined below) may incur delays if the transfer documents are not completed in the sequence prescribed by Canada Revenue Agency, and release of the sale proceeds cannot be made by a Portfolio until all administrative procedures involved with such Registered Plans are complete.

INVESTMENT OPTIONS

For a description of the various investment options available, please see the simplified prospectus of the Portfolios. Some further details are included below:

Pre-Authorized Contributions

You can set up regular pre-authorized contributions for any of the Series A units of the Portfolios held by you provided that you meet the minimum investment amounts indicated under *How to Purchase Units*. You select the frequency of your purchases, which may be weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually, by pre-authorizing payments from your bank account at Scotiabank or any other major Canadian financial institution.

You may change the amount of each purchase or the frequency of purchase or you may discontinue the plan at any time without penalty by contacting your mutual fund representative. Forms used to begin pre-authorized contributions can be obtained when you place your order with your dealer or broker. Similar automatic investment plans for Series A units of the Portfolios may be available through ScotiaMcLeod and other dealers.

The Manager received an exemption from the requirement to deliver a renewal simplified prospectus (and any amendment thereto) to investors purchasing units of the Portfolios under pre-authorized contributions or similar plans. For more information, refer to *Pre-authorized Contributions* in the Portfolios' simplified prospectus.

ican Invest™ Program

The *ican Invest* Program (the "Program") offered by Scotiabank is designed to assess your current financial situation and recommend solutions for each of your goals by suggesting

investment options based on your particular needs. Through the Program, you determine an amount you can contribute towards each goal on a regular basis. Pre-authorized contributions will be made from your bank account to the investments you select. Minimum initial investments do not apply to units of some Portfolios when purchased through the Program. See *How to purchase units* for details.

Registered Plans

You may open a Scotia Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Life Income Retirement Account (LIRA), Locked-in Retirement Savings Plan (LRSP), Life Income Fund (LIF), Locked-in Retirement Income Fund (LRIF), Prescribed Retirement Income Fund (PRIF), Tax-Free Savings Accounts (TFSA) or Registered Education Savings Plans (RESP (which, collectively with a Deferred Profit Savings Plan (DPSP) and Registered Disability Savings Plan (RDSP), are referred to as “Registered Plans”) for units of the Portfolios. Minimum initial and subsequent deposits for a Scotia Registered Plan are the same as those set out under *How to Purchase Units*. These minimum deposits may be varied or waived at any time, without notice, in the discretion of the Manager. Units of the Portfolios may also be held in a self-directed RRSP or RRIF (or other Registered Plans) with any other financial institution as may be approved by the Manager, but such plans may be subject to fees.

You may open a Scotia Registered Plan (or other similar plans that may be offered by the Manager or Scotia Securities Inc.) by completing an application form and declaration of trust which you may obtain directly from Scotia Securities Inc. or from the offices of a participating dealer appointed by SAM or Scotia Securities Inc. in certain provinces and territories.

You are urged to consult your own tax advisor for full particulars of the tax implications of establishing, amending and terminating Registered Plans under the Income Tax Act (Canada) (the “Tax Act”) and applicable provincial tax legislation. It is your responsibility as a holder of a Registered Plan to determine the consequences to you under relevant income tax legislation. The Portfolios assume no liability as a result of Scotia Registered Plans being made available.

Automatic Withdrawal Plan

Series A unitholders may establish an automatic withdrawal plan under which sufficient units of a Portfolio will be redeemed on a periodic basis in order to provide these unitholders with regular cash payments. To establish and maintain an automatic withdrawal plan for the Series A units, you must have a minimum initial balance of \$50,000 to start the plan and you must withdraw a minimum of \$50 each time.

See *How to Purchase Units* to determine the minimum investment amounts. The minimum for each withdrawal under the plan is \$50. The minimum initial investment amount and withdrawal amount may be varied or waived at any time without notice in the absolute discretion of the Manager.

You may amend or terminate your automatic withdrawal plan without charge upon written notice to the Manager. The amendment or termination will be effective within 30 days of receipt of that notice.

Under a withdrawal plan, if the regular withdrawals are in excess of income and capital gains distributions, these withdrawals will encroach on or exhaust the capital you have invested. Automatic withdrawal plans are not available for RRSPs and other Registered Plans.

You may realize tax consequences on any redemption or other transfer of units. See *Tax Treatment of Your Investment*.

TAX TREATMENT OF YOUR INVESTMENT

The following summarizes the principal Canadian federal income tax considerations generally applicable to the Portfolios and their Canadian resident unitholders who are individuals (other than trusts) and who hold their units as capital property. The summary is based on the current provisions of the Tax Act and the regulations made under the Tax Act (the “Regulations”), proposals to amend the Tax Act or the Regulations publicly announced by the Minister of Finance (Canada) (the “Minister”) before the date hereof (the “Tax Proposals”) and the current published administrative practices and assessing policies of the Canada Revenue Agency. It has been assumed that the Tax Proposals will be enacted as proposed and that there is no other relevant amendment of any governing law. However, no assurance can be given in this respect.

This summary is not exhaustive of all possible income tax considerations and is based upon the Portfolios qualifying as mutual fund trusts under the Tax Act effective at all material times. The Manager expects that the Portfolios will so qualify. This summary does not take into account provincial, territorial or foreign tax laws, which might differ from the federal considerations. Prospective purchasers of units are advised to consult their own tax advisor about their particular circumstances.

Tax Status of the Portfolios

Each Portfolio will distribute to its unitholders in each year its net income and net realized capital gains, if any, to such an extent that it will not be liable in any taxation year for income tax under Part I of the Tax Act (taking into account any entitlement to a capital gains refund). Capital or income losses incurred by a Portfolio cannot be allocated to unitholders but may, subject to certain limitations, be deducted by the Portfolio from capital gains or net income realized in subsequent taxation years. All of a Portfolio’s deductible expenses, including expenses common to all series of units of the Portfolio and management fees and other expenses specific to a particular series of units of the Portfolio, will be taken into account in determining the income or loss of the Portfolio as a whole. In certain cases this may result in expenses attributable to a series of units of a Portfolio being used to reduce the income attributable to another series of units of a Portfolio. Income derived from foreign sources may be subject to foreign withholding taxes which, to the extent designated by the Portfolio and permitted by the Tax Act, may be claimed as a credit by unitholders. Generally, gains from derivatives (including futures and forwards contracts) used for non-hedging purposes will be taxed as income as

opposed to capital gains. In certain circumstances, capital losses realized by the Portfolios may be suspended and therefore may not be available to shelter capital gains.

A Portfolio may not qualify as a “mutual fund trust” under the Tax Act. Where a Portfolio does not qualify as a “mutual fund trust” under the Tax Act, the Portfolio could be subject to tax under Part XII.2 of the Tax Act. Part XII.2 of the Tax Act provides that certain trusts (excluding mutual fund trusts) that have a unitholder who is a “designated beneficiary” within the meaning of the Tax Act will be subject to a special tax at the rate of 36% on the trust’s “designated income” within the meaning of the Tax Act. A designated beneficiary includes a non-resident. “Designated income” generally includes income from a business carried on in Canada and taxable capital gains from dispositions of “taxable Canadian property”. Where a Portfolio is subject to tax under Part XII.2, provisions of the Tax Act are available to afford unitholders who are not designated beneficiaries with an appropriate refundable tax credit, provided that the Portfolio makes a designation. If a Portfolio does not qualify as a mutual fund trust for purposes of the Tax Act, it may be subject to alternative minimum tax under the Tax Act (very generally, to the extent that its expenses exceed its income other than taxable capital gains). As well, the Portfolio will not be entitled to claim the capital gains refund that would otherwise be available to it if it were a mutual fund trust throughout the year. Finally, a Portfolio that does not qualify as a mutual fund trust will be a “financial institution” for purposes of the “mark-to-market” rules contained in the Tax Act at any time if more than 50% of the fair market value of all interests in the Portfolio are held at that time by one or more financial institutions. The Tax Act contains special rules for determining the income of a financial institution.

A Portfolio may also be subject to a special tax under Part X.2 of the Tax Act if, at the end of any month, the Portfolio holds property that is not a “qualified investment” under the Tax Act for an RRSP, RRIF and DPSP.

On October 24, 2012, the Minister tabled a Notice of Ways and Means Motion in the House of Commons which included Tax Proposals to implement tax measures announced in the 2010 federal budget. In such federal budget, the Minister announced that prior Tax Proposals relating to the taxation of investments in foreign investment entities (the “**FIE Proposals**”) will not be implemented and instead existing section 94.1 of the Tax Act will continue subject to certain limited enhancements (which are described in the Tax Proposals released on October 24, 2012). A Portfolio may be subject to existing section 94.1 of the Tax Act if the Underlying Fund holds or has an interest in “offshore investment fund property”. In order for existing section 94.1 of the Tax Act to apply to the Portfolio, the value of the interests held by the Underlying Fund must reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments of the offshore investment fund property. If applicable, these rules can result in the Underlying Fund including an amount in its income based on the cost of the Underlying Fund’s offshore investment fund property multiplied by a prescribed interest rate. These rules would apply in a taxation year to the Underlying Fund if it could reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Underlying Fund acquiring, holding or having the investment in the entity that is an offshore investment fund property, was to benefit from the portfolio investments of the entity in such a manner that the taxes on the income, profits and gains therefrom for any particular year were significantly less than the tax that would have been applicable if such income, profits and gains had been earned directly by the Underlying Fund. Counsel has been advised that none of the reasons for an Underlying Fund

acquiring an interest in “offshore investment fund property” may reasonably be considered to be as stated above. As a result, based on the Tax Proposals, existing section 94.1 should not apply to the Portfolios.

Tax Status of Unitholders

Unitholders must include in income the net income and the taxable portion of net realized capital gains, if any, payable to them in a year by a Portfolio, (including management fee distributions) whether paid in cash or by reinvestment in additional units. To the extent that distributions (including management fee distributions) to a unitholder by a Portfolio in any year exceed that unitholder’s share of the net income and the net realized capital gains of the Portfolio, such distributions will be a return of capital and will not be taxable but will reduce the adjusted cost base of the unitholder’s units. If the adjusted cost base of a unitholder’s units is reduced to less than zero, the unitholder will be deemed to realize a capital gain to the extent of the negative amount and the adjusted cost base of the units will be increased to nil. When a unitholder acquires units of a Portfolio, the NAV of the units may reflect amounts on account of accrued but undistributed income, realized but undistributed capital gains, and unrealized capital gains. When these amounts are distributed to unitholders, they must be included in the unitholder’s income even though they accrued to the Portfolio prior to the time that the unitholder acquired units of the Portfolio.

Each Portfolio will make designations, to the extent permitted by the Tax Act, such that taxable capital gains, taxable dividends from taxable Canadian corporations and foreign source income will retain their character in the hands of unitholders for tax purposes. An enhanced dividend tax credit is available for certain eligible dividends received from Canadian corporations. Unitholders will be deemed, for foreign tax credit purposes, to have paid their proportionate share of foreign taxes on such foreign income.

Generally, the Portfolios will distribute gains from derivatives (including futures and forward contracts) used for non-hedging purposes as income rather than as capital gains.

Upon a disposition of a unit, unitholders will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the adjusted cost base of their unit at such time plus any costs of disposition. A change of units of one series of a Portfolio to units of another series of the same Portfolio will not result in a disposition of the units changed. Generally, unitholders must include one-half of a capital gain in computing income and may deduct one-half of a capital loss incurred from taxable capital gains.

Each unitholder will be provided with transaction statements and annual tax information slips reporting income, return of capital, and net realized capital gains distributions needed to complete the unitholder’s income tax returns.

Alternative Minimum Tax

Individuals, including certain trusts and estates, are subject to an alternative minimum tax. Such persons may be liable for this alternative minimum tax resulting from realized capital gains or dividends in respect of Units of a Portfolio.

Tax Sheltered Plans

Provided that the Portfolio qualifies as a “mutual fund trust” within the meaning of that term in the Tax Act, units of the Portfolios will be “qualified investments” under the Tax Act for trusts governed by Registered Plans.

However, an annuitant of an RRSP or RRIF, or a holder of a TFSA, may be subject to a penalty tax in respect of units of a Portfolio held by the RRSP, RRIF or TFSA if the units are “prohibited investments” for the RRSP, RRIF or TFSA. Provided that the annuitant of an RRSP or RRIF, or the holder of a TFSA, deals at arm’s length with the Portfolio for purposes of the Tax Act and does not have a “significant interest” (within the meaning of the Tax Act) in the Portfolio or in any corporation, partnership or trust with whom the Portfolio does not deal at arm’s length, units of a Portfolio will not be a prohibited investment under the Tax Act for the RRSP, RRIF or TFSA. The Department of Finance (Canada) recently indicated that it would recommend amendments to the Tax Act that would narrow the scope of the prohibited investment rules. However, no draft legislation has been released as of the date hereof.

Investors who choose to purchase shares of the Portfolios through a Registered Plan should consult their own professional advisors regarding the tax treatment of contributions to and acquisitions of property by such Registered Plan.

HOW THE PORTFOLIOS ARE MANAGED AND ADMINISTERED

The Manager

SAM acts as the manager of the Portfolios pursuant to a master management agreement (the “Master Management Agreement”) dated as of February 14, 2005, as amended and restated as of April 23, 2007, and assigned to SAM on November 1, 2009, and as further amended on November 19, 2012.

Pursuant to the Master Management Agreement, SAM is required to provide, or cause to be provided, portfolio management to the Portfolios, including all decisions as to the purchase and sale of portfolio securities and as to the execution of all portfolio transactions, and all necessary or advisable administrative services and facilities including valuation, fund accounting and unitholder records. The Master Management Agreement provides that the Manager may engage or employ any person as its agent to perform administrative functions on behalf of the Portfolios, and brokers or dealers in connection with the portfolio transactions of the Portfolios.

The Master Management Agreement may only be assigned upon consent of the other party and in compliance with the provisions of the Master Declaration of Trust and all applicable laws, regulations and other restrictions of regulatory authorities in Canada. No changes to the Master Management Agreement may be made without the approval of unitholders where required by law, regulations or policies of securities regulatory authorities. Where such laws, regulations or policies do not require unitholder approval, the provisions of the Master Management Agreement may be amended with the approval of the Trustee and the Manager.

The Manager receives, pursuant to the Master Management Agreement, fees from the Portfolios in respect of certain series of units as described in the simplified prospectus. The

Portfolios are required to pay tax on the fees which they pay to the Manager, as well as on most other goods and services they acquire.

Reductions in management fees for the Portfolios can be negotiated between the Manager and certain investors in the Portfolios. The reductions are generally paid at the same time the income distributions are made by the Portfolio and are settled through distributions of units of the Portfolio (“management fee distributions”) by way of automatic reinvestment in additional units of the Portfolio. The management fee distributions are intended to attract large investments that might not otherwise be invested in the Portfolios. (This benefits the Portfolios and the Manager because administration costs for each dollar invested in the Portfolios are lower for larger investments.) Eligibility for management fee distributions for unitholders of the other Portfolios is based on the size of the investment made or held in one or more Portfolios. Management fee distributions are paid first out of net income and net realized capital gains and then out of capital. The Manager may discontinue these reductions at any time upon written notice to the investor or unitholder. SAM will not receive any fees as trustee of the Portfolios.

For additional information concerning the management of the Funds, you should refer to *Material Contracts* in this annual information form.

Officers and Directors of the General Partner of Scotia Asset Management G.P. Inc.

The names and municipalities of residence of the directors and officers of Scotia Asset Management G.P. Inc., the general partner of the Manager, their principal occupations over the past five years, and the positions and offices held with Scotia Asset Management G.P. Inc. are as follows:

Name and Municipality of Residence	Position with Scotia Asset Management G.P. Inc.	Principal occupation in the past five years
Jordy Chilcott Oakville, Ontario	Chair of the Board, Director and Officer	<p>From October 2, 2012 to present- Managing Director and Head, Global Asset Management- Retail, GCIC Ltd.</p> <p>From September 6, 2012 to present-Executive Chairman, President and Chief Executive Officer, GCIC Ltd.</p> <p>From October 2009 to September 2012- Executive Vice President and Head of Dynamic, GCIC Ltd.</p> <p>From July 2008 to October 2009- Executive Vice President, GCIC Ltd.</p> <p>From January 2007 to July 2008- Senior Vice President, National Sales, GCIC Ltd.</p>
Neil C. Macdonald Toronto, Ontario	Chief Executive Officer and Director	<p>From October, 2011 to present – Chief Executive Officer, Scotia Asset Management G.P. Inc.</p> <p>From October, 2011 to present – Chief Executive Officer, SAM</p>

Name and Municipality of Residence	Position with Scotia Asset Management G.P. Inc.	Principal occupation in the past five years
		<p>From June 2007 to October 2011 – Managing Director, SAM</p> <p>From August 2002 to June 2007 – Vice President, AGF Investments</p>
Walter A. Pavan Oakville, Ontario	Chief Financial Officer and Director	<p>From November 2009 to present - Chief Financial Officer, SAM</p> <p>From November 2009 to present - Chief Financial Officer, Scotia Asset Management G.P. Inc.</p> <p>From May 2002 to present - Vice President, Scotiabank</p> <p>From February 1990 to present - Vice President, Treasurer, Chief Financial Officer - Scotia Securities Inc.</p>
Edna A. Chu Toronto, Ontario	Vice President, Compliance and Director	<p>Since August, 2011 to present – Chief Compliance Officer (Investment Fund Manager), SAM</p> <p>From March 2010 to present - Vice President, Compliance , SAM</p> <p>From November 2009 to present - Vice President, Compliance, Scotia Asset Management G.P. Inc.</p> <p>From September 2006 to present - Vice President, Compliance, Scotia Securities Inc.</p> <p>From September 2006 to present - Vice President, Deputy Head, Compliance, Wealth Management, Scotiabank</p>
Glen B. Gowland Caledon, Ontario	Director	<p>From October 2011 to present – Managing Director and Head, Scotia Private Client Group Canada and Global Institutional Business, SAM</p> <p>From November 2009 to October 2011 - Chief Executive Officer , Scotia Asset Management G.P. Inc.</p> <p>From November 2009 to October 2011 - Chief Executive Officer, SAM</p> <p>From November 2006 to October 2011 - Managing Director and Head, Mutual Funds, Scotiabank</p> <p>From June 2006 to October 2011- President and Chief Executive Officer, Scotia Securities Inc.</p>
Hamish B. Angus Toronto, Ontario	Director	From September, 2004 to present - Managing Director & Head, ScotiaMcLeod Full Service Brokerage, Scotia Capital Inc.
P.D. Michael Henry	Director	From May 2011 to present – Senior Vice President, Retail Payments, Commercial Deposits & Lending,

Name and Municipality of Residence	Position with Scotia Asset Management G.P. Inc.	Principal occupation in the past five years
Mississauga, Ontario		<p>Canadian Banking</p> <p>From October 2008 to present - Senior Vice President, Sales & Service, Personal & Commercial Banking, Scotiabank</p> <p>From March 2006 to October 2008 - Managing Director, Private Client and Institutional, Scotia Cassels Investment Counsel Limited</p>
Tony Cestra Oakville, Ontario	Director	<p>From May 2009 to present - Managing Director & Head, Equity Investments & Pension Assets, Scotiabank</p> <p>From May 2006 to April 2009 - Managing Director & Head, Private Equity Investments, Scotiabank</p>
Brian McChesney Unionville, Ontario	Director	From July 1985 to present - Managing Director, Scotia Capital Inc.
Wesley G.S. Mills Toronto, Ontario	Chief Investment Officer	<p>From April 2011 to present - Chief Investment Officer, SAM</p> <p>From April 2011 to present – Chief Investment Officer, Scotia Asset Management G.P. Inc.</p> <p>From November 2009 to April 2011 - Managing Director, Equities, SAM</p> <p>From September 2008 to November 2009 – Managing Director, Equities, Scotia Cassels Investment Counsel Limited</p> <p>From June 2006 to September 2008 – Managing Director, Private Client, Scotia Cassels Investment Counsel Limited</p>
Helena Lau Toronto, Ontario	Secretary	<p>From November 2009 to present – Secretary, SAM</p> <p>From November 2009 to present – Secretary, Scotia Asset Management G.P. Inc.</p> <p>From June 2006 to present – Senior Assistant Manager Subsidiaries and Assistant Secretary, Scotiabank</p> <p>From November 2009 to present – Secretary, Scotia Securities Inc.</p>

Officers and Directors of Scotia Asset Management L.P.

The names and municipalities of residence of the officers and directors of Scotia Asset Management L.P., their principal occupations over the past five years, and the positions and offices held with SAM are as follows:

Name and Municipality of Residence	Position with SAM	Principal occupation in the past five years
Neil C. Macdonald Toronto, Ontario	Chief Executive Officer	<p>From October 2011 to present – Chief Executive Officer, SAM</p> <p>From October 2011 to present – Chief Executive Officer, Scotia Asset Management G.P. Inc.</p> <p>From June 2007 to October 2011 – Managing Director, SAM</p> <p>From August 2002 to June 2007 – Vice President, AGF Investments</p>
Walter A. Pavan Oakville, Ontario	Chief Financial Officer	<p>From November 2009 to present - Chief Financial Officer, SAM</p> <p>From November 2009 to present - Chief Financial Officer, Scotia Asset Management G.P. Inc.</p> <p>From May 2002 to present - Vice President, Scotiabank and Managing Director, Scotia Capital Inc.</p> <p>From February 1990 to present - Vice President, Treasurer, Chief Financial Officer, Scotia Securities Inc.</p>
Wesley G.S. Mills Toronto, Ontario	Chief Investment Officer	<p>From April 2011 to present - Chief Investment Officer, SAM</p> <p>From April 2011 to present – Chief Investment Officer, Scotia Asset Management G.P. Inc.</p> <p>From November 2009 to April 2011 - Managing Director, Equities, SAM</p> <p>From September 2008 to November 2009 – Managing Director, Equities, Scotia Cassels Investment Counsel Limited</p> <p>From June 2006 to September 2008 – Managing Director, Private Client, Scotia Cassels Investment Counsel Limited</p>
M. Catherine Tuckwell Toronto, Ontario	Chief Compliance Officer (Portfolio Manager)	<p>From November 2009 to present - Chief Compliance Officer (Portfolio Manager), SAM</p> <p>From November 2009 to present - Chief Compliance Officer, Scotia Asset Management U.S. Inc.</p> <p>From December 1998 to September 2009 - Chief Compliance Officer, Scotia Cassels Investment Counsel Limited</p> <p>From June 2002 to October 2009 – Chief Compliance Officer, Scotia Cassels U.S. Investment Counsel Inc.</p>

Name and Municipality of Residence	Position with SAM	Principal occupation in the past five years
Edna A. Chu Toronto, Ontario	Vice President, Compliance and Chief Compliance Officer (Investment Fund Manager)	<p>From August 2011 to present – Chief Compliance Officer (Investment Fund Manager), SAM</p> <p>From March 2010 to present - Vice President, Compliance, SAM</p> <p>From November 2009 to present - Vice President, Compliance, Scotia Asset Management G.P. Inc.</p> <p>From September 2006 to present - Vice President, Compliance, Scotia Securities Inc.</p> <p>From September 2006 to present - Vice President, Deputy Head, Compliance, Wealth Management, Scotiabank</p>
Tuula Jalasjaa Mississauga, Ontario	Managing Director and Head, Private Client Investments	<p>From November 2009 to present - Managing Director and Head, Private Client Investments, SAM</p> <p>From October 2008 to October 2009 - Managing Director and Head, Investment Management Distribution, Scotia Cassels Investment Counsel Limited</p> <p>From November 2004 to October 2008 - Vice President, Strategic Business Development, Global Transaction Banking, Scotiabank</p>
Glen B. Gowland Caledon, Ontario	Officer	<p>From October 2011 to present – Managing Director and Head, Scotia Private Client Group Canada and Global Institutional Business, SAM</p> <p>From November 2009 to October 2011 - Chief Executive Officer , Scotia Asset Management G.P. Inc.</p> <p>From November 2009 to October 2011 - Chief Executive Officer, SAM</p> <p>From November 2006 to October 2011 - Managing Director and Head, Mutual Funds, Scotiabank</p> <p>From June 2006 to October 2011- President and Chief Executive Officer, Scotia Securities Inc.</p>
Helena Lau Toronto, Ontario	Secretary	<p>From November 2009 to present - Secretary, SAM</p> <p>From November 2009 to present - Secretary, Scotia Asset Management G.P. Inc.</p> <p>From June 2006 to present - Senior Assistant Manager Subsidiaries and Assistant Secretary, Scotiabank</p> <p>From November 2009 to present – Secretary, Scotia Securities Inc.</p>

Name and Municipality of Residence	Position with SAM	Principal occupation in the past five years
Ian Raycroft Oakville, Ontario	Officer	From September 2009 to present – Director and Portfolio Manager, Managed Accounts, SAM From July 2007 to September 2009 - Director & Portfolio Manager, Private Client Fund Management, Scotia Cassels Investment Counsel Limited From September, 1998 to July 2007 – Portfolio Manager, Private Client Fund Management, Scotia Cassels Investment Counsel Limited

The Portfolio Advisor

SAM is the portfolio advisor to the Portfolios. The individual at SAM providing advice is as follows:

Portfolio Manager	Current Title	Length of Service with portfolio advisor (or an affiliated entity)	Principal occupation in the last 5 years
Judith Chan	Director, Portfolio Solutions - Canadian Banking	7 years	From September 2012 to present - Director, Portfolio Solutions, SAM From November 2008 to September 2012 – Senior Manager, Investment Oversight, SAM From September 2005 to November 2008 – Manager, Investment Oversight, Scotia Securities Inc.

The investment decisions of the individual portfolio advisor listed above are subject to the oversight, approval or ratification of any SAM committee.

The Sub-advisor

Pursuant to an Investment Sub-Advisor Agreement dated February 21, 2012, Aurion Capital Management Inc. (“Aurion”) is the sub-advisor to the Scotia INNOVA Income Portfolio and the Scotia INNOVA Balanced Income Portfolio. Aurion has the authority, subject to the direction of SAM, to give instructions to purchase and sell securities of these Portfolios in accordance with their respective objectives and restrictions. DundeeWealth Inc. (“DundeeWealth”) owns 60% of Aurion. DundeeWealth is a wholly owned subsidiary of Scotiabank and part of Scotiabank’s Global Wealth Management division. The individuals providing advice are as follows:

Portfolio Manager	Current Title	Length of Service with portfolio advisor (or an affiliated entity)	Principal occupation in the last 5 years
Christine Horoyski	Senior Vice President and Portfolio Manager, Fixed Income	9 years	Portfolio Manager, Fixed Income, Aurion Capital Management Inc.
Nicole White	Director and Portfolio Manager, Fixed Income and Currency	16 years	Portfolio Manager, Fixed Income, Aurion Capital Management Inc.
Derek Johnson	Director, Fixed Income	3 years	From July, 2009 to present – Analyst, Fixed Income, Aurion Capital Management Inc. From June 2009 to July 2009 – Senior Analyst, TD Bank From February 2009 to May 2009 – Proprietary Trader, Infinium Capital Corporation From June 2007 to January 2009 – Analyst, Credit Risk Advisors From July 2005 to May 2007 – Product Development, Thomson Financial

The investment decisions of the individual sub-advisors listed above are not subject to the oversight, approval or ratification of any SAM committee.”

Portfolio Governance

SAM, the trustee and manager of the Portfolios, is responsible for the day-to-day administration and management of the Portfolios. SAM is the portfolio advisor for the Portfolios and retains Aurion as sub-advisor for Scotia INNOVA Income Portfolio and Scotia INNOVA Balanced Income Portfolio. SAM will receive regular reports from Aurion regarding its compliance with applicable investment guidelines and parameters and compliance with the investment restrictions and practices of these Portfolios.

SAM complies with National Instrument 81-105 *Mutual Fund Sales Practices*. SAM has adopted a Personal Trading Policy for employees that addresses potential internal conflicts of interest in respect of the Portfolios. In addition, Scotiabank has adopted Guidelines for Business Conduct, which also addresses the issue of internal conflicts.

Risk management is dealt with on a number of levels. The investment advisory agreement between the Manager and Aurion specifies that Scotia INNOVA Income Portfolio and Scotia INNOVA Balanced Income Portfolio must comply with the investment restrictions and practices outlined in applicable securities legislation, including NI 81-102, subject to any exemption granted by the CSA. SAM and Aurion have established policies and guidelines

relating to business practices, risk management controls and conflicts of interest. In addition, SAM and Aurion each have their own code of ethics that addresses such things as personal trading by employees. Various measures to assess risk are used, including mark-to-market security valuation, fair value pricing, effective exposure reporting, and monthly reconciliation of security and cash positions. Compliance monitoring of the portfolio assets of the Portfolios is ongoing. The Portfolios are generally priced on each business day, so that performance reflects market movements.

Independent Review Committee

SAM appointed the initial IRC, the governance agency for the Funds as required by National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”). The IRC became operational under NI 81-107 on November 1, 2007. The members of the IRC are independent from, and not associates or affiliates of, the Manager, Scotiabank, or any of the portfolio advisors and currently are Robert S. Bell (Chair), Carol S. Perry and D. Murray Paton. The IRC must act in the best interests of the Portfolios’ unitholders.

The mandate of the IRC is to:

- (a) review a conflict of interest matter, including any related policies and procedures, referred to it by SAM and make recommendations to SAM regarding whether the proposed action of SAM in respect of the conflict of interest matter achieves a fair and reasonable result for the applicable ScotiaFund;
- (b) consider and approve, if deemed appropriate, SAM’s decision on a conflict of interest matter that SAM refers to the IRC for approval; and
- (c) perform such other duties and provide such other recommendations and approvals as may be permitted under applicable securities laws.

NI 81-107 also requires that SAM have policies and procedures related to conflicts of interest.

Each member of the IRC receives a fee for attending each meeting of the IRC and each meeting held for education or information purposes, as well as an annual retainer and is reimbursed for reasonable expenses incurred. Commencing with the financial year ending December 31, 2011, the chair of the IRC, received \$47,500 and the other two members received \$35,000 as an annual retainer for their services as IRC members and each of them also received \$1,500 for each meeting attended. The aggregate compensation paid to the IRC for the period ended December 31, 2011 was \$170,000. These fees and expenses will be allocated among the ScotiaFunds, all of which are managed by SAM, in a manner considered fair and reasonable by SAM.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The portfolios may enter into securities lending, repurchase and reverse repurchase transactions from time to time as discussed under *Investment Restrictions and Practices – Securities Lending, Repurchase and Reverse Repurchase Transactions* above.

Pursuant to the requirements of NI 81-102, the Manager intends to manage the risks associated with securities lending, repurchase and reverse repurchase transactions by requiring that each securities loan be, at a minimum, secured by investment grade collateral and that the collateral held by a fund be at least 102% of the market value of the loaned securities. The amount of collateral will be adjusted daily to ensure this collateral coverage is maintained at all times. All such securities loans will only be with qualified borrowers. In addition, the aggregate market value of all securities lent and sold by a fund will not exceed more than 50% of the total value of its assets, not including collateral or cash held, through securities lending, repurchase and reverse repurchase transactions and the fund's total exposure to any one borrower in securities lending transactions must be less than 10% of the total value of the fund's assets. The Fund will comply with all other applicable requirements of securities and tax legislation with respect to securities lending transactions.

Policies and procedures relating to any securities lending, repurchase and reverse repurchase transaction entered into on behalf of a portfolio will be developed by the Manager and the portfolio's custodian acting as its agent in administering the transaction. Such policies and procedures will set out (i) the objectives and goals for securities lending, repurchase transactions or reverse repurchase transactions and (ii) the risk management procedures, including limits and other controls on such transactions, applicable to the fund. The Manager will manage the risks associated with securities lending, repurchase and reverse repurchase transactions by requiring the agent to:

- ensure that collateral is provided in the form of cash, qualified securities or securities that can be converted into the securities which are the subject of the securities lending, repurchase or reverse repurchase transactions;
- value the loaned or purchased securities and the collateral every day to ensure that the collateral is worth at least 102% of the value of the securities;
- invest any cash collateral in accordance with the investment restrictions specified in the agency agreement; and
- invest no more than 50% of the total assets of a fund in securities lending or repurchase transactions at any one time.

The creditworthiness of each qualified borrower to a securities loan will be evaluated by the Manager. Any agreements, policies and procedures that are applicable to the Portfolio relating to securities lending will be reviewed and approved annually by senior management of the Manager.

Proxy Voting Policies and Procedures

SAM has in place policies and procedures (the "Proxy Voting Policy") to ensure that proxies relating to securities held by a Portfolio are voted in the best interest of each Portfolio. SAM delegates proxy voting responsibility in respect of the securities held by Scotia INNOVA Income Portfolio and Scotia INNOVA Balanced Income Portfolio to Aurion. Aurion has its own proxy voting policies and procedures to be used in determining whether and how to vote on any matter for which the relevant Portfolio received proxy materials. SAM reviews Aurion's proxy voting policies to ensure that the voting rights will be exercised in accordance with the best interests of the relevant Portfolio.

SAM's Proxy Voting Policy sets out a process to ensure that the Manager can resolve material conflicts of interest relating to proxy voting that may arise between a Portfolio and SAM or its affiliates or individuals making proxy voting decisions. In the case where a material conflict of interest arises, the Proxy Voting Policy permits consulting and following the voting recommendation of a reputable independent proxy voting service provider.

Where SAM also acts as portfolio advisor for a Portfolio, it has retained the services of a third party consultant with expertise on proxy voting matters to provide proxy voting guidance. SAM reviews each proxy, along with the recommendations made by the consultant with respect to proxy issues and may vote in accordance with such recommendations if appropriate and if consistent with its policies and procedures. Where proxies relate to relatively routine matters, such as the regular appointment of auditors and the election of directors, proxies are generally voted in accordance with management's recommendations. Where the proxy relates to non routine matters, such as proposed mergers and reorganizations or a dissident slate of directors, these matters are brought to the attention of the Chief Investment Officer or to another senior officer of SAM on a case by case basis for consideration and final approval.

The Proxy Voting Policy sets out a process to ensure that the Manager can resolve material conflicts of interest relating to proxy voting that may arise between a Portfolio and SAM or its affiliates or individuals making proxy voting decisions. In the case where a material conflict of interest arises, the Proxy Voting Policy permits consulting and following the voting recommendation of a reputable independent proxy voting service provider.

Aurion has adopted a written proxy voting policy and procedures for the Scotia INNOVA Income Portfolio and Scotia INNOVA Balanced Income Portfolio. In the event that Aurion is required to vote a proxy in respect of certain investments it will follow its proxy voting policy. The proxy voting procedures are designed to ensure that proxies are voted in the best interests of clients. In addition, the proxy voting policy includes guidelines if a material conflict of interest arises between Aurion and/or its employees and its clients to ensure that any material conflict of interest is resolved in the best interests of its clients.

Voting rights and fund of fund investments

The Portfolios invest in other underlying mutual funds, including mutual funds managed by us. If a unitholder meeting is called for an underlying fund that is managed by us, SAM will not vote the units of the underlying mutual fund. SAM may arrange for these securities to be voted by unitholders of the applicable fund. However, given the costs and complexity of doing so, SAM may not arrange for a flow-through of voting rights.

Availability of Proxy Voting Information

The Proxy Voting Policy and the sub-advisor's proxy voting policy are available upon request and at no charge by calling 1-800-268-9269 (416-750-3863 in Toronto) for English or 1-800-387-5004 for French, or by writing to SAM at the address on the back cover of this annual information form.

The proxy voting record for each Portfolio for the most recent 12-month period ending June 30 of each year will be available upon request and at no cost at any time after August 31 of

that year. The proxy voting record for each Portfolio will also be available on the ScotiaFunds website at www.scotiafunds.com.

Policies on the Use of Derivatives

All of the portfolios may use derivatives as described in the simplified prospectus. Any use of derivatives by a portfolio is governed by the Manager's own policies and procedures which set out (i) the objectives and goals of derivatives trading and (ii) the risk management practices, including control policies and procedures, applicable to derivatives trading. These policies and procedures are prepared and reviewed annually by senior management of the Manager. The decision as to the use of derivatives, including the oversight of the limits and controls on derivatives trading, is made by senior portfolio managers of the Manager in accordance with our compliance procedures and risk control measures.

For further information about how the portfolios use derivatives, refer to *Investment Restrictions and Practices - Derivatives* above and *About derivatives* in the portfolios' simplified prospectus.

The Distributor

The unissued Series A units and Series T units offered by the simplified prospectus of the Portfolios are distributed by Scotia Securities Inc. pursuant to an amended and restated distributorship agreement between Scotia Securities Inc. and SAM (the "Master Distributorship Agreement") with effect for each Portfolio as of the date it was created.

Portfolio Transactions and Brokers

SAM or the sub-advisor makes decisions as to the purchase and sale of securities and other assets of the Portfolios, as well as decisions regarding the execution of portfolio transactions of a Portfolio, including the selection of market and broker and negotiation of commissions. In effecting these portfolio transactions, SAM and the sub-advisor may place brokerage business with numerous dealers and brokers on the basis of the best execution, which includes a number of considerations such as price, volume, speed and certainty of execution, and total transaction cost. SAM and the sub-advisor have policies in place regarding broker selection and best execution and the selection of brokers.

SAM uses the same criteria in selecting all of its dealers and brokers, regardless of whether the dealer or broker is an affiliate of us. In certain circumstances, SAM receives goods or services from dealers or brokers in exchange for directing brokerage transactions to such dealers or brokers. These types of goods and services include research goods and services ("research goods and services") and order execution goods and services ("order execution goods and services").

SAM currently has in place brokerage arrangements with its affiliate, Scotia Capital Inc. Scotia Capital Inc. may provide research goods and services, order execution goods and services and mixed-use goods and services in exchange for effecting brokerage transactions.

SAM receives research goods and services, which include: (i) advice as to the value of securities and the advisability of effecting transactions in securities; and (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends that may have an impact on the value of securities. The research goods and services that we are provided in exchange for brokerage commissions include advice, analyses and reports that focus on, among other matters, specific stocks, sectors and economies.

SAM also receives order execution goods and services, such as data analysis, software applications and data feeds. These goods and services may be provided by the executing dealer directly or by a party other than the executing dealer.

In certain instances, SAM may receive goods and services containing some elements that qualify as research goods and services and/or order execution goods and services and other elements that do not qualify as either of such permitted goods and services. These types of goods and services are considered to be mixed-use ('mixed-use goods and services'). If SAM obtains mixed-use goods and services, we only use brokerage commissions to pay for the portion that is used in our investment or trading decisions or in effecting securities transactions, each on behalf of the Portfolios or client accounts.

SAM's investment management and trade execution teams decide which dealers or brokers are allocated brokerage business based on the competitiveness of the commission costs, their ability to provide best execution of trades and the range of services and quality of research received. SAM may use research goods and services and order execution goods and services to benefit our Portfolios and clients other than those whose trades generated the brokerage commission. However, SAM has policies and procedures in place such that over a reasonable period of time, all clients, including the Portfolios, receive fair and reasonable benefit in return for the commission generated.

The names of such dealer or third parties, who have provided research goods and services and/or order execution goods and services since the date of the last annual information form, are available upon request by calling us toll-free at 1-800-268-9269 (416-750-3863 in Toronto) for English or 1-800-387-5004 for French, or by email at info@scotiaam.com or by writing to us at the address on the back cover of this annual information form.

Custodian

Scotiabank acts as custodian of the portfolio securities of the Portfolios. The Portfolios pay all reasonable fees and expenses of Scotiabank for custodial services, including safekeeping and administrative services. The Custodian Agreement permits Scotiabank to appoint sub-custodians on the same terms and conditions it has with each of the Portfolios. As of the date of this annual information form, The Bank of New York, New York, U.S.A., acts as principal sub-custodian of the Portfolios.

Changes to the Master Declaration of Trust

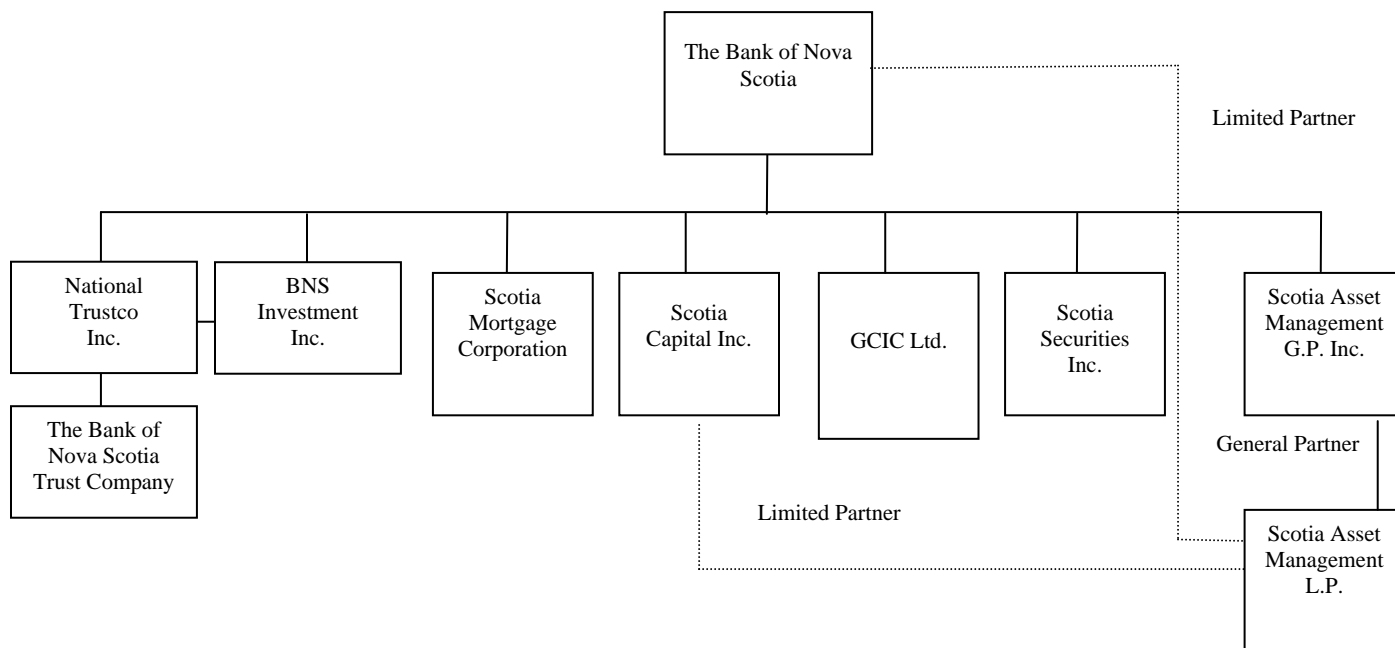
Certain amendments to the Master Declaration of Trust governing the Portfolios, such as a change in the fundamental investment objectives of a Portfolio, or any other change for which the approval of unitholders is required by securities regulatory authorities or pursuant to the

Master Declaration of Trust, may not be made without the approval of a majority of votes cast at a meeting of unitholders duly called for that purpose. All other amendments to the Master Declaration of Trust may be made by the trustee without unitholder approval.

Pursuant to the Master Declaration of Trust, where the trustee resigns, is removed or is otherwise incapable of acting, a successor trustee can be appointed by the Manager of the Portfolio without the approval of the unitholders. If the Manager fails to appoint a new trustee, provision is made in the Master Declaration of Trust for the unitholders to appoint a successor trustee.

Affiliated Entities

The only affiliated entities that provide services to the Portfolios and to the Manager in connection with the Portfolios are Scotiabank, Scotia Capital, The Bank of Nova Scotia Trust Company and Scotia Securities Inc. The amount of fees received from a Portfolio by these entities is disclosed in the Portfolio’s audited annual financial statements. The following diagram shows the relationship between the Manager and these entities.



Principal Holders of Securities

As at November 1, 2012, Scotiabank owned all of the issued and outstanding shares of Scotia Asset Management G.P. Inc., which is the general partner of SAM, and owned directly and indirectly 100% of SAM.

To protect the privacy of individual investors, we have omitted the name of the individual investor (or their holding entity). This information is available on request by contacting us at the telephone number on the back cover of this annual information form.

As at November 1, 2012, no person or company owns beneficially, directly or indirectly, or exercises control or direction over more than 10% of any series of units of the Portfolios.

As at November 1, 2012, the directors and senior officers of SAM, in aggregate, did not beneficially own more than 10%, directly or indirectly, any securities of the outstanding Series A Units of a Portfolio. As at November 1, 2012, the directors and senior officers of SAM, did not own any securities of SAM or a service provider to the Portfolio or SAM, other than common shares of Scotiabank. Such holdings represented less than 1% of the outstanding common shares of Scotiabank.

As at November 1, 2012, the members of the IRC, in aggregate, did not beneficially own more than 10%, directly or indirectly, any securities of the outstanding Series A Units of a Portfolio. As at November 1, 2012, the members of the IRC, did not own any securities of SAM or a service provider to the Portfolio or SAM, other than common shares of Scotiabank. Such holdings represented less than 1% of the outstanding common shares of Scotiabank.

Material Contracts

Copies of the Master Declaration of Trust, the Master Management Agreement, the Master Distributorship Agreement and the Amended, Restated and Consolidated Custodian Agreement (the “Material Contracts”) are available for inspection at the head office of the Manager during normal business hours.

Master Declaration of Trust

The Portfolios are governed by the Master Declaration of Trust, as amended as of November 19, 2012 and SAM is or became the trustee of all of the Portfolios. The Portfolios will continue until terminated by the trustee. Subject to applicable securities laws, the Trustee is empowered to take all steps necessary to effect the termination of such Portfolios.

Master Management Agreement

The Master Management Agreement dated February 14, 2005, as assigned from Scotia Securities Inc. to SAM on November 1, 2009 and as amended on November 19, 2012, is between SAM as the manager and SAM, in its capacity as trustee of each Portfolio. The Master Management Agreement may be terminated by either party giving at least six months prior notice to the other of such termination.

Master Distributorship Agreement

The Master Distributorship Agreement, as amended as of November 19, 2012, is between Scotia Securities Inc. and the Manager on behalf of each Portfolio. Provided that the terms of the Master Distributorship Agreement are satisfied, Scotia Securities Inc. may appoint participating dealers. The Master Distributorship Agreement may be terminated at any time upon the request of the distributor or by agreement of the distributor and the Manager, or after six months following a unitholders’ meeting approving the termination.

Custodian Agreement

Scotiabank acts as custodian pursuant to the Custodian Agreement, as amended, consolidated as of November 19, 2012, between each Fund, SAM and Scotiabank. The Custodian Agreement may be terminated by either party giving at least 60 days prior notice to the other of such termination.

Investment Advisory Agreement

Aurion is the sub-advisor to the Scotia INNOVA Income Portfolio and the Scotia INNOVA Balanced Income Portfolio pursuant to an Investment Sub-Advisor Agreement dated February 21, 2012.

Related Party Transactions

The Manager receives management fees from the Portfolios as described under the sub-heading *The Manager* above. The fees received by the Manager are disclosed in the financial statements of the Portfolios.

Scotiabank may earn some income as a result of providing custodial services, including safekeeping and administrative services, and unitholder recordkeeping services to the Portfolios and as a result of acting as agent in respect of securities lending, repurchase and reverse repurchase transactions.

SAM will earn income as a result of providing portfolio management services to the Portfolios. Scotia Capital Inc. will earn brokerage fees as a result of providing trade execution services for certain Portfolios from time to time.

Portfolios that invest in underlying funds that are managed by the Manager or an associate or affiliate of the Manager will not vote any of the securities of those underlying funds. The Manager may, however, arrange for unitholders to vote their share of those securities.

Auditors, Transfer Agent and Registrar

PricewaterhouseCoopers LLP, Chartered Accountants, PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2, are the auditors of the Funds.

Prior to May 1, 2012, Ernst & Young LLP, Chartered Accountants, Box 251, Ernst & Young Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1J7 were the auditors of the Portfolios.

The auditors of the Portfolios may only be changed with the approval of the IRC and upon providing unitholders of the Portfolios with 60 days advance written notice in accordance with the provisions of the Master Declaration of Trust for the Portfolios and as permitted by the CSA.

SAM acts as the registrar and transfer agent for the Portfolios pursuant to registrar and transfer agency agreements described above. SAM has made arrangements to have certain registrar and transfer agency functions performed by Scotiabank.

AUDITORS' CONSENT

Scotia INNOVA Income Portfolio
Scotia INNOVA Balanced Income Portfolio
Scotia INNOVA Balanced Growth Portfolio
Scotia INNOVA Growth Portfolio
Scotia INNOVA Maximum Growth Portfolio

(collectively, the "Portfolios")

We have read the simplified prospectus and the related annual information form of the Portfolios, each dated November 19, 2012, relating to the distribution and sale of Series A units and Series T units, as applicable, of the Portfolios. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference in the above-mentioned simplified prospectus and the related annual information form, of our report dated March 8, 2012 to the unitholders of the Portfolios on the following financial statements for each of the Portfolios:

- Statement of Net Assets as at December 31, 2011 and 2010;
- Statement of Investment Portfolio as at December 31, 2011;
- Statement of Operations for the periods ended December 31, 2011 and 2010; and
- Statement of Changes in Net Assets for the periods ended December 31, 2011 and 2010.

(signed) "Ernst & Young LLP"

Chartered Accountants
Licensed Public Accountants

Toronto, Canada
November 19, 2012

CERTIFICATES OF THE PORTFOLIOS AND THE MANAGER

November 19, 2012

Scotia INNOVA Income Portfolio
Scotia INNOVA Balanced Income Portfolio
Scotia INNOVA Balanced Growth Portfolio
Scotia INNOVA Growth Portfolio
Scotia INNOVA Maximum Growth Portfolio

(collectively, the “Portfolios”)

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentation.

“Neil C. Macdonald”

Neil C. Macdonald
Chief Executive Officer
Scotia Asset Management G.P. Inc., as
General Partner for and on behalf of Scotia
Asset Management L.P.

“Walter Pavan”

Walter Pavan
Chief Financial Officer
Scotia Asset Management G.P. Inc., as
General Partner for and on behalf of Scotia
Asset Management L.P.

ON BEHALF OF

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 and Trustee of the Portfolios

“Jordy Chilcott”

Jordy Chilcott
Director

“Edna A Chu”

Edna A. Chu
Director

CERTIFICATE OF PRINCIPAL DISTRIBUTOR

November 19, 2012

Scotia INNOVA Income Portfolio
Scotia INNOVA Balanced Income Portfolio
Scotia INNOVA Balanced Growth Portfolio
Scotia INNOVA Growth Portfolio
Scotia INNOVA Maximum Growth Portfolio

(collectively, the “Portfolios”)

To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentation.

Scotia Securities Inc.
as Principal Distributor of the Portfolios

By: “Edna A. Chu”

Edna A. Chu

Director

ScotiaFunds[®]

SCOTIA INNOVA PORTFOLIOS[®]

Scotia INNOVA Income Portfolio (Series A and Series T units)
Scotia INNOVA Balanced Income Portfolio (Series A and Series T units)
Scotia INNOVA Balanced Growth Portfolio (Series A and Series T units)
Scotia INNOVA Growth Portfolio (Series A units)
Scotia INNOVA Maximum Growth Portfolio (Series A units)

Managed by:

Scotia Asset Management L.P.

52nd Floor

40 King Street West

Toronto, Ontario

M5H 1H1

www.scotiafunds.com

1-800-268-9269

info@scotiaam.com

Additional information about the Portfolios is available in the Portfolios' Fund Facts, management reports of fund performance and financial statements.

You can get a copy of the Funds' financial statements and management reports of fund performance free of charge by calling 1-800-268-9269 (416-750-3863 in Toronto) for English or 1-800-387-5004 for French, or from your registered investment professional or on our website at www.scotiafunds.com.

These documents and other information about the Portfolios, such as information circulars and material contracts, are also available at www.sedar.com.

[®]Registered trademark of The Bank of Nova Scotia, used under license.

The Portfolios are managed by Scotia Asset Management L.P. and are available through Scotia Securities Inc., and from other dealers and advisors including ScotiaMcLeod and Scotia iTRADE which are divisions of Scotia Capital Inc. (Member of the Canadian Investor Protection Fund). Scotia Capital Inc., Scotia Securities Inc. and GCIC Ltd. are corporate entities separate from, although wholly owned directly and indirectly by, The Bank of Nova Scotia.